

# CRS Report for Congress

## Homeland Security Department: FY2008 Appropriations

Updated August 20, 2007

Jennifer E. Lake and Blas Nuñez-Neto, Coordinators,  
Sarah A. Lister, Todd Masse, Alison Siskin, and Chad C. Haddal  
Domestic Social Policy Division

Keith Bea, Francis X. McCarthy, Harold C. Relyea, Shawn Reese,  
and Barbara L. Schwemle  
Government and Finance Division

Bartholomew Elias, John Frittelli, Daniel Morgan,  
and John D. Moteff  
Resources, Science, and Industry Division



Prepared for Members and  
Committees of Congress

The annual consideration of appropriations bills (regular, continuing, and supplemental) by Congress is part of a complex set of budget processes that also encompasses the consideration of budget resolutions, revenue and debt-limit legislation, other spending measures, and reconciliation bills. In addition, the operation of programs and the spending of appropriated funds are subject to constraints established in authorizing statutes. Congressional action on the budget for a fiscal year usually begins following the submission of the President's budget at the beginning of each annual session of Congress. Congressional practices governing the consideration of appropriations and other budgetary measures are rooted in the Constitution, the standing rules of the House and Senate, and statutes, such as the Congressional Budget and Impoundment Control Act of 1974.

This report is a guide to one of the regular appropriations bills that Congress considers each year. It is designed to supplement the information provided by the House and Senate Appropriations Subcommittees on Homeland Security. It summarizes the status of the bill, its scope, major issues, funding levels, and related congressional activity, and is updated as events warrant. The report lists the key CRS staff relevant to the issues covered and related CRS products.

# Homeland Security Department: FY2008 Request for Appropriations

## Summary

This report describes the FY2008 appropriations for the Department of Homeland Security (DHS). The Administration requested a net appropriation of \$35.5 billion in net budget authority for FY2008.

The requested net appropriation for major components of the department included the following: \$8,783 million for Customs and Border Protection (CBP); \$4,168 million for Immigration and Customs Enforcement (ICE); \$3,608 million for the Transportation Security Administration (TSA); \$8,457 million for the U.S. Coast Guard; \$1,399 million for the Secret Service; \$1,047 for the National Protection and Programs Directorate (NPP); \$5,042 million for the Federal Emergency Management Agency (FEMA); \$30 million for US Citizenship and Immigration Services (USCIS); \$799 million for the Science and Technology Directorate (S&T); and \$562 million for the Domestic Nuclear Detection Office (DNDO).

The House passed H.R. 2638 on June 15, 2007. H.R. 2638 would provide \$37.4 billion in net budget authority for DHS for FY2008. H.R. 2638 contains the following in net budget authority for major components of DHS: \$8,923 million for CBP; \$4,192 million for ICE; \$3,842 million for the TSA; \$8,352 million for the U.S. Coast Guard; \$1,396 million for the Secret Service; \$1,035 for the NPP; \$7,239 million for FEMA; \$30 million for USCIS; \$777 million for S&T; and \$556 million for the DNDO.

The Senate Appropriations Committee reported its bill, S. 1644, on June 14, 2007. The Senate took up the House bill on July 19, 2007, and substituted its text with that in S. 1644. On July 26, 2007, the Senate passed its version of H.R. 2638. The Senate bill would provide \$40.6 billion in net budget authority, including \$3 billion in emergency funding; not including the emergency funding, Senate-passed H.R. 2638 would provide \$37.6 billion in net budget authority for DHS for FY2008. The bill contains the following amounts of net budget authority for major components of DHS: \$8,841 million for CBP; \$4,433 million for ICE; \$3,685 million for the TSA; \$8,559 million for the U.S. Coast Guard; \$1,396 million for the Secret Service; \$914 for the NPP; \$7,019 million for FEMA; \$50 million (plus and additional \$60 million in emergency funding) for USCIS; \$838 million for the S&T; and \$550 million for the DNDO. Senate-passed H.R. 2638 also included a \$3,000 million emergency supplemental appropriation for border-security purposes.

This report will be updated as legislative action occurs.

## Key Policy Staff: Homeland Security

Area of Expertise	Name	Phone	E-mail
Coordinator	Jennifer E. Lake	7-0620	jlake@crs.loc.gov
Coordinator	Blas Nuñez-Neto	7-0622	bnunezneto@crs.loc.gov
<b>Title I, Departmental Management and Operations</b>			
General Management	Harold C. Relyea	7-8679	hrlyea@crs.loc.gov
Intelligence and Analysis	Todd M. Masse	7-2393	tmasse@crs.loc.gov
Personnel Policy	Barbara L. Schwemle	7-8655	bschwemle@crs.loc.gov
Procurement Policy	Elaine Halchin	7-0646	ehalchin@crs.loc.gov
Inspector General	Fred Kaiser	7-8682	fkaiser@crs.loc.gov
<b>Title II, Security, Enforcement, and Investigation</b>			
Coast Guard	John Frittelli	7-7033	jfrittelli@crs.loc.gov
Customs Issues, Inspections	Jennifer E. Lake	7-0620	jlake@crs.loc.gov
Immigration Enforcement	Alison Siskin	7-0260	asiskin@crs.loc.gov
Immigration Inspections, U.S. VISIT, and the Border Patrol	Blas Nuñez-Neto	7-0622	bnunezneto@crs.loc.gov
Secret Service, Federal Protective Service	Shawn Reese	7-0635	sreese@crs.loc.gov
Transportation Security Administration	Bartholomew Elias	7-7771	belias@crs.loc.gov
<b>Title III, Preparedness and Recovery</b>			
FEMA	Keith Bea Fran McCarthy	7-8672 7-9533	kbea@crs.loc.gov fmccarthy@crs.loc.gov
Firefighter Assistance	Lennard G. Kruger	7-7070	lkruger@crs.loc.gov
State and Local Grants	Shawn Reese	7-0635	sreese@crs.loc.gov
Office of Health Affairs MMRS, Disability Coordinator	Sarah Lister	7-7320	slister@crs.loc.gov
Biodefense/Bioshield	Frank Gottron	7-5854	fgottron@crs.loc.gov
Biodefense/BioWatch	Dana Shea	7-6844	dshea@crs.loc.gov
Infrastructure Protection	John D. Moteff	7-1435	jmoteff@crs.loc.gov
<b>Title IV, Research and Development, Training, Assessments, and Services</b>			
Citizenship and Immigration Services	Chad C. Haddal	7-3701	chaddal@crs.loc.gov
Science and Technology, DNDO	Daniel Morgan	7-5849	dmorgan@crs.loc.gov

# Contents

Most Recent Developments .....	1
Senate-Passed H.R. 2638 .....	1
House-Passed H.R. 2638 .....	1
President's FY2008 Budget Submitted .....	1
Note on Most Recent Data .....	2
Background .....	2
Department of Homeland Security .....	2
302(a) and 302(b) Allocations .....	3
Budget Authority, Obligations, and Outlays .....	4
Discretionary and Mandatory Spending .....	5
Offsetting Collections .....	5
Appropriations for the Department of Homeland Security .....	7
DHS Appropriations Trends .....	7
Summary of DHS Appropriations .....	8
Title I: Departmental Management and Operations .....	12
President's FY2008 Request .....	12
House-Passed H.R. 2638 .....	12
Senate-Passed H.R. 2638 .....	12
Personnel Issues .....	14
Analysis and Operations .....	19
President's FY2008 Request .....	20
House-Passed H.R. 2638 .....	20
Senate-Passed H.R. 2638 .....	21
Title II: Security Enforcement and Investigations .....	22
Customs and Border Protection (CBP) .....	27
President's FY2008 Request .....	27
House-Passed H.R. 2638 .....	27
Senate-Passed H.R. 2638 .....	27
Issues for Congress .....	28
SBInet .....	29
Fencing .....	29
CBP Staffing .....	30
Hiring U.S. Border Patrol (USBP) Agents .....	30
Western Hemisphere Travel Initiative (WHTI) .....	31
Covered Law Enforcement Officer Status for CBP Officers .....	32
Customs-Trade Partnership Against Terrorism (C-TPAT) .....	32
Container Security Initiative (CSI) .....	32
Secure Freight Initiative (SFI) .....	32
Immigration and Customs Enforcement (ICE) .....	33
House-Passed H.R. 2638 .....	34
Senate-Passed H.R. 2638 .....	34
President's FY2008 Request .....	35
Issues for Congress .....	37
Office of Investigations/Immigration Functions .....	37

Detention and Removal Operations .....	38
Alternatives to Detention .....	39
Criminal Alien Program (CAP) .....	39
Institutional Removal Program .....	39
State and Local Law Enforcement .....	40
Federal Protective Service .....	40
House-Passed H.R. 2638 .....	41
Senate-Passed H.R. 2638 .....	41
Transportation Security Administration (TSA) .....	41
President's FY2008 Request .....	42
House-passed H.R. 2638 .....	45
Senate-Passed H.R. 2638 .....	47
TSA Issues for Congress .....	49
Screener Workforce Issues .....	49
Screening Technologies .....	51
Air Cargo Security .....	52
TWIC Program Roll-Out .....	52
Secure Flight .....	53
Judicial Review of Airline Security Fees .....	53
United States Coast Guard .....	54
President's FY2008 Request .....	54
House-Passed H.R. 2638 .....	54
Senate-Passed H.R. 2638 .....	55
Issues for Congress .....	56
Deepwater .....	56
Security Mission .....	57
Specialized Teams .....	58
Non-homeland Security Missions .....	58
Rescue-21 .....	59
LORAN-C .....	59
Bridge Alteration Program .....	60
U.S. Secret Service .....	60
FY2008 President's Request .....	61
House-Passed H.R. 2638 .....	61
Senate-Passed H.R. 2638 .....	61
Title III: Preparedness and Response .....	62
Federal Emergency Management Agency (FEMA) .....	65
President's FY2008 Request .....	65
House Passed H.R. 2638 .....	66
Senate Passed H.R. 2638 .....	66
FEMA Issues for Congress .....	66
Disaster Relief Fund .....	66
Post-Katrina Reform Act Measures .....	68
Office of Grant Programs .....	70
President's Request .....	71
House Passed H.R. 2638 .....	71
Senate-Passed H.R. 2638 .....	72
Issues for Congress .....	72
Distribution Methods for State and Local Assistance Programs .....	72
Reduction in Assistance to Firefighters Program .....	73

Office of Health Affairs .....	74
National Protection and Programs Directorate .....	75
U.S. Visitor and Immigrant Status Indicator Technology (US-VISIT) ....	75
President's Request .....	76
House-Passed H.R. 2638 .....	76
Senate-Passed H.R. 2638 .....	76
Issues for Congress .....	76
Administrative Placement Within NPPD .....	77
10 Fingerprint Entry Versus the Exit Component .....	77
Infrastructure Protection and Information Security .....	78
President's FY2008 Request .....	78
House-Passed H.R. 2638 .....	79
Senate-Passed H.R. 2638 .....	79
Issues for Congress .....	80
Quality of Budget Requests .....	80
Chemical Facility Regulations .....	81
Location of Risk Management Funding .....	81
Title IV: Research and Development, Training, Assessments, and Services ...	82
U.S. Citizenship and Immigration Services (USCIS) .....	85
President's FY2008 Request .....	85
House-Passed H.R. 2638 .....	87
Senate-Passed H.R. 2638 .....	87
Issues for Congress .....	88
Scheduled Fee Increase .....	88
Adjudication Backlog .....	88
Federal Law Enforcement Training Center (FLETC) .....	89
President's Request .....	90
House-Passed H.R. 2638 .....	90
Senate-Passed H.R. 2638 .....	90
Science and Technology (S&T) .....	90
President's FY2008 Request .....	90
House-Passed H.R. 2638 .....	91
Senate-Passed H.R. 2638 .....	91
Issues for Congress .....	91
Domestic Nuclear Detection Office .....	91
President's FY2008 Request .....	92
House-Passed H.R. 2638 .....	92
Senate-Passed H.R. 2638 .....	92
Issues for Congress .....	92
FY2008 Related Legislation .....	95
Budget Resolution — H.Con.Res. 99/ S.Con.Res. 21 .....	95
Appendix I. FY2007 Supplemental Appropriations and Rescissions .....	96
P.L. 110-28 (H.R. 2206) — U.S. Troop Readiness, Veteran's Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 .....	96
P.L. 110-28 .....	96
House-Passed H.R. 2206 .....	97
H.R. 1591 — U.S. Troop Readiness, Veteran's Health, and Iraq Accountability Act .....	98

House-Passed H.R. 1591 .....	98
Senate-Passed H.R. 1591 .....	98
Conference (H.Rept. 110-107) .....	99
Appendix II. DHS Appropriations in Context .....	100
Federal-Wide Homeland Security Funding .....	100

## List of Tables

Table 1. Legislative Status of Homeland Security Appropriations .....	2
Table 2. FY2007 302(b) Discretionary Allocations for DHS .....	4
Table 3. FY2008 Request: Moving From Gross Budget Authority to Net Appropriation — Fee Accounts, Offsetting Fees, and Trust and Public Enterprise Accounts .....	6
Table 4. DHS Appropriations, FY2003-FY2008 .....	8
Table 5. DHS: Summary of Appropriations .....	9
Table 6. Title I: Department Management and Operations .....	13
Table 7. Office of Human Capital (OHC) Appropriations .....	15
Table 8. Title II: Security, Enforcement, and Investigations .....	23
Table 9. CBP S&E Sub-account Detail .....	28
Table 10. ICE S&E Sub-account Detail .....	36
Table 11. TSA Gross Budget Authority by Budget Activity .....	43
Table 12. Coast Guard Operating (OE) and Acquisition (ACI) Sub-account Detail .....	55
Table 13. U.S. Secret Service Appropriations .....	61
Table 14. Title III: Preparedness and Response .....	63
Table 15. State and Local Homeland Security Programs .....	70
Table 16. FY2008 Budget Activity for the Infrastructure Protection and Information Security Appropriation .....	80
Table 17. Title IV: Research and Development, Training, Assessments, and Services .....	83
Table 18. USCIS Budget Account Detail .....	86
Table 19. Research and Development Accounts and Activities, FY2007-FY2008 .....	93
Table 20. Federal Homeland Security Funding by Agency, FY2002-FY2008 .....	101



# Homeland Security Department: FY2008 Appropriations

## Most Recent Developments

**Senate-Passed H.R. 2638.** On July 26, 2007, the Senate passed H.R. 2638. On July 19, 2007, the Senate had taken up the House bill and substituted its text with Senate-reported S. 1644. Senate-passed H.R. 2638 would provide a total of \$40.6 billion in net budget authority (including \$3 billion in emergency appropriations) for DHS for FY2008. This is \$5.1 billion, or 14%, more than was requested and \$5.8 billion, or 17%, more than was enacted for FY2007. Not including the emergency funding, the Senate-passed version of H.R. 2638 contains a total of \$37.6 billion in net budget authority for DHS for FY2008. This is \$2.1 billion more than the \$35.5 billion net appropriation requested by the Administration for FY2008 and a \$2.8 billion, or 8%, increase compared with the FY2007-enacted net budget authority of \$34.8 billion. Senate-passed H.R. 2638 also included a \$3,000 million emergency funding that was attached during floor debate; this funding would be used to help secure the southern border with Mexico, and for other purposes.

**House-Passed H.R. 2638.** On June 15, 2007, the House passed H.R. 2638 which contains a total of \$37.4 billion in net budget authority for DHS for FY2008. This is \$1.9 billion more than the \$35.5 billion net appropriation requested by the Administration for FY2008. Not including supplemental appropriations, the House-passed H.R. 2638 amount of \$37.4 billion is a \$2.6 billion or nearly 8% increase compared with the FY2007 enacted net budget authority of \$34.8 billion (as passed by P.L. 109-295).

**President's FY2008 Budget Submitted.** The President's budget request for DHS for FY2008 was submitted to Congress on February 5, 2007. The Administration requested \$46.4 billion in gross budget authority for FY2008 (including mandatories, fees, and funds). The Administration's request includes gross appropriations of \$42.8 billion, and a net appropriation of \$35.5 billion in budget authority for FY2008, of which \$34.3 billion is discretionary budget authority, and \$1.2 billion is mandatory budget authority. The FY2007 enacted net appropriated budget authority for DHS was \$34.8 billion.

