

Background

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Checkbook Homeland Security: Highlights from the FY 2012 Budget Request

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Abstract: *The President's budget request would maintain homeland security funding at current levels, but the budget request would increase funding for several programs that add little additional security while cutting others that could significantly enhance U.S. homeland security. Congress should use the budget process to refocus the Department of Homeland Security on its primary objective of improving security. Counterproductive homeland security grants to state and local governments should be eliminated or curtailed and redesigned. Conversely, Congress could significantly enhance security by substantially increasing funding for the Coast Guard to enable it to perform its new missions. Congress and the country cannot afford to allow the homeland security budget to devolve into another vehicle for pork-barrel spending.*

For fiscal year (FY) 2012, President Barack Obama has proposed a \$43.2 billion budget for the Department of Homeland Security (DHS). This is a 0.7 percent (\$309 million) net increase over FY 2010 funding levels and 1.8 percent increase over current FY 2011 continuing resolution levels.¹

While DHS funding has remained relatively flat in recent years, the department has received sufficient funding since it was created in 2003. The real question is not whether the funding levels are satisfactory but whether the DHS is spending its budget wisely. In this context, the President's FY 2012 budget request focuses too heavily on expensive programs and initiatives that give the appearance of providing additional security, but in reality create little to no added security

Talking Points

- The President's budget request for FY 2012 includes \$43.2 billion for the Department of Homeland Security (DHS), which is a slight increase over both the FY 2010 budget and the current continuing resolution.
- The FY 2012 budget request reflects the President's security priorities, including a focus on cybersecurity, further funding of grant programs, and underfunding of disaster response.
- However, the President's budget request focuses too much on expensive, feel-good "security" measures that will ultimately add little or no security benefits.
- During the budget process, Congress should refocus DHS allocations to ensure that the department is a responsible steward of taxpayer dollars and to ensure that checkbook security does not drive the DHS spending priorities.
- Congress should consolidate oversight of the DHS from the current 108 committees and subcommittees into four standing homeland security committees.

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benefit. Such checkbook security should not drive the Administration's fiscal priorities. In the budget process, Congress should refocus allocations to ensure that DHS is a responsible steward of taxpayer dollars.

The Homeland Security Budget

The President's FY 2012 budget would devote \$43.2 billion in discretionary spending to the Department of Homeland Security.² This is a slight increase over current spending levels, reflecting the President's pledge in the State of the Union address to not cut security-related spending.³ The FY 2012 request reflects the President's security priorities as stated in the Administration's FY 2011 and FY 2010 requests, including a focus on cybersecurity, further funding of grant programs, and underfunding disaster response.

Continued Pork-Barrel Grants. The President's budget request includes \$3.8 billion for the mismanaged and ineffective state and local grant programs. This includes:

- \$1.0 billion for the State Homeland Security Grant Program;
- \$2 billion for the state and regional preparedness programs;
- \$670 million for fire grant programs, such as the Staffing for Adequate Fire and Emergency Response (SAFER) and the Assistance to Firefighter (FIRE) grants; and
- \$350 million for Emergency Management Performance Grants.⁴

While this is \$829 million below FY 2010 funding levels, these grant programs have contributed little to readiness over the past 10 years.⁵ Simply giving more money to states without evaluating the grants' effectiveness will likely waste taxpayer money. In this regard, Congress and the Administration need to address the growing problems of federalization, mismanagement, and stakeholder politics.

Federalization. While federal spending on homeland security has increased dramatically since 9/11, state spending has remained almost flat as a percentage of total state appropriations. Studies suggest that this may indicate a more dangerous practice of states using federal grants to supplant state spending on homeland security. The right approach to funding disaster preparedness will recognize the need for limited government and the legitimate role that federal funding can play in boosting state and local capabilities, while allowing state and local governments to operate on a more even playing field with their federal counterparts.⁶

Grant Mismanagement. Since drafting the Target Capabilities List in 2005, the DHS has not taken any measures to ensure that national preparedness plans are executed at the federal, state, and local levels, making it virtually impossible to ascertain which critical capabilities exist and which capabilities are still needed. In fact, at times the DHS and Congress have funded programs that have proven ineffective in meeting their stated goals. For instance, the FY 2012 budget requests \$670 million for FIRE and SAFER grants, which have been found to have "no

