



# Immigration Examinations Fee Account

Fiscal Year 2018 Report to Congress  
Statement of Financial Condition



U.S. Citizenship  
and Immigration  
Services



**Homeland  
Security**

August 5, 2019

## Foreword

On behalf of the U.S. Department of Homeland Security, 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 sent to the following members of Congress:

The Honorable Lindsey Graham  
Chairman, Senate Committee on the Judiciary

The Honorable Dianne Feinstein  
Ranking Member, Senate Committee on the Judiciary

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

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

The Honorable Jerrold Nadler  
Chairman, House Committee on the Judiciary

The Honorable Doug Collins  
Ranking Member, House Committee on the Judiciary

The Honorable Zoe Lofgren  
Chairwoman, House Committee on the Judiciary, Subcommittee on Immigration and Citizenship,

The Honorable Ken Buck  
Ranking Member, House Committee on the Judiciary, Subcommittee on Immigration and Citizenship

The Honorable Richard Shelby  
Chairman, Senate Committee on Appropriations

The Honorable Patrick Leahy  
Vice Chairman, Senate Committee on Appropriations

The Honorable Shelley Moore Capito  
Chairman, Senate Committee on Appropriations, Subcommittee on Homeland Security

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

The Honorable Nita Lowey  
Chairwoman, House Committee on Appropriations

The Honorable Kay Granger  
Ranking Member, House Committee on Appropriations

The Honorable Lucille Roybal-Allard  
Chairwoman, House Committee on Appropriations, Subcommittee on Homeland Security

The Honorable Chuck Fleischmann  
Ranking Member, House Committee on Appropriations, Subcommittee on Homeland Security

Please do not hesitate to contact us at (202) 447-5890 if we may be of further assistance.

Respectfully,



CHRISTINE M. CICCONE  
Assistant Secretary of Legislative Affairs

## Executive Summary

This report fulfils a statutory requirement established under Section 286(o) 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) 2018 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 (ICE) 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).<sup>1</sup>

The FY 2018 adjusted beginning account balance was \$1,429 million.<sup>2</sup> It was comprised of \$789 million in non-premium processing funds and \$640 million in premium processing funds. FY 2018 revenue collections were \$3,812 million (\$3,332 million non-premium and \$480 million premium). FY 2018 direct obligations were \$3,970 million (\$3,428 million non-premium and \$542 million premium). The FY 2018 adjusted ending account balance was \$1,407 million (\$801 million non-premium and \$606 million premium), which includes the release of sequestered funds (\$257 million).

The FY 2019 adjusted ending account balance is projected to be \$1,048 million (\$526 million non-premium and \$522 million premium). FY 2019 total projected spending of \$4,525 million<sup>3</sup> is expected to exceed the total projected revenue of \$3,905 million by \$620 million (16 percent), contributing to the adjusted ending account balance net decline of \$359 million from FY 2018 to FY 2019.

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

<sup>2</sup> Adjusted beginning and ending account balances are the actual balances with an adjustment made to offset the effect of sequestration. In this account funds are sequestered (made temporarily unavailable for obligation) during the fiscal year and are not released (made available for obligation) until the next fiscal year has begun and OMB has approved an apportionment releasing the funds. OMB generally approves an estimated carryover apportionment before the fiscal year begins which releases the prior year sequestered funds, so they are available at the start of the fiscal year. For this reason, USCIS developed the concept of sequester adjusted balances.

<sup>3</sup> The FY 2019 total projected IEFA spending level in this report is based on the Consolidated Appropriations Act, 2019.



## Immigration Exams Fee Account – Statement of Financial Condition

### Table of Contents

I. Legislative Requirement.....	4
II. Purpose and Background.....	5
III. FY 2018 Statement of Budgetary Resources.....	7
IV. FY 2019 Projections.....	9

## 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). The IEFA provides the majority of funding for U.S. Citizenship and Immigration Services (USCIS) operations; it accounted for approximately 96 percent of USCIS’ direct budgetary authority in FY 2018. 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 the IEFA.<sup>4</sup>

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 United States temporarily;
  - *Asylum and Refugee benefit requests* – adjudicating asylum and refugee classification applications for individuals seeking protection from persecution as well as 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.

In FY 2018, USCIS adjudicated more than 8 million immigration benefit requests, which represents a 7% increase from FY 2017 adjudications.