**Table 1. Legislative Status of Homeland Security Appropriations**

Subcommittee Markup		House Report 110-181	House Passage	Senate Report 110-84	Senate Passage	Confr. Report	Conference Report Approval		Public Law
House	Senate						House	Senate	
5/18 (vv)	6/13 (uc)	6/5 (vv)	6/15 268-150	6/14 29-0	7/26 89-4				

**Note:** (vv) = voice vote, (uc) = unanimous consent.

**Note on Most Recent Data.** Data used in this report include data from the President’s Budget Documents, the FY2008 *DHS Congressional Budget Justifications*, and the FY2008 *DHS Budget in Brief*, the House Report to H.R. 2638, H.Rept. 110-181 as well as the bill itself, Senate Report to S. 1644, S.Rept. 110-84, and Senate-passed H.R. 2638. Data used in **Table 19** are taken from the *Analytical Perspectives* volume of the FY2008 President’s Budget. These amounts do not correspond to amounts presented in **Tables 4-18**, which are based on data from tables supplied by the Appropriations Subcommittees and from the *FY2008 DHS Congressional Budget Justifications*. Except when discussing total amounts for the bill as a whole, all amounts contained in this report are rounded to the nearest million.

## Background

This report describes the President’s FY2008 request for funding for DHS programs and activities, as submitted to Congress on February 5, 2007. It compares the enacted FY2007 amounts to the request for FY2008, and tracks legislative action and congressional issues related to the FY2008 DHS appropriations bills with particular attention paid to discretionary funding amounts. The report does not follow specific funding issues related to mandatory funding — such as retirement pay — nor does the report systematically follow any legislation related to the authorization or amendment of DHS programs.

## Department of Homeland Security

The Homeland Security Act of 2002 (P.L. 107-296) transferred the functions, relevant funding, and most of the personnel of 22 agencies and offices to the new Department of Homeland Security created by the act. Appropriations measures for DHS have been organized into five titles: Title I Departmental Management and Operations; Title II Security, Enforcement, and Investigations; Title III Preparedness and Recovery; Title IV Research and Development, Training, Assessments, and Services; and Title V general provisions.

Title I contains appropriations for the Office of Management, the Office of the Secretary, the Office of the Chief Financial Officer, Analysis and Operations (A&O),

the Office of the Chief Information Officer (CIO), the Office of the Inspector General (OIG), and the Office of the Federal Coordinator for Gulf Coast Rebuilding.

Title II contains appropriations for Customs and Border Protection (CBP), Immigration and Customs Enforcement (ICE), the Transportation Security Administration (TSA), the Coast Guard (USCG), and the Secret Service. The U.S. Visitor and Immigrant Status Indicator Technology (US-VISIT) program was appropriated within Title II through the FY2007 appropriation. The President's FY2008 request for US-VISIT has proposed moving the program to the proposed National Protection & Programs Directorate (NPPD) in Title III. Both the House and Senate bills have adopted this same organization.

Through the FY2007 appropriation Title III contained appropriations for the Preparedness Directorate, Infrastructure Protection and Information Security (IPIS) and the Federal Emergency Management Administration (FEMA). The President's FY2008 request includes a proposal to shift a number of programs and offices to eliminate the Preparedness Directorate, create the NPPD, and move several programs to FEMA. Title III in the FY2008 request includes appropriations for NPPD, FEMA, and the Office of Health Affairs (OHA).

Title IV contains appropriations for U.S. Citizenship and Immigration Services (USCIS), the Science and Technology Directorate (S&T), and the Federal Law Enforcement Training Center (FLETC).

### **302(a) and 302(b) Allocations**

The maximum budget authority for annual appropriations (including DHS) is determined through a two-stage congressional budget process. In the first stage, Congress sets overall spending totals in the annual concurrent resolution on the budget. Subsequently, these amounts are allocated among the appropriations committees, usually through the statement of managers for the conference report on the budget resolution. These amounts are known as the 302(a) allocations. They include discretionary totals available to the House and Senate Committees on Appropriations for enactment in annual appropriations bills through the subcommittees responsible for the development of the bills. In the second stage of the process, the appropriations committees allocate the 302(a) discretionary funds among their subcommittees for each of the appropriations bills. These amounts are known as the 302(b) allocations. These allocations must add up to no more than the 302(a) discretionary allocation and form the basis for enforcing budget discipline, since any bill reported with a total above the ceiling is subject to a point of order. 302(b) allocations may be adjusted during the year as the various appropriations bills progress towards final enactment.

The annual concurrent resolution on the budget sets forth the congressional budget. The House passed H.Con.Res. 99 on March 29, 2007 which would have provided \$955 billion in discretionary budget authority for FY2008. The Senate passed S.Con.Res. 21 on March 23, 2007 which would have provided \$942 billion in discretionary budget authority for FY2008. The House and Senate appointed conferees to resolve the differences between the two resolutions and adopted a conference agreement on May 16, 2007. The House and Senate adopted the

conference report (H.Rept. 110-153) on May 17, 2007. The conference report provides \$954 billion in discretionary budget authority for FY2008. **Table 2** shows DHS' 302(b) allocations for FY2007 and the current appropriations cycle.

**Table 2. FY2007 302(b) Discretionary Allocations for DHS**  
(budget authority in billions of dollars)

FY2007 Comparable	FY2008 Request Comparable	FY2008 House Allocation	FY2008 Senate Allocation	FY2008 Enacted Comparable
\$34.0	\$35.5	\$36.3	\$36.4	

**Source:** CRS analysis of the *FY2008 DHS Congressional Budget Justifications*; House and Senate Appropriations Subcommittee FY2008 Allocation tables.

## Budget Authority, Obligations, and Outlays

Federal government spending involves a multi-step process that begins with the enactment of a budget authority by Congress in an appropriations act. Federal agencies then obligate funds from the enacted budget authority to pay for their activities. Finally, payments are made to liquidate those obligations; the actual payment amounts are reflected in the budget as outlays.

Budget authority is established through appropriations acts or direct spending legislation and determines the amounts that are available for federal agencies to spend. The Antideficiency Act<sup>1</sup> prohibits federal agencies from obligating more funds than the budget authority that was enacted by Congress. Budget authority may be indefinite, however, when Congress enacts language providing “such sums as may be necessary” to complete a project or purpose. Budget authority may be available on a one-year, multi-year, or no-year basis. One-year budget authority is only available for obligation during a specific fiscal year; any unobligated funds at the end of that year are no longer available for spending. Multi-year budget authority specifies a range of time during which funds can be obligated for spending; no-year budget authority is available for obligation for an indefinite period of time.

Obligations are incurred when federal agencies employ personnel, enter into contracts, receive services, and engage in similar transactions in a given fiscal year. Outlays are the funds that are actually spent during the fiscal year.<sup>2</sup> Because multi-year and no-year budget authorities may be obligated over a number of years, outlays do not always match the budget authority enacted in a given year. Additionally, budget authority may be obligated in one fiscal year but spent in a future fiscal year, especially with certain contracts.

---

<sup>1</sup> 31 U.S.C. §§1341, 1342, 1344, 1511-1517.

<sup>2</sup> Appropriations, outlays, and account balances for government treasury accounts can be viewed in the end of year reports published by the U.S. Treasury titled *Combined Statement of Receipts, Outlays, and Balances of the United States Government*. The DHS portion of the report can be accessed at [<http://fms.treas.gov/annualreport/cs2005/c18.pdf>].

In sum, budget authority allows federal agencies to incur obligations and authorizes payments, or outlays, to be made from the Treasury. Discretionary agencies and programs, and appropriated entitlement programs, are funded each year in appropriations acts.

## **Discretionary and Mandatory Spending**

Gross budget authority, or the total funds available for spending by a federal agency, may be composed of discretionary and mandatory spending. Of the \$46.4 billion gross budget authority requested for DHS in FY2008, 82% is composed of discretionary spending and 18% is composed of mandatory spending.

Discretionary spending is not mandated by existing law and is thus appropriated yearly by Congress through appropriations acts. The Budget Enforcement Act of 1990<sup>3</sup> defines discretionary appropriations as budget authority provided in annual appropriation acts and the outlays derived from that authority, but it excludes appropriations for entitlements. Mandatory spending, also known as direct spending, consists of budget authority and resulting outlays provided in laws other than appropriation acts and is typically not appropriated each year. However, some mandatory entitlement programs must be appropriated each year and are included in the appropriations acts. Within DHS, the Coast Guard retirement pay is an example of appropriated mandatory spending.

## **Offsetting Collections<sup>4</sup>**

Offsetting funds are collected by the federal government, either from government accounts or the public, as part of a business-type transaction such as offsets to outlays or collection of a fee. These funds are not counted as revenue. Instead, they are counted as negative outlays. DHS net discretionary budget authority, or the total funds that are appropriated by Congress each year, is composed of discretionary spending minus any fee or fund collections that offset discretionary spending.

Some collections offset a portion of an agency's discretionary budget authority. Other collections offset an agency's mandatory spending. They are typically entitlement programs under which individuals, businesses, or units of government that meet the requirements or qualifications established by law are entitled to receive certain payments if they establish eligibility. The DHS budget features two mandatory entitlement programs: the Secret Service and the Coast Guard retired pay accounts (pensions). Some entitlements are funded by permanent appropriations, others by annual appropriations. The Secret Service retirement pay is a permanent appropriation and as such is not annually appropriated, whereas the Coast Guard retirement pay is annually appropriated. In addition to these entitlements, the DHS budget contains offsetting Trust and Public Enterprise Funds. These funds are not

---

<sup>3</sup> P.L. 101-508, Title XIII.

<sup>4</sup> Prepared with assistance from Bill Heniff Jr., Analyst in American National Government.

appropriated by Congress they are available for obligation and included in the President's budget to calculate the gross budget authority.

**Table 3** tabulates all of the offsets within the DHS budget as enacted for FY2007 and in the FY2008 request.

**Table 3. FY2008 Request: Moving From Gross Budget Authority to Net Appropriation — Fee Accounts, Offsetting Fees, and Trust and Public Enterprise Accounts**  
(budget authority in millions)

Account/Agency	Account Name	FY2007 Enacted	FY2008 Request
<b>DHS gross budget authority<sup>a</sup></b> (gross discretionary + fees+ mandatory + funds)		<b>44,590</b>	<b>46,399</b>
<b>Account level discretionary offset</b>			
ICE	Federal Protective Service	516	613
TSA	Aviation security fees	2,420	2,710
	TWIC	20	27
	Hazmat	19	19
	Registered Traveler	35	35
FEMA/EPR	National flood insurance fund	129	145
CBP	Small airports	7	7
<b>Subtotal account level discretionary offsets</b>		<b>3,146</b>	<b>3,556</b>
<b>Agency level discretionary offset</b>			
CBP	Immigration inspection	529	535
	Immigration enforcement	2	3
	Land border	28	30
	COBRA	388	392
	APHIS	214	300
	Puerto Rico	99	117
ICE	Immigration inspection	108	114
	SEVIS	54	56
	Breached bond detention fund	90	64
TSA	Aviation security capital fund	250	0
	Alien flight school background checks	2	2
USCIS	Immigration examination fee	1,760	2,495
	H1b, and H1b & L fees	44	44
<b>Subtotal agency level discretionary offsets</b>		<b>3,568</b>	<b>4,152</b>
<b>Mandatory budget authority</b>			
Secret service	Secret service retired pay <sup>b</sup>	200	210

Account/Agency	Account Name	FY2007 Enacted	FY2008 Request
Coast guard	Coast guard retired pay <sup>c</sup>	(1,063)	(1,185)
<b>Subtotal mandatory budget authority</b>		<b>200</b>	<b>210</b>
<b>Trust funds and public enterprise funds</b>			
CBP	Customs unclaimed goods	6	6
FEMA	National Flood Insurance Fund <sup>d</sup>	2,631	2,833
Coast Guard	Boat safety	117	122
	Oil spill recovery	127	147
	Miscellaneous revolving fund	—	—
<b>Subtotal trust and public enterprise funds</b>		<b>2,881</b>	<b>3,108</b>
<b>DHS gross budget authority <sup>a</sup></b>		<b>44,590</b>	<b>46,399</b>
<b>Total offsets</b>		<b>-9,795</b>	<b>-11,026</b>
<b>DHS net appropriated BA (Mandatory + Discretionary)</b>		<b>34,795</b>	<b>35,373</b>

**Source:** CRS analysis of the FY2008 President's Budget, and the DHS *Budget in Brief*, H.Rept. 110-181, and S.Rept. 110-84.

**Notes:** Totals may not add due to rounding.

- DHS gross budget authority is the total budget authority available to the Department in a given fiscal year. This amount includes both appropriated and non-appropriated funding.
- Secret Service Retired Pay is permanently and indefinitely authorized, and as such is not annually appropriated. Therefore it is offset in **Table 3**.
- In contrast to Secret Service Retired Pay, Coast Guard Retired pay must be annually appropriated, and therefore is not offset in **Table 3**.
- This fund is comprised of both discretionary and mandatory appropriations; thus its component parts appear twice in this table.

## Appropriations for the Department of Homeland Security

### DHS Appropriations Trends

**Table 4** presents DHS Appropriations, as enacted, for FY2003 through the FY2008 request. The appropriation amounts are presented in current dollars and are not adjusted. The amounts shown in **Table 4** represent enacted amounts at the time of the start of the next fiscal year's appropriation cycle. Thus, the amount shown for FY2003 is the enacted amount shown in the House Committee report attached to the FY2004 DHS Appropriations bill. As there is as yet no enacted bill for the FY2008 DHS Appropriation, the amounts listed for the FY2007 enacted appropriation and the FY2008 request are from the *FY2008 DHS Congressional Budget Justification*.

**Table 4. DHS Appropriations, FY2003-FY2008**  
(budget authority in millions of dollars)

FY2003	FY2004	FY2005	FY2006	FY2007	FY2008 Req.
29,069 <sup>a</sup>	30,175 <sup>b</sup>	30,554 <sup>c</sup>	31,679	35,311 <sup>d</sup>	35,373

**Sources:** FY2003 enacted taken from H.Rept. 108-169; FY2004 enacted taken from H.Rept. 108-541; FY2005 enacted taken from H.Rept. 109-79; FY2006 enacted taken from H.Rept. 109-476; and the FY2007 appropriation and FY2008 request amounts are from the H.Rept. 110-181.

**Notes:** Amounts do not include supplemental appropriations or rescissions that were enacted subsequent to the enactment of each appropriations bill.

- a. S.Rept. 108-86 reported the FY2003 enacted amount as \$29,287 million. CRS was unable to identify the reason for this discrepancy. For the purposes of this table the House number was used to maintain consistency with other fiscal years.
- b. Amount does not include \$4,703 million in advance appropriations for Project Bioshield.
- c. Amount does not include \$2,508 million in advance appropriations for Project Bioshield.
- d. Amount includes \$1,829 million in emergency budget authority that was enacted as a part of the FY2007 DHS Appropriations Act (P.L. 109-295).

## Summary of DHS Appropriations

**Table 5** is a summary table comparing the enacted appropriations for FY2007 and the requested amounts for FY2008. The Administration requested \$46.4 billion in gross budget authority for FY2008 (including mandatories, fees, and funds). The Administration's request includes gross appropriations of \$43.0 billion, and a net appropriation of \$35.5 billion in budget authority for FY2008, of which \$34.3 billion is discretionary budget authority, and \$1.2 billion is mandatory budget authority. The FY2007 enacted net appropriated budget authority for DHS was \$35.3 billion. House-passed H.R. 2638 included \$37.4 billion for DHS in FY2008, and Senate-passed H.R. 2638 included \$37.6 billion for DHS in FY2008. Senate-passed H.R. 2638 also included a \$3,000 million emergency supplemental appropriation.



