



CHAIR JODEY ARRINGTON

# HOUSE BUDGET COMMITTEE

## CBO Report on Effects of the Biden-Harris Administration's Failed Immigration Policies Excludes Comprehensive Review

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WASHINGTON, D.C. – Yesterday, the Congressional Budget Office (CBO) released a [report](#) titled “The Effects of the Immigration Surge on the Federal Budget and the Economy.” This report was in response to a [letter](#) sent by House Budget Committee Chairman Jodey Arrington (R-TX), which requested a complete and fair analysis of the budgetary impact of the [border crisis](#). CBO acknowledged that there are **serious uncertainties in their calculations** and their analysis excludes major portions of federal spending.

CBO's projections present a **deceptively optimistic** assessment of the Biden-Harris Administration's open border policies, highlighting significant revenue growth alongside modest increases in mandatory spending and substantial deficit reduction.

This portrayal, however, **lacks a comprehensive assessment of the overall costs and benefits associated with the illegal migrant population**. It overlooks billions in discretionary funding and potentially trillions in state and local expenses over the next decade. While the CBO has fulfilled its role, **critical data gaps in this analysis prevent the public from gaining a complete understanding of the true costs of the Biden-Harris border policies**.

## WHAT'S IN THE REPORT

This report does **not include any effects on discretionary spending**, though *“CBO expects the immigration surge will put pressure on the budgets of many programs and activities funded through discretionary appropriations.”* CBO specifically mentioned federal programs in the Department of Homeland Security (DHS), the Office of Refugee Resettlement, elementary and secondary education, income support, and infrastructure.

- However, CBO noted that if discretionary spending on border activities is compared from 2019 to today, *“the [discretionary] funding increases would total roughly \$200 billion over the 2024–2034 period.”* **That \$200 billion is mentioned in the report, but not included in the calculations.**
- The report suggests the immigrant surge will cause **productivity to be lower, on average, over the next decade.**
- CBO stated in the report, *“Through 2026, the average wage growth of people in the United States who are not part of the surge is slightly less than it would have been without the surge because the surge slows the growth of wages of people with 12 or fewer years of education.”*
- **CBO believes the immigration surge will very slightly increase inflation.** But importantly, CBO says the *“greatest upward pressure on prices comes from the increased demand for housing.”*
  - The report also concludes that medical prices and food prices will be higher.
- **The report indicates interest rates will be slightly higher** (0.1 percentage points for 10-year Treasury by 2034).
- **The surge will initially reduce average wage growth** in the U.S.

**Alarming and importantly, this report did not include state and local costs.**

CBO acknowledged that *“Increases in immigration raise state and local governments’ costs more than their revenues, and CBO expects that finding to hold in the case of the current immigration surge.”*

- While CBO did not include state and local costs, they did mention that *“New York City spent \$4.3 billion from July 2022 to March 2024 to accommodate immigrants and comply with existing local and state housing policies.”*

**CBO acknowledges the possibility of budget reductions attributed to the increased population due to the surge**, saying that if certain programs do not receive an increase in federal funding, *“a smaller percentage of the population would be served or per-person benefits and services would be smaller than they would have been without the surge.”*

CBO said that **tax compliance is lower with the immigration surge**, stating that *“rates of [tax] compliance among the surge population are 15 percent lower for income taxes and 10 percent lower for payroll taxes, on average, than those among the total population.”*

## BACKGROUND

CBO reported that the total federal spending on illegal migrants would cost taxpayers **\$278 billion over the next 10 years**. However, it is critical to note that this **does not include the impact of discretionary costs and state and local costs associated with illegal immigration**. The Federation for American Immigration Reform (FAIR) study on the cost of illegal migration notes an over **\$150 billion** burden annually on federal, state, and local governments due to unrestrained illegal migration. This analysis has even subtracted fees or taxes that illegal migrants may have paid to offset costs. This report is missing fundamental calculations when it comes to accounting for the full cost of illegal migration.

This report follows a House Budget Committee **hearing** entitled **“The Cost of the Border Crisis,”** where members delved into the fiscal ramifications of President Biden’s open border policies.

House Budget Committee Republicans are leading the way to restore fiscal responsibility and ensure taxpayer dollars are directed to those most in need.

## MORE FROM THE HOUSE BUDGET COMMITTEE ON BIDEN'S BORDER BLUNDER

***Read*** Chairman Arrington's Op-Ed on The Cost of the Border Crisis [HERE](#).

***Read*** more about Biden's Border Blunder [HERE](#).

***Watch*** Chairman Arrington's interview with FAIR on Fiscal Impacts of Biden's Border Crisis [HERE](#).