1. The \$43.2 billion includes net discretionary spending. The current continuing resolution for FY 2011 expires on March 4, 2012. FY 2010 numbers are actual, not enacted amounts. While the top-line increase for the Department of Homeland Security is only \$309 million, the DHS has transferred responsibility for the BioWatch program to the Department of Health and Human Services. This transfer allowed the DHS to transfer \$3 billion to other accounts in the DHS budget. U.S. Department of Homeland Security, *Budget-in-Brief, Fiscal Year 2012*, p. 3, at <http://www.dhs.gov/xlibrary/assets/budget-bib-fy2012.pdf> (February 22, 2011).
2. *Ibid.*
3. Chris McGreal, "Barack Obama to Pledge Spending Freeze in State of the Union Address," *The Guardian*, January 25, 2011, at <http://www.guardian.co.uk/world/2011/jan/25/barack-obama-state-of-the-union> (February 22, 2011).
4. U.S. Department of Homeland Security, *Budget-in-Brief, Fiscal Year 2012*, p. 139.
5. *Ibid.*, p. 137.
6. Matt A. Mayer, "An Analysis of Federal, State, and Local Homeland Security Budgets," Heritage Foundation *Center for Data Analysis Report* No. CDA09-01, March 9, 2009, at <http://www.heritage.org/Research/Reports/2009/03/An-Analysis-of-Federal-State-and-Local-Homeland-Security-Budgets>.

impact on fire casualties” despite being developed to increase “the capabilities of fire departments to react to fire emergencies.”⁷

The DHS has emphasized that this fiscal year it will consolidate the Interoperable Emergency Communications, REAL ID, Citizen Corps, Metropolitan Medical Response System, and other grants under one umbrella within the State Homeland Security

While federal spending on homeland security has increased dramatically since 9/11, state spending has remained almost flat as a percentage of total state appropriations.

Grant Program and begin “developing State Accomplishment Summaries for 56 States and territories.”⁸ While these reforms might slightly improve effectiveness, they would not address the more fundamental need to target federal funds at the highest-risk states, cities, and counties. Nor would they help to determine whether the funds are truly improving readiness.

Stakeholder Politics. More often than not constituent politics have driven allocations for grant programs. Congress and the Administration have repeatedly caved to the demands of stakeholder groups lobbying for more funding. In fact, the DHS often requests less money for a particular grant program knowing that Congress will add funding during the budget process. As a result, more and more jurisdictions have qualified for grants, regardless of whether they lack particular capabilities or even need a particular capability. For example, Urban Area Security Initiative (UASI) grants are meant to serve large urban areas where a terrorist attack could have catastrophic national consequences.

Under political pressure to add more jurisdictions, the DHS increased the number of eligible urban areas to 63. In FY 2006, only 35 jurisdictions qualified.⁹ The increased number of eligible jurisdictions and the relatively static budgets for these grant programs have combined to spread the available resources more thinly, thereby shortchanging America’s high-risk urban areas.

The federal government has sent nearly \$40 billion to states and localities for preparedness and response capabilities.¹⁰ Continuing such funding is not only unrealistic in the current budget situation, but the nation cannot afford to spend scarce homeland security funds on unnecessary capabilities. Congress needs to reassess the funding formula, beginning with reducing the number of eligible urban areas so that funds are not spread too thinly.¹¹

The goal of the homeland security grant program is to help states and localities build their own capabilities to respond to terrorism and natural disasters. As funding becomes tighter, Congress should ensure that precious funding goes to only the most deserving jurisdictions.

More Technology for Airport Security. There are major problems in how the Transportation Security Administration (TSA) is handling airport security. Perhaps the most notable is its decision to require more and more passengers to undergo a full-body scan or a physical pat-down as part of primary inspection. While the TSA started investing more heavily in full-body scanners several years ago, the scanners were largely reserved for secondary inspection lines for selective screening of passengers flagged by intelligence or other factors as suspicious. However, the FY 2012 budget request calls for broader deployment of advanced imaging technology (AIT), including \$105.2 million for the “purchase, installation and operation

7. David B. Muhlhausen, “Do DHS Fire Grants Reduce Fire Casualties?” Heritage Foundation *WebMemo* No. 2499, June 22, 2009, at <http://www.heritage.org/research/reports/2009/06/do-dhs-fire-grants-reduce-fire-casualties>.

8. U.S. Department of Homeland Security, *Budget-in-Brief, Fiscal Year 2010*, p. 25.

9. Jena Baker McNeill, “The FY 2011 Homeland Security Budget: Spending Doesn’t Match the Missions,” Heritage Foundation *Background* No. 2376, February 26, 2010, at <http://www.heritage.org/Research/Reports/2010/02/The-FY-2011-Homeland-Security-Budget-Spending-Doesn-t-Match-the-Missions>.

10. Jena Baker McNeill and Matt A. Mayer, “Homeland Security Grants Should Not Become Another Federal Entitlement Program,” Heritage Foundation *WebMemo* No. 3151, February 14, 2011, at <http://www.heritage.org/Research/Reports/2011/02/Homeland-Security-Grants-Should-Not-Become-Another-Federal-Entitlement-Program>.

of 275 new AITs at airport screening lines.”¹² This would increase the number of deployed AIT units to 1,275 and add 535 personnel.

