



Direct Costs Associated with the U.S. Refugee Admissions Program

October 9, 2018

Fiscal Year 2017 Report to Congress



Homeland
Security

U.S. Citizenship and Immigration Services

Message from the Director

October 9, 2018

I am pleased to present the following report, "Direct Costs Associated with the U.S. Refugee Admissions Program," which has been prepared by U.S. Citizenship and Immigration Services (USCIS) in conjunction with the Department of State Bureau of Population, Refugees, and Migration (PRM) and the Department of Health and Human Services (HHS) Office of Refugee Resettlement (ORR). This report is separate from the report on the long-term costs of the U.S. Refugee Admissions Program (USRAP), including to state and local taxpayers, directed by the President's memorandum dated March 6, 2017.



This report was compiled pursuant to Senate Report 114-264 accompanying the Fiscal Year 2017 Department of Homeland Security Appropriations Act (P.L. 115-31), and is being provided to the following Members:

The Honorable Kevin Yoder
Chairman, House Appropriations Subcommittee on Homeland Security

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

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

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

If you have any questions, please do not hesitate to contact me at (202) 272-1000 or the Department's Acting Chief Financial Officer, Stacy Marcott, at (202) 447-5751.

Sincerely,

A handwritten signature in blue ink that reads "LFC".

L. Francis Cissna
Director
U.S. Citizenship and Immigration Services

Executive Summary

The purpose of this report is to provide Congress with information regarding direct costs associated with the USRAP, broken down by Department and activity for each of the fiscal years requested, 2013–2016.

The USRAP is an interagency effort involving a number of governmental and nongovernmental organizations (NGO), both overseas and domestic. The primary federal agencies are as follows: Department of State PRM, which has overall USRAP management responsibility overseas and has the lead in proposing processing priorities; USCIS; and HHS ORR. PRM's network of Resettlement Support Centers carries out casework preparation for refugee applicants, including initiating certain security checks, before USCIS officers conduct interviews. USCIS has responsibility for interviewing refugee applicants and adjudicating applications for refugee status. USCIS also collects biometrics (fingerprints and photographs) and reviews the results of background security checks, working with law enforcement and intelligence community partners. ORR administers domestic resettlement benefits for arriving refugees.

For the most part, all three federal agencies' refugee resettlement costs increased slightly over the first 3 fiscal years and had a large increase from FY 2015 to FY 2016 because of an increase in the refugee ceiling from 70,000 in FY 2015 to 85,000 in FY 2016. It should be noted that the United States admitted approximately 15,000 more refugees in FY 2016 than in each of the 3 previous fiscal years, which was an increase of 21 percent. Specifically, PRM's refugee resettlement costs were as follows: \$359 million in FY 2013, \$386 million in FY 2014, \$407 million in FY 2015, and \$545 million in FY 2016. USCIS's refugee costs were much lower but showed the same pattern: \$30 million in FY 2013, \$31 million in FY 2014 and FY 2015, and \$51 million in FY 2016. ORR had a slight decrease in costs from FY 2014 to FY 2015, but had a large increase from FY 2015 to FY 2016. Specifically, ORR's costs were as follows: \$572 million in FY 2013, \$592 million in FY 2014, \$585 million in FY 2015, and \$752 million in FY 2016.

To place these direct costs in context, the report offers a brief description of the various steps in refugee resettlement processing, both overseas and domestic. The report also includes data on the number of refugee applicants interviewed by DHS during the specified fiscal years. However, the complexity of the USRAP—including the involvement of multiple departments and processing phases that carry across multiple fiscal years—makes it impossible to establish a reliable and accurate cost-per-refugee resettled in the United States.

