

Background

No. 2013
March 8, 2007



Published by The Heritage Foundation

The DHS Budget for FY 2008: Time for a Comprehensive Approach to Homeland Security

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In the years since the Department of Homeland Security (DHS) was established, the Bush Administration has demonstrated its commitment to homeland security by proposing reasonable budgets. The Administration's proposed DHS budget of \$46.4 billion for fiscal year (FY) 2008 continues this tradition by requesting an 8 percent increase over the FY 2007 budget.¹ This increase is necessary to implement many programs that began after the department was established and that are now maturing and moving from development to implementation.²

Over the short and long term, modest growth in homeland security spending remains appropriate. This year's proposed budget is aptly aligned to effectively achieve the strategic priorities that will make all Americans safer.

While the overall homeland security budget request is sound, however, Congress needs to bolster and improve some areas. The U.S. Coast Guard, U.S. Citizenship and Immigration Services (USCIS), and Customs and Border Patrol (CBP) may require additional funding to become fully capable partners in implementing stronger immigration, border control, and maritime security programs. These three agencies are essential components in achieving a multilayered homeland security policy.

Congress should support the Administration's FY 2008 homeland security budget request without earmarking the legislation. In addition, Congress should pass both homeland security authorization and appropriations bills. Broad homeland security policy issues

Talking Points

- The Department of Homeland Security budget proposal for fiscal year 2008 is responsibly aligned to meet most effectively the strategic priorities that will make all Americans safer.
- The budget proposal supports the implementation of many programs that began after the DHS was established and that are now maturing and moving from development to implementation.
- Consistent and sustained funding is critical to ensuring homeland security over the long term. Congress should follow a set of strategic principles to create a comprehensive approach to homeland security spending instead of funding piecemeal programs.
- Congress should consider increased funding to ensure that agencies such as the U.S. Coast Guard and U.S. Citizenship and Immigration Services can be fully capable partners in implementing immigration and border control programs.
- Congress should pass both homeland security authorization and appropriations budget bills this year.

This paper, in its entirety, can be found at:
www.heritage.org/research/homelanddefense/bg2013.cfm

Produced by the Douglas and Sarah Allison
Center for Foreign Policy Studies
of the
Kathryn and Shelby Cullom Davis
Institute for International Studies

Published by The Heritage Foundation
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would be better addressed in an authorization bill than by a patchwork of legislation. A single authorization bill would allow the authorizing committees to exercise more stringent oversight of the Department of Homeland Security, to address the many homeland security issues that individual pieces of legislation have not covered, and to avoid reactive stand-alone legislation that is inevitably proposed after the latest threat or incident and directed at ever-changing security concerns.³

Homeland Security: A Shared Responsibility

Piecemeal security through individual initiatives, such as searching all U.S.-bound shipping containers, is not as effective as a comprehensive approach to homeland security. The layered defense concept introduced in the national homeland security strategy seeks to avoid penetration at multiple points of entry. Additional security initiatives seek to reduce vulnerabilities further by making critical targets less susceptible to attack.

Effectively improving security requires a holistic approach to distributing resources to ensure that each layer of the system is capable of fulfilling its mission and that individual or agency efforts are complementary instead of redundant. Selecting the proper tools for each layer should be based upon rational cost-benefit analysis while sustaining an acceptable level of risk.

A comprehensive homeland security strategy requires an equally comprehensive effort from all levels of government, the private sector, individual communities, and private citizens. Along with first responders, state and local governments will typically be the first to react within their own commu-

nities in the event of a disaster or catastrophe. Private-sector participation in homeland security is also essential because the private sector has significant responsibilities in protecting individual assets and critical infrastructure from potential threats.

The Council for Excellence in Government recently produced the Public Readiness Index, a survey-based tool that measures the emergency preparedness of individuals, families, and communities. The national survey found that 32 percent of Americans have done nothing to prepare for an emergency.⁴ Homeland security funds and investment must go above and beyond federal dollars to maintain a continued commitment to individual preparedness.

Better Security Through Smart Spending

The Administration's budget proposal addresses many significant needs within the Department of Homeland Security.