The problem is not with the full-body scanners. Replacing and modernizing deployed technologies should be a priority. A layered defense certainly requires some level of physical security at airports, and full-body scanners can play an important role by inspecting individuals whom law enforcement deem suspicious. However, blindly adding more hoops and obstacles for passengers without adding security spends money and increases passenger inconvenience more than it actually stops terrorism.

Instead of focusing money on needed technologies and infrastructure or on the highest-risk locations, the DHS often spreads the money out equally, shortchanging high-risk jurisdictions that need it the most.

To make matters worse, the TSA has proposed to fund its misguided policies by increasing the aviation passenger security fee by \$1.50 per enplanement.¹³ While this may not be much money to the average passenger, driving up air travel costs to pay for faulty TSA decision making is counterproductive.

The right approach to airport security is to employ robust intelligence gathering and information sharing among local, state, federal, and international law enforcement officers. This would inform the physical security process so that only those who raise red flags are required to go through the inconvenience of extensive scrutiny. Some additional investment may be justified in physical security, but the DHS should focus on stopping ter-

rorists before they enter the airport screening line. Along these lines, the FY 2012 budget includes some good investments:

- \$14.1 million for the Immigration Advisory Program to “post CBP [Customs and Border Protection] officers at foreign airports and use advanced targeting and passenger analysis information to identify high-risk travelers at foreign airports before they board U.S. bound flights.”¹⁴ This can provide the DHS with more information to identify which passengers pose a security risk.
- Support for the Federal Air Marshal Service through increased funding for domestic flights to “replace those diverted to international flights following international plots uncovered in recent years.” Air marshals provide another layer of deterrence against terrorism. In addition to budgetary support for staffing requirements, giving air marshals real-time access to databases while on the ground and in the air would offer an additional capacity to screen flight manifests for suspicious passengers.¹⁵
- \$12.4 million for enhanced watch list vetting.¹⁶ Secure Flight expands America’s capacity to identify possible terrorists while minimizing the impact on the airline industry and protecting the rights and privacy of individuals. The program checks passenger data against a federal database at the FBI Terrorist Screening Center, which compiles all available information on known or suspected terrorists. Secure Flight ensures that known or suspected terrorists are prevented from boarding commercial airplanes in the U.S. The TSA can also compare passenger data against a classified list, rather than just the unclassified list, which is shared with airlines.¹⁷

11. Mayer, “An Analysis of Federal, State, and Local Homeland Security Budgets.”

12. U.S. Department of Homeland Security, *Budget-in-Brief, Fiscal Year 2012*, pp. 6–7.

13. *Ibid.*, p. 8.

14. *Ibid.*

15. James Jay Carafano, “After Detroit: Presidential To-Do List for Plugging Gaps in Stopping Terrorist Travel,” Heritage Foundation *WebMemo* No. 2743, December 30, 2009, at <http://www.heritage.org/Research/Reports/2009/12/After-Detroit-Presidential-To-Do-List-for-Plugging-Gaps-in-Stopping-Terrorist-Travel>.

16. U.S. Department of Homeland Security, *Budget-in-Brief, Fiscal Year 2012*, p. 7.

17. Jena Baker McNeill, “Secure Flight Program Creates Safer Skies,” Heritage Foundation *WebMemo* No. 2376, April 1, 2009, at <http://www.heritage.org/Research/Reports/2009/04/Secure-Flight-Program-Creates-Safer-Skies>.

- \$29 million for the Visa Security Program, which puts DHS officers at U.S. visa offices as part of a layered international security system for fighting transnational terrorism.¹⁸

Additionally, the request includes \$236.9 million for 3,336 behavioral detection officers and \$125.7 million for canine teams, which may make sense.¹⁹

However, recent TSA decisions raise questions about the DHS's entire air security policy and leave doubts about the TSA's ability to maintain security effectively.

Overfederalization and Undercapitalization of Disaster Response. The FY 2012 budget request would provide only \$1.8 billion for the Disaster Relief Fund, the fund that the Federal Emergency Management Agency (FEMA) uses to reimburse states and localities for declared federal disasters.²⁰ FEMA spending trends over the past few years demonstrate that FEMA routinely spends significantly more than \$1.8 billion on disaster relief. By grossly undercapitalizing FEMA, the Administration is setting the stage to return to Congress for emergency supplemental funding.

Since 1989, the number of FEMA disaster declarations per year has tripled from 43 under President George H. W. Bush to 89 under President Bill Clinton to 130 under President George W. Bush.

This is an old tactic. In 2010, FEMA Administrator W. Craig Fugate sent a letter to Congress indicating serious budget shortfalls that could jeopardize FEMA's ability to respond to disasters and then followed up with a \$5.1 billion funding request.²¹ If FEMA intends to subsidize routine disaster response

throughout the country, it should ask for the funding up front so that taxpayers can understand the true cost of federal disaster response.

