

Department of
Homeland Security
U.S. Citizenship and Immigration Services

FY 2016/2017 Immigration Examinations Fee Account
Fee Review Supporting Documentation



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EXECUTIVE SUMMARY

U.S. Citizenship and Immigration Services (USCIS) is primarily funded by immigration and naturalization benefit fees charged to applicants and petitioners. Fees collected from individuals filing immigration benefit requests are deposited into the Immigration Examinations Fee Account (IEFA) and used to fund the cost of processing immigration benefit requests. USCIS reviews its fees biennially and proposes adjustments to fees to ensure recovery of costs necessary to meet national security, customer service, and adjudicative processing goals.

In accordance with the principles and guidance of the Chief Financial Officers Act of 1990 (CFO Act) and the Office of Management and Budget's (OMB) Circular A-25, USCIS completed a biennial fee review for Fiscal Year (FY) 2016/2017. The results of this review indicate that current fee levels are insufficient to recover full cost for activities funded by the IEFA. The Department of Homeland Security (DHS) proposes to adjust the current fee schedule to recover full cost of adjudication.

USCIS calculates its fees to cover the full cost of adjudication.¹ DHS works with OMB and follows the guidance provided by OMB Circular A-25, which establishes Federal policy guidance regarding fees assessed by Federal agencies for government services.² USCIS projects fee-paying receipt volume to be 13 percent higher for FY 2016/2017 than FY 2010/2011 Fee Rule levels. While this increases revenue, at current fee levels USCIS anticipates an average annual shortfall of \$560 million in the IEFA.³ This projected shortfall poses a significant risk as the majority of USCIS operations are funded by

¹ The Immigration and Nationality Act (INA) section 286(m), 8 U.S.C. 1356(m), provides broader fee-setting authority and is an exception from the stricter costs-for-services-rendered requirements of the Independent Offices Appropriations Act, 1952, 31 U.S.C. 9701(c) (IOAA); see Seafarers Intern. Union of North America v. U.S. Coast Guard, 81 F.3d 179 (D.C. Cir. 1996) (IOAA provides that expenses incurred by the agency to serve some independent public interest cannot be included in the cost basis for a user fee, although the agency is not prohibited from charging the applicant full cost of services rendered to applicant, which also results in some incidental public benefits). Congress initially enacted immigration fee authority under the IOAA. See Ayuda, Inc. v. Attorney General, 848 F.2d 1298 (D.C. Cir. 1988). Congress thereafter amended the relevant provision of law to require deposit of the receipts into a separate Immigration Examinations Fee Account of the Treasury as offsetting receipts to fund operations, and broadened the fee setting authority. Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1991, Pub. L. 101-515, sec. 210(d), 104 Stat. 2101, 2111 (Nov. 5, 1990). Additional values are considered in setting Immigration Examinations Fee Account fees that would not be considered in setting fees under the IOAA. See 72 FR at 29866-7.

² OMB Circular A-25, User Charges (Revised), par. 6, 58 FR 38142 (July 15, 1993).

³ Excluding Premium Processing, Deferred Action for Childhood Arrivals (DACA), and Temporary Protected Status (TPS) revenue and obligations.

IEFA revenue. To mitigate this risk and ensure full cost recovery, DHS proposes to adjust fees by a weighted average increase of 21 percent.

The summary below outlines the core elements of USCIS' plan to address current operational needs and the projected shortfall:

- Assume no discretionary appropriations for Refugee, Asylum, and International Operations (RAIO) and military naturalization surcharge costs. USCIS assumes no discretionary appropriations for its RAIO directorate workload for the FY 2016/2017 biennial period. DHS proposes to fund the USCIS costs for RAIO through the IEFA. The costs for RAIO benefit types that are fee exempt must be funded through IEFA fee collections received from other fee-paying individuals seeking immigration benefits. USCIS is, however, receiving reimbursement from the Department of Defense (DOD) for costs related to military naturalizations. DOD has reimbursed USCIS for the cost of naturalization processing for eligible military service members since FY 2012. USCIS presumes these reimbursements will continue in FY 2016/2017 and, therefore, does not seek to fund these costs through IEFA fee collections.
- Assume no discretionary appropriations for the cost of the Systematic Alien Verification for Entitlements (SAVE) program or the Office of Citizenship. USCIS assumes no discretionary appropriations for non-reimbursable SAVE program costs or the Office of Citizenship, including the Citizenship and Integration Grant Program (CIGP).⁴ The proposed rule assumes the costs of SAVE and the Office of Citizenship will be funded by fees.
- Adjust fees. DHS proposes to adjust the current fee schedule by a weighted average of 21 percent. Approximately 8 percent of the overall increase relates to reinstating a surcharge in the fee schedule to fund the RAIO, SAVE, and Office of Citizenship programs, including the CIGP. The remaining increase relates to increased fee waivers and exemptions since the 2010 Fee Rule (approximately 9 percent) and the costs of sustaining current operating levels while allowing for limited, strategic investments necessary to strengthen and mature the USCIS enterprise (approximately 4 percent).
- Include an increase in Refugee Admissions. The proposed fee schedule includes increased costs to administer refugee processing relating to an anticipated increase in the refugee admissions ceiling to 100,000 for FY 2017. This is a 30,000, or 43 percent, increase over the FY 2015 level.
- Establish a new fee for Annual Certification of Regional Center, Form I-924A. A new fee would be established to fund the full cost of processing the Employment Based Immigrant Visa, Fifth Preference (EB-5) Form I-924A, Annual Certification of Regional Center.⁵ While approved regional centers are required to file Form I-924A annually,

⁴ USCIS did not receive appropriations for these costs in the Consolidated Appropriations Act, 2016, Pub. L. 114-113, Div. F. (Dec. 18, 2015).

⁵ Formerly Form I-924A was named "Supplement to Form I-924." This fee rule proposes to change the name to Annual Certification of Regional Center and establish a fee.

there is currently no filing fee and the processing cost is borne by other individuals paying fees for immigration benefits requests. This Fee Rule proposes to establish a filing fee at \$3,035.

- Establish a reduced fee for Application for Naturalization, Form N-400. Currently, USCIS offers a full fee waiver for naturalization applicants whose household income is at or below 150 percent of the Federal poverty level, whose household is currently receiving a means-tested benefit, or who are experiencing extreme financial hardship such as unexpected medical bills or emergencies. This Fee Rule proposes to establish a three level fee for the Application for Naturalization, Form N-400. First, a fee for Form N-400 of \$640, plus \$85 for biometric services, for a total of \$725. Second, no fee would be charged to an applicant who meets the requirements of sections 328 or 329 of the Act with respect to military service and applicants with approved fee waivers. Third, an option for naturalization applicants with family incomes greater than 150 percent and not more than 200 percent of the Federal Poverty Guidelines to pay a fee of \$320 plus an additional \$85 for biometric services, for a total of \$405.

FEE REVIEW BASIS

This document provides an overview and explanation of the results of the FY 2016/2017 fee review and related proposed fee rulemaking. Consistent with section 205(a)(8) of the CFO Act, USCIS conducts a biennial fee review to evaluate projected costs and revenue and determine whether the current fee structure is sufficient to recover full cost. As a result of this fee review, USCIS recommends adjusting immigration benefit fees to recover full operating costs associated with achieving national security, customer service, and adjudicative processing requirements and goals.

PURPOSE

The primary objective of this fee review is to ensure immigration and naturalization benefit fees provide sufficient funding to meet ongoing operating costs, including national security, customer service, and adjudicative processing time needs. The focus of this fee review is the IEFA, which comprised approximately 94 percent of USCIS' total budget authority in FY 2015.

In addition to the requirements of the CFO Act, there are several important reasons for conducting the FY 2016/2017 fee review:

- The fee review allows for an assessment of USCIS policies, staffing levels, costs, revenue, and performance measures. USCIS evaluates its performance and makes informed decisions concerning program scaling, resource planning, and staffing allocations.
- The fee review provides USCIS stakeholders with an opportunity to review and evaluate anticipated costs and revenue as well as assess the impact of changes to fees.
- The fee review provides the opportunity for USCIS to account for the latest operational changes including efficiencies, changes in workload trends, information technology improvements, and other factors.

AUTHORITIES

The Immigration and Nationality Act of 1952 (INA), as amended, provides for the collection of fees at a level that will ensure recovery of the full costs of providing adjudication and naturalization services, including services provided without charge to asylum applicants and certain other immigrant applicants. Three guiding authorities supplement the full cost recovery principle in the INA:

- The CFO Act of 1990;
- OMB Circular A-25, Appendix A, Fees Assessed for Government Services, Revised (7/8/1993);
- Federal Accounting Standards Advisory Board (FASAB), Statement of Financial Accounting Standards No. 4: Managerial Cost Accounting Concepts and Standards for the Federal Government 36 (7/31/1995).

Chief Financial Officers Act of 1990

USCIS conforms to the requirements of the CFO Act of 1990, Public Law 101-576. The CFO Act requires each agency's CFO to "review, on a biennial basis, the fees, royalties, rents, and other charges imposed by the agency for services and things of value it provides, and make recommendations on revising those charges to reflect the costs incurred by the agency to provide those services and things of value."⁶

OMB Circular Number A-25, "User Charges"

USCIS complies with the principles and guidance contained in OMB Circular A-25 directing Federal agencies to review fees for agency programs biennially and to charge the full cost of providing benefits when calculating fees that provide a special benefit to the recipient. OMB Circular A-25 defines "full cost" as "all direct and indirect costs to any part of the Federal Government providing a good, resource, or service."⁷

In accordance with OMB Circular A-25 IEFA fees recover full cost except for specific exemptions. USCIS excludes the following:

1. Retirement, health, and life insurance costs paid by the U.S. Office of Personnel Management (OPM) for retired USCIS employees.
2. Lockbox costs paid by the U.S. Department of Treasury (Treasury) other than those for which USCIS reimburses Treasury.

Federal Accounting Standards Advisory Board (FASAB)

When developing fees for services, USCIS reviews, to the extent applicable, cost accounting concepts and standards recommended by FASAB. FASAB recommends accounting standards for the Federal Government. Its "Statement of Federal Financial Accounting Standards Number 4: Managerial Cost Accounting Standards and Concepts for the Federal Government" establishes standards for Federal agencies to use in reporting the costs of products, services, and activities. FASAB SFFAS Number 4 sets forth five "fundamental elements of managerial cost accounting:

1. Accumulate and report costs of activities on a regular basis for management information purposes;
2. Define responsibility segments and report the costs of each segment's outputs;
3. Report the full cost of outputs; full cost includes resources that directly or indirectly contribute to the output and supporting services within the entity and from other entities;
4. Include inter-entity costs and other significant and material goods or services provided by other Federal entities in full cost; and

⁶ 31 U.S.C. § 902(a)(8).

⁷ Circular No. A-25 Revised. *The White House*. Retrieved September 23, 2015, from http://www.whitehouse.gov/omb/circulars_a025.

5. Use appropriate costing methodologies to accumulate and assign costs to output.”⁸

USCIS INITIATIVES FUNDED UNDER THE 2010 FEE ADJUSTMENT

In the FY 2010/2011 fee rule, USCIS committed to a set of goals and performance improvements that were aimed at increasing accountability, providing better customer service, and increasing efficiency. These performance enhancements were:

- Deployment of Transformed Processes and System. USCIS deployed the first release of its new electronic case management system, the Electronic Immigration System (ELIS), in the third quarter of FY 2012. ELIS was subsequently rebuilt using an agile software development methodology and simplified technology architecture. As a result of this effort, USCIS is able to deploy increased electronic processing capability to the system more quickly than the traditional software development approach. USCIS processed approximately 17 percent of agency intake of benefit requests in ELIS in fiscal year 2015. USCIS anticipates that approximately 30 percent of agency intake will be processed through ELIS by the end of fiscal year 2016; additional increased processing through ELIS is likely in fiscal year 2017.
- Expanding the use of Systems Qualified Adjudication to a Larger Share of USCIS Workload. The term Systems Qualified Adjudication is now referred to as System Assisted Processing. This is a form of electronic pre-adjudication that improves the efficiency of processing benefit requests and affords immigration service officers more time to focus on complex adjudications. USCIS will continue to expand this approach where it is determined feasible as part of its business transformation initiative. Currently this approach is being applied to renewals of Deferred Action for Childhood Arrival requests and Temporary Protected Status re-registration applications.
- Integration of Productivity Measures in Future Fee Review Methodology. DHS has stated in past fee rules that USCIS would integrate productivity measures into the underlying methodology it uses to conduct fee reviews. USCIS has done this and plans to continue to identify efficiency gains resulting from information technology investments and process improvements, including the cost savings that occur due to these changes, and ensure that those savings are incorporated into new fee amounts derived from future fee reviews.

PROCESSING TIME OUTLOOK

USCIS acknowledges that since it last adjusted fees in FY 2010, the agency has experienced elevated processing times compared to the goals established in FY 2007. These processing delays have contributed to case processing backlogs. This can partially be attributed to having removed the surcharge previously applied to the IEFA fee schedule to recover costs related to the USCIS Refugee, Asylum, and International Operations Directorate (RAIO), SAVE, and the Office of Citizenship. This was done in anticipation of Congress granting the request for annual discretionary appropriations to fund these programs that was in the President’s Budget. Those

⁸ Statement of Federal Financial Accounting Standards 4: Managerial Cost Accounting Standards and Concepts. *Federal Accounting Standards Advisory Board*. Retrieved September 23, 2015, from http://www.fasab.gov/pdf/files/handbook_sffas_4.pdf.

resources did not fully materialize and since FY 2012 USCIS has used other fee revenue to support these programs. DHS is proposing to adjust fees by a total weighted average increase of 21 percent; the total 21 percent weighted average increase would be allocated as follows:

- Reinstatement of a surcharge in the fee schedule to fund RAIO, SAVE, and the Office of Citizenship (approximately 8 percent);
- Account for reduced revenue stemming from an increase in fee waivers granted since FY 2010 (approximately 9 percent); and
- Recover the costs needed to sustain current operating levels while allowing for limited, strategic investments necessary to ensure the agency's information technology infrastructure is strengthened to protect against potential cyber intrusions, and to build the necessary disaster recovery and back-up capabilities required to effectively deliver the USCIS mission (approximately 4 percent).

Through this rule, USCIS expects to collect sufficient fee revenue to fully support RAIO, SAVE and the Office of Citizenship. This would allow USCIS to discontinue diverting fee revenue to fund these programs, thereby increasing resources to fund the personnel needed to improve case processing, reduce backlogs and achieve processing times that are in line with the commitments in its FY 2007 Fee Rule.

In addition, to make current published processing time information more transparent and easier for customers to interpret, USCIS is evaluating the feasibility of calculating processing times using data generated directly from case management systems, rather than with self-reported performance data provided by Service Centers and Field Offices. Preliminary findings suggest USCIS will be able to publish processing times sooner and with greater transparency by showing different processing times for each office and form type. USCIS is evaluating whether it can publish processing times using a range rather than using one number or date. This approach would show that, for example, half of cases are decided between X and Y number of months. This approach would also allow the public to better understand why their applications may be taking longer than usual.

USCIS also expects to improve the customer experience as we continue to transition to online filing and electronic processing of immigration applications and petitions. With the new person-centric electronic case processing environment, USCIS will possess the data needed to provide near real-time processing updates to the customer that will identify the case status and time period lapsed between actions for each individual case. This will allow greater transparency to the public on how long it will take to process each case as it moves from stage to stage, (e.g., from biometrics collection, to interview, to decision).

USCIS is committed to giving stakeholders and customers the information they need, when they need it. To that end, it is transforming how it calculates and posts processing time information to

improve the timeliness of such postings, but more importantly, to achieve greater transparency of USCIS case processing.

FEE REVIEW DETAIL

The FY 2016/2017 fee review consists of three core elements:

1. **Cost Projections** – The cost baseline is the anticipated level of funding necessary to maintain an adequate level of operations. USCIS develops cost projections using the USCIS FY 2015 Annual Operating Plan (AOP) as a base and includes program enhancements that facilitate the processing of additional workload. Cost projections also reflect efficiencies and costs savings identified by USCIS directorates and program offices.
2. **Revenue Status and Projections** – USCIS develops revenue projections for the biennial period based on internal receipt forecasts and 12 months of historical fee-paying and fee-waived/fee-exempt receipt volume trends.
3. **Cost and Revenue Differential** – USCIS identifies the difference between anticipated costs and revenue, assuming no changes in fees, to determine if the existing fee schedule is sufficient to recover full cost or if USCIS should adjust fees.