Refugee resettlement processing through the USRAP involves multiple departments and subcomponents within those departments and collaboration with international organizations and NGOs, both overseas and domestic. In a given fiscal year, the USRAP typically processes a larger number of refugees than the figure identified in the annual ceiling in order to achieve a level of admissions that approaches the annual ceiling. Refugee processing generally spans multiple fiscal years. Applications may be denied or placed on hold for a wide variety of reasons. Thus, the USRAP incurs direct costs for processing individuals who ultimately do not travel to the United States or enter as refugees, or who travel in subsequent fiscal years. Further,

ORR's programs serve populations other than refugees, and ORR is not able to disaggregate its budget data to isolate the direct costs of services provided to refugees. Because of these factors, it is not possible to use the data provided in this report to approximate a unit direct cost per refugee.



Cost Associated with the U.S. Refugee Admissions Program

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I. Legislative Language

This report has been compiled in response to language in Senate Report 114-264 accompanying the Fiscal Year (FY) 2017 Department of Homeland Security (DHS) Appropriations Act (P.L. 115-31).

Senate Report 114-264 includes the following:

The U.S. Refugee Admissions Program [USRAP] is a partnership among USCIS, State's Bureau of Population, Refugees and Migration (PRM), and the Office of Refugee Resettlement [ORR] within of (sic) the Department of Health and Human Services and involves a number of supporting international and domestic agencies and organizations. The Committee directs USCIS, in conjunction with PRM and ORR, to report to the Congress on the direct costs associated with USRAP broken down by agency and activity for each of fiscal years 2013, 2014, 2015, and 2016. Such report shall also include the corresponding data on refugee applicants in process during those years for context regarding the cost per refugee. Such report shall be submitted not later than 180 days after the date of enactment of this act.

II. Background

Section 207 of the Immigration and Nationality Act provides the statutory basis for the USRAP. Each year, the President provides a report to Congress regarding the foreseeable number of refugees who may be resettled during the following fiscal year and the anticipated allocation of refugee admissions. Following consultations between a Cabinet-level representative of the Executive Branch and Members of the Committees on the Judiciary of the Senate and House of Representatives, a “determination” is drafted for signature by the President. The presidential determination establishes the overall admissions levels and regional allocations for the upcoming fiscal year. No refugees may be admitted in the new fiscal year until the presidential determination has been signed.

Refugee status may be afforded to persons located outside the United States who are of special humanitarian concern to the United States and who can demonstrate persecution or a well-founded fear of persecution in their home country because of race, religion, nationality, membership in a particular social group, or political opinion. Refugee applicants must be admissible to the United States (or subject to an exception, waiver, or exemption), and any applicant who is resettled firmly in another country is not eligible for refugee resettlement in the United States. Refugees generally must be outside their country of origin, but the United States can process certain individuals in their home countries if authorized to do so by the President. Applicants may include their spouse, children (unmarried and under 21 years of age), and, in some limited circumstances, other family members on their cases. Refugees who enter the United States without their spouse or children (unmarried and under 21 years of age) may petition for those family members so that they may apply for admission to join them in the United States as refugees. This is referred to as the “follow-to-join” or “Visa 93” process. Form I-730, Refugee/Asylee Relative Petition, is used for this purpose and must be filed by the principal refugee within 2 years of arrival to the United States.

The USRAP is an interagency effort involving a number of governmental and nongovernmental organizations (NGO), both overseas and domestic. The Department of State Bureau of Population, Refugees, and Migration (PRM) has overall management responsibility for the USRAP and has the lead in proposing processing priorities. PRM oversees the refugee referrals from the United Nations High Commissioner for Refugees, U.S. embassies, and certain NGOs. PRM engages an NGO, international organization, or U.S. embassy to manage Resettlement Support Centers (RSC) that assist in processing refugee applicants for admission to the United States. RSC staffs carry out casework preparation for refugee eligibility interviews before DHS officers conduct the interview. RSC personnel prescreen applicants, help applicants to prepare their applications, and initiate certain background security checks.

