

# ISSUE BRIEF

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## Homeland Security Appropriations Need Different Priorities

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While the most recent continuing resolution contained a full year of funding for the Department of Homeland Security (DHS), the disorder of the overall budget process over the past several years has generally resulted in weak congressional guidance to DHS. It is important that Congress return to a normal appropriations process and express the right priorities to DHS through its funding priorities.

**The President's Budget Priorities.** The President's FY 2014 budget proposal calls for approximately \$44.7 billion to be allocated to DHS, approximately \$1.7 billion less than Congress enacted in fiscal year (FY) 2012. The U.S. Coast Guard and U.S. Immigration and Customs Enforcement (ICE) take the largest cuts: \$628 million and \$641 million from FY 2012, respectively. At the same time, several DHS missions receive substantial increases.

Some of this prioritizing is positive, but much of it is not. Spending \$714 million on a new agro-defense facility in Kansas reveals a poor sense of priorities when cuts in the Coast Guard budget will make it difficult for the sea service to perform its missions in the future. Furthermore, underfunding ICE continues the Obama Administration's

tendency to roll back the enforcement of U.S. immigration laws.

**Better Priorities for Congress.** In this year's appropriations, Congress should pursue priorities that more adequately provide the necessary capabilities to keep the U.S. safe from cyber, terrorist, natural, or other harmful events.

*Coast Guard Modernization.* The Obama Administration has repeatedly undermined the Coast Guard's attempts to revitalize its fleet and equipment, including reducing its budget request by at least 6 percent from FY 2012.

The area of greatest need for the Coast Guard is its fleet revitalization efforts, specifically the new National Security Cutter (NSC), Fast Response Cutter (FRC), and Offshore Patrol Cutter (OPC). The FY 2014 budget requested the seventh of a planned eight NSCs but did not mention the last, sought funding for only two of a planned four FRCs, and cut funding for the OPC in half. Congress should rethink these funding decisions to ensure that the Coast Guard is able to provide adequate maritime security.

Congress could save money by cutting developmental funding for a new icebreaker vessel. The mere \$2 million requested in FY 2014 is miniscule compared to the nearly billion-dollar price to build such a vessel, especially if the Coast Guard's goal is to do so by 2022. The U.S. should instead reexamine the restrictions in the Jones Act to allow the Coast Guard to lease the services of commercial icebreakers.

*Risk-Based Aviation Security.* While the Transportation Security Administration (TSA) has made some strides in pursuing risk-based aviation

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security, Congress should push it further. Congress should recognize the efficiencies that might come from working with the private sector and push the TSA to expand participation in the Security Partnership Program.

Additionally, Congress should help DHS to further improve and expand Secure Flight, TSA PreCheck, the Federal Flight Deck Officer (FFDO) program, and other transportation security programs. While President Obama has consistently tried to shrink several of these programs like the FFDOs, they actually provide significant improvement in security at very low cost.<sup>1</sup> Instead of minimizing cost-effective and risk-based programs, Congress should prioritize their funding.

*Cybersecurity.* DHS has the important responsibility to protect civilian agencies of government as well as U.S. critical infrastructure from cyber attacks and intrusions. This is a daunting task that DHS has struggled to meet. However, DHS is making renewed efforts to draw skilled personnel and use the newest technologies.

Congress should take a page from the President's budget and increase funding of the EINSTEIN 2 and 3 programs, which help detect and prevent intrusions into government systems. Congress should also prioritize information-sharing and analysis centers, which will help federal, state, and local governments as well as the private sector protect against cyber threats.

Congress, however, should not include cyber regulations, such as those found in the President's cybersecurity executive order from February, in its funding priorities. Instead, Congress could better allocate those funds toward improving DHS's outreach to the private sector and increasing the compensation of the highly skilled cyber analysts whom DHS needs if it is to be a viable hub for U.S. cybersecurity efforts.

**Key Cuts and Efficiencies.** Enhancing the above spending priorities, however, does not have

to mean that DHS must break the bank. Notably, there are several areas where important efficiencies and changes can and should be implemented to save DHS money as well as enhance the security and safety of the U.S.

