

FINANCIAL OVERVIEW: USCIS' STRATEGIC USE OF RESOURCES TO ACCOMPLISH ITS MISSION

FISCAL YEAR '08 SNAPSHOT

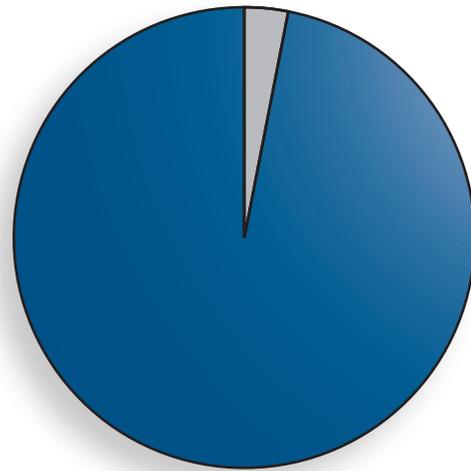
For the FY 2008/FY 2009 Biennial period, USCIS implemented a system, as authorized by law, to recover the full cost of its operations. Additional resources have enabled USCIS to begin building a strong foundation upon which to build a modern immigration service for the 21st century. To enhance the transparency of our operations and provide the public with an accurate picture of how USCIS' resources are allocated, we have provided a financial snapshot of our operations in FY 2008.



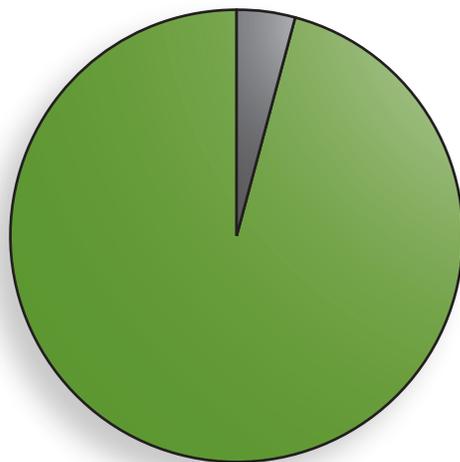
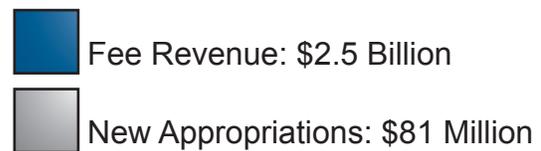
USCIS took in nearly \$2.5 billion in application and petition fee revenue during FY 2008, more than \$330 million over the FY 2007 level. Non-fee appropriations totaled \$81 million.

In total, USCIS received nearly \$2.6 billion in new resources during the fiscal year. Spending (i.e., obligations and expenditures) totaled nearly \$2.5 billion. The difference between total new budgetary resources and spending was approximately \$90 million.

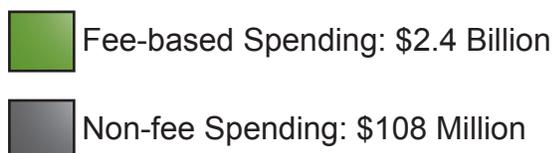
More than 78 percent, or \$1.9 billion, of spending occurred within our core immigration operations offices covering domestic and international adjudication operations, as well as customer service, support, and outreach.



Total Revenue: \$2.6 Billion



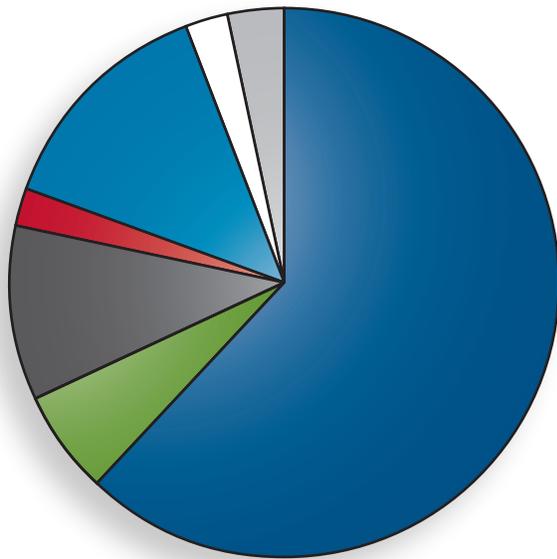
Total Spending: \$2.5 Billion



Nearly all remaining activities relate to or support these functions. Activities include those that are administrative such as rent and services we receive from other agencies (e.g., financial, security, mail).