Border and Immigration Security Initiatives. To achieve operational control of the U.S. southern border, DHS should focus on building up the means to limit illegal crossings between the land points of entry, interdict smuggling by air and sea, discourage unlawful presence inside the country, and provide adequate legal alternatives to support south-north migration flows. This strategy could be accomplished with a mixture of federal, state, local, and contractor-provided capabilities.⁵

SBI-net is the DHS's technological component of the Secure Border Initiative charged with developing and installing the technology and infrastructure for control of the border. The FY 2008 budget proposes spending \$1 billion to implement SBI-net,

1. U.S. Department of Homeland Security, *Budget in Brief, Department of Homeland Security FY 2008*, p. 9, at www.dhs.gov/xlibrary/assets/budget_bib-fy2008.pdf (March 1, 2007).
2. James Jay Carafano, Ph.D., "Bush's Homeland Security Budget: Dollars That Make Sense," Heritage Foundation *WebMemo* No. 1343, February 6, 2007, at www.heritage.org/Research/HomelandDefense/upload/wm_1343.pdf.
3. Mackenzie M. Eaglen, "Homeland Security Authorization Key to DHS Performance, Oversight," Heritage Foundation *WebMemo* No. 1240, October 25, 2006, at www.heritage.org/Research/NationalSecurity/upload/wm_1240.pdf.
4. Council for Excellence in Government, "Are We Ready?" December 14, 2006, p. 18, at www.whatsyourrq.org/PRI_report.pdf (February 20, 2007).
5. James Jay Carafano, Ph.D., "Homeland Security Spending for the Long War," Heritage Foundation *Lecture* No. 989, January 30, 2007, at www.heritage.org/Research/HomelandDefense/upload/hl_989.pdf.

Table I

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Homeland Security Funding by Agency

(Budget authority in millions of dollars)

	2006		2007		2008	
	Actual	Supplemental/ Emergency	Current Law ¹	Supplemental/ Emergency ²	Request	Supplemental/ Emergency ²
Homeland Security Funding: ³						
Agriculture.....	598	—	523	—	718	—
Commerce.....	181	—	1,193	—	219	—
Defense (DOD).....	16,477	1,031	16,538	—	17,465	—
Energy.....	1,701	—	1,695	—	1,833	—
Health and Human Services.....	4,352	—	4,313	—	4,424	—
Homeland Security.....	25,156	1,416	26,876	1,816	29,671	223
Justice.....	2,996	30	3,090	96	3,331	85
State.....	1,107	—	1,239	—	1,406	—
Treasury.....	114	1	109	3	117	—
Transportation.....	182	—	179	—	200	—
Veterans Affairs.....	299	—	245	—	270	—
Environmental Protection Agency.....	129	—	133	—	153	—
General Services Administration.....	99	—	74	—	42	—
Intelligence Community Management Account.....	56	—	56	—	58	—
National Aeronautics and Space Administration.....	213	—	199	—	194	—
National Science Foundation.....	344	—	344	—	375	—
Nuclear Regulatory Commission.....	79	—	66	—	69	—
Smithsonian Institution.....	83	—	80	—	93	—
Social Security Administration.....	176	—	194	—	217	—
Other Agencies.....	296	—	256	—	256	—
Total, Homeland Security Funding.....	54,638	2,478	57,402	1,915	61,111	308
Less, Defense-Military (DOD).....	-16,477	-1,031	-16,538	—	-17,465	—
Less, Mandatory Homeland Security Funding ⁴	-2,257	—	-3,489	—	-2,290	—
Less, Discretionary Fee-Funded Activities.....	-3,514	—	-4,397	—	-4,986	—
Net Non-DOD Discretionary Homeland Security	32,390	1,447	32,978	1,915	36,370	308

¹ Funding levels are equal to the amounts enacted in the 2007 Department of Defense and Homeland Security Acts with other levels equal to the estimated full-year funding levels provided by P.L. 109-289, Division B, as amended.

² Includes \$1.7 billion in funding enacted in the 2007 Homeland Security and Defense Acts. 2007 and 2008 also include an additional \$0.2 billion and \$0.3 billion, respectively, in the Administration's pending supplemental requests for the Global War on Terror.

³ For more detail on homeland security funding, consult the Homeland Security Funding Analysis chapter in the *Analytical Perspectives* volume of the Budget. Dollar amounts in this table are rounded to the nearest million at the account level, which accounts for any discrepancies with the *Analytical Perspectives* chapter.

⁴ Mandatory homeland security programs include \$1 billion from anticipated spectrum auction receipts provided in the Deficit Reduction Act of 2005 for the Department of Commerce to make grants to public safety agencies for communications interoperability purposes.

