



# Immigration Examinations Fee Account

Fiscal Year 2017 Report to Congress  
Statement of Financial Condition



U.S. Citizenship  
and Immigration  
Services



# Homeland Security

May 11, 2018

I am pleased to present the following report, "Immigration Examinations Fee Account – Statement of Financial Condition," which has been prepared by U.S. Citizenship and Immigration Services.

Pursuant to congressional requirements, this report is being provided to the following Members of Congress:

The Honorable Raúl Labrador.  
Chairman, House Subcommittee on Immigration and Border Security

The Honorable Zoe Lofgren  
Ranking Member, House Subcommittee on Immigration and Border Security

The Honorable John Cornyn  
Chairman, Senate Subcommittee on Border Security and Immigration

The Honorable Richard Durbin  
Ranking Member, Senate Subcommittee on Border Security and Immigration

The Honorable John Carter  
Chairman, House Appropriations Subcommittee on Homeland Security

The Honorable Lucille Roybal-Allard  
Ranking Member, House Appropriations Subcommittee on Homeland Security

The Honorable John Boozman  
Chairman, Senate Appropriations Subcommittee on Homeland Security

The Honorable Jon Tester  
Ranking Member, Senate Appropriations Subcommittee on Homeland Security

Inquiries relating to this report may be directed to me at (202) 447-5890.

Respectfully,

A handwritten signature in blue ink, appearing to read "D. Wonnemberg".

David Wonnemberg  
Acting Assistant Secretary for Legislative Affairs

# Executive Summary<sup>1</sup>

This report fulfils a statutory requirement established under Section 268 of the Immigration and Nationality Act (INA) [8 U.S.C. 1356(o)], which requires the annual submission of “statements of financial condition,” of the Immigration Examinations Fee Account (IEFA) to include information on balances, revenues, withdrawals, and projections for the ensuing fiscal year. This report is for Fiscal Year (FY) 2017 and excludes fee funds under the IEFA authority that are not collected or managed by USCIS, for example the fees collected by U.S. Immigration and Customs Enforcement for the Student and Exchange Visitor Program. Information is based on the Statement of Budgetary Resources that the Department of Homeland Security (DHS) incorporates into the unified financial statements for the DHS Agency Financial Report (AFR).

The FY 2017 adjusted beginning account balance was \$1,213 million. It was comprised of \$518 million in non-premium processing funds and \$695 million in premium processing funds. FY 2017 revenue collections were \$3,837 million (\$3,483 million non-premium and \$354 million premium). FY 2017 direct obligations were \$3,764 million (\$3,301 million non-premium and \$463 million premium). The FY 2017 adjusted ending account balance was \$1,429 million (\$789 million non-premium and \$640 million premium).

The FY 2018 unobligated account balance is projected to be \$960.5 million (\$723.5 million non-premium and \$237.0 million premium). FY 2018 total projected spending of \$4,228.3 million is expected to exceed the total projected revenue of \$3,901.3 million by \$327.0 million (8.4 percent).<sup>2</sup>

<sup>1</sup> Summary values in this report may vary due to rounding.

<sup>2</sup> The FY 2018 total projected spending level in this report is based on the FY 2018 President’s Budget Request for IEFA (\$4,228 million).



# Immigration Exams Fee Account – Statement of Financial Condition

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# I. Legislative Requirement

Section 286(o) of the Immigration and Nationality Act (8 U.S.C. 1356(o)) includes the following requirement:

## **(o) Annual financial reports to Congress**

The [Secretary of Homeland Security] shall prepare and submit annually to Congress statements of financial condition of the "Immigration Examinations Fee Account", including beginning account balance, revenues, withdrawals, and ending account balance and projections for the ensuing fiscal year.

## II. Purpose and Background

This report summarizes the financial status of the Immigration Examinations Fee Account (IEFA) authorized by 8 U.S.C. 1356(m) and (n). IEFA provides the majority of the funding for U.S. Citizenship and Immigration Services (USCIS) operations; it accounted for approximately 96 percent of USCIS' direct budgetary authority in FY 2017. A reporting requirement, included under 8 U.S.C. 1356(o), requires the annual submission of a "statement of financial condition," to include information on balances, revenues, and withdrawals from IEFA.

Fees collected from immigration benefit applicants and petitioners are deposited into IEFA and used to fund the cost of providing immigration and naturalization services, including the costs of similar services provided without charge to asylum applicants or other immigrants, as well as the costs for the collection, safeguarding, and accounting for the funds.

