



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 18, 2002

### **H.R. 3231**

### **Barbara Jordan Immigration Reform and Accountability Act of 2002**

*As ordered reported by the House Committee on the Judiciary on April 10, 2002*

#### **SUMMARY**

H.R. 3231 would reorganize the Immigration and Naturalization Service (INS) as the Agency for Immigration Affairs (AIA), which would be comprised of the Bureau of Immigration Services and Adjudications and the Bureau of Immigration Enforcement. The bill would create a new Associate Attorney General post in the Department of Justice (DOJ) to oversee the AIA, as well as several new offices within the new agency, and would transfer the Office of Immigration Litigation from the Civil Division of DOJ to the new AIA. H.R. 3231 also would prohibit INS from covering certain costs through fee collections and would instead authorize the appropriation of such sums as necessary for INS to adjudicate refugee and asylum claims. Finally, the bill would direct the General Accounting Office (GAO) and the AIA to prepare several reports, mostly relating to the effectiveness of the new agency.

CBO estimates that implementing H.R. 3231 would cost about \$1.1 billion over the 2003-2007 period, assuming appropriation of the necessary amounts. We estimate that about \$1 billion of the total would be for adjudicating refugee and asylum claims. Enacting H.R. 3231 would affect direct spending, so pay-as-you-go procedures would apply, but we estimate that any net effects on direct spending would be insignificant. H.R. 3231 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The following table summarizes the estimated budgetary impact of H.R. 3231. The table shows estimated costs under the bill, as compared to INS funding under current law projected in the CBO baseline—that is, the 2002 appropriation, adjusted for anticipated inflation in succeeding years. Under the bill, those costs incurred by the INS to perform its mission would continue. The costs of this legislation fall within budget function 750 (administration of justice).

	By Fiscal Year, in Millions of Dollars					
	2002	2003	2004	2005	2006	2007
<b>SPENDING SUBJECT TO APPROPRIATION</b>						
Baseline Spending for INS Salaries and Expenses						
Under Current Law						
Estimated Authorization Level <sup>a</sup>	3,821	3,965	4,091	4,220	4,351	4,490
Estimated Outlays	3,418	3,725	4,099	4,187	4,314	4,450
Proposed Changes						
Additional Costs for AIA						
Estimated Authorization Level	0	18	30	27	28	29
Estimated Outlays	0	16	29	28	28	29
Refugee and Asylum Adjudications						
Estimated Authorization Level	0	180	189	198	208	219
Estimated Outlays	0	171	189	198	208	218
Total Changes Under H.R. 3231						
Estimated Authorization Level	0	198	219	225	236	248
Estimated Outlays	0	187	218	226	236	247
Spending under H.R. 3231						
Estimated Authorization Level	3,821	4,163	4,310	4,445	4,587	4,738
Estimated Outlays	3,418	3,912	4,317	4,413	4,550	4,697

a. The 2002 level is the amount appropriated for that year for INS salaries and expenses. The estimated authorization levels for 2003 through 2007 are CBO baseline estimates, assuming adjustments for anticipated inflation.

## **BASIS OF ESTIMATE**

CBO estimates that implementing the legislation would cost about \$1.1 billion over the 2003-2007 period, with most of those funds used to adjudicate refugee and asylum claims because under the bill, fees would no longer offset those costs. For this estimate, CBO assumes that H.R. 3231 will be enacted in fiscal year 2002, and that the necessary funds will be appropriated for each fiscal year.

## **Additional Costs for New Agency**

The effective date of the bill would be one year after enactment, so the full costs to establish the AIA would not be incurred until fiscal year 2004. Such costs would result from new offices established by the bill and increased requirements for certain administrative functions and office space. CBO estimates that these costs would be about \$30 million annually, beginning in fiscal year 2004, and would total \$130 million over the 2003-2007 period, assuming appropriation of the necessary amounts. Most of these costs would be for the new ombudsman offices established by the bill.

**New Offices in AIA.** H.R. 3231 would establish a new Associate Attorney General position to oversee the AIA, as well as a policy advisor and chief financial officer to serve the agency, plus offices for ombudsman, citizenship, children's affairs, and statistics.

*Associate Attorney General.* Based on the costs of other Associate Attorney General offices in DOJ, CBO estimates that it would cost about \$3 million annually to support about 20 new employees, including the policy advisor and chief financial officer functions.

*Ombudsman.* H.R. 3231 would require the AIA to establish at least one local ombudsman office in each state to assist individuals and employers in resolving problems with the Bureau of Citizenship and Immigration Services. CBO expects each local office to employ, on average, five to ten persons, so there would be a total of about 350 employees nationwide. We estimate that this would cost about \$25 million annually, beginning in fiscal year 2004.

*Office of Citizenship.* Based on information from the INS, CBO expects the proposed Office of Citizenship would employ about 10 employees and cost about \$1 million annually. This office would promote educational programs for aliens interested in becoming naturalized citizens.

*Office of Children's Services and Office of Statistics.* Most of the functions that would be performed by these proposed offices are already being done by existing offices within INS. Thus, CBO estimates that additional costs would be less than \$1 million a year.

**Increased Administrative Functions and Office Space.** Under H.R. 3231, the AIA would be composed of two separate organizations, the Bureau of Immigration Services and Adjudications, and the Bureau of Immigration Enforcement. These bureaus would carry out all activities currently performed by the INS. Dividing the INS would add to the need for personnel to perform certain administrative functions such as general counsel work, budgeting, and Congressional affairs activities. CBO expects that under H.R. 3231 current costs for these activities would increase by about \$1 million annually for roughly a dozen additional administrative positions, beginning in fiscal year 2004.

In addition, under the bill the new agency would require reconfigured office space in Washington, DC, and in 36 field offices. Based on information from the INS, CBO expects that these costs would involve a one-time cost of about \$10 million in fiscal year 2003.

### **Refugee and Asylum Adjudications**

Current law authorizes the INS to collect fees to cover the costs of adjudicating applications for immigration benefits, such as citizenship and employment eligibility. ( Those collections and the spending of them are recorded in the budget as direct spending.)The agency is permitted to set fees at a level to recover all such costs, including the costs of providing immigration benefits at no charge to certain individuals (including applicants for asylum and refugee status). Consequently, the INS charges fees that exceed the amount needed for cost recovery for some applicants, to cover the costs of others. This practice would be prohibited by H.R. 3231. CBO expects this would lead to equivalent reductions in collections and spending.

To pay for the costs of processing asylum and refugee claims, H.R. 3231 would authorize the appropriation of such sums as necessary. Because the number of such claims is expected to rise over the next several years, CBO estimates that implementing this provision would cost about \$180 million in 2003, and \$1 billion over the 2003-2007 period.

### **Reports**

H.R. 3231 would require the GAO and the Attorney General to prepare about a dozen reports over the next several years, mostly relating to the effectiveness of the AIA. CBO estimates these reports would cost about \$1 million in fiscal year 2003 and less than \$500,000 in each year thereafter.

### **PAY-AS-YOU-GO CONSIDERATIONS**

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. Pay-as-you-go procedures would apply to H.R. 3231 because the bill would affect direct spending, but CBO estimates that any net changes in direct spending would be less than \$500,000 for each year.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

The bill contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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