- Information and Applicant Services provides assistance to applicants and petitioners through the USCIS website, USCIS Contact Center (UCC), and face-to-face appointments. In FY 2018, USCIS served almost 14 million applicants and petitioners via the UCC, while serving over 850,000 applicants and petitioners through information counters at local offices. USCIS also hosts frequent public engagements in a variety of languages with a wide array of partners.

<sup>4</sup> IEFA also includes genealogy fees authorized by INA 286(t). FY 2018 Genealogy fee collections of \$438,975 are included in the analysis and results presented in this report as part of the non-premium processing balances and estimates. This report also fulfills the genealogy fee reporting requirement at INA286 (t)(2).

- Fraud Detection & National Security Directorate (FDNS) safeguards the integrity of the nation's lawful immigration system by leading agency efforts to combat fraud, detect national security and public safety threats, and maximize law enforcement and Intelligence Community partnerships. Some of the programs led by FDNS include, but are not limited to: screening and vetting programs, 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. Additionally, FDNS 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 Community partners, including but not limited to: Customs and Border Protection's National Targeting Center, 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 immigration 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: Director, Administration, Chief Financial Officer, Contracting, Human Capital and Training, Investment Management, Performance and Quality, Security and Integrity, Chief Counsel, External Affairs (Legislative and Intergovernmental Affairs and Public Affairs), Policy and Strategy, and Privacy.
- 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 employment-based petitioners, is also deposited into the IEFA. The funds are available for USCIS to make infrastructure improvements in the adjudications and customer service processes, as well as to fund the cost of providing premium services. In FY 2018, USCIS continued to use premium processing revenue in accordance with the statute and Congressional intent. The revenue was used to modernize business processes and supporting information technology systems, while also funding other infrastructure improvements in the adjudications and customer service processes, and providing premium processing service.

### III. FY 2018 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. It includes the changes from the prior year in both dollar and percentage terms. Source data is from the FY 2017 and FY 2018 end-of-year Comparative Statement of Budgetary Resources, from which DHS produces the unified financial statements for the DHS AFR.<sup>5</sup>

Comparative Statement of Budgetary Resources FY 2017 to FY 2018				
U.S. Citizenship and Immigration Services (USCIS)				
Immigration Examinations Fee Account (IEFA)				
BUDGETARY RESOURCES:	FY 2018	FY 2017	\$ Difference	% Change
Unobligated balance from prior year budget authority, net (discretionary and mandatory)	1,301,069,319	1,116,718,612	184,350,707	16.5%
Appropriations (mandatory and discretionary)	3,814,827,382	3,801,392,333	13,435,048	0.4%
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)	44,921,416	47,690,544	(2,769,128)	-5.8%
<b>Total Budgetary Resources</b>	<b>5,160,818,116</b>	<b>4,965,801,489</b>	<b>195,016,627</b>	<b>3.9%</b>
<b>STATUS OF BUDGETARY RESOURCES:</b>				
<b>New obligations and upward adjustments (Total)</b>	<b>4,007,782,708</b>	<b>3,797,549,753</b>	<b>210,232,955</b>	<b>5.5%</b>
<b>Unobligated balance, end of year:</b>			0	
Apportioned, Unexpired Accounts	309,667,624	242,573,665	67,093,958	27.7%
Exempt from Apportionment, Unexpired Accounts	0	0	0	0.0%
Unapportioned, Unexpired Accounts	843,367,785	925,678,071	(82,310,286)	-8.9%
Unexpired Unobligated Balance, end of year	1,153,035,409	1,168,251,736	(15,216,328)	-1.3%
Expired Unobligated Balance, end of year	0	0	0	0.0%
<b>Total Unobligated Balance, end of year</b>	<b>1,153,035,409</b>	<b>1,168,251,736</b>	<b>(15,216,328)</b>	<b>-1.3%</b>
<b>Total Budgetary Resources</b>	<b>5,160,818,116</b>	<b>4,965,801,489</b>	<b>195,016,627</b>	<b>3.9%</b>
<b>Outlays, net:</b>				
Outlays, net (total) (discretionary and mandatory)	3,803,564,170	3,585,672,271	217,891,899	6.1%
Distributed offsetting receipts (-)	(3,811,573,045)	(3,836,858,437)	25,285,393	-0.7%
Agency Outlays, net (discretionary and mandatory)	(8,008,875)	(251,186,166)	243,177,291	-96.8%

The following are brief explanations for some of the significant changes from FY 2017 to FY 2018:

