



July 17, 2024

Place-Based Visas: Overview and Issues for Congress

The U.S. immigration system operates largely at the federal level, with decisions about how many individuals are admitted to the United States and under what criteria made for the entire nation. Foreign nationals coming to live and work in the United States—whether on permanent immigrant visas or temporary nonimmigrant visas—tend to concentrate in major metropolitan areas

Some Members of Congress have proposed place-based visas that would supplement the current admission process and decentralize it for a portion of foreign-born workers to state and local entities. The goal of such visa programs is to facilitate immigration to more parts of the country in order to fill jobs in sub-national labor markets and support regional economic development. Some proposals prioritize areas experiencing economic distress.

Designing Place-Based Visa Programs

Place-based visa programs would allow for the admission of foreign nationals to live and work in specified locations such as a state, metropolitan area, or county. With the federal government maintaining its vetting and enforcement roles, these programs would allow states or municipalities to petition for an additional number of foreign workers based on criteria established by the state or municipality.

Like the current employment-based visa system, place-based visa programs are intended to be demand driven. However, instead of employers, state or local governments would petition for foreign workers based on the occupational and industrial needs of their jurisdictions. Place-based visa programs could admit foreign workers permanently or provide temporary admission convertible to permanent status if applicants met certain residence, investment, or employment criteria.

Some Members of Congress have previously introduced legislation to create place-based visa programs. For example, S. 1040 in the 115th Congress and the identical H.R. 5174 in the 116th Congress would have created a new nonimmigrant visa category to admit foreign nationals to a state “to perform services, provide capital investment, direct the operations of an enterprise, or otherwise contribute to the economic development agenda of the state in a manner determined by the State.” Under this plan, states would have needed to opt in to the system by creating a place-based visa program—approved by their state legislatures and the U.S. Department of Homeland Security (DHS)—to allow participants to live and work in their states. The bills would have allowed participants to change employers or residence within the state or (under an interstate compact) within a group of states. Congress did not take action on these bills.

Place-Based Visas in Other Countries

Place-based visa programs currently supplement federal immigration systems in Canada and Australia. Canada’s Provincial Nominee Program (PNP) allows provinces and territories to set criteria and nominate qualified foreign nationals who are then admitted to settle permanently in that province or territory. Between 2010 and 2015, the PNP accounted for a quarter of Canada’s employment-based admissions and has dispersed economic immigrants beyond their historic concentrations in Ontario, British Columbia, and Quebec. Similarly, Australia began regional migration measures, which included place-based visas, in 1995 to encourage immigrants to settle outside of Sydney, Melbourne, and Brisbane. In 2015, state-based visas made up 19% of skilled immigration to Australia.

Existing Location-Based U.S. Programs

While the United States does not currently operate place-based visa programs, there are two immigration programs that limit participation to defined geographic areas: (1) the EB-5 Regional Center Program, which provides lawful permanent resident (LPR) status to foreign nationals who invest in job-creating projects (with incentives for targeted areas), and (2) J-1 waivers that allow foreign physicians who receive U.S. medical training to remain in the United States if they work in areas with a shortage of health care professionals.

EB-5 Visa Regional Center Program

Unlike other employment-based visa categories, the EB-5 visa does not require an employer sponsor. Rather, it provides LPR status to applicants who invest a minimum capital amount in a project that will create jobs in the area. Investment requirements are \$1,050,000, or \$800,000 if the investment is in a targeted employment area (TEA)—a rural or high-unemployment area—or in an infrastructure project.

One pathway to the EB-5 visa involves a pooled investment whereby participants invest in a project in a defined geographic area. Various studies have reported on the economic impact of the EB-5 program, including total investment spending and job creation. Congress reformed the program in 2022 (P.L. 117-103, Division BB) to raise the investment threshold and address concerns over fraud, instability, and investor protections. For additional information, see CRS Report R44475, *EB-5 Immigrant Investor Program*.

J-1 Physician Waivers

Foreign medical graduates (FMGs) may enter the United States on J-1 nonimmigrant visas in order to receive graduate medical education. FMGs must return to their home countries for at least two years after completing their education before they can apply for a status that would

allow them to work as physicians in the United States. J-1 physicians can receive a waiver of this requirement if they agree to work for three years in a federally designated medical shortage area, such as health professional shortage areas (HPSAs) or medically underserved areas. Waiver requests on behalf of J-1 physicians may be submitted by a state department of public health through the Conrad 30 Waiver Program or by an interested federal government agency (IGA), through the IGA Program.

