Congressional Budget Office
Cost Estimate

February 19, 2020

At a Glance

S. 2641, Promoting American National Security and Preventing the Resurgence of ISIS Act of 2019

As reported by the Senate Committee on Foreign Relations on December 12, 2019

By Fiscal Year, Millions of Dollars	2020	2020-2025	2020-2030
Direct Spending (Outlays)	*	40	141
Revenues	*	*	*
Increase or Decrease (-) in the Deficit	*	40	141
Spending Subject to Appropriation (Outlays)	*	32	32

Statutory pay-as-you-go procedures apply?	Yes	**Mandate Effects**	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031?	< $5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Under Threshold

* = between zero and $500,000.

The bill would

- Enable certain Syrians—notably those who were employed by the U.S. government or affiliated with the U.S. military or humanitarian mission in Syria—to apply for special-immigrant or refugee status
- Impose private-sector mandates by prohibiting entities in the United States from engaging in activities that would otherwise be permitted under current law, such as accessing property that would be frozen by the sanctions

Estimated budgetary effects would primarily stem from

- Increased spending for health, nutrition, and disability benefits for newly arrived special immigrants, who could receive those federal benefits if they meet the eligibility criteria for those programs
- Resettlement assistance for newly arrived special immigrants

Areas of significant uncertainty include

- Estimating the number of Syrians who would meet the eligibility requirements and apply for special-immigrant status
- Anticipating whether the Administration would admit more refugees into the United States

Detailed estimate begins on the next page.

See also *CBO's Cost Estimates Explained*, www.cbo.gov/publication/54437; *How CBO Prepares Cost Estimates*, www.cbo.gov/publication/53519; and *Glossary*, www.cbo.gov/publication/42904.

Bill Summary

S. 2641 would allow certain Syrians to immigrate to the United States. It also would impose sanctions on people or entities in Turkey and elsewhere for activities in Syria. Finally, the bill would require some federal agencies to report to the Congress on a variety of issues.

Estimated Federal Cost

The estimated budgetary effects of S. 2641 are shown in Table 1. The costs of the legislation fall within budget functions 150 (international affairs), 550 (health), and 600 (income security).

Table 1.
Estimated Budgetary Effects of S. 2641

	By Fiscal Year, Millions of Dollars						
	2020	2021	2022	2023	2024	2025	2020-2025
	Increases in Direct Spending[a]						
Estimated Budget Authority	*	*	3	5	11	21	40
Estimated Outlays	*	*	3	5	11	21	40
	Increases in Spending Subject to Appropriation[b]						
Estimated Authorization	*	2	5	6	9	10	32
Estimated Outlays	*	2	5	6	9	10	32

* = between zero and $500,000.

CBO estimates that enacting S. 2641 also would increase net revenues by less than $500,000 over the 2020-2030 period.

a. CBO estimates that enacting the bill would increase direct spending by $141 million over the 2020-2030 period.

b. The requirements and authorities of S. 2641 would terminate five years after enactment; thus, CBO estimates that implementing the bill would not affect discretionary authorizations after 2025.

Basis of Estimate

For this estimate, CBO assumes that S. 2641 will be enacted near the middle of fiscal year 2020 and that the Department of State would begin to process applications under the bill around the start of fiscal year 2021.

Direct Spending for Immigration Provisions

S. 2641 would allow certain Syrian nationals to apply to immigrate to the United States, under two additional categories, within the five years following enactment. CBO estimates that enacting the bill would increase direct spending for health, nutrition, and disability benefits for those immigrants by $40 million over the 2020-2025 period and $141 million over the 2020-2030 period.

Special Immigrants. S. 2641 would allow Syrians to apply for special-immigrant status if they performed vital work for the United States in its efforts to defeat the Islamic State of Iraq and Syria and if they have experienced serious threats as a result. Syrians who are approved would be admitted into the United States as lawful permanent residents. The bill would allow up to 2,000 such people—called principals—to receive special-immigrant status during the 2021-2025 period. Their spouses and children also could become special immigrants; the number of those dependents would not count against the numerical limit on principal special immigrants.

CBO anticipates that 2,000 people—the maximum number allowed—would become principal special immigrants under S. 2641; most applicants would be granted that status after 2023. CBO's assessment is based on information about the number of people in the Syrian Democratic Forces, whose members would probably be the largest source of applicants, and from similar special-immigrant programs for people from Afghanistan and Iraq. CBO anticipates that about 100 principals would receive special-immigrant status in fiscal year 2021; that number would increase annually to about 700 principals in 2025, when the authority would expire. Using information about similar initiatives in Afghanistan and Iraq and about Syria's fertility rates, CBO expects that, on average, each principal special immigrant would have 1.5 dependents. In total, CBO estimates that about 5,000 special immigrants would be admitted between 2021 and 2025.