**Table 5. DHS: Summary of Appropriations**  
(budget authority in millions of dollars)

Operational Component	FY2007 Appropriation				FY2008 Appropriation			
	FY2007 Enacted	FY2007 Supp.	FY2007 Resc.	FY2007 Total	FY2008 Request	FY2008 House Passed	FY2008 Senate Passed	FY2008 Total
<b>Title I: Departmental Operations</b>								
<b>Subtotal: Title I</b>	<b>1,024<sup>a</sup></b>	<b>13</b>	<b>-6</b>	<b>1,030</b>	<b>1,097</b>	<b>771</b>	<b>1,104</b>	
<b>Title II: Security, Enforcement, and Investigations</b>								
— Customs and Border Protection	8,036	147	—	8,183	8,783	8,923	8,841	
— Immigration and Customs Enforcement	3,958	6	—	3,964	4,168	4,192	4,433	
— Transportation Security Administration	3,561	402	-2	3,961	3,608	3,843	3,685	
— U.S. Coast Guard	8,292	60	-26	8,327	8,457	8,352	8,559	
— U.S. Secret Service	1,276	—	—	1,276	1,399	1,397	1,396	
<b>Net subtotal: Title II</b>	<b>25,123</b>	<b>615</b>	<b>-28</b>	<b>25,711</b>	<b>26,416</b>	<b>26,706</b>	<b>26,914</b>	
— Total fee collections	4,779	—	—	4,779	5,025	5,025	5,025	
<b>Gross subtotal: Title II</b>	<b>29,902</b>	<b>615</b>	<b>-28</b>	<b>30,490</b>	<b>31,441</b>	<b>31,731</b>	<b>31,939</b>	
<b>Title III: Preparedness and Recovery</b>								
— National Protection & Programs Directorate	934	24 <sup>c</sup>	—	957	1,047	1,035	914	
— Office of Health Affairs	99	8	—	107	118	118	115	
— Counter Terrorism Fund	-16	—	—	-16	—	—	—	
— Federal Emergency Management Administration	5,935	4,887	—	10,821	5,042	7,239	7,019	
<b>Net subtotal: Title III</b>	<b>6,952</b>	<b>4,919</b>	<b>-1</b>	<b>11,869</b>	<b>6,207</b>	<b>8,392</b>	<b>8,048</b>	

## CRS-10

Operational Component	FY2007 Appropriation				FY2008 Appropriation			
	FY2007 Enacted	FY2007 Supp.	FY2007 Resc.	FY2007 Total	FY2008 Request	FY2008 House Passed	FY2008 Senate Passed	FY2008 Total
<b>Title IV: Research and Development, Training, Assessments, and Services</b>								
— Citizenship and Immigration Services	182	8	—	190	30	30	50 <sup>d</sup>	
— Federal Law Enforcement Training Center	275	3	—	278	263	263	266	
— Science and Technology	758	5	-1	762	799	777	838	
— Domestic Nuclear Detection Office	481	135	—	616	562	556	550	
<b>Net subtotal: Title IV</b>	<b>1,696</b>	<b>151</b>	<b>-1</b>	<b>1,846</b>	<b>1,654</b>	<b>1,626</b>	<b>1,704</b>	
— Total fee collections	1,804	—	—	1,804	2,539	2,539	2,539	
<b>Gross subtotal: Title IV</b>	<b>3,500</b>	<b>151</b>	<b>-1</b>	<b>3,650</b>	<b>4,193</b>	<b>4,165</b>	<b>4,243</b>	
<b>Title V: General Provisions</b>								
— Rescissions	<i>-[232]</i> <sup>e</sup>	—	<i>-2</i> <sup>f</sup>	<i>-2</i>	—	<i>-55</i>	<i>-145</i> <sup>g</sup>	
<b>Emergency Supplemental</b>								
— Border Security First Act of 2007 <sup>h</sup>	—	—	—	—	—	—	<b>3,000</b> <sup>h</sup>	
<b>Department of Homeland Security Appropriation (not including Title V rescissions)</b>								
<b>Gross DHS budget authority</b>	<b>41,378</b>	<b>5,698</b>	<b>-37</b>	<b>47,037</b>	<b>42,838</b>	<b>44,905</b>	<b>48,090</b>	
— Total fee collections	-6,583	—	—	6,583	-7,465	-7,465	-7,465	
— Border Security Supplemental	—	—	—	—	—	—	-3,000	
<b>Net DHS budget authority</b>	<b>34,795</b>	<b>5,698</b>	<b>-37</b>	<b>40,453</b>	<b>35,373</b>	<b>37,440</b>	<b>37,625</b>	

Source: FY2008 DHS Congressional Budget Justification.

Notes: Totals may not add due to rounding. Italicized amounts in parentheses are non-adds. For a more detailed analysis of the supplemental appropriations, refer to Appendix I. a. \$5 million rescission per Sec. 21101 of P.L. 110-5.

## CRS-11

- b. The Administration's FY2008 budget request proposes moving US-VISIT from Title II to Title III under the proposed National Protection & Programs Directorate.
- c. P.L. 110-28 provides \$24 million in supplemental appropriations to Infrastructure Protection and Information Security for FY2007. This amount is included in IPIS under the Preparedness Directorate in **Table 5**.
- d. Senate-passed H.R. 2638 also includes an additional \$60 million in emergency funding (SA 2518) for USCIS' Employment Eligibility Verification System, that is to be taken from the \$3,000 million emergency appropriation included in Senate-passed H.R. 2638 as a part of the Border Security First Act of 2007.
- e. Rescissions from Title V of P.L. 109-295 are shown here as non-adds, because they have been incorporated into the accounts throughout the tables in this report.
- f. Sec. 6404 of P.L. 110-28 includes 4 rescissions that are not shown in Table 5 because they are of amounts that fall below \$500,000 and would round to less than \$1 million dollars. These 4 rescissions round to a total approximately \$2 million and are presented in aggregate on Table 5 under General Provision Rescissions.
- g. Includes an across-the-board rescission (percentage unspecified) of discretionary budget authority totaling \$100 million to be used for interoperable communications.
- h. Senate-passed H.R. 2638 included a \$3,000 million emergency supplemental appropriation that was attached during floor debate (originally S.Amdt. 2480). This appropriation would be used to fund the following overall level of resources: 23,000 U.S. Border Patrol Agents; 300 miles of vehicle barriers; 700 miles of fencing; 105 camera and radar towers; four unmanned aerial vehicles; and 45,000 detention beds. The Senate adopted two amendments (S.Amdt 2518 and S.Amdt. 2524) that would designate portions of the \$3,000 million in emergency funding for specific activities. S.Amdt 2518 would direct \$60 million of the emergency funding for USCIS' Employment Eligibility Verification System, and S.Amdt. 2524 would make \$100 million of the emergency funding available for state and local law enforcement entities for security and related costs associated with the Democratic and Republican National Conventions (\$50 million for Denver, Colorado; and \$50 million for St. Paul Minnesota).

## Title I: Departmental Management and Operations<sup>5</sup>

Title I covers the general administrative expenses of DHS. It includes the Office of the Secretary and Executive Management (OS&EM), which is comprised of the immediate Office of the Secretary and 12 entities that report directly to the Secretary; the Undersecretary for Management (USM) and its components, such as the offices of the Chief Administrative Services Officer, Chief Human Capital Officer, and Chief Procurement Officer; the Office of the Chief Financial Officer (OCFO); the Office of the Chief Information Officer (OCIO); Analysis and Operations Office (AOO); Office of the Federal Coordinator for Gulf Coast Rebuilding (OFCGCR); and Office of the Inspector General (OIG). **Table 6** shows Title I appropriations for FY2007 and congressional action on the request for FY2008.

**President's FY2008 Request.** FY2008 requests relative to comparable FY2007 enacted appropriations were as follows: OS&EM, \$108 million, an increase of \$14 million (+15%); USM, \$278 million, an increase of \$124 million (+81%); OCFO, \$33 million, an increase of \$7 million (+27%); OCIO, \$261, a decrease of \$88 million (-25%); AOO, \$315 million, an increase of \$15 million (+5%); OFCGCR, \$3 million, the same level as previously provided (0%); and OIG, \$99 million, almost the same level as previously provided. The total FY2008 request for Title I was \$1,097 million. This represents an increase of \$72 million (+7%) over the FY2007 enacted level.

**House-Passed H.R. 2638.** The House provided \$771 million for DHS management and operations entities funded in Title I, \$326 less (-30%) than the amount requested. The allocations for entities within the title, as approved by the House, were as follows: OS&EM, \$85 million, a decrease of \$18 million (-17%); USM, -\$8 million, a decrease of \$286 million (-103%); OCFO, \$30 million, a decrease of \$3 million (-9%); OCIO, \$259 million, a decrease of \$2 million (-1%); AOO, \$302 million, a decrease of \$13 million (-4%); OFCGCR, \$3 million, the same level as requested (0%); and OIG, \$100 million, \$1 million more than requested.

**Senate-Passed H.R. 2638.** The Senate approved the Title I allocations recommended by the Committee on Appropriations in Senate-reported S. 1644. The Senate approved \$1,104 million for Title I accounts, slightly more than the President's request. The Senate allocations for the title were as follows: OS&EM, \$100 million, a decrease of \$8 million (-7%); USM, \$235 million, a decrease of \$43 million (-15%); OCFO, \$30 million, a decrease of \$3 million (-9%); OCIO, \$321 million, an increase of \$60 million (+23%); AOO, \$306 million, a decrease of \$9 million (-3%); OFCGCR, \$3 million, the same level as requested (0%); and OIG, \$95 million, a decrease of \$4 million (-4%), but increased by a \$14 million proposed transfer of funds from FEMA's Disaster Relief account, resulting in a recommended total appropriation of \$109 million, an increase of \$10 million (+10%).

---

<sup>5</sup> Prepared by Harold C. Relyea, Specialist in American National Government, Government and Finance Division.

**Table 6. Title I: Department Management and Operations**  
(budget authority in millions of dollars)

Operational Component	FY2007 Appropriation				FY2008 Appropriation			
	FY2007 Enacted	FY2007 Supp.	FY2007 Resc.	FY2007 Total	FY2008 Request	FY2008 House-Passed	FY2008 Senate-Passed	FY2008 Total
Office of the Secretary and Executive Management	94		-1 <sup>a</sup>	93	108	85	100	
Office of Screening Coordination and Operations	—			—	—	—	—	
Office of the Undersecretary for Management	154	1	-5 <sup>b</sup>	149	278	-8	235	
Office of the Chief Financial Officer	26			26	33	30	30	
Office of the Chief Information Officer	349			349	261	259	321	
Analysis and Operations	300	8		308	315	302	306	
Office of the Federal Coordinator for Gulf Coast Rebuilding	3			3	3	3	3	
Office of the Inspector General	99	4		103	99	100	109 <sup>b</sup>	
<b>Net Budget Authority: Title I</b>	<b>1,024</b>	<b>13</b>	<b>-6</b>	<b>1,030</b>	<b>1,097</b>	<b>771</b>	<b>1,104</b>	

**Source:** FY2008 DHS Congressional Budget Justification.

**Notes:** No FY2007 funding for Title I was designated as emergency spending. Totals may not add due to rounding. Amounts in parentheses are non-adds.

a. Rescissions per Sec. 6404 of P.L. 110-28.

b. Includes a \$14 million proposed transfer of funds from FEMA's Disaster Relief account.

c. \$5 million rescission per Sec. 21101 of P.L. 110-5.

**Personnel Issues.**<sup>6</sup> The activities of the Office of Human Capital (OHC) may be of interest to Congress during the current appropriations cycle. The OHC reports to the Under Secretary for Management, and its appropriation is included in that of the Under Secretary. The OHC appropriation has two parts. The first part, formerly labeled “HR Operations” and now labeled “OHC,” includes funding for the office, which is responsible for the overall management and administration of human capital in DHS. As such, the office establishes policy and procedures and provides oversight, guidance, and leadership for the department’s human resources functions. The second part, formerly labeled “MaxHR” and now labeled “OHC — Operational Initiatives and HR Management System,” includes funding for the OHC organization, which “is responsible for creating, implementing, and operating DHS’ new human resources system,<sup>7</sup> ensuring that organizational goals and individual work performance are linked, and that employees are compensated based on their contributions to agency performance.” The OHC organization also “is responsible for ensuring that DHS recruits, hires, trains, and retains the very best workforce, provides the highest quality leadership development, and creates a performance culture in the workforce to ensure DHS succeeds in its mission.”<sup>8</sup> **Table 7** below shows the funding and staff for the OHC as enacted in FY2007, the FY2008 request, and the House-passed and Senate-passed funding.

---

<sup>6</sup> Prepared by Barbara L. Schwemle, Analyst in American National Government, Government and Finance Division.

<sup>7</sup> Title VIII, Subtitle E, Section 841 of P.L. 107-296, enacted on November 25, 2002 (116 Stat. 2135, at 2229-2234), established the new human resources system. DHS and the Office of Personnel Management jointly published final regulations to implement the system, which, at the time, was referred to as “Max-HR,” in the *Federal Register* on February 1, 2005. (U.S. Department of Homeland Security and U.S. Office of Personnel Management, “Department of Homeland Security Human Resources Management System,” *Federal Register*, vol. 70, no. 20, February 1, 2005, pp. 5271-5347.) The regulations provided new policies on position classification, pay, performance management, adverse actions and appeals, and labor-management relations for DHS employees. The system was expected to cover about 110,000 of the department’s 180,000 employees and be implemented in phases. (See CRS Report RL32261, *DHS’s MaxHR Personnel System: Regulations on Classification, Pay, and Performance Management Compared With Current Law, and Implementation Plans*, by Barbara L. Schwemle; and CRS Report RL32255, *Homeland Security: Final Regulations for the Department of Homeland Security Human Resources Management System (Subpart E) Compared With Current Law*, by Jon O. Shimabukuro.) For an analysis of the court decisions on the adverse actions and appeals and labor management relations policies, see CRS Report RL33052, *Homeland Security and Labor-Management Relations: NTEU v. Chertoff*, by Thomas J. Nicola and Jon O. Shimabukuro.

<sup>8</sup> *FY2008 DHS Justifications, Departmental Management and Operations, Undersecretary for Management*, p. USM-2.

**Table 7. Office of Human Capital (OHC) Appropriations**  
(budget authority in millions of dollars)

Account	FY2007 Enacted	FY2008 Request	FY2008 House-Passed	FY2008 Senate-Passed	FY2008 Enacted
“OHC” (formerly “HR Operations”)	\$9	\$10	\$10	\$9	
“OHC — Operational Initiatives and HR Management System” (formerly “MaxHR”)	\$25a	\$15	\$3b	\$5	
<b>Total</b>	<b>\$34</b>	<b>\$25</b>	<b>\$13</b>	<b>\$14</b>	
Staffing (full time equivalent, FTE, positions)	53	60	53	53	

**Sources:** P.L. 108-334, Oct. 18, 2004, 118 Stat. 1298; P.L. 109-90, Oct. 18, 2005, 119 Stat. 2064; P.L. 109-295, Oct. 4, 2006, 120 Stat. 1355, at 1356; FY2008 DHS Justifications, Departmental Management and Operations, Undersecretary for Management, Office of Human Capital, and Office of Human Capital — Max-HR, pp. USM-39 - USM-44; *Congressional Record*, daily edition, vol. 153, June 15, 2007, p. H6501; H.Rept. 110-181; and S.Rept. 110-84.

- a. This amount does not reflect the transfer of \$5 million from “MaxHR” to the Transportation Security Administration as provided by Section 21101 of P.L. 110-5. The numbers in the table are rounded.
- b. This amount is for human resources activities, including a human capital survey. Funding is not provided for MaxHR, as Section 531 of H.R. 2638, as passed by the House, prohibits the use “of the funds provided by this or any other Act” to be “obligated for the development, testing, deployment, or operation of any system related to the MAX-HR project, or any subsequent but related human resources management project, until any pending litigation concerning such activities is resolved, and any legal claim or appeal by either party has been fully resolved.”

As directed by the conference report<sup>9</sup> accompanying P.L. 109-295, the Department of Homeland Security Appropriations Act for FY2007, the Under Secretary for Management submitted an expenditure plan for the DHS Human Resources Management System (HRMS) (formerly “MaxHR”) for FY2007 to the House and Senate Committees on Appropriations on February 1, 2007. The report’s cover letter states that in FY2007 the HRMS “will be broadened ... to encompass additional aspects of FY2007 Human Capital Operational Plan (HCOP), including an increased focus on employee recruiting and advanced homeland security related education.”<sup>10</sup> Among other data, the report states that the contractor Northrop

<sup>9</sup> U.S. Congress, Conference Committees, 2006, *Making Appropriations for the Department of Homeland Security For the Fiscal Year Ending September 30, 2007, and For Other Purposes*, conference report to accompany H.R. 5441, 109<sup>th</sup> Cong., 2<sup>nd</sup> sess., H.Rept. 109-699 (Washington: GPO, 2006), p. 119.

<sup>10</sup> Letter to Representative David E. Price, Chairman, House Subcommittee on Homeland Security of the House Committee on Appropriations from Paul A. Schneider, Under  
(continued...)

