

## At a Glance

### H.R. 2, Secure the Border Act of 2023

As posted by the House Committee on Rules on May 5, 2023 at <https://rules.house.gov/bill/118/hr-2>

By Fiscal Year, Millions of Dollars	2023	2023-2028	2023-2033
Direct Spending (Outlays)	0	-4,153	-21,025
Revenues	0	-10,602	-27,133
Increase or Decrease (-) in the Deficit	0	6,449	6,108
Spending Subject to Appropriation (Outlays)	0	-10,404	-31,936
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2034?		Statutory pay-as-you-go procedures apply?	
No	<b>Mandate Effects</b>		Yes
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2034?		Contains intergovernmental mandate?	
No			Yes, Over Threshold
		Contains private-sector mandate?	
		Yes, Under Threshold	

The bill would increase unified budget deficits by \$6.1 billion over the 2023-2033 period. That deficit consists of a \$45.4 billion decrease in on-budget deficits and a \$51.5 billion increase in off-budget deficits.

#### The bill would

- Limit eligibility of aliens (non-U.S. nationals) to receive parole or asylum and of some unaccompanied alien children to remain in the United States
- Require the Department of Homeland Security (DHS) to resume activities related to building a barrier on the southwestern U.S. border, hire additional border patrol agents, increase surveillance operations, and authorize additional appropriations for various DHS programs
- Require all U.S. employers to use E-Verify, the federal web-based system for confirming eligibility to work
- Impose intergovernmental and private-sector mandates

#### Estimated budgetary effects would mainly stem from

- Changes in wage reporting and tax withholding once all employers are required to use E-Verify
- Less use of federal benefits by aliens who are prevented from receiving parole or asylum under the bill
- Reduced costs for the Office of Refugee Resettlement following reductions in caseloads for asylees and unaccompanied alien children

#### Areas of significant uncertainty include

- The extent to which the federal government would detain arriving aliens or return them to the contiguous country from which they arrived
- Whether people without legal work authorization would continue to work and whether and how they would pay taxes

**Detailed estimate begins on the next page.**

See also

[CBO's Cost Estimates Explained](#), [CBO Describes Its Cost-Estimating Process](#), [Glossary](#)

## **Bill Summary**

H.R. 2 would limit the ability of the Department of Homeland Security (DHS) to provide parole to aliens (non-U.S. nationals), which allows them to temporarily enter the United States, in part by defining the reasons for which that parole may be granted. The bill also would change how DHS treats aliens applying for asylum and unaccompanied alien children crossing the border. The bill also would change the department's procedures for interacting with aliens seeking to enter the United States without authorization. H.R. 2 would require the Department of State to negotiate with countries in the Western Hemisphere, particularly El Salvador, Guatemala, Honduras, and Mexico, concerning agreements related to claims for asylum.

H.R. 2 would require all employers to use E-Verify, a federal web-based system that allows public- and private-sector employers to confirm that employees are eligible to work in the United States. H.R. 2 would phase in the requirement over several years, with deadlines depending on the size of an employer's workforce. In addition, the bill would modify existing civil and criminal penalties for hiring people without work authorization.

H.R. 2 would require DHS to resume activities related to building a wall along the southwestern border of the United States, as planned or under construction before January 20, 2021 (the date on which that project was paused), and would require DHS to construct at least 900 miles of wall and physical barriers along that border. The bill also would direct Customs and Border Protection (CBP) to hire enough border patrol agents to maintain staffing at 22,000.

In addition, the bill would require CBP to hire new polygraph examiners to test candidate agents, increase annual flight hours for manned surveillance operations, and operate unmanned aircraft systems around the clock along the southern U.S. border. The bill also would authorize appropriations for various programs within DHS, including Operation Stonegarden (a grant program), eradicating invasive vegetation along the Rio Grande, and upgrading technology at ports of entry.

## **Estimated Federal Cost**

The estimated budgetary effect of H.R. 2 is shown in Table 1. The costs of the legislation primarily fall within budget functions 150 (international affairs), 500 (education, training, employment, and social services), 550 (health), 570 (Medicare), 600 (income security), 650 (Social Security), 750 (administration of justice), and 800 (general government).

**Table 1.**  
**Estimated Budgetary Effects of H.R. 2**

	By Fiscal Year, Millions of Dollars											2023- 2028	2023- 2033
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033		
<b>Decreases (-) in Direct Spending</b>													
Estimated Budget Authority	0	-136	-468	-822	-1,232	-1,584	-2,085	-2,696	-3,317	-4,007	-4,777	-4,242	-21,124
Estimated Outlays	0	-127	-449	-782	-1,212	-1,583	-2,075	-2,696	-3,317	-4,007	-4,777	-4,153	-21,025
<i>On-Budget</i>	0	-127	-449	-782	-1,212	-1,573	-2,065	-2,686	-3,297	-3,977	-4,737	-4,143	-20,905
<i>Off-Budget</i>	0	0	0	0	0	-10	-10	-10	-20	-30	-40	-10	-120
<b>Increases or Decreases (-) in Revenues</b>													
Estimated Revenues	0	-386	-1,406	-2,856	-2,927	-3,027	-3,117	-3,217	-3,296	-3,406	-3,495	-10,602	-27,133
<i>On-Budget</i>	0	344	1,144	2,454	2,573	2,683	2,803	2,923	3,064	3,184	3,335	9,198	24,507
<i>Off-Budget</i>	0	-730	-2,550	-5,310	-5,500	-5,710	-5,920	-6,140	-6,360	-6,590	-6,830	-19,800	-51,640
<b>Net Increase or Decrease (-) in the Deficit From Changes in Direct Spending and Revenues</b>													
Effect on the Deficit	0	259	957	2,074	1,715	1,444	1,042	521	-21	-601	-1,282	6,449	6,108
<i>On-Budget</i>	0	-471	-1,593	-3,236	-3,785	-4,256	-4,868	-5,609	-6,361	-7,161	-8,072	-13,341	-45,412
<i>Off-Budget</i>	0	730	2,550	5,310	5,500	5,700	5,910	6,130	6,340	6,560	6,790	19,790	51,520
<b>Increases or Decreases (-) in Spending Subject to Appropriation</b>													
Estimated Authorization	125	361	-1,178	-3,529	-3,633	-4,208	-4,431	-4,483	-4,650	-4,825	-4,998	-12,062	-35,449
Estimated Outlays	0	-87	-905	-2,411	-3,382	-3,619	-3,855	-4,077	-4,305	-4,531	-4,764	-10,404	-31,936

Sources: Congressional Budget Office; staff of the Joint Committee on Taxation.

The difference between the unified budget (which reflects all spending and revenues) and the on-budget deficit (which excludes spending and revenues related to Social Security) totals \$51.5 billion over the 2023-2033 period. That difference arises primarily because of decreases in off-budget payroll taxes stemming from estimated changes in taxpayer behavior with respect to some of the amendments to the Immigration and Nationality Act.

CBO and JCT estimate that the bill would not increase unified or on-budget deficits in any of the four consecutive 10-year periods beginning in 2034. The bill would increase off-budget deficits in those periods.

