



# Immigration Examinations Fee Account

---

Fiscal Year 2021 Report to Congress  
Statement of Financial Condition



U.S. Citizenship  
and Immigration  
Services



**Homeland  
Security**

## Foreword

July 29, 2022

I am pleased to present the following report, “Immigration Examinations Fee Account – Statement of Financial Condition,” which was prepared by U.S. Citizenship and Immigration Services (USCIS).

Pursuant to congressional requirements, this report is submitted to the following members of Congress:

The Honorable Richard Durbin  
Chair, Senate Committee on the Judiciary

The Honorable Chuck Grassley  
Ranking Member, Senate Committee on the Judiciary

The Honorable Alex Padilla  
Chair, Senate Committee on the Judiciary, Subcommittee on Immigration, Citizenship, and Border Safety

The Honorable John Cornyn  
Ranking Member, Senate Committee on the Judiciary, Subcommittee on Immigration, Citizenship, and Border Safety

The Honorable Jerrold Nadler  
Chair, House Committee on the Judiciary

The Honorable Jim Jordan  
Ranking Member, House Committee on the Judiciary

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

The Honorable Tom McClintock  
Ranking Member, House Committee on the Judiciary, Subcommittee on Immigration and Citizenship

The Honorable Patrick Leahy  
Chair, Senate Committee on Appropriations

The Honorable Richard Shelby  
Vice Chairman, Senate Committee on Appropriations

The Honorable Chris Murphy  
Chair, Senate Committee on Appropriations, Subcommittee on Homeland Security

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

The Honorable Rosa DeLauro  
Chair, House Committee on Appropriations

The Honorable Kay Granger  
Ranking Member, House Committee on Appropriations

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

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

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

Sincerely,

A handwritten signature in black ink that reads "Alice Lugo". The signature is written in a cursive, flowing style.

Alice Lugo  
Assistant Secretary for Legislative Affairs

# Executive Summary

This report fulfils a statutory requirement established under Section 286(o) of the Immigration and Nationality Act (INA), codified at 8 U.S.C. 1356(o), which requires the annual submission of “statements of financial condition” of the Immigration Examinations Fee Account (IEFA) including information on balances, revenues, withdrawals, and projections for the ensuing fiscal year (FY).

This report pertains to FY 2021 and excludes fee funds under the IEFA authority that are not collected or managed by USCIS, such as the fees collected by U.S. Immigration and Customs Enforcement (ICE) for the Student and Exchange Visitor Program. Information in this report is based on the Statement of Budgetary Resources that the Department of Homeland Security (DHS or the Department) incorporates into the unified financial statements for the DHS Agency Financial Report (AFR).<sup>1</sup>

The FY 2021 adjusted beginning account balance was \$1.019 billion.<sup>2</sup> It was comprised of \$582 million in non-premium processing funds and \$437 million in premium processing funds. FY 2021 revenue collections were \$4.7 billion (\$3.7 billion non-premium and \$987 million premium). FY 2021 direct obligations were \$4.3 billion (\$3.5 billion non-premium and \$762 million premium). The FY 2021 adjusted ending account balance was \$1.8 billion (\$865 million non-premium and \$916 million premium), which includes the release of FY 2020 sequestered funds (\$269 million) and was higher than target ending balance of \$1.4 billion.

The FY 2022 projected adjusted ending account balance is \$1.4 billion (\$475 million non-premium and \$954 million premium). The total projected obligations of \$4.8 billion for FY 2022 is expected to exceed the total projected revenue of \$4.5 billion by \$320 million, contributing to the adjusted ending account balance net projected decline of \$351 million from FY 2021 to FY 2022.<sup>3</sup>

<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. They are not released (made available for obligation) until the next fiscal year has begun and Office of Management and Budget (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 2022 total projected IEFA spending level in this report is based on USCIS' FY 2022 Annual Operating Plan adjusted to account for reprogramming among program, project, and activity.