However, addressing budget shortfalls by pumping additional funding into the agency is a misguided, short-term solution that wastes money without actually solving FEMA's financial problems. For too long, FEMA has federalized disaster response to the point that every routine disaster is met with an onslaught of federal funds. Instead, Congress should radically reduce FEMA's self-imposed mission, returning most of the responsibility for disaster response to the states and localities.

Since 1989, the number of FEMA disaster declarations per year has tripled from 43 under President George H. W. Bush to 89 under President Bill Clinton to 130 under President George W. Bush. In two years, President Obama issued 216 declarations without the occurrence of one hurricane or other major disaster. In those two years, President Obama issued almost as many declarations as President Ronald Reagan did in eight years, setting the single-year record for major disaster declarations in 2010.²² Unsurprisingly, these increasing commitments have overstretched FEMA's budget.

The increase in disaster declarations is largely related to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, the controlling federal statute for disaster response. Under this law, the federal government pays 75 percent to 100 percent of disaster response bills if FEMA has issued a disaster declaration. Meeting the definition for such a declaration is relatively easy: The disaster must be "of such severity and magnitude that effective response is beyond the capabilities of the State and the affected local governments and that Federal assistance is necessary." The financial

18. *Ibid.*, p. 11.

19. *Ibid.*, p. 7–8.

20. *Ibid.*, p. 12.

21. Jena Baker McNeill and Matt A. Mayer, "The Solution to FEMA's Budget Woes Is Not More Money," Heritage Foundation WebMemo No. 2875, April 21, 2010, at <http://www.heritage.org/Research/Reports/2010/04/The-Solution-to-FEMAs-Budget-Woes-Is-Not-More-Money>.

22. U.S. Department of Homeland Security, Federal Emergency Management Agency, Disaster Search, at <http://www.fema.gov/femaNews/disasterSearch.do?action=Reset> (January 20, 2011).

threshold is also low. FEMA can issue a disaster declaration “when a state’s storm-related damages reach \$1.29 per capita, [which] for several states that is less than \$1 million in damages.” The ambiguous provisions of the Stafford Act and low damages threshold create enormous incentives for governors to seek federal disaster declarations to obtain federal funding, especially as state budgets continue to decline.²³

From an operational standpoint, disaster response should be driven by state and local governments because they have most of the response resources and are the first on the scene when disaster strikes. Supplanting state and local funding with federal funding encourages state and local governments to not prepare, knowing that the federal government will bail them out. FEMA should intervene when truly catastrophic disasters overwhelm state and local governments. That is, after all, the very purpose of the declarations. However, too often disaster politics, not effective policy, drive decisions on disaster response. Washington policymakers simply do not know how to say “no” to spending more on disaster response.²⁴

The Need for a Border Security Strategy. The DHS has announced \$242 million “to support the continued deployment of proven, effective surveillance technology along the highest trafficked areas of the Southwest Border.”²⁵ The FY 2012 request also includes funding for a total of 21,370 Border Patrol agents (both new hires and relocations) with 18,415 located on the Southwestern border. However, “grant funding for state and local law enforcement along the Southwest border would be cut by \$10 million.”²⁶

Technology. The DHS made headlines in January when it cancelled SBInet, which was envisioned as a virtual fence of cameras and sensors that would improve the Border Patrol’s situational awareness in remote border regions. SBInet was plagued with management problems, cost overruns, legal obsta-

The DHS has repeatedly demonstrated its inability to manage large research and development projects.

cles, and other problems from the beginning, which ultimately led to its demise. It was also oversold as a one-size-fits-all solution. Despite these challenges, the Border Patrol still needs a common operating picture, which would be part of a suite of solutions along the Southwest border.

In addition to SBInet and similar tools, multiple technologies could help to close the border gaps. Regardless of what solutions it chooses, the DHS needs to address the environmental and legal obstacles that slowed progress on SBInet and will likely continue to pose challenges. It also needs to improve oversight of large-scale technological solutions and fix problems that plague successful program implementation. The DHS has repeatedly demonstrated its inability to manage large research and development projects. Because the department often fails to define the desired capabilities, the final products often fail to achieve the desired results. Improving the requirements process and making other key reforms, such as streamlining congressional oversight of homeland security, would help to improve large program management and ensure that taxpayer dollars are spent wisely.

Manpower Increase. The manpower needs along the U.S.–Mexican border have been the subject of a lengthy debate. When the Bush Administration began to increase border security efforts in 2006, the Border Patrol was severely lacking in manpower. Thus, President Bush deployed National Guard personnel to supplement the Border Patrol in non-law enforcement roles.

