

The Star-Ledger

New Jersey leads way for legal immigrants: More could be on way

By: Tom De Poto – March 31, 2013

Last year, New Jersey companies hired more skilled immigrant workers than any other state in the nation.

They came mostly from India, but also from China, Southeast Asia, Europe and elsewhere in search of good paying jobs and a chance for a green card, which would let them stay longer.

According to data from the Department of Homeland Security, nearly 46,000 temporary work visas for highly skilled employees were approved or extended in New Jersey in 2012. That number outpaces the visa requests in California (40,589), Texas (28,196) or New York (20,140), which are considered gateway states.

In the sometimes toxic debate about immigration, the temporary work visa, known as H-1B, is often overlooked. It may be because the numbers are relatively small when compared with the estimated 11 million illegal immigrants in the country. The government approves only 65,000 H-1Bs yearly to foreign workers equipped with hard-to-find skills. An additional 20,000 are awarded to foreigners with master's or higher degrees earned from U.S. colleges and universities.

The visas are good only for three years, and can be renewed only once.

Sen. Orrin Hatch (R-Utah) introduced a bipartisan bill in January to nearly double the number of visas from 65,000 to 115,000, with an option to grow the cap further if demand for skilled workers outpaces the supply.

Sen. Chuck Grassley (R-Iowa) last week introduced a measure that would make it more difficult to import lower-skilled workers. In his message introducing the bill, Grassley said, "The (H-1B) program was never meant to replace qualified American workers, but it was instead intended as a means to fill gaps in highly specialized areas of employment."

The measures could affect many New Jersey companies that hire a significant number of foreign workers. In 2012, Larsen Toubro Infotech, an engineering and technology firm with headquarters in India, applied for nearly 4,000 work visas through its Edison offices. Ernst & Young in Secaucus submitted more than 2,500 applications for foreign staff around the country. Cognizant Technology in Teaneck applied for more than 2,100 foreign workers.

None of those companies was willing to speak about their visa programs or needs. The bills have been overshadowed by the bipartisan, so-called Gang of Eight senators

working to forge a comprehensive immigration bill. The eight — Sens. Robert Menendez (D-N.J.), John McCain (R-Ariz.) Charles Schumer (D-N.Y.), Lindsey Graham (R-S.C.), Marco Rubio (R-Fla.), Dick Durbin (D-Ill.), Jeff Flake (R-Ariz.) and Michael Bennet (D-Colo.) — have been working behind closed doors to craft a measure they can introduce within the next few weeks.

“We are continuing to make real progress,” Menendez said. “Through our discussions, we’ve found that there is actually a lot of consensus between Republicans and Democrats on this issue, and I am genuinely encouraged.”

The result is that the bills have received scant attention while the Senate waits to see what is included in the more comprehensive proposal.

“Most people generally like (expanding the H-1B program)” said Alex Nowrasteh, immigration policy analyst at Cato Institute. “It’s used to sweeten the pot and helps politicians pass the unsavory parts. If broader immigration reform fails, this will go forward.”

APPLICATION DATE

H-1B applications will be accepted beginning tomorrow. William Wright, a spokesman the Department of Homeland Security, anticipates applications will outnumber visas before the week is out.

“The way the system works now, it’s almost like going hunting,” said David Grunblatt, the Newark-based head of immigration practices for the international law firm Proskauer. “You have to have a license and you can only hunt during the season. The real world doesn’t work that way.

“If I need to hire an engineer because I’m starting a project, I can’t wait until April to file an application. What business runs like that? When companies recruit, they need the person now, not a year from now,” he said.

Grunblatt said expanding the number of visas could reduce outsourcing as well. Companies hire high-priced overseas execs because it’s problematic bringing them to the United States, he said.

Microsoft has opened a large campus in Vancouver because Canada’s immigration laws are more open.

Paypal co-founder Peter Thiel is putting his money behind Blueseed, a project to create an offshore luxury barge where people can work and live outside of immigration laws.

For Norman Matloff, however, a professor at the University of Southern California, Davis, and author of an Economic Policy Institute paper “Are foreign students the best and brightest?” the H-1B program does more harm than good.

“Research shows on average, and I use that as a qualifier, on average, foreign workers are less talented than Americans. Replacing Americans with foreigners is a bad deal for the economy. It’s a net loss if we keep people who are less talented,” he said.

Advocates such as Grunblatt and Nowrasteh don't believe foreigners are taking jobs from Americans, citing the unemployment rate for college graduates with science, technology, engineering and math degrees at 3.7 percent.

PAY LOOPHOLES

Matloff said it's spin.

"If you are an engineer and lose your job and you take a job as a sales clerk at Radio Shack, you're counted as a sales clerk and not an unemployed engineer," he said. H-1B employers are required by law to pay the prevailing wage. The vast majority do, but Matloff said loopholes let employers underpay. Companies can save 20 percent to 50 percent while adhering to the letter of the law, he said, recouping the costs of government and legal fees required to bring a foreigner here.

In addition, he said, "If the worker is being sponsored by the company, they become de facto indentured servants. They are linked to their employer for six years."

According to the U.S. Citizenship and Immigration Services, the median salary for H-1B workers was \$70,000 last year, ranging from a low of \$36,000 for those in religious fields to \$100,000 for fashion models.

In New Jersey, the price to hire top talent costs more. At Novartis Pharmaceuticals, for example, the average pay is \$111,365 for 62 H-1B workers. At Merck, it's \$90,000. Menendez and his colleagues had hoped to present a comprehensive immigration bill before the end of March. Now they say it will take a few more weeks.

Part of the proposal will include work visas.

"The system in place now is not bad," said Grunblatt, the lawyer, "but the quota makes it unmanageable."