IEFA funds the following programmatic areas:

- Adjudication Services provides timely and quality processing of:
  - *Family-based benefit requests* – facilitating the process for relatives of U.S. citizens and permanent residents to immigrate, gain permanent residency, work, etc.;
  - *Employment-based benefit requests* – facilitating the process for current and prospective employees to immigrate or stay in the U.S. temporarily;
  - *Asylum and Refugee benefit requests* – adjudicating asylum and refugee classification applications for individuals seeking protection from persecution and facilitating the process for certain close relatives of individuals admitted as refugees and individuals granted asylum to immigrate to the United States; and,
  - *Naturalization applications* – processing applications of persons seeking to become U.S. citizens.
- Information and Customer Services provides assistance to applicants and petitioners through the USCIS website, Contact Centers, and face-to-face appointments. In FY 2017, USCIS served over 15 million applicants and petitioners via the Contact Centers, while also serving over 900,000 applicants and petitioners through information counters at local offices. USCIS also hosts frequent public engagements in a variety of languages with a vast array of stakeholders.
- Fraud Detection & National Security (FDNS) leads USCIS operational efforts to ensure immigration benefits are not granted to individuals who pose a threat to national security, public safety, or who seeks to defraud our immigration system. Some of the programs led by FDNS include but are not limited to: screening and vetting programs across USCIS, pre- and post-adjudication site inspections and compliance reviews for certain visa petition categories, enhanced refugee reviews, and the Controlled Application Review and Resolution Program (CARRP) for the processing of national security concerns. FDNS also issues operational guidance and procedures relating to national security, public safety, and fraud concerns, and manages screening policy and procedures across all USCIS directorates and program offices.

FDNS Immigration Officers are posted in USCIS Service Centers, Regional Offices, District Offices, Field Offices, and Asylum Offices within the United States, as well as certain offices abroad. FDNS is the primary USCIS liaison with various law enforcement and intelligence agency partners, including but not limited to: Customs and Border Protection's National Targeting Center for Passengers, Homeland Security Investigations Forensic Laboratory, National Counterterrorism Center, Department of State's Kentucky Consular Center and National Visa Center, Federal Bureau of Investigation's Terrorist Screening Center, and INTERPOL's U.S. National Central Bureau. FDNS Officers also participate in Immigration and Customs Enforcement's Document Benefit Fraud Task Forces, Federal Bureau of Investigation's Joint Terrorism Task Forces, State and Local Fusion Centers, and other Federal and local law enforcement initiatives, through which they share immigration related information, assist law enforcement investigations, and provide subject matter expertise.

- Administration provides management and oversight support through a variety of overhead and headquarters offices such as the Offices of Administration, the Chief Financial Officer, Chief Counsel, Legislative Affairs, Communications, Policy and Strategy, Privacy, Performance and Quality, Human Capital and Training, and Security and Integrity.
- Systematic Alien Verification for Entitlements (SAVE) provides automated immigration status verification to Federal, state and local benefits-granting agencies and licensing bureaus (such as Departments of Motor Vehicles). SAVE customer agencies use this immigration status information to assist in determining applicants' eligibility for Federal, state, or local public benefits and licenses.

The premium processing fee, authorized by 8 U.S.C. 1356(u) to provide premium services to business customers, is deposited into the IEFA. The fees are available to USCIS to make infrastructure improvements in the adjudications and customer-service processes as well as to fund the costs of providing the premium services. In FY 2017, USCIS continued to use premium processing revenue to modernize business processes and the supporting information technology systems, while also funding other infrastructure improvements in the adjudications and customer service processes consistent with the statute and Congressional intent.

### III. FY 2017 Statement of Budgetary Resources

The table below mirrors the format and structure of the Statement of Budgetary Resources included in the DHS AFR that is issued annually to the public by the Department; additionally, it includes the change from prior year in both dollar and percentage terms. Source data is from the FY 2016 and FY 2017 end-of-year Comparative Statement of Budgetary Resources, from which DHS produces the unified financial statements for the DHS AFR.<sup>3</sup>