# Immigration Examinations Fee Account – Statement of Financial Condition

## Table of Contents

I. Legislative Requirement.....	5
II. Purpose and Background.....	6
III. FY 2021 Statement of Budgetary Resources.....	8
IV. FY 2022 Projections.....	10

# **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 most 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 2021. A reporting requirement, which is part of 8 U.S.C. 1356(o), requires the annual submission of a "statement of financial condition" including information on balances, revenues, and withdrawals from the IEFA.<sup>4</sup>

IEFA funds the following programmatic areas:

- Adjudication Services includes, but is not limited to, 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.
- 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 2021, USCIS completed more than 14 million contact center calls, up from more than 7 million in FY 2020. USCIS also served almost 330,000 applicants and petitioners through information counters at local offices, an increase from 163,000 in FY 2020. USCIS also hosts frequent public engagements in a variety of languages with a wide array of partners.
- 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. FDNS immigration officers conduct administrative investigations of fraud in benefit requests referred by adjudicators and, where appropriate, may refer such cases to U.S. Immigration and Customs Enforcement (ICE) Homeland Security Investigations or other agencies. Some of the programs led by FDNS include the following: screening and vetting programs, pre- and post-adjudication site inspections and compliance reviews for certain visa petition categories, and the Controlled Application Review and Resolution Program (CARRP) for the processing of cases with possible national security concerns. FDNS also issues operational guidance and procedures relating to national security, public safety, and fraud concerns. Additionally, FDNS manages security screening policy and procedures across all USCIS directorates and program offices. FDNS immigration officers are posted in USCIS Service Centers, Regional

<sup>4</sup> IEFA also includes genealogy fees authorized by 8 U.S.C. 1356(t). FY 2021 Genealogy fee collections 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 8 U.S.C. 1356(t)(2).

Offices, District Offices, Field Offices, Asylum Offices, as well as certain offices abroad. FDNS is the primary USCIS liaison with various law enforcement and Intelligence Community partners, 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 the 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 a person's 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 IEFA. The funds are available to make infrastructure improvements in the adjudications and customer service processes, as well as to fund the cost of providing premium services. In FY 2021, USCIS continued to use premium processing revenue in accordance with the statute and Congressional intent. 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. Revenue forecast is based on final USCIS Volume Projection Committee (VPC) estimates and subsequently refined to account for premium processing changes resulting from the Emergency Stopgap USCIS Stabilization Act, Title I, Div. D of Public Law 116-159 (8 U.S.C. 1103 note) (Oct. 1, 2020).



### III. FY 2021 Statement of Budgetary Resources

**Comparative Statement of Budgetary Resources FY 2020 - FY 2021**  
 United States Citizenship and Immigration Services (USCIS)  
 Immigration Examination Fee Account [IEFA]