COST BASELINE

USCIS used the FY 2015 AOP to develop the FY 2016/2017 cost baseline. The baseline consists of pay and non-pay resources. Total projected costs are \$3.009 billion in FY 2016 and \$3.067 billion in FY 2017. The average projected costs for the biennial period are \$3.038 billion. USCIS excludes the following costs from the baseline as they are (1) recovered through agreements with other government agencies, (2) derived from sources that are temporary by definition or discretionary in nature, or (3) are prior year unpaid obligations:

- \$7.9 million in reimbursements from other government agencies for services provided through the SAVE program;
- \$12.2 million for the TPS program;
- \$109.8 million for the DACA program;
- \$62.5 million for anticipated recoveries of prior year unpaid obligations.⁹

In addition, USCIS excludes \$265.5 million for costs funded by premium processing revenue. Finally, USCIS makes adjustments for anticipated pay increases, approved resource

⁹ Includes the amount of cancellations or downward adjustments of obligations incurred in prior fiscal years that were not outlayed and adjustments since October 1 of the current year. OMB Circular No. A-11 (2015), Appendix F, pg. 7. Retrieved October 27, 2015 from https://www.whitehouse.gov/sites/default/files/omb/assets/a11_current_year/app_f.pdf.

enhancements, and other resource requirements necessary to maintain current services for anticipated workload. Examples of these adjustments include:

- Pay inflation (\$11.3 million in FY 2016 and \$23.1 million in FY 2017). The government-wide pay inflation rate is 1 percent for FY 2016 and 2 percent for FY 2017.
- Additional staff (\$166.7 million in FY 2016 and \$171.6 million in FY 2017). Based on the results of the FY 2015 Staffing Allocation Model and enhancement staffing requests submitted by program offices, USCIS projects that an additional 1,171 positions are needed to meet adjudicative processing goals and other USCIS mission objectives.
- Additional resource requirements (\$24.9 million in FY 2016 and \$16.7 million in FY 2017) are needed to achieve USCIS strategic goals. These include strengthening the security and integrity of the immigration system, providing effective customer-oriented immigration benefit and information services, promoting instruction and training on citizenship responsibilities for individuals interested in becoming naturalized citizens, promoting effective immigration policies and programs, strengthening the infrastructure supporting the USCIS mission.
- Premium Processing Costs (\$264.3 million in FY 2016 and \$266.7 million in FY 2017). In addition to removing costs associated with the Office of Transformation, USCIS plans to use premium processing fees to pay an annual average of \$79.3 million in costs associated with administering premium-processing services and infrastructure improvements in the adjudications and customer services processes.¹⁰ These costs pertain to the Service Center Operations staff adjudicating cases that requested premium processing service, transformation-related expenses, including Office of Transformation Coordination personnel, and infrastructure investments being made to enhance the adjudication process and customer service.
- FY 2016/2017 total projected costs for RAIIO (including an increase in the refugee admissions ceiling to 100,000 for FY 2017), SAVE¹¹, and the Office of Citizenship (including the CIGP) (\$303.1 million). This is an increase of \$158 million, or 108 percent, over FY 2010 actual costs of \$145.4 million. The majority of these costs were removed from the USCIS fee schedule in the 2010 Fee Rule based on the assumption that annual Congressional appropriated funds would be provided.

Table 1 summarizes adjustments to the FY 2015 cost baseline to reach the FY 2016 and FY 2017 cost baselines. After accounting for reductions, additional staff, and additional resource requirements, FY 2016 costs are 5 percent higher than the FY 2015 adjusted IEFA budget. FY 2017 costs are 2 percent higher than FY 2016 costs.

¹⁰ Premium processing fees are a subset of IEFA fees separately designated by Congress. See INA section 286(u), 8 U.S.C. 1186(u).

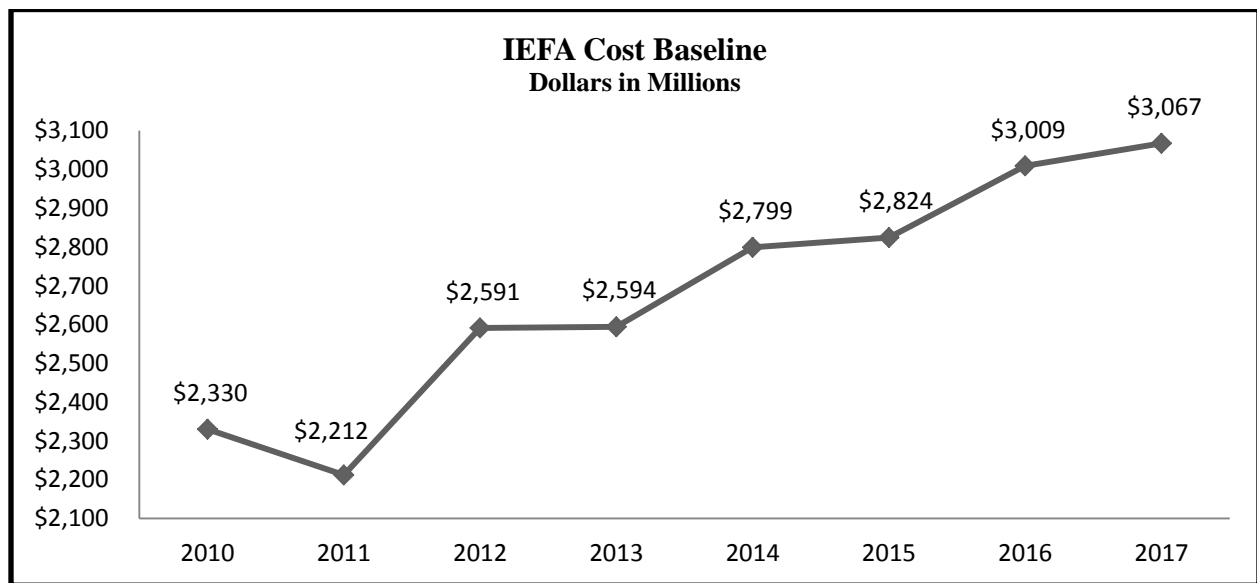
¹¹ SAVE is partially funded by reimbursable revenue from Federal, state, and local governments. The proposed fees only fund the remaining SAVE costs that are not funded by reimbursable revenue.

Table 1: Baseline Adjustments

FY 2016/2017 Fee Review IEFA Cost Baseline (Dollars in Thousands)	
Total FY 2015 Adjusted IEFA Budget	\$2,863,889
Plus: Pay Inflation and Promotions/Within Grade Increases	130,092
Plus: Net Additional Costs	137,381
Less: Spending Adjustments	-122,338
Total FY 2016 Adjusted IEFA Budget	\$3,009,024
Plus: Pay Inflation and Promotions/Within Grade Increases	38,072
Plus: Net Additional Costs	19,452
Total FY 2017 Adjusted IEFA Budget	\$3,066,548

The projected annual budget for the FY 2016/2017 biennial fee review period is \$3.038 billion, a \$767 million, or 34 percent, increase over the FY 2010/2011 fee review adjusted annual budget of \$2.271 billion. Figure 1 depicts the cost baseline growth since the 2010 Fee Rule.

Figure 1: IEFA Cost Baseline Estimates



REVENUE STATUS AND PROJECTIONS

USCIS projected workload and fee-paying volumes are based on FY 2014 actual filings and projected changes for FY 2016/2017. USCIS revenue projections for FY 2016/2017 are based on a combination of USCIS Volume Projection Committee (VPC) volume forecasts and 12 months of historical fee-paying volume trends. As in its previous fee-setting rules, USCIS does not rely on revenue from sources that temporary in nature or subject to the discretion of the Department, such as TPS designations and the DACA program. Due to the discretionary nature of these policies, USCIS does not incorporate them into the fee model. Doing so would allocate USCIS fixed costs and overhead to these programs and introduce the risk that USCIS would not be able to recover full cost should these designations or programs be discontinued. USCIS removes both the costs and the revenue associated with these programs from the fee review cost and revenue baselines.

Using the VPC volume projections for FY 2016/2017, revenue from the current fee schedule is projected to increase from \$2.271 billion to \$2.478 billion, or 9 percent, over the 2010 Fee Rule projection. This results from a fee-paying volume increase of 13 percent despite a workload volume increase of 23 percent.

USCIS uses two types of volume data in the fee review.

1. **Workload volume** is a projection of the total number of immigration benefit requests that will be received in a fiscal year.
2. **Fee-paying volume** is a projection of the number of applicants, petitioners, or requestors that will pay a fee when filing for immigration benefit requests. Not all applicants, petitioners, or requestors pay a fee. Those applicants, petitioners, and requestors for whom USCIS grants a fee waiver or to whom an exemption applies are represented in the workload volume but not the fee-paying volume. Fee-paying applicants, petitioners, and requestors fund the cost of processing requests for fee-waived or fee-exempt immigration benefit requests.

Below is a detailed description of each volume type.

Workload Volume and Volume Projection Committee

USCIS uses statistical time series modeling and immigration receipt data from the last 15 years, as well as the best available internal assessment of future developments, such as annualized receipt data prepared by the Office of Performance and Quality (OPQ), to develop workload volume projections.

VPC membership consists of all relevant USCIS directorates and program offices. Through its VPC, USCIS forecasts workload volume with additional input from subject-matter experts at USCIS Service Centers, the National Benefits Center, the RAIIO Directorate, and Regional, District, and Field Offices. Input from these offices helps refine projected volume estimates.

The VPC reviews short- and long-term volume trends. In most cases the time series models provide volume projections by form type. The time series models use historical receipts data to determine patterns (such as level, trend, and seasonality) or correlations with historical events, which in turn are used to derive the projected receipts. Where possible, the models are also used to determine relationships between different benefit request types. The VPC receipt projections for FY 2014 and FY 2015 were within 2 percent and 3 percent respectively of actual receipts for those years.

Workload volumes are a key element used when determining the USCIS resources needed to process benefit requests within established adjudicative processing time goals. They are also the primary cost driver for assigning activity costs to immigration benefits and biometric services in the USCIS activity-based cost (ABC) model.

Fee-Paying Volume and Methodology

USCIS uses historical revenue and receipt data¹² to determine how many individuals paid a fee for each immigration benefit type. Revenue for an immigration benefit request is divided by its fee to determine the number of fee-paying immigration benefit requests. Fee-paying receipts are compared to the total number of receipts (workload volume) to determine a fee-paying percentage for each immigration benefit request. When appropriate, projected fee-paying volumes are adjusted to reflect filing trends and anticipated changes. For additional information, see Appendix XII.

Cost and Revenue Differential

Table 2 summarizes the projected differential between non-premium costs and revenue under the current fee schedule.

Table 2: IEFA Cost Baseline and Revenue Comparison

IEFA Cost Baseline vs. Revenue			
Fiscal Year	2016	2017	2016/2017 Average
Total Non-Premium Revenue	\$2,507,683,393	\$2,448,595,458	\$2,478,139,426
Total IEFA Cost Baseline	\$3,009,024,366	\$3,066,547,773	\$3,037,786,070
Difference	(\$501,340,973)	(\$617,952,315)	(\$559,646,644)

Less Premium Processing, DACA and TPS.

Historically, and for the purpose of the fee review, USCIS uses the average of projected fee revenue and cost for the biennial period. Based on current immigration benefit and biometric service fees and projected volumes (see Appendix XII - Volumes), fees are projected to generate an average of \$2.478 billion in annual non-premium revenue for the FY 2016/2017 biennial

¹² The FY 2016/2017 fee review used revenue and receipt data from the 12 month period June 2013 through May 2014.

period. For the same period, the average cost of processing benefit requests is \$3.038 billion. This results in an average annual deficit of \$560 million.

SUMMARY BASIS FOR FEE ADJUSTMENTS

As previously stated, the IEFA cost baseline has increased since the 2010 Fee Rule and is projected to increase further in FY 2016/2017. USCIS anticipates an average annual deficit of \$560 million over the FY 2016/2017 biennial period. DHS proposes a weighted average fee increase of 21 percent to address this deficit. This increase reflects the following changes:

- Reinstatement of the full surcharge to fund the Refugee, Asylum, SAVE, and Office of Citizenship programs, including the CIGP;
- Account for an increase in fee waivers and exemptions;
- Fund the expansion of the refugee admissions ceiling;
- Provide a reduced fee option for the Application for Naturalization, Form N-400, for applicants with household incomes greater than 150 percent and not more than 200 percent of the Federal Poverty Guidelines;
- Establish a fee for Form I-924A; and
- Sustain current operating levels while allowing for limited strategic investments necessary to strengthen and mature the USCIS enterprise.

METHODOLOGY FOR THE 2016/2017 FEE REVIEW

When conducting the fee review, USCIS reviews its recent cost history, operating environment, and current service levels to determine the appropriate method to assign costs to particular benefit requests.

ACTIVITY-BASED COST MODEL

USCIS uses commercially available ABC software to create financial models used to calculate immigration benefit request and biometric service fees. USCIS continues to refine these models with the most current information available to ensure they accurately depict current USCIS operations.

Activity-Based Costing Summary

USCIS uses ABC to determine the full cost of processing immigration benefit requests and biometric services. This is the same methodology used in the last four fee reviews and the basis for the current fee structure. ABC is a business management tool that assigns resource costs to operational activities and then to products and/or services. These assignments provide an accurate cost assessment of each major step towards producing the individual outputs of an organization.

USCIS assigns costs (resources) to immigration benefit and biometric service processing activities (activities) and then to individual immigration benefit requests (cost objects). ABC

integrates these three components using a two-step cost assignment process. The first step assigns resources to processing activities using resource drivers. The second step assigns activities to cost objects using activity cost drivers. USCIS determines resource drivers by analyzing which offices and job titles perform which activities. USCIS determines activity drivers by analyzing which activity costs contribute to each cost object. Figure 2 illustrates the cost assignment methodology used in ABC.

Figure 2: Activity-Based Costing Diagram



Resources

Resources equal the projected FY 2016/2017 annual cost baseline of \$3.038 billion. USCIS designed the ABC model structure for FY 2016/2017 to resemble the structure of the FY 2015 AOP. The AOP is the detailed budget execution plan USCIS establishes at the beginning of the fiscal year consistent with the approved fiscal year spending authority and forecasted fee revenue.

Resource Drivers and Resource Assignment

ABC uses resource drivers to assign resources to activities (see the Activities section below for more information). All resource costs are assigned to activities so the total resources in the model equal the total cost of activities.

A common resource driver in ABC is the number of employees in an organization and the percentage of time they spend performing various activities. The FY 2016/2017 ABC model uses employee counts and activity information to assign resources to activities. USCIS refers to this process as the payroll title analysis. The payroll title analysis determines how employees contribute to the eleven activities in the fee review. When an office engages in more than one activity, USCIS uses operational information to prorate that office to multiple activities. Historical, activity information is applied to projected staffing levels in FY 2016/2017. The ABC model assigns resources to activities using anticipated staffing levels and historical activity information detailing the percentage of time spent performing specific activities from the payroll title analysis for each office.

USCIS assigns some costs directly to activities. For example, the contract awarded to support USCIS Application Support Center operations only pertains to the “Perform Biometric Services” activity. Therefore, the costs of this contract are assigned directly to this activity. Other overhead costs, including the Office of Information Technology, service-level agreements, and the DHS working capital fund are prorated to each office based on the number of authorized positions in those offices so that each office pays a proportionate share.

The allocation methods in the FY 2016/2017 review are in alignment with FASAB's SFFAS Number 4 on managerial cost accounting concepts. This fulfills the guideline for agencies to directly trace costs when feasible and to either assign costs on a cause-and-effect basis or allocate them in a reasonable and consistent way.

Activities

In ABC, activities are the critical link between resources and cost objects. Activities represent work performed by an organization. USCIS allocates projected FY 2016/2017 operating costs (resources) to the following eleven activities:

1. **Inform the Public** involves receiving and responding to customer inquiries through telephone calls, written correspondence, and walk-in inquiries. It also involves public engagement and stakeholder outreach activities.
2. **Perform Biometric Services** involves the management of electronic biometric information, background checks performed by the Federal Bureau of Investigation (FBI), and the collection, use, and reuse of biometric information to verify the identity of individuals seeking an immigration benefit.
3. **Intake** involves mailroom operations, data entry and collection, file assembly, fee receipting, adjudication of fee waiver requests, and file room operations.
4. **Conduct TECS¹³ Check** involves the process of comparing information on applicants, petitioners, requestors, beneficiaries, derivatives, and household members who apply for an immigration benefit against various Federal Government lookup systems.
5. **Records Management** involves searching for and requesting files; creating temporary and/or permanent individual files; consolidating files; appending evidence submitted by applicants, petitioners, and requestors to existing immigration files; retrieving, storing, and moving files upon request; auditing and updating systems that track the location of files; and archiving inactive files.
6. **Make Determination** involves adjudicating immigration benefit requests; making and recording adjudicative decisions; requesting and reviewing additional evidence; interviewing applicants, petitioners, or requestors; consulting with supervisors or legal counsel; and researching applicable laws and decisions on non-routine adjudications.
7. **Fraud Detection and Prevention** involves activities performed by the Fraud Detection and National Security Directorate in detecting, combating, and deterring immigration benefit fraud, and addressing national security and intelligence concerns.
8. **Issue Document** involves producing and distributing secure cards that identify the holder as foreign national and also identifies his or her immigration status and/or employment authorization.
9. **Management and Oversight** involves activities in all offices that provide broad, high-level operational support and leadership necessary to deliver on the USCIS mission and achieve its strategic goals.

¹³ In previous reviews, USCIS called the "Conduct TECS Check" activity by different names, such as "Conduct Interagency Border Inspection System Checks (IBIS)" or "Conduct Treasury Enforcement Communication System (TECS) Check." The system has changed names. The ABC model and the fee review were updated to reflect this change.

Since the 2010 Fee Rule, USCIS added two activities to the fee review.

10. **Direct Costs** directly support a specific immigration benefit type. For instance, USCIS applies costs specific to naturalization, including conducting naturalization ceremonies and naturalization benefits processing.
11. **Systematic Alien Verification for Entitlements** represents the cost of the SAVE program. SAVE is an intergovernmental information-sharing program that helps Federal, state, and local benefit-issuing agencies, institutions, and licensing agencies (such as an individual state's department of motor vehicles) determine the immigration status of benefit applicants to help these agencies ensure that only those entitled to benefits or licenses receive them. Through the SAVE program, USCIS enters into reimbursable agreements with Federal, state, and local government agencies under the authority of the Economy Act and the Intergovernmental Cooperation Act of 1968 for those costs that can be directly assigned to SAVE. These reimbursable agreements recover only a portion of the total program cost. Previously, USCIS treated SAVE as an overhead cost and did not consider the amounts recovered in the reimbursable agreements in calculating the costs of SAVE to be recovered by USCIS fees.