Comparative Statement of Budgetary Resources FY 2016 to FY 2017				
U.S. Citizenship and Immigration Services (USCIS)				
Immigration Examinations Fee Account (IEFA)				
BUDGETARY RESOURCES:	FY 2017	FY 2016	\$ Difference	% Change
Unobligated balance brought forward, October 1	980,161,138	932,663,482	47,497,656	5.1%
Adjustment to unobligated balance, brought forward, October 1 (+ or -)	0	0	0	0.0%
Unobligated balance brought forward, October 1, adjusted	980,161,138	932,663,482	47,497,656	5.1%
Recoveries of prior year unpaid obligations	132,163,139	99,330,701	32,832,438	33.1%
Other changes in unobligated balance (+ or -)	4,394,335	2,904,049	1,490,286	51.3%
Unobligated balance from prior year budget authority, net	1,116,718,612	1,034,898,232	81,820,380	7.9%
Appropriations (mandatory and discretionary)	3,801,392,333	3,424,717,707	376,674,626	11.0%
Borrowing Authority (discretionary and mandatory)	0	0	0	0.0%
Contract Authority (discretionary and mandatory)	0	0	0	0.0%
Spending Authority from offsetting collections (discretionary and mandatory)	47,690,544	38,538,375	9,152,168	23.7%
<b>Total Budgetary Resources</b>	<b>4,965,801,489</b>	<b>4,498,154,315</b>	<b>467,647,174</b>	<b>10.4%</b>
<b>STATUS OF BUDGETARY RESOURCES:</b>				
New obligations and upward adjustments (Total)	3,797,549,753	3,517,993,177	279,556,576	7.9%
Unobligated balance, end of year:				
Apportioned, Unexpired Account	242,573,665	127,677,428	114,896,238	90.0%
Exempt from Apportionment, Unexpired Account	0	0	0	0.0%
Unapportioned, Unexpired Account	925,678,071	852,483,710	73,194,360	8.6%
Unexpired Unobligated Balance, end of year	1,168,251,736	980,161,138	188,090,598	19.2%
Expired Unobligated Balance, end of year	0	0	0	0.0%
Total Unobligated Balance, end of year	1,168,251,736	980,161,138	188,090,598	19.2%
<b>Total Budgetary Resources</b>	<b>4,965,801,489</b>	<b>4,498,154,315</b>	<b>467,647,174</b>	<b>10.4%</b>
<b>CHANGE IN OBLIGATED BALANCE:</b>				
<b>Unpaid obligations:</b>				
Unpaid obligations, brought forward, October 1	1,186,096,386	1,072,051,960	114,044,425	10.6%
Adjustments to unpaid obligations, start of year (+ or -)	0	0	0	0.0%
New obligations and upward adjustments	3,797,549,753	3,517,993,177	279,556,576	7.9%
Outlays (gross) (-)	(3,637,332,591)	(3,304,618,051)	(332,714,540)	10.1%
Actual Transfers, unpaid obligations (net) (+ or -)	0	0	0	0.0%
Recoveries of prior year unpaid obligations (-)	(132,163,139)	(99,330,701)	(32,832,438)	33.1%
Unpaid Obligations, end of year (gross)	1,214,150,409	1,186,096,386	28,054,023	2.4%
<b>Uncollected payments:</b>				
Uncollected customer payments from Federal sources, brought forward, October 1 (-)	(18,862,583)	(13,262,661)	(5,599,922)	42.2%
Adjustments to Uncollected payments from Federal sources, start of year (+ or -)	0	0	0	0.0%
Change in uncollected customer payments from Federal Sources (+ or -)	(4,223,010)	(5,599,922)	1,376,913	-24.6%
Actual transfers, uncollected payments from Federal Sources (net) (+ or -)	0	0	0	0.0%
Uncollected customer payments from Federal sources, end of year (-)	(23,085,593)	(18,862,583)	(4,223,010)	22.4%
<b>Memorandum (non-add) entries:</b>				
Obligated balance, start of year	1,167,233,802	1,058,789,299	108,444,503	10.2%
Obligated balance, end of year (net)	1,191,064,816	1,167,233,802	23,831,014	2.0%
<b>BUDGET AUTHORITY AND OUTLAYS, NET:</b>				
Budget authority, gross (discretionary and mandatory)	3,849,082,877	3,463,256,083	385,826,794	11.1%
Actual offsetting collections (discretionary and mandatory) (-)	(51,660,319)	(35,842,502)	(15,817,817)	44.1%
Change in uncollected customer payments from Federal Sources (discretionary and mandatory) (+ or -)	(4,223,010)	(5,599,922)	1,376,913	-24.6%
Recoveries of prior year paid obligations (discretionary and mandatory)	4,394,335	2,904,049	1,490,286	51.3%
Anticipated offsetting collections (discretionary and mandatory) (+ or -)	0	0	0	0.0%
Budget Authority, net (discretionary and mandatory)	3,797,593,883	3,424,717,707	372,876,176	10.9%
Outlays, gross (discretionary and mandatory)	3,637,332,591	3,304,618,051	332,714,540	10.1%
Actual offsetting collections (discretionary and mandatory)	(51,660,319)	(35,842,502)	(15,817,817)	44.1%
Outlays, net (discretionary and mandatory)	3,585,672,271	3,268,775,548	316,896,723	9.7%
Distributed offsetting receipts (-)	(3,836,858,437)	(3,439,893,503)	(396,964,934)	11.5%
Agency Outlays, net (discretionary and mandatory)	(251,186,166)	(171,117,955)	(80,068,210)	46.8%

<sup>3</sup> The Comparative Statement of Budgetary Resources FY 2016 to FY 2017 includes direct and reimbursable funding.