Under S. 2641 Syrian special immigrants who meet eligibility criteria for federal benefits would be immediately eligible for subsidies for health insurance purchased through the marketplaces established under the Affordable Care Act, and for Medicaid, Supplemental Nutrition Assistance Program (SNAP), and Supplemental Security Income (SSI) benefits. Other resettlement assistance would be available through the Department of Health and Human Services and the State Department. Those effects are described in "Spending Subject to Appropriation."

Most special immigrants receive federal benefits in their first few years in the United States, when their income from wages tends to be relatively low. Using information from annual surveys of refugees eligible for federal benefits, census surveys, and administrative data, CBO finds that over time, as refugees' incomes rise, their use of benefits tends to decline. The estimated costs for different programs shown below is based on that analysis and accounts for immigrants arriving throughout the 2021-2025 period. In total, enacting the special-immigrant provisions in S. 2641 would increase direct spending by $141 million over the 2020-2030 period, CBO estimates.

Medicaid. CBO estimates that about 60 percent of special immigrants would receive Medicaid benefits or health insurance subsidies after their first few years in the country. The average cost of those benefits would be about $4,500 per adult and $2,500 per child in 2021 and about $7,000 per adult and $4,000 per child in 2030. CBO estimates that direct spending for those benefits would increase by $103 million over the 2020-2030 period.

Supplemental Nutrition Assistance Program. CBO expects that about 55 percent of special immigrants would receive SNAP benefits after their first few years in the country. Those benefits would average about $1,500 in 2021 and about $1,900 in 2030. CBO estimates that direct spending for those benefits would increase by $32 million over the 2020-2030 period.

Supplemental Security Income. CBO expects that just over 2 percent of special immigrants would receive SSI benefits after their first few years in the country, at an average cost of about $7,000 in 2021 and about $9,000 in 2030. CBO estimates that direct spending for those benefits would increase by $6 million over the 2020-2030 period.

Priority 2 Refugees. S. 2641 would direct the State Department to designate several groups of Syrians as Priority 2 (P-2) refugees of special humanitarian concern. That designation allows people to apply directly to the U.S. Refugee Admissions Program. The number of refugees—across all designations—who may be admitted each year is set by the President, who may increase or reduce that number.

Several factors contribute to uncertainty about whether additional people would be admitted into the country as refugees under the bill:

- The uncertainty about the number of Syrians who would apply for refugee status;
- The ability to also apply for special-immigrant status under other provisions of S. 2641;
- The challenges in vetting refugee applicants, particularly for security concerns;
- The expiration of the ability to apply for refugee status after five years, the sunset date contained within the bill; and
- The need for the President to increase the allowed number of refugees admitted into the country because of the bill.

Accordingly, CBO has no basis for estimating any increase in the number of refugees admitted as a result of enacting S. 2641. If the President does not increase the number of total refugees admitted, any increase in Syrian refugees admitted under the process outlined in this bill would result in a decrease in the admission of other refugees. If the President were to increase the total number of refugee admissions in response to the enactment of S. 2641, the U.S. population—and, consequently, spending on federal benefits—also would increase, relative to current law.

Direct Spending and Revenue for Sanctions

Title III of the bill would require the Administration to impose sanctions on certain officials of the Turkish government, other foreign individuals, and financial entities in response to activities in or transactions related to Syria. Those sanctions would deny affected people entry into the United States and would block transactions in their assets and property that are in the United States or that come under the control of U.S. persons.

CBO estimates that enacting the bill would increase the number of people who would be denied visas by the Department of State and the number who would be subject to civil or criminal penalties for violating the sanctions. Most visa fees are retained by the department and spent without further appropriation, but some are deposited in the Treasury as revenues. Denying some visas would reduce those revenues. Penalties also are recorded as revenues, a portion of which can be spent without further appropriation. Imposing additional penalties would increase revenues. CBO expects that very few additional people would be affected, however, so enacting new sanctions would have insignificant effects both on direct spending and on revenues.

Provisions of the bill also would restrict the transfer of U.S. defense items to the government of Turkey. Many such transfers are financed through the Foreign Military Sales Trust Fund, which can receive and expend amounts without appropriation. Because the program operates at no net cost to the federal government, CBO estimates that the net effect on direct spending over time from lost sales to Turkey would not be significant.

Spending Subject to Appropriation

Implementing S. 2641 would increase costs for resettling immigrants, imposing sanctions, and preparing reports. In total, CBO estimates, implementing the bill would increase costs by $32 million over the 2020-2025 period (see Table 2). Such spending would be subject to the availability of appropriated funds.