## Basis of Estimate

For this estimate, CBO assumes that the bill will be enacted in August 2023 and that the authorized and necessary amounts will be provided each year. On that basis, we expect that DHS would begin to implement the bill in late fiscal year 2023 but that spending would occur in 2024 and succeeding years. In coordination with CBO, the staff of the Joint Committee on Taxation (JCT) provided the estimates of income taxes, payroll taxes, and refundable tax credits.

## Population Estimates

CBO estimates that by 2033, H.R. 2 would decrease the population of the United States by about 600,000 people relative to CBO's baseline population projections, mostly by reducing the number of unaccompanied alien children present in the country. Additionally, the bill

would affect the legal status of about 4.4 million people who would be granted parole or asylum under current law.

**Parole.** H.R. 2 would significantly restrict DHS’s ability to grant parole, which permits aliens to temporarily enter the United States for urgent humanitarian reasons or for significant public benefit.<sup>1</sup> Parolees are legally required to depart the United States or return to custody when the issues relating to their parole are resolved. H.R. 2 would limit DHS’s parole authority to five enumerated circumstances. Further, the bill would define “urgent humanitarian reasons” to include a limited number of situations related to medical or family matters and would define “significant public benefit” to mean only assisting the government with law enforcement.

Since the start of fiscal year 2022, DHS has paroled about 1.5 million aliens into the United States under one of several large programs or through other widespread practices. That total includes nearly a million people paroled at the southwestern border, a little more than 100,000 people under the Uniting for Ukraine program, and 75,000 people from Afghanistan under Operation Allies Welcome.<sup>2</sup> About 75,000 people from Cuba, Haiti, Nicaragua, and Venezuela have been paroled under a program that DHS created in January 2023.<sup>3</sup> (DHS announced that under that program it will parole up to 360,000 people annually from those countries.)

The government also has announced that it is creating or updating parole programs for people from Columbia, Cuba, El Salvador, Guatemala, Haiti, and Honduras who have an approved family-based petition and are awaiting availability of an immigrant visa.<sup>4</sup>

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1. Sec. 212(d)(5) of the Immigration and Nationality Act (codified at 8 U.S.C. §1182(d)(5) (2018 & Supp.)). Citizenship and Immigration Services, Customs and Border Protection, and Immigration and Customs Enforcement together exercise parole authority. See Department of Homeland Security “Memorandum of Agreement for the Purpose of Coordinating the Concurrent Exercise by USCIS, ICE, and CBP of the Secretary’s Parole Authority Under INA §212(d)(5)(A) With Respect to Certain Aliens Located Outside of the United States” (September 2008), <https://tinyurl.com/35zbd62b> (PDF).
  2. In May 2023, DHS announced a new parole process for people from Afghanistan. See Department of Homeland Security, “DHS Announces Upcoming Re-parole Process for Afghan Nationals” (press release, May 5, 2023), <https://tinyurl.com/2p8ennha>.
  3. Department of Homeland Security, “DHS Continues to Prepare for End of Title 42; Announces New Border Enforcement Measures and Additional Safe and Orderly Processes” (press release, January 5, 2023), <https://tinyurl.com/mwa9hbja>.
  4. In April 2023, the government announced programs for those six countries. See Department of State, “U.S. Government Announces Sweeping New Actions to Manage Regional Migration” (fact sheet, April 27, 2023), <https://tinyurl.com/3rpd3ef3>.

According to data from the Department of State, altogether about 400,000 people from those countries have approved family-based petitions and would potentially be eligible for parole under the announced programs; beneficiaries of future petitions also could be eligible.<sup>5</sup>

Under current law, CBO anticipates that DHS will continue to parole large numbers of people under those programs and practices. In total, CBO projects, a little more than 4.5 million people will be paroled into the United States over the 2024-2033 period.

Under H.R. 2, CBO expects, those parole programs and others would be terminated, although some applications would continue to be adjudicated under existing parole programs during the year or two following enactment. In total, CBO expects, about 4 million fewer aliens would receive parole over the 2024-2033 period, and about two-thirds of that group would have been paroled into the country for at least one year. (For a discussion concerning that period, see “Federal Benefits.”)

Some aliens who would not receive parole because of the changes in H.R. 2 would probably not enter the United States as a result. However, CBO has no basis on which to estimate that reduction in the U.S. population. For this analysis, CBO anticipates that half of the people prevented from receiving parole would reside in the United States under some other authority, such as deferred action; the other half would reside unlawfully in the United States.

**Asylum.** H.R. 2 would limit both the rules of eligibility for aliens to apply for asylum in the United States and the circumstances under which asylum could be granted by officers at DHS or immigration judges at the Department of Justice (DOJ).

Under current law, aliens who are physically present in the United States can apply for asylum irrespective of how or where they entered the country.<sup>6</sup> H.R. 2 would impose three restrictions on that eligibility to apply: First, applicants must have arrived at a designated port of entry. Second, they would be ineligible if they could be removed to another country to apply for similar protection in that country. Third, they could not apply if they had traveled through another country that is a party to the 1951 Refugee Convention or the 1967 Refugee Protocol—Canada and Mexico are parties to both—but did not seek protection there.

Under current law, to receive asylum, an alien must demonstrate “a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group,

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5. DHS also operates other parole programs that are generally smaller than those listed here. See U.S. Citizenship and Immigration Services, “Humanitarian or Significant Public Benefit Parole for Individuals Outside the United States” (May 2, 2023), <https://tinyurl.com/2jbe356p>. In April, DHS announced the expansion of one such program. See Department of Homeland Security, “Departments of Homeland Security and State Announce Enhancements to the Central American Minors Program” (press release, April 12, 2023), <https://tinyurl.com/5f6ay4d8>.

6. An asylum applicant must meet several other conditions, but those would be unaffected by H.R. 2. See sec. 208(a) of the Immigration and Nationality Act (codified at 8 U.S.C. §1158(a) (2018 & Supp.)).

or political opinion.”<sup>7</sup> H.R. 2 would define the terms “persecution,” “particular social group,” and “political opinion” and impose rules for the application of those terms by asylum officers and immigration judges. Those changes under the bill would curtail the ability to grant asylum on the basis of generalized violence or criminal activity in a country (as opposed to situations particular to the person seeking asylum).

Over the past decade, about 30,000 aliens, on average, have received asylum each year. CBO expects that number to climb in the coming decade because DHS and DOJ have hired more asylum officers and immigration judges. Under current law, CBO expects that about 500,000 people will receive asylum over the 2024-2033 period. CBO anticipates that changes under the bill would significantly reduce that number, particularly affecting people who arrive at the southwestern border without having applied for protection in Mexico. The bill provides exceptions, however, notably for victims of human trafficking. CBO estimates that the changes in the bill eventually would reduce grants of asylum by 50 percent, in total reducing the number of people granted asylum by nearly 200,000 over the 2024-2033 period. CBO expects that anyone who would not receive asylum under the bill would remain in the country through other means, such as withholding of removal under the Immigration and Nationality Act or the Convention Against Torture. Unlike asylum, withholding of removal does not provide a path to becoming a lawful permanent resident.

