



SF 516 – Employment of Unauthorized Aliens, E-Verify (LSB1498SV)
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Fiscal Note Version – New

Description

Senate File 516 prohibits licensed employers from knowingly employing unauthorized aliens and authorizes a county attorney, local law enforcement official, or member of the public to file a complaint of a violation with the Iowa Department of Workforce Development (IWD). If the IWD determines that an employer has committed a violation, the IWD is required to bring an action in district court against an employer for a violation in the county where the unauthorized alien employee is or was employed by the employer. The Bill requires licensed employers hiring or rehiring an employee to verify the employee's employment eligibility through the federal E-Verify Program and certify to the IWD that the employer has done so. The Bill further requires the IWD to adopt administrative rules to carry out the IWD's duties under the Bill.

The Bill also requires the Secretary of State to maintain an online database of employers registered with the federal E-Verify Program, first-time employer offenders, and related court documents.

Assumptions

- The Bill requires the IWD to incur additional expenses for vehicles, phones, computers, employee support, preparation of rules, development of training materials, training of staff, investigative time, postage, filing fees, service of process fees, witness subpoenas, travel time and expenses, court preparation and appearances, monitoring employers, and following up on court orders. This will result in the IWD adding the following 8.0 full-time equivalent (FTE) positions:
 - Administrative Assistant 1.0 FTE position
 - Field Auditors 2.0 FTE positions
 - Investigator 2 4.0 FTE positions
 - Attorney 2 1.0 FTE position
- Salary costs include benefits and are estimated at the entry level of the salary range for each position.
- The IWD will investigate 500 complaints per year and file 50 court actions.
- The Secretary of State will develop in-house and maintain a permanent searchable database.
- The Secretary of State will use a link to the federal Department of Human Services E-Verify System for the purposes of new Iowa Code section 95.3(3).
- The Secretary of State will use 0.5 hours of staff time at \$19 per hour to manage court documents for each court action.

Fiscal Impact

[Senate File 516](#) will result in the IWD expending an estimated \$844,000 for 8.0 FTE positions and additional costs in FY 2020 and \$728,000 for 8.0 FTE positions and additional costs in subsequent years, to be paid from the General Fund.

The Secretary of State will utilize an estimated \$13,000 from their General Fund appropriation in FY 2020 for the creation of a database and approximately \$500 from their General Fund appropriation annually beginning with FY 2020 for the processing of court documents and data entry.

Estimated General Fund Expenditures – SF 516		
	<u>FY 2020</u>	<u>FY 2021</u>
Secretary of State		
Expenditures		
Salaries	\$ 13,000	\$ 500
Secretary of State Total Expenditures	<u>\$ 13,000</u>	<u>\$ 500</u>
Iowa Workforce Development Department (IWD)		
Expenditures		
Salaries	\$ 588,000	\$ 588,000
Support	100,000	100,000
Fees and Postage	20,000	20,000
Travel	20,000	20,000
Capital Outlay	116,000	0
IWD Total Expenditures	<u>\$ 844,000</u>	<u>\$ 728,000</u>
IWD Total FTE Positions	8.0	8.0
Net Impact	<u>\$ 857,000</u>	<u>\$ 728,500</u>
FTE Positions	<u>8.0</u>	<u>8.0</u>

Sources

Iowa Department of Workforce Development
Iowa Economic Development Authority
Iowa Secretary of State
Iowa Department of Commerce
Iowa Department of Public Health
LSA analysis and calculations

/s/ Holly M. Lyons

March 18, 2019

The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
