

ISSUE BRIEF

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Reforming DHS Through the Appropriations Process

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In March, President Obama released his fiscal year (FY) 2015 budget request. The Department of Homeland Security (DHS) is given a total budget authority of \$60.9 billion plus another \$710 million that the President proposed as part of a supplement known as the Opportunity, Growth, and Security Initiative (OGSI). The result is a 1.6 percent increase in the DHS budget, though since the OGSI's passage is uncertain at best, excluding it shows a nearly flat DHS budget from FY 2014. The budget's net discretionary total, however, fell to \$44.6 billion, down \$782 million (1.7 percent) from FY 2014.

While the topline budget number for DHS is approximately in line with last year, many of the funding priorities are misguided, such as the continued funding of a bio-agro defense facility in Kansas and cutting Immigration and Customs Enforcement's (ICE) budget. Through the appropriations process, Congress has the opportunity to make better funding decisions and meaningful reforms.

The President's Budget: A Mixed Bag

President Obama's DHS budget request correctly prioritizes several areas of the DHS budget but fails in others.

This paper, in its entirety, can be found at <http://report.heritage.org/ib4230>

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Customs and Border Protection. The President's budget provides Customs and Border Protection with additional technology to patrol the southern border and manage incoming visitors and visa holders. The budget, however, would also permanently reauthorize the travel promotion surcharge to support BrandUSA, which is essentially government-subsidized travel advertising that the private sector can handle on its own.

Cybersecurity. The President's DHS budget requests more cybersecurity funding but also continues to advance the President's cybersecurity executive order, which set "voluntary" standards that Heritage analysis believes to be potentially mandatory and ultimately harmful to cybersecurity efforts.

ICE. Perhaps the most notable disconnect between the President's budget and DHS's real needs is in ICE's funding. The Administration asserts that it must prioritize its enforcement due to limited funding.¹ President Obama, however, has consistently undermined ICE's efforts and budget, and the FY 2015 budget is no exception. The budget request would cut ICE's total budget by \$255 million, or 4.5 percent, with the lion's share coming from a \$216 million decrease in detention and removal operations that would reduce the number of detention beds by approximately 10 percent and cut enforcement of U.S. immigration law.

Coast Guard. The U.S. Coast Guard's request was adequate in some areas but lacking in others. The National Security Cutter program requested funding to build the final planned hull of this class. The Coast Guard was also able to reduce its aviation budget because the government approved a transfer

of C-27J Sherpa aircraft from the Air Force, reducing its planned order of HC-144 Ocean Sentry surveillance aircraft.

However, both the Fast Response Cutter (FRC) and Offshore Patrol Cutter (OPC) programs were requested below adequate levels. The OPC received funding three times less than what was previously planned. Likewise, the request called for only two FRCs rather than the recommended six.

Federal Emergency Management Agency (FEMA). President Obama's budget request also includes a dramatic uptick in FEMA's budget, increasing it by \$942 million—plus \$700 million more in grants from the OIGSI representing a 12 percent increase for FEMA. Of the on-budget increase, \$813 million is dedicated to an increase in the Disaster Relief Fund (DRF).

No one denies that the DRF serves an important role in setting aside funding for government assistance in the event of disasters. Over time, however, funding for the DRF has grown as FEMA disaster declarations have also increased from an annual average of 28 during Ronald Reagan's presidency to 139.3 under President Obama. This increase is at least partly due to the Stafford Act, which provides federal funding for at least 75 percent of the disaster bills if FEMA makes a disaster declaration. With high levels of cost sharing and a low threshold to cross, most state and local governments have come to rely on federal funds, leading them to reduce their own disaster preparedness, thus becoming even more dependent on federal funds.