- Unobligated balance brought forward, October 1 (beginning account balance):** The beginning account balance increased from \$1,117 million in FY 2017 to \$1,301 million in FY 2018 (+\$184 million).<sup>6</sup> The amount for each FY includes approximately \$136 million of prior year recoveries and reimbursable funding. Excluding the prior year recoveries and reimbursable funding, the unadjusted non-premium beginning carryover balance increased from \$301 million in FY 2017 to \$790 million in FY 2018 (+489 million). The unadjusted premium beginning carryover balance decreased from \$680 million in FY 2017 to \$375 million in FY 2018 (-\$305 million). Adjusting for the effect of sequestration, which is excluded from the respective beginning balances in the comparative Statement of Budgetary Resources, the non-premium processing carryover portion increased from \$518 million in FY 2017 to \$790 million in FY 2018 (+\$272 million).

<sup>5</sup> Includes direct and reimbursable funding as well as prior-year recoveries.

<sup>6</sup> The direct portion of the beginning account balance, excluding prior year recoveries, was \$980M in FY 2017 and \$1,165M in FY 2018.



million).<sup>7</sup> The adjusted premium processing carryover portion decreased from \$695 million in FY 2017 to \$640 million in FY 2018 (-\$55 million).<sup>8</sup>

- Appropriations (revenues):<sup>9</sup> From FY 2017 to FY 2018, revenues increased by \$14 million (+0.4 percent) from \$3,801 million in FY 2017 to \$3,815 million in FY 2018.<sup>10</sup> Not accounting for reimbursable collections, FY 2018 non-premium revenue was \$3,332 million (87 percent) and premium revenue was \$480 million (13 percent) of the total. Application and petition receipt volumes decreased from FY 2017 to FY 2018, resulting in \$152 million (-4 percent) in non-premium revenue decline. Premium revenue increased by \$126 million (+36 percent) from FY 2017 to FY 2018.
- Obligations Incurred (withdrawals):<sup>11</sup> From FY 2017 to FY 2018, total obligations incurred increased by \$210 million (+6 percent) due to additional staffing and other operational costs necessary to handle the more complex adjudication process resulting from additional security vetting and other requirements. FY 2018 direct obligations were \$3,970 million, with an additional \$38 million in reimbursable obligations.
- Total Unobligated Balance, end of year (ending account balance): The unadjusted ending account balance decreased from \$1,168 million in FY 2017 to \$1,153 million in FY 2018 (-\$15 million). Excluding reimbursable funding, the unadjusted unobligated balance decreased by \$14 million (-1 percent) from \$1,165 million in FY 2017 to \$1,151 million in FY 2018.<sup>12</sup> Direct non-premium processing balances increased by \$7 million (+1 percent) from \$790 million to \$797 million, while premium processing balances decreased by \$21 million (-6 percent) from \$375 million to \$354 million. Adjusting for the effect of sequestration, the FY 2017 ending balance would have been \$264 million higher and totaled \$1,429 million (\$790 million non-premium and \$639 million premium). After adjusting for the effect of sequestration in FY 2018, the ending balance would have been \$256 million higher and totaled \$1,407 million (\$801 million non-premium and \$606 million premium).

<sup>7</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>8</sup> Unlike previous fiscal years, in FY 2017 and FY 2018 USCIS mostly applied sequestration to premium funds in order to preserve non-premium balances, which are necessary to fund costs associated with processing the pending inventory of applications and petitions.

<sup>9</sup> The IEFA was established with permanent, indefinite appropriation and Treasury warrant authority. Therefore, IEFA revenue collections are available upon deposit into the Treasury account.

<sup>10</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>11</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 (INS). 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>12</sup> Excludes approximately \$2.3 million in FY 2017 and \$3.6 million in FY 2018 attributable to reimbursable agreements. As a result, the figures referenced in this explanation are less than the total unobligated balance, end of year amounts in the table. Additionally, the direct portion of the ending account balance was \$1,164.7 million in FY 2017 and \$1,150.7 million in FY 2018.

**IV. FY 2019 Projections**

The FY 2019 information below fulfils the 8 U.S.C. 1356(o) requirement for “projections for the ensuing year.”

**4.1 Obligations**

The following table summarizes the FY 2019 IEFA spending estimates by program, project, and activity (PPA). These estimates are based on the Consolidated Appropriations Act, 2019.