**Unaccompanied Alien Children.** H.R. 2 would change the rules that apply when DHS apprehends unaccompanied alien children. Under current law, DHS determines whether such children from Mexico or Canada are at risk of persecution or trafficking. Children judged to be at such risk are placed in the custody of the Office of Refugee Resettlement (ORR) within the Department of Health and Human Services. ORR, in turn, places children with family members living in the United States. Mexican or Canadian children who are not at risk are returned to child welfare authorities in their home countries, with whom the United States has negotiated agreements. All unaccompanied alien children from other countries are placed with ORR. H.R. 2 would apply the return rules that currently affect children from Mexico and Canada to all unaccompanied children.

Under current law, CBO expects, about 125,000 unaccompanied alien children will arrive in the United States each year and be placed with ORR. Under the bill, DHS would negotiate agreements with other countries, notably El Salvador, Guatemala, and Honduras—the home countries of about 90 percent of those children. Once those agreements are made final, CBO expects that about half of the children would be returned to their home countries. In total, CBO estimates, under H.R. 2, about 550,000 fewer unaccompanied alien children would remain in the United States over the 2024-2033 period than would stay under current law.

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7. Sec. 101(a)(42) of the Immigration and Nationality Act (codified at 8 U.S.C. §1101(a)(42) (2018 & Supp.)).



## Direct Spending

Enacting H.R. 2 would affect direct spending, primarily for benefit programs related to health care, nutrition, and refundable tax credits. CBO estimates that under the bill net direct spending would decrease by \$4.2 billion over the 2024-2028 period and by \$21.0 billion over the 2024-2033 period (see Table 2).

**Eligibility for Federal Benefits.** Individual eligibility for federal benefits depends on several factors. People who are deemed “qualified aliens,” which includes asylees, lawful permanent residents, and those who have been paroled into the United States for at least one year, are eligible for all federal benefits (if they otherwise qualify), although some face waiting periods for certain programs. Asylees face no waiting periods for any benefit; other qualified aliens, under various provisions of law, also can receive certain health or nutrition benefits immediately. By contrast, people who are not considered qualified aliens are eligible for significantly fewer benefits. That group includes aliens who have been granted parole for less than one year, have been given deferred action, or have received withholding of removal. They are eligible, however, to receive premium tax credits for health insurance purchased on the marketplaces established under the Affordable Care Act.<sup>8</sup>

**Low-Income Health Programs.** Direct spending on low-income health programs—premium tax credits, Medicaid, and the Children’s Health Insurance Program (CHIP)—for people affected by the immigration provisions under the bill would decline by \$2.7 billion over the 2024-2028 period and by \$13.5 billion over the 2024-2033 period, CBO estimates.

*Premium Tax Credits.* CBO and JCT estimate that under H.R. 2, on net, about 20,000 fewer people would purchase health insurance through the marketplaces in 2024 and would receive subsidies for that coverage. That number would increase to 160,000 by 2033. We estimate that the average per-person cost of those subsidies would be about \$6,200 in 2024 and about \$8,700 in 2033. CBO and JCT estimate that, on net, direct spending for those tax credits would decrease by \$7.8 billion over the 2024-2033 period. The provision also would increase revenues (for more information see “Revenues”).

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8. H.R. 2 also would narrow the circumstances in which a person can receive Special Immigrant Juvenile (SIJ) classification. Under current law, people with that status immediately receive deferred action and can apply for lawful permanent resident (LPR) status, which confers eligibility for additional benefits; the number who can be granted LPR status is capped annually. Under current law, tens of thousands who already have SIJ status and have applied for LPR status will receive the limited number of adjustments to LPR status that are available over the next decade. Therefore, CBO expects that the SIJ limitations under H.R. 2 would not have significant budgetary effects until after 2033.

**Table 2.**  
**Estimated Changes in Direct Spending Under H.R. 2**

	By Fiscal Year, Millions of Dollars										2024-2028	2024-2033
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033		
<b>Increases or Decreases (-) in Direct Spending</b>												
<b>Low-Income Health Programs<sup>a</sup></b>												
Estimated Budget Authority	-130	-340	-500	-730	-1,010	-1,340	-1,700	-2,110	-2,560	-3,060	-2,710	-13,480
Estimated Outlays	-130	-340	-500	-730	-1,010	-1,340	-1,700	-2,110	-2,560	-3,060	-2,710	-13,480
<b>Nutrition Assistance Programs<sup>b</sup></b>												
Estimated Budget Authority	-20	-70	-120	-160	-200	-350	-560	-730	-930	-1,130	-570	-4,270
Estimated Outlays	-20	-70	-120	-160	-200	-350	-560	-730	-930	-1,130	-570	-4,270
<b>Other Refundable Tax Credits</b>												
Estimated Budget Authority	0	-60	-190	-310	-320	-320	-320	-330	-330	-340	-880	-2,520
Estimated Outlays	0	-60	-190	-310	-320	-320	-320	-330	-330	-340	-880	-2,520
<b>Supplemental Security Income</b>												
Estimated Budget Authority	0	-10	-10	-30	-40	-50	-80	-100	-120	-160	-90	-600
Estimated Outlays	0	-10	-10	-30	-40	-50	-80	-100	-120	-160	-90	-600
<b>Social Security and Medicare<sup>c</sup></b>												
Estimated Budget Authority	0	0	0	0	-10	-10	-20	-30	-50	-70	-10	-190
Estimated Outlays	0	0	0	0	-10	-10	-20	-30	-50	-70	-10	-190
<b>Postsecondary Education Assistance</b>												
Estimated Budget Authority	0	*	-10	-10	-10	-20	-20	-20	-20	-20	-30	-130
Estimated Outlays	0	*	*	-10	-10	-10	-20	-20	-20	-20	-20	-110
<b>Border Wall Construction</b>												
Estimated Budget Authority	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Outlays	10	20	30	20	0	0	0	0	0	0	80	80
<b>Compensation for Errors</b>												
Estimated Budget Authority	10	8	5	5	4	3	2	1	1	1	32	40
Estimated Outlays	10	8	5	5	4	3	2	1	1	1	32	40
<b>Asylum Fees</b>												
Estimated Budget Authority	4	4	3	3	2	2	2	2	2	2	16	26
Estimated Outlays	3	3	3	3	3	2	2	2	2	2	15	25
<b>Total Changes in Direct Spending</b>												
Estimated Budget Authority	-136	-468	-822	-1,232	-1,584	-2,085	-2,696	-3,317	-4,007	-4,777	-4,242	-21,124
Estimated Outlays	-127	-449	-782	-1,212	-1,583	-2,075	-2,696	-3,317	-4,007	-4,777	-4,153	-21,025
<i>On-Budget</i>	-127	-449	-782	-1,212	-1,573	-2,065	-2,686	-3,297	-3,977	-4,737	-4,143	-20,905
<i>Off-Budget</i>	0	0	0	0	-10	-10	-10	-20	-30	-40	-10	-120

Sources: Congressional Budget Office; staff of the Joint Committee on Taxation.