The following are brief explanations for some of the significant changes from FY 2016 to FY 2017:

- Unobligated balance brought forward, October 1 (beginning account balance): The beginning account balance increased from \$932.7 million in FY 2016 to \$980.2 million in FY 2017 (+\$47.5 million). As in recent years, the non-premium portion of the unobligated balance brought forward on October 1 (i.e., carryover) continued to decrease. Non-premium carryover decreased from \$343.9 million in FY 2016 to \$300.6 million in FY 2017 (-\$43.3 million). Premium processing carryover continued to increase. Premium carryover increased from \$588.7 million in FY 2016 to \$679.6 million in FY 2017 (+\$90.9 million). Adjusting for the effects of the FY 2015 sequestration of \$199.3 million and FY 2016 sequestration of \$217.9 million, which are excluded from the respective beginning balances in the comparative Statement of Budgetary Resources, the adjusted non-premium processing carryover decreased from \$543.3 million in FY 2016 to \$518.4 million in FY 2017 (-\$24.9 million).<sup>4</sup> USCIS applied \$22.8M in sequestration to premium processing revenue in FY 2015, and \$15.4 million in FY 2016. Therefore, the adjusted premium processing carryover increased from \$611.5 million to \$695.0 million (+\$83.5 million).
- Appropriations (revenues):<sup>5</sup> From FY 2016 to FY 2017, revenues increased by \$397.0 million (+11.0 percent) from \$3,439.9 million in FY 2016 to \$3,836.9 million in FY 2017.<sup>6</sup> FY 2017 non-premium processing revenues were \$3,482.9 million (91 percent) and premium-processing fee revenues were \$353.9 million (9 percent) of the total. Application and petition volumes continued to increase from FY 2016 to FY 2017, resulting in \$511.1 million (+17 percent) in non-premium revenue growth. Premium processing revenue decreased by \$114.1 million (-24 percent) from FY 2016 to FY 2017.
- Obligations Incurred (withdrawals):<sup>7</sup> From FY 2016 to FY 2017, obligations incurred increased by \$279.6 million (+7.9 percent) due to additional staffing and other operational costs necessary to meet the increased application and petition receipt volumes. FY 2017 direct obligations were \$3,764.1 million, with an additional \$33.4 million in reimbursable obligations.

Total Unobligated Balance, end of year (ending account balance): From FY 2016 end of year to FY 2017 end of year, the direct<sup>8</sup> unobligated balance increased by \$184.5 million (+19 percent)

<sup>4</sup> Sequestration of mandatory fee accounts is pursuant to section 251A of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, and makes a portion of new fee revenue temporarily unavailable for obligation in the current fiscal year. Sequestered funds are released for obligation the following fiscal year.

<sup>5</sup> IEFA revenue collections are available upon being deposited into the USCIS IEFA Treasury account due to IEFA being established with permanent, indefinite appropriation and Treasury warrant authority.

<sup>6</sup> The appropriations figure on the Statement of Budgetary Resources reflects a -\$4,000,000 transfer of funds to DOJ, sequestered funds released for obligation in the current fiscal year, and sequestered funds temporarily unavailable for obligation in the current fiscal year.

<sup>7</sup> Prior to the establishment of the DHS and USCIS, obligations for costs to provide adjudication and naturalization services were charged to appropriations made to the former Immigration and Naturalization Service. IEFA funds were transferred to reimburse those appropriations as described in 8 U.S.C. 1356(n). Since the establishment of USCIS, Congress has directed USCIS to provide adjudication and naturalization services through IEFA on a full cost recovery fee basis, and obligations have been directly charged to IEFA. As such, funds are not "withdrawn" as described in the reporting requirement at 8 U.S.C. 1356(o). USCIS discusses obligations incurred for this report as it meets the intention of "withdrawals" noted in the reporting requirement. However, as obligations are estimates, they may not result in outlays if they are adjusted downward if actual costs are less than estimated at the time of obligation.

