CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

May 8, 1998

S. 1360
Border Improvement and Immigration Act of 1998

As reported by the Senate Committee on the Judiciary on April 23, 1998

SUMMARY

S. 1360 would modify a provision in current law that requires the Immigration and Naturalization Service (INS) to develop a system to document arrivals and departures of all aliens (persons who are not U.S. citizens). The bill would ease this requirement to apply only to aliens who arrive at or depart from United States airports (except those who have obtained a waiver of certain documentary requirements). S. 1360 also would decrease the fees charged to certain visitors from Mexico. Finally, the bill would authorize the appropriation of $114 million for fiscal year 1999, $121 million for fiscal year 2000, and such sums as may be necessary in each fiscal year thereafter for inspection and enforcement activities by INS at land borders.

Assuming the appropriation of the specified and estimated amounts, CBO estimates that implementing S. 1360 would result in additional discretionary spending of $613 million over the 1999-2003 period. In addition, we estimate that the bill would increase direct spending by $2 million in 1999 and by $1 million in 2000. Because S. 1360 would affect direct spending, pay-as-you-go procedures would apply. This legislation contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act of 1995 (UMRA) and would have no impact on the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1360 is shown in the following table. The estimated authorization levels for 2001 through 2003 shown in the table reflect continued funding at the authorized level for 2000, with adjustments for anticipated inflation in subsequent years. Under that assumption, estimated changes in outlays subject to appropriation action total $613 million over the 1999-2003 period. Alternatively, if the authorization levels for border control activities are held constant for 2001 through 2003 at the 2000 level—without adjusting for anticipated inflation—the total change in discretionary outlays would be about $590 million over the same period. The costs of this legislation fall within budget functions 150 (international affairs) and 750 (administration of justice).

	By Fiscal Year, in Millions of Dollars					
	1998	1999	2000	2001	2002	2003
SPENDING SUBJECT TO APPROPRIATION						
Baseline Spending Under Current Law for INS Salaries and Expenses						
Estimated Authorization Level [a]	1,660	1,732	1,799	1,866	1,934	2,006
Estimated Outlays	1,553	1,705	1,777	1,844	1,912	1,983
Proposed Changes						
Estimated Authorization Level [b]	0	114	121	126	130	135
Estimated Outlays	0	95	125	128	130	135
Spending Under S. 1360 for INS Salaries and Expenses						
Estimated Authorization Level [a]	1,660	1,846	1,920	1,992	2,064	2,141
Estimated Outlays	1,553	1,800	1,902	1,972	2,042	2,118
CHANGES IN DIRECT SPENDING						
Estimated Budget Authority	0	0	0	0	0	0
Estimated Outlays	0	2	1	0	0	0

a. The 1998 level is the amount appropriated for that year for salaries and expenses for INS. The authorization levels shown for 1999 through 2003 reflect inflation adjustments to the 1998 level.

b. Without adjustments for inflation, additional outlays would be $95 million in 1999, $125 million in 2000, $124 million in 2001, and $121 million in each of the years 2002 and 2003.

BASIS OF ESTIMATE

Spending Subject to Appropriation

For the purposes of this estimate, CBO assumes that the specified and estimated authorization levels for the border control programs will be appropriated at the start of each fiscal year, with outlays following the historical spending trends for the authorized activities. The estimates in the table reflect annual adjustments for anticipated inflation after 2000.

Current law requires INS to develop, by September 30, 1998, an automated entry and exit control system to document the movement of every alien who enters or departs the United States. S. 1360 would reduce this mandate to require recording of arrivals and departures of aliens only at airports, except for those residents of foreign contiguous territories for whom the Attorney General and the Secretary of State have waived documentary requirements. Enacting the bill could result in savings for INS relative to current law. However, since it is unlikely that INS could soon comply with the requirements in current law, we expect that implementing the bill would have little effect on the agency's spending in the next few years.

Direct Spending

Under current law, the State Department charges a fee of $45 to visitors who enter the United States; S. 1360 would eliminate this fee for Mexicans under 18 years of age on certain types of short visits. Under current law, the fees affected by this bill are recorded as offsetting collections and are available to the State Department for spending on consular affairs. Assuming an enactment date of October 1, 1998, CBO estimates that the State Department would lose collections of about $16 million a year. The forgone collections would be offset by lower spending; but because spending takes place more slowly, forgone collections would exceed reduced spending by $2 million in 1999 and $1 million in 2000.

PAY-AS-YOU-GO CONSIDERATIONS

Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays that are subject to pay-as-you-go procedures are shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

	By Fiscal Year, in Millions of Dollars										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Changes in outlays	0	2	1	0	0	0	0	0	0	0	0
Changes in receipts	Not applicable										

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1360 contains no intergovernmental or private-sector mandates as defined in the UMRA and would have no impact on the budgets of state, local, or tribal governments.

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