Activity Drivers and Activity Assignment

The fourth stage in the ABC process assigns activity costs to immigration benefit requests (cost objects). For most activities, USCIS assigns activity costs to cost objects based on the percentage of total projected workload volume because, for these activities, similar time and effort are involved for each benefit request. Unique activity drivers are used for two activities: Make Determination and Perform Biometric Services.

USCIS allocates the Make Determination activity across immigration benefit requests by projected adjudication hours. USCIS calculates projected adjudication hours by multiplying projected volumes by completion rates for most benefit types. Completion rates are the average time that Immigration Service Officers (ISOs) require to adjudicate immigration benefit requests.¹⁴ In general, the more time spent adjudicating a request, the more cost that gets assigned to that request and, therefore, the higher the fee.

The Perform Biometric Services activity uses a direct activity driver. All costs associated with this activity are assigned directly to the biometric services fee.

Activity costs are allocated to immigration benefit requests by the locations (Service Centers, Field Offices, etc.) that process them. USCIS uses data from the USCIS Performance Reporting Tool including volumes, adjudication hours, and the number of completed requests by Field Office location and immigration benefit type among other data points. The Performance Reporting Tool also captures and records information on biometrics, records management, and

¹⁴ Time here means the amount of time a USCIS immigration service officer spends on an adjudication. This is different than cycle time, the amount of time an applicant, petitioner, or requestor spends waiting for an output.

customer service. For the FY 2016/2017 fee review, USCIS aligned its fee review metrics with the Performance Reporting Tool metrics used in the FY 2015 Staffing Allocation Model to ensure organizational alignment and consistency.

Cost Objects

Cost objects are the immigration benefit requests that USCIS processes. USCIS calculates a separate fee for biometric services. The costs for the biometric service fee are derived from the costs of the “Perform Biometric Services” activity and a small amount of direct costs.

USCIS determines costs for most immigration benefit requests, including those for asylum and refugee protection. The IEFA cost of immigration benefit requests for which no revenue is recovered is redistributed to other immigration benefit requests. As previously noted, the Application for Temporary Protected Status, Form I-821 and Consideration of Deferred Action for Childhood Arrivals, Form I-821D, are excluded. The Secretary of Homeland Security (Secretary) may designate a foreign country for TPS due to conditions in the country that temporarily prevent the country's nationals from returning safely, or in certain circumstances, where the country is unable to handle the return of its nationals adequately. TPS is a temporary benefit and TPS designations may be terminated. Likewise, DACA allows certain individuals, who meet specific guidelines, to request consideration of deferred action from USCIS to not be placed into removal proceedings or removed from the United States for a specified period of time unless terminated. DACA is an administrative exercise of prosecutorial discretion and it is also implemented at the discretion of the Secretary. USCIS also excludes NACARA – Application for Suspension of Deportation or Special Rule Cancellation of Removal, Form I-881. For NACARA, the eligible population will eventually be exhausted due to relevant eligibility requirements, including the date by which an applicant was required to have entered the United States. DHS has historically not relied on revenue from programs that are temporary by definition in setting the fees required to support baseline operations. USCIS analyzes the distinct costs associated with processing these benefit types and excludes these costs from the ABC model.

DHS excludes the costs and revenue associated with programs for which the eligible population may diminish or cease to exist because program eligibility is not enshrined in statute. Thus, USCIS is taking a cautious approach and is excluding these programs from the model used to calculate the fees in the proposed fee rule.

As in prior fee reviews, USCIS has excluded the cost and workload of temporary programs from the fee review and does not allocate overhead and other fixed costs to these workload volumes. This mitigates an unnecessary revenue risk, i.e., that USCIS will not have enough revenue to recover full cost if the eligible populations diminish or cease to exist. While not calculated in the fee model, the fees are based on the costs of processing similar programs that are included in the fee review. Because USCIS has excluded both the costs and revenue from these programs from the fee review and these program applicants will pay fees for these

programs, those fees will cover the costs to DHS of operating these programs. For example, while USCIS excludes the cost of DACA and TPS from the IEFA fee review, both generally require submission of Form I-765, Application for Employment Authorization, and its fee. Based on the historical results of these programs, DHS projects that the revenue from Form I-765 will cover the cost of those programs. By excluding programs which are discretionary, DHS maintains the integrity of the ABC model, recovers full costs, and mitigates of revenue risk from unreliable sources.

CONTINUING LOW VOLUME REALLOCATION FROM FY 2010/2011 FEE RULE

DHS uses its fee setting discretion to adjust certain immigration benefit requests fees that would be overly burdensome on applicants, petitioners, and requestors if set at the recommended ABC model output levels. Historically, as a matter of policy, USCIS has chosen to limit fee adjustments for certain benefit requests to a set percentage difference between the current fees and the model output fees. USCIS determines this percentage figure by calculating the weighted average percentage fee increase¹⁵ represented by the overall model output costs before reallocation. The additional costs from these benefit requests are then reallocated to other immigration benefit requests. DHS does not believe that the impact of this reallocation will be overly burdensome to applicants, petitioners, or requestors. In this proposed rule, USCIS has determined that the overall model output costs would require an 8 percent weighted average increase across all benefit types before reallocation. In this proposed rule, USCIS refers to this methodology as Low Volume Reallocation.

USCIS is proposing to adjust these benefits' fees because the combined effect of cost, fee-paying volume, and methodology changes from the 2010 Fee Rule would place an inordinate fee burden on individuals requesting these types of benefits. For example, without Low Volume Reallocation for a Petition to Classify Convention Adoptee as an Immediate Relative, Form I-600, the fee would be \$2,258. DHS believes it would be contrary to the public interest to impose a fee of this amount on an estimated 15,000 potential adoptive parents each year. Similar reasoning led to the other forms chosen that USCIS proposes to be adjusted using Low Volume Reallocation.

For this reason, DHS proposes to adjust the fee for these forms by the calculated 8 percent weighted average increase described above. In other words, consistent with past USCIS fee rules, DHS is proposing an 8 percent increase for each of these benefit types, based on the calculated 8 percent weighted average increase across all fee-paying benefit types as identified by the model. USCIS proposes to apply Low Volume Reallocation to the following forms:

¹⁵ The weighted average increase is the percentage difference between the current fees and the model output before reallocation, weighted by fee-paying volume for each benefit type. USCIS uses this as opposed to a straight average because of the difference in volume by immigration benefit type and the resulting effect on fee revenue.

- Notice of Appeal or Motion, Form I-290B
- Petition for Amerasian, Widow(er) or Special Immigrant, Form I-360
- Petition to Classify Orphan as an Immediate Relative, Form I-600, and Application for Advance Processing of an Orphan Petition, Form I-600A
- Petition to Classify Convention Adoptee as an Immediate Relative, Form I-800, and Application for Determination of Suitability to Adopt a Child from a Convention Country, Form I-800A
- Petition for Qualifying Family Member of a U-1 Nonimmigrant Form I-929
- Application to File Declaration of Intention, Form N-300
- Request for Hearing on a Decision in Naturalization Proceedings, Form N-336
- Application to Preserve Residence for Naturalization Purposes, Form N-470

APPLYING COST REALLOCATION TO OTHER FORM TYPES

DHS is proposing to increase the Application for Naturalization, Form N-400 fee by the same weighted average increase of 8 percent. As stated in the 2010 Fee Rule, “DHS has determined that the act of requesting and obtaining U.S. citizenship deserves special consideration given the unique nature of this benefit to the individual applicant, the significant public benefit to the Nation, and the Nation’s proud tradition of welcoming new citizens.”¹⁶ This sentiment still holds true. DHS believes that increasing the naturalization fee by only the weighted average increase before reallocation will reinforce these principles, allow more immigrants to fully participate in civic life, and is consistent with other DHS efforts to promote citizenship and immigrant integration.

DHS also proposes to apply the same calculated 8 percent weighted average increase to the following benefit types:

- Application for Provisional Unlawful Presence Waiver, Form I-601A
- Application for Employment Authorization, Form I-765
- Request for Action on Approved Form I-800A, Form I-800A Supplement 3

The current Form I-601A fee was not established by the 2010 Fee Rule because it did not exist at that time. USCIS unfortunately has insufficient data on Form I-601A volumes and completion rates with which to propose a fee in its fee calculation model with the sufficient level of confidence. Therefore, DHS has decided that proposing an increase before reallocation is appropriate, even though the resulting fee is considerably less than the fees proposed for similar adjudications. DHS will consider setting the fee for Form I-601A at the amount calculated in the model if sufficient data is developed before the final rule fees are calculated and published.

DHS also applied Cost Reallocation to the Application for Employment Authorization, Form I-765, for humanitarian reasons, because many individuals seeking immigration benefits cannot

¹⁶ See 75 FR 33461.

earn money through lawful employment in the United States until they receive an Employment Authorization Document and either pay the Form I-765 fee or receive a fee waiver.

DHS capped a number of fee increases in the 2010 fee rule to the weighted average percentage fee increase of all immigration benefits, which DHS proposes to remove in this rule. DHS proposes no longer applying Cost Reallocation to the following forms:

- Application for Waiver of Grounds of Inadmissibility, Form I-690
- Waiver Forms, Forms I-191, I-192, I-193, I-212, I-601, I-602, I-612.

HOLDING THE BIOMETRIC SERVICES FEE AT ITS CURRENT LEVEL

DHS proposes to hold the biometric services fee at its current level of \$85. While the model calculated a biometric services fee of \$75, USCIS believes that the importance of and uncertainty in the biometric service area justifies holding the fee at \$85. The collection, use, and reuse of biometric data is integral to identity management, excluding people with criminal backgrounds minimizing national security concerns, and maintaining program integrity. Over the next few fiscal years the costs for biometrics services, such as fees paid to the FBI for fingerprints and name checks, are uncertain. Therefore, a moderate amount above current full cost recovery calculation is justified to shield USCIS from that uncertainty.

CONTINUING TO HOLD THE REFUGEE TRAVEL DOCUMENT FEE TO THE DEPARTMENT OF STATE PASSPORT FEE

The FY 2016/2017 fee review proposes to maintain compliance with Article 28 of the 1951 United Nations Convention Relating to the Status of Refugees. DHS proposes that the fee for an Application for Travel Document, Form I-131, is \$575. This includes advance parole and any other travel document as calculated by ABC model. However, the current fees for Form I-131, Refugee Travel Document, are maintained at \$135 for adults and \$105 for children under the age of 16 years. These fees are the same as the Department of State (DOS) passport book fees,¹⁷ plus biometrics if the applicant is between 14 and 79 years of age.

HOLDING THE FEE FOR A PETITION BY ENTREPRENEUR TO REMOVE CONDITIONS (FORM I-829) AT ITS CURRENT LEVEL

DHS proposes to hold the fee for the Petition by Entrepreneur to Remove Conditions, Form I-829, at its current level of \$3,750. While the fee model calculated a fee of \$2,353 DHS proposes to maintain the current fee for such petitions.¹⁸ Because of the recent and continued growth and

¹⁷ The Refugee Travel Document fees are the same as the sum of the United States passport book application fee plus the additional execution fee that DOS charges for first time applicants.

¹⁸ If DHS had decided to adjust the fee consistent with the adjustment that DHS made to most other fees, the proposed fee would have decreased to \$3,280. The proposed fee would have been higher than the model output because of Cost Reallocation. Other fees would also have been adjusted accordingly.

maturity of the EB-5 program, the costs over the next few fiscal years are uncertain because the final parameters of the program are still evolving. This makes it uncertain whether the EB-5 related fees will fully fund its program activities.

The EB-5 program was created by Congress in 1990 to stimulate the U.S. economy through job creation and capital investment by foreign investors. The regional center program was created by section 610 of Public Law 102-395 in 1992. The EB-5 immigrant classification allows qualifying individuals, and any accompanying or following to join spouses and children, to obtain lawful permanent resident (LPR) status if the qualifying individuals have invested, or are actively in the process of investing, \$1 million in a new commercial enterprise. To qualify, the individual's investment must benefit the U.S. economy and create full-time jobs for 10 or more qualifying employees. If the investment is in a Targeted Employment Area (TEA) (i.e., a rural area or an area that has unemployment of at least 150% of the national average), the required capital investment amount is \$500,000 rather than \$1 million. Entrepreneurs may meet the job creation requirements through the creation of indirect jobs by making qualifying investments within a new commercial enterprise associated with a regional center approved by USCIS for participation in the regional center program.

To increase its support of Congress's objective in establishing the program, USCIS has recently implemented several changes to refine and improve the delivery, security and integrity of the EB-5 Program.¹⁹ USCIS established the IPO in Washington DC at USCIS headquarters in 2012. Since that time, IPO has regularly added staff positions to focus both on managing the program and ensuring identification of fraud, national security, or public safety concerns within the program. In addition, USCIS plans to conduct more site visits to regional centers and associated commercial enterprises to verify information provided in regional center applications and investor petitions and to clarify its EB-5 regulations. DHS proposes to keep the Form I-829 at the current fee, above the full cost recovery calculation, to shield USCIS against potential but likely rising costs. DHS believes the fee is would still be set at an appropriate level and that it would not be overly burdensome to the Form I-829 filers particularly considering the size of the investment required to participate in the program.

¹⁹ USCIS is committed to strengthening and improving the overall administration of the EB-5 Program. The cost baseline includes \$16.0 million in FY 2016 and \$15.9 million in FY 2017 for additional staff that would comprise a specialized team of forensic auditors, compliance officers, and other staff, whose primary focus would be to ensure regulatory compliance. This would directly contribute to the integrity of the program by providing the USCIS Investor Program Office with employees who have specialized knowledge required to adjudicate these benefits. In addition to enhanced staffing, USCIS would make additional IT systems investments to make case processing more efficient. USCIS would add \$1.7 million in FY 2016 and \$1.8 million in FY 2017 to improve the case management system and further develop its risk management strategy to ensure program compliance.

CHANGES IMPLEMENTED IN THE FY 2016/2017 FEE REVIEW

This section describes key changes included in the FY 2016/2017 fee review, including methodology changes and new fees implemented since the 2010 Fee Rule.

International Operations Cost Allocation

International Operations (IO) is the face of USCIS overseas. IO officers process immigration benefits, facilitate international adoption processes, and serve the immediate family members of United States citizens residing abroad who may want to adjust their status. At the time of the last Fee Rule, IO completion rate data was not available. IO has since improved its data gathering and reporting. As a result, USCIS now uses IO completion rate data to inform the allocation of adjudicative costs to the specific benefit request types that IO processes.

Rent and Federal Protective Service Allocations

USCIS rent and Federal Protective Service (FPS) costs comprise almost 17 percent of the fee review non-pay cost baseline over the biennial period. To meet certain data requests issued by OMB, USCIS collects data on the number of Federal and contractor staff assigned to each building location. In the FY 2016/2017 fee review, USCIS allocates rent and FPS costs to the various offices or directorates based on the number of staff occupying each building location. USCIS also uses square footage data, when available, to allocate rent and FPS costs for offices in particular buildings when it is a more accurate cost driver.

Alignment of USCIS Staffing Allocation Model with the Fee Review

USCIS continues to align the operational data used in the fee review with the most recent Staffing Allocation Model in order to align fees with staffing and workload. OPQ develops volume estimates for each Field Office and Service Center, from the aggregated VPC estimates, to project workload volume and identify staffing requirements using operational metrics from Performance Reporting Tool data and information obtained regarding upcoming operational changes. OPQ develops a Staffing Allocation Model to recommend staffing levels for operational offices based on workload forecasts, case completion requirements, and processing time goals. The FY 2015 Staffing Allocation Model and FY 2016/2017 fee review use the same workload receipt volumes developed by the VPC in April 2014, as well as the same workload estimates developed for each field location as those in the FY 2015 Staffing Allocation Model. With limited exceptions, USCIS uses Staffing Allocation Model completion rates for the Make Determination activity in the ABC model.

Additional Immigration Benefits in this Fee Review

There are several established immigration benefit requests that USCIS included in its fee structure for this review that were not fully considered in the previous review. To refine the fee review model, USCIS incorporated distinct cost and operational metrics for the following benefits:

- Form G-1041, Genealogy Index Search Request,

- Form G-1041A, Genealogy Records Request,
- Form I-601A, Application for Provisional Unlawful Presence Waiver,
- Form I-800A, Application for Determination of Suitability to Adopt a Child from a Convention Country (previously combined with other orphan petitions), and
- Form I-929, Petition for Qualifying Family Member of a U-1 Nonimmigrant.

Form I-924A, Annual Certification of Regional Center

DHS proposes to establish a new fee in this rule for Annual Certification of Regional Center, Form I-924A, to recover the full cost of processing this EB-5 benefit type. Form I-924A is used by regional centers to demonstrate continued eligibility for their designation. Regional centers must submit the form to USCIS annually or upon request. Upon failure to file Form I-924A or to demonstrate continued promotion of economic growth, USCIS will issue a Notice of Intent to Terminate. If the regional center fails to overcome the grounds alleged in the Notice of Intent to Terminate, USCIS will terminate the designation of the regional center. The form helps USCIS ensure that regional centers are continuing to promote economic growth and are otherwise in compliance with all applicable program requirements. Further, the form assists investors seeking to invest in a regional center, as it provides the regional center and USCIS with a process for recording data regarding the regional center's activities and job creation that can be shared with potential investors on a case-by-case basis. Although approved regional centers are required to file Form I-924A annually, there is currently no filing fee and the processing cost is borne by other individuals paying fees for immigration benefits.