Grumman Information Technology (NGIT) received a contract worth almost \$3 million dollars to provide services through January 31, 2007, related to program management; pay, performance, and classification; and training, communications, and organizational change management at DHS. According to the report, NGIT is being awarded another contract, worth more than \$16 million, to provide services to the department through September 30, 2007, in the same areas identified above and labor relations.<sup>11</sup>

The transfer of the Office of Federal Law Enforcement Training Accreditation (FLETA) from the Federal Law Enforcement Training Center (FLETC) to the OHC accounts for the increase of \$1 million and 7 full-time equivalent employees over the FY2007 appropriation for the “OHC” account. Almost 93% of the money requested for FY2008 under this account is for salaries and benefits (\$8 million) and advisory and assistance services (\$2 million) that includes services acquired by contract from non-federal sources.<sup>12</sup> The appropriation will fund continued implementation of the Human Capital Operational Plan for FY2007 to FY2009, development of an employee talent bank for use throughout the department, creation of standards to assess and evaluate learning and development programs, and participation of all new DHS employees in a department-wide orientation program.<sup>13</sup> Some 76% of the money requested for FY2008 under the “OHC — Operational Initiatives and HR Management System” account is for advisory and assistance services (\$11 million). No funding is requested for salaries and benefits.<sup>14</sup> The appropriation will fund continued training of the DHS workforce in pay for performance and a new pay system pilot project that will cover employees in the department who work in the intelligence area. The pilot will be implemented jointly with the Director of National Intelligence who is developing a pilot pay system for employees of the intelligence agencies. It also will fund investment in recruitment and retention programs along with learning and development initiatives to address gaps in skills and competencies, and deployment of career paths and rotations to facilitate the mobility of DHS employees through various leadership positions in the department.<sup>15</sup>

---

<sup>10</sup> (...continued)

Secretary for Management, U.S. Department of Homeland Security, February 1, 2007.

<sup>11</sup> *Report to Congress, Spend Plan for MaxHR, Office of Human Capital, Department of Homeland Security, January 4, 2007*, p. 7. Accompanied the letter cited in footnote 5.

<sup>12</sup> *FY2008 DHS Justifications, Departmental Management and Operations, Undersecretary for Management, Office of Human Capital*, pp. USM-39 - USM-41.

<sup>13</sup> *FY2008 DHS Justifications, Under Secretary for Management, Strategic Context*, p. USM-3.

<sup>14</sup> *FY2008 DHS Justifications, Departmental Management and Operations, Undersecretary for Management, Office of Human Capital — Max-HR*, pp. USM-42 - USM-44.

<sup>15</sup> *FY2008 DHS Justifications, Under Secretary for Management, Strategic Context*, p. USM-4. On January 23, 2007, 27 employees in General Schedule grades 14 and 15 and representing various components of DHS began a year-long fellowship program designed to prepare them for future leadership positions in the department. The program is intended to establish a common culture at DHS and encourage cooperation among the different agencies that make up the department.



There are new incumbents for both the Under Secretary and Chief Human Capital Officer positions at DHS. Paul Schneider assumed the former position on February 1, 2007, and Marta Brito Perez the latter position on September 18, 2006. During his confirmation hearing on December 6, 2006, Mr. Schneider told the members of the Senate Committee on Homeland Security and Governmental Affairs that he would make sure that DHS officials create an effective method of evaluating employees' job performance.

In January 2007, the Culture Task Force of the Homeland Security Advisory Council issued a report to the DHS Secretary. Among its recommendations were that DHS staff be referred to as "employees" or "members" of DHS and not as "human capital," and that "members of the headquarters" be required to visit and listen "to employees and engage and support groups outside the headquarters" and respond within 30 days on actions taken to address their concerns.<sup>16</sup> The task force believes that "there can be no hierarchically imposed 'single culture' within the Department," but that "an overarching and blended culture can be developed that is based on threads of common values, goals, and focus of mission among DHS headquarters and its component organizations." With regard to developing and sustaining such a culture, the task force advised that "There are organizations in the Private Sector that will deploy and embed within DHS qualified, objective, emotionally and organizationally detached personnel to help develop the leadership's vision and strategic goals of creating a Homeland Security (rather than DHS) Mission Culture and then monitor, objectively test, and support progress in achieving, continually improving and sustaining an operationally focused, innovation and people rewarding culture."<sup>17</sup> The task force recommended that such contract employees work under the direction of a senior (preferably career) DHS employee and with staff from the department's component agencies. The morale of employees in the department has come under scrutiny because DHS placed last or almost last for the categories of job satisfaction, leadership, and workplace performance in the 2006 Federal Human Capital Survey administered by the Office of Personnel Management.<sup>18</sup>

Section 511 of H.R. 1684, the Department of Homeland Security Authorization Act for FY2008, as passed by the House, would repeal the authority for the department's new personnel system (MaxHR) at 5 U.S.C. Chapter 97 and would render void any regulations prescribed thereunder.<sup>19</sup> The House Committee on

---

<sup>16</sup> Homeland Security Advisory Council, *Report of the Culture Task Force*, January 2007, pp. 2-3. Section 871 of P.L. 107-296 (116 Stat. 2243) authorized the council, which provides advice and recommendations to the DHS Secretary on homeland security matters. In June 2006, Secretary Chertoff directed the council to establish the task force "to provide observations and recommendations for achieving and maintaining an empowering, energetic, dedicated, mission-focused culture within the Department...."

<sup>17</sup> *Ibid.*, pp. 5-6.

<sup>18</sup> The survey results are available at [<http://www.fhcs2006.opm.gov>].

<sup>19</sup> H.R. 1684 passed the House of Representatives on a 296-126 (Roll No. 318) vote on May 9, 2007.

Homeland Security report that accompanied the bill stated that DHS “employees must be afforded the same protections as other civil service employees.”<sup>20</sup>

The Senate Committee on Appropriations report that accompanied S. 1644 noted that the DHS regulations governing employee appeal rights and labor relations were struck down in federal court and that other elements of the personnel system have been delayed. For these reasons, the report stated that the committee recommended an appropriation of \$5 million for human capital operational initiatives, formerly “MaxHR,” rather than the requested amount of \$15 million. According to the report, the committee retains the funding for the training accreditation of law enforcement officers with the Federal Law Enforcement Training Center rather than providing it to the Chief Human Capital Officer. Additionally, Section 507 under the General Provisions of H.R. 2638, as passed by the House and the Senate, provided that the Center will lead the accreditation process.

The Senate report also directed the Secretary to submit an updated Human Capital Operational expenditure plan to the committee within 90 days of the act’s enactment. The plan must include the following elements: definitions for all activities, milestones, and yearly costs for all initiatives; a list of all contract obligations by contractor, year, and purpose; efforts to improve the “dismal results” for the department in the 2006 Federal Human Capital Survey; performance metrics for measuring the attainment of goals for human capital; funds spent in support of employee recruitment, retention, and training; and an analysis of all internship programs within the department designed to recruit young professionals. With regard to these internship programs, the committee report noted that coordination is needed and directs the Chief Human Capital Officer to “review goals for the programs, milestones, needs of the components, and the capacity to accept these employees.”

In a statement of Administration policy on S. 1644, OMB stated its strong opposition “to any effort to reduce, limit, or delay funding for DHS human resources initiatives,” because such “would severely impact support to basic human resource services and development of practices designed to meet the Department’s diverse personnel requirements.”<sup>21</sup>

A general provision at Section 524 of the House-passed bill provides that within 45 days after the close of each month, the Chief Financial Officer must submit to the House and Senate Committees on Appropriations a monthly budget and staffing report that includes total obligations and on-board versus funded full-time equivalent staffing levels. The provision is included as Section 526 of the Senate-passed bill and provides that the report also include the number of contract employees by office. A July 2007 evaluation prepared by the Government Accountability Office found that DHS employees in permanent positions (excluding Senior Executive Service and

---

<sup>20</sup> U.S. Congress, House Committee on Homeland Security, *Department of Homeland Security Authorization Act for Fiscal Year 2008*, report to accompany H.R. 1684, 110<sup>th</sup> Cong., 1<sup>st</sup> sess., H.Rept. 110-122 (Washington: GPO, 2007), p. 83.

<sup>21</sup> U.S. Executive Office of the President, Office of Management and Budget, *Statement of Administration Policy, S. 1644 — Department of Homeland Security Appropriations Act, 2008*, July 25, 2007, p. 4.

presidential appointments) left their positions at an attrition rate of 7.1% in 2006. When the 14% to 17% attrition rate for transportation security officers at the Transportation Security Administration was excluded, the department's average attrition rate was 3.3%. (The average attrition rate for all Cabinet-level departments was roughly 4%.)<sup>22</sup>

## Analysis and Operations<sup>23</sup>

The DHS intelligence mission is outlined in Title II of the Homeland Security Act of 2002 (codified at 6 U.S.C. 121). Organizationally, and from a budget perspective, there have been a number of changes to the information, intelligence analysis, and infrastructure protection functions at DHS. Pursuant to the Homeland Security Act of 2002, the Information Analysis and Infrastructure Protection (IAIP) Directorate was established. The act created an Undersecretary for IAIP to whom two Assistant Secretaries, one each for Information Analysis (IA) and Infrastructure Protection (IP), reported. The act outlined 19 functions for the IAIP Directorate, to include the following, among others:

- To assess, receive, and analyze law enforcement information, intelligence information, and other information from federal, state, and local government agencies, and the private sector to (1) identify and assess the nature and scope of the terrorist threats to the homeland, (2) detect and identify threats of terrorism against the United States, and (3) understand such threats in light of actual and potential vulnerabilities of the homeland;
- To develop a comprehensive national plan for securing the key resources and critical infrastructure of the United States;
- To review, analyze, and make recommendations for improvements in the policies and procedures governing the sharing of law enforcement information, intelligence information, and intelligence-related information within the federal government and between the federal government and state and local government agencies and authorities.<sup>24</sup>

Secretary Chertoff's Second Stage Review of the Department made numerous changes in the DHS intelligence structure. For example, the erstwhile IAIP disbanded, and the Office of Information Analysis was renamed the Office of Intelligence and Analysis and became a stand alone entity. The Office of

---

<sup>22</sup> U.S. Government Accountability Office, *Homeland Security, DHS's Actions to Recruit and Retain Staff and Comply With the Vacancies Reform Act*, GAO Report GAO-07-758 (Washington: July 2007).

<sup>23</sup> Prepared by Todd Masse, Specialist in Domestic Intelligence and Counterterrorism, Domestic Social Policy Division.

<sup>24</sup> See Title II, Subtitle A, Section 201(d), Responsibilities of the Undersecretary (of IAIP), codified at 6 U.S.C. §121. See also Department of Homeland Security, Office of the Inspector General, *Survey of the Information Analysis and Infrastructure Protection Directorate*, Office of Inspections, Evaluations, and Special Reviews, OIG-04-413, February 2004, p. 26.

Infrastructure Protection was placed within the Directorate for Preparedness. The Assistant Secretary for Intelligence Analysis was also provided the title of the Department's Chief Intelligence Officer.<sup>25</sup> Pursuant to the Implementing Recommendations of the 9/11 Commission Act of 2007 (P.L. 110-53, signed August 3, 2007), a number of amendments to the Homeland Security Act of 2002 (codified at 6 U.S.C. 201) related to homeland security intelligence were made. Among these changes, the law provided statutory standing to the Office of Intelligence and Analysis and the Office of Infrastructure Protection. The Office of Intelligence and Analysis is to be headed by an Under Secretary for Intelligence and Analysis, who will also serve as the Department's Chief Intelligence Officer.<sup>26</sup>

**President's FY2008 Request.** The FY2008 request for the Analysis and Operations account is \$315 million, an increase of \$15 million (+5%) over the enacted FY2007 amount. It should be noted that funds included in this account support both the Office of Intelligence and Analysis (OIA) and the Office of Operations Coordination. The Office of Intelligence and Analysis, the successor to the "IA" element of the erstwhile IAIP, has as its primary responsibility the integration and analysis of DHS information, state and local information, and Intelligence Community intelligence into finished intelligence products, such as threat assessments and other indications and warning documents. As a member of the Intelligence Community, the Office of Intelligence and Analysis's budget is classified. The Office of Operations Coordination formally houses the National Operations Center which, among other functions, disseminates OIA assessed threat information, provides domestic situational awareness, and performs incident management on behalf of the Department.

**House-Passed H.R. 2638.** House-passed H.R. 2638 included \$292 million, a decrease of \$23 million (8%) from the President's requested amount of \$315 million, and \$8 million (2.7%) below the amount provided in FY2007 (\$300 million). In the report accompanying the legislation, the House Appropriations Committee noted with respect to both the Office of Operations Coordination and the Office of Intelligence and Analysis that they:

... carried over significant unobligated balances at the end of fiscal year 2006, and (have) shown no signs of an increased pace of obligations during the current fiscal year.<sup>27</sup>

The Committee also expressed concern about the potential movement of the Homeland Security Operations Center (HSOC) (also known as the National Operations Center) and/or its combination with the Transportation Security Operations Center, from its current location at the Nebraska Avenue Complex (NAC) to two possible other locations. The Committee noted that:

---

<sup>25</sup> See DHS Management Directive 8110, *Intelligence Integration and Management*, January 30, 2006.

<sup>26</sup> See P.L. 110-53, Title V, "Improving intelligence and information sharing within the federal government, and with State, local and tribal governments," Subtitle D, "Homeland security intelligence offices reorganization."

<sup>27</sup> See House of Representatives, DHS Appropriations Bill, 2008, H. Report. 110-181, p. 23.

... over \$137 million has been appropriated for improvements to the (NAC) since 2004, and a large portion of these funds have gone toward upgrades to the HSOC.... The Committee is concerned by the apparent DHS attitude that costly capital investments are disposable, and will provide no further appropriations for HSOC capital improvements until the Department submits a coherent and cost-effective plan for consolidating its operations centers.<sup>28</sup>

With respect to DHS support for State and local information and intelligence fusion centers, the Committee "... recommends doubling the requested funding level for establishing DHS presence at these centers in 2008 and directs the (OIA) to review all unobligated balances available...at the start of (FY) 2008 and submit a reprogramming request for those amounts that could be reasonably reallocated to fusion center implementation."<sup>29</sup> Moreover, the Committee directed DHS to provide "ongoing quarterly updates...that detail the progress in placing DHS homeland security intelligence professionals in State and local fusion centers."<sup>30</sup> Among other elements, the report requires DHS to detail progress on: (1) qualification criteria used by DHS to decide where and how to place DHS intelligence analysts and related technology, (2) total Federal expenditures to support each center to date, and (3) the location of each fusion center, both operational and planned.<sup>31</sup>

**Senate-Passed H.R. 2638.** Senate-passed H.R. 2638 recommended \$306 million, a decrease of \$9 million (2.9%) to the President's requested level of \$315 million and a \$6 million (2%) increase over the amount provided in FY2007 (\$300 million). The Senate provided that no more than \$5,000 of appropriated funds shall be for official reception and representation expenses. Moreover, the Senate provided that the Director of Operations "... shall encourage rotating State and local fire service representation at the National Operations Center."<sup>32</sup> In the Senate report accompanying the bill, the Committee also expressed concern about the possible movement of the National Operations Center and "...directs the Office of Operations Coordination to provide a briefing to the Committee justifying this relocation..."<sup>33</sup>

The Committee also required a "DHS Intelligence Expenditure Plan" from the

<sup>28</sup> Ibid.

<sup>29</sup> Ibid., p. 24. Given that DHS's intelligence budget is classified, the amount of funding requested specifically to support the deployment of DHS personnel to fusion centers is not available. The "U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007," (P.L. 110-28) provided an additional \$8 million for DHS "Analysis and Operation," to be used for support of the DHS State and Local Fusion Center Program.

<sup>30</sup> Ibid. It should be noted that DHS currently has approximately 15 intelligence professionals detailed to 15 fusion centers. According to DHS Chief Intelligence Officer Charles Allen, DHS has plans to embed 35 intelligence officers at fusion centers by the end of FY2008. See House Homeland Security Committee, Subcommittee on Intelligence, Information Sharing and Terrorism Risk Assessment, hearing on "Information Sharing and Civil Liberties," March 14, 2007.

<sup>31</sup> See House of Representatives, DHS Appropriations Bill, 2008, H. Report. 110-181, p. 24.

<sup>32</sup> See H.R. 2638 Engrossed Amendment as Agreed to by Senate (EAS), Title I, Analysis and Operations, July 26, 2007.