The President's budget, however, does repeat its recommendation to consolidate many of DHS's grant programs, thus streamlining duplicative programs and better focusing grants in a risk-based manner. At the same time, the budget continues to support separate grants for local emergency personnel through the Assistance to Firefighters Grant (AFG) program, the Fire Prevention and Safety (FP&S) grants, and the Staffing for Adequate Fire and Emergency Response (SAFER) grants, despite

the fact that these programs are ineffective at reducing firefighter or civilian casualties.²

Opportunity for Congress to Improve DHS

Through the appropriations process, Congress should better focus DHS's resources by effectively allocating funding for key programs and agencies. Congress should:

- **Support ICE.** The Obama Administration claims that the reason for its selective enforcement of the law is due to scarce resources—even as it repeatedly seeks large cuts in ICE's budget. Congress should send a firm message to the Obama Administration that resources are not the issue by providing ICE with the funds necessary to fully and faithfully enforce the law. Congress should request testimony from various ICE officials, past and present, as well as outside experts, to ascertain what funding level would be appropriate to fully enforce the law. Congress should demand and provide appropriate funds to low-cost force multipliers such as the 287(g) program, which leverage the capabilities of thousands of law enforcement officers across the U.S.
- **Recapitalize the Coast Guard.** A failure to maintain the higher, necessary, and planned funding levels will delay the fleet's development while failing to take advantage of economies of scale, thus increasing costs. Congress should ensure that the Coast Guard's fleet replaces aging assets on time and cost effectively.
- **Reform FEMA.** As the litmus test for federal disaster dollars, the Stafford Act fails to clearly establish which disasters meet the federal requirements and which do not. One way to fix this is to raise the minimum-dollar threshold for requesting disaster declarations. Doubling the per-capita threshold to a minimum of \$5 mil-

1. President Obama, DHS Secretaries Janet Napolitano and Jeh Johnson, and former ICE director John Morton have all claimed what Morton first penned in 2011: "In light of the large number of administrative violations the agency is charged with addressing and the limited enforcement resource the agency has available, ICE must prioritize the use of its enforcement personnel, detention space, and removal resources." See "Civil Immigration Enforcement: Priorities for the Apprehension, Detention, and Removal of Aliens," Immigration and Customs Enforcement, March 2, 2011, <http://www.ice.gov/doclib/news/releases/2011/110302washingtondc.pdf> (accessed May 23, 2014).

2. 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>.

lion (and a maximum threshold of \$50 million) in damages would significantly reduce the number of events that would warrant a federal disaster declaration. Congress should also reduce the federal share for all FEMA declarations to a maximum of 25 percent of the costs. This way, at least three-fourths of the costs of a disaster would be 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 a higher federal cost-share.

- **Streamline grants.** Congress should also consolidate grant programs and eliminate ineffective grants such as AFG, SAFER, and FP&S.
- **Reduce fusion centers.** The current intelligence architecture consists of 103 Joint Terrorism Task Forces under the FBI, 56 Field Intelligence Groups located in FBI field offices, and 78 fusion centers under DHS.³ This system is duplicative and ineffective, and Congress should direct DHS to cut back the number of fusion centers to

those that contribute the most to U.S. security, keeping in mind that some of these centers are taking a leading role in cybersecurity information-sharing efforts among federal, state, and local law enforcement. It should also ensure that these centers are fully funded by redirecting funds from the Urban Areas Security Initiative Grant Program. DHS should work with the FBI to improve the performance and alignment of these intelligence centers.⁴

Making DHS Work Better

The President's FY 2015 budget request fails to appropriately support DHS. Through better appropriations priorities, Congress can improve DHS's efforts and keep the U.S. more secure, free, and prosperous.

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3. Federal Bureau of Investigation, "Protecting America from Terrorist Attack," http://www.fbi.gov/about-us/investigate/terrorism/terrorism_jtfts (accessed May 23, 2014), and news release, "McCaul, King Release Report on National Network of Fusion Centers," Representatives Michael McCaul (R-TX) and Peter King (R-NY), July 26, 2013, <https://homeland.house.gov/press-release/mccaul-king-release-report-national-network-fusion-centers> (accessed May 23, 2014).

4. Michael P. Downing and Matt A. Mayer, "The Domestic Counterterrorism Enterprise: Time to Streamline," Heritage Foundation *Issue Brief* No. 3748, October 3, 2012, <http://www.heritage.org/research/reports/2012/10/domestic-counterterrorism-enterprise-time-to-streamline>.