USCIS is proposing to establish a fee for the Form I-924A because USCIS incurs significant costs to review the Form I-924A and to administer the regional center program. In addition, the regional center program is continuing to grow rapidly.²⁰ With approximately 800 currently approved regional centers, USCIS must expend adjudicative resources to handle Form I-924A filings for which no fee is currently collected. Regional centers are often complex partnerships, limited liability companies, or other business entities involved in multiple commercial enterprises that may overlap or intertwine. These complex relationships must be described on Form I-924A and the filing must be reviewed by USCIS to determine if the regional center continues to comply with program requirements. In addition, USCIS conducts site visits to certain regional centers to verify the information provided in connection with its original application. USCIS also conducts onsite audits of a select number of regional centers each year to validate the information the center has provided and ensure that the objectives of the immigrant investor program are being met. DHS is proposing to establish and collect a fee for Form I-924A to recoup the costs of carrying out these activities.

²⁰ There were 340 designated regional centers required to file Form I-924A at the end of FY 2013, and 580 such centers at the end of FY 2014, representing a 70 percent increase in 1 year.

DHS proposes to establish the fee for Form I-924A at \$3,035. USCIS calculated this fee using the same ABC model used to calculate the other fees that DHS proposes in this rule. As with other proposed fees, projected adjudication hours determine part of the fee.

Reduced Fee for Application for Naturalization

DHS proposes to establish a three level fee for the Application for Naturalization, Form N-400.

1. A fee for Form N-400 of \$640, plus \$85 for biometric services, for a total of \$725;
2. No fee is charged an applicant who meets the requirements of sections 328 or 329 of the Act with respect to military service, or to an applicant who applied for and received a full fee waiver; and
3. A reduced fee for naturalization applicants with family incomes greater than 150 percent and not more than 200 percent of the Federal Poverty Guidelines to pay a fee of \$320 plus an additional \$85 for biometric services, for a total of \$405.

DHS has created a proposed new form, USCIS Form I-942, Request for Reduced Fee, that must be filed with the N-400 that will provide a convenient guide for applicants to demonstrate that their income meets the level required to pay the reduced fee.

DHS proposes this reduced fee option to limit potential economic disincentives some eligible applicants may face when deciding whether or not to apply for naturalization. The proposed reduced fee option for low-income applicants supports the Administration's immigration integration policies²¹ and the USCIS mission to support aspiring citizens. Nevertheless, USCIS is funded mainly from fees and we must collect a fee to recover at least some of the costs associated with naturalization. DHS believes the reduced fee would help ensure that those immigrants whose goal it is to apply for naturalization are not unnecessarily limited by their economic means. DHS realizes that other fee payers would be required to bear the cost of the reduced fee, but believes the importance of naturalization justifies this slight shift of burden.

USCIS is uncertain exactly how many new N-400 applicants would be eligible and apply for naturalization as a result of the reduced fee. In addition, DHS has no reliable data on how sensitive the demand for filing an N-400 is to a change in the amount of the fee. Nonetheless, research on barriers to naturalization indicates a correlation between the N-400 filing fee and the number of applications submitted to USCIS. As the Center for the Study of Immigrant Integration stated, "Some evidence of price sensitivity was shown when USCIS increased the cost to naturalize from \$400 to \$595 (plus the costs of biometrics) in the middle of 2007: the result was a surge of applications just prior to the fee increase. As a result, there were nearly 1.4

²¹ See The White House Task Force on New Americans, Strengthening Communities by Welcoming All Residents, at 28-29 (2015), available at https://www.whitehouse.gov/sites/default/files/docs/final_tf_newamericans_report_4-14-15_clean.pdf

million naturalization applications filed in 2007 but just over 500,000 in 2008.”²² That sensitivity is also supported by data and information from the U.S. Census Bureau’s American Community Survey. USCIS analyzed the 2012 American Community Survey and determined that 10 percent of new citizens who naturalized since 2000 reported incomes greater than 150 percent and not more than 200 percent of the Federal Poverty Guidelines. Independent university research²³ estimated that about 12 percent of adult lawful permanent residents eligible to naturalize fell within the 150 to 200 percent of Federal Poverty Guidelines. By averaging the 10 percent and the 12 percent from the two data sources, USCIS estimates 11 percent of average annual Form N-400 filings would be likely to qualify for the lower fee. The average FY 2016/2017 Application for Naturalization volume estimate is 821,500, excluding military naturalizations. USCIS expects that an average of 90,365 filers, 11 percent of the 821,500, would be eligible for the reduced fee of \$405, including the biometrics fee.²⁴ Assuming that all 90,365 would have paid the full fee of \$725 for their Form N-400 and biometrics, this new N-400 fee would result in approximately \$28.9 million in foregone fee revenue associated with adjudication of Form N-400. That amount of USCIS operating expenses would be funded using fee revenue from the other fee increases proposed in this rule.

Interim Benefits

The FY 2016/2017 fee review isolates the workload volume and fee-paying percentage of the Application for Employment Authorization, Form I-765 and Application for Travel Document, Form I-131 not associated with Application to Register Permanent Residence or Adjust Status, Form I-485 to more accurately calculate the fees for all three benefit types.

Usually, the favorable adjudication of an immigration benefit request confers ancillary benefits such as work and travel authorization. That is, USCIS only grants those ancillary benefits after, or at the same time as, it grants the underlying immigration status or benefit. In some situations, however, a foreign national may become entitled to a benefit because a case is pending adjudication. For example, a person who applies for adjustment of status would, in certain instances, be able to obtain work and/or travel authorization based on the pending immigration benefit request. 8 CFR 274a.12(c)(9). When this occurs, these ancillary benefits are generally referred to as “interim benefits.”

²² Manuel Pastor & Justin Scoggins, Center for the Study of Immigrant Integration, *Citizen Gain: The Economic Benefits of Naturalization for Immigrants and the Economy* 20 (Dec. 2012), available at http://dornsife.usc.edu/assets/sites/731/docs/citizen_gain_web.pdf.

²³ See Manuel Pastor, University of Southern California, *Reducing Barriers to Citizenship: New Research and the Need for a Partial Fee Waiver* (Jan. 8, 2015), available at <http://newamericascampaign.org/wp-content/uploads/New-Research-on-Reducing-Barriers-to-Citizenship-1-8-15-Webinar-Powerpoint.pdf>.

²⁴ This is an estimate of the net impacts. Some who may have filed and paid the full fee would now not opt to pay the reduced fee. Others who are eligible to seek a fee reduction based on income level may also qualify for a Federal means tested benefit in their state and this qualify for a full fee waiver.

DHS currently permits applicants filing an Application to Register Permanent Residence or Adjust Status, Form I-485, and who pay the required fee, to submit Form I-765, and/or Form I-131, without paying an additional fee. Applicants may file Form I-765 and/or Form I-131 concurrently with Form I-485 or they may file these forms after USCIS accepts their Form I-485 while the Form I-485 is still pending.

In the FY 2016/2017 fee review, USCIS determined the workload volume and fee-paying percentage of Form I-765 and Form I-131 not associated with Form I-485. This methodology change enables USCIS to derive a fee-paying percentage for standalone Form I-765 and Form I-131, meaning those forms not filed concurrently with a Form I-485. By isolating stand-alone interim benefit customers from those filing the Form I-485 fee, USCIS can more accurately assess fee-paying percentages, fee-paying volumes, and fees for all three benefit types. As a result, DHS has more confidence that the fees for these benefit types proposed in this rule are consistent with the ABC methodology for full cost recovery.

Form I-485 Fee for Child Under 14, Filing with Parent

DHS proposes a fee of \$750 for a child under the age of 14 years old when filing Form I-485 concurrently for adjudication with the immigration benefit request of a parent seeking classification as an immediate relative of a United States citizen, a family-sponsored preference immigrant, or a family member accompanying or following to join a spouse or parent under sections 201(b)(2)(A)(i), 203(a)(2)(A), or 203(d) of the INA. For this review, the proposed fee of \$750 is the model output cost for a Form I-485 filed with Form I-131. Children under the age of 14 cannot work in the United States. These children, however, can travel. This is \$390 less than the proposed fee of \$1,140 for adults.

Currently, the fee is \$985 for an adult and \$635 for a child under 14 filing with a parent, a \$350 discount. In the 2010 Fee Rule, USCIS calculated the \$635 fee outside of the model due to a lack of available data which was inconsistent with fees for other benefit types. The FY 2016/2017 fee review calculated the proposed \$750 fee using actual data for each of the elements of the model. Therefore, the proposed fee for Form I-485 for a child under 14 filing with a parent complies more closely with the ABC methodology for full cost recovery at a level that tracks its relative adjudicative burden.

One Fee for a Genealogy Records Request

USCIS has included the genealogy fees in the FY 2016/2017 IEFA fee review. The USCIS genealogy program processes requests for historical records of deceased individuals. Before creating a genealogy program, USCIS processed the requests as Freedom of Information Act (FOIA) request workload, which resulted in delays. DHS created the genealogy program to reduce delays for these requests. At the time, USCIS averaged 10,000 such requests over four years. USCIS expected the workload to increase to 26,000 a year with the new program. USCIS determined that genealogy fees would range between \$16 and \$55. These proposed fees were based on projected volume and full cost of the program. After considering the comments

received on the proposed rule, the costs of providing this service, OMB requirements, and the fees charged for similar services, DHS set the fees for Forms G-1041 at \$20 and G-1041A at \$20 or \$35 (depending on the format requested) in the final rule. Requestors use the Genealogy Records Request (Form G-1041A) to obtain copies of USCIS historical records that may assist them in conducting genealogical research. Requestors use the Genealogy Index Search Request (Form G-1041) to request an index search of USCIS historical records.

The current genealogy program fees were not established based on the projected full cost of operating the genealogy research and information services of USCIS, although that was permitted by the authorizing law, see INA section 286(t)(1), 8 USC 1356(t)(1). At the time, USCIS did not have clearly segregated records of the full cost of operating its genealogy research and information services, and DHS has not since adjusted the genealogy program fees. But after seven years of operating the program, now has reliable data on which to base the new fees. USCIS has thus incorporated the genealogy records requests fees in the comprehensive costs recovery model with the aim to simplify the genealogy fee structure.

Current regulations state that the Form G-1041A fee is \$20 for each file copy from microfilm and \$35 for each hard copy. In some cases, the requestor may be unable to determine the fee, because the requestor will have a file number obtained from a source other than USCIS and therefore not know whether the format of the file is microfilm or paper. In such cases, if USCIS discovers the relevant file is a paper file, USCIS will notify the requestor to remit an additional \$15. In addition, USCIS will refund the records request fee only when the agency is unable to locate the file previously identified in response to the index search request.

DHS proposes to charge a single \$65 fee for Form G-1041A. Under the ABC model, USCIS projected the cost of the forms G-1041 and G-1041A to be \$46 each. The cost is based on the projected volumes and costs of the genealogy program. The projected costs include a portion of Lockbox costs, genealogy contracts, and a portion of costs related to the division that handles genealogy, FOIA and similar USCIS workloads. The proposed \$65 fee is based on the ABC model output, plus an additional \$19 to recover the applicable administrative costs associated with funding these services, such as the USCIS Librarian and other genealogy research and information services.²⁵ Because the INA contains a separate fee setting authorization for the genealogy program to recover the full costs of providing all genealogy research and information services, DHS does not propose to adjust the ABC model output for genealogy fees using the Cost Reallocation methodology that DHS applies to most benefit types. Administrative costs, such as the Management and Oversight activity cost, range from \$33 to \$426 for other immigration benefit fees. Had USCIS included all such costs, it would have added at least \$141

²⁵ Estimate includes Cost Reallocation amount of \$18 (additional \$1 results from rounding the proposed fee to the nearest \$5 increment).

to the proposed genealogy fees. DHS proposes to add only \$19 to the model output for estimating applicable costs using Cost Reallocation, for a total proposed fee of \$65.

Premium Processing Costs

USCIS is proposing no change to premium processing fees or regulations. Section 286(u) of the INA authorizes USCIS to:

- Establish a premium processing service for business customers;
- Establish an additional fee for this service;
- Use revenue from the premium processing fee to fund the costs associated with providing the premium processing service; and
- Fund infrastructure improvements in the adjudications and customer service processes.

Congress set the premium processing fee at \$1,000 and authorized USCIS to adjust the fee for inflation, as determined by the Consumer Price Index (CPI). USCIS adjusted the premium processing fee by using the CPI in the 2010 Fee Rule to \$1,225.²⁶ Because projected premium processing revenue is sufficient to cover the projected costs of providing the premium service and other permissible infrastructure investments, DHS is proposing no change to the premium processing fee. DHS is not barred from increasing the premium processing fee outside of rulemaking should circumstances require it. DHS also notes in the proposed rule that commenters regularly request that DHS extend premium processing beyond the limits of Section 286(u) to other immigration benefit requests. The FY 2016/2017 Fee Review did not analyze the effect of premium processing for other forms and thus DHS proposes no extension of premium processing beyond its current usage.

USCIS currently offers premium processing to business customers filing: a Petition for Nonimmigrant Worker, Form I-129, and an Immigrant Petition for Alien Worker, Form I-140, in certain visa classifications. In the 2007 and 2010 Fee Rules, USCIS indicated that it would dedicate premium processing fee revenue for transformation activities.²⁷ At that time, projected annual premium processing revenues and annual transformation investment costs were roughly equal. Since that time, the projected lifecycle costs of the transformation investment, which now includes USCIS' electronic immigration system, have decreased, whereas demand for USCIS

²⁶ See 75 FR 58979; 8 CFR 103.7(b)(1)(i)(RR)

²⁷ Transformation is an agency-wide effort to transition the agency from a fragmented, paper-based operational environment to a centralized environment facilitating electronic processing of requests for immigration benefits through the USCIS electronic immigration system (ELIS). This investment is a large-scale, complex undertaking to modernize USCIS business processes using information technology-enabled re-engineering. ELIS will employ the types of online customer accounts used in the private sector to manage transactions and track activities while enforcing and administering our immigration laws. The revised processes, enabled by ELIS, will help USCIS meet customer expectations for on-demand information and immediate real-time electronic service over the Internet.

premium processing services has grown, resulting in an imbalance between revenue and spending.

In the FY 2016/2017 fee review, USCIS identified an additional \$79.3 million in eligible costs to be funded through premium processing fee revenue, thereby reducing the costs that USCIS must recover through its standard (non-premium) application and petition fees. Consistent with INA section 286(u), 8 U.S.C. 1186(u), DHS proposes to use premium processing revenue to pay for the salaries of immigration services officers that process this workload, associated supervisory and support staff, and associated non-personnel costs. Premium processing revenue will also be used to fund the salaries and benefits costs for Office of Transformation Coordination staff that manage USCIS' electronic immigration system and transformation investment. USCIS also identified other costs related to adjudications and customer service infrastructure improvements that the agency intends to fund with premium processing fee collections instead of general filing fees.

Fee Waivers

USCIS may waive the fee for certain immigration benefit requests when the party requesting the benefit is unable to pay the fee.²⁸ To request a fee waiver, a person requesting an immigration benefit must submit a written request for permission to have their request processed without payment of a fee with their benefit request. The request must state the person's belief that he or she is entitled to or deserving of the benefit requested, the reasons for his or her inability to pay, and evidence to support the reasons indicated. There is no appeal of the denial of a fee waiver request. Before 2007, USCIS could waive any fee, even where the fee waiver application contradicted the underlying benefit request. For example, USCIS could waive fees for a company seeking to sponsor a foreign worker whom the company would be required to pay appropriate wages; individuals seeking status based on a substantial business investment; or those seeking to sponsor a foreign relative to whom he or she must provide a financial safety net.

Since 2007, however, DHS has limited the USCIS fees that may be waived in 8 CFR 103.7(c)(3) based on the general premise that fee waivers must be consistent with any financial considerations that apply to the status or benefit sought. Following the 2010 fee rule, USCIS also issued guidance to the field to streamline fee waiver adjudications and make them more consistent among offices and form types nationwide.²⁹ This guidance clarifies what measures of income can be used and the types of documentation that are acceptable for individuals to present as demonstration that they are unable to pay a fee when requesting a fee waiver. In June 2011, USCIS issued Form I-912, Request for Fee Waiver, which is an optional standardized form with instructions that could be used to request a fee waiver in accordance with the Fee Waiver Policy.

²⁸ See 8 CFR 103.7(c).

²⁹ See Policy Memorandum, PM-602-0011.1 "Fee Waiver Guidelines as Established by the Final Rule of the USCIS Fee Schedule; Revisions to Adjudicator's Field Manual (AFM) Chapter 10.9, AFM Update AD11-26" (March 13, 2011) ("Fee Waiver Policy").

USCIS previously engaged in a holistic analysis of the individual's finances to determine inability to pay. Under the Fee Waiver Policy, USCIS established a streamlined process that provided that it will usually waive the entire fee and the biometric services fee for forms listed in 8 CFR 103.7(c)(3) for applicants who:

- Are currently receiving a means-tested benefit;
- Have household income at or below 150 percent of the Federal poverty level; or
- Are experiencing extreme financial hardship such as unexpected medical bills or emergencies.

The 2010 fee rule also authorized the USCIS Director to approve and suspend exemptions from fees, or provide that the fee may be waived for a case or class of cases that is not otherwise provided in 8 CFR 103.7(c).³⁰

The projected impact of fee waivers has increased markedly since the 2010 fee rule from \$191 million to \$613 million. Applicants, petitioners, and requestors that pay a fee cover the cost of processing requests that are fee-waived or fee exempt.

SPECIAL TOPICS

This section addresses specific topics not discussed elsewhere in the document.

