



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 11, 2012

H.R. 3120 **Student Visa Reform Act**

As ordered reported by the House Committee on the Judiciary on June 28, 2012

CBO estimates that implementing H.R. 3120 would have no significant cost to the federal government. Enacting the bill could affect direct spending and revenues; therefore, pay-as-you-go procedures apply. However, CBO estimates that any effects would be insignificant for each year.

Under current law, foreign students may enter the United States temporarily to study at universities and other educational institutions. Under H.R. 3120, such students could only attend accredited institutions.

The Department of Homeland Security (DHS) collects fees from educational institutions and students and spends those fees (without further appropriation actions) to cover the costs of administering the international student program. The Department of State collects application fees for nonimmigrant visas issued to students and spends those fees on border security programs. Enacting H.R. 3120 could reduce the number of institutions available to international students and decrease the amount of fees collected by DHS. However, we expect that any reduction in collections would be offset by lower spending, so CBO estimates that the bill would not affect net direct spending. Students from certain countries are required to pay additional visa fees based on reciprocity agreements between the United States and their home country; those fees are deposited in the Treasury as revenues. CBO estimates that enacting the bill would affect few students and result in an insignificant reduction in revenues.

H.R. 3120 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill contains private-sector mandates as defined in UMRA, but CBO estimates that the aggregate cost of the mandates would fall below the annual threshold established in that act (\$146 million in 2012, adjusted annually for inflation).

The CBO staff contact for this estimate is Mark Grabowicz. The estimate was approved by Peter H. Fontaine, Assistant Director for Budget Analysis.