Within DHS, U.S. Citizenship and Immigration Services (USCIS) has responsibility for interviewing refugee applicants and adjudicating applications for refugee status. USCIS also initiates and reviews the results of certain background security checks, working with law enforcement and intelligence community partners. USCIS’s Refugee, Asylum, and International Operations Directorate and Fraud Detection and National Security Directorate work together to provide an enhanced review of certain refugee cases.

PRM, through the RSCs, is responsible for all post USCIS-interview processing of refugee applicants before their travel to the United States. This includes arranging for medical examinations and for “sponsorship assurances” from a network of domestic resettlement agencies. The Department of State funds the international transportation of refugees resettled in the United States through a program administered by the International Organization for Migration (IOM). The cost of transportation is provided to refugees in the form of a loan. Refugees are responsible for repaying these loans over time, beginning 6 months after their arrival, although it is possible to request a deferral on the basis of inability to begin paying at that time. Travel loan terms vary in length from 3 to 9 years, depending on the amount of the loan. Approximately 90 percent of these loans have terms of 3 to 4 years, and approximately 27 percent of all IOM travel loans are not repaid within 10 years.

PRM works domestically with agencies participating in the Reception and Placement (R&P) program to ensure that refugees receive services during the first 90 days after arrival in accordance with established standards. During and after the initial resettlement period, the Department of Health and Human Services’ (HHS) ORR provides technical assistance and funding to states, the District of Columbia, and nonprofit organizations to help refugees become self-sufficient and integrated into U.S. society. ORR programs use formula and discretionary grants to provide cash and medical assistance, employment and training programs, and other services to newly arriving and recently arrived refugees.

Table 1: Data on Refugee Numbers, FYs 2013 – 2016

Fiscal Year	Refugee Applicants Prescreened	DHS - Applicants Interviewed	Ceiling	Admissions
2013	105,245	70,828	70,000	69,926
2014	104,370	67,870	70,000	69,987
2015	95,872	66,652	70,000	69,933
2016	141,286	120,831	85,000	84,994

III. Direct Cost Data

Table 2: Department of State, PRM/Admissions Obligations, FYs 2013 – 2016^{1,2}
(Dollars in Thousands)

	FY 2013	FY 2014	FY 2015	FY 2016
R&P ³	\$158,951	\$184,440	\$185,346	\$227,637
Processing ⁴	\$109,697	\$119,230	\$132,334	\$176,736
Transportation ⁵	\$90,203	\$82,110	\$89,034	\$140,389
Total PRM Obligations	\$358,851	\$385,780	\$406,714	\$544,762

¹ This chart includes Migration and Refugee Assistance (MRA) obligations, prior-year carryover, and recoveries for each year. Total obligations in FY 2016 include both MRA and Emergency and Refugee Migration and Assistance funds.

² Total obligations include direct costs for Special Immigrant Visa (SIV) holders, who may receive transportation and R&P benefits. Some overseas processing costs also are associated with SIV holders.

³ R&P direct costs include national management costs of domestic resettlement agencies to manage their networks of local affiliates as well as R&P grants.

⁴ Processing costs include funding for RSCs, medical costs, and other processing requirements.

⁵ Transportation costs include direct operations costs as well as airline ticket costs to transport refugees to their final resettlement destination. Direct ticket costs included in this total take into account funds held/returned to IOM (loan collections and prior-year carryover). Refugees sign a promissory note agreeing to repay IOM for their travel costs, and these repayments are used to reduce the direct costs of future refugee travel.

Table 3: DHS
USCIS Refugee Processing Costs, FYs 2013 - 2016
(Dollars in Thousands)

	FY 2013	FY 2014	FY 2015	FY 2016
USCIS Overhead Costs ⁶	\$1,641	\$1,649	\$782	\$1,243
Refugee Affairs Division (RAD) ⁷	\$20,542	\$21,995	\$23,474	\$39,935
International Operations Division ⁸	\$7,794	\$7,501	\$7,200	\$9,990
Total	\$29,977	\$31,145	\$31,456	\$51,168

⁶ The USCIS Overhead Costs include rent for facilities occupied by RAD in Washington, DC.