	FY 2021	FY 2020	\$ Difference	% Change
<b>Budgetary Resources</b>				
Unobligated balance from prior year budget authority, net (discretionary and mandatory)	1,237,424,193.34	1,198,320,777.71	39,103,415.63	3.26%
Appropriations (mandatory and discretionary)	4,833,186,818.43	4,025,027,588.04	808,159,230.39	20.08%
Borrowing Authority (discretionary and mandatory)	0.00	0.00	0.00	0.00%
Contract Authority (discretionary and mandatory)	0.00	0.00	0.00	0.00%
Spending Authority from offsetting collections (discretionary and mandatory)	70,980,740.21	46,704,228.42	24,276,511.79	51.98%
<b>Total Budgetary Resources</b>	<b>6,141,591,751.98</b>	<b>5,270,052,594.17</b>	<b>871,539,157.81</b>	<b>16.54%</b>
<b>New obligations and upward adjustments (Total)</b>	<b>4,533,585,819.47</b>	<b>4,169,777,544.18</b>	<b>363,808,275.29</b>	<b>8.72%</b>
Apportioned, Unexpired Accounts	300,350,676.70	379,552,892.37	(79,202,215.67)	-20.87%
Exempt from Apportionment, Unexpired Accounts	0.00	0.00	0.00	0.00%
Unapportioned, Unexpired Accounts	1,280,229,305.73	710,933,150.46	569,296,155.27	80.08%
Unexpired Unobligated Balance, end of year	1,580,579,982.43	1,090,486,042.83	490,093,939.60	44.94%
Expired Unobligated Balance, end of year	27,425,950.08	9,789,007.16	17,636,942.92	180.17%
<b>Total Unobligated Balance, end of year</b>	<b>1,608,005,932.51</b>	<b>1,100,275,049.99</b>	<b>507,730,882.52</b>	<b>46.15%</b>
<b>Total Budgetary Resources</b>	<b>6,141,591,751.98</b>	<b>5,270,052,594.17</b>	<b>871,539,157.81</b>	<b>16.54%</b>
Outlays, net (total) (discretionary and mandatory)	4,218,904,961.26	4,421,127,033.96	(202,222,072.70)	-4.57%
Distributed offsetting receipts (-)	(5,217,810,115.32)	(4,334,340,728.41)	(883,469,386.91)	20.38%
Disbursements, net (total) (mandatory)	0.00	0.00	0.00	0.00%

The table Comparative Statement of Budgetary Resources FY 2020 – FY 2021 above mirrors the format and structure of the Statement of Budgetary Resources included in the DHS Agency Financial Report (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 2020 and FY 2021 end of year Comparative Statement of Budgetary Resources, from which DHS produces the unified financial statements for the DHS AFR.<sup>5</sup>

The following are brief explanations for some of the significant changes from FY 2020 to FY 2021:

- Unobligated balance brought forward, October 1 (beginning account balance): The beginning account balance increased from \$1.2 billion in FY 2020 to \$1.24 billion in FY 2021 (+\$39 million).<sup>6</sup> The amount for FY 2020 includes approximately \$224 million of prior year recoveries and reimbursable funding, while FY 2021 includes \$116 million. Excluding the prior year recoveries and reimbursable funding, the unadjusted non-premium beginning carryover balance increased from \$416 million in FY 2020 to \$582 million in FY 2021 (+\$166 million). The unadjusted premium beginning carryover balance increased from \$425 million in FY 2020 to \$437 million in FY 2021 (+\$12 million).

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

<sup>6</sup> The unadjusted direct portion of the beginning account balance, excluding prior year recoveries, was \$1,019M in FY 2020 and \$1,508M in FY 2021.

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 \$419 million in FY 2020 to \$585 million in FY 2021 (+\$166 million).<sup>7</sup> The adjusted premium processing carryover portion decreased from \$666 million in FY 2020 to \$663 million in FY 2021 (-\$3 million).<sup>8</sup>

- Appropriations (revenues):<sup>9</sup> From FY 2020 to FY 2021, revenues increased by \$886 million (+22.8 percent) from \$3.8 billion to \$4.7 billion.<sup>10</sup> Not accounting for reimbursable collections, FY 2021 non-premium revenue was \$3.7 billion (79 percent) and premium revenue was \$987 million (21 percent) of the total. Non-premium revenue increased by \$392 million from FY 2020 to FY 2021. Premium revenue increased by \$494 million from FY 2020 to FY 2021 due to the immediate premium fee increases that was authorized in the Emergency Stopgap USCIS Stabilization Act of 2020.
- Obligations Incurred (withdrawals):<sup>11</sup> From FY 2020 to FY 2021, total obligations incurred increased by \$364 million. FY 2021 direct obligations were \$4.3 billion, with an additional \$40 million in reimbursable obligations.
- Total Unobligated Balance, end of year (ending account balance): The unadjusted ending account balance increased from \$1.1 billion in FY 2020 to \$1.6 billion in FY 2021 (+\$508 million). Excluding reimbursable funding, the unadjusted unobligated balance increased by \$489 million from \$1 billion in FY 2020 to \$1.5 billion in FY 2021.<sup>12</sup> Direct non-premium processing balances increased by \$279 million from \$582 million to \$861 million, while premium processing balances increased by \$210 million from \$437 million to \$647 million. Adjusting for the effect of sequestration, the FY 2020 ending balance would have been \$229 million higher and totaled \$1.2 billion (\$585 million non-premium and \$663 million premium). After adjusting for the effect of sequestration in FY 2021, the ending balance would have been \$273 million higher and totaled \$1.8 billion (\$865 million non-premium and \$916 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> In FY 2020 and FY 2021, 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> 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 million 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 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> The direct portion of the ending account balance was \$1,019 million in FY 2020 and \$1,508 million in FY 2021.