IEFA CARRYOVER PLAN AND PROJECTION

Carryover is unobligated/unexpended fee revenue accumulated from fees collected but not obligated in prior fiscal years. For Federal entities such as USCIS that rely almost entirely on fee based revenue, it is important that a sufficient carryover balance be maintained. Most importantly, USCIS requires a carryover balance within the IEFA to ensure sufficient funds are available to maintain operations at the start of each new fiscal year until it collects and deposits revenue from current year fee collections. Unlike Federal programs financed by discretionary appropriations that receive a Treasury warrant annually to establish a cash balance in their Treasury accounts after enactment of appropriations, the USCIS IEFA account possesses permanent warrant authority that allows immediate access to carryover balances and new collections. Maintenance of sufficient carryover in the IEFA Treasury account allows USCIS to incur obligations and expenditures to support ongoing operations at the start of each new fiscal year to process pending immigration benefit requests for which the fee was received in the prior fiscal year and prevent Anti-deficiency Act violations.

Applicants and petitioners pay USCIS fees when they file their benefit request. USCIS rejects requests that are not accompanied by the appropriate filing fee (unless an exemption applies or

³⁰ See 75 FR 58990; 8 CFR 103.7(d).

USCIS grants a fee waiver). For accounting purposes, USCIS cannot recognize revenue as earned until completing work, i.e., when it has rendered a decision to an applicant or petitioner on a benefit request.³¹ A carryover balance that reflects pending workload is also necessary to cover the costs of processing workload that is incomplete. In the event that actual revenue is below projections, the carryover balance ensures continuity of operations until USCIS reduces costs or adjusts fees.

In addition, carryover balances fund operations when variable economic conditions, new legislative actions, and other unforeseen events lead to workload and revenue fluctuations. The most recent example of this occurred in the summer of 2007 when USCIS received a surge in immigration benefit requests (prior to implementation of a higher fee structure) which was then followed by a downturn in new workload and fee revenue during 2008 and 2009.

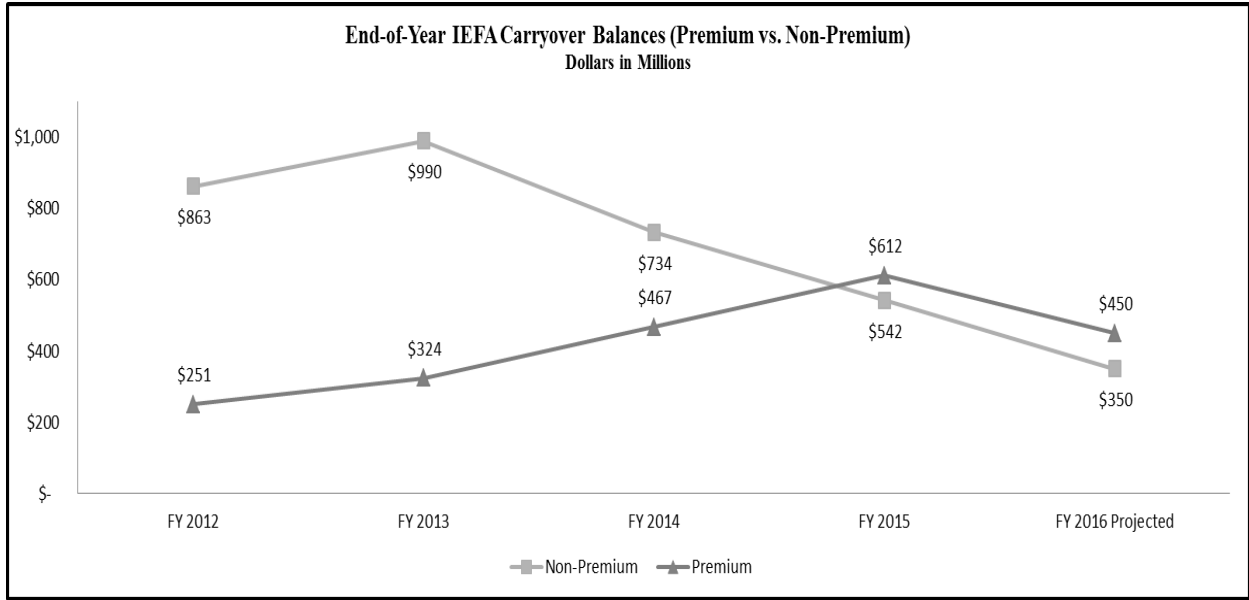
USCIS continues to develop an analytical methodology for determining optimal carryover levels for any given fiscal year. Table 3 and Figure 3 depict historical and projected end-of-year carryover balances for the IEFA:

Table 3: End-of-Year IEFA Carryover Balances

End-of-Year IEFA Carryover Balances (in millions)					
	Actual				Projected
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
End-of-Year Carryover	\$ 1,114	\$ 1,314	\$ 1,201	\$ 1,154	\$ 800
<i>Non-Premium</i>	\$ 863	\$ 990	\$ 734	\$ 542	\$ 350
<i>Premium</i>	\$ 251	\$ 324	\$ 467	\$ 612	\$ 450

³¹ Deferred revenue is revenue that USCIS receives for work that has not been completed.

Figure 3: End-of-Year IEFA Carryover Balances (Premium vs Non-Premium)



USCIS has analyzed average historical obligation and expenditure rates during Q1 of each fiscal year since FY 2009 to help estimate its minimum reserve needs. USCIS projects it will not have a sufficient non-premium carryover balance in FY 2016 to meet its benchmark reserve requirement of \$700 million. However, as premium funds and non-premium funds in USCIS’ IEFA Treasury account are comingled, USCIS can temporarily leverage premium processing carryover balances for cash-flow purposes. Table 4 indicates that approximately \$158 million of premium carryover balance will be used to maintain the reserve requirement.

Table 4: FY 2016 IEFA Non-Premium Carryover Deficit

FY 2016 IEFA Non-Premium Carryover Deficit	
Non-Premium Start-of-Year Carryover Balance	\$ 541,753,920
Minimum Reserve Requirement	\$ 700,000,000
Available Balance	\$ (158,246,080)

STATUTORY FEES

USCIS has four fees set by statute: premium processing, TPS, the American Competitiveness in the Workforce Improvement Act (ACWIA) Fee (charged to certain petitioners for workers in the H-1B and H-1B1 visa classifications), and the Fraud Prevention and Detection Fee (charged to certain petitioners for nonimmigrant workers in the H and L visa classifications). USCIS deposits the ACWIA and Fraud Prevention and Detection fees in separate Treasury accounts as required by law. USCIS’ interpretation is that Congress did not intend the ACWIA and Fraud Prevention and Detection Fees to recover full cost, but rather to partially offset agency costs. USCIS uses revenue from these fees to fund allowable expenses (consistent with the statutes that

authorized them) that would otherwise need to be charged to IEFA. Therefore, revenue from these fees reduces the costs that USCIS would otherwise need to recover from IEFA immigration benefit request fees. While USCIS deposits TPS fees in the IEFA, it considers the revenue to be temporary (as the Executive branch may terminate TPS designations) and therefore, does not assume it will continue indefinitely.

Premium Processing Cost and Revenue

Premium processing service provides that USCIS will process an immigration benefit request within 15 calendar days of receiving a Form I-907, Request for Premium Processing Service (8 CFR 103.2(f)). As discussed above, USCIS has statutory authority to adjust the fee through regulation for inflation by the Consumer Price Index. In the 2010 Fee Rule, USCIS adjusted the Form I-907 fee. If USCIS were to propose an inflation adjustment, the fee would increase by \$115, or 9.5 percent, from \$1,225 to \$1,340. Because projected premium processing revenue is sufficient to cover the projected costs of providing the premium service and other permissible infrastructure investments including myUSCIS.gov and IT upgrades for data circuits, servers, and disaster recovery capability. USCIS is not proposing to adjust the premium processing fee in this Fee Rule.

H-1B Nonimmigrant Petitioner (ACWIA) Account Cost and Revenue

The ACWIA of 1998, as amended by the H-1B Visa Reform Act of 2004, requires certain employers who petition for nonimmigrant workers in the H-1B and H-1B1 visa classifications to pay an additional \$1,500 (or \$750 for those petitioners who employ 25 or fewer full-time equivalent employees), in addition to the base-processing fee when filing Form I-129, Petition for a Nonimmigrant Worker. As authorized by statute, USCIS retains 5 percent of these funds, as well as the entire base processing fee for Form I-129 and remits the remaining revenue to the Department of Labor (DOL) and the National Science Foundation (NSF). (See 8 U.S.C. § 1356(s).) USCIS uses this revenue to offset a portion of contract support and rent at the Service Centers where Form I-129 and Form I-140 cases are adjudicated.

Fraud Prevention and Detection Account Cost and Revenue

The H-1B Visa Reform Act of 2004 (later amended by Public Law 109-13, Section 403) established the Fraud Prevention and Detection Fee. This requires petitioners for nonimmigrant workers to pay \$500 for a beneficiary's initial grant of H-1B or L-1 visa classification, as well as when filing a petition to change a beneficiary's employer(s) within these classifications. The Act also requires petitioners for nonimmigrant workers for beneficiaries in the H-2B visa classification to pay a Fraud Prevention and Detection fee of \$150. These fees are in addition to the base-processing fee for Form I-129, Petition for Nonimmigrant Worker. As authorized by statute, USCIS retains one-third of these fees and remits the remaining revenue to DOL and the DOS. (See 8 U.S.C. § 1356(v).) USCIS uses the funding in this account to support efforts to prevent and detect fraud of immigration benefit requests, as stipulated in the law. USCIS can use the funding to prevent and detect fraud in all types of immigration benefits, not only those associated with the H and L visa classifications. As noted, fee revenue is insufficient to fund all

fraud prevention and detection activities. USCIS includes the fraud prevention and detection costs not covered by the Fraud Prevention and Detection Fee revenue in the IEFA fee review.

IMPUTED BENEFITS COST ESTIMATE - CIRCULAR A-25 COMPLIANCE

OMB Circular A-25 establishes Federal policy regarding fees assessed for government services and for sale or use of government services, products, or facilities. It also establishes the underlying policy that user fees should recover the full cost to the Federal Government including direct and indirect costs. However, Circular A-25 provides exceptions for including certain costs if, in the opinion of the agency head or their designee, the costs justify an exception. The OMB Director can approve exceptions. USCIS has two approved exemptions:

1. Retirement, health, and life insurance costs paid by OPM for USCIS employees and retirees. The cost is approximately \$70.0 million in FY 2016 and \$75.0 million in FY 2017. USCIS used the guidance from the OPM Benefits Administration Letter 15-304, Fiscal Year 2015 Cost Factors for Calculating Imputed Costs to estimate the cost.
2. Lockbox costs paid for by the Department of the Treasury's Financial Management Service other than those for which USCIS reimburses Treasury. USCIS pays for part, but not all, of the Lockbox cost. USCIS estimates Treasury's costs to be \$60.0 million in FY 2016 and \$60.0 million in FY 2017. The USCIS portion of the lockbox service costs for which it reimburses Treasury is included in the fee structure.

USCIS believes that adding these costs to the fee structure would be overly burdensome to its customers. USCIS requested approval to exclude these costs from OMB in November 2013. The OMB approval is valid for up to 4 years.³²

FASAB STANDARDS COMPLIANCE JUSTIFICATION

The cost methodology section of FASAB Standards No. 4³³ recommends performing cost assignments using the following order of preference:

1. Directly tracing costs wherever feasible and economically practicable;
2. Assigning costs on a cause-and-effect basis; or
3. Allocating costs on a reasonable and consistent basis.

According to FASAB SFFAS Number. 4, “an activity is considered a linkage between the cause and the effect.” USCIS uses ABC to assign resources to outputs (immigration benefit requests). Most immigration benefit requests require multiple activities to complete a request. USCIS distributes costs to requests by cause-and-effect with some exceptions. USCIS assigns costs dedicated to particular outputs directly to those outputs. USCIS allocates overhead on a

³² See footnote 7 on page 9.

³³ See footnote 8 on page 10.

reasonable and consistent basis using staffing by activity. Cost assignments are summarized by FASAB preference below.

Direct Trace

USCIS directly distributes approximately \$318 million, or 10 percent, of the average \$3.038 billion cost baseline to outputs. The following costs use direct trace:

- \$138.1 million to the Biometrics activity:
 - \$129.0 million for Biometrics Division contracts and services, and
 - \$9.1 million in information technology system costs.
- \$42.0 million to the Intake activity for the USCIS lockbox provider and related supplies.
- \$41.6 million to the Issue Document activity for USCIS card production services and supplies:
 - \$28.3 million for card production services,
 - \$7.7 million for non-optical (Employment Authorization Document (EAD)) card stock, and
 - \$5.6 million for optical (Permanent Resident Card, “green card”) card stock.
- \$18.4 million to the Inform the Public activity for customer service systems.
- \$17.8 million to the Records Management activity for records systems.
- \$15.9 million for other direct costs to various activities.
- Approximately \$13.8 million for the CLAIMS 3 case management system to immigrant and non-immigrant benefits.
- \$10.4 million for services from DOS. USCIS uses DOS cost estimates by immigration benefit in the fee review. These costs are added to the immigration benefits that DOS processes on USCIS’ behalf.
- \$9.9 million for naturalization ceremonies and certificates to Form N-400, Application for Naturalization and other naturalization forms.
- \$6.1 million for the CLAIMS 4 case management system to naturalization benefits.
- Approximately \$4 million associated with information technology systems to specific immigration benefit requests for costs directly attributable to specific benefit types.

Cause-and-Effect

A cause-and-effect relationship assigns approximately \$2.095 billion, or 69 percent, of the \$3.038 billion average cost baseline to outputs. USCIS assigns resources to each fee review activity based on operational data or other assumptions. It then assigns activity costs to outputs by a prorated share of immigration benefit request volume or immigration benefit request volume weighted by adjudication processing time.

Reasonable and Consistent Allocation

Over the biennial period, USCIS uses reasonable and consistent allocation to assign approximately \$625.1 million, or 21 percent, of the \$3.038 billion average cost baseline. These costs are mostly service-wide information technology, rent, and guard service costs. These costs include the following:

- \$320.5 million for USCIS-wide information technology costs;

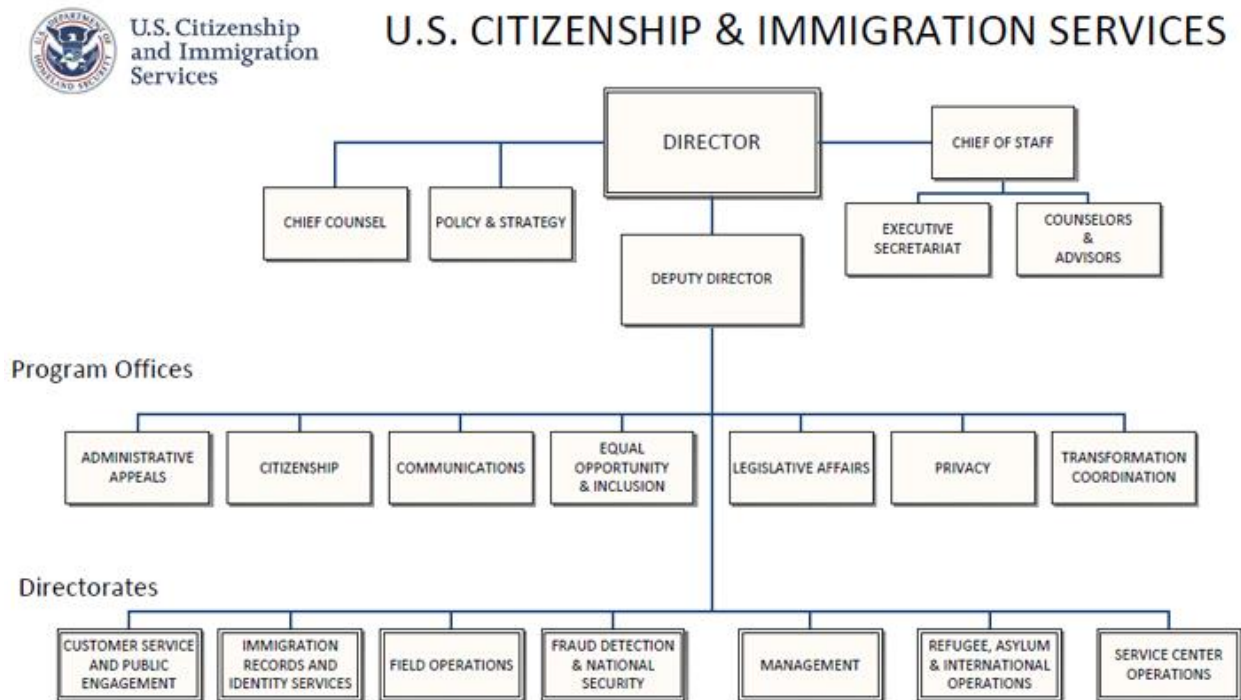
- \$234.5 million in rent and guard services;
- \$39.3 million for services provided centrally by DHS through the DHS Working Capital Fund; and
- \$30.8 million in overhead costs that support all of USCIS (such as postage fees, janitorial services, and utilities).

APPENDIX

Appendix I - USCIS Offices

An USCIS organizational chart as of January 2016 can be found below. For additional information on the offices within USCIS, visit <http://www.uscis.gov/about-us>.

Appendix Figure 1: USCIS Organizational Chart



Appendix II - USCIS Funding and Account Structure

Per the FY 2015 enacted DHS budget authority, USCIS receives funding authority through four accounts as identified below.

