

EMPLOYER-PAID H-1B VISA FEES FOR COLLEGE SCHOLARSHIPS AND JOB TRAINING

EXECUTIVE SUMMARY

H-1B visa fees paid by employers have funded nearly 90,000 college scholarships for U.S. students in science and engineering and enabled more than 1 million K-12 students and 50,000 teachers to receive support and training to enter science fields, according to information obtained by the National Foundation for American Policy.¹ The fees have also contributed approximately \$2.5 billion toward training U.S. workers in technology fields through Department of Labor (DOL) grants.

Employers have paid nearly \$5 billion in mandated H-1B fees (currently \$1,500 per a new or extended H-1B petition) that primarily fund scholarships for U.S. students and training for U.S. workers, a figure that rises to over \$7 billion if one includes \$1.6 billion in mandated anti-fraud fees and other government fees. Although critics have argued H-1B visa holders represent “cheap labor,” employers pay government-imposed fees and attorney costs of up to \$16,560 for an initial H-1B petition and \$28,620 for the combined cost of an initial H-1B petition and an extension. In addition, immigration law requires that H-1B visa holders must be paid salaries commensurate with similar U.S. workers.²

**Table 1
Employer-Paid H-1B Fees
College Scholarships for U.S. Students and STEM K-12 Student and Teacher Training**

College Scholarships for U.S. Students (FY 1999-FY 2018)	87,890
K-12 Students Served by ITEST (FY 2009-FY 2018)	1,052,365
Teachers Trained by ITEST (FY 2009-FY 2018)	55,223
Employer-Paid H-1B Fees (FY 1999-FY 2018)	\$4.9 billion

Source: National Science Foundation, National Foundation for American Policy. ITEST stands for Innovative Technology Experiences for Students and Teachers.

Only approximately 20% of the full-time graduate students at U.S. universities in computer science and electrical engineering are U.S. students, according to the National Science Foundation. That 20% figure includes both lawful permanent residents and the children of recent immigrants.³ The Trump administration has focused on implementing new restrictions on high-skilled immigration, has [increased denials and Requests for Evidence](#) on H-1B visas and has announced [plans for additional restrictions](#). Attorneys note an H-1B visa is generally the only practical way for a high-skilled foreign national, including a recent international student, to work long-term in the United States.

¹ Information obtained by the National Foundation for American Policy via a Freedom of Information Act.

² Section 212(n)(1) of the Immigration and Nationality Act.

³ *The Importance of International Students to American Science and Engineering*, NFAP Policy Brief, National Foundation for American Policy, October 2017.

Employer-Paid H-1B Visa Fees

The issue goes beyond numbers. “Immigrants have started more than half (50 of 91, or 55%) of America’s startup companies valued at \$1 billion or more and are key members of management or product development teams in more than 80% of these companies,” concluded an [October 2018 NFAP report](#). “The research shows the increasing importance of immigrants in cutting-edge companies and the U.S. economy at a time when executive branch policies are aimed at restricting immigration into the United States.”⁴

People on all sides of the immigration debate agree that it is beneficial to train and educate more Americans in STEM fields, yet policymakers rarely note that every company-sponsored H-1B petition provides money for training and STEM education. In the policy debate over immigration, employers have not received credit (or even notice) for funding a significant number of scholarships for U.S. students and training for U.S. workers, in addition to individual company efforts.

The H-1B fees have benefited American students and encouraged through teaching and financial support many individuals to enter science and engineering fields. Yet U.S. companies still need access to talent from around the world. It seems evident the demand for high-tech skills cannot be met solely with native-born workers if Americans want U.S. companies to grow in the United States, rather than abroad.

The annual limit on H-1B visas has been exhausted each of the past 16 fiscal years. In its recent budget, the Trump administration has proposed doubling the current \$1,500 training and scholarship fee employers pay when filing a petition for an H-1B professional. However, when Congress imposed the fee in 1998 and increased it in later years (in 2000 and 2004) it did so in conjunction with increasing the annual limit on H-1B visas. It seems unlikely employers would support, nor would objective observers find it a reasonable policy, to increase significantly the fees employers pay without changes to immigration law to increase the access of employers to high-skilled foreign nationals.

