

One Big Beautiful Bill Act: Immigration Provisions

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The One Big Beautiful Bill Act (OBBA) (H.R. 1) is the <u>budget reconciliation bill</u> signed into law by President Trump on July 4 after it passed the U.S. House of Representatives and the U.S. Senate by a single vote in each chamber. This bill transforms America's immigration system through significantly increased funding for both border security and interior immigration enforcement, including dramatically expanded detention and deportation operations. Moreover, the legislation introduces fees for immigrants seeking humanitarian protection, imposes a tax on remittances, and restricts federal benefit access for mixed-status families and unauthorized individuals.

The border security and interior enforcement provisions in the bill are included as part of a larger package to extend President Trump's 2017 tax cuts, introduce new tax reductions, cut spending in certain federal agencies and programs, increase the State & Local Tax Deduction (SALT) cap, and increase military spending by more than \$150 billion. Because it utilized the reconciliation process, the bill only required a simple majority of 51 votes to pass the Senate, provided its provisions meet the requirements of the reconciliation process – primarily that the provisions are primarily budgetary – impacting outlays and revenues.

Border Security

The bill provides more than **\$70 billion** in supplemental funding over four years for U.S. Customs and Border Protection (CBP) to increase border security operations. The funds are available until September 30, 2029.

- **Physical barriers.** Provides **\$46.55 billion** for the "[c]onstruction, installation, or improvement" of physical barriers, access roads, and "barrier system attributes" (*i.e.*, cameras, lights, sensors, and more) along the southern and northern borders of the U.S.
 - The White House <u>stated</u> the bill would fund the construction of "701 miles of primary wall, 900 miles of river barriers, 629 miles of secondary barriers, and 141 miles of vehicle and pedestrian barriers."
- **CBP Facilities.** Provides **\$5 billion** for the construction and improvement of CBP facilities, including CBP's short-term detention facilities and checkpoints on the southern and northern borders.
- **CBP Personnel.** Includes **\$4.1 billion** to <u>hire and train</u> new Border Patrol agents and support staff. It also provides CBP with more than **\$2 billion** in retention and hiring bonuses.
- **CBP Technology.** Funds **\$6.2 billion** in border security technology and for screening processes along the northern and southern borders, including the procurement and integration of new non-intrusive inspection equipment and "associated civil works," such as artificial intelligence, machine learning, and "other innovative technologies" to combat the trafficking of illicit substances.
 - o This provision also funds the implementation of the biometric entry and exit system (calculated at \$673 million in the House version of the bill) and the initial

screening of unaccompanied migrant children as required by the William Wilberforce Trafficking Victims Protection Reauthorization Act (TVPRA) of 2008.

• **Border Support for States & Localities.** Provides **\$12 billion** for DHS to reimburse costs for activities in support of securing U.S. borders. This provision does not define who could be reimbursed, likely allowing it to be used to reimburse states, localities, and tribal governments and other agencies within the department for expenses associated with securing U.S. borders.

The OBBA funds additional CBP and border-related measures, including funding for CBP vehicles (\$855 million). CBP's full agency budget for fiscal year (FY) 2024 was \$17.1 billion. The overall amount of new border security funding in the reconciliation package is more than four times CBP's current annual agency budget.

Interior Immigration Enforcement

The bill provides more than **\$75 billion** in supplemental funding over four years for Immigration and Customs Enforcement (ICE) to expand interior enforcement operations, allowing for an unprecedented expansion of immigration detention and deportations operations within the U.S. The funds are available until September 30, 2029.