Table 2.
Estimated Increases in Spending Subject to Appropriation Under S. 2641

	By Fiscal Year, Millions of Dollars						
	2020	2021	2022	2023	2024	2025	2020-2025
Resettlement Assistance							
Estimated Authorization	*	1	4	5	8	10	28
Estimated Outlays	*	1	4	5	8	10	28
Administrative Costs to Impose Sanctions							
Estimated Authorization	*	*	*	*	*	*	2
Estimated Outlays	*	*	*	*	*	*	2
Reports							
Estimated Authorization	*	*	*	*	*	*	2
Estimated Outlays	*	*	*	*	*	*	2
Total Changes							
Estimated Authorization	*	2	5	6	9	10	32
Estimated Outlays	*	2	5	6	9	10	32

Components may not sum to totals because of rounding; * = between zero and $500,000.

Resettlement Assistance. Special immigrants arriving in the United States under S. 2641 would be eligible for resettlement assistance from the Department of State and the Office of Refugee Resettlement (ORR). The department provides grants to nonprofit organizations that help with special immigrants' initial placements and reception upon arrival; in 2019, that grant was $2,125 per immigrant. Those grants also pay for housing, food, and health care costs during immigrants' first month in the country. They can also be used to defray the cost of the organizations' salaries and operating expenses. ORR provides transitional services such as health care and subsistence allowances to newly arrived immigrants. CBO estimates that providing those services would cost the two agencies $28 million over the 2021-2025 period.

Administrative Costs to Impose Sanctions. Implementing the sanctions in title III of the bill would increase administrative costs of the Department of State, the Department of the Treasury, and other federal agencies. Using information about similar actions, CBO estimates that the annual cost would be less than $500,000, for a total of $2 million over the 2020-2025 period.

Reports. S. 2641 would require the Department of State and other federal agencies to report to the Congress on the Islamic State of Iraq and Syria, Turkish operations in Syria, war crimes and human rights abuses in Syria, Turkey's role in the North Atlantic Treaty Organization, and the net worth and income of Turkish President Erdogan. Section 333 would require the department to commission independent studies on the efficacy of sanctions as a tool of foreign policy. In total, CBO estimates, satisfying the bill's reporting requirements would cost $2 million over the 2020-2025 period.

Uncertainty

CBO considered several areas of uncertainty in estimating the effects of S. 2641. The estimate that 2,000 Syrian principals would gain approval for special-immigrant status during the five-year period of authorization presents particular uncertainty. If fewer people were approved for that status, costs would be lower than CBO estimates. If the average number of dependents differed from CBO's projection, costs could be higher or lower than shown in this estimate.

Another significant source of uncertainty arises from whether S. 2641 would affect total refugee admissions into the United States (see the discussion under the heading "Direct Spending for Immigration Provisions"). CBO has no basis for estimating that the President would increase the number of refugee admissions if S. 2641 were enacted. If the President were to increase the number of refugees admitted because of the bill, however, spending would be higher than the amounts estimated here.

Pay-As-You-Go Considerations

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in Table 3.

Table 3.
CBO's Estimate of the Statutory Pay-As-You-Go Effects of S. 2641, the Promoting American National Security and Preventing the Resurgence of ISIS Act of 2019, as Reported by the Senate Committee on Foreign Relations on December 12, 2019

	By Fiscal Year, Millions of Dollars												
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2020-2025	2020-2030
	Net Increase in the Deficit												
Pay-As-You-Go Effect	0	0	3	5	11	21	23	21	19	19	19	40	141

Increase in Long-Term Deficits

CBO estimates that enacting S. 2641 would not increase on-budget deficits by more than $5 billion in any of the four consecutive 10-year periods beginning in 2031.

Mandates

By imposing sanctions on officials of the Turkish government, other foreign individuals, and financial entities, S. 2641 could prohibit individuals or entities in the United States from engaging in activities that would otherwise be permitted under current law, such as accessing property that would be frozen by the sanctions. Such a prohibition is a mandate as defined in the Unfunded Mandates Reform Act (UMRA). The cost of the mandate would be any income that U.S. entities lose because they no longer have access to the property in question or because they may no longer engage in transactions prohibited by the bill. Because the sanctions focus only on persons in foreign countries who have committed violations outlined in the bill, CBO expects that the number of individuals or entities in the United States that could be affected by the legislation would be small and the loss of income from any incremental restrictions imposed by the bill would be small as well. Therefore, CBO estimates that the aggregate cost of the mandates would fall well below the annual threshold established in UMRA for private-sector mandates ($168 million in 2020, adjusted annually for inflation).

S. 2641 contains no intergovernmental mandates as defined in UMRA.

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