\* = between zero and \$500,000.

The bill also would increase spending from the Crime Victims Fund by less than \$500,000 over the 2024-2033 period.

- a. Low-income health programs encompass premium tax credits, Medicaid, and the Children's Health Insurance Program.
- b. Nutrition assistance programs encompass the Supplemental Nutrition Assistance Program and child nutrition programs.
- c. Spending for Social Security is off budget.



*Medicaid and the Children's Health Insurance Program.* CBO estimates that under the bill, on net, about 3,000 fewer people would receive full benefits under Medicaid or CHIP in 2024. That number would increase to 260,000 by 2033. The average cost of those benefits would be about \$8,100 per Medicaid enrollee in 2033. The savings from having fewer people enrolled would be partially offset by increased spending for enrollees who are eligible only for emergency Medicaid services. CBO estimates that, on net, direct spending for Medicaid and CHIP benefits would decrease by \$5.7 billion over the 2024-2033 period.

Additionally, some of the people who would lose benefits under Medicaid would be eligible to purchase health insurance through the marketplaces. Those costs are included in the estimate for premium tax credits.

**Nutrition Assistance Programs.** Direct spending on nutrition assistance programs—the Supplemental Nutrition Assistance Program (SNAP) and child nutrition programs—for people affected by the immigration provisions under the bill would decline by \$0.6 billion over the 2024-2028 period and by \$4.3 billion over the 2024-2033 period, CBO estimates.

*Supplemental Nutrition Assistance Program.* CBO estimates that under the bill, about 6,700 fewer people would receive SNAP benefits in 2024 and about 330,000 fewer would receive those benefits in 2033. The average per-person cost of the benefits would be about \$2,600 in 2024 and about \$3,200 in 2033. CBO estimates that direct spending for SNAP benefits would decrease by \$3.9 billion over the 2024-2033 period.

*Child Nutrition.* CBO estimates that under the bill, federal child nutrition programs would serve about 5,000 fewer children in 2024 and about 122,000 fewer in 2033. The average cost per child for those benefits would be about \$410 in 2024 and about \$580 in 2033. CBO estimates that direct spending for those programs would decrease by \$380 million over the 2024-2033 period.

**Other Refundable Tax Credits.** JCT estimates that the E-Verify and parole provisions in the bill also would reduce refundable tax credits, other than premium tax credits. JCT estimates that H.R. 2 would decrease outlays for the earned income tax credit and child tax credit by about \$2.5 billion over the 2024-2033 period. Tax credits reduce a taxpayer's overall income tax liability; if the refundable portion of those credits exceeds other tax liabilities, the taxpayer may receive the excess in a refund. Such refunds are classified as outlays in the federal budget.

**Supplemental Security Income (SSI).** CBO estimates that under the bill, about 12,000 fewer people would receive SSI benefits in 2033. The average per-person cost of SSI benefits would be about \$13,000 in 2033. CBO estimates that direct spending for SSI benefits would decrease by \$600 million over the 2024-2033 period.

**Social Security and Medicare.** CBO projects that under H.R. 2, about 2,000 fewer people would receive Social Security Disability Insurance (SSDI) by 2033. SSDI beneficiaries

qualify for Medicare after a two-year waiting period; CBO expects about 1,000 fewer people would receive Medicare by 2033 under the bill. In 2033, the average cost of SSDI benefits for people affected by the bill would be nearly \$21,000 and the average cost of Medicare benefits would be about \$29,000 per person. CBO estimates that under H.R. 2, off-budget direct spending would decrease by \$120 million for Social Security and on-budget direct spending would decrease by \$70 million for Medicare over the 2024-2033 period.

**Postsecondary Education Assistance.** Under H.R. 2, CBO estimates, by 2033 about 20,000 fewer students would receive Pell grants than receive those grants under current law. (To be eligible for federal student aid, a qualified alien must be able to provide evidence from DHS that they intend to become a lawful permanent resident or a U.S. citizen. That additional requirement substantially reduces the number of parolees eligible under current law.) The average grant in the 2033 academic year would be about \$5,130, about \$780 of which would be supported by mandatory spending; the remainder would be funded through discretionary spending (see “Spending Subjection to Appropriation”). CBO also projects that about 5,000 fewer students in 2033 would be eligible under H.R. 2 for federal student loans. Thus, CBO estimates that federal direct spending for assistance for postsecondary education would decrease by about \$110 million over the 2024-2033 period.

**Border Wall Construction.** The Congress appropriated \$1.4 billion to DHS in each of fiscal years 2020 and 2021 to build a barrier system along the southwestern U.S. border. Under current law, CBO expects that DHS will use some of those funds for activities, such as environmental mitigation and remediation, that do not directly contribute to border wall construction. CBO does not expect that DHS will obligate all available funds before they expire at the end of 2024 or the end of 2025.

The bill would require DHS to use all available funds to resume construction; as a result, CBO anticipates that DHS would use funds that otherwise would not be spent. Using information on available funding and spending patterns for those and similar activities, CBO estimates that enacting the provision would increase direct spending by \$80 million over the 2024-2033 period.

**Compensation for Errors.** Under the bill’s mandatory E-Verify requirement, employers must dismiss employees who are determined to be ineligible for employment. The bill would allow people who lose employment because of an error in the system to seek compensation through the Federal Tort Claims Act, which under certain circumstances permits the federal government to waive its sovereign immunity and consent to being sued in a federal court.

CBO expects that compensation awards for such errors would primarily reimburse employees’ lost wages, and that, on average, affected employees would be compensated for about three months of lost pay. Those amounts would be paid through the Judgment Fund, which receives a permanent, indefinite appropriation for claims and judgments against the United States. Based on past determination rates under the E-Verify system and information

about the characteristics of employees most likely to be affected, CBO estimates that the Judgement Fund would pay claims totaling about \$40 million over the 2024-2033 period.

**Asylum Fees.** H.R. 2 would create a new \$50 fee for all asylum applications except those for unaccompanied alien children. CBO expects that under the bill 250,000 people would apply for asylum each year, on average, but that DHS or DOJ would waive the fees for many applicants. Amounts collected under the provision would be categorized as revenues. CBO expects that fees collected by U.S. Citizenship and Immigration Services (USCIS, an agency within DHS) would be deposited into the Immigration Examinations Fee Account and spent without further appropriation. In total, CBO estimates that this provision would increase revenues by \$48 million (see “Revenues”) and increase direct spending by \$25 million over the 2024-2033 period.

**Crime Victims Fund.** The bill would increase criminal penalties for certain immigration offenses, which would result in an insignificant increase in direct spending from the Crime Victims Fund. (For a discussion of those penalties, see “Revenues.”)

### Revenues

CBO and JCT estimate that enacting the bill would decrease revenues, on net, by \$10.6 billion over the 2024-2028 period and by \$27.1 billion over the 2024-2033 period (see Table 3).