Information the National Foundation for American Policy has received from the National Science Foundation, the Department of Labor and U.S. Citizenship and Immigration Services (USCIS), along with additional analysis, finds:

- Employers paid \$4.9 billion in mandated H-1B fees to fund primarily scholarships for U.S. students and training for U.S. workers between FY 1999 and FY 2018. The fee is currently \$1,500 on an initial H-1B petition, a change of an H-1B employer, or an extension of an “H-1B stay by the same petitioner filing on behalf of the same beneficiary,” according to USCIS. (\$750 for petitioners with 25 or fewer employees.)

⁴ Stuart Anderson, *Immigrants and Billion-Dollar Companies*, NFAP Policy Brief, National Foundation for American Policy, October 2018.

Employer-Paid H-1B Visa Fees

- “Approximately 87,890 students have received scholarships ranging from one to four years from Fiscal Year (FY) 1999 through September 30, 2018,” according to the National Science Foundation. At the current pace, within a few years, employers filing for H-1B visas will have supported scholarships for over 100,000 U.S. university students through H-1B fees. Scholarship amounts can reach \$10,000 per year for a student. The scholarships are for “a degree in mathematics, engineering or computer science.”
- Employer-paid H-1B fees have funded nearly \$2 billion (\$1.94 billion) in scholarships and support for K-12 student and teachers as of September 30, 2018, according to the National Science Foundation.
- “The total number of K-12 students who have been served by the ITEST program from 2009 until September 30, 2018 is 1,052,365. There have been 55,223 teacher who have been served by the ITEST program for the same period,” according to the National Science Foundation. Since the National Science Foundation did not track the number of students and teachers served by ITEST and its predecessor programs prior to 2009, it’s possible the number of students served is closer to 1.5 million to 2 million and the number of teachers trained is between 75,000 and 100,000.
- The Department of Labor has received approximately \$2.5 billion in H-1B fees paid by employers, money designated for training U.S. workers.
- “Between March 31, 2000 and March 31, 2005, 62 of the 129 grants awarded were completed,” according to Congressional Research Service (CRS). “Most grants (completed and operational) focus on high-tech/information technology. Out of a total of 86,036 individuals, 27,806 participants were in training and 73,077 participants had completed training as of March 31, 2005.”
- While the amount of employer-paid H-1B fee money spent on grants is available in public DOL notices, the Department of Labor has not provided to the public information on the number of individuals who have received training through FY 2018 and the results of the training. Such information and other data would allow policymakers to assess the effectiveness of the grants and weigh the wisdom of raising fees to fund more such grants.
- Based on data received from U.S. Citizenship and Immigration Services, the National Foundation for American Policy estimates that since FY 2005 employers have paid approximately \$1.6 billion to fund audits and investigations against themselves, with the money coming from a \$500 “fraud prevention and detection fee” assessed when obtaining an initial grant of an H-1B or L visa or “for an alien having such status to change employers.”

Employer-Paid H-1B Visa Fees

- Since going into effect in 2010, “H-1B petitioners that employ 50 or more employees in the United States if more than 50 percent of these employees are in H-1B, L-1A or L-1B nonimmigrant status” have likely paid the federal government \$500 million or more in such fees on H-1B and L-1 visas, according to a projection by the Congressional Budget Office (CBO).
- U.S. companies spend over \$87 billion a year on training for employees, according to *Training* magazine's *2018 Training Industry Report*.⁵
- Employers pay government-imposed fees and attorney costs of between \$3,400 and \$16,560 for an initial H-1B petition and \$6,300 to \$28,620 for the combined cost of an initial H-1B petition and an extension. This is in addition to an employer being required by law to pay an H-1B visa holder the higher of the prevailing wage or actual wage paid to “all other individuals with similar experience and qualifications for the specific employment in question.”

H-1B visa fees paid by employers have helped train and educate Americans to enter technology-related fields. Increasing the fees without a significant increase in the annual limit on H-1B visas would be considered a large tax increase on many of America’s most innovative companies.

⁵ 2018 *Training Industry Report*, *Training*, 2018, at <https://trainingmag.com/trqmag-article/2018-training-industry-report/>.

A BRIEF HISTORY OF H-1B VISA NUMBERS AND FEES

H-1B visas generally represent the only way to hire high-skilled foreign nationals, including international students, to work long-term in the United States.⁶ Congress did not “create the H-1B program” in 1990. For many years, employers could use H-1 visas to hire workers, particularly skilled professionals, to work in the United States. Prior to the 1990 Act, no numerical limit existed on such workers. In the 1990 Act, Congress established a new designation for H-1 skilled workers – H-1B – and imposed an annual limit of 65,000 on H-1B visas.