Conrad 30 State Program

Established in 1994 as a temporary program, the Conrad 30 Waiver Program (also known as the Conrad 30 State Program) allows each state to obtain up to 30 waivers per year on behalf of FMGs who have completed their required training. States have discretion in how they administer their programs, and some set additional rules beyond those required by federal statute. States participating in the Conrad 30 Waiver Program have sponsored 23,000 physician waivers since the program's inception. State officials who administer the program report that it is an important part of rural physician supply, as some states require that J-1 physicians be placed in rural HPSAs. While not all states track the retention of J-1 placements, states that do have found that most recruited physicians intended to remain in the communities in which they were placed, though not necessarily at their same employer. In addition, states that did track their J-1 retention found that 40% of recruited physicians were employed at the same locations five years after their commitments ended.

Interested Government Agency Program

IGAs may also request waivers for J-1 physicians. Unlike the Conrad 30 State Program, there is no numerical limit on IGA waivers. The Department of Veterans Affairs (VA) and Department of Health and Human Services (HHS) regularly sponsor IGA waivers for J-1 physicians.

In addition, eight federal regional commissions and authorities (regional commissions) are authorized to address economic distress in certain defined socioeconomic regions. These regional commissions may operate as IGAs for the J-1 program. The Appalachian Regional Commission was the first to start a J-1 program, in the 1980s. Three other regional commissions have since launched similar programs and a fourth plans to develop a program. The regional commissions' programs are needs-based, meaning that the regional commissions generally require evidence that the physician(s) is needed and U.S. workers are not available to provide care in the area.

The J-1 programs administered by the regional commissions vary. The regional commissions have discretion in how they structure the program and some apply additional requirements based on state partners' priorities or preferences. Outcome data are not available for all regional commission programs. However, the Delta Regional Authority (DRA), for example, self-reported that each physician in its J-1 program, on average, "is estimated to create five full-time jobs within their clinics and offices and an additional 3.4 full- and part-time jobs within the communities where they work." The DRA further noted that "most [physicians] choose to stay far longer [than the three-year requirement] once they develop a patient base."

Policy Considerations

For almost a century, federal policies have authorized a variety of place-based economic development programs to attract private investment, create jobs, and improve quality of life in economically disadvantaged places. These federal programs are designed to support infrastructure, workforce, innovation, entrepreneurship, and related activities. For example, the Tech Hubs grant program was designed to support technology development, job creation, and the "geographic diversity of innovation." Grantees may use funding for workforce training to prepare regions for jobs in technology and innovation sectors, and other activities.

In the United States, some proponents of place-based approaches—including place-based visa programs—tout them as a means of re-invigorating places experiencing population loss and economic distress. A recent place-based visa proposal, for example, from a self-identified bipartisan public policy organization—dubbed the Heartland Visa—focuses on the parts of the United States undergoing above-average population aging and/or prime working-age population loss.

Whether or not a place-based visa program in the United States would achieve its goals is open to debate. Supporters of place-based visas contend that potential immigrants would agree to live in certain locations in exchange for the opportunity to work in the United States, and that the presence of foreign nationals in such places would help spread the benefits of immigration beyond traditional urban destinations. Some supporters link strategies to attract immigrants with economic development policies designed to spread entrepreneurship, job creation, innovation, and economic growth in areas beyond the more populous areas of the country. They point to research that suggests that immigrants start new businesses and contribute to growth in innovation and employment.

Opponents of place-based visa approaches argue that admitting more foreign workers could depress wages for U.S. workers, and that places struggling with population loss and economic decline should focus on raising wages, improving employee benefits, and increasing training to keep or attract workers. Opponents also argue that a place-based approach would be susceptible to corruption, citing past scandals associated with the EB-5 investor visa. Some argue that place-based approaches increase the risk for abuse of foreign workers, particularly if some type of indemnity agreement (e.g., a bond) is involved, essentially making the workers "indentured servants." Opponents also question whether and how states could enforce the requirement for visa recipients to remain in specific locations, particularly since the U.S. immigration system has not historically placed geographic constraints on newcomers' residence. If place-based visa recipients moved to more economically vibrant parts of the country, the purported benefits of such programs would diminish.

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