- **Immigration Detention.** Provides **\$45 billion** for detention capacity including family detention facilities. It also authorizes the Secretary of Homeland Security to set minimal detention standards for single adult detention facilities without normal review processes.
 - o This would constitute an <u>additional</u> \$10.6 billion for detention per year through Fiscal Year (FY) 2029, <u>bringing</u> ICE's total detention budget to a minimum of \$14 billion per year and representing a 308 percent increase on an annual basis over ICE's FY 2024 detention budget, and would allow ICE to increase capacity to at least 116,000 beds.
- Enforcement and Deportation Operations. Allocates \$29.9 billion for ICE enforcement and deportation activities, including personnel expansion, transportation and removal operations, and specialized enforcement activities. It also supports the expansion of the 287(g) program.
 - The Senate version provides this as a single lump sum with allowable uses rather than the House's \$26.7 billion with designated funds for specific activities, giving federal agencies significantly more flexibility in allocation. The House version had separately allocated \$14.4 billion for transportation and removal operations, \$10 billion for personnel expansion with specific hiring targets, \$1.5 billion for operational infrastructure, and \$720 million for specialized operations.
- **State and Local Partnerships.** Provides **\$3.5 billion** for grants to be administered by the Department of Justice (DOJ) providing reimbursement to state and local agencies who assist in immigration enforcement.

H.R. 1 represents the largest single investment in interior immigration enforcement since the <u>creation</u> of the Department of Homeland Security (DHS) in 2003, prioritizing enforcement infrastructure over humanitarian processing or legal pathways.

New Fees on Applications

Historically, U.S. Citizenship and Immigration Services (USCIS) has operated as a <u>primarily fee-funded</u> agency, with extensive fee waivers and adjustments aimed at minimizing fees for humanitarian immigration filings. The House passed reconciliation bill sought to establish an

extensive new fee structure across immigration processes, with significant increases for immigrant workers and those seeking humanitarian protections, creating a fundamental shift in the fee structure. In addition, the bill indexes all fees to inflation, ensuring ongoing increases over time. The Senate version remained largely identical to the original version of the bill passed by the House on July 22 but reduced the asylum fee from \$1,000 and employment authorization renewal fees from \$550.

- **Asylum Applications.** Imposes a \$100 asylum fee plus a fee of \$550 to initially apply for work authorization and \$275 for renewal of employment authorization creating financial barriers for individuals seeking protection. The bill also creates annual asylum fees of at least \$100 for pending asylum applications There are no fee waivers for any of these applications.
- **Humanitarian Parole.** Requires individuals paroled into the country to pay at least \$1,000 to apply plus \$550 for initial work authorization, and \$275 for work renewal, for a maximum of one year. There are no fee waivers for any of these applications.
- **Temporary Protected Status** (TPS). Imposes fees of at least \$500 to register, \$550 for initial work authorization, and \$275 for work renewal. The duration of the work authorization is a maximum of one year. There are no fee waivers for any of these applications.
- **Immigration Court Proceedings.** Establishes novel fees for continuances granted in immigration court proceedings and fees for individuals ordered removed in absentia. Some of the appeals allow for fee waivers.
- **Border and Visa Processing.** Generates revenue through Executive Office for Immigration Review (EOIR) fees, Electronic System for Travel Authorization (ESTA) fees, nonimmigrant visa/visitor fees, Electronic Visa Update System fees, and creates a \$5,000 apprehension fee for inadmissible aliens apprehended by CBP between ports of entry.

All the proposed fees in the bill are the minimum required fees and they could be increased or another fee layered on top by the respective agency/department. They are all also subject to yearly inflationary adjustments. Many of the fees have no fee waivers (with some exceptions).

The fee increases for many categories of applicants are intended to generate revenue for immigration operations, while creating new costs to humanitarian applicants and others who have not been seen as a reliable source of fee income. The increases will have the impact of creating financial barriers for many people seeking access to immigration benefits and legal processes.

Tax on Remittances and Access to Federal Benefits

The OBBA establishes new <u>revenue streams</u> and benefit restrictions affecting non-citizens across multiple federal programs, limiting access to healthcare, nutrition, and tax benefits by non-citizens and some of their citizen family members.

- **Remittance Tax.** Imposes a 1% excise tax on cash and similar remittance transfers.
 - This tax would impact overseas family members of individuals in the U.S., but would also have significant macroeconomic impacts on countries with the largest numbers of <u>recipients</u> of U.S. remittances, including Mexico, India, China, and the Philippines.
- **Tax Credit Restrictions.** Requires Social Security numbers for American Opportunity and Lifetime Learning Credits and the Child Tax Credit.