In 1990, members of Congress did not know whether a 65,000-annual limit would be sufficient and could not have foreseen the tremendous increase in the demand for high-skilled technical labor created by the World Wide Web, smartphones, ecommerce, online gaming and numerous other developments. Warren Leiden, counsel emeritus of Berry Appleman and Leiden and executive director of the American Immigration Lawyers Association when the 1990 Act became law, said, “From an employer’s perspective, the changes to H-1 [in 1990] were not positive. The new requirements delayed the application process and were essentially protectionist in nature.”⁷

The annual limits on both H-1B visas and employment-based green cards established in the 1990 Act proved to be too low. The H-1B cap of 65,000 went into effect in Fiscal Year (FY) 1992. But within 5 years, in FY 1997, the 65,000-annual limit was oversubscribed.

After considerable debate, in 1998, Congress responded by passing the American Competitiveness and Workforce Improvement Act, which increased the annual number of H-1B visas to 115,000 in FY 1999 and 2000, and to 107,500 in FY 2001. That increase proved insufficient and in 2000 Congress passed the American Competitiveness in the 21st Century Act, which raised the H-1B limit to 195,000 annually for FY 2001, FY 2002 and FY 2003. The temporary increase in H-1B visas also included a permanent exemption from the H-1B cap for H-1B employees of universities and non-profit and governmental research institutes. Both the 1998 and 2000 bills passed as part of larger pieces of legislation (see Table 2).

⁶ This is adapted from Stuart Anderson, *The World Has Changed Since 1990, U.S. Immigration Policy Has Not*, NFAP Policy Brief, National Foundation for American Policy, September 2015. An L-1 visa requires an individual to work at least one year abroad prior to an application and is limited to managers, executives and employees with “specialized knowledge.”

⁷ Interview with Warren Leiden.

Employer-Paid H-1B Visa Fees

**Table 2
H-1B Legislation and Fees**

Legislation	Fee	Years Fee in Effect	Distribution of Fees
Title IV (the American Competitiveness and Workforce Improvement Act of 1998, ACWIA) of P.L. 105-277 (Became law on October 21, 1998)	\$500 fee per H-1B petition (initial, first extension), accompanied by increase in annual limit to 115,000 in FY 1999 and FY 2000, and 107,500 in FY 2001. In addition, new attestations, penalties and enforcement provisions were added.	FY 1999, FY 2000 and FY 2001 through December 17, 2000.	NSF-administered STEM scholarships - 28.2% NSF grants for K-12 STEM enrichment and systemic K-12 reform – 8% DOL technical skills training – 56.3% DOL to decrease H-1B processing times & enforcement – 6% DOJ to decrease H-1B processing times – 1.5%
American Competitiveness in the Twenty-First Century Act of 2000 (P.L. 106-313) (Became law on October 17, 2000)	\$1,000 fee per H-1B petition, accompanied by increase in annual limit to 195,000 for FY 2001, FY 2002 and FY 2003. Also, H-1Bs petitioned for by nonprofit and governmental research organizations exempt from numerical limit.	\$1,000 fee effective from December 18, 2000 through September 30, 2003.	NSF-administered STEM scholarships – 23.5% NSF grants for K-12 STEM enrichment and systemic K-12 reform – 15% DOL technical skills training – 55% DOL for reducing H-1B processing times & enforcement – 5% DOJ to decrease H-1B processing times – 1.5%
Title IV (the H-1B Visa Reform Act of 2004) of H.R. 4818, the FY2005 appropriations act (P.L. 108-447) (Became law on December 8, 2004)	\$1,500 fee per H-1B petition (\$750 for employers with 25 or fewer full-time employees). Annual limit had returned to 65,000 but legislation added a 20,000 exemption from annual limit for individuals with a master’s degree or higher from a U.S. university. Legislation also added a \$500 fraud prevention and detection fee.	\$1,500 fee effective after December 8, 2004.	NSF-administered STEM scholarships - 30% NSF grants for K-12 STEM enrichment and systemic K-12 reform – 10% DOL technical skills training – 50% DOL for reducing H-1B processing times & enforcement – 5% DHS for reducing H-1B processing times – 5%

Source: Legislative text of public laws, Congressional Research Service, National Foundation for American Policy.