## IV. FY 2022 Projections

The FY 2022 information below fulfills the 8 U.S.C. 1356(o) requirement for “projections for the ensuing year.”

### 4.1 Obligations

The following table summarizes the original FY 2022 IEFA spending estimates by program, project, and activity (PPA).<sup>13</sup>

FY 2022 Spending Estimates (dollars in thousands)	
Program (PPA)	FY 2022 Spending Estimates
<b>Adjudication Services</b>	
District Operations	\$1,893,699
Service Center Operations	\$729,699
Asylum, Refugee and International Operations	\$371,352
Records Operations	\$124,853
Premium Processing	\$899,975
<b>Subtotal</b>	<b>\$4,019,579</b>
<b>Information and Applicant Services</b>	
Operating Expenses	\$105,918
<b>Subtotal</b>	<b>\$105,918</b>
<b>Administration</b>	
Operating Expenses	\$594,656
<b>Subtotal</b>	<b>\$594,656</b>
<b>SAVE</b>	
Operating Expenses	\$31,094
<b>Subtotal</b>	<b>\$31,094</b>
<b>USCIS Parking Fees</b>	
Operating Expenses	\$216
<b>Subtotal</b>	<b>\$216</b>
<b>IEFA TOTAL</b>	<b>\$4,751,463</b>
<b>Operation Allies Welcome (Supplemental) <sup>14</sup></b>	
Operating Expenses	\$119,741
<b>Subtotal</b>	<b>\$119,741</b>
<b>GRAND TOTAL</b>	<b>\$4,871,203</b>

<sup>13</sup> Projected obligations do not reflect the effects of mid-year spending authority adjustments and exclude a -\$4 million transfer of funds to DOJ

<sup>14</sup> Operation Allies Welcome total supplemental is \$193M of which \$119.7M was apportioned for FY22. OAW are no-year funds and remain available until expended.

## 4.2 Revenue

The Emergency Stopgap USCIS Stabilization Act, Title I, Div. D of Public Law 116-159 (8 U.S.C. 1103 note) (Oct. 1, 2020) increased the premium processing fee for benefit requests designated for premium processing on or before August 1, 2021, and authorized USCIS to establish a premium processing fee and times for new categories of benefit requests, thereby impacting the amount forecasted to be collected in premium revenue. It also expanded the permissible use of premium processing funds to offset the cost of providing adjudication and naturalization services.

On March 29, 2022, USCIS announced the launch of Expanded Premium Processing for I-539 Application to Extend/Change Nonimmigrant Status, Form I-765 Application for Employment Authorization, and certain categories of the I-140 Immigrant Petition for Alien Workers. USCIS began accepting premium processing requests for new categories of I-140s in June and July 2022. I-539 and I-765 applications for premium processing will start being accepted in late FY2022 / early FY2023. FY2022 projected revenue from these premium processing forms is still under consideration and is not included in this document.

The FY 2022 IEFA revenue forecast is \$4.3 billion. Non-premium processing revenue accounts for \$3.4 billion (79 percent) and premium processing revenue accounts for \$921 million. This is \$423 million less than the total FY 2021 actual collections of \$4.7 billion (\$3.7 billion non-premium and \$987 million premium). Revenue forecast is based on final USCIS Volume Projection Committee (VPC) estimates and subsequently refined to account for premium processing changes resulting from the Emergency Stopgap USCIS Stabilization Act.