**Table 3.**  
**Estimated Changes in Revenues Under H.R. 2**

	By Fiscal Year, Millions of Dollars										2024-2028	2024-2033
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033		
	<b>Increases or Decreases (-) in Revenues</b>											
<b>Income and Payroll Taxes</b>	-410	-1,450	-2,920	-3,010	-3,130	-3,250	-3,370	-3,480	-3,620	-3,750	-10,920	-28,390
<i>On-Budget</i>	320	1,100	2,390	2,490	2,580	2,670	2,770	2,880	2,970	3,080	8,880	23,250
<i>Off-Budget</i>	-730	-2,550	-5,310	-5,500	-5,710	-5,920	-6,140	-6,360	-6,590	-6,830	-19,800	-51,640
<b>Premium Tax Credits</b>	10	30	50	70	90	120	140	170	200	240	250	1,120
<b>Civil and Criminal Penalties</b>	7	8	8	8	9	9	9	10	10	11	40	89
<b>Asylum Fees</b>	7	6	6	5	4	4	4	4	4	4	28	48
<b>Total Changes in Revenues</b>	-386	-1,406	-2,856	-2,927	-3,027	-3,117	-3,217	-3,296	-3,406	-3,495	-10,602	-27,133
<i>On-Budget</i>	344	1,144	2,454	2,573	2,683	2,803	2,923	3,064	3,184	3,335	9,198	24,507
<i>Off-Budget</i>	-730	-2,550	-5,310	-5,500	-5,710	-5,920	-6,140	-6,360	-6,590	-6,830	-19,800	-51,640

Sources: Congressional Budget Office, staff of the Joint Committee on Taxation.

**Income and Payroll Taxes.** CBO and JCT estimate that the E-Verify and parole provisions in H.R. 2 would reduce revenues, on net, by about \$28.4 billion over the 2024–2033 period.

That change would result from a \$51.6 billion reduction in payroll taxes for Social Security (which are classified as off-budget) that is partially offset by a \$23.2 billion net increase in taxes that are classified as on-budget.

Those changes largely reflect JCT's expectation that the mandatory verification of employment authorization would result in some workers without work authorization being paid outside of the tax system—that is, they would move into the underground economy. Under current law, some employers withhold income and payroll taxes from the labor compensation of workers without work authorization. Under H.R. 2, some employers would decrease those tax withholdings as some workers move outside of the tax system. A substantial portion of those estimated revenue reductions—\$51.6 billion over 10 years, JCT estimates—is attributed to lower off-budget revenues from Social Security payroll taxes.

That decrease in revenues would be partly offset because businesses may deduct payroll costs from their taxable income (including their contributions to payroll taxes), and decreased reporting of employment income would reduce such tax deductions available to businesses. As a result, some corporations would report higher taxable profits and pay more in corporate income taxes. Noncorporate businesses, such as partnerships and sole proprietorships, may also report higher taxable income, which would increase individual income taxes paid by their partners and owners. On net, JCT estimates that on-budget revenues would increase by about \$23.2 billion.

**Premium Tax Credits.** CBO and JCT estimate that revenues would increase by \$1.1 billion over the 2024-2033 period as a result of fewer people enrolling in the health insurance marketplaces established under the Affordable Care Act (see “Direct Spending”).

**Civil and Criminal Penalties.** H.R. 2 would increase civil and criminal penalties for employers and individuals. CBO estimates that enacting those provisions would increase civil penalties by \$89 million over the 2024-2033 period and criminal penalties by an insignificant amount over the same period.

*Employer Penalties.* Employers who knowingly recruit or hire people who are illegally present or are not authorized to work in the United States would face increased civil penalties. Using information from Immigration and Customs Enforcement (ICE, an agency within DHS), CBO estimates that the average civil penalty is \$24,000 and that about \$6 million in penalties is collected each year (civil penalties are recorded as revenues). Under the bill, CBO estimates that the average civil penalty would increase by \$26,000 and the annual amount collected would increase by \$9 million, for a total of \$89 million over the 2024-2033 period.

H.R. 2 also would increase criminal penalties from \$3,000 to \$5,000 for employers that exhibit a pattern or practice of violations. CBO estimates that the provision would increase criminal penalty collections by an insignificant amount. Criminal penalties are recorded in

the budget as revenues, deposited into the Crime Victims Fund, and later spent without further appropriation.

*Visa Overstay Penalties.* The bill would create new criminal and civil penalties for aliens who overstay or fail to comply with the terms of the visa that granted them entry into the United States. Under current law, overstaying a visa would make such a person subject to removal, but it is not a criminal or civil offense. The current civil penalties for unlawful entry range from \$50 to \$250.

H.R. 2 would create a new criminal penalty for overstaying a visa and would apply new civil penalties ranging from \$500 to \$1,000 for the initial offense and more for subsequent offenses. Based on historical enforcement patterns, CBO anticipates that only a small number of people would pay penalties for overstaying a visa. The bill also would increase the existing civil penalty range for unlawful entry to \$500 to \$1,000. Using data from DOJ and the U.S. Sentencing Commission, CBO estimates that a small number of people currently are assessed those criminal and civil penalties.

CBO estimates that the provisions related to visa overstays would increase revenues (from civil and criminal penalties) by less than \$500,000 over the 2023-2033 period.

**Asylum Fees.** As discussed above under “Direct Spending,” the bill would increase revenues by \$48 million over the 2024-2033 period for fees charged to asylum applicants. Those revenues could be spent without further appropriation.

### **Spending Subject to Appropriation**

H.R. 2 would change spending subject to appropriation for many programs. CBO estimates that, in total, implementing the bill would reduce net discretionary costs by \$10.4 billion over the 2024-2028 period and by \$31.9 billion over the 2024-2033 period (see Table 4). Those reductions in spending are based on the assumption that future appropriations are reduced by the estimated amounts.

**Office of Refugee Resettlement.** CBO estimates that under H.R. 2, about 200,000 fewer aliens would receive asylum and about 550,000 fewer unaccompanied alien children would be released to ORR custody over the 2024-2033 period. Asylees are eligible for cash and medical assistance, job training, and other benefits from ORR; CBO estimates that those benefits will cost about \$6,000 in 2024 for each asylee. Unaccompanied alien children receive housing, health care, education, and legal services from ORR; CBO estimates that those services will cost about \$69,000 in 2024 for each child. On that basis, and accounting for the effect of anticipated inflation on the cost of those services, CBO estimates that implementing H.R. 2 would decrease spending subject to appropriation by \$0.5 billion in 2024 and by \$42.1 billion over the 2024-2033 period.