<sup>8</sup> Excludes \$3.6 million that is attributable to reimbursable funding.

from \$980.2 million to \$1,164.7 million. Direct non-premium processing balances increased by \$489.1 million (+\$163 percent) from \$300.6 million to \$789.7 million, while premium processing balances decreased by \$304.6 million (-45 percent) from \$679.6 million to \$375.0 million. Adjusting for the effects of sequestration, the FY 2016 ending balance would have been \$233.3 million higher and totaled \$1,213.4 million (\$518.4 million non-premium and \$695.0 million premium). In FY 2017, after adjusting for sequestration, the ending balance would have been \$264.7 million higher and totaled \$1,429.4 million. In FY 2017, USCIS applied sequestration only to premium processing funding. Therefore there would have been no change to the non-premium processing ending balance of \$789.7 million, and the premium processing ending balance would have been \$639.7 million.

## IV. FY 2018 Projections

The information below fulfils the 8 U.S.C. 1356(o) requirements for “projections for the ensuing year”. The information below is for FY 2018.

### 4.1 Obligations<sup>9</sup>

The following chart summarizes the FY 2018 IEFA projected spending estimates by program, project, and activity (PPA).

<b>FY 2018 Spending Estimates</b>	
(dollars in thousands)	
Program (PPA)	FY 2018 Spending Estimates
<b>Adjudication Services</b>	
District Operations	\$ 1,756,407
Service Center Operations	\$ 649,461
Refugee Asylum and International Operations	\$ 399,882
Records Operations	\$ 135,477
Premium Processing (including Transformation)	\$ 620,829
<b>Subtotal</b>	<b>\$ 3,562,056</b>
<b>Information and Customer Services</b>	
Operating Expenses	\$ 109,445
<b>Subtotal</b>	<b>\$ 109,445</b>
<b>Administration</b>	
Operating Expenses	\$ 522,010
<b>Subtotal</b>	<b>\$ 522,010</b>
<b>SAVE</b>	
Operating Expenses	\$ 34,828

<sup>9</sup> The FY 2018 projected spending levels by PPA in this report are based on the FY 2018 President’s Budget Request for IEFA (\$4,228 million).

	Subtotal	\$	34,828
<b>GRAND TOTAL</b>		\$	<b>4,228,339</b>

## 4.2 Revenue

The FY 2018 IEFA revenue forecast is \$3,901 million. Non-premium processing revenue accounts for \$3,469 million (89 percent) and premium processing revenue accounts for \$432 million (11 percent). This is \$64 million (2 percent) above total FY 2017 actual collections of \$3,837 million (\$3,483 million non-premium and \$354 million premium). The revenue forecast is based on final Volume Projection Committee (VPC) estimates as of July 2017 and reflects the new IEFA fee schedule that became effective on December 23, 2016.

## 4.3 End of Year Carryover

The following chart summarizes the estimated FY 2018 IEFA year-end unobligated authority for non-premium and premium processing funds.<sup>10</sup>

<b>FY 2018 End of Year Carryover Estimate</b>			
Immigration Examinations Fee Account (IEFA)	(Dollars in Thousands)		
	Non-Premium	Premium	Total
<b>Actual Carryover, Start of FY 2018</b>	\$ 789,701	\$ 374,999	\$ 1,164,700
Release of FY 2017 Sequestered Funds in FY 2018	\$ -	\$ 264,743	\$ 264,743
<b>Adjusted Carryover, Start of FY 2018</b>	\$ 789,701	\$ 639,742	\$ 1,429,443
FY 2018 Revenue (Est.)	\$ 3,468,922	\$ 432,425	\$ 3,901,347
FY 2018 Sequester (Est.)		\$ (257,489)	\$ (257,489)
FY 2018 SAVE and Other Offsetting Collections (Est.)	\$ 11,128		\$ 11,128
Transfer to DoJ/EOIR	\$ (4,000)		\$ (4,000)
FY 2018 Recovery of Prior Year Obligations (Est.)	\$ 65,253	\$ 43,159	\$ 108,412
<b>FY 2018 Resources Available (Est.)</b>	\$ 4,331,004	\$ 857,837	\$ 5,188,841
FY 2018 Obligations (Est.)	\$ (3,607,510)	\$ (620,829)	\$ (4,228,339)
<b>Unobligated Balance, End of FY 2018 (Est.)</b>	\$ 723,494	\$ 237,008	\$ 960,502
Release of FY 2018 Sequestered Funds in FY 2019	\$ -	\$ 257,489	\$ 257,489
<b>Adjusted Carryover, End of FY 2018 (Est.)</b>	\$ 723,494	\$ 494,497	\$ 1,217,990

<sup>10</sup> References only direct funding. Therefore, the actual carryover at the start of FY 2018 does not match the FY 2017 total unobligated balance at the end of year reflected on the Comparative Statement of Budgetary Resources FY 2016 to FY 2017 on page 7.