<sup>33</sup> See U.S. Senate, DHS Appropriations Bill, 2008, S. Report 110-84, p. 23.

Secretary for the Office of Intelligence and Analysis, that would include, among other items: (1) FY2008 expenditures and staffing allotted for each (OIA) program ..., (2) all funded versus on-board positions, including Federal full-time equivalents (FTE), contractors, and reimbursable and non-reimbursable detailees, and (3) an explanation for maintaining contract staff in lieu of government FTE....”<sup>34</sup> Lastly, the Committee included language similar to that provided by the House Appropriations Committee with respect to required quarterly reports on the progress DHS is making in “...placing DHS homeland security intelligence professionals in State and local fusion centers.”<sup>35</sup>

## **Title II: Security Enforcement and Investigations**

Title II contains the appropriations for the Bureau of Customs and Border Protection (CBP), the Bureau of Immigration and Customs Enforcement (ICE), the Transportation Security Administration (TSA), the US Coast Guard, and the US Secret Service. **Table 8** shows the FY2007 enacted and FY2008 appropriation action for Title II.

---

<sup>34</sup> Ibid. p. 24.

<sup>35</sup> Ibid.

**Table 8. Title II: Security, Enforcement, and Investigations**  
(budget authority in millions of dollars)

Operational Component	FY2007 Appropriation				FY2008 Appropriation			
	FY2007 Enacted	FY2007 Supp.	FY2007 Resc.	FY2007 Total	FY2008 Request	FY2008 House Passed	FY2008 Senate Passed	FY2008 Total
<b>Customs &amp; Border Protection</b>								
— Salaries and expenses	5,562	72 <sup>b</sup>	—	5,634	6,580	6,630	6,601	
— Automation modernization	451	—	—	451	477	477	477	
— Air and Marine Operations	602	75	—	677	477	477	489	
— Border Security Fencing, Infrastructure, and Technology	1,188	—	—	1,188	1,000	1,089	1,000	
— Construction	233	—	—	233	250	250	275	
— Fee accounts <sup>c</sup>	1,265	—	—	1,265	1,385	1,385	1,385	
<b>Gross total</b>	<b>9,301</b>	<b>147</b>	<b>—</b>	<b>9,448</b>	<b>10,169</b>	<b>10,308</b>	<b>10,226</b>	
— Offsetting collections	-1,265	—	—	-1,265	-1,385	-1,385	-1,385	
<b>Net total</b>	<b>8,036</b>	<b>147</b>	<b>—</b>	<b>8,183</b>	<b>8,783</b>	<b>8,923</b>	<b>8,841</b>	
<b>Immigration &amp; Customs Enforcement</b>								
— Salaries and expenses	3,887	6	—	3,893	4,162	4,155	4,402	
— Federal Protective Services (FPS)	516	—	—	516	613	613	613	
— Automation & infrastructure modernization	15	—	—	15	—	31	15	
— Construction	56	—	—	56	6	6	16	
— Fee accounts <sup>d</sup>	252	—	—	252	234	234	234	

## CRS-24

Operational Component	FY2007 Appropriation				FY2008 Appropriation			
	FY2007 Enacted	FY2007 Supp.	FY2007 Resc.	FY2007 Total	FY2008 Request	FY2008 House Passed	FY2008 Senate Passed	FY2008 Total
<b>Gross total</b>	<b>4,727</b>	<b>6</b>	<b>—</b>	<b>4,733</b>	<b>5,015</b>	<b>5,039</b>	<b>5,279</b>	
— Offsetting FPS fees	-516	—	—	-516	-613	-613	-613	
— Offsetting collections	-252	—	—	-252	-234	-234	-234	
<b>Net total</b>	<b>3,958</b>	<b>6</b>	<b>—</b>	<b>3,964</b>	<b>4,168</b>	<b>4,192</b>	<b>4,433</b>	
Transportation Security Administration								
— Aviation security (gross funding)	4,732	397 <sup>e</sup>	—	5,129	4,953	5,199	5,043	
— Surface Transportation Security	37	—	—	37	41	41	41	
— Transportation Threat Assessment and Credentialing	40	—	-2 <sup>f</sup>	38	77	64	67	
— Credentialing Fees <sup>g</sup>	76	—	—	76	83	83	83	
— Transportation Security Support	525	—	—	525	525	527	522	
— Federal Air Marshals	714	5	—	719	722	722	722	
— Aviation security capital fund <sup>h</sup>	250	—	—	250	—	—	—	
— Rescission	-67	—	—	-67	—	—	—	
<b>Gross total</b>	<b>6,307</b>	<b>402</b>	<b>-2</b>	<b>6,707</b>	<b>6,401</b>	<b>6,636</b>	<b>6,478</b>	
— Offsetting collections	-2,420	—	—	-2,420	-2,710	-2,710	-2,710	
— Credentialing/Fee accounts	-76	—	—	-76	-83	-83	-83	
— Aviation security capital fund (mandatory spending)	-250	—	—	-250	—	—	—	
<b>Net total</b>	<b>3,561</b>	<b>402</b>	<b>-2</b>	<b>3,961</b>	<b>3,608</b>	<b>3,843</b>	<b>3,685</b>	



## CRS-25

Operational Component	FY2007 Appropriation				FY2008 Appropriation			
	FY2007 Enacted	FY2007 Supp.	FY2007 Resc.	FY2007 Total	FY2008 Request	FY2008 House Passed	FY2008 Senate Passed	FY2008 Total
<b>U.S. Coast Guard</b>								
— Operating expenses	5,478 <sup>j</sup>	—	-26	5,452	5,894	5,885	5,931	
— Environmental compliance & restoration	11	—	—	11	12	15	12	
— Reserve training	122	—	—	122	127	127	127	
— Acquisition, construction, & improvements	1,306	30	—	1,336	949 <sup>k</sup>	834 <sup>k</sup>	991 <sup>k</sup>	
— Alteration of bridges	16	—	—	16	—	16	16	
— Research, development, tests, & evaluation	17	—	—	17	18	18	26	
— Retired pay (mandatory, entitlement)	1,063	30	—	1,093	1,185	1,185	1,185	
— Health care fund contribution	279	—	—	279	272	272	272	
<b>Gross total</b>	<b>8,292</b>	<b>60</b>	<b>-26</b>	<b>8,327</b>	<b>8,457</b>	<b>8,352</b>	<b>8,559</b>	
<b>U.S. Secret Service</b>								
— Salaries and expenses	961	—	—	961	1,095	1,393	1,394	
— Investigations and field operations	311	—	—	311	300	—	—	
— Acquisition, construction, improvements, and related expenses	4	—	—	4	4	4	4	
<b>Gross total</b>	<b>1,276</b>	<b>—</b>	<b>—</b>	<b>1,276</b>	<b>1,399</b>	<b>1,397</b>	<b>1,398</b>	

Operational Component	FY2007 Appropriation				FY2008 Appropriation			
	FY2007 Enacted	FY2007 Supp.	FY2007 Resc.	FY2007 Total	FY2008 Request	FY2008 House Passed	FY2008 Senate Passed	FY2008 Total
<b>Gross Budget Authority: Title II</b>	29,902	615	-28	30,490	31,441	31,731	31,939	
<b>Offsetting collections:</b>	-4,779	—	—	-4,779	-5,025	-5,025	-5,025	
<b>Net Budget Authority: Title II</b>	25,123	615	-28	25,711	26,416	26,706	26,914	

**Source:** *FY2008 DHS Congressional Budget Justification.*

**Notes:** Totals may not add due to rounding. Amounts in parentheses are non-adds. Amounts in italics and brackets show what the FY2008 request would look like if it had followed the FY2007 DHS account structure.

- b. Includes \$3 million transfer to FLETC per P.L. 110-28.
- c. Fees include COBRA, Land Border, Immigration Inspection, Immigration Enforcement, and Puerto Rico.
- d. Fees include Exam, Student Exchange and Visitor Fee, Breached Bond, Immigration User, and Land Border.
- e. Includes transfer of \$7 million per Sec. 21101 of P.L. 110-5, and \$390 million in supplemental appropriations per P.L. 110-28.
- f. Transfer of -\$2 million per Sec. 21101 of P.L. 110-5.
- g. Fees include TWIC, HAZMAT, Registered Traveler, and Alien Flight School Checks.
- h. Aviation Security Capital Fund, used for installation of Explosive Detection Systems at airports.
- i. Includes \$67 million rescission of unobligated balances per P.L. 109-295.
- j. Includes \$90 million transfer from Department of Defense per P.L. 109-289.
- k. FY2008 request House-passed H.R. 2638 include a proposed rescission of \$49 million. Senate-passed H.R. 2638 includes a proposed rescission of \$57 million of funds previously appropriated by P.L. 109-90 and P.L. 10-295.

## Customs and Border Protection (CBP)<sup>36</sup>

CBP is responsible for security at and between ports-of-entry along the border. Since September 11, 2001, CBP's primary mission is to prevent the entry of terrorists and the instruments of terrorism. CBP's ongoing responsibilities include inspecting people and goods to determine if they are authorized to enter the United States; interdicting terrorists and instruments of terrorism; intercepting illegal narcotics, firearms, and other types of contraband; interdicting unauthorized travelers and immigrants; and enforcing more than 400 laws and regulations at the border on behalf of more than 60 government agencies. CBP is comprised of the inspection functions of the legacy Customs Service, Immigration and Naturalization Service (INS), and the Animal and Plant Health Inspection Service (APHIS); the Office of Air and Marine Interdiction, now known as CBP Air and Marine (CBPAM); and the U.S. Border Patrol (USBP). See **Table 8** for account-level detail for all of the agencies in Title II, and **Table 9** for sub-account-level detail for CBP Salaries and Expenses (S&E) for FY2007 and FY2008.

**President's FY2008 Request.** The Administration requested an appropriation of \$10,169 million in gross budget authority for CBP for FY2008, amounting to an \$868 million, or 9%, increase over the enacted FY2007 level of \$9,301 million. The Administration requested \$8,783 million in net budget authority for CBP in FY2008, which amounts to a \$747 million, or 9%, increase over the net FY2007 appropriation of \$8,036 million.

**House-Passed H.R. 2638.** House-passed H.R. 2638 included \$8,923 million in net budget authority for CBP for FY2008, amounting to a \$886 million, or 11%, increase over the FY2007 enacted amount of \$8,036 million (not including supplemental appropriations), and a \$139 million or nearly 2% increase over the FY2008 request.

**Senate-Passed H.R. 2638.** Senate-passed H.R. 2638 included \$8,841 million in net budget authority for CBP for FY2008, amounting to an \$805 million, or 10%, increase over the FY2007 enacted amount of \$8,036 million (not including supplemental appropriations), and a \$58 million or nearly 1% increase compared to the FY2008 request. The Senate-passed bill also included a \$3,000 million emergency appropriation (adopted by S.Amdt. 2480) that would be used, among other things, by CBP for hiring additional U.S. Border Patrol agents and deploying infrastructure and technology to the border.

---

<sup>36</sup> Prepared by Jennifer E. Lake and Blas Nuñez-Neto, Analysts in Domestic Security, Domestic Social Policy Division.

**Table 9. CBP S&E Sub-account Detail**  
(budget authority in millions of dollars)

Activity	FY2007 Enacted	FY2008 Request	FY2008 House Passed	FY2008 Senate Passed	FY2008 Conf.
<b>Headquarters Management and Administration</b>	<b>1,248</b>	<b>1,277</b>	<b>1,277</b>	<b>1,236</b>	
<b>Border Security Inspections and Trade Facilitation @ POE</b>	<b>1,860</b>	<b>2,057</b>	<b>2,107</b>	<b>2,101</b>	
Inspections, Trade & Travel Facilitation @ POE	1,327	1,610	1,655	1,676	
Container Security Initiative (CSI)	139	156	156	156	
Other International Programs	9	9	9	11	
C-TPAT	55	56	61	62	
FAST/Nexus/SENTRI	11	11	11	11	
Inspection and Detection Technology	241	136	136	105	
Systems for Targeting	27	28	28	28	
National Targeting Center	24	24	24	24	
Training at POE	25	25	25	25	
Harbor Maintenance Fee	3	3	3	3	
<b>Border Security and Control Between POE</b>	<b>2,278</b>	<b>3,037</b>	<b>3,037</b>	<b>3,037</b>	
Border Security and Control Between POE	2,240	2,984	2,984	2,984	
Training Between the POE	38	53	53	53	
<b>Air and Marine Operations - Salaries</b>	<b>176<sup>a</sup></b>	<b>208</b>	<b>208</b>	<b>227</b>	
<b>CBP Salaries and Expenses Total:</b>	<b>5,562<sup>a</sup></b>	<b>6,580</b>	<b>6,630</b>	<b>6,601</b>	

**Source:** FY2008 DHS Congressional Budget Justification, p. CBP-S&E-5.

**Note:** Totals may not add due to rounding.

a. Does not include \$75 million in supplemental appropriations provided by P.L. 110-28.

**Issues for Congress.** Numerous issues may be of interest to Congress as it debates the President's FY2008 request for CBP. One issue is the requested programmatic increases for CBP, only \$15 million was requested for cargo security-related programs (see below for further analysis). The bulk of the requested increased funding is dedicated to screening people. Other issues may include whether the President's request for fencing at the border satisfies the legislative mandates in the Secure Fence Act (P.L. 109-367); whether CBP's request is sufficient to implement the Western Hemisphere Travel Initiative in time to meet the deadlines established by the FY2007 DHS Appropriations Act (P.L. 109-295); and whether the USBP has

asked for the resources it needs to hire, train, and deploy the 3,000 new agents requested by the Administration.

**SBInet.** The Administration requested \$1,000 million for the deployment of SBInet<sup>37</sup> related technologies and infrastructures in FY2008; however, the Administration's request does not identify how that funding will be apportioned between the fencing, infrastructure, and technology components of the account. According to the DHS budget submission, SBInet will initially focus on the southwest land border between POE and will deploy a mix of personnel, technology, infrastructure, and response assets in order to "provide maximum tactical advantage in each unique border environment."<sup>38</sup> CBP plans to construct an SBInet command center that will provide a common operating picture for all DHS agencies and external stakeholders. In FY2007, DHS announced that it had awarded a prime integrator contract to Boeing to oversee the deployment of SBInet; P.L.109-295 required that any contract action related to SBI valued at over \$20 million be reviewed by the DHS Inspector General to ensure it adheres to applicable cost requirements, performance objectives, and program milestones. Possible issues for Congress could include whether the contracting associated with SBInet is being carried out responsibly and effectively, and how funding is apportioned between the technology, infrastructure, and fencing components of the account. H.R. 2638 fully funds the President's request for SBInet, but withholds \$700 million pending the submission of an expenditure plan that would, among other things, identifies: the activities, milestones, and costs associated with implementing the program, including the maximum foreseeable investment and the life-cycle costs; the funding and staffing requirements of the program by activity; how SBInet will address the security needs of the northern border; and, for each segment of the border where fencing or tactical infrastructure will be constructed, an analysis of alternative means of achieving operational control over those areas. Senate-passed H.R. 2638 would also fully fund the President's request for SBInet; the bill also included a \$3,000 million emergency supplemental appropriation that could be used, among other things, to deploy four unmanned aerial vehicles and 105 camera and radar towers to the border as part of the SBInet initiative. The Senate Committee on Appropriations asserted, however, that "[t]he Department's track record on major development programs is spotty at best" and noted that it "will be closely watching to ensure that SBInet meets performance objectives, is delivered on time, and on budget."<sup>39</sup>

**Fencing.** In the 109<sup>th</sup> Congress, legislation was enacted (P.L. 109-367) directing DHS to construct two-layered reinforced fencing and additional physical barriers, roads, lighting, cameras, and sensors along five stretches of the southwest border. CBP has estimated that these stretches of fencing will total roughly 850

---

<sup>37</sup> SBInet is the technological and infrastructure component of the Secure Border Initiative (SBI), a multifaceted approach to securing the border. In its FY2007 budget submission, DHS asserted that it had "developed a three-pillar approach under the SBI that will focus on controlling the border, building a robust interior enforcement program, and establishing a Temporary Worker Program." *DHS FY2007 Justification*, p. CBP S&E 4.

<sup>38</sup> *DHS FY2008 Justification*, p. CBP BSFIT 3.