Employer-Paid H-1B Visa Fees

In exchange for the increase in H-1B numbers, the American Competitiveness and Workforce Improvement Act of 1998, which became law on October 21, 1998, levied a \$500 fee (or tax) on each initial H-1B petition (and first extension), with most of the money going to fund college scholarships for U.S. students and job training for U.S. workers. Additional penalties, attestations and enforcement provisions were also included in the legislation. In 2000, in exchange for the higher H-1B numbers, the American Competitiveness in the Twenty-First Century Act of 2000, which became law on October 17, 2000, raised the fee to \$1,000.

The fee and labor attestations lapsed for a time (by law from October 1, 2003 until December 8, 2004). During that time, the annual limit on H-1B petitions reverted to 65,000, where it was prior to the 1998 legislation. In December 2004, Congress passed the H-1B Visa Reform Act of 2004. In that legislation, in exchange for a permanent 20,000-exemption from the H-1B annual limit for foreign students with a master's degree or higher from a U.S. university, the fee on H-1B petitions was reinstated, along with the labor attestations. The scholarship and training fee was raised to \$1,500, but set at \$750 for employers with 25 or fewer full-time employees. The bill also added a \$500 fraud prevention and detection fee levied on initial H-1B petitions.

The \$1,500 fee, the 65,000-annual limit and the 20,000 exemption from the limit have not changed since 2004.

OVERALL EMPLOYER COSTS AND ADDITIONAL H-1B VISA FEES

As Table 3 shows, employers pay government-imposed fees and attorney costs of between \$3,400 and \$16,560 for an initial H-1B petition and \$6,300 to \$28,620 for the combined cost of an initial H-1B petition and an extension. This is in addition to an employer being required to pay an H-1B visa holder the higher of the prevailing wage or actual wage paid to “all other individuals with similar experience and qualifications for the specific employment in question.”⁸ Because wait times for H-1B processing are often 10 to 12 months, it is usually necessary for employers to pay a \$1,410 “premium processing” fee to ensure a decision within 15 days. Moreover, the rate of Requests of Evidence was 60% in the 1st quarter of FY 2019, according to USCIS.⁹ Responding to such requests can cost employers up to \$4,500 in additional legal expenses.

Anti-Fraud Fee: Under the H-1B Visa Reform Act of 2004, which became law on December 8, 2004, employers must pay a \$500 “fraud prevention and detection fee” when obtaining an initial grant of H-1B or L visa or “for an alien having such status to change employers.” Based on data received from U.S. Citizenship and Immigration

⁸ Section 212(n)(1) of the Immigration and Nationality Act.

⁹ Link to data can be found here:

<https://www.uscis.gov/sites/default/files/USCIS/Resources/Reports%20and%20Studies/Immigration%20Forms%20Data/BAHA/h-1B-quarterly-requests-for-evidence-2015-2019-Q1-top-30-employers.pdf>.

Employer-Paid H-1B Visa Fees

Services in earlier years, the National Foundation for American Policy estimates employers have paid approximately \$1.6 billion to fund audits and investigations against themselves since the fee went into effect in FY 2005 through FY 2018.¹⁰

**Table 3
Application and Other H-1B Visa Fees for Employers**

Application Fee	\$460
Attorney Fees	\$1,500 to \$4,000
Attorney Fees if a Request for Evidence	\$2,000 to \$4,500
Scholarship and Training Fee	\$1,500 (\$750 for employers with 25 or fewer employees) (initial petition and extension)
Anti-Fraud Fee	\$500 (on initial petition)
Premium Processing (optional but generally necessary)	\$1,410
“50/50” Fee (for employers with workforce over 50% H-1B/L-1)	\$4,000 (on initial petition)
Visa Application (cost based on reciprocity)	\$190 (\$0 - \$800)
TOTAL	\$3,400 to \$16,560 (For initial H-1B petition) \$6,300 to \$28,620 (Combined cost of initial H-1B petition and extension)*

Source: Council for Global Immigration, Society for Human Resource Management, National Foundation for American Policy.
*Some fees apply only to initial petitions or change of employers, not extensions.