- These changes would make over 4.5 million children ineligible for the Child Tax Credit, the vast majority of whom are U.S. citizens, because one or both of their parents lack an SSN. Nearly a million children each in California and Texas are expected to be impacted by this provision.
- **Food Assistance.** Limits Supplemental Nutrition Assistance Program (SNAP) eligibility to U.S. citizens and lawful permanent residents (LPRs), eliminating food assistance for other lawful immigration categories.
- **Healthcare Premium Tax Credits.** Restricts eligibility for the <u>Premium Tax Credit</u> for health insurance coverage to citizens, LPRs, certain Cuban and Haitian immigrants, and citizens of <u>Compact of Free Association nations</u>, excluding most other lawful residents, including <u>H1-B visa holders</u> and other temporary workers. The bill also disallows premium tax credits during Medicaid ineligibility periods caused by immigration status and limits Medicare coverage to the same group described above.
- **Medicaid and CHIP.** Prohibits federal financial participation for individuals without verified citizenship, or qualifying immigration status. H.R. 1 <u>reduces</u> federal matching rates from 90% to 80% for states providing healthcare to certain immigrants. It also creates additional administrative requirements to verify addresses and ensuring deceased individuals do not remain enrolled.

These changes aim to restrict immigrant's access to healthcare and other benefits, and they will impact many citizens in <u>mixed-status</u> households

Unaccompanied Children and Families

The legislation significantly enhances screening and verification procedures for unaccompanied children while promoting the use of family detention.

- Enhanced Screening Requirements. Provides \$300 million for the Office of Refugee Resettlement (ORR) to conduct background checks and home studies of sponsors, while mandating criminal and gang checks, including searching for tattoos, of children as young as 12 years old.
- **Family Unity Provisions.** The bill emphasizes promoting family unity" through joint detention of parents and children charged with misdemeanor entry violations.
 - o In this way, some legal experts <u>argue</u> that the bill seeks to "implicitly overrid[e]" the protections regarding the length of time children are allowed to be detained under <u>the Flores Settlement</u>.

This funding and emphasis on detention comes alongside recent policy changes that have <u>eliminated</u> legal services for unaccompanied children and allowed <u>information sharing</u> between child welfare and immigration enforcement agencies.

Immigration Courts and Removal Proceedings

The OBBA provides limited funding for immigration court operations despite the anticipated surge in removal proceedings resulting from expanded enforcement activities. The funds are available until September 30, 2029.

• Immigration Court Capacity. Creates a cap of **800 immigration judges**, with funding for the Executive Office for Immigration Review (EOIR) included in the \$3.3 billion allocated to the Department of Justice (DOJ).

- o The House version had provided \$1.3 billion specifically for EOIR to hire immigration judges and expand courtroom capacity to address court <u>backlogs</u>. As the EOIR currently has <u>about 700 judges</u>, only a small proportion of the funding for the DOJ is likely to be directed towards the EOIR.
- **Legal Representation in Removal Proceedings.** Provides funding for the Office of the Principal Legal Advisor (OPLA) to hire additional attorneys and support staff for the government for removal proceedings as part of the \$29.9 billion appropriated for ICE operations.

The bill increases funding for immigration arrests and detention, while providing for additional judges to speed up the immigration court process.

Conclusion

The OBBA represents one of the most significant transformations of America's immigration system, prioritizing enforcement and border security. The bill's \$145 billion expenditure on border security and interior enforcement, combined with application fees and benefit limitations, fundamentally alter American immigration policy to a degree not seen since the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (IIRAIRA). These changes, however, address a limited scope of the larger issue: Congress will have to act on substantive policy issues – not just budgetary levers – to determine how to approach the U.S. immigration system in a way that meets U.S. economic needs and protects individuals who are contributing members of their communities.