<sup>39</sup> S.Rept. 110-84, p. 37.

miles<sup>40</sup> of the southern border. DHS has stated that its FY2008 request, when combined with prior year appropriations, will fund the completion of 370 cumulative miles of fencing along the southern border.<sup>41</sup> However, DHS has not identified what the actual amount of funding that will be used for border fencing is, or how much it will cost to maintain the fencing in future fiscal years. According to CBP Congressional Affairs, this fencing will be a combination of primary and two layer fencing, will be constructed along areas of the border where DHS determines fencing will provide a tactical advantage, and will be constructed by some mix of private contractors and the National Guard (supervised by the Army Corps of Engineers).<sup>42</sup> Possible issues for Congress could include whether DHS is complying with the legislative mandates set out in P.L. 109-367, what the total costs associated with building and maintaining the border fencing will be, and oversight of the contracting involved if private contractors are used to build the fencing. Both the House and Senate passed bills fully funded the President's request for border fencing. Senate-passed H.R. 2638 also included a \$3,000 million emergency supplemental appropriation that could be used, among other things, for constructing 700 miles of fencing along the southern border.

**CBP Staffing.** Staffing issues have long been of interest to Congress, and there has been considerable debate concerning the appropriate level of staffing that CBP needs to effectively carry out its mission. CBP's staffing needs include not only Border Patrol Agents (discussed in the following section), but also officers stationed at the nation's ports of entry, import and trade specialists, pilots, and a variety of other positions. In addition to the debate over the appropriate level of staffing, other issues such as training resources, infrastructure demands, absorption of new staff, attrition, and hiring are also important. In an effort to address the concerns regarding CBP's staffing, the Security and Accountability for Every (SAFE) Port Act of 2006 (P.L. 109-347), and the conference report to the FY2007 DHS Appropriations bill H.R. 5441, H.Rept. 109-699, required CBP to submit a resource allocation model (RAM) to the Congress no later than January, 23, 2007. This report (the RAM) was required to address staffing levels at all ports of entry, and to provide the complete methodology for aligning staff across mission areas. The House Appropriations Committee notes in its report (H.Rept. 110-181) to the FY2008 DHS Appropriations bill that CBP has yet to submit the staffing model, and that staffing allocation remains a concern for the committee particularly at airports. H.Rept. 110-181 directs CBP to submit its staffing model to the committee by October 15, 2007.

**Hiring U.S. Border Patrol (USBP) Agents.** The Administration requested an increase of \$481 million to hire 3,000 new USBP agents in order to bring the total number of agents to 17,819 by the end of calendar year 2008.<sup>43</sup> This would roughly double the size of the USBP from the time the President took office in 2001. One potential issue for Congress may include whether this hiring goal is attainable. In FY2006, Congress appropriated funding for 1,500 additional agents; however, at the

---

<sup>40</sup> From CBP Congressional Affairs, September 25, 2006.

<sup>41</sup> *DHS FY2008 Justification*, p. CBP BSFIT 12.

<sup>42</sup> From CBP Congressional Affairs, January 26, 2007.

<sup>43</sup> *DHS FY2008 Justification*, p. CBP S&E 49.

end of FY2006 the border patrol had increased by 1,051 agents to 12,319.<sup>44</sup> This means that DHS fell roughly 30% short of their goal for agents hired in FY2006; additionally, the USBP experienced an attrition rate of 7% in FY2006<sup>45</sup> making their hiring goals more difficult to attain. The FY2007 appropriation for DHS included an increase of 2,500 agents for the USBP. A potential issue for Congress may involve whether some incentives should be offered to help DHS recruit additional agents or keep existing agents from leaving the agency. House-passed H.R. 2638 fully funded the President's request, but would direct DHS to deploy an additional 500 USBP agents to the northern border in FY2008. Senate-passed H.R. 2638 also fully funds the Administration's request, and directed DHS to ensure that 20% of the increase in agents during FY2008 be assigned to the northern border as per P.L. 108-458. In addition, Senate-passed H.R. 2638 included a \$3,000 million emergency supplemental appropriation that could be used, among other things, to bring the overall USBP workforce to 23,000 agents.

***Western Hemisphere Travel Initiative (WHTI).*** The Administration requested an increase of \$252.4 million for WHTI. WHTI will require U.S. citizens, and Canadian, Mexican, and some island nation nationals to present a passport, or some other document or combination of documents deemed sufficient to denote identity and citizenship status by the Secretary of Homeland Security, as per P.L. 108-458 §7209. DHS announced that it is requiring all U.S. citizens entering the country at air and sea POE to present passports as of January 18, 2007; the current legislative mandate for expanding the program to all POE is the *earlier* of the following two dates: June 1, 2009 or three months after the Secretaries of Homeland Security and State certify that a number of implementation requirements have been met.<sup>46</sup> The FY2008 request for WHTI will include funding to hire 205 CBP officers and to deploy WHTI pilot programs to 13 POE.<sup>47</sup> Possible issues for Congress may include whether DHS is on track to meet its implementation deadlines, how the WHTI program will interface with existing registered traveler programs (i.e., Nexus and SENTRI), and whether any POE infrastructure modifications or expansions will be required to accommodate WHTI technology. H.R. 2638 included \$225 million for WHTI, \$27 million less than the President's request. H.R. 2638 also includes language that would withhold \$100 million of this funding until CBP reports on the findings of the 13 WHTI pilot programs that are currently being conducted. This report should include, among other things, the infrastructure and staffing required by POE, confirmation that the radio frequency technology being used has been adequately tested, and updated milestones for implementing the program. Senate-passed H.R. 2638 would fully fund the WHTI program and would push back its implementation date to the *later* of the following two dates: June 1, 2009, or three months after the Secretaries of State and Homeland Security certify that a series of implementation requirements have been met.<sup>48</sup>

---

<sup>44</sup> From CBP Congressional Affairs, February 8, 2007.

<sup>45</sup> From CBP Congressional Affairs, December 12, 2006.

<sup>46</sup> P.L. 109-295 §546.

<sup>47</sup> *FY2008 DHS Congressional Budget Justification*, pp. CBP S&E 61-62.

<sup>48</sup> These implementation requirements are specified in 8 U.S.C. 1185 note.

**Covered Law Enforcement Officer Status for CBP Officers.** H.R. 2638 (Sec. 533) would direct DHS to extend federal law enforcement officer status to CBP officers for retirement purposes. Citing concern that CBP is losing valuable officers to other agencies due to the disparity in retirement pay, the House Appropriations Committee directed DHS to offer voluntary conversions of all eligible CBP officer positions to federal law enforcement officer status no later than July 1, 2008. House-passed H.R. 2638 included \$50 million to cover the FY2008 costs associated with this conversion. Senate-passed H.R. 2638 does not include a similar provision.

**Customs-Trade Partnership Against Terrorism (C-TPAT).** The Customs-Trade Partnership Against Terrorism (C-TPAT) is a public-private partnership program aimed at improving supply chain security. DHS requested no funding increases for C-TPAT in the FY2008 budget request. During the debate surrounding both the Dubai Ports issue and the SAFE Port Act (P.L. 109-347), several questions were raised regarding the vigor of the C-TPAT validation process and the pace at which CBP was able to conduct the validations. An issue for Congress might be why no additional funds were requested for C-TPAT given that the SAFE Port Act (P.L. 109-347) requires DHS to launch a pilot program to test 3<sup>rd</sup> party validations of C-TPAT certified applicants. The SAFE Port Act also now requires CBP to re-validate already validated C-TPAT members once every four years. Senate report S.Rept. 110-84 notes the concerns of GAO and other experts regarding C-TPAT security inspections and validations, and further notes that as of March 1, 2007, CBP has 157 supply chain security specialists (SCSS) on board. Senate-passed H.R. 2638 contains \$62 million for C-TPAT; an additional \$7 million above the request for CBP to hire an additional 50 SCSS to bring the total number of SCSS to 207 FTE. House-passed H.R. 2638 includes \$61 million for C-TPAT, \$5 million more than requested for FY2008.

**Container Security Initiative (CSI).** CSI is a program by which CBP stations CBP officers in foreign ports to target high-risk containers for inspection before they are loaded on U.S.-bound ships. CSI is operational in 50 ports as of October 2006. Current plans are to have CSI operational in 58 ports by the end of FY2007 and to continue to expand CSI to strategically important ports throughout FY2008. The CBP Budget Justifications indicate a requested increase of nearly \$17 million for the CSI program for FY2008. However, \$15 million of this increase is for the Secure Freight Initiative (SFI) program. The rest of the increase for CSI is for non-programmatic increases (pay and non-pay inflation). An issue for Congress might be why additional funding for CSI was not requested given that DHS anticipates expanding CSI in FY2008 to additional strategically important ports. Questions could also arise concerning the impact (at 6 foreign ports, see below) the first iteration of the SFI will have on CSI operations at SFI pilot ports. SFI represents a change in cargo security strategy from targeting *high-risk* containers for scanning and inspection under CSI, to performing an integrated scan (radiation detection, image, and information risk factors) on *all* U.S.-bound containers. Both House-passed H.R. 2638 and Senate-passed H.R. 2638 would fully fund the request for CSI at \$156 million for FY2008.

**Secure Freight Initiative (SFI).** The Secure Freight Initiative (SFI) is a DHS program aimed at securing the cargo on its journey from its origin in a foreign



country to its final destination in the United States. The first iteration of SFI is being operated by CBP in partnership with the Department of Energy (DOE), and several foreign governments. The current iteration of SFI is being operated as a part of CSI and involves several CSI ports. Under SFI, DHS plans to deploy scanning, imaging, and secure communications equipment to selected ports to develop a so-called integrated scan (radiation detection, image, and information risk factors) of all U.S.-bound containers leaving the port. SFI at Port Qasim, Pakistan; Puerto Cortes, Honduras; and at Southampton in the United Kingdom will be fully operational scanning all U.S.-bound containers from these ports. SFI will gradually be deployed in more limited capacities at Port Salalah, Oman; the Port of Singapore; and at the Port of Busan, South Korea. Additionally, Hong Kong officials have agreed to allow DHS to continue testing the existing integrated cargo inspection system (ICIS) at the port of Hong Kong. Approximately 24.5% of U.S.-bound containers originate from these test ports, including Hong Kong.<sup>49</sup>

Under a fully operational SFI scenario, *all* U.S.-bound containers from that port would be scanned with the integrated scanning system. This will require additional resources on the part of the host country governments and on the part of CBP. The FY2008 request for CBP includes \$15 million for SFI within the CSI program. Currently under CSI, *high-risk* containers are inspected before they are loaded on U.S.-bound ships, while SFI envisions *all* U.S.-bound containers being subject to the “integrated scan” prior to loading. This SFI strategy raises a number of questions, including issues concerning: workload (switching from a targeted approach to scanning all containers will require more resources); resolving alarms (the more containers that are scanned the more alarms will have to be resolved); equipment (who is operating and providing the equipment); and funding (is \$15 million sufficient to cover the initial phase of the program). As previously mentioned, both House-passed H.R. 2638 and Senate-passed H.R. 2638 would fully fund the request for CSI (which includes \$15 million for SFI) at \$156 million for FY2008.

## **Immigration and Customs Enforcement (ICE)<sup>50</sup>**

ICE focuses on enforcement of immigration and customs laws within the United States. ICE develops intelligence to reduce illegal entry into the United States and is responsible for investigating and enforcing violations of the immigration laws (e.g., alien smuggling, hiring unauthorized alien workers). ICE is also responsible for locating and removing aliens who have overstayed their visas, entered illegally, or have become deportable. In addition, ICE develops intelligence to combat terrorist financing and money laundering, and to enforce export laws against smuggling, fraud, forced labor, trade agreement noncompliance, and vehicle and cargo theft. Furthermore, this bureau oversees the building security activities of the Federal Protective Service, formerly of the General Services Administration. The Federal Air

---

<sup>49</sup> Eric Kulisch, “Secure Freight Debuts: DHS to follow automated cargo scanning pilot with private sector data warehouse,” *American Shipper*, vol. 49, no. 2 (February, 2007), p.10.

<sup>50</sup> Prepared by Alison Siskin, Specialist in Immigration Legislation, Domestic Social Policy Division.

Marshals Service (FAMS)<sup>51</sup> was returned from ICE to TSA pursuant to the reorganization proposal of July 13, 2005. The Office of Air and Marine Interdiction was transferred from ICE to CBP, and therefore the totals for ICE do not include Air and Marine Interdiction funding, which is included under CBP. See **Table 8** for account-level detail for all of the agencies in Title II, and **Table 10** for sub-account-level detail for ICE Salaries and Expenses (S&E) for FY2007 and FY2008.

**House-Passed H.R. 2638.** House-passed H.R. 2638 would appropriate \$4,192 million in net budget authority for ICE, which represents an increase of \$24 million over the Administration's requested amount. In addition, House-passed H.R. 2638 would appropriate \$4,155 million for Salaries and Expenses, \$7 million less than the Administration's request, but this decrease, according to H.Rept. 110-181 is due to a reallocation of funds to the "Automatization Modernization" account. **Table 10** provides activity-level detail for the Salaries and Expenses account.

Of the appropriated amount, \$10 million would be for special operations under §3131 of the Customs Enforcement Act of 1986; \$11 million would be designated to fund or reimburse other federal agencies for the cost of care, and repatriation of smuggled aliens; and \$16 million would be targeted for enforcement of laws against forced child labor. Additionally, H.Rept. 110-181 recommended an increase over FY2007 funding of :

- \$43 million for the Criminal Alien Program (CAP), which includes the Institutional Removal Program (IRP) and the Criminal Alien Apprehension Program (ACAP);
- \$11 million for the Alternatives to Detention program;
- \$7 million for the Office of Professional Responsibility, \$1 million of which should be used for a third-party compliance review pilot program to ensure that standards are met at detention facilities managed by private contractors;
- \$111 million for Border Enforcement Security (BEST) Task Forces;<sup>52</sup>
- \$32 million for the three ICE programs that support State and local law enforcement: Law Enforcement Support Center (LESC), Forensic Document Laboratory (FDL), and to facilitate agreements under the 287(g) program of the INA; and
- \$4 million for the Trade Transparency Unit.

The report also recommends funding to increase detention space by 950 beds.

**Senate-Passed H.R. 2638.** Senate-passed H.R. 2638 would appropriate \$4,433 million in net budget authority for ICE, which represents an increase of \$265 million, 6% over the Administration's requested amount. Of the appropriated

---

<sup>51</sup> FAMS transferred to ICE from TSA in August of 2003.

<sup>52</sup> ICE-led BEST task forces coordinate federal, state, local, tribal, and foreign law enforcement and intelligence entities to disrupt cross-border criminal organization to mitigate border security vulnerabilities. This increase would fund the existing BEST task force in Laredo, TX, and establish six additional task forces.

amount, nearly \$8 million would be for special operations under §3131 of the Customs Enforcement Act of 1986; \$1 million would provide compensation awards to informants; \$102,000 would be used to promote public awareness of the child pornography tipline; \$203,000 would fund project alert;<sup>53</sup> \$5 million would be used to facilitate agreements under §287(g) of the INA; \$11 million would be designated to fund or reimburse other federal agencies for the cost of care, and repatriation of smuggled aliens; and \$16 million would be targeted for enforcement of laws against forced child labor.

In addition, Senate-passed H.R. 2638 would appropriate \$4,402 million for Salaries and Expenses, \$240 million or 6% more than the Administration's request. **Table 10** provides activity-level detail for the Salaries and Expenses account. Additionally, S.Rept. 110-84 recommended an *increase over the Administration's request* of:

- \$147 million for 3,050 additional detention beds and 248 detention and removal positions;
- \$33 million for transportation and removal activities;
- \$2 million, including 4 FTE, to establish an "Office of Policy and Planning" within the Detention and Removal Office (DRO);<sup>54</sup>
- \$9 million for Fugitive Operations Teams;<sup>55</sup>
- \$11 million (146 positions) for additional CAP teams;<sup>56</sup>
- \$240 million for more than 700 immigration enforcement and detention and removal positions;
- \$3 million including 4 positions for development of an ICE-wide training program for new and mid-career level managers;
- \$3 million (10 FTE) for BEST Task Forces;
- \$10 million (63 positions) for to enhance ICE's anti-gang initiative (Operation Community Shield);
- \$15 million (50 FTE) for worksite enforcement efforts; and
- \$11 million (63 positions) to fully staff the Document and Benefit Fraud Task Forces.