In terms of manpower, the border is a much different place today than in 2006. The Border Patrol

23. *Ibid.*

24. *Ibid.*

25. U.S. Department of Homeland Security, *Budget-in-Brief, Fiscal Year 2012*, p. 9.

26. Eric Holdeman, “Obama’s 2012 Budget,” *Disaster Zone*, February 14, 2011, at http://www.emergencymgmt.com/emergency-blogs/disaster-zone/Obama_s-2012-Budget-021411.html (March 7, 2011).

has made significant strides in recruiting and maintaining manpower.²⁷

The problem with assessing current manpower needs is that the U.S. lacks a cohesive border security strategy. The strategy must address illegal immigration, drug smuggling, and other types of smuggling while facilitating legitimate commerce. Without such a strategy, the U.S. cannot accurately determine current and future needs for manpower.

The Merida Initiative has been successful in training Mexican law enforcement to retake control of the areas dominated by drug cartels.

er, physical infrastructure, and technology. Simply hiring more people for the sake of hiring more people is expensive and wasteful. More manpower may indeed be necessary—for example, countering growing drug cartel violence may require more boots on the ground—but the DHS should be cautious to ensure that every added position actually increases security.

Cooperation. An effective Southwest border strategy will require robust cooperation between the United States and Mexico and among federal, state, and local law enforcement agencies in border cities and towns. Such ties increase the flow of information, including intelligence about cartel activities, illegal immigration patterns, and other forms of trafficking. The FY 2012 budget request offers little support to these types of cooperation. The Merida Initiative, which fosters U.S.–Mexican counterdrug cooperation and provides assistance to Mexico for

its law enforcement efforts, needs to be reauthorized and supported with additional funding.²⁸

Yet the President's FY 2012 budget request reduces international drug control aid by 17.6 percent from 2010 levels. Specifically, "assistance to Mexico will fall more than \$100 million to \$355 million."²⁹ The Merida Initiative has been successful in training Mexican law enforcement to retake control of the areas dominated by drug cartels. Without such assistance, problems with the cartels will likely worsen, increasing the chances of more violence spilling over to the U.S. side.

The President's budget would reduce funding for Operation Stonegarden grants by \$10 million from the FY 2010 level.³⁰ Given that Stonegarden grants are one of the few success stories in homeland security grants, cutting funding seems illogical, especially when less effective grant programs continue to receive large influxes of federal funding. The program "provides funding to designated localities to enhance cooperation and coordination between Federal, State, local and tribal law enforcement agencies...to secure the United States...in the States bordering Mexico and Canada, as well as States and territories with International water borders."³¹

Funding Without a Cybersecurity Policy. The FY 2012 budget request includes more than \$460 million for cybersecurity.³² This number, combined with FY 2010 and FY 2011 requests, totals nearly \$1 billion in cybersecurity funding requested by the Obama Administration. This high level of spending warrants a closer look by Congress to ensure that the Administration is using the funds effectively and will do so if funded as requested in FY 2012.

27. Jena Baker McNeill, "15 Steps to Better Border Security: Reducing America's Southern Exposure," Heritage Foundation Backgrounder No. 2245, March 9, 2009, at <http://www.heritage.org/Research/Reports/2009/03/15-Steps-to-Better-Border-Security-Reducing-Americas-Southern-Exposure>.

28. Ray Walser, "ICE Agent Zapata's Murder Deepens U.S. Involvement in Mexico's Drug War," The Foundry, Heritage Foundation blog, February 17, 2011, at <http://blog.heritage.org/2011/02/17/ice-agent-zapatas-murder-deepens-u-s-involvement-in-mexicos-drug-war/>.

29. *Ibid.*

30. U.S. Office of Management and Budget, *Appendix, Budget of the United States Government, Fiscal Year 2012* (Washington, D.C.: U.S. Government Printing Office, 2011), p. 537, at <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2012/assets/appendix.pdf> (March 7, 2011).

31. U.S. Department of Homeland Security, Federal Emergency Management Agency, "FY 2009 Operation Stonegarden (OPSG)," August 11, 2010, at <http://www.fema.gov/government/grant/opsg/index.shtm> (March 7, 2011).

32. U.S. Department of Homeland Security, *Budget-in-Brief, Fiscal Year 2012*, p. 119.

Protecting federal networks is a good investment. A significant portion of the \$460 million for FY 2012 would go to projects such as Federal Network Protection “to continue developing, acquiring, deploying and sustaining NCPS [National Cybersecurity and Protection System] and its required end-to-end upgrades.” Federal Network Security would receive \$40.2 million to “identify and prioritize actions required to mitigate and improve cybersecurity posture across the Federal Executive Branch,” and \$233.6 million would pay for the “deployment of the government’s Einstein 3 system” to monitor government networks for hackers.³³ These investments are critical given that the federal computer networks contain national security information, personal information, and other highly sensitive data that must not be compromised. Equally important, the FY 2012 request calls for \$18 million for cyber research projects to ensure that the government stays ahead of the growing cyber threat.³⁴

Congress should carefully examine the funding request for public cyber education and potential regulations aimed at private-sector network providers and critical infrastructure operators. In FY 2011, the DHS requested \$364 million for a Comprehensive National Cyber Security Initiative, which would create policy and strategy for the federal cyber infrastructure.³⁵ A major part of this initiative is to “define the Federal role for extending cybersecurity into critical infrastructure domains.”³⁶ Defining a proper, constitutional role for the government would be a good first step.