**Table 4.**  
**Estimated Increases in Spending Subject to Appropriation Under H.R. 2**

By Fiscal Year, Millions of Dollars												2023-	2023-
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2028	2033
<b>Increases or Decreases (-) in Spending Subject to Appropriation</b>													
<b>Office of Refugee Resettlement</b>													
Estimated													
Authorization	0	-1,080	-2,260	-4,680	-4,870	-5,060	-5,270	-5,440	-5,620	-5,810	-6,000	-17,950	-46,090
Estimated Outlays	0	-540	-1,550	-3,310	-4,460	-4,860	-5,100	-5,300	-5,480	-5,670	-5,850	-14,720	-42,120
<b>Border Patrol Hiring and Retention</b>													
Estimated													
Authorization	0	175	154	248	353	468	581	698	697	699	702	1,398	4,775
Estimated Outlays	0	120	151	231	333	435	547	663	686	699	701	1,270	4,566
<b>Border Wall Construction</b>													
Estimated													
Authorization	0	500	500	500	500	0	0	0	0	0	0	2,000	2,000
Estimated Outlays	0	2	127	252	302	350	275	200	175	150	100	1,033	1,933
<b>E-Verify Costs to the Department of Homeland Security</b>													
Estimated													
Authorization	0	118	117	131	125	128	132	136	141	145	149	619	1,322
Estimated Outlays	0	47	77	109	122	126	128	132	136	140	144	481	1,161
<b>E-Verify Costs to the Social Security Administration</b>													
Estimated													
Authorization	0	30	26	28	29	30	31	33	34	35	37	143	313
Estimated Outlays	0	30	26	28	29	30	31	33	34	35	37	143	313
<b>E-Verify Costs to Other Federal Agencies</b>													
Estimated													
Authorization	0	3	2	0	0	0	0	0	0	0	0	5	5
Estimated Outlays	0	3	2	0	0	0	0	0	0	0	0	5	5
<b>Operational Detention Facilities</b>													
Estimated													
Authorization	0	79	82	84	87	90	93	96	100	104	108	422	923
Estimated Outlays	0	63	73	84	86	89	92	95	99	102	106	395	889
<b>Operation Stonegarden</b>													
Estimated													
Authorization	0	110	110	110	110	110	0	0	0	0	0	550	550
Estimated Outlays	0	6	22	64	97	110	105	88	46	12	0	299	550
<b>Pell Grants</b>													
Estimated													
Authorization	0	*	-10	-20	-40	-50	-70	-80	-80	-80	-80	-120	-510
Estimated Outlays	0	*	*	-10	-30	-40	-60	-70	-80	-80	-80	-80	-450
<b>Additional Polygraph Examiners</b>													
Estimated													
Authorization	0	14	30	31	32	34	36	38	40	42	44	141	341
Estimated Outlays	0	11	25	29	32	34	35	37	39	41	43	131	326

(Continued)



**Table 4.  
Estimated Increases in Spending Subject to Appropriation Under H.R. 2**

	By Fiscal Year, Millions of Dollars											2023- 2028	2023- 2033
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033		
<b>Increases or Decreases (-) in Spending Subject to Appropriation</b>													
<b>Additional Flight Hours</b>													
Estimated Authorization	0	28	29	30	32	33	34	35	37	38	40	152	336
Estimated Outlays	0	23	26	30	31	32	34	35	36	38	33	142	318
<b>Technology Upgrades</b>													
Authorization	125	158	33	0	0	0	0	0	0	0	0	316	316
Estimated Outlays	0	14	58	63	63	63	49	5	0	0	0	261	315
<b>Invasive Plan Species</b>													
Authorization	0	7	7	7	7	7	0	0	0	0	0	35	35
Estimated Outlays	0	1	2	4	5	6	5	3	2	0	0	18	28
<b>Reporting Requirements</b>													
Estimated Authorization	0	3	2	2	2	2	2	1	1	2	2	11	19
Estimated Outlays	0	3	2	2	2	2	2	1	1	2	2	11	19
<b>Reductions in Authorizations of Appropriations</b>													
Authorization	0	216	0	0	0	0	0	0	0	0	0	216	216
Estimated Outlays	0	130	54	13	6	4	2	1	1	0	0	207	211
<b>Total Increases in Spending Subject to Appropriations</b>													
Estimated Authorization	125	361	-1,178	-3,529	-3,633	-4,208	-4,431	-4,483	-4,650	-4,825	-4,998	-12,062	-35,449
Estimated Outlays	0	-87	-905	-2,411	-3,382	-3,619	-3,855	-4,077	-4,305	-4,531	-4,764	-10,404	-31,936

Source: Congressional Budget Office.

\* = between zero and \$500,000.

**Border Patrol Hiring and Retention.** By the end of fiscal year 2025, H.R. 2 would require CBP to have a total of 22,000 border patrol agents on active duty. The bill also would authorize the appropriation of \$100 million to provide retention bonuses for certain agents.

To meet that requirement, CBO expects that CBP would need to add 3,000 agents to its current complement of 19,000. Based on estimated attrition and the time needed to hire and train each agent, CBO estimates that it would take more than five years to meet that requirement. In 2023, CBO expects that CBP’s cost for each agent averages about \$240,000, which covers compensation, equipment, and processing; in addition, training costs average about \$40,000 for each new agent. On that basis, and accounting for anticipated inflation, CBO estimates that adding 3,000 new border patrol agents would cost \$1.1 billion over the 2024-2028 period and that CBP would incur additional administrative, recruitment, and retention costs of about \$200 million, totaling \$1.3 billion over the same period.

Because CBO expects it would take more than five years to meet that requirement, the costs would be larger once CBP hires the required number of agents. CBO estimates that it would cost \$4.6 billion over the 2024-2033 period to hire, train, and retain the bill's required complement of border patrol agents.

**Border Wall Construction.** H.R. 2 would direct DHS to build at least 900 miles of barrier and other infrastructure along the southwestern U.S. border. Under current law, the department must construct at least 700 miles of reinforced fencing along the border. Using information from CBP, CBO expects that DHS would need to build an additional 160 miles of barrier; about 740 miles has been completed or is under construction.

CBO estimates an average cost per mile of \$25 million for planning, land acquisition and related procurement, construction, and maintenance. CBO expects that previously appropriated amounts could cover the cost of 80 miles of construction; thus, CBP would need an additional \$2 billion to complete the other 80 miles. Based on spending patterns for similar projects, CBO estimates that implementing this provision would cost \$1 billion over the 2024-2028 period and an additional \$1 billion after 2028.

**E-Verify.** Under current law, federal agencies and contractors must use E-Verify; 19 states require some or all employers to use the system. H.R. 2 would require all employers to use E-Verify. In total, CBO estimates that implementing this provision would cost \$629 million over the 2024-2028 period, primarily for DHS and the Social Security Administration (SSA).

*E-Verify Costs for the Department of Homeland Security.* U.S. Citizenship and Immigration Services receives about 50 million E-Verify queries annually. Using data from the Bureau of Labor Statistics, CBO estimates that requiring all employers to use E-Verify would increase that volume by about 35 million queries each year. CBO estimates that over the 2024-2028 period, USCIS would incur about \$224 million in costs for technology upgrades and maintenance and another \$130 million for administrative activities and public outreach. CBO also estimates that it would cost USCIS \$105 million over the 2024-2028 period to increase its staff by 200 to accommodate the increased volume of queries. CBO estimates that the bill's E-Verify requirements would increase costs for DHS by \$459 million over the 2024-2028 period.

The bill also would require DHS to create a new office to work with state and local governments, establish programs to prevent fraud involving Social Security numbers, and report to the Congress on the composition of the agricultural workforce. Using information about similar activities, CBO estimates that implementing those requirements would cost \$22 million over the 2024-2028 period.