**President's FY2008 Request.** The Administration requested \$5,015 million in gross budget authority for ICE in FY2008. This represents a 6% increase over the enacted FY2007 level of \$4,727 million. The Administration requested an appropriation of \$4,168 million in net budget authority for ICE in FY2008,

---

<sup>53</sup> Project ALERT was launched by the National Center for Missing and Exploited Children in 1992, and consists of retired law enforcement agents who volunteer to provide assistance, as requested, to law enforcement agencies.

<sup>54</sup> The "Office of Policy and Planning assess existing policy for suitability given the growth in detention, ensure adherence to detention standards, and be responsible for development and modification of new policies as they relate to DRO-wide programs.

<sup>55</sup> Fugitive Operations Teams would be expanded from the Administration's request of 75 teams to 81 teams.

<sup>56</sup> With the additional monies, CAP teams would be expanded from the Administration's request of 22 teams to 30 teams.

representing a 5% increase over the FY2007 enacted level of \$3,958 million. **Table 10** provides activity-level detail for the Salaries and Expenses account. The request included the following program increases:

- \$7 million (19 FTE) for the Office of Professional Responsibility to investigate allegations of criminal and serious misconduct involving ICE and CBP employees;
- \$11 million (32 FTE) for BEST Task Forces;
- \$5 million (15 FTE) for ICE Mutual Agreement between Government and Employers (IMAGE), an initiative with private employers to improve worksite enforcement;
- \$2 million (4 FTE) for the Trade Transparency Unit to coordinate investigations with foreign governments and law enforcement to combat trade-based money laundering;
- \$5 million (18 FTE) to enhance ICE's anti-gang initiative (Operation Community Shield);
- \$26 million for 287(g) agreements;<sup>57</sup>
- \$16 million (2 FTE) for information technology investments;<sup>58</sup>
- \$31 million (28 FTE) for 600 additional detention beds and support personnel;
- \$29 million (110 FTE) for the Criminal Alien Program (CAP), which includes the Institutional Removal Program (IRP) and the Criminal Alien Apprehension Program (ACAP);<sup>59</sup> and
- \$11 million for centralized ticketing operation and additional air transportation (including use of the Justice Prisoners and Alien Transportation System (JPATS)) for alien removals.

**Table 10. ICE S&E Sub-account Detail**  
(budget authority in millions of dollars)

Activity	FY07 Enacted	FY08 Request	FY08 House Passed	FY08 Senate Passed	FY08 Conf.
<b>HQ &amp; Administration</b>	<b>274</b>	<b>314</b>	<b>299</b>	<b>317</b>	
<b>Legal Proceeding</b>	<b>187</b>	<b>208</b>	<b>208</b>	<b>208</b>	
Investigations - Domestic	1,285	1,372	1,370	1,411	
Investigations - International	105	108	108	108	

<sup>57</sup> This increase includes money for training 250 state and local law enforcement officers, 350 detention beds and associated staff, and \$8 million for T-1 data transmission lines, computers with IDENT/ENFORCE capabilities and connectivity to ICE databases.

<sup>58</sup> This increase includes \$11 million for Detention and Removal Operations (DRO) IT modernization; \$2 million for mobile IDENT/ENFORCE devices; and \$2 million for upgrading immigration enforcement systems.

<sup>59</sup> The increase for CAP will fund 22 additional 10-person CAP teams replacing an estimated 360 Special Agents performing CAP duties.

Activity	FY07 Enacted	FY08 Request	FY08 House Passed	FY08 Senate Passed	FY08 Conf.
<b>Investigations Total:</b>	<b>1,390</b>	<b>1,480</b>	<b>1,478</b>	<b>1,519</b>	
<b>Intelligence</b>	<b>51</b>	<b>52</b>	<b>52</b>	<b>52</b>	
DRO-Custody Operations	1,382	1,460	1,451	1,606	
DRO-Fugitive Operations	183	186	183	195	
DRO - Criminal Alien Program	137	168	180	179	
DRO - Alternatives to Detention	44	44	55	44	
DRO Transportation and Removal Program	238	249	249	283	
<b>DRO Total:</b>	<b>1,984</b>	<b>2,107</b>	<b>2,118</b>	<b>2,306<sup>a</sup></b>	
<b>ICE Salaries and Expenses:</b>	<b>3,887</b>	<b>4,162</b>	<b>4,155</b>	<b>4,402</b>	

**Sources:** DHS FY2008 Congressional Budget Justifications, p. PBO-55, and the conference report (H.Rept. 109-476) to H.R. 5441. The ICE justifications distributed funding for HQ and Administration throughout the agency's other accounts. In order to be more precise, this table presents the HQ and Administration account as specified in the Performance Budget Overview section of the DHS FY2008 Congressional Budget Justifications. Unspecified supplemental from P.L. 109-234.

**Note:** Totals may not add due to rounding.

- a. This amount does not include an unspecified amount of emergency funding for additional detention beds from the \$3,000 million emergency funding for border security activities included in the bill.

**Issues for Congress.** ICE is responsible for many divergent activities due to the breath of the civil and criminal violations of law that fall under ICE's jurisdiction. As a result, the allocation of resources in a manner in which to best achieve their mission is a continuous issue. In addition, part of ICE's mission includes locating and removing deportable aliens, which involves determining the appropriate amount of detention space, as well as which aliens should be detained. Another issue is the ability of ICE to identify criminal aliens while they are incarcerated for their criminal activity so that the aliens can be removed prior to being released into the community. Also, there has been debate concerning the extent to which state and local law enforcement should aid ICE with the identification, detention, and removal of deportable aliens.

**Office of Investigations/Immigration Functions.** The Office of Investigations (OI) in ICE focuses on a broad array of criminal and civil violation affecting national security such as illegal arms exports, financial crimes, commercial fraud, human trafficking, narcotics smuggling, child pornography/exploitation, worksite enforcement, and immigration fraud. ICE special agents also conduct investigations aimed at protecting critical infrastructure industries that are vulnerable to sabotage, attack, or exploitation. The Homeland Security Act of 2002 (P.L. 107-296) abolished the INS and the United States Customs Service, and transferred most of their investigative functions to ICE effective March 1, 2003. There are investigative advantages to combining the INS and Customs Services, as those who violate immigration laws often are engaged in other criminal enterprises (e.g., alien

smuggling rings often launder money). Nonetheless, concerns have been raised that not enough resources have been focused on investigating civil violations of immigration law and that ICE resources have been focused on terrorism and the types of investigations performed by the former Customs Service.<sup>60</sup> The President's budget requests \$1,478 million total for OI. Comparatively, for OI, House-passed H.R. 2638 would appropriate \$1,478 million, and Senate-passed H.R. 2638 would appropriate \$1,519 million.

***Detention and Removal Operations.*** Detention and Removal Operations (DRO) in ICE provide custody management of aliens who are in removal proceedings or who have been ordered removed from the United States.<sup>61</sup> DRO is also responsible for ensuring that aliens ordered removed actually depart from the United States. Many contend that DRO does not have enough detention space to house all those who should be detained. A study done by DOJ's Inspector General found that almost 94% of those detained with final orders of removal were deported, whereas only 11% of those not detained, who were issued final orders of removal, left the country.<sup>62</sup> Concerns have been raised that decisions on which aliens to release and when to release the aliens may be based on the amount of detention space, not on the merits of individual cases, and that the amount of space may vary by area of the country leading to inequities and disparate policies in different geographic areas. The Intelligence Reform and Terrorism Prevention Act of 2004 (P.L. 108-458, §5204) authorized, subject to appropriations, an increase in DRO bed space of 8,000 beds for each year, FY2006-FY2010. The President's budget requested a total of \$2,107 million for DRO including an additional \$31 million for 600 detention beds and support personnel, and \$10.8 million for transportation for alien removals. Notably, included in the requested increase for 287(g) agreements is funding for 350 beds and necessary personnel. House-passed H.R. 2638 would appropriate \$2,118 for DRO.

Senate-passed H.R. 2638 contains appropriations for detention beds in Title II and in an emergency supplemental that was attached to the bill during floor-debate. Title II of Senate-passed H.R. 2638 would appropriate \$2,306 for DRO including increases of \$147 million over the Administration's request for 3,050 additional beds. The emergency supplemental included in Senate-passed H.R. 2638 specifies that within two years ICE should have the resources to detain 45,000 aliens per day (i.e., 45,000 detention beds), and would appropriate \$3,000 million for, among other things, the additional detention beds.

---

<sup>60</sup> Based on CRS discussions with ICE personnel in New York City, August 27, 2003.

<sup>61</sup> For more information on detention issues see CRS Report RL32369, *Immigration-Related Detention: Current Legislative Issues*, by Alison Siskin. Under the INA aliens can be removed for reasons of health, criminal status, economic well-being, national security risks, and others that are specifically defined in the act.

<sup>62</sup> Department of Justice, Office of the Inspector General, *The Immigration and Naturalization Service's Removal of Aliens Issued Final Orders*, Report I-2003-004, February 2003.

**Alternatives to Detention.** Due to the cost of detaining aliens, and the fact that many non-detained aliens with final orders of removal do not leave the country, there has been interest in developing alternatives to detention for certain types of aliens who do not require a secure detention setting. In 2004, ICE began a pilot program, the Intensive Supervision Appearance Program, for low-risk, nonviolent offenders.<sup>63</sup> In addition, ICE uses electronic monitoring devices as another alternative to detention. The President's budget requests \$44 million for alternatives to detention, the same as would be appropriated by Senate-passed H.R. 2638, and \$11 million less than House-passed H.R. 2638 would appropriate.

**Criminal Alien Program (CAP).** Criminal aliens are aliens who have committed crimes that make them removable. The potential pool of removable criminal aliens is in the hundreds of thousands. Some are incarcerated in federal, state, or local facilities, while others are free across the United States, because they have already served their criminal sentences.<sup>64</sup> DHS' CAP attempts to locate criminal aliens who have been released after serving their criminal sentences so that the aliens can be removed from the United States. In addition, CAP is directed at identifying criminal aliens in federal, state, and local prisons, and assuring that these aliens are taken into ICE custody at the completion of their criminal sentences. Although federal prisons have a system to notify ICE when there is an alien in custody, notification from state and local prisons and jails is not systematic, and many criminal aliens are released after their criminal sentences are completed rather than taken into ICE custody, making it more difficult to locate the aliens for deportation and raising the concern that the released aliens will commit new crimes. Like ICE, INS had historically failed to identify all removable imprisoned aliens.<sup>65</sup> The President's FY2008 budget request includes \$168 million for CAP. In comparison, for CAP, House-passed H.R. 2638 would appropriate \$180 million, and Senate-passed H.R. 2638 would appropriate \$179 million.

**Institutional Removal Program.** INA §238(a) allows for removal proceedings to be conducted at federal, state, and local prisons for aliens convicted of crimes. This program as instituted is known as the Institutional Removal Program (IRP) and is part of ICE's Criminal Alien Program (CAP). Under the IRP, the proceedings are held while the alien is incarcerated. Nonetheless, under the INA aliens must complete their criminal sentences before they can be removed from the United States.<sup>66</sup> INS developed a nationwide automated tracking system for the federal Bureau of Prisons (BOP) and deployed them to IRP sites. The system covers

---

<sup>63</sup> Department of Homeland Security, U.S. Immigration and Customs Enforcement, "Public Security: ICE Unveils New Alternative to Detention," *Inside ICE*, vol. 1, no. 5, June 21, 2004, available at [<http://www.ice.gov>].

<sup>64</sup> Stana, *Challenges to Implementing the Immigration Interior Enforcement Strategy*, p. 5.

<sup>65</sup> Of 35,318 criminal aliens released between 1994 and 1999, at least 11,605 went on to commit new crimes. See Governmental Accountability Office, *Criminal Aliens: INS' Efforts to Identify and Remove Imprisoned Aliens Continues to Need Improvement*, GAO/T-GGD-99-47, February 25, 1999.

<sup>66</sup> INA §241(a)(4)(A).

foreign born inmates incarcerated under the federal system and tracks the hearing status of each inmate.<sup>67</sup>

**State and Local Law Enforcement.**<sup>68</sup> Currently, the INA provides limited avenues for state enforcement of both its *civil* and criminal provisions. One of the broadest grants of authority for state and local immigration enforcement activity stems from INA §287(g), which authorizes the Attorney General to enter into a written agreement with a state, or any political subdivision to allow an officer or employee of the state or subdivision, to perform a function of an immigration officer in relation to the investigation, apprehension, or detention of aliens in the United States. The enforcement of immigration by state and local officials has sparked debate among many who question what the proper role of state and local law enforcement officials should be in enforcing federal immigration laws. Many have expressed concern over proper training, finite resources at the local level, possible civil rights violations, and the overall impact on communities. Some localities, for example, even provide “sanctuary” for illegal aliens and will generally promote policies that ensure such aliens will not be turned over to federal authorities. Nonetheless, some observers contend that the federal government has scarce resources to enforce immigration law and that state and local law enforcement entities should be utilized. The President’s budget request includes an increase of \$26 million to \$78 million for these agreements. Senate-passed H.R. 2638 would appropriate \$52 million for §287(g) agreements, while House-passed H.R. 2638 would appropriate \$32 million for the three ICE programs that support State and local law enforcement: (1) Law Enforcement Support Center (LESC); (2) Forensic Document Laboratory (FDL); and (3) 287(g) agreements.

**Federal Protective Service.**<sup>69</sup> The Federal Protective Service (FPS), within ICE, is responsible for the protection and security of federally owned and leased buildings, property, and personnel. It has two primary missions — basic security and building specific security. Basic security functions include daily monitoring of federal building entry and exit points; building specific security includes investigating specific threats to a federal facility or building. In general, FPS focuses on law enforcement and protection of federal facilities from criminal and terrorist threats.

The Administration requests \$613 million in FY2008 for these missions.<sup>70</sup> With these funds, the Administration plans for FPS to focus on three objectives or tasks: security policy and standards, building security assessments, and agency compliance

---

<sup>67</sup> Government Accountability Office, *Immigration Enforcement: Challenges to Implementing the INS Interior Enforcement Strategy*, GAO-02-861T, June 19, 2002.

<sup>68</sup> This section adapted from CRS Report RL32270, *Enforcing Immigration Law: The Role of State and Local Law Enforcement*, by Blas Nuñez-Neto, Michael John Garcia, and Karma Ester.

<sup>69</sup> This section authored by Shawn Reese, Government and Finance Division.

<sup>70</sup> OMB, *Budget of the US Government, Fiscal Year 2008*, p. 460.



with security standards.<sup>71</sup> Currently, FPS utilizes approximately 15,000 contract security guards and 950 uniformed law enforcement officers. Pursuant to the Administration's request, FPS intends to move these uniformed law enforcement officers into other ICE law enforcement offices or reduce the number through attrition.

**House-Passed H.R. 2638.** The House approved legislation would prohibit the obligation of FY2008 funds for any activity that reduces the number of in-service FPS police officers, unless the FPS director provides information to state and local law enforcement agencies that may be affected by the downsizing. Before reducing the number of FPS uniformed personnel, the director must prepare a report on the number and type of cases handled by FPS in the previous two fiscal years, and give copies of the report to officials in jurisdictions with federal buildings protected by FPS. In addition, the House provision requires that the FPS director negotiate a memorandum of agreement with each state and local law enforcement agency that details how security needs identified in the report will be addressed in the future. Finally, the FPS Director would be required to submit a copy of the report and each memorandum of agreement to the House and Senate Committees of Appropriation 15 days prior to the reduction in the number of FPS police officers.<sup>72</sup> The report accompanying the House-passed legislation further addresses this issue, noting that the reduction in FPS police officers will impose a "significant" burden on state and local law enforcement agencies.<sup>73</sup>

**Senate-Passed H.R. 2638.** The legislation approved by the Senate requires that the DHS Secretary ensure that there are not fewer than 1,200 FPS law enforcement officers protecting federal buildings. In addition, the Senate-passed bill states that the DHS Secretary and the Director of the Office of Management and Budget adjust security fees, paid by federal agencies for FPS security, to ensure full funding for not fewer than 1,200 FPS officers.<sup>74</sup>

## **Transportation Security Administration (TSA)<sup>75</sup>**

The TSA was created by the Aviation and Transportation Security Act (ATSA, P.L. 107-71), and it was charged with protecting air, land, and rail transportation systems within the United States to ensure the freedom of movement for people and commerce. In 2002, the TSA was transferred to DHS with the passage of the Homeland Security Act (P.L. 107-296). The TSA's responsibilities include protecting

---

<sup>71</sup> U.S. Immigration and Customs Enforcement, *Federal Protective Service, Fiscal Year 2008, Congressional Justification*

<sup>72</sup> House-passed H.R. 2638, Title II.