Yet the White House has basically skipped this step by moving straight to regulatory regimes, such

as building the infrastructure to create a national Internet ID.³⁷ Instead, the White House should step back and ensure that the proper foundation is in place before embarking on an initiative that might infringe on the freedoms of Americans or impair proper functioning of the economy. Without such due diligence and an eye for efficiency, increased spending on private-sector cybersecurity could become the newest type of big pork-barrel spending in Washington.

To craft a smart cyber policy, the White House should work with Congress to endow the federal cyber coordinator with real power to make decisions and spend money in a coordinated way. With a cyber domain as wide as the federal government and as deep as the entire American economy, the right hand must know what the left hand is doing.³⁸ This requires coordination and integration at the operational level, linking regulation and policy, tying together offensive and defensive cyber measures, and allowing the coordination of overt and covert programs. It also means that the federal government must convert National Security Agency expertise into civilian expertise as fast as possible.³⁹

Further Deterioration of Key Coast Guard Assets. Since 9/11, the homeland security responsibilities of the U.S. Coast Guard (USCG) expanded considerably. The Coast Guard continues to perform its traditional missions of search and rescue, ensuring the safety and security of commercial shipping; safeguarding U.S. fisheries; and interdicting drugs, arms, and human smuggling. However, it also plays a prominent role in every aspect of maritime security from inspecting foreign ports and checking ships

33. *Ibid.*, pp. 120–121.

34. *Ibid.*

35. U.S. Department of Homeland Security, *Budget-in-Brief, Fiscal Year 2011*, at http://www.dhs.gov/xlibrary/assets/budget_bib_fy2011.pdf (March 7, 2011).

36. The White House, “Comprehensive National Cyber Security Initiative,” p. 5, at <http://www.whitehouse.gov/sites/default/files/cybersecurity.pdf> (March 10, 2011).

37. Jena Baker McNeill and James Jay Carafano, “National Internet ID: Calls for Caution,” Heritage Foundation *WebMemo* No. 3123, January 27, 2011, at <http://www.heritage.org/Research/Reports/2011/01/National-Internet-ID-Calls-for-Caution>.

38. Paul Rosenzweig, “10 Conservative Principles for Cybersecurity Policy,” Heritage Foundation *Background* No. 2513, January 31, 2011, at <http://www.heritage.org/Research/Reports/2011/01/10-Conservative-Principles-for-Cybersecurity-Policy>.

39. *Ibid.*

and cargo to stopping illegal immigration and overseeing security at U.S. ports.⁴⁰

The Coast Guard's increased responsibilities have taken a toll on its equipment. With little support from Congress to reconstitute its aging fleet, the Coast Guard risks being unable to perform its full range of missions. Properly equipping the Coast Guard will require a major fiscal investment, but this would undoubtedly be one of the most valuable contributions that Congress could make to enhance homeland security.

The FY 2012 budget request allocates \$10.3 billion for the U.S. Coast Guard.⁴¹ While this is a slight increase over FY 2011 funding levels, it is a decrease from the FY 2010 revised enacted levels. The FY 2012 budget request includes \$1.4 billion for recapitalization of assets:

- Investments in surface assets include funding for the National Security Cutter, initial acquisition work and design of the Offshore Patrol Cutter, production funding for six Fast Response Cutters, production funding for 40 Response-Boat Mediums, and operational enhancements of five Medium Endurance Cutters.
- Investments in air assets include replacement of a lost H-60 helicopter, production of two Maritime Patrol Aircraft, funding to complete acquisition of the HC-144 patrol aircraft fleet, and funding for service, upgrades, and sustainment of HH-60 and HH-65 helicopters and HC-130H aircraft.
- \$166.1 million for equipment and services.

- \$193.7 million for shore units and aids to navigation.