1. Salaries and Expenses (discretionary appropriated)³⁴
2. Immigration Examinations Fee Account (mandatory fees)³⁵
3. Fraud Prevention and Detection Account (mandatory fees)
4. H-1B Nonimmigrant Petitioner Account (mandatory fees)

Salaries and Expenses

The Salaries and Expenses account encompasses USCIS' discretionary funding, which currently supports operation of the E-Verify program. E-Verify is an automated system that allows United States employers to electronically verify the work authorization for recently-hired employees based on data in Federal databases to help employers maintain a legal workforce.

Immigration Examinations Fee Account (IEFA)

The IEFA is the primary funding source for USCIS, comprising approximately 94 percent of the total USCIS budget in FY 2015. Fees collected from the filing of immigration benefit requests are deposited into the IEFA and are used to fund the cost of processing immigration benefit requests, the cost of providing similar benefits to asylum and refugee applicants, and the cost of providing similar benefits to other immigrants whose fees were waived or to whom a fee exemption applies.

Certain IEFA fees are set by statute:

- The filing fee for TPS is limited to \$50³⁶ upon initial registration; renewals are free of charge.
- Premium processing service is available for certain employment-based petitions. Congress originally set the fee at \$1,000 and authorized USCIS to adjust it by inflation as measured by the CPI. The current premium processing fee is \$1,225. Employers requesting premium processing of their petitions pay this fee in addition to the regular petition fee. USCIS currently only offers premium processing service to filers of Form I-129 and Form I-140.

Fraud Prevention and Detection Account

The Fraud Prevention and Detection Fees charged to certain employers petitioning for nonimmigrant workers in the H-1B, H-2B, and L-1 visa classifications are set by statute. Revenue generated by the fee is used for

³⁴ Discretionary spending is the budget authority provided by annual appropriations acts and the outlays that result from that budget authority. For example, the budget authority and outlays for the salaries and other operating expenses of Government agencies are usually provided by annual appropriations acts and, therefore, are usually discretionary.

³⁵ Mandatory spending is budget authority and outlays provided by permanent laws. For example, permanent laws authorize payments for Medicare and Medicaid, unemployment insurance benefits, and farm price supports, so the budget authority and outlays for these programs are mandatory. In addition, budget authority provided in annual appropriations acts for certain programs is treated as mandatory because the authorizing legislation directs that the Government make or beneficiaries receive payment.

³⁶ Section 244(c)(1)(B) of the INA, 8 U.S.C. 1254a(c)(1)(b)

activities related to preventing and detecting fraud in immigration benefit requests as stipulated in the H-1B Visa Reform Act of 2004, and later amended by Public Law 109-13, Section 403. Revenue from fraud fees is shared equally among USCIS, DOS, and DOL. USCIS receives one-third of these funds, as well as the entire base-processing fee.

H-1B Nonimmigrant Petitioner Account

H-1B fees are set by statute as a result of the ACWIA of 1998, as amended by the H-1B Visa Reform Act of 2004. Revenue from the H-1B fee is shared among USCIS, DOL, and NSF. USCIS receives 5 percent of these funds, as well as the entire base-processing fee.

Appendix Table 1: FY 2015 Adjusted Enacted IEFA by Program, Project, and Activity

Program, Project, and Activity	FY 2015 Adjusted Enacted³⁷
Adjudication Services	
District Operations	\$ 1,595,541,000
Service Center Operations	\$ 615,537,000
Asylum, Refugee and International Ops	\$ 247,071,000
Records Operations	\$ 118,271,000
Business Transformation	\$ 221,244,000
Subtotal	\$ 2,797,664,000
Information and Customer Services	
Information and Customer Services	\$ 113,959,000
Subtotal	\$ 113,959,000
Administration	
Operating Expenses	\$ 396,167,000
Subtotal	\$ 396,167,000
SAVE	\$ 25,497,000
Total	\$ 3,333,287,000

³⁷ Includes reprogramming.

Appendix III - USCIS Activity-Based Costing Terminology

The various terms used throughout this document to discuss ABC are defined as follows:

- **Resource** - An economic element applied or used to perform activities (e.g. labor, equipment, supplies, and facilities). Resources include direct and indirect resource/costs. Typically the term “indirect” includes overhead items or costs requiring a resource driver to spread them to activities. USCIS resources for the FY 2016/2017 fee review are outlined in the Cost Baseline section.
- **Resource Driver** - A measure of the amount of resources consumed by an activity. For example, the amount of time spent on an activity.
- **Activity** - The work performed within an organization. For example, accepting immigration benefit requests, entering data, updating records, and adjudicating immigration benefit requests. These activities consume resources. Ultimately they produce outputs, called cost objects.
- **Activity Driver** - A measure of the frequency and intensity of the demands for activities by cost objects. For the FY 2016/2017 fee review, these activity drivers are projected immigration benefit request volume, projected adjudication hours, completion rates, and other information. These link activities to cost objects.
- **Cost Object** - The primary output of an activity or series of activities. A cost object may be a product, service, or project. For the purposes of the FY 2016/2017 fee review, USCIS cost objects are the various immigration benefit requests that USCIS adjudicates.

Appendix IV - Costs by Activity

Appendix Table 2: IEFA Costs by Activity

IEFA Costs by Activity			
Dollars in Thousands			
	FY 2016	FY 2017	Average
Perform Biometrics Services	\$194,670	\$197,837	\$196,254
Make Determination	\$1,268,309	\$1,302,756	\$1,285,533
Management and Oversight	\$588,262	\$592,151	\$590,206
Inform the Public	\$281,668	\$288,187	\$284,927
Records Management	\$238,271	\$240,777	\$239,524
Fraud Detection and Prevention	\$176,530	\$180,544	\$178,537
Intake	\$94,736	\$93,120	\$93,928
Direct Costs	\$56,444	\$58,476	\$57,460
Conduct TECS Check	\$52,829	\$53,994	\$53,412
Issue Document	\$31,975	\$32,632	\$32,304
Systematic Alien Verification for Entitlements	\$25,330	\$26,074	\$25,702
Total IEFA Costs	\$3,009,024	\$3,066,548	\$3,037,786

Appendix V – FY 2016/2017 Average Annual Revenue per Immigration Benefit Request

Appendix Table 3: Average Revenue by Immigration Benefit Request

Proposed Fees by Immigration Benefit Request	
Immigration Benefit Request	Revenue (Thousands)
G-1041 Genealogy Index Search Request	\$234
G-1041A Genealogy Records Request	\$157
I-90 Application to Replace Permanent Resident Card	\$326,764
I-102 Application for Replacement/Initial Nonimmigrant Arrival-Departure Document	\$4,227
I-129 Petition for a Nonimmigrant worker	\$196,778
I-129F Petition for Alien Fiancé(e)	\$21,013
I-130 Petition for Alien Relative	\$485,519
I-131/I-131A Application for Travel Document	\$111,815
I-140 Immigrant Petition for Alien Worker	\$62,021
I-290B Notice of Appeal or Motion	\$14,145
I-360 Petition for Amerasian Widow(er) or Special Immigrant	\$3,898
I-485 Application to Register Permanent Residence or Adjust Status	\$539,603
I-526 Immigrant Petition by Alien Entrepreneur	\$53,923
I-539 Application to Extend/Change Nonimmigrant Status	\$63,498
I-600/600A/800/800A Orphan Petitions	\$4,504
I-601A Provisional Unlawful Presence Waiver	\$26,916
I-690 Application for Waiver of Grounds of Inadmissibility	\$12
I-694 Notice of Appeal of Decision	\$35
I-698 Application to Adjust Status From Temporary to Permanent Resident(Under Section 245A of Public Law 99-603)	\$152
I-751 Petition to Remove Conditions on Residence	\$96,707
I-765 Application for Employment Authorization	\$163,161
I-800A Supplement 3 Request for Action on Approved Form I-800A	\$287
I-817 Application for Family Unity Benefits	\$1,193
I-824 Application for Action on an Approved Application or Petition	\$5,035
I-829 Petition by Entrepreneur to Remove Conditions	\$13,356
I-910 Application for Civil Surgeon Designation	\$478
I-924 Application for Regional Center Designation Under the Immigrant Investor Program	\$7,109
I-924A Annual Certification of Regional Center	\$2,677
I-929 Petition for Qualifying Family Member of a U-1 Nonimmigrant	\$59
N-300 Application to File Declaration of Intention	\$10
N-336 Request for Hearing on a Decision in Naturalization Proceedings	\$2,515
N-400 Application for Naturalization	\$404,259
N-470 Application to Preserve Residence for Naturalization Purposes	\$128
N-565 Application for Replacement Naturalization/Citizenship Document	\$13,037
N-600/N-600K Application for Certificate of Citizenship	\$54,838
Waiver Forms (I-191 I-192 I-193 I-212 I-601 I-602 I-612)	\$38,968
USCIS Immigrant Fee	\$103,952
Biometric Services	\$220,884
Grand Totals	\$3,043,866

Appendix VI – Proposed Fees by Immigration Benefit Request

Appendix Table 4: Proposed Fees by Immigration Benefit Request

Proposed Fees by Immigration Benefit Request						
Immigration Benefit Request	Current Fees	Model Output ³⁸	Cost Reallocation ³⁹	Proposed Fees ⁴⁰	Change in Fees	Percent Change in Fees
G-1041 Genealogy Index Search Request	\$20	\$46	\$18	\$65	\$45	225%
G-1041A Genealogy Records Request	\$20	\$46	\$18	\$65	\$45	225%
I-90 Application to Replace Permanent Resident Card	\$365	\$326	\$128	\$455	\$90	25%
I-102 Application for Replacement/Initial Nonimmigrant Arrival-Departure Document	\$330	\$321	\$126	\$445	\$115	35%
I-129 Petition for a Nonimmigrant worker	\$325	\$330	\$130	\$460	\$135	42%
I-129F Petition for Alien Fiancé(e)	\$340	\$385	\$151	\$535	\$195	57%
I-130 Petition for Alien Relative	\$420	\$383	\$150	\$535	\$115	27%
I-131/I-131A Application for Travel Document	\$360	\$412	\$162	\$575	\$215	60%
I-140 Immigrant Petition for Alien Worker	\$580	\$503	\$197	\$700	\$120	21%
I-290B Notice of Appeal or Motion	\$630	\$1,997	(\$1,321)	\$675	\$45	7%
I-360 Petition for Amerasian Widow(er) or Special Immigrant	\$405	\$1,653	(\$1,218)	\$435	\$30	7%
I-485 Application to Register Permanent Residence or Adjust Status	\$985	\$818	\$321	\$1,140	\$155	16%
I-526 Immigrant Petition by Alien Entrepreneur	\$1,500	\$2,639	\$1,036	\$3,675	\$2,175	145%
I-539 Application to Extend/Change Nonimmigrant Status	\$290	\$267	\$105	\$370	\$80	28%
I-600/600A/800/800A Orphan Petitions	\$720	\$2,258	(\$1,485)	\$775	\$55	8%
I-601A Provisional Unlawful Presence Waiver	\$585	\$775	(\$147)	\$630	\$45	8%
I-687 Application for Status as a Temporary Resident	\$1,130	\$0	\$1,130	\$1,130	\$0	0%
I-690 Application for Waiver of Grounds of Inadmissibility	\$200	\$514	\$202	\$715	\$515	258%
I-694 Notice of Appeal of Decision	\$755	\$640	\$251	\$890	\$135	18%
I-698 Application to Adjust Status From Temporary to Permanent Resident (Under Section 245A of Public Law 99-603)	\$1,020	\$1,201	\$471	\$1,670	\$650	64%
I-751 Petition to Remove Conditions on Residence	\$505	\$426	\$167	\$595	\$90	18%
I-765 Application for Employment Authorization	\$380	\$507	(\$99)	\$410	\$30	8%
I-800A Supplement 3 Request for Action on Approved Form I-800A	\$360	\$937	(\$551)	\$385	\$25	7%
I-817 Application for Family Unity Benefits	\$435	\$431	\$169	\$600	\$165	38%
I-824 Application for Action on an Approved Application or Petition	\$405	\$334	\$131	\$465	\$60	15%
I-829 Petition by Entrepreneur to Remove Conditions	\$3,750	\$2,353	\$0	\$3,750	\$0	0%
I-910 Application for Civil Surgeon Designation	\$615	\$564	\$221	\$785	\$170	28%
I-924 Application for Regional Center Designation Under the Immigrant Investor Program	\$6,230	\$12,781	\$5,016	\$17,795	\$11,565	186%
I-924A Annual Certification of Regional Center	N/A	\$2,179	\$855	\$3,035	\$3,035	N/A
I-929 Petition for Qualifying Family Member of a U-1 Nonimmigrant	\$215	\$820	(\$589)	\$230	\$15	7%
N-300 Application to File Declaration of Intention	\$250	\$840	(\$571)	\$270	\$20	8%
N-336 Request for Hearing on a Decision in Naturalization Proceedings	\$650	\$1,294	(\$596)	\$700	\$50	8%
N-400 Application for Naturalization	\$595	\$871	(\$232)	\$640	\$45	8%
N-470 Application to Preserve Residence for Naturalization Purposes	\$330	\$792	(\$438)	\$355	\$25	8%

³⁸ Model Output is the projected total cost from the ABC model divided by projected fee-paying volume. It is only a forecast unit cost (using a budget) and not the actual unit cost (using spending from prior years). USCIS does not track actual costs by immigration benefit request.

³⁹ The final step in the USCIS fee-setting methodology is Cost Reallocation which determines the additional cost that USCIS adds to each fee to ensure full cost recovery. Cost Reallocation proportionally assigns costs incurred from services from which USCIS does not receive revenue (i.e. Refugee, Asylum, fee waivers) and from forms that are held to the 8% weighted average increase based on policy decisions (e.g. N-400 fee) to other fee-paying forms.

⁴⁰ The sum of the Model Output and the Cost Reallocation columns may not equal the proposed fee because of rounding. Amounts shown in the table are rounded to the nearest dollar and USCIS rounds all fees to the nearest \$5 increment.

Proposed Fees by Immigration Benefit Request						
Immigration Benefit Request	Current Fees	Model Output³⁸	Cost Reallocation³⁹	Proposed Fees⁴⁰	Change in Fees	Percent Change in Fees
N-565 Application for Replacement Naturalization/Citizenship Document	\$345	\$399	\$157	\$555	\$210	61%
N-600/N-600K Application for Certificate of Citizenship	\$600	\$841	\$330	\$1,170	\$570	95%
Waiver Forms (I-191 I-192 I-193 I-212 I-601 I-602 I-612)	\$585	\$667	\$262	\$930	\$345	59%
USCIS Immigrant Fee (formerly called the "Immigrant Visa DHS Domestic Processing Fee")	\$165	\$157	\$61	\$220	\$55	33%
Biometric Services	\$85	\$75	\$0	\$85	\$0	0%

Appendix VII - Activity Unit Costs by Immigration Benefit Request

Appendix Table 5: Activity Unit Costs by Immigration Benefit Request After Cost Reallocation

Activity Unit Costs by Immigration Benefit Request (\$ dollars)										
Immigration Benefit Request	Perform Biometrics Services	Inform the Public	Intake	Management and Oversight	Conduct TECS Check	Records Management	Fraud Detection and Prevention	Make Determination	Issue Document	Direct Costs
Biometric Services	85	-	-	-	-	-	-	-	-	0
G-1041 Genealogy Index Search Request	-	-	16	-	-	27	-	-	-	21
G-1041A Genealogy Records Request	-	-	16	-	-	27	-	-	-	21
I-90 Application to Replace Permanent Resident Card	-	39	22	130	18	108	48	63	17	10
I-102 Application for Replacement/Initial Nonimmigrant Arrival-Departure Document	-	47	31	118	15	56	44	129	-	4
I-129 Petition for a Nonimmigrant worker	-	42	13	110	10	47	42	192	-	4
I-129F Petition for Alien Fiancé(e)	-	42	32	126	19	56	47	207	-	6
I-130 Petition for Alien Relative	-	64	27	120	11	45	42	222	-	6
I-131/I-131A Application for Travel Document	-	49	39	159	20	81	54	117	20	36
I-140 Immigrant Petition for Alien Worker	-	32	29	110	18	47	40	417	-	6
I-290B Notice of Appeal or Motion	-	19	20	48	9	14	32	532	-	1
I-360 Petition for Amerasian Widow(er) or Special Immigrant	-	35	14	66	7	32	23	254	-	4
I-485 Application to Register Permanent Residence or Adjust Status	-	125	31	152	18	53	53	674	18	18
I-526 Immigrant Petition by Alien Entrepreneur	-	25	29	370	-	45	476	2,725	-	4
I-539 Application to Extend/Change Nonimmigrant Status	-	42	29	109	10	47	40	90	-	4
I-601A Provisional Unlawful Presence Waiver	-	20	11	67	10	55	24	438	-	2
I-600/600A/800/800A Orphan Petitions	-	24	13	95	4	61	28	474	-	74
I-687 Application for Status as a Temporary Resident ⁴¹	-	-	-	-	-	-	-	-	-	-
I-690 Application for Waiver of Grounds of Inadmissibility	-	53	113	141	14	75	51	264	-	6
I-694 Notice of Appeal of Decision	-	56	29	113	10	49	42	587	-	4
I-698 Application to Adjust Status from Temporary to Permanent Resident (Under Section 245A of Public Law 99-603)	-	103	22	122	17	56	42	1,286	14	8
I-751 Petition to Remove Conditions on Residence	-	59	14	119	11	49	43	279	15	4
I-765 Application for Employment Authorization	-	39	28	123	16	75	45	51	15	17
I-800A Supplement 3 Request for Action on Approved Form I-800A	-	21	12	72	10	60	27	182	-	-
I-817 Application for Family Unity Benefits	-	35	28	114	26	53	43	268	15	18
I-824 Application for Action on an Approved Application or Petition	-	43	26	114	17	68	42	152	-	4
I-829 Petition by Entrepreneur to Remove Conditions	-	29	14	426	-	51	548	2,659	16	5
I-910 Application for Civil Surgeon Designation	-	35	19	116	-	95	42	477	-	-
I-924 Application for Regional Center Designation Under the Immigrant Investor Program	-	25	13	372	-	45	479	16,861	-	-
I-924A Annual Certification of Regional Center	-	25	13	372	-	45	478	2,103	-	-
I-929 Petition for Qualifying Family Member of a U-1 Nonimmigrant	-	19	6	49	-	22	19	115	-	-
N-300 Application to File Declaration of Intention	-	39	5	33	3	10	11	163	-	5
N-336 Request for Hearing on a Decision in Naturalization Proceedings	-	75	10	64	7	19	22	493	-	10
N-400 Application for Naturalization	-	102	14	118	10	26	29	326	-	17
N-470 Application to Preserve Residence for Naturalization Purposes	-	48	6	41	4	12	14	223	-	6
N-565 Application for Replacement Naturalization/Citizenship Document	-	42	36	135	22	57	50	181	-	29
N-600/N-600K Application for Certificate of Citizenship	-	217	29	189	21	56	63	558	-	36
Waiver Forms (I-191 I-192 I-193 I-212 I-601 I-602 I-612)	-	84	24	195	20	88	71	441	-	8
USCIS Immigrant Fee	-	34	13	110	-	45	-	-	14	4

⁴¹ USCIS does not expect any fee paying volume for Form I-687 in FY 2016/2017, so it does not have any assigned activity unit costs. DHS proposes to maintain the current fee for any unexpected fee paying receipts.

