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The H-1B visa debate remains lively

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Hetal Bhatt had more qualifications than were required in 2008 when he applied for a job as a traffic engineer with the city of Arlington.

His résumé included a master's degree in civil engineering, a professional engineer's license, and three years working for the North Central Texas Council of Governments.

Paul Iwuchukwu, the city traffic engineer, says that the job had been open for some time and that he had seen a number of candidates. But with Cowboys Stadium preparing to open, the traffic division had its hands full, and he was looking for someone who needed little training.

"Sometimes, you need somebody who already has his feet wet," Iwuchukwu said. "We badly needed the help. We badly needed the skills."

Bhatt, who moved from India eight years ago to study at the University of Texas at Arlington, holds an H-1B visa, federal documentation that allows foreign workers with special skills like engineering to work here and, if they want, apply for permanent residency.

With the continued strain in the job market, the H-1B program has been a source of controversy, particularly among long-term unemployed workers. It hit the spotlight in January when a Fort Worth woman asked President Barack Obama in an online chat why companies are allowed to hire foreign workers while her engineer husband can't find a job.

Last year, Texas ranked third among the states in H-1B visa applications, used by businesses to fill jobs they supposedly can't fill at home, with more than 31,000, trailing California and New York. Eight Texas cities ranked among the top 100 in applicants including Houston at No. 2, Dallas (11) and Fort Worth (91), government figures show.

Employers including Deloitte, Dell and the Dallas school district were among the state's leading users of H-1B visas, which tend to focus on high-tech positions like computer analysts and software engineers.

Proponents say that the program lets employers deal with shortages in key fields like engineering and that it fosters innovation and global partnerships by encouraging links between Americans and skilled foreigners. They argue that the government should either increase the annual cap on new H-1B visas -- now 65,000, plus 20,000 for workers with master's degrees -- or eliminate it altogether. Universities and research institutions are exempt from the limit.

"At a time of globalization, it makes so much sense," said Jean-Pierre Bardet, dean of the College of Engineering at UTA. "These people who have technical expertise will create more jobs. If we have more technical skills, it will benefit everyone."

But critics say employers often use the program to pay below-market wages or train other employees in preparation for outsourcing operations overseas. The critics say that employers, except those classified as dependent on H-1B workers, don't have to prove they can't find similarly qualified people in the United States and that the government needs to change the program to include better tracking.

The government, for example, isn't certain exactly how many H-1B holders are in the country. The initial H-1B visa is for three years. It can be renewed for three years and in some cases longer, depending upon whether the worker is applying for permanent residency.

"The way I see it, about a third of H-1B use is probably on the up and up, about a third is now being used for offshore outsourcing, about a third is being used for low-cost workers," said Ron Hira, assistant professor of public policy at the Rochester Institute of Technology and a noted supporter of revamping the system.

The picture in Congress

Congress has batted the issue around, with Sens. Charles Grassley, R-Iowa, and Richard Durbin, D-Ill., floating a bipartisan reform bill a few years ago that died. There's nothing pending in Congress now, except a movement to create a special visa for people from Ireland, Hira said.

H-1Bs have powerful proponents in business and politics who, while acknowledging flaws in the system, say the program is too important.

"The government doesn't know how many skilled workers are needed each year -- only the market does," New York's Republican mayor, Michael Bloomberg, said in a speech last year to the U.S. Chamber of Commerce.

Temporary visas "help fill critical gaps in our workforce, but the numbers are too few and the filing process too long and unpredictable," he said, arguing that the cap on H-1Bs should be scrapped.

Rep. Lamar Smith, R-San Antonio, the House Judiciary Committee chairman, told a subcommittee last year that the H-1B program plays a "vital role" in the U.S. economy, allowing companies and institutions to hire foreign students from U.S. universities who have degrees in science, technology, math and engineering.

But Smith said Congress, if it doesn't increase the cap, should examine the kinds of workers who qualify. Beyond technology, foreign workers have received H-1Bs to work in the U.S. as fashion models, dancers, chefs, photographers and social workers, he said.

