

THE ARIZONA REPUBLIC

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Front Page
Business Section

Immigration plan scrutinized

By Chad Graham
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The immigration-reform bill before the U.S. Senate is flawed, companies across the state agree, but Arizona's employers say it could help them handle the growing labor shortage by increasing the applicant pool.

Still, everyone from brownie bakers to computer-chip makers has questions about details of the complex plan and how it will be put into effect.

"We're not entirely satisfied with the bill," said Sheridan Bailey, presi-

Employers welcome reform but detect flaws

dent of Ironco Enterprises in Phoenix and co-founder of Arizona Employers for Immigration Reform, which started in January. "But we support it because it has been produced in good faith, from all directions."

The Arizona Chamber of Commerce and Industry has called the plan a "proper framework for restructuring the flawed U.S. immigration system."

The Senate plans to hold a final vote on the measure sometime after the

Memorial Day recess.

The bill would give legal status to the about 12 million undocumented immigrants currently in the United States.

Among other provisions, the bill features a new temporary-worker program, increases border security and would create a point system to distribute permanent immigration visas based on skills, education, occupation and family ties.

The U.S. House has not begun de-

bate on immigration. Any bill must be agreed to by both houses of Congress before it is sent to President Bush, who can either sign it or veto it.

(In Arizona, the state Senate on Wednesday passed a bill 23-4 that would give Arizona employers who knowingly hire illegal workers one chance to correct the problem before losing their business license. The bill still must be negotiated between state House and Senate members.)

"Something needs to be done," said

See IMMIGRATION Page D2

Ariz. employers scrutinize immigration-reform plan

IMMIGRATION

Continued from D1

David Kravetz, co-founder of Fairytale Brownies in Phoenix. "We've had many issues over our 15 years with immigration problems, and we've lost some really great team members as a result."

During an audit some years ago, an outside payroll company found fraudulent birth dates on some of Fairytale's employee forms. The company had to let nine workers go in one day, Kravetz said, and promptly revamped its verification system.

Kravetz is waiting to see how the new legislation would affect his business. He has seen the Arizona job market become increasingly tight during the past couple of years.

"We're even having a really tough time filling an IT (information technology) spot right now," he said.

The stakes are particularly high for Arizona, which typically creates jobs at a faster rate than any other state as it tries to meet the demands of an additional 200,000 residents annually. Metro Phoenix's jobless rate has remained well under 4 percent in the past year.

To meet high demand in a tight job market, companies have relied on foreign-born workers to fill critical jobs from construction to food service to high-tech manufacturing.

The number of foreign-born workers in Arizona soared by nearly 53 percent between 2000 and 2005, almost double the national rate, according to the Census Bureau's 2005 American Community Survey.

In 2005, they made up almost 18 percent of Arizona's 2.2 million workers, compared with 15 percent nationally. Nearly 70 percent were non-citizens, a category that includes legal and illegal workers.

Employers maintain they'll need even more workers, especially as baby boomers start taking early retirement next year and the number of high school graduates entering traditionally blue-collar careers remains stagnant.

By 2050, Arizona will need

Foreign-born workers

Here are some facts about Arizona's immigrant population as provided by the Migration Policy Institute in Washington, D.C.

- 53.5: Percentage increase in foreign-born workers in Arizona between 2000 and 2005.
- 29.3: Percentage increase in foreign-born workers in the U.S. between 2000 and 2005.
- 17.9: Percentage of foreign-born workers in Arizona's workforce.
- 31.7: Percentage of foreign-born workers who are naturalized citizens.
- 68.3: Percentage who are non-citizens, which includes legal and illegal workers.
- 74.6: Percentage of Arizona's foreign-born workers from Latin America.
- The top three occupations of foreign-born workers in Arizona are service, construction, maintenance and repair, and management/professional occupations.

— Chad Graham

20,000 additional K-12 classrooms and 1,000 to 1,500 new miles of freeways and major highways, among other additions, according to the Maricopa Association of Governments.

"We're not producing Americans with the skills that are needed in a lot of cases," said Tracy Clark economist with Arizona State University's W.P. Carey School of Business. "Even if they have the skills, there won't be enough of them to cover all the jobs that will be needed."

Details of the bill are still in flux, but the new temporary-worker program could bring 200,000 temporary workers per year to the United States.

Carla Brandt, owner of Cobra Stucco in Glendale, counts 50 employees, working mostly on commercial construction projects. Business is so good the company easily could dou-

ble its headcount, but it can't find workers.

"We haven't been able to grow in three years because we simply can't get an adequate labor pool to draw from," Brandt said, adding that dramatically increasing wages to try and attract workers would increase costs for customers.

She supports reform of the immigration worker system but still is studying parts of the U.S. Senate bill.

"There's so much in there," she said.

Some national business groups have balked at certain provisions, such as the federal employment-verification system. Employers would be required to use an electronic database to check the status of their workers.

Labor unions also are sharply divided on the plan. Some criticize the temporary-worker plan, which allows mostly non-agricultural workers to stay for up to three two-year stints if they leave the United States for a year between each stay.

In a statement, the AFL-CIO said it opposes such programs because it keeps "some immigrant workers in a second-class status and makes workers too vulnerable to exploitation by employers."

At issue for some technology companies is what happens when foreign workers apply for an H1B visa, which typically is used by workers with high levels of education.

They are concerned that provisions of the measure could create a system where workers' skills don't match employer needs, said Jenifer Verdery, director of workforce policy for Intel Corp.

She deems the new proposal well intentioned but difficult to implement.

"We'd like to see the Senate proposal allow Intel and other U.S. employers to hire foreign workers according to business needs," she said. "(The proposal) creates great uncertainty for us as we're trying to make specific hiring decisions."

The Associated Press contributed to this article.

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