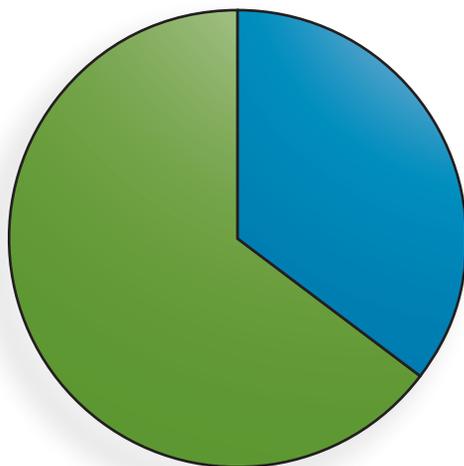
Other related costs include fraud detection and the operation of our Business Transformation program, a program that is leading the USCIS modernization effort.

The immigration status verification activity, constituting approximately 3 percent of USCIS spending, has a unique role outside of core immigration operation functions by providing immigration status services to governments and businesses.



Total Spending Activity:
\$2.4 Billion

- Domestic Adjudication Operations
\$1,531 Million
- International Adjudication Operations
\$153 Million
- Customer Service, Support, & Outreach
\$251 Million
- Business Transformation
\$56 Million
- Administration
\$335 Million
- Fraud Detection & National Security
\$65 Million
- Immigration Status Verification
\$76 Million

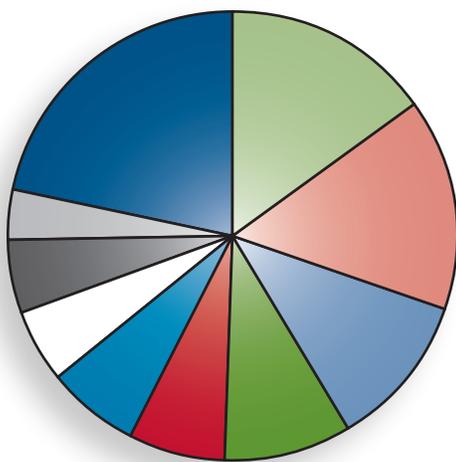


Total Expenses: \$2.5 Billion

- Non-Personnel Expenses
\$1.6 Billion
- Pay & Benefits
\$875 Million

Overall, about 35 percent of spending (\$875 million) was used for pay and benefits for more than 10,000 temporary and permanent employees on board at the end of the year.

The remaining 65 percent of spending (\$1,591 million) was used for general expenses. General expenses cover a broad range of activities and functions; from large contracts that support significant operations such as Application Support Centers and card production, to information technology, to facilities maintenance, and to much smaller costs such as employee travel and training.



Total Revenue: \$2.5 Billion

- Other
\$530 Million
- Travel Document
\$90 Million
- Non-Immigrant Worker
\$131 Million
- Green Card Replacement
\$133 Million
- Premium Processing
\$163 Million
- Biometrics
\$175 Million
- Alien Relative Petition
\$226 Million
- Employment Authorization
\$276 Million
- Naturalization
\$375 Million
- Adjustment of Status
\$376 Million

The majority of fee revenue is deposited in the Immigration Examinations Account (or “Exams Account”) – the central fee account authorized by the Immigration and Naturalization Act and under which USCIS has the authority to recover costs through fees. About \$1.2 billion or 50 percent of all fee revenue was derived from just four application types – adjustment of status, naturalization, employment authorization, and alien relative petition.

Spending and revenue plans are benchmarked to targets encompassed within the 2007 fee review covering the FY 2008 through FY2009 period. Exams Account revenue ended the year \$52 million below 2007 fee review assumptions. At this time, we are planning for the possibility that FY 2009 will face a similar reduction.

USCIS is taking action to ensure spending plans for FY2009 are consistent with new revenue estimates. While spending is expected to exceed the FY 2008 level, that is due primarily to spending associated with temporary capacity increases USCIS implemented to address a surge in adjudication workload realized just prior FY 2007 fee schedule changes. Temporary capacity will be drawn down as necessary during FY2009 and early FY2010.