50/50 Fee: The federal government has imposed a different fee (or tax) on employers for which foreign nationals in visa status make up a large percentage of their workforce. “H-1B petitioners that employ 50 or more employees in the United States if more than 50 percent of these employees are in H-1B, L-1A or L-1B nonimmigrant status” must pay a fee of \$4,000 for an initial grant of status or when an individual in the status changes employers, according to USCIS. The fee is \$4,500 for L-1A or L-1B visas, which are used to transfer employees into the United States.¹¹ Pub. L. 114-113, which was signed into law on December 18, 2015, required the fees, which last until September 30, 2027.¹²

The fee that went into effect in December 2015 was an update to a similar fee on the same set of employers. “Since 2010, a \$2,000 fee has been imposed on H-1B visa applications and a \$2,250 fee on L-1 visa applications from these employers, in addition to the regular processing fees,” according to the Society for Human Resource Management. “The 50/50 fee revenue was originally earmarked to help fund a border security initiative before being reallocated in 2014 to help pay for the medical needs of Sept. 11 first responders. The fees had sunset on Sept.

¹⁰ National Foundation for American Policy estimate based on information received from USCIS in earlier years. Data not been available from USCIS for all years and includes fees collected by the State Department overseas, which may include fees levied on L visas as well. FY 2019 data not included.

¹¹ A chart prepared by USCIS details H-1B and L-1 fees for employers can found here: <https://www.uscis.gov/forms/h-and-l-filing-fees-form-i-129-petition-nonimmigrant-worker>. Thank you to Dagmar Butte and Andrew Greenfield for assistance on fees and costs for employers.

¹² Ibid.

Employer-Paid H-1B Visa Fees

30, 2015.”¹³ Section 302 of Public Law 111-347, which became law on January 2, 2011, amended Section 402 of Public Law 111-230 by extending the fees to 2015, rather than the fees ending in 2014. Public Law 114-113 then extended the fees through 2027.

The federal government has not published enough information to make a precise estimate of the amount of money employers have paid in so-called “50-50” fees since 2010. However, the Congressional Budget Office estimated the “50/50 fee” in PL 111-230 would raise \$552 million in FY 2011 through FY 2014.¹⁴ While there is no public information available on whether that estimate proved accurate, note the estimate does not include revenues for FY 2015 through FY 2018, or reflect that the fee increased to \$4,000 for H-1B visas and \$4,500 for L-1 visas during those years. A National Foundation for American Policy legal analysis concluded the fee likely violates America’s commitments under the General Agreement on Trade in Services (GATS).¹⁵

ALLOCATION OF SCHOLARSHIP AND TRAINING FEE MONEY

As Table 2 details, the 1998 legislation allowed 28.2% of the fee money collected for National Science Foundation scholarships for U.S. students, while NSF grants for K-12 STEM enrichment and systemic K-12 reform received 8%. The largest portion (56.3%) of the fee money went to Department of Labor technical skills training. The Department of Labor received 6% of the funds to decrease H-1B processing times and for enforcement, while 1.5% went to the Department of Justice (the Immigration and Naturalization Service) to decrease H-1B processing times.

The distribution of the money was similar in the legislation passed in 2000, with some adjustments. National Science Foundation scholarships for U.S. students received 23.5% of the fee money collected, while NSF grants for K-12 STEM enrichment and systemic K-12 reform received 15%. The largest portion (55%) of the fee money again was allocated to the Department of Labor for training. The Department of Labor received 5% of the funds to decrease H-1B processing times and for enforcement and 1.5% was allocated to the Department of Justice (the Immigration and Naturalization Service) to decrease H-1B processing times.

The H-1B Visa Reform Act of 2004 adjusted the distribution of fee money. National Science Foundation scholarships for U.S. students received 30% of the fee money collected. NSF grants for K-12 STEM enrichment and systemic K-12 reform received 10%. The largest portion (50%) of the fee money continued to be allocated to the Department of Labor for training. The Department of Labor received 5% of the funds to decrease H-1B processing times and

¹³ Roy Maurer, “‘50/50’ Visa Filing Fee Reinstated, Doubled,” SHRM, December 29, 2015. The earlier law was Public Law No. 111-230, approved August 12, 2010.

¹⁴ <https://www.cbo.gov/sites/default/files/111th-congress-2009-2010/costestimate/pl111-2300.pdf>.

¹⁵ Stephen Claeys, *Legal Analysis: Fee Increase on H-1B Visas Likely Violates U.S. Commitments Under GATS*, NFAP Policy Brief, National Foundation for American Policy, January 2011.