Appendix VIII - IEFA Fee History

Appendix Table 6: IEFA Fee History

USCIS - Immigration Benefit Fee History	Prior to IEFA	FY	FY	FY	Oct	Feb	April	Oct	July	Nov	
Form and Description	FY 85	FY 86	1989	1991	1994	1998	2002	2004	2005	2007	2010
I-90 Application to Replace Permanent Resident Card	\$15	\$15	\$35	\$70	\$75	\$110	\$130	\$185	\$190	\$290	\$365
I-102 Application for Replacement/Initial Nonimmigrant Arrival-Departure Record	\$15	\$15	\$35	\$50	\$65	\$85	\$100	\$155	\$160	\$320	\$330
I-129 Petition for a Nonimmigrant Worker	\$35	\$35	\$50	\$70	\$75	\$110	\$130	\$185	\$190	\$320	\$325
I-129F Petition for Alien Fiance(e)	\$35	\$35	\$40	\$75	\$75	\$95	\$110	\$165	\$170	\$455	\$340
I-130 Petition for Alien Relative	\$35	\$35	\$40	\$75	\$80	\$110	\$130	\$185	\$190	\$355	\$420
I-131 Application for Travel Document	\$15	\$15	\$45	\$65	\$70	\$95	\$110	\$165	\$170	\$305	\$360
I-140 Immigrant Petition for Alien Worker	\$50	\$35	\$50	\$70	\$75	\$115	\$135	\$190	\$195	\$475	\$580
I-191 Application for Advance Permission to Return to an Unrelinquished Domicile	\$50	\$50	\$50	\$90	\$90	\$170	\$195	\$250	\$265	\$545	\$585
I-192 Application for Advance Permission to Enter as a Nonimmigrant	\$35	\$35	\$35	\$85	\$90	\$170	\$195	\$250	\$265	\$545	\$585
I-193 Application for Waiver of Passport and/or Visa	\$15	\$15	\$50	\$90	\$95	\$170	\$195	\$250	\$265	\$545	\$585
I-212 Application for Permission to Reapply for Admission into the U.S. After Deportation or Removal	\$35	\$35	\$45	\$90	\$95	\$170	\$195	\$250	\$265	\$545	\$585
I-290B Appeal for any decision other than BIA	\$50	\$50	\$110	\$110	\$110	\$110	\$110	\$110	\$385	\$585	\$630
Motion to reopen or reconsider decision other than BIA	\$50	\$50	\$110	\$110	\$110	\$110	\$110	\$110	\$385	\$585	\$630
I-360 Petition for Amerasian, Widow(er), or Special Immigrant						\$110	\$130	\$185	\$190	\$375	\$405
I-485 Application to Register Permanent Residence or Adjust Status	\$50	\$50	\$60	\$120	\$130	\$220	\$255	\$315	\$325	\$930	\$985
I-526 Immigrant Petition by Alien Entrepreneur				\$140	\$155	\$350	\$400	\$465	\$480	\$1,435	\$1,500
I-539 Application to Extend/Change Nonimmigrant Status	\$15	\$15	\$35	\$70	\$75	\$120	\$140	\$195	\$200	\$300	\$290
I-600/I-800 Petition to Classify Orphan as an Immediate Relative	\$50	\$50	\$75	\$140	\$155	\$405	\$460	\$525	\$545	\$670	\$720
I-600A/I-800A Application for Advance Processing or Orphan Petition	\$50	\$50	\$100	\$140	\$155	\$405	\$460	\$525	\$545	\$670	\$720
I-601 Application for Waiver of Ground of Excludability	\$35	\$35	\$45	\$90	\$95	\$170	\$195	\$250	\$265	\$545	\$585
I-612 Application for Waiver of the Foreign Residence Requirement	\$50	\$50	\$50	\$90	\$95	\$170	\$195	\$250	\$265	\$545	\$585
I-687 Application for Status as a Temporary Resident under Sections 245A or 210 of the Immigration and Nationality Act				\$185	\$185	\$185	\$185	\$240	\$255	\$710	\$1,130
I-690 Application for Waiver of Grounds of Inadmissibility							\$35	\$90	\$95	\$185	\$200
I-694 Notice of Appeal of Decision under Sections 245A or 210 of the Immigration and Nationality Act	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$105	\$110	\$545	\$755
I-695 Application for Replacement Employment Authorization or Temporary Residence Card				\$15	\$15	\$15	\$15	\$65	\$65	\$130	N/A
I-698 Application to Adjust Status From Temporary to Permanent Resident (Under Section 245A of Pub. L. 99-603).	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$175	\$180	\$1,370	\$1,020
I-751 Petition to Remove the Conditions of Residence			\$35	\$65	\$80	\$125	\$145	\$200	\$205	\$465	\$505
I-765 Application for Employment Authorization			\$35	\$60	\$70	\$100	\$120	\$175	\$180	\$340	\$380
I-800A Supplement 3 Request for Action on Approved Form I-800A										\$340	\$360
I-817 Application for Family Unity Benefits				\$75	\$80	\$120	\$140	\$195	\$200	\$440	\$435
I-821 Application for Temporary Protected Status	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
I-824 Application for Action on Approved Application or Petition				\$30	\$30	\$120	\$140	\$195	\$200	\$340	\$405
I-829 Petition by Entrepreneur to Remove Conditions					\$90	\$345	\$395	\$455	\$475	\$2,850	\$3,750
I-881 Application for Suspension of Deportation or Special Rule Cancellation of Removal (Pursuant to Section 203 of Pub. L. 105-110).							\$215	\$275	\$285	\$285	\$285
I-905 Application for Authorization to Issue Certification for Health Care Workers									\$230	\$230	\$230
I-907 Request for Premium Processing Service							\$1,000	\$1,000	\$1,000	\$1,000	\$1,225
Civil Surgeon Designation										\$0	\$615
I-914 Application for T Nonimmigrant Status							\$200	\$255	\$0	\$0	\$0
I-918 Petition for U Nonimmigrant Status											\$0
I-924 Application for Regional Center Under the Immigrant Investor Pilot Program										\$0	\$6,230
I-929 Petition for a Qualifying Family Member of a U-1 Nonimmigrant											\$215
N-300 Application to File Declaration of Intention	\$15	\$15	\$50	\$50	\$50	\$50	\$60	\$115	\$120	\$235	\$250
N-336 Request for Hearing on a Decision in Naturalization Procedures						\$170	\$195	\$250	\$265	\$605	\$650
N-400 Application for Naturalization	\$35	\$35	\$60	\$90	\$95	\$225	\$260	\$320	\$330	\$595	\$595
N-470 Application to Preserve Residence for Naturalization Purposes	\$15	\$15	\$55	\$55	\$55	\$80	\$95	\$150	\$155	\$305	\$330
N-565 Application for Replacement Naturalization/Citizenship Document	\$15	\$15	\$50	\$50	\$50	\$65	\$135	\$155	\$210	\$220	\$380
N-600/600K Application for Certification of Citizenship	\$35	\$35	\$60	\$90	\$100	\$160	\$185	\$240	\$255	\$460	\$600
Biometrics Fee						\$25	\$50	\$70	\$70	\$80	\$85
Immigrant Visa DHS Domestic Processing										\$0	\$165

Appendix IX - Completion Rates

USCIS completion rates are the average hours per adjudication of an immigration benefit request. They identify the adjudicative time required to complete (render a decision on) specific immigration benefit request types. The completion rate for each benefit type represents an average. Completion rates reflect what is termed “touch time” or the time an ISO or other employee with adjudicative responsibilities actually handles the case. It does not reflect “queue time” or time spent waiting, for example, for additional evidence or supervisory approval. It does not reflect the total processing time customers can expect to wait for a decision on their case after USCIS accepts it.

USCIS requires the ISOs who adjudicate immigration benefit requests to report adjudication hours and case completions by benefit type. Adjudication hours are divided by the number of completions for the same time period to determine an average completion rate. In addition to using this data to determine fees, completion rates help determine the staffing allocation necessary to handle projected workload. OPQ, Field Offices, and regional management scrutinize the data to ensure accuracy. When the data is inconsistent and anomalies are identified, OPQ contacts the reporting office and makes necessary adjustments. USCIS has confidence in the data, given the consistency of reporting over the last several years. The continual availability of the information makes it easier for USCIS to update cost information more frequently for fee review and cost management purposes.

Appendix Table_ 7 summarizes completion rates by immigration benefit. USCIS does not calculate completion rates for the following immigration benefit requests, forms, or other services due to the special nature of their processing as explained below:

- **Biometric Services.** Application Support Centers and the Biometrics Division incur certain costs, which are assigned to this fee. Completion rates are not necessary to assign processing activity costs to this product.
- **USCIS Immigrant Fees.** USCIS does not adjudicate immigrant visa immigration benefit requests. Rather, individuals located outside of the United States apply with a DOS overseas consular officer for an immigrant visa. If DOS issues the immigrant visa, the individual may apply with a U.S. Customs and Border Protection Officer for entry into the United States as an immigrant by presenting him/herself at a Port of Entry. This fee represents USCIS costs to create and maintain files and to issue permanent resident cards to individuals located outside of the United States who go through this process.
- **Refugee and Asylee Processing.** Refugee Division and Asylum Division costs are not directly assigned to any fee and are covered by immigration benefit requests that pay fees. USCIS does not charge a fee for the following:
 - Application for Asylum and Withholding of Removal, Form I-589;
 - Registration for Classification as a Refugee, Form I-590;
 - Application By Refugee For Waiver of Grounds of Excludability, Form I-602; and
 - Refugee/Asylee Relative Petition, Form I-730.
- **Other Forms Exempt from Fees.** The following forms are not identified here since applicants for these form types are exempt from paying a fee:
 - Application for Posthumous Citizenship, Form N-644;
 - Application for T Nonimmigrant Status, Form I-914; and
 - Petition for U Nonimmigrant Status, Form I-918.
- **Forms with Uncertain Fee Revenue.** These form types are discretionary in nature, so DHS will not rely on their uncertain fee revenue streams continuing for recovering USCIS operational expenses. The

following forms are excluded because the fee for these programs is not calculated by or included in this proposed rule (as explained in the Cost Baseline):

- Application for Temporary Protected Status, Form I-821;
- Consideration of Deferred Action for Childhood Arrivals, Form I-821D; and
- Application for Suspension of Deportation or Special Rule Cancellation of Removal, Form I-881.

Appendix Table 7: Completion Rates (Projected Adjudication Hours/Completions)

Completion Rates (Projected Adjudication Hours/Completions)		
Immigration Benefit Request	FY 2010/2011 Fee Rule	FY 2016/2017 Fee Review
I-90 Application to Replace Permanent Resident Card	0.22	0.21
I-102 Application for Replacement/Initial Nonimmigrant Arrival-Departure Document	0.36	0.48
I-129 Petition for a Nonimmigrant worker	0.51	0.83
I-129F Petition for Alien Fiancé(e)	0.41	0.65
I-130 Petition for Alien Relative	0.62	0.75
I-131 Application for Travel Document	0.16	0.21
I-140 Immigrant Petition for Alien Worker	1.13	1.68
I-290B Notice of Appeal or Motion	1.11	1.22
I-360 Petition for Amerasian Widow(er) or Special Immigrant	2.39	1.97
I-485 Application to Register Permanent Residence or Adjust Status	1.27	1.63
I-526 Immigrant Petition by Alien Entrepreneur	5.03	6.50
I-539 Extend/Change Nonimmigrant Status	0.35	0.40
I-600/600A/800/800A Orphan Petitions	1.81	2.14
I-687 Application for Status as a Temporary Resident	2.20	4.12
I-690 Application for Waiver of Grounds of Inadmissibility	2.59	0.89
I-694 Notice of Appeal of Decision	1.60	2.10
I-698 Application to Adjust Status from Temporary to Permanent Resident (Under Section 245A of Public Law 99-603)	1.77	3.80
I-751 Petition to Remove Conditions on Residence	0.77	0.99
I-765 Application for Employment Authorization	0.14	0.20
I-800A Supplement 3 Request for Action on Approved Form I-800A	N/A	1.10
I-817 Application for Family Unity Benefits	0.64	0.92
I-824 Application for Action on an Approved Application or Petition	0.58	0.59
I-829 Petition by Entrepreneur to Remove Conditions	5.98	5.50
I-910 Application for Civil Surgeon Designation	1.12	1.81
I-924 Application for Regional Center Designation Under the Immigrant Investor Program	37.33	40.00
I-924A Annual Certification of Regional Center	N/A	5.00
N-300 Application to File Declaration of Intention	1.84	1.64
N-336 Request for Hearing on a Decision in Naturalization Proceedings	1.60	2.60
N-400 Application for Naturalization	1.08	1.25
N-470 Application to Preserve Residence for Naturalization Purposes	1.75	1.83
N-565 Application for Replacement Naturalization/Citizenship Document	0.36	0.59
N-600/N-600K Application for Certificate of Citizenship	0.90	1.00
Waiver Forms (I-191 I-192 I-193 I-212 I-601 I-602 I-612)	1.42	1.18

Appendix X - Immigration Benefit Intake Locations

USCIS uses the historical receipt levels by location to determine workload requirements for various offices in the field and the USCIS lockbox. This data is used in the ABC model to allocate costs for intake activities.

Appendix Table 8: Intake Locations

USCIS Projected Intake by Location											
Immigration Benefit Request	Northeast Region	Southeast Region	Central Region	Western Region	Investor Program	California Service Center	Nebraska Service Center	Texas Service Center	Vermont Service Center	National Benefits Center	Lockbox
I-90	No	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
I-102	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes
I-129	No	No	No	No	No	Yes	No	No	Yes	No	No
I-129F	Yes	Yes	No	Yes	No	Yes	Yes	Yes	No	Yes	Yes
I-130	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes
I-131	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
I-140	No	No	No	No	No	No	Yes	Yes	No	No	Yes
I-290B	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
I-360	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
I-485	No	No	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes
I-526	No	No	No	No	Yes	No	No	No	No	No	Yes
I-539	Yes	No	No	No	No	Yes	Yes	No	Yes	Yes	Yes
I-589	No	No	No	No	No	No	No	No	No	No	No
I-590	No	No	No	No	No	No	No	No	No	No	No
I-600/600A, I-800/800A	No	No	No	No	No	No	No	No	No	Yes	Yes
I-687	No	Yes	No	No	No	No	Yes	No	No	No	No
I-690	No	Yes	Yes	No	No	No	Yes	No	No	Yes	Yes
I-694	No	No	Yes	No	No	No	No	No	No	Yes	Yes
I-698	No	No	Yes	Yes	No	No	No	No	No	Yes	Yes
I-730	Yes	Yes	No	No	No	No	Yes	Yes	No	No	No
I-751	Yes	Yes	Yes	Yes	No	Yes	No	No	Yes	No	No
I-765	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
I-800A Supplement 3	No	No	No	No	No	No	No	No	No	Yes	Yes
I-817	No	No	No	No	No	No	No	Yes	No	Yes	Yes
I-824	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
I-829	No	No	No	No	Yes	No	No	No	No	No	No
I-881	No	No	No	No	No	No	No	No	No	No	No
I-910	No	No	No	No	No	No	No	No	No	Yes	Yes
I-914	No	No	No	No	No	No	No	No	Yes	No	No
I-918	No	No	No	No	No	No	No	No	Yes	No	No
I-924	No	No	No	No	Yes	No	No	No	No	No	No
I-924A	No	No	No	No	Yes	No	No	No	No	No	No
I-929	No	No	No	No	No	No	No	No	Yes	No	No

USCIS Projected Intake by Location											
Immigration Benefit Request	Northeast Region	Southeast Region	Central Region	Western Region	Investor Program	California Service Center	Nebraska Service Center	Texas Service Center	Vermont Service Center	National Benefits Center	Lockbox
N-300	No	No	No	No	No	No	No	No	No	Yes	Yes
N-336	No	No	No	No	No	No	No	No	No	Yes	Yes
N-400	No	No	No	No	No	No	Yes	No	No	Yes	Yes
N-470	No	No	No	No	No	No	No	No	No	Yes	Yes
N-565	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	No	Yes
N-600/N-600K	Yes	Yes	Yes	Yes	No	No	Yes	No	No	Yes	Yes
N-644	No	No	No	No	No	Yes	No	No	No	No	No
Waiver Forms (I-191 I-192 I-212 I-601 I-601A I-602 I-612)	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No ⁴²
USCIS Immigrant Fee	No	No	No	No	No	Yes	No	Yes	No	No	No
G-1041	No	No	No	No	No	No	No	No	No	No	Yes
G-1041A	No	No	No	No	No	No	No	No	No	No	Yes

⁴² Some, but not all, of these waiver forms go to the Lockbox.