- \$110.2 million for personnel and management.⁴²
- While modernization funding is desperately needed, \$1.4 billion barely scratches the surface of

With little support from Congress to reconstitute its aging fleet, the Coast Guard risks being unable to perform its full range of missions.

the USCG requirements after years of inadequate funding. Modernization is not keeping pace with the USCG's increasing missions.⁴³

The Icebreaker Gap. Besides general recapitalization of assets, the FY 2012 request would allocate \$39.0 million in polar icebreaking budget authority. However, the DHS states that the USCG would operate just two, not three, icebreakers in FY 2011.⁴⁴ Of the three icebreakers, the newest was commissioned 10 years ago, and the other two icebreakers are nearly 35 and 40 years old.⁴⁵ In 1970, the U.S. had eight polar icebreakers. Other Arctic nations enjoy a significant lead over the U.S. in the numbers of icebreakers, but the gap is widening as they develop new energy-efficient multipurpose ships with year-round ice-breaking capability.⁴⁶

The limited U.S. assets in the Arctic region make it increasingly difficult to protect U.S. interests. An adequate, competent, and sustainable fleet is the key to maintaining American presence in the region, protecting U.S. sovereignty, working with allies, and

40. James Jay Carafano, "Coast Guard Modernization is Integral to the Success of the Secure Border Initiative," Heritage Foundation *Executive Memorandum* No. 1009, August 7, 2006, at <http://www.heritage.org/research/reports/2006/08/coast-guard-modernization-is-integral-to-the-success-of-the-secure-border-initiative>.

41. U.S. Department of Homeland Security, *Budget-in-Brief, Fiscal Year 2012*, p. 100.

42. *Ibid.*, pp. 100–102.

43. James Jay Carafano and James Dean, "Breaking an Icebound U.S. Policy: A Proposal for Operating in the Arctic," Heritage Foundation *WebMemo* No. 3168, February 24, 2011, at <http://www.heritage.org/Research/Reports/2011/02/Breaking-an-Ice-Bound-US-Policy-A-Proposal-for-Operating-in-the-Arctic>.

44. U.S. Department of Homeland Security, *Budget-in-Brief, Fiscal Year 2012*, p. 100. The Department of Homeland Security Inspector General recently concluded that the Coast Guard has neither sufficient ships nor budgetary authority to accomplish its current missions. Carafano and Dean, "Breaking an Icebound U.S. Policy."

45. Carafano and Dean, "Breaking an Icebound U.S. Policy."

46. *Ibid.*

rebuilding the nation's edge in global commerce.⁴⁷ Of course, the need to recapitalize and expand its Arctic fleet comes at a time when Washington is looking to cut federal spending. This means that more creative solutions are necessary. The U.S. can jump-start its fleet by privatizing ice-breaker operations and using private ships as platforms for national security and federal scientific activities. This would save scarce federal funding by eliminating old, inadequate, and expensive-to-operate assets while greatly expanding U.S. capacity to operate in the Arctic.⁴⁸

Politically Driven Immigration Funding. The Administration has clearly stated its support for amnesty-based comprehensive immigration reform, but Congress has shown little appetite for such a costly amnesty over the past three years. As a result, the White House has used executive authority to limit immigration enforcement inside the United States. These actions include:

- **Using payroll audits instead of workplace raids.** As a result, illegal immigrants remain in the U.S. and merely find new jobs and continue to undermine the job market for U.S. citizens during one of America's worst recessions.⁴⁹
- **Reducing 287(g) participation** by changing memorandums of agreement to limit the use of immigration checks to those arrested for major offenses.
- **Rescission of Social Security no-match provision,** which would have allowed the DHS to use the Social Security Administration's "no match" data to enforce immigration laws. Upon notification, the employer would have been required by law to take corrective actions or face prosecution.
- **Refusal to prosecute in deportation hearings against noncriminal aliens.**

While gutting enforcement efforts, the Administration has supported Secure Communities and

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E-Verify as the linchpins of its strategy. The FY 2012 budget would fund Secure Communities at \$184 million and E-Verify at \$102.4 million.⁵⁰

Both are good programs, but do not enhance the government's ability to enforce immigration laws without other robust enforcement measures. For instance, Secure Communities is simply a database that gives criminal aliens a higher priority for deportation, which helps U.S. Immigration and Customs Enforcement to make deportation decisions. E-Verify is a voluntary program that enables employers to verify via the Internet that newly hired employees are eligible to work in the United States. While E-Verify goes a long way toward discouraging illegal employment, it is still voluntary and cannot catch instances of identity theft or fraud in which an illegal worker has stolen another person's legitimate name, date of birth, and Social Security number. These investments are in line with the Administration's acknowledged policy of pursuing deportation of only criminal aliens and generally refusing to enforce U.S. immigration law. Thus, the Administration's FY 2012 budget request is largely a continuation of its immigration policies, aimed at placating the pro-amnesty lobby while looking tough on enforcement and border security in preparation for comprehensive immigration reform.

Legal Immigration. The Administration's budget request includes \$2.9 billion for U.S. Citizenship and Immigration Services (USCIS), a 5 percent decrease from FY 2011 continuing resolution levels.⁵¹ In this case, funding reductions without seri-

47. *Ibid.*

48. *Ibid.*

49. Matt A. Mayer and Jena Baker McNeill, "Time to Stop the Rush for 'Amnesty' Immigration Reform," Heritage Foundation Backgrounder No. 2385, March 18, 2010, at <http://www.heritage.org/Research/Reports/2010/03/Time-to-Stop-the-Rush-For-Amnesty-Immigration-Reform>.