Employer-Paid H-1B Visa Fees

for enforcement and 5% was allocated to the Department of Homeland Security (U.S. Citizenship and Immigration Services) to decrease H-1B processing times.

NSF COLLEGE SCHOLARSHIPS FOR U.S. STUDENTS FUNDED BY EMPLOYERS

“Approximately 87,890 students have received scholarships ranging from one to four years from Fiscal Year (FY) 1999 through September 30, 2018,” according to the National Science Foundation.¹⁶ The information was received via a Freedom of Information Act (FIOIA) request. At the current pace, within a few years, employers filing for H-1B visas will have supported scholarships for over 100,000 U.S. university students through H-1B fees. Scholarship amounts can be as high as \$10,000 per year. The scholarships are for “a degree in mathematics, engineering or computer science.”

Employer-paid H-1B fees have funded nearly \$2 billion (\$1.94 billion) in scholarships and support for K-12 student and teachers as of September 30, 2018, according to the National Science Foundation.¹⁷

In addition to approximately 87,890 scholarships for U.S. university students, employer-paid H-1B fees have supported K-12 programs for students and teacher training in science and technology through Innovative Technology Experiences for Students and Teachers (ITEST). “The ITEST program began in 2003 and data collection started on participants served in 2009. The total number of K-12 students who have been served by the ITEST program from 2009 until September 30, 2018 is 1,052,365. There have been 55,223 teacher who have been served by the ITEST program for the same period,” according to the National Science Foundation.¹⁸

Since the National Science Foundation did not track the number of students and teachers served by ITEST and its predecessor programs prior to 2009, it’s possible the number of students served is closer to 1.5 million to 2 million and the number of teachers is between 75,000 and 100,000.

“ITEST is a research and development program that supports projects to promote PreK-12 student interests and capacities to participate in the STEM and information and communications technology (ICT) workforce of the future,” according to the National Science Foundation. “The ITEST program supports research on the design, development, implementation, and selective spread of innovative strategies for engaging students in technology-rich experiences that: (1) increase student awareness of STEM occupations; (2) motivate students to pursue appropriate education pathways to STEM occupations; or (3) develop disciplinary-based knowledge and practices, or promote critical thinking, reasoning skills, or communication skills needed for entering STEM workforce sectors.”¹⁹

¹⁶ National Science Foundation. Information received via FOIA.

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ <https://www.nsf.gov/pubs/2017/nsf17565/nsf17565.htm>.

TRAINING PROGRAMS SUPPORTED BY EMPLOYER-PAID H-1B FEES

The Department of Labor has received approximately \$2.5 billion in H-1B fees paid by employers, money designated for training U.S. workers. Based on the response to a FOIA request, it does not appear the Department of Labor has compiled data on how effectively it has spent this money. The information provided by DOL does not answer how many U.S. workers have received training and what are the results of the training. This has become more relevant in light of the Trump administration's FY 2020 budget document.

In its FY 2020 budget the administration has called for doubling the \$1,500 training and scholarship fee to \$3,000. "The increased revenue would support DOL's grants to expand apprenticeship and provide additional support for technical skills instruction at the K-12 and community college levels through the Department of Education's Career and Technical Education formula grants," according to the budget document.²⁰

The document also states raising the H-1B fee will "prepare American workers for jobs that are currently being filled by foreign workers, especially in science, technology, engineering, and mathematics fields."²¹ Since most H-1B visa holders have at least a master's degree, and other foreign-born professionals possess years of experience working in computer fields, it seems unlikely that apprenticeships could be used to replace foreign workers, rather than play a useful role in supplementing professionals regardless of their national origin.

A 2007 Congressional Research Service report provides some information on the number of people who received training under the grants but not the results of the training: "Between March 31, 2000 and March 31, 2005, 62 of the 129 grants awarded were completed," according to CRS. "Most grants (completed and operational) focus on high-tech/information technology. Out of a total of 86,036 individuals, 27,806 participants were in training and 73,077 participants had completed training as of March 31, 2005."²²

Based on the information received from the Department of Labor and other data, here are some of the facts known about DOL's use of H-1B fees paid by employers:

- "Between March 31, 2000, and January 1, 2004, a total of \$328.3 million in Technical Skills Training Grants was awarded. The grants accounted for 75% of the \$436.32 million in H-1B funds expected to be allocated

²⁰ Fiscal Year 2020 Budget of the U.S. Government.

²¹ Ibid.