Appendix XI - Immigration Benefit Completion Locations

USCIS uses Staffing Allocation Model assumptions for completions by location to determine adjudication workload requirements for the various offices in the field. This data is used in the ABC model to more accurately allocate costs for adjudicative activities.

Appendix Table 9: Completion Locations

USCIS Projected Completion Location by Immigration Benefit Requests										
Immigration Benefit Request	Northeast Region	Southeast Region	Central Region	Western Region	Investor Program	California Service Center	Nebraska Service Center	Texas Service Center	Vermont Service Center	National Benefits Center
I-90	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes
I-102	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes
I-129	No	No	No	Yes	No	Yes	No	No	Yes	No
I-129F	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes
I-130	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes
I-131	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes
I-140	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	No	No
I-290B	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes
I-360	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes
I-485	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes
I-526	No	No	No	No	Yes	No	No	No	No	No
I-539	Yes	No	No	Yes	No	Yes	Yes	No	Yes	Yes
I-589	No	No	No	No	No	No	No	No	No	No
I-590	No	No	No	No	No	No	No	No	No	No
I-600/600A, I-800/800A	No	No	No	No	No	No	No	No	No	Yes
I-687	No	Yes	No	No	No	No	Yes	No	No	No
I-690	No	No	Yes	No	No	No	Yes	No	No	Yes
I-694	No	No	Yes	No	No	Yes	No	No	No	Yes
I-698	No	No	Yes	Yes	No	No	No	No	No	Yes
I-730	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	No
I-751	Yes	Yes	Yes	Yes	No	Yes	No	Yes	Yes	No
I-765	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes
I-800A Supplement 3	No	No	No	No	No	No	No	No	No	Yes
I-817	No	No	No	Yes	No	No	No	Yes	Yes	Yes
I-824	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes
I-829	No	No	No	No	Yes	No	No	No	No	No
I-881	No	No	No	No	No	No	No	No	No	No
I-910	No	No	No	No	No	No	No	No	No	Yes
I-914	No	No	No	No	No	No	No	No	Yes	No
I-918	No	No	No	No	No	No	No	No	Yes	No
I-924	No	No	No	No	Yes	No	No	No	No	No
I-924A	No	No	No	No	Yes	No	No	No	No	No
I-929	No	No	No	No	No	No	No	No	Yes	No

USCIS Projected Completion Location by Immigration Benefit Requests

Immigration Benefit Request	Northeast Region	Southeast Region	Central Region	Western Region	Investor Program	California Service Center	Nebraska Service Center	Texas Service Center	Vermont Service Center	National Benefits Center
N-300	Yes	Yes	Yes	Yes	No	No	No	No	No	No
N-336	Yes	Yes	Yes	Yes	No	No	No	No	No	No
N-400	Yes	Yes	Yes	Yes	No	No	Yes	No	No	No
N-470	Yes	Yes	Yes	Yes	No	No	No	No	No	No
N-565	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No
N-600/N-600K	Yes	Yes	Yes	Yes	No	No	No	No	No	Yes
N-644	No	No	No	No	No	Yes	No	No	No	No
Waiver Forms (I-191 I-192 I-212 I-601 I-601A I-602 I-612)	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes
USCIS Immigrant Fee	No	No	No	No	No	Yes	No	Yes	No	No
G-1041	No	No	No	No	No	No	No	No	No	No
G-1041A	No	No	No	No	No	No	No	No	No	No

Appendix XII - Volumes

USCIS uses projected workload volumes to project costs and determine immigration benefit and biometric service unit costs and projected fee-paying volumes to forecast revenue and calculate proposed fees. Both workload and fee-paying volumes have increased from 2010 Fee Rule projected levels. The tables below outline the increases from the 2010 Fee Rule estimates.

Appendix Table 10: Workload Volume Comparison

Immigration Benefit Request	FY 2010/2011 Fee Rule Projected Workload	FY 2016/2017 Fee Review Projected Workload	Difference
I-90 Application to Replace Permanent Resident Card	540,000	810,707	270,707
I-102 Application for Replacement/Initial Nonimmigrant Arrival-Departure Document	17,165	10,143	(7,022)
I-129 Petition for a Nonimmigrant worker	395,000	432,156	37,156
I-129F Petition for Alien Fiancé(e)	54,000	45,351	(8,649)
I-130 Petition for Alien Relative	690,520	911,349	220,829
I-131/I-131A Application for Travel Document	256,255	256,622	367
I-140 Immigrant Petition for Alien Worker	75,000	88,602	13,602
I-290B Notice of Appeal or Motion	28,734	24,706	(4,028)
I-360 Petition for Amerasian Widow(er) or Special Immigrant	17,669	26,428	8,759
I-485 Application to Register Permanent Residence or Adjust Status	526,000	593,717	67,717
I-526 Immigrant Petition by Alien Entrepreneur	1,399	14,673	13,274
I-539 Application to Extend/Change Nonimmigrant Status	195,000	172,001	(22,999)
I-600/600A/800/800A Orphan Petitions	25,241	15,781	(9,460)
I-601A Provisional Unlawful Presence Waiver	0	42,724	42,724
I-687 Application for Status as a Temporary Resident	48	18	(30)
I-690 Application for Waiver of Grounds of Inadmissibility	74	21	(53)
I-694 Notice of Appeal of Decision	50	39	(11)
I-698 Application to Adjust Status From Temporary to Permanent Resident (Under Section 245A of Public Law 99-603)	704	91	(613)
I-751 Petition to Remove the Conditions of Residence	183,000	173,000	(10,000)
I-765 Application for Employment Authorization	720,000	747,825	27,825
I-800A Supplement 3 Request for Action on Approved Form I-800A	0	1,585	1,585
I-817 Application for Family Unity Benefits	1,750	2,069	319
I-824 Application for Action on an Approved Application or Petition	20,961	10,921	(10,040)
I-829 Petition by Entrepreneur to Remove Conditions	441	3,562	3,121
I-910 Application for Civil Surgeon Designation	3,410	609	(2,801)
I-924 Application for Regional Center Designation Under the Immigrant Investor Program	132	400	268
I-924A Annual Certification of Regional Center	0	882	882
I-929 Petition for Qualifying Family Member of a U-1 Nonimmigrant	0	575	575
N-300 Application to File Declaration of Intention	45	41	(4)
N-336 Request for Hearing on a Decision in Naturalization Proceedings	4,145	4,666	521
N-400 Application for Naturalization	693,890	830,673	136,783

Immigration Benefit Request	FY 2010/2011 Fee Rule Projected Workload	FY 2016/2017 Fee Review Projected Workload	Difference
N-470 Application to Preserve Residence for Naturalization Purposes	621	362	(259)
N-565 Application for Replacement Naturalization/Citizenship Document	29,298	28,914	(384)
N-600/N-600K Application for Certificate of Citizenship	45,347	69,723	24,376
Waiver Forms (I-191 I-192 I-193 I-212 I-601 I-602 I-612)	31,432	71,527	40,095
USCIS Immigrant Fee	215,000	472,511	257,511
G-1041 Genealogy Index Search Request	0	3,605	3,605
G-1041A Genealogy Records Request	0	2,410	2,410
<u>Subtotal</u>	<u>4,772,331</u>	<u>5,871,774</u>	<u>1,099,443</u>
Biometric Services	2,048,177	3,028,254	980,077
<u>Total</u>	<u>6,820,508</u>	<u>8,900,028</u>	<u>2,079,520</u>

Appendix Table 11: Fee-Paying Volume Comparison

Immigration Benefit Request	FY 2010/2011 Fee Paying Projection	FY 2016/2017 Fee Paying Projection	Difference
I-90 Application to Replace Permanent Resident Card	518,400	718,163	199,763
I-102 Application for Replacement/Initial Nonimmigrant Arrival-Departure Document	17,165	9,499	(7,666)
I-129 Petition for a Nonimmigrant worker	395,000	427,778	32,778
I-129F Petition for Alien Fiancé(e)	39,960	39,277	(683)
I-130 Petition for Alien Relative	690,520	907,512	216,992
I-131/I-131A Application for Travel Document	192,255	194,461	2,206
I-140 Immigrant Petition for Alien Worker	75,000	88,602	13,602
I-290B Notice of Appeal or Motion	28,734	20,955	(7,779)
I-360 Petition for Amerasian Widow(er) or Special Immigrant	6,957	8,961	2,004
I-485 Application to Register Permanent Residence or Adjust Status	480,000	473,336	(6,664)
I-526 Immigrant Petition by Alien Entrepreneur	1,343	14,673	13,330
I-539 Application to Extend/Change Nonimmigrant Status	195,000	171,616	(23,384)
I-600/600A/800/800A Orphan Petitions	16,211	5,811	(10,400)
I-601A Provisional Unlawful Presence Waiver	0	42,724	42,724
I-687 Application for Status as a Temporary Resident	43	0	(43)
I-690 Application for Waiver of Grounds of Inadmissibility	74	17	(57)
I-694 Notice of Appeal of Decision	50	39	(11)
I-698 Application to Adjust Status From Temporary to Permanent Resident (Under Section 245A of Public Law 99-603)	605	91	(514)
I-751 Petition to Remove the Conditions of Residence	177,510	162,533	(14,977)
I-765 Application for Employment Authorization	511,200	397,954	(113,247)
I-800A Supplement 3 Request for Action on Approved Form I-800A		746	746
I-817 Application for Family Unity Benefits	1,750	1,988	238
I-824 Application for Action on an Approved Application or Petition	20,961	10,828	(10,134)
I-829 Petition by Entrepreneur to Remove Conditions	256	3,562	3,306
I-910 Application for Civil Surgeon Designation	1,160	609	(551)
I-924 Application for Regional Center Designation Under the Immigrant Investor Program	132	400	268
I-924A Annual Certification of Regional Center	0	882	882
I-929 Petition for Qualifying Family Member of a U-1 Nonimmigrant	0	257	257
N-300 Application to File Declaration of Intention	45	36	(9)
N-336 Request for Hearing on a Decision in Naturalization Proceedings	4,145	3,593	(553)
N-400 Application for Naturalization	684,390	631,655	(52,736)
N-470 Application to Preserve Residence for Naturalization Purposes	621	360	(261)
N-565 Application for Replacement Naturalization/Citizenship Document	24,903	23,491	(1,413)
N-600/N-600K Application for Certificate of Citizenship	45,347	46,870	1,523
Waiver Forms (I-191 I-192 I-193 I-212 I-601 I-602 I-612)	31,432	41,902	10,470
USCIS Immigrant Fee	215,000	472,511	257,511
G-1041 Genealogy Index Search Request	0	3,605	3,605
G-1041A Genealogy Records Request	0	2,410	2,410

Immigration Benefit Request	FY 2010/2011 Fee Paying Projection	FY 2016/2017 Fee Paying Projection	Difference
<u>Subtotal</u>	<u>4,376,169</u>	<u>4,930,293</u>	<u>554,124</u>
Biometric Services	1,950,603	2,598,639	648,036
<u>Total</u>	<u>6,326,772</u>	<u>7,528,932</u>	<u>1,202,160</u>

Appendix XIII - Authorized IEFA Positions by USCIS Office

Appendix Table 12: IEFA Positions by Office

FY 2016/2017 Fee Review Positions by Directorate or Office	
Directorate/Office	Positions
Customer Service Directorate	299
Immigration Records and Identity Services Directorate	666
Field Operations Directorate	5,946
Fraud Detection and National Security Directorate	920
Management Directorate	1,398
Program Offices	707
Administrative Appeals Office	133
Chief Counsel	251
Citizenship Office	27
Executive Secretariat	20
Legislative Affairs	40
Office of Communications	72
Office of Equal Opportunity & Inclusion	24
Office of Privacy	20
Office of the Director	20
Office of Transformation ⁴³	-
Policy and Strategy Office	100
Refugee Asylum and International Operations Directorate	1,648
Service Center Operations Directorate	2,483
USCIS IEFA Staffing Total	14,067

⁴³ Office of Transformation is funded by premium processing funds. As a result, these positions are excluded from the FY 2016/2017 Fee Review cost baseline.

Appendix XIV - IEFA History

USCIS, a component of DHS, determines eligibility for immigration and citizenship benefits, promotes awareness and understanding of citizenship, and ensures the integrity of the United States immigration system. USCIS is the Federal entity responsible for granting or denying immigration benefits to individuals seeking to reside in, work in, or become citizens of the United States, as well as for United States citizens, permanent residents, and employers seeking to sponsor individuals for immigrant or nonimmigrant benefits. As of September 2015, there were approximately 13,432 USCIS Federal employees onboard. As one of the largest fee-funded agencies in the Federal Government, USCIS processes a multitude of immigrant and non-immigrant benefit requests, including:

- **Family-based requests** - facilitating the process for close relatives to immigrate, gain permanent residency, travel, and work;
- **Employment-based requests** - facilitating the process for current and prospective employees to immigrate or work in the United States temporarily;
- **Asylum and refugee processing** - adjudicating requests for asylum and refugee status;
- **Naturalization** - approving naturalization of eligible persons who wish to become United States citizens;
- **Special status programs** - adjudicating eligibility for United States immigration status as a form of humanitarian aid to foreign nationals; and
- **Document issuance and renewal** - verifying eligibility and producing and issuing immigration documents.

Prior to the creation of the DHS on March 1, 2003, the Immigration and Naturalization Service (INS) performed the duties of USCIS. The sections below will refer to USCIS even when it was INS at the time.

Prior to the establishment of the IEFA, immigration application and petition fees were deposited into the General Fund of the Treasury and were available to fund general government expenditures made in consequence of appropriations made by Congress; they were not available exclusively to USCIS. In 1988, Congress established the IEFA. Fees collected from persons filing immigration benefit requests are deposited into the IEFA and are used to 1) fund the full cost of processing immigration and naturalization applications and petitions, 2) fund the cost of providing similar benefits to asylum and refugee applicants for which a fee is not charged, and 3) fund the cost of providing similar benefits to others at no charge (i.e. waivers and exemptions).

On April 4, 1989, USCIS published a final rule in the Federal Register establishing the IEFA fee schedule for the first time since enactment of legislation authorizing use of fee revenues to fund immigration benefit processing activities. The rule instituted fees that “more nearly reflect the current cost of providing the benefits and services...” The changes were “necessary to place the financial burden of providing special services and benefits, which do not accrue to the public at large, on the recipients.” Since 1989, fees deposited into the IEFA have been the primary source of funding for the processing of immigration and naturalization benefits.

On March 27, 1991, USCIS revised the IEFA fee schedule. Fees were increased by as much as 100 percent for several immigration benefits. USCIS stated several reasons for this increase:

- increased workloads, data and communications costs, and computer hardware costs;
- absorption of asylum and refugee processing costs, previously funded with discretionary appropriations, into the IEFA;

- costs of an enhanced asylum review process;
- costs of fingerprint and name checks which the Federal Bureau of Investigation (FBI) began billing USCIS; and
- costs of acquiring larger facilities and increased staffing for increased benefit requests.

In 1994, USCIS revised the fee schedule again. USCIS explained that these increases were necessary to reflect “inflation since the last general fee increase in April 1991, the assignment of certain additional costs to the IEFA for services that support adjudications and naturalization functions, and the costs of investments to improve services to users.” While preparing the proposed rule which revised fees in 1994, USCIS recognized the need for improving its “management of the finances of the fee accounts and the development of fee schedules.”

USCIS adjusted the fee schedule again on October 13, 1998. This was the result of a comprehensive cost study conducted in FY 1997 based on FY 1996 processes and the FY 1998 budget. USCIS conducted a thorough review of the resources, activities, and costs of processing immigration benefits and biometric services funded through the IEFA. This review introduced ABC as the methodology for determining costs associated with services for which fees are charged.

The FY 2008/2009 review followed nearly a decade without a comprehensive review of IEFA fees. On July 30, 2007, fees increased by a weighted average of 86% to recover base costs and additional costs for improving operations and service-wide performance needs. Following the FY 2008/2009 fee review, USCIS committed to reviewing the IEFA every 2 years consistent with the biennial review standard of the CFO Act of 1990 and OMB Circular A-25.

In November 2010, USCIS adjusted the fee schedule based on its comprehensive fee review for the FY 2010/2011 biennial period. Overall, USCIS kept base costs steady and adjusted for inflation, thereby minimizing program changes that would increase costs. Fees increased by a weighted average of 10 percent.

USCIS completed the last fee review, for FY 2014/2015, in March 2014. Prior to that, USCIS completed an FY 2012/2013 fee review. Both indicated that fee levels were not sufficient to recover the full cost of activities funded by the IEFA; however, USCIS was able to mitigate the projected shortfall through other measures such as moving funds within its budget and postponing planned improvements, and as a result, did not adjust fees. To review historical fees, see Appendix VIII.