## 4.3 End of Year Carryover

The following chart summarizes projected FY 2022 IEFA year-end unobligated authority for non-premium and premium processing funds as initially projected before the start of the fiscal year.<sup>15</sup> Based on data through February 28, 2022, USCIS no longer anticipates a non-premium deficit at the end of FY 2022. This is primarily attributable to non-premium revenue trending above and spending trending below forecast. USCIS experienced a surge in applications prior to the now enjoined 2020 fee rule's effective date of October 2, 2020. Many filing fees were not deposited until October. Also, the aggressive visa bulletin date movement resulted in an increased number of filings due to a higher number of employment-based visas available.<sup>16</sup> Both items yielded more revenue than expected. Finally, USCIS continued its hiring freeze through March 31, 2021 to limit spending.

Additionally, the Emergency Stopgap USCIS Stabilization Act provides USCIS with the flexibility to leverage premium processing funds to cover non-premium processing costs. Therefore, the IEFA is not at risk of experiencing a cumulative deficit at the end of FY 2022. In other words, any non-premium deficit can be offset by premium processing funds.

<sup>15</sup> References only direct funding. Therefore, the actual carryover at the start of FY 2022 does not match the FY 2021 total unobligated balance at the end of year reflected on the Comparative Statement of Budgetary Resources FY 2020 to FY 2021 on page 8. Additionally, this forecast was developed with the best information available prior to FY 2022 for internal budget planning purposes only. Actual results may vary.

<sup>16</sup> Per INA 201(d)(2)(C), 8 U.S.C. 1151(d)(2)(C), the worldwide level of employment-based immigrants for a fiscal year is equal to 140,000 plus the difference between the maximum number of family-sponsored visas which may be issued during the previous fiscal year and the number of family-sponsored visas issued during that fiscal year. In FY 2021, the employment-based annual limit was 262,288 (140,000 plus 122,288 unused family-sponsored visas from FY 2020).

## FY 2022 Initial Annual IEFA Carryover Forecast

Immigration Examinations Fee Account (IEFA)	Non-Premium	Premium	Total
<b>Actual Carryover, Start of FY 2022</b>	\$ 861,307,572	\$ 647,131,338	\$ 1,508,438,909
Release of FY 2021 Sequester in FY 2022	\$ 3,543,391	\$ 268,662,921	\$ 272,206,312
<b>Adjusted Carryover, Start of FY 2022</b>	\$ 864,850,963	\$ 915,794,259	\$ 1,780,645,221
FY 2022 Revenue (Est.)	\$ 3,369,953,456	\$ 920,724,000	\$ 4,290,677,456
FY 2022 Sequester (Est.)	\$ (4,277,850)	\$ (255,320,142)	\$ (259,597,992)
FY 2022 SAVE and Other Offsetting Collections (Est.)	\$ 11,109,394	\$ -	\$ 11,109,394
FY 2022 Transfer to DoJ/EOIR	\$ (4,000,000)	\$ -	\$ (4,000,000)
FY 2022 Recovery of Prior Year Obligations (Est.)	\$ 84,646,542	\$ 17,524,768	\$ 102,171,310
<b>FY 2022 Resources Available</b>	\$ 4,322,282,505	\$ 1,598,722,885	\$ 5,921,005,389
FY 2022 Planned Obligations (Est.)	\$ (3,851,487,350)	\$ (899,975,355)	\$ (4,751,462,705)
<b>Actual Carryover, End of FY 2022</b>	\$ 470,795,155	\$ 698,747,530	\$ 1,169,542,685
Release of FY 2022 Sequester in FY 2023	\$ 4,277,850	\$ 255,320,142	\$ 259,597,992
<b>Adjusted Carryover, End of FY 2022</b>	\$ 475,073,005	\$ 954,067,672	\$ 1,429,140,677