⁷ Represents RAD's direct budget for payroll and nonpay expenses (to include RAD-specific International Cooperative Administrative Support Services (ICASS) costs).

⁸ The International Operations Division (IO) figures include a percentage of IO's direct budget and a portion of an interagency agreement (IAA) with the Department of State, Bureau of Consular Affairs (BCA) to reimburse BCA for services that it provides on USCIS's behalf where USCIS does not have a presence overseas and, where USCIS does have a presence, for issuance of travel documents. IO's direct budget is prorated by the percentage that refugee workload represents of the total IO workload. These percentages were 18.8 percent in FY 2013, 18.9 percent in FY 2014, 17.6 percent in FY 2015, and 22.0 percent in FY 2016. The IAA is prorated by the percentage that the I-730/Visa 93 workload represents of the total I-730 workload that the Department of State performs for USCIS under the IAA. The IO percentage also is applied to non-RAD ICASS and Capital Security Cost Sharing costs.

Table 4: HHS
ORR Direct Costs, FYs 2013 – 2016
(Dollars in Thousands)

	FY 2013	FY 2014	FY 2015	FY 2016
Transitional and Medical Services	\$401,100	\$391,131	\$383,239	\$525,663
Social Services	\$119,121	\$148,799	\$149,927	\$169,406
Preventive Health	\$4,600	\$4,600	\$4,600	\$4,600
Targeted Assistance	\$47,601	\$47,560	\$47,527	\$52,570
TOTAL	\$572,422	\$592,090	\$585,293	\$752,239

Note: This funding serves refugees, SIV holders, Cuban and Haitian entrants, asylees, and foreign victims of trafficking and does not include obligation of any prior-year carryover funding. Although they may be eligible and receive refugee resettlement assistance provided by ORR, some categories of individuals noted did not enter the United States through the USRAP.

IV. Conclusion

Refugee resettlement processing through the USRAP involves multiple departments and subcomponents within those departments and collaboration with international organizations and NGOs, both overseas and domestic. In a given fiscal year, the USRAP typically processes a larger number of refugees than the figure identified in the annual ceiling in order to achieve a level of admissions that approaches the annual ceiling. Refugee processing generally spans multiple fiscal years. Applications may be denied or placed on hold for a wide variety of reasons. Thus, the USRAP incurs direct costs for processing individuals who ultimately do not travel to the United States or enter as refugees, or who travel in subsequent fiscal years. Further, ORR's programs serve populations other than refugees, and ORR is not able to disaggregate its budget data to isolate the direct costs of services provided to refugees. Because of these factors, it is not possible to use the data provided in this report to approximate a unit direct cost per refugee.

V. Appendix

The data provided in the Appendix originated from the Proposed Refugee Admissions for Fiscal Year 2019 Report to Congress: <https://www.state.gov/documents/organization/286401.pdf>.

INFORMATION REGARDING REFUGEE TRAVEL LOAN REPAYMENTS

A core tenant of the Travel Loan program is that refugees' financial participation in making repayments against their debt will strengthen their determination to make a success of their resettlement. All IOM loans are subject to credit reporting in accordance with the Fair Credit Reporting Act (FCRA). Missed payments cause the loan to be reported as past due and will adversely impact the refugee's credit score; conversely, newly arrived refugees with no prior financial history who pay on time will soon have an average credit score.