<b>FY 2019 Spending Estimates (dollars in thousands)</b>	
<b>Program (PPA)</b>	<b>FY 2019 Spending Estimates</b>
<b>Adjudication Services</b>	
	\$
District Operations	1,883,816
	\$
Service Center Operations	731,654
Asylum, Refugee and International Operations	\$
	337,544
	\$
Records Operations	152,649
Premium Processing (including Transformation)	\$
	648,007
	\$
<b>Subtotal</b>	<b>3,753,670</b>
<b>Information and Applicant Services</b>	
	\$
Operating Expenses	119,450
	\$
<b>Subtotal</b>	<b>119,450</b>
<b>Administration</b>	
	\$
Operating Expenses	616,622
	\$
<b>Subtotal</b>	<b>616,622</b>
<b>SAVE</b>	
	\$
Operating Expenses	35,112
	\$
<b>Subtotal</b>	<b>35,112</b>
	\$
<b>GRAND TOTAL</b>	<b>4,524,854</b>

## 4.2 Revenue

The FY 2019 IEFA revenue forecast is \$3,905 million. Non-premium processing revenue accounts for \$3,385 million (87 percent) and premium processing revenue accounts for \$520 million (13 percent). This is \$93 million (2 percent) above total FY 2018 actual collections of \$3,812 million (\$3,332 million non-premium and \$480 million premium). The revenue forecast is based on final USCIS Volume Projection Committee (VPC) estimates as of July 2018.

## 4.3 End of Year Carryover

The following chart summarizes the projected FY 2019 IEFA year-end unobligated authority for non-premium and premium processing funds.<sup>13</sup>

<b>FY 2019 Initial Annual IEFA Carryover Forecast</b>			
<b>Immigration Examinations Fee Account (IEFA)</b>	<b>Non-Premium</b>	<b>Premium</b>	<b>Total</b>
<b>Actual Carryover, Start of FY 2019</b>	<b>\$ 796,575,863</b>	<b>\$ 354,189,811</b>	<b>\$ 1,150,765,674</b>
Release of FY 2018 Direct Sequester in FY 2019	\$ -	\$ 251,563,821	\$ 251,563,821
Release of FY 2018 SAVE and Other Offsetting Collections Sequester in FY 2019	\$ 4,953,300	\$ -	\$ 4,953,300
<b>Adjusted Carryover, Start of FY 2019</b>	<b>\$ 801,529,163</b>	<b>\$ 605,753,632</b>	<b>\$ 1,407,282,795</b>
FY 2019 Revenue (Est.)	\$ 3,385,312,317	\$ 519,841,620	\$ 3,905,153,937
FY 2019 Direct Sequester (Est.)	\$ -	\$ (242,119,544)	\$ (242,119,544)
FY 2019 SAVE and Other Offsetting Collections (Est.)	\$ 11,578,677	\$ -	\$ 11,578,677
FY 2019 SAVE and Other Offsetting Collections Sequester (Est.)	\$ (4,653,100)	\$ -	\$ (4,653,100)
FY 2019 Transfer to DoJ/EOIR	\$ (4,000,000)	\$ -	\$ (4,000,000)
FY 2019 Recovery of Prior Year Obligations (Est.)	\$ 91,930,504	\$ 25,207,888	\$ 117,138,392
<b>FY 2019 Resources Available</b>	<b>\$ 4,281,697,561</b>	<b>\$ 908,683,596</b>	<b>\$ 5,190,381,157</b>
FY 2019 Planned Obligations (Est.)	\$ (3,876,847,000)	\$ (648,007,000)	\$ (4,524,854,000)
FY 2019 Allowance for Under-Obligation (Est.)	\$ 116,305,410	\$ 19,440,210	\$ 135,745,620
<b>Actual Carryover, End of FY 2019</b>	<b>\$ 521,155,971</b>	<b>\$ 280,116,806</b>	<b>\$ 801,272,777</b>
Release of FY 2019 Direct Sequester in FY 2020	\$ -	\$ 242,119,544	\$ 242,119,544
Release of FY 2019 SAVE and Other Offsetting Sequester in FY 2020	\$ 4,653,100	\$ -	\$ 4,653,100
<b>Adjusted Carryover, End of FY 2019</b>	<b>\$ 525,809,071</b>	<b>\$ 522,236,350</b>	<b>\$ 1,048,045,421</b>

<sup>13</sup> References only direct funding. Therefore, the actual carryover at the start of FY 2019 does not match the FY 2018 total unobligated balance at the end of year reflected on the Comparative Statement of Budgetary Resources FY 2017 to FY 2018 on page 7. Additionally, this forecast was developed with the best information available prior to FY 2019 for internal budget planning purposes only. Actual results may vary.