Source: Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2008* (Washington, D.C.: U.S. Government Printing Office, 2007), p. 154, Table S-4, at www.whitehouse.gov/omb/budget/fy2008/pdf/budget/tables.pdf (February 16, 2007).

beginning with the southwest land border. This program and new infrastructure will provide the backbone for border security and is a significant improvement over previous programs such as the Integrated Surveillance Intelligence System and America's Shield Initiative.

Along with technology and infrastructure, the proposed \$10.7 million for Border Enforcement Security Task Forces is critical to prioritizing border security threats. The funding is intended primarily

to establish six new task forces.⁶ These agents would coordinate a unified response to potential border threats across all layers of government and law enforcement to disrupt criminal organizations.

State and local law enforcement are essential partners in federal border security efforts. As part of a broader effort to decentralize homeland security, the FY 2008 budget request includes \$26.4 million for training state and local law enforcement officers in federal immigration enforcement and equipping

6. U.S. Department of Homeland Security, *Budget in Brief*, pp. 29 and 38.

the participating local agencies with the appropriate technology, such as access to IDENT (the Automated Biometric Identification System).⁷

In addition, U.S. Citizenship and Immigration Services needs to modernize its business infrastructure. The FY 2008 budget would fund this \$139 million effort primarily through premium processing fees instead of by simply spending additional taxpayer dollars.⁸ These revenues would fund broader investments in important new technologies and business processes designed to improve the agency's customer service and capabilities.

Internal enforcement is another necessary component of a multilayered defense, with Immigration and Customs Enforcement's ICE Mutual Agreement Between Government and Employers (IMAGE) receiving \$5 million in the current budget request. IMAGE will allow the agency to collaborate more effectively with the private sector in worksite enforcement to reduce the number of undocumented workers in the United States.

Transportation and Infrastructure Security. Protecting major modes of transportation and America's critical infrastructure remains a broad and daunting task. The federal government needs to enhance its own capacity to increase situational awareness of homeland security activities and to shift resources where and when they are needed most. The Administration is correct in requesting \$37.6 million for the Transportation Security Administration's Secure Flight Program in FY 2008. This funding would support merging Secure Flight with the CBP Advance Passenger Information System and would provide additional funds for equipment and training to implement the program fully.⁹

Increased ability to share information among federal agencies is the goal of \$146.2 million in FY 2008 for the US-VISIT (United States Visitor and

Immigrant Status Indicator Technology) program. This funding would allow the DHS, Department of State, and Department of Justice (DOJ) to create interoperable systems for biometric identification to reduce the number of false positives and provide stronger match rates. Specifically, this funding would allow sharing of the IDENT system and DOJ's Integrated Automated Fingerprint Identification System and allow US-VISIT to capture 10 fingerprints rather than just two.¹⁰

The FY 2008 budget proposal also includes \$15 million for establishing an office to oversee chemical site security. This amount should be adequate for this effort to establish security standards and ensure safeguards, including the classification of facilities based on risk.

Plugging the Gaps in the FY 2008 Budget Request

Overall, the Administration's budget request for homeland security is sound, but Congress can and should bolster and improve certain specific areas.

DHS Initiatives. Funding for the DHS policy office in FY 2008 includes \$5.1 million to continue the DHS's oversight as a member of the interagency Committee on Foreign Investment in the U.S., implement the REAL ID program, and expand the international affairs staff.¹¹ Currently, the Assistant Secretary of Homeland Security for Policy provides broad policy guidance, but this responsibility is more appropriate for an under secretary.

When working within and across federal agencies, stature matters. An under secretary and the under secretary's office would have more power to consolidate strategies, plans, and procedures across the vast spectrum of departments and entities that make up the DHS.¹² A central and senior Under Secretary for Policy could also more effectively inte-

7. *Ibid.*, pp. 38–39.

8. For a discussion of the drawbacks of this approach, see James Jay Carafano, Ph.D., "Better, Faster, Cheaper Border Security Requires Better Immigration Services," Heritage Foundation *Background* No. 2011, February 28, 2007, at www.heritage.org/Research/Immigration/upload/bg_2011.pdf.

9. U.S. Department of Homeland Security, *Budget in Brief*, p. 46.

10. *Ibid.*, p. 83.

11. *Ibid.*, p. 108.

grate DHS activities in support of the Proliferation Security Initiative and other counterterrorism programs. This position would conduct program analysis, perform long-range strategic planning, and undertake net assessments.

Specifically, Congress should:

- **Strengthen** policy guidance by elevating the Assistant Secretary of Homeland Security for Policy to the rank of under secretary.