CBO estimates that the total cost to DHS to implement the E-Verify provision would be \$481 million over the 2024-2028 period.

*E-Verify Costs for the Social Security Administration.* If the E-Verify system identifies a new employee as ineligible to work, that employee must contact SSA to resolve discrepancies between the information submitted by the employer and SSA’s records. Using information from SSA, CBO expects that the agency would receive about 200,000 additional queries annually for resolution of discrepancies in personal data. The bill also would require SSA to notify people whose Social Security numbers exhibit patterns of unusual use. CBO expects that SSA would receive about 400,000 queries annually in response to such notifications. CBO estimates that it would cost SSA about \$50 to respond to each one. Thus, we estimate that implementing H.R. 2 would increase discretionary costs for SSA by \$143 million over the 2024-2028 period.

*E-Verify Costs for Other Federal Agencies.* Current law requires federal agencies to verify the employment eligibility of anyone hired in 2007 or later. H.R. 2 would direct all federal agencies to verify the eligibility of all employees. Using information from the Office of Personnel Management and the Department of Defense, CBO expects that the eligibility of close to 1 million employees (including military personnel) hired before 2007 would be subject to verification. CBO estimates that meeting that requirement would cost the federal government about \$5 million over the 2024-2028 period.

**Operational Detention Facilities.** H.R. 2 would require DHS to reopen and expand any ICE detention facility that, as of January 20, 2021, had been closed or that currently is operating at a reduced capacity. Information from ICE indicates that the requirement would affect five facilities. The bill also would require DHS to notify the Congress when a facility’s population reaches a specified threshold.

CBO estimates that annual operating costs currently average about \$57,000 per bed in adult detention facilities and \$131,000 per bed in family detention facilities. On that basis and considering the average daily population for each facility before January 20, 2021, CBO estimates that implementing the provision would cost \$395 million over the 2024-2028 period.

**Operation Stonegarden.** In 2023, the Congress appropriated \$90 million for Operation Stonegarden, which supports cooperation between CBP and federal, state, and local law enforcement agencies to improve border security. H.R. 2 would authorize the appropriation of \$110 million each year over the 2024-2028 period for that program. Under the bill, states would award grants to local agencies to fund equipment and personnel to work with CBP and ICE. Based on spending patterns for similar programs, CBO estimates that implementing the provision would cost about \$300 million over the 2024-2028 period and \$250 million after 2028, assuming appropriation of the authorized amounts.

**Pell Grants.** As discussed above for “Direct Spending,” the bill would reduce postsecondary education assistance. Under current law, qualified aliens may receive Pell grants. Most of every Pell grant award is supported with discretionary funds (about \$6,335 of the maximum

award of \$7,395 in 2023). CBO estimates that under the bill, discretionary spending for Pell grants would decrease by about \$450 million over the 2024-2033 period.

**Additional Polygraph Examiners.** The bill would require DHS to hire at least 150 new polygraph examiners by September 30, 2025. Using information from CBP, CBO estimates that implementing the provision would cost \$131 million over the 2024-2028 period.

**Additional Flight Hours.** H.R. 2 would require CBP's Air and Marine Operations to record at least 110,000 flight hours each year. Because the current annual total is about 99,000 hours, CBO expects that CBP would need to log an additional 11,000 flight hours annually. CBO estimates that meeting the provision would require CBP to hire about 90 additional employees, at a total annual cost of \$20 million. In addition, we estimate that CBP would incur additional annual costs of about \$2 million for repairs, maintenance, and fuel. As a result, we estimate that implementing the flight-hour requirement would cost \$112 million over the 2024-2028 period.

Using information from CBP, CBO also expects that under the bill, CBP's unmanned aircraft systems would need to log 350 flight hours each year above the current estimated amount of 10,500 hours to provide around-the-clock surveillance along the southwestern border. CBO estimates that implementing that requirement would cost about \$30 million for personnel and maintenance over the 2024-2028 period.

In total, CBO estimates, implementing those provisions would cost \$142 million over the 2024-2028 period.

**Technology Upgrades.** H.R. 2 would authorize the appropriation of \$33 million each year for 2024 and 2025 to fully implement CBP's Border Security Deployment Program, a surveillance tool used at land ports of entry and other CBP facilities. The bill also would authorize the appropriation of \$125 million each year for 2023 and 2024 to upgrade license plate readers at the border. Based on spending patterns for similar activities, CBO estimates that implementing both provisions would cost \$261 million over the 2024-2028 period, assuming appropriation of the authorized amounts. (CBO estimates that any spending from the amount authorized for 2023 would occur in 2024 and subsequent years.)

**Invasive Plant Species.** H.R. 2 would authorize the appropriation of \$7 million each year over the 2024-2028 period to eradicate two invasive plant species (carrizo cane and salt cedar) in areas where they impede border security operations along the Rio Grande. Based on spending patterns for similar activities, CBO estimates that the program would cost \$18 million over the 2024-2028 period, assuming appropriation of the authorized amounts.

**Reporting Requirements.** H.R. 2 would create additional reporting requirements for DHS and its Office of Inspector General as well as the Government Accountability Office. Using information about the cost of similar activities, CBO estimates that implementing those requirements would cost \$11 million over the 2024-2028 period.

**Reductions in Authorizations of Appropriations for Some Existing Programs.** H.R. 2 clarifies that no funds would be authorized to be appropriated for several existing DHS programs and activities:

- The Shelter Services Program, for which the Congress appropriated \$800 million in fiscal year 2023;
- Construction of a facility on the St. Elizabeths campus in Washington, D.C., for which DHS allocated \$188 million in fiscal year 2023;
- Electric vehicles, for which DHS allocated \$32 million in fiscal year 2023;
- The Office of the Immigration Detention Ombudsman, for which DHS allocated \$28 million in fiscal year 2023; and
- The Alternatives to Detention Case Management Pilot program, for which the Congress appropriated \$20 million in fiscal year 2023.

Because there is no underlying authorization for those programs and activities in current law, CBO's estimate shows no reduction in future authorizations for enacting those provisions. If the Congress reduced future appropriations by the above amounts and did not allocate those funds to other activities, future spending would be lower.

H.R. 2 also would authorize the appropriation of \$216 million for the Office of Intelligence and Analysis. (The Congress appropriated \$316 million for that office in 2023.) There is no underlying authorization for that program in current law; therefore, CBO estimates that implementing this provision would increase authorizations by \$216 million in 2024 and spending by \$207 million over the 2024-2028 period, assuming appropriation of the authorized amount.

**Department of State.** Title III would require the Department of State to negotiate agreements with the governments of Mexico, Honduras, El Salvador, Guatemala, and other neighboring countries to cooperate on immigration enforcement in the region. The aims would be to reduce the number of asylum seekers entering the United States, to help foreign countries protect asylum seekers and adjudicate their claims, to expedite the adjudication of asylum claims in the United States, and to facilitate the repatriation of foreign nationals. The United States has diplomatic relations with those countries and CBO estimates that negotiating the agreements required under the bill would not significantly increase the costs of the department's ongoing engagement related to immigration enforcement.