*FEMA Reform.* With a new disaster being declared every 2.5 days on average, FEMA spending is out of control. Regrettably, President Obama's proposed budget contains not one reform to alter this trend. Given the urgent need to reduce federal spending, Congress should reform when and how much FEMA will pay for a disaster.

First, Congress should reform the Stafford Act, which determines when the federal government can provide financial disaster aid in an emergency. Currently, the only two requirements are that damages must be greater than \$1.29 per capita and that there must be insufficient state and local resources. Since most disasters easily reach this threshold, the Stafford Act fails to truly identify which disasters warrant federal aid.<sup>2</sup>

Second, Congress should reduce the cost-share provision for all FEMA declarations to no more than 25 percent of the costs, with limited exceptions for huge catastrophes. This would help to ensure that at least three-fourths of the costs of a disaster are borne by the taxpayers living where the disaster took place.

Third, Congress should address loopholes in the Budget Control Act that allow for new spending above existing limits without offsets. In an era of chronic trillion-dollar deficits, additional spending without offsets represents willful negligence and should be stopped.

*Reducing Fusion Centers.* The current intelligence architecture consists of 93 Joint Terrorism Task Forces (JTTFs) under the FBI, 56 Field Intelligence Groups (FIGs) located in FBI field offices, and 77 fusion centers under DHS. This system is duplicative and ineffective, as a Senate subcommittee recently noted when it found that many of the 77 fusion centers do not provide measurable value.<sup>3</sup>

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1. See Jessica Zuckerman, "Federal Flight Deck Officer Program: First Line of Deterrence, Last Line of Defense," Heritage Foundation *Issue Brief* No. 3544, March 20, 2012, <http://www.heritage.org/research/reports/2012/03/impact-of-cutting-the-budget-of-the-federal-flight-deck-officer-program>.

2. Matt A. Mayer, "Congress Should Limit the Presidential Abuse of FEMA," Heritage Foundation *Issue Brief* No. 3466, January 24, 2012, <http://www.heritage.org/research/reports/2012/01/congress-should-limit-the-presidential-abuse-of-fema>.

3. Staff Report, *Federal Support for and Involvement in State and Local Fusion Centers*, Permanent Subcommittee on Investigations, Committee on Homeland Security and Governmental Affairs, U.S. Senate, October 3, 2012, <http://www.hsgac.senate.gov/subcommittees/investigations/media/investigative-report-criticizes-counterterrorism-reporting-waste-at-state-and-local-intelligence-fusion-centers> (accessed June 3, 2013).

DHS should work with the FBI to improve the performance and alignment of these intelligence centers. Congress should also direct DHS to cut back the number of fusion centers from 77 to the 31 that contribute the most to U.S. security. It should also ensure that these centers are fully funded by redirecting funds from the Urban Areas Security Initiative Grant Program.

*Consolidating Grants.* A bright spot in President Obama's budget is that most DHS grant programs have been consolidated into one National Preparedness Grant Program.<sup>4</sup> This consolidation would allow resources to be spent more effectively and efficiently on areas with larger populations and greater risk.

However, President Obama's budget still continues the Assistance to the Firefighters Grant Program as a separate grant. Overall, the program has been highly ineffective.<sup>5</sup> Similarly, the budget

also maintains the current level of funding for the First Responders Stabilization Fund. Essentially, this program pays the salaries of state and local firefighters out of federal funds. Congress should instead leave this responsibility to the states and municipalities that actually employ these personnel.

#### **DHS Needs to Shift Priorities**

While some of the President's priorities, such as on cybersecurity, are largely a step in the right direction, other priorities, such as several first responder grants, are not. With limited budgets, Congress should do more to focus DHS efforts and prioritize cost-effective, risk-based solutions.

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4. Matt A. Mayer, "Homeland Security Grants: Greater Focus Needed with Finite Federal Funding," Heritage Foundation *Issue Brief* No. 3681, July 27, 2012, <http://www.heritage.org/research/reports/2012/07/homeland-security-grants-greater-focus-needed-with-finite-federal-funding>.

5. David B. Muhlhausen, "Fire Grants: Do Not Reauthorize an Ineffective Program," Heritage Foundation *Issue Brief* No. 3788, November 29, 2012, <http://www.heritage.org/research/reports/2012/11/fire-grants-do-not-reauthorize-femas-ineffective-program>.