Homeland Security State and Local Grants.

The homeland security budget should invest in programs that assist in creating a true national preparedness system as opposed to just supplementing the needs of state and local governments. The FY 2008 budget request contains a total of \$3.2 billion for state and local homeland security grant programs, including assistance to firefighters and support for the Public Safety Interoperability Communications program. Reforming these grant programs to invest more federal funds in counterterrorism programs that break up terrorist cells and thwart attacks before they occur is important. While Congress and the DHS should continue to aid state and local first responders, these grants should not serve as “pork.” Congress needs to ensure that grant funding is limited to programs that are directly involved in homeland security.

Federal grant funding should focus on programs that help state and local governments to integrate their counterterrorism, preparedness, and response efforts into a national system and to expand their capacity to coordinate support, share resources, and exchange and exploit information. Grant funding should contribute to a wider security effort to create emergency communication systems needed to respond to national disasters, to promote effective public-private sharing of the emergency management electromagnetic spectrum, and to create a national capability to deploy a wide-area emergency management communications network for catastrophic disasters.¹³

Finally, the current DHS list of critical infrastructure is too expansive and includes sectors that are not truly vital to the federal government’s functioning. The federal government has a vested interest in only the most critical energy, finance, telecommunications, and transportation assets.

Specifically, Congress should:

- **Reduce** the number of homeland security grant categories and focus grants on programs that integrate state and local efforts into a national system;
- **Encourage** the creation of regional homeland security outreach offices to assist in mobilizing state and local government and public safety officials and to facilitate the sharing of information and data analysis capabilities; and
- **Limit** the list of critical infrastructure, thereby eliminating obstacles to effective information sharing and cooperative action.

Maritime Security. Global commerce is tightly connected to maritime security. The world’s oceans serve as highways for global commerce, and national economies and multinational companies rely on continued freedom of the seas. Accordingly, the Administration’s FY 2008 budget requests \$8.7 billion for the U.S. Coast Guard, including \$788 million for the Integrated Deepwater System.

Most of the Coast Guard’s major cutters are nearing the end of their service lives, both mechanically and operationally. A *Reliance*-class medium-endurance cutter built in 1964 is old for any ship, and these 18-knot vessels are not fast enough to catch today’s smugglers. The *Hamilton*-class high-endurance cutters are more capable, but these 30-year-old ships are also well past their prime. The fleet of 110-foot *Island*-class patrol boats is also aging and rapidly wearing out from sustained usage.

As a result of these operational and maintenance problems, the Coast Guard has embarked on a recapitalization of its deepwater assets. As opposed to coastal units, deepwater assets are those cutters

12. Eaglen, “Homeland Security Authorization Key to DHS Performance, Oversight.”

13. James Jay Carafano, Ph.D., “Talking Through Disasters: The Federal Role in Emergency Communications,” Heritage Foundation *Background* No. 1951, July 17, 2006, at www.heritage.org/Research/HomelandDefense/upload/bg_1951.pdf.

and aircraft that typically operate more than 50 miles from shore and for sustained periods of time. This recapitalization is focused on improving Coast Guard capabilities across all deepwater missions, from fisheries enforcement to migrant interdiction to search and rescue, all while reducing maintenance costs and increasing operational readiness.

While the future cutter must be optimized for regular peacetime duties, it must also perform duties with its naval counterparts where applicable and be ready to operate alongside Navy ships in time of war or other contingencies. The Coast Guard intends to build new cutters designed from the beginning around appropriate common Navy systems to ensure interoperability during operations. Integrating its cutters with their naval counterparts will enable the Coast Guard to remain instrumental in ensuring maritime security.

The list of Coast Guard accomplishments in 2006 is expansive, and the service's relevancy was spotlighted during the response to Hurricane Katrina. In 2006, revisions were made in the Deepwater program, which proved its worth during Hurricane Katrina as the Coast Guard cutters with upgraded communication equipment were able to provide effective on-scene coordination of rescue operations with other military units, federal agencies, and local first responders.¹⁴

However, the Coast Guard needs to modernize and expand its capabilities further as it continues to meet the country's urgent and growing maritime security needs. Since 9/11, the Coast Guard has been modernizing its rapidly aging fleet, but additional money is required to fully support the Coast Guard's new homeland security missions. Additional funding is needed in FY 2008 to accelerate U.S. Coast Guard modernization, particularly the Deepwater program, and to fill the need for additional cutters, patrol boats, and aircraft and for technology upgrades.