<sup>73</sup> U.S. Congress, House Committee on Appropriations, *Department of Homeland Security Appropriations Bill, 2008*, report to accompany H.R. 2638, 110<sup>th</sup> Cong., 1<sup>st</sup> sess., H.Rept. 110-181 (Washington: GPO, 2007), p. 47.

<sup>74</sup> Senate-passed H.R. 2638, Title II.

<sup>75</sup> Prepared by Bart Elias, Specialist in Aviation Safety, Security, and Technology, Resources, Science, and Industry Division.

the aviation system against terrorist threats, sabotage, and other acts of violence through the deployment of passenger and baggage screeners; detection systems for explosives, weapons, and other contraband; and other security technologies. The TSA also has certain responsibilities for marine and land modes of transportation including assessing the risk of terrorist attacks to all non-aviation transportation assets, including seaports; issuing regulations to improve security; and enforcing these regulations to ensure the protection of these transportation systems. TSA is further charged with serving as the primary liaison for transportation security to the law enforcement and intelligence communities. See **Table 8** for account-level detail for all of the agencies in Title II, and **Table 11** for sub-account-level detail for TSA for FY2007 enacted levels and supplemental appropriations and FY2008 amounts specified in the President's request and the House and Senate bills.

**President's FY2008 Request.** The proposed funding level for the TSA, a gross total of \$6,401 million, comprises roughly 14% of the gross total DHS budget request. The President's FY2008 request estimates about \$2,793 million in offsetting collections, mostly through the collection of airline passenger security fees, yielding at net total requested amount for TSA of \$3,608 million, which is paid for out of the Treasury general fund. In breaking with prior year requests, the President's FY2008 request does not propose any changes to the existing passenger security fee structure. In prior years, the President sought to increase these fees, however the proposed changes to the fee structure failed to garner much support in Congress.

The proposed FY2008 gross funding level for TSA of \$6,401 is roughly comparable to the FY2007 enacted level of \$6,307. Although, notably absent from the requested amount is the \$250 million in mandatory funding for the Aviation Security Capital Fund that provides grants to airports for constructing in-line explosive detection systems (in-line EDS). Authority for this fund was set to expire at the end of FY2007, but a provision to extend authorization of the fund through 2028 was included in P.L. 110-53.

Funding for aviation security, the Federal Air Marshal Service (FAMS), and aviation-related vetting functions comprises roughly 90% of the total proposed TSA budget. Sub-account level amounts in the President's FY2008 request are presented in **Table 11**. Several aviation security activities, including training, human resources, checkpoint support, and airport management and information technology (IT) support, would see a decrease in funding compared to FY2007 enacted levels under the President's proposal. This appears to be part of an effort to trim overhead costs, largely through improved efficiency. On the other hand, the President has proposed notable increases for Explosives Detection System (EDS) and Explosives Trace Detection (ETD) equipment purchase, installation, and maintenance compared to FY2007 enacted levels. This increase was anticipated, as much of the fielded explosives detection equipment has been in service for more than four years and is reaching useful service life requiring additional maintenance and replacement costs to be factored into the budget process. With regard to screener staffing, the President has proposed a net increase of 955 full-time equivalent screeners (roughly a 2% increase in the screener workforce), largely to support a new travel document screening initiative. The President, however, proposes to trim support staff, resulting in a net decrease of about 351 FTEs across all of the TSA.

Under the President's budget proposal, the Transportation Threat Assessment and Credentialing (TTAC) function would almost be doubled compared to FY2007 enacted levels, with the entire amount of the increase, \$38 million, going toward the Secure Flight development effort. Secure Flight, the long delayed program that would establish a centralized, federally operated system for prescreening airline passengers against terrorist watchlists, is now scheduled to become operational in the summer of 2008. Credentialing fee programs would see a notable increase as the Registered Traveler program continues its nationwide expansion in FY2008, and the Transportation Worker Identification Credential (TWIC) program is scheduled to become fully operational at the nation's seaports in FY2008. The President's budget proposes setting funding for surface transportation security at \$41 million, roughly \$5 million above FY2007 enacted levels. The additional proposed funding would be used to hire additional canine teams and inspectors for rail and mass transit. Under the President's proposal funding for Transportation Security Support functions would remain roughly unchanged from FY2007 enacted levels.

**Table 11. TSA Gross Budget Authority by Budget Activity**  
(budget authority in millions of dollars)

Budget Activity	FY2007 Enacted	FY2007 Supp.	FY2008 Request	FY2008 House Passed	FY2008 Senate Passed	FY2008 Conf.
<b>Aviation Security</b>	<b>4,732</b> <sup>a</sup>	<b>390</b>	<b>4,953</b>	<b>5,199</b>	<b>5,043</b>	
Screening Partnership Program (SPP)	149	—	147	143	143	
Passenger & Baggage Screening (PC&B)	2,470	—	2,601	2,589	2,601	
Screener Training & Other	244	—	200	200	200	
Human Resource Services	207	—	182	182	182	
Checkpoint Support	173	25	136	250	136	
EDS/ETD Purchase	141	—	181	—	—	
EDS/ETD Installation	138	—	259	—	—	
EDS/ETD Installation/Purchase	—	285	—	560	529	
EDS/ETD Maintenance and Utilities	222	—	264	264	257	
Operation Integration	23	—	25	25	25	
Regulation and Other Enforcement	218	—	224	224	224	
Airport Management, IT, and Support	666	—	656	652	646	
FFDO & Crew Training	25	—	25	28	25	
Air Cargo Security	55	80	56	73	66	

Budget Activity	FY2007 Enacted	FY2007 Supp.	FY2008 Request	FY2008 House Passed	FY2008 Senate Passed	FY2008 Conf.
Airport Perimeter Security	—	—	—	4	4	
Foreign and Domestic Repair Stations	—	—	—	—	—	
Adjustment - S.Amdt. 2461 <sup>b</sup>	—	—	—	—	3	
<b>Aviation Security Capital Fund</b>	<b>250</b>	—	—	—	—	
<b>Federal Air Marshal Service (FAMS)</b>	<b>714</b>	<b>5<sup>d</sup></b>	<b>722</b>	<b>722</b>	<b>722</b>	
Management and Administration	628	—	644	644	644	
Travel and Training	86	—	78	78	78	
Air-To-Ground Communication	—	—	—	—	—	
<b>Threat Assessment and Credentialing</b>	<b>40</b>	—	<b>78</b>	<b>64</b>	<b>67</b>	
Secure Flight	15	—	53	25	28	
Crew Vetting	15	—	15	15	15	
Other/ TTAC Admin. & Ops.	10	—	10	25	10	
TWIC Appropriation	—	—	—	—	15	
<b>Credentialing Fees</b>	<b>76</b>	—	<b>83</b>	<b>83</b>	<b>83</b>	
Registered Traveler Program Fees	35	—	35	35	35	
TWIC Fees	20	—	27	27	27	
Alien Flight School Fee	2	—	2	2	2	
HAZMAT Commercial Driver Fees	19	—	19	19	19	
<b>Surface Transportation Security</b>	<b>37</b>	—	<b>41</b>	<b>41</b>	<b>41</b>	
Operations and Staffing	24	—	24	24	24	
Rail Security Inspectors and Canines	13	—	17	17	17	
HAZMAT Truck Tracking and Training	—	—	—	—	—	
<b>Transportation Security Support</b>	<b>525</b>	—	<b>525</b>	<b>527</b>	<b>522</b>	
Intelligence	21	—	21	21	21	
Headquarters Administration	294	—	294	296	294	
Information Technology	210	—	209	209	209	

Budget Activity	FY2007 Enacted	FY2007 Supp.	FY2008 Request	FY2008 House Passed	FY2008 Senate Passed	FY2008 Conf.
Research and Development <sup>c</sup>	—	—	—	—	—	
Adjustment - S. Amdt 2461 <sup>b</sup>	—	—	—	—	-3	
<b>TSA Subtotal</b>	<b>6,374</b>	<b>395</b>	<b>6,401</b>	<b>6,636</b>	<b>6,478</b>	
<b>Rescission</b>	<b>-67</b>	—	—	—	—	
<b>TSA Total:</b>	<b>6,307</b>	<b>395</b>	<b>6,401</b>	<b>6,636</b>	<b>6,478</b>	

**Source:** CRS analysis of the *FY2008 President's Budget*, *DHS Budget in Brief*, and *TSA FY2008 Congressional Justification* documents.

**Notes:** Subtotals do not sum to functional area totals and TSA total due to rounding. PC&B: Personnel Compensation and Benefits; EDS: Explosive Detection Systems; ETD: Explosive Trace Detection equipment; IT: Information Technology; FFDO: Federal Flight Deck Officer program; DCA: Washington Reagan National Airport; TWIC: Transportation Worker Identification Credential; HAZMAT: Hazardous Materials.

- a. *Does not* include a \$7 million transfer to Aviation Security provided by P.L. 110-5, nor does the amount include \$390 million in supplemental appropriations provided by P.L. 110-28. In contrast, both H.Rept. 110-181 and S.Rept. 110-84 include the \$7 million transfer (but not the \$390 million in supplemental appropriations) yielding a total FY2007 appropriation for aviation security of \$4,739 that is reported in those documents, \$7 million more than the amount shown on this table. Of this \$7 million, \$2 million was transferred from the Secure Flight program. However, in contrast to references in H.Rept. 110-181 and S.Rept. 110-84, the above table does not indicate this \$2 million reduction in the FY2007 appropriation for Secure Flight.
- b. S.Amdt. 2461, as modified, increases funding for Aviation Security by \$3 million and decreases funding for Transportation Security Support by \$3 million. While debate over the amendment indicated that this money was intended for the "Law Enforcement Officer Reimbursement Program," its impact on specific sub-accounts was not specified. This function would fall under Regulation and Other Enforcement in this table. However, the amount shown in this table for this sub-account has not been adjusted from that specified in S.Rept. 110-84.
- c. Transportation Security Research and Development was moved to the Science and Technology Directorate in FY2006.
- d. P.L. 110-28 required the DHS to provide the appropriations committees a report detailing how these additional funds would be allocated within 30 days of enactment. No allocation to FAMS sub-accounts is shown in this table.

**House-passed H.R. 2638.** The House bill would provide \$6,636 million for the TSA, with \$5,199 million (78%) designated for aviation security programs. Total TSA funding specified in the House bill is \$235 million more than the Administration request and \$329 million above FY2007 enacted levels, not including FY2007 supplemental funding appropriated in P.L. 110-28 or transfers included in P.L. 110-5.

Aviation security funding specified in the House bill is \$246 million (5%) more than the Administration request, and \$467 million (almost 10%) above the FY2007 enacted levels, not including supplemental funding and transfers. The increased funding above the requested amount is primarily designated for procurement and installation of explosives detection equipment for checked baggage screening, procurement of screening technologies for passenger checkpoints, and additional canine teams and inspectors for air cargo security. These three programs remain high priorities and each also received supplemental appropriations for FY2007 included

in the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act of 2007 (P.L. 110-28).

A total of \$560 million is specified for procurement and installation of explosives detection equipment, \$120 million (27%) above the Administration request. While this represents a sizable increase, it should be noted that this, in part, reflects the fact that appropriations measures have assumed that of the authorization of the Aviation Security Capital Fund, set to expire at the end of FY2007, would not be reauthorized. That fund has provided for an additional \$250 million annually in mandatory spending to provide airports with grants to airports for accommodating explosives detection equipment. While appropriations debate has proceeded under the assumption that this fund would not be authorized in FY2008, a provision in P.L. 110-53 extended authorization of the Aviation Security Capital Fund through 2028.

Based on studies of checked baggage explosives detection screening over the next 20 years, the House report (H.Rept. 110-181) expresses considerable concern over the ability to meet long-term spending needs for EDS refurbishing and replacement, next-generation EDS deployment, and modifications to airport infrastructure to accommodate checked baggage screening equipment and operations. The additional funds for EDS procurement and installation specified in the House bill are intended to expedite EDS deployment among all airports, replace aging explosives trace detection (ETD) machines at larger airports, and deploy new ETD machines at any newly federalized small airports and heliports. The House report urges the TSA to further explore consolidating checkpoint and checked baggage screening at smaller airports as a means for improving screening efficiency.

The House bill also specifies \$250 million for checkpoint support, \$114 million (84%) above the requested amount, to pilot testing and deployment of advanced checkpoint technologies such as: whole body imaging systems; liquid explosives detectors; and automated explosives detection systems. The additional funding would also support any additional checkpoint infrastructure requirements to carry out a pilot program for screening airport workers at up to seven airports. Under screener workforce funding, the bill also adds an additional \$5 million for labor costs associated with this pilot. The total appropriation for the screener workforce is, nonetheless, slightly less than the Administration request reflecting partial funding of the requests for travel document checker and behavior detection screener initiatives. The bill, however, lifts the longstanding cap of 45,000 full-time equivalent screeners, although a minority view printed in the House report expressed concern that without the cap "TSA will go back to its old ways of solving screener problems by simply adding more people — a very short-sighted and costly solution."<sup>76</sup> With regard to private, non-TSA screening, the bill provides roughly \$3 million above the requested amount to implement private screening to small airports and heliports that start up commercial air service.

The bill provides \$73 million for air cargo security, \$17 million above the President's request. The additional funding is designated for deployment of additional canine teams and air cargo security inspectors. Additionally, the bill

---

<sup>76</sup> H.Rept. 110-181, p. 197.

includes a general provision (Sec. 516) that would require a doubling of the percent of air cargo screened. The bill also provides \$4 million for airport perimeter security, a program element that was not funded in the President's request.

The Secure Flight program for prescreening passengers against government terrorist watchlists would be funded at \$28 million below the President's request under the House bill, reflecting frustration over the lack of a complete cost estimate for system development and testing, and the prospect that operational testing could slip from FY2008 until early FY2009. The bill continues the longstanding requirement for GAO oversight and DHS certification that specified operational requirements regarding data retention, data security, privacy, and mechanisms for redress are met prior to implementing the system on other than a test basis. The provision also prohibits the use of commercial data or algorithms to evaluate the risk of passengers whose names are not included on any government terrorist watch lists. If the system does not check airline passenger names against the full terrorist watchlist, the bill would require the Assistant Secretary for Transportation Security to certify that checking passengers against a subset of this list does not raise any security risks. All other Transportation Threat Assessment and Credentialing (TTAC) programs would be funded at the levels specified in the President's request. The House bill also provides funding for surface transportation security and the Federal Air Marshal Service at the requested levels and funds the TSA's Transportation Security Support functions at a level roughly equal to the President's request.

**Senate-Passed H.R. 2638.** The Senate-passed bill provides a total of \$6,478 million to the TSA for FY2008, \$17 million (2.7%) above FY2007 enacted levels excluding supplemental appropriations and transfers, and \$77 million (1%) more than the President's request.

For aviation security, the Senate bill specifies \$5,043 million, \$9 million (about 2%) more than the President's request, but \$156 million less than the House bill. Like the House bill, the Senate bill seeks additional funding for explosives detection capabilities for checked baggage and reduced funding for the Secure Flight program. However, the Senate bill does not include the additional funding sought in the House bill for the deployment of checkpoint screening technologies.

Specifically, the Senate bill specifies \$529 million for explosives detection equipment purchase and installation, \$89 million more than the President's request but \$31 million below the amount specified in the House bill. The Senate bill would consolidate maintenance costs for baggage and checkpoint screening technologies as requested in the President's request. However, citing slow procurement decisions and large unobligated balances for acquisition of emerging passenger screening systems and related maintenance costs, the Senate bill would provide \$7 million less than the President's request for screening technologies maintenance and utilities. While the Senate committee noted the persisting threat posed by explosives carried by passengers, it expressed deep concern over the TSA's failure to submit a strategy for deployment of checkpoint screening technologies as directed by the conference report accompanying last years appropriations act (H.Rept. 109-699) and the large unobligated balance of appropriations for checkpoint technologies. The Senate report

(S.Rept. 110-84) funds checkpoint support functions, which includes funding for checkpoint technologies, at the requested funding level, \$114 million less than the amount passed by the House, and withholds \$20 million from TSA's headquarters spending until the Committee receives the strategic plan for checkpoint screening technology deployment.

The Senate committee report specifies that