



September 10, 2019

Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

Re: Sections 534 and 535 of H.R. 3931, the Department of Homeland Security Appropriations Act, 2020

Dear Madam Speaker:

As you requested, CBO is providing information about its analysis of the immigration provisions in sections 534 and 535 of the Department of Homeland Security Appropriations Act, 2020, as reported by the House Committee on Appropriations on July 24, 2019.

Sections 534 and 535 would prevent the Administration from using funds made available by that act or any other act to implement several immigration-related policies. Among the policies that would be suspended by the bill is the rule entitled “Inadmissibility on Public Charge Grounds.”¹ That rule was finalized on August 14, 2019.

In July, when the rule was still in the proposed-rulemaking stage, CBO estimated that enacting sections 534 and 535 would increase direct spending by \$3.1 billion in fiscal year 2020 and by \$3.7 billion over the 2020-2029 period. (CBO also estimated those sections would reduce revenue by \$17 million over the 2020-2029 period.) About 80 percent of that estimated increase in direct spending would result from suspending implementation of the public-charge rule and would arise primarily from an expected increase in the use of federal benefits by people who live in households with foreign-born people. Under the public-charge rule, CBO expects a number of people who are eligible for federal benefits will choose not to use those benefits because of concern about whether benefit use would affect their immigration status or that of a family member. Thus,

1. Inadmissibility on Public Charge Grounds, 84 Fed. Reg. 41292 (August 14, 2019), <https://www.govinfo.gov/content/pkg/FR-2019-08-14/pdf/2019-17142.pdf>.

under the legislation, more eligible people will use benefits thereby increasing costs.

After incorporating the effects of the changes made in the finalized public-charge rule and making other technical changes, including incorporating changes in the status of immigration-related litigation in federal courts, CBO now estimates that sections 534 and 535 would increase direct spending by \$1.9 billion in fiscal year 2020 and by \$2.7 billion over the 2020-2029 period. (CBO also estimates those sections would reduce revenue by \$27 million over the 2020-2029 period.) As was the case with CBO's earlier estimate, about 80 percent of the estimated increase in direct spending would result from suspending implementation of the public-charge rule.

CBO estimates that spending for Medicaid and other health programs would increase by \$1.4 billion in 2020 and by \$2.1 billion over the 2020-2029 period. Further, CBO estimates that spending for the Supplemental Nutrition Assistance Program and Supplemental Security Income would increase by \$560 million in 2020 and by \$630 million over the 2020-2029 period.

CBO has not estimated the cost to permanently prohibit implementation of the public-charge rule. However, we expect that implementing such a permanent prohibition would increase costs at least tenfold compared to the one-year prohibition that would be imposed by section 534.

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If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is David Rafferty.

Sincerely,

A handwritten signature in black ink, appearing to read "Phillip L. Swagel", with a long, sweeping flourish extending to the right.

Phillip L. Swagel
Director

cc: Honorable Kevin McCarthy
Minority Leader

Honorable Nita M. Lowey
Chairwoman
House Committee on Appropriations

Honorable Kay Granger
Ranking Member
House Committee on Appropriations

Honorable John Yarmuth
Chairman
House Committee on the Budget

Honorable Steve Womack
Ranking Member
House Committee on the Budget