²² Linda Levine, *Education and Training Funded by the H-1B Visa Fee and the Demand for Information Technology and Other Professional Specialty Workers*, CRS Report for Congress, Congressional Research Service, updated January 23, 2007.

Employer-Paid H-1B Visa Fees

to DOL through FY2003 pursuant to P.L. 105-277 and P.L. 106-313,” according to the Congressional Research Service.²³

- A 2018 Scaling Apprenticeship Through Sector-Based Strategies grant program was expected to award “up to \$150 million in H-1B funds initially to fund approximately 15 to 30 apprenticeship grants, with awards ranging from \$1 million to \$12 million.”²⁴
- A 2016 “America’s Promise Job-driven Grant Program” was expected to use \$100 million in H-1B funds for approximately 20-40 grants, “with individual grant amounts ranging from \$1 million to \$6 million.”²⁵
- A 2015 Strengthening Working Families Initiative grant program planned to make approximately \$25 million in grants available.²⁶
- A 2014 Employment and Training Administration announcement made approximately \$240 million in grants available, focusing on programs that provide “On-the-Job Training” and “those that use other training strategies.”²⁷
- A 2014 Employment and Training Administration announcement highlighted \$100 million in grant funds, including grants for the *Youth CareerConnect* program.²⁸
- A 2008 notice announced \$10 million in grants under the Technology-Based Learning Initiative.²⁹

While these and other grant announcements provided by the Department of Labor in response to a FOIA request give a sense of the type and scope of the grants, it does not provide information on the number of individuals who have received training through FY 2018 and the outcome of the training. Such information and other data would allow policymakers to assess the effectiveness of the grants.

CONCLUSION

The Trump administration has proposed in its FY 2020 budget to double the fee – in reality, a tax – employers pay for H-1B petitions, rising from \$1,500 to \$3,000. The administration has not proposed to increase the annual limit on H-1B visas, even though in three prior bills that became law in 1998, 2000 and 2004 H-1B numbers and fees were raised at the same time. The increase in funds for the Department of Labor appears unjustified given DOL has not accounted for how many people have been trained (and how well) with the approximately \$2.5 billion in employer-paid H-1B fees the agency has received to date.

²³ Ibid.

²⁴ Funding Opportunity Number: FOA-ETA-18-08, Employment and Training Administration, Department of Labor.

²⁵ Funding Opportunity Number: FOA-ETA-16-12, Employment and Training Administration, Department of Labor.

²⁶ Funding Opportunity Number: FOA-ETA-16-05, Employment and Training Administration, Department of Labor.

²⁷ Funding Opportunity Number: SGA/DFA PY-10-13, Employment and Training Administration, Department of Labor.

²⁸ Funding Opportunity Number: SGA/DFA PY-13-01, Employment and Training Administration, Department of Labor.

²⁹ Funding Opportunity Number: SGA/DFA PY-08-04, Employment and Training Administration, Department of Labor.

Employer-Paid H-1B Visa Fees

Employers have funded close to 90,000 college scholarships for U.S. students as part of the nearly \$5 billion in H-1B training and scholarship fees they have paid since FY 1999. The fees have funded science programs for more than 1 million K-12 students and 50,000 teachers through the National Science Foundation. This is in addition to other H-1B fees employers pay, as well as billions of dollars in state and local taxes employers pay annually to help support local schools. Employers also spend \$87 billion a year to train their own employees.³⁰ H-1B visa fees paid by employers help train and educate Americans to enter technology-related fields. However, to increase the fees without a significant increase in the annual limit on H-1B visas would represent a large tax increase on many of America's most innovative companies and would not help increase company access to talent needed to grow in the United States.

³⁰ 2018 Training Industry Report, Training.

ABOUT THE NATIONAL FOUNDATION FOR AMERICAN POLICY

Established in 2003, the National Foundation for American Policy (NFAP) is a 501(c)(3) non-profit, non-partisan public policy research organization based in Arlington, Virginia, focusing on trade, immigration and related issues. Advisory Board members include Columbia University economist Jagdish Bhagwati, Cornell Law School professor Stephen W. Yale-Loehr, Ohio University economist Richard Vedder and former INS Commissioner James Ziglar. Over the past 24 months, NFAP's research has been written about in the *Wall Street Journal*, the *New York Times*, the *Washington Post*, and other major media outlets. The organization's reports can be found at www.nfap.com.

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