"There is nothing wrong with those occupations, but I am not sure that foreign fashion models and pastry chefs are as crucial to our success in the global economy as computer scientists," Smith said.

The debate is above the pay grade for people like Bhatt, 31, who came to study in what he calls the world's finest country for engineering education. He met and married his wife, who is also from India and was getting a master's at UTA. They're both doctoral students there. Bhatt is working full time and studying part time toward his Ph.D. in traffic flow theory.

The H-1B debate is "up to the decision-makers," said Bhatt, who designs traffic signals for the city. "I'm not a decision-maker. Given the opportunity, I will give my best output."

Bhatt was interested in the city job because he saw the Super Bowl coming and wanted to work on traffic for the big game. He worked on the route, parking, safety design, traffic flow and signage. Those temporary one-way streets? His fingerprints were all over those.

Most people might listen to the news or music in the radio while waiting at a traffic light.

"I count down the seconds," Bhatt says. "I anticipate when the red light will end. It annoys my wife sometimes."

Whitney Jodry, a spokeswoman for Texas Instruments, the No. 5 sponsor of H-1B holders in Texas last year, said the company has a "strong emphasis on hiring the best talent" and that TI's U.S. operations place a high priority on hiring American citizens.

But the shortage of electrical engineers in the U.S. forces the company to look elsewhere for talent, she said. TI often hires foreign nationals, "of which the majority are graduates from U.S. universities with advanced electrical engineering degrees," Jodry said in an e-mail.

Jodry said TI also continues to invest in science, technology, and math programs from kindergarten through 12th grade.

The "longer-term solution is to ensure more American students are pursuing STEM [science, technology, engineering and math] degrees and careers," Jodry said.

Expansion debated

Skills and pay have dominated much of the debate over expanding the H-1B program.

Pia Orrenius, a senior economist with the Federal Reserve Bank of Dallas, said employers often gravitate toward recent college graduates for fields such as computer programming.

"It comes down to the cutting edge typically with these occupations," Orrenius said. "If it's technology, they're usually looking for the most recent graduates with the latest tools."

Older workers may not have those skill sets, she said.

A paper presented in January by Public Policy Institute of California researchers raised a stir in contending that H-1B holders aren't paid less than their U.S. counterparts, when the relative youth of the H-1B population is taken into account. The researchers, in analyzing 2009 national data, also found that H-1B workers were "comparatively highly skilled" compared with U.S. workers.

Other findings:

Average age of H-1B holders in the 2009 data was 32, versus 41.4 for U.S. natives.

12.7 percent of H-1Bs had a nonprofessional doctoral degree, versus 4.6 percent for U.S.-born workers.

42 percent of H-1Bs are in information technology, whereas just under 10 percent of U.S.-born workers with a bachelor's are in IT.

New H-1B workers in information technology earned about 7 percent less than U.S.-born IT workers. But the pay of H-1B holders renewing visas after three years rose 16 percent, "pointing toward an earnings advantage for H-1B IT workers overall."

Hira remained a critic.

"The facts still remain that the median wage for new H-1Bs in computer occupations remains below the entry-level wages for newly minted bachelor's degree holders in computer science," he said.

Hira said an estimated 600,000 to 750,000 H-1B visa holders work in the United States. With some employers exempt from the limit, the "real number" of new H-1Bs is about 115,000 annually, Hira said.

"If you look how they're concentrated in the tech sector, that has a major impact on labor supply, particularly if they're not paid market wage," he said.

A raft of other reports and studies have found problems in the H-1B program.

The U.S. Citizenship and Immigration Services found evidence in 2008 of forged documents and H-1B holders misrepresenting their status and said 1 in 5 visas is fraudulent or violates the rules.

A GAO report recommended changes in the program including better linking of government databases to facilitate tracking of H-1B workers and provisions holding employers who hire H-1B workers from staffing agencies to the same requirements as other employers of H-1B workers.

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