50. U.S. Department of Homeland Security, *Budget-in-Brief, Fiscal Year 2012*, p. 145.

51. *Ibid.*, p. 141.

ous reform are problematic. USCIS continues to fund its business transformation efforts (e.g., moving to a customer-focused electronic filing system) through immigration fees. This fee-for-service system renders USCIS incapable of making the technology and infrastructure enhancements needed to process visas efficiently. USCIS needs a revenue structure that is more responsive to immigration demands. For example, Congress could create a national trust fund that would enable USCIS to pay for programs for which it cannot charge a fee.

Furthermore, several visa categories—including H-1Bs, H-2As, and H-2Bs—are managed in ways that do not adequately serve the needs of business. Work visas are subject to fraud, often underused because of cumbersome bureaucratic requirements, or limited by nonsensical caps on the number of applicants for specific types of visas. These visas need to be market-oriented and processed more efficiently so that American businesses can hire the workers they need in a timely manner. DHS Secretary Janet Napolitano has rightly emphasized that America needs a visa system that works for the economy. Yet the budget request actually reduces funding for detecting visa fraud and proposes no funding to modernize the visa issuance process.⁵²

Avoiding Checkbook Security

It would be easy to pretend that the misallocations of the FY 2012 budget request are simply a fiscal issue. However, these allocations reflect policy choices by the White House and the DHS. Too often, the DHS has responded to a terrorist incident by implementing kneejerk security measures that look good on paper, but do not actually make Americans safer. At other times, the DHS has prioritized burdensome regulations that are irrelevant to the DHS's primary mission of stopping terrorism. Congress should not tolerate, much less fund, such misguided efforts.

To ensure that the budget reflects DHS missions and spends scarce resources wisely, Congress should:

- **Reset budget priorities.** Congress should use the budget process to ensure that funds are spent efficiently and effectively to increase security. It should use the DHS missions to determine the appropriate levels of spending. This will likely mean reducing funding in areas where DHS has overreached or assumed roles best suited for state and local governments or other actors.
- **Pass an authorization bill.** Congress has yet to pass a department-wide authorization bill for the Department of Homeland Security. Passing such a bill is critical to the DHS's development because it would create a statutory structure that would increase legislative stability and help to improve congressional oversight.
- **Reform congressional oversight of the DHS.** Currently, 108 committees and subcommittees have jurisdiction over the DHS. As a result, Members on committees with little emphasis on homeland security often press for what is best for their constituencies, not what is best for security. Congress should consolidate oversight into four standing homeland security committees.
- **Examine cooperative agreements.** The right approach to funding disaster preparedness will recognize that federal funding can play a legitimate role in boosting state and local capabilities, while allowing states and localities to operate on a more level playing field with their federal counterparts. The need for such equality downplays the need for the grant structure and invites another approach, such as using cooperative agreements in which the federal government and the states can sit down as equal partners and negotiate outcomes at the beginning—including programmatic and financial oversight requirements—and then direct funds to achieve those desired outcomes without the need for yearly applications.
- **Resist earmarks.** Congress should keep the FY 2012 homeland security budget free of earmarks. The nation's security should not be reduced to constituent politics.

52. Janet Napolitano, "Prepared Remarks by Secretary Napolitano on Immigration Reform at the Center for American Progress," U.S. Department of Homeland Security, November 13, 2009, at http://www.dhs.gov/ynews/speeches/sp_1258123461050.shtm (February 28, 2011).

- **Reexamine the Stafford Act requirements.** As the litmus test for federal disaster funding, the Stafford Act fails to clearly identify which disasters meet the federal requirements and which do not. Congress should establish clear requirements that limit the types of situations in which declarations can be issued, eliminating some types of disasters entirely from FEMA's portfolio. Furthermore, Congress should reduce the cost-share provision for all FEMA declarations to no more than 25 percent of the costs. This will help to ensure that at least three-fourths of the recovery costs are borne by the taxpayers living where the disaster took place. For catastrophes with a nationwide or regional impact, such as 9/11 and Hurricane Katrina, a relief provision could

provide for a higher federal cost-share when the total costs exceed a certain threshold.⁵³

Conclusion

Congress should focus on ensuring that every dollar spent on homeland security is used wisely to make the nation free, safe, and prosperous. Allowing homeland security spending to become another vehicle for earmarks, another entitlement, or another political game would be a disservice to American taxpayers.

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53. Matt A. Mayer, "Returning More Power to the States Is the Natural Evolution of Homeland Security," Heritage Foundation WebMemo No. 2993, August 27, 2010, at <http://www.heritage.org/research/reports/2010/08/returning-more-power-to-the-states-is-the-natural-evolution-in-homeland-security>.