The Daily Dish

A Notable Rulemaking

DOUGLAS HOLTZ-EAKIN | FEBRUARY 1, 2024

It no overstatement to say that immigration issues are everywhere. (On that topic, do not miss the next AAF Exchange podcast on the topic of immigration reforms, featuring AAF alumna and Bush Institute expert Laura Collins.) The House and Senate remain gridlocked on funding the government for fiscal year 2024, in part because of disagreements over policies to control migrant flows across the southern border. President Biden and presumed opponent Donald Trump are daily staking out positions on the best ways to deal with the southern border and will likely explore the full range of immigration issues between now and November.

Similarly, the rulemaking activities of the Biden Administration are coming under increasing scrutiny. This is in no small part because the administration finalizes rules at a blinding rate and burdens the private sector with increasing compliance costs in the process.

Despite this, the Department of Homeland Security has finalized an immigration-related rule to almost no fanfare. Shocking! It is especially shocking because one part of the rule was to raise the fees charged by the Unites States Customs and Immigration Service (USCIS) for the first time since 2016. Few people realized that USCIS is a fee-financed agency, a point well-made in Gordon Gray's analysis of reducing immigration backlogs. So, regardless of what you think of USCIS efforts, they are constrained by the fees that are brought in.

So it is news, at least to Eakinomics, when fees are increased by roughly $1 billion, which happens to match the financial distress faced by the agency. In general, fees are intended to cover the costs of specific services. Yet the agency hastens to note: "For most individual filers, the final rule limits how much newly established fees may increase. Under the final rule, the new fees will not increase by more than 26%, which is equivalent to the increase in the Consumer Price Index since the last fee rule was issued in 2016."