### **Uncertainty**

Several sources of uncertainty affect CBO's population estimates and the estimates of the budgetary effects of H.R. 2.

The bill would require the federal government to detain arriving aliens or return them to the contiguous country from which they arrived (Mexico or Canada) until the conclusion of their court proceedings, at which time they would either be deported or permitted to stay lawfully. The bill could reduce the number of people entering the United States. Any change in the population would be affected by many factors, including the availability of detention space, the cooperation of foreign governments, and future court decisions. Given the complex interplay among those and other factors, CBO has no basis on which to estimate a change in the U.S. population. If the bill reduced the number of aliens entering the United States outside of government custody, unified deficits under H.R. 2 would be lower than shown in this estimate.

CBO's estimate of the bill's parole provisions is affected by a paucity of data concerning how many aliens DHS paroles into the United States, the programs or policies under which they are paroled, and the length of their initial period of parole. If the number paroled into the United States—particularly for more than a year—differs from CBO's estimates, the resulting budgetary effects could be larger or smaller than estimated.

The estimates of changes in revenues and refundable tax credits are uncertain because they rely on underlying projections and other estimates that are themselves uncertain. Specifically, the revenue estimates are based in part on CBO's economic projections for the next decade under current law and on estimates of changes in taxpayers' behavior in response to changes in rules. Whether affected individuals without work authorization would continue to work and whether or how they would pay taxes under the bill is uncertain. Individuals without work authorization might choose to work outside of the tax system, to pay taxes under their own previously received Social Security number, or to pay taxes under a false or stolen number.

### **Pay-As-You-Go Considerations**

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays and revenues that are subject to those pay-as-you-go procedures are shown in Table 5.



**Table 5.**  
**CBO’s Estimate of the Statutory Pay-As-You-Go Effects of H.R. 2, the Secure the Border Act of 2023, as Posted on the Website of the House Committee on Rules on May 5, 2023**

	By Fiscal Year, Millions of Dollars											2023-2028	2023-2033
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033		
	<b>Net Increases or Decreases (-) in the On-Budget Deficit</b>												
Pay-As-You-Go Effect	0	-471	-1,593	-3,236	-3,785	-4,256	-4,868	-5,609	-6,361	-7,161	-8,072	-13,341	-45,412
Memorandum:													
Changes in Outlays	0	-127	-449	-782	-1,212	-1,573	-2,065	2,686	-3,297	-3,977	-4,737	-4,143	-20,905
Changes in Revenues	0	344	1,144	2,454	2,573	2,683	2,803	2,923	3,064	3,184	3,335	9,198	24,507

Sources: Congressional Budget Office; staff of the Joint Committee on Taxation.  
Enacting the bill would increase off-budget deficits by \$51.5 billion over the 2024-2033 period.

## Increase in Long-Term Net Direct Spending and Deficits

CBO and JCT estimate the following long-term budgetary effects:

- Enacting the bill would not increase net direct spending in any of the four consecutive 10-year periods beginning in 2034,
- Enacting the bill would not increase on-budget deficits in any of the four consecutive 10-year periods beginning in 2034, and
- Enacting the bill would not increase unified budget deficits (deficits that combine on- and off-budget effects) in any of the four consecutive 10-year periods beginning in 2034.

## Mandates

H.R. 2 would impose intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the costs to comply with the intergovernmental mandates would exceed the threshold established in UMRA (\$99 million in 2023, adjusted annually for inflation). The cost to comply with private-sector mandates would be significant but would not exceed the threshold (\$198 million in 2023, adjusted annually for inflation).

### Mandates That Apply to Public and Private Entities

H.R. 2 would direct DHS to resume construction of a barrier wall along the southwestern U.S. border. If DHS uses eminent domain to acquire additional land, the bill could impose intergovernmental and private-sector mandates, depending on whether the land is owned by a state or a private entity. The direct cost of the mandate would be the fair market value of the land and expenses incurred by the landowners in transferring the land to the federal

government. Because landowners would be reimbursed by the federal government for the fair market value of the land, the cost of the mandate would be below the annual threshold.

The bill also would impose intergovernmental and private-sector mandates on employers and other entities that hire, recruit, or refer people for employment by requiring them to participate in the E-Verify system to confirm the work authorization of those people. The time and effort spent by an employer to complete the verification would be the cost of the mandate.

**Current Employees.** All public employers and some private employers would be required to confirm, within six months after enactment, the work authorization of current employees whose eligibility has not previously been confirmed by the E-Verify system. Using census data, CBO estimates that roughly 17 million current public employees would need verification. CBO estimates that the total cost for public entities to comply with the mandate would be about \$100 million.

The bill also would require private-sector employers of some employees with federal security clearances to confirm the work eligibility of those employees using E-Verify. According to DHS and the National Infrastructure Advisory Council, those employers generally are considered part of the critical infrastructure and already participate in the E-Verify system; therefore, the incremental cost of the verifications would be small.

**Newly Hired Employees.** The bill would require all public and private employers to verify the work eligibility of newly hired employees as well as those whose temporary employment authorization is expiring. Employers would then have to maintain a record of the verification for those new employees.

Currently, 16 states require some public entities to use E-Verify for new employees. Using census data, CBO estimates that the eligibility of 2.5 million new public employees would need to be verified each year. CBO estimates that the annual cost for public entities to comply with that mandate would be about \$15 million.

Based on data from the Bureau of Labor Statistics and USCIS, CBO expects the number of verifications of newly hired employees in the private sector to rise by approximately 35 million annually. CBO estimates that the direct costs for private entities to comply with the bill would be about \$140 million annually.

### **Mandates Affecting Only State, Local, or Tribal Entities**

H.R. 2 would impose an intergovernmental mandate by prohibiting state and local governments from taxing land acquired by the federal government to build a barrier along the southwestern U.S. border. Using information from CBP and tax rate data from taxing jurisdictions along the border, CBO estimates that those forgone revenues would be about \$10 million annually.

The bill also would preempt state and local laws related to work verification. Although the preemption would limit the application of state and local laws, it would impose no duty on state or local governments that would result in significant spending or loss of revenues.

### **Mandate Affecting Private-Sector Entities Only**

H.R. 2 would require job applicants to provide specific documents to establish their identity for verifying their employment eligibility. Those documents would include most standard forms of identification, such as state drivers' licenses, passports, military identification cards, and permanent resident cards. CBO estimates that the cost to comply with that mandate would be relatively small.

The bill also would impose a minimum \$50 fee on asylum applications. CBO anticipates that roughly 250,000 people will apply for asylum each year, but that DHS would waive the fee for many applicants. Therefore, CBO estimates that the annual cost of the mandate would be less than \$10 million.

### **Previous CBO Estimate**

On May 2, 2023, CBO transmitted [a cost estimate for H.R. 1690](#), the Orderly Requirements Designed to Enforce and Regulate Latin American Migration Act, as ordered reported by the House Committee on Foreign Affairs on April 28, 2023. H.R. 1690 is similar to title III of H.R. 2, and CBO's estimates of their budgetary effects are the same.

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