Approximately 27 percent of all IOM travel loan amounts are not repaid within 10 years. The amounts for loans issued during the 2008 loans (now 10 years old) are over 78 percent recovered and the 2009 loans are currently over 80 percent recovered. Loan repayments over the life of the loans reflect refugees becoming established within the U.S. with the bulk of loan repayments being made during the second through fourth year of the loans as follows:

Table 1: Travel Loan Repayment by Year of Loan

Year	%
1	9.2%
2	20.3%
3	17.9%
4	11.2%
5	5.6%
6	3.2%
7	2.3%
8	1.5%
9	1.0%
10	0.8%
11	0.7%
12	0.6%
13	0.5%
14	0.3%
15	0.2%
5-Year	64.3%
10-Year	73.1%
15-Year	75.4%

For the loans for which collections started during fiscal years 2013, 2014, 2015, and 2016, the loans are still within the repayment timeframe. Of those loans, the following table provides the percentages/numbers of cases where the loans have never been credited with a repayment:

Table 2: Travel Loans with no Credits of Repayment

The amount received from loan repayments vary from year to year and depend on the level of arrivals over the previous 10 years. From FY 2013 – FY 2016, loan collections ranged from approximately \$43 million to \$51 million annually, and were used to fund future refugee travel.

Fiscal Year	# of Loans	% of Loans
2013	5,803	15.5%
2014	6,211	17.4%
2015	7,018	19.9%
2016	6,673	20.4%

For each of the fiscal years 2013, 2014, 2015, and 2016, the following table displays IOM travel loan repayment amounts:

Table 3: Travel Loan Repayment Amounts FY 2013-2016

Fiscal Year	Gross \$	Net \$
2013	\$54,998,808	\$42,327,942
2014	\$56,913,527	\$44,175,556
2015	\$61,766,718	\$48,217,949
2016	\$63,493,836	\$49,818,733

Under cooperative agreements with PRM, the resettlement agencies responsible for IOM loan collection activities retain 25 percent of the loan repayments collected to cover loan collection costs and support resettlement agency programs. The remaining net repayments are returned to IOM to defray the U.S. budget cost of future refugee resettlement transportation.

Refugees can request deferment of payments and restructuring of schedules and terms in the event of hardship such as unemployment or temporary medical disability, or while in school fulltime. In addition, refugee loans can be forgiven for humanitarian reasons case-by-case based on specific criteria including death, permanent medical disability and bankruptcy.

IOM does not track as a category loans that have been deferred multiple times. Within the category where the loans have never been credited with a repayment, the loans that are in deferral status are as follows:

Table 4: Travel Loan Deferment Data

Fiscal Year	# of Loans	% of Loans
2013	19	0.1%
2014	28	0.1%
2015	36	0.1%
2016	76	0.2%

When a loan is cancelled, the IOM travel fund forgoes the associated revenue. The USG annually funds the difference between total funding requirements for USRAP travel and loan repayment revenue deposited into the fund. Per IOM policies, outstanding loan balances are cancelled for the following reasons: (1) Bankruptcy based on a Bankruptcy Notice (Chapter 7 or Chapter 13) cancelling the Bankrupt individual's pro-rated share of outstanding loan balance.; (2) Death in Family based on a Death certificate cancelling the deceased individual's pro-rated share of outstanding loan; (3) Repatriation based on the Agency/Case Manager/Sponsor affidavit or notarized statement cancelling the repatriated individual's pro-rated share of outstanding loan balance; (4) Permanent Medical Disability With No Prospect of Recovery or Future Employment based on the SSI determination or physician's signed statement on letterhead cancelling the disabled individual's pro-rated share of outstanding loan balance; (5) Hardship Due to Caring for Minor Orphaned Child based on Household Financial Statement or Case Manager's Statement cancelling the minor orphaned child's pro-rated share of outstanding loan balance; and (6) Minimal Balance Outstanding Balance when balance is less than or equal to \$5.00 by cancelling the outstanding loan balance. The following are the loan cancellation statistics:

Table 5: Travel Loan Cancellation Data

Fiscal Year	# of Loans Full/Partial Cancelled	\$ Cancelled
2013	963	\$1,556,276
2014	650	\$944,648
2015	510	\$754,919
2016	238	\$355,566