To meet the goals of a 10-year accelerated program, Congress needs to allocate \$1.5 billion to Deepwater for FY 2008—almost double the Administration's proposed \$788 million. A 2003 Coast Guard study comparing the costs of implementing the program over 20 years versus the costs over 10 years shows that the accelerated 10-year program would save taxpayers \$4 billion.¹⁵

However, an accelerated program requires stringent oversight. Out of necessity, the Coast Guard has continued to strengthen management of this program. At a recent congressional hearing, the Coast Guard Commandant stated:

Deepwater is critically important to the Coast Guard in sustaining future readiness, to put the right tools in the hands of our people as has been stated. I have no higher purpose as the commandant than to put those tools into the hands of our people and to do it efficiently, effectively, and mindful of the stewardship responsibilities we have. Deepwater is essential to the Coast Guard's future in many ways. It is the Coast Guard's future. We have to get it right.¹⁶

Noting the challenges being addressed by the Coast Guard, Admiral Thad Allen also outlined the significant accomplishments of the Deepwater program, which include:

- Command, control, and sensor upgrades to all 39 medium-endurance and high-endurance cutters;
- Completion of the first HC-144A Maritime Patrol Aircraft;
- New construction of Deepwater shore facilities, including a surface ship training center; and
- Continuation of the Mission Effectiveness Program for 110-foot patrol boats.¹⁷

The Maritime Security Response Teams (MSRTs) and Maritime Safety and Security Teams, the Coast

14. Carafano, "Homeland Security Spending for the Long War."

15. U.S. Coast Guard, "Report to Congress on the Feasibility of Accelerating the Integrated Deepwater System," March 2003, pp. 5–6, at www.uscg.mil/deepwater/pdf/IDSReport.pdf (June 30, 2006).

16. Admiral Thad Allen, Commandant, U.S. Coast Guard, testimony before the Subcommittee on Coast Guard and Maritime Transportation, Committee on Transportation and Infrastructure, U.S. House of Representatives, January 30, 2007, at <http://transportation.house.gov/Media/File/Coast%20Guard/20070130/Allen20070130.pdf> (February 20, 2007).

Guard's maritime counterterrorism forces, also require additional funding to support their critical missions of effectively protecting against, deterring, and rapidly responding to maritime terrorist threats as part of the DHS's layered strategy for protecting seaports and waterways. The MSRTs need additional "assets and training to be fully mission-capable, as well as further integration into all national [counterterrorism] response plans."¹⁸ The Coast Guard's maritime security teams are facing equipment, personnel, and communications shortages and lack a precision marksman program.

The MSRTs also lack adequate organic mobility, particularly helicopter lift, which is essential for quick response. The MH-60M multi-mission helicopter is interoperable with counterterrorism assets and, in terms of space and capabilities, is far superior to the HH-60s currently in use. Specifically, the Gulf Coast and West Coast MSRTs will require additional funds in FY 2008.

To improve maritime security, Congress should:

- **Provide** additional funding for the accelerated 10-year Deepwater program, which will supply the Coast Guard with much-needed assets while saving taxpayers money in the long run;
- **Consider** providing additional funds in FY 2008 for effective intelligence and early warning, domestic counterterrorism, and border and transportation security programs;
- **Support** the Coast Guard's goal of establishing a "new deputy commandant for mission support [that] will oversee the design, acquisition and construction of new ships and aircraft and the maintenance of the fleet once they are built, functions that are now managed separately";¹⁹ and
- **Provide** additional funding for the Coast Guard maritime security teams.

Conclusion

The right security solutions often require initiative from state and local governments, the private sector, communities, and individuals. When considering the DHS budget request for FY 2008, Congress should take a comprehensive approach to homeland security spending. Currently, DHS officials must work their way haphazardly through piecemeal legislation offered by Congress with limited oversight. Instead, Congress should offer a clear road map for homeland security by passing both authorization and appropriations FY 2008 homeland security bills.

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17. *Ibid.*, p. 4.

18. Jose Rodriguez and Michael Kichman, "Counterterrorism Force," *Proceedings*, Vol. 63, No. 1 (Spring 2006), p. 90, at www.uscg.mil/hq/g-m/nmc/pubs/proceed/newpromagpage2005/winter2006/Winter05-06.pdf (February 20, 2007).

19. Eric Lipton, "Coast Guard Chief Announces Plans to Overhaul the Service," *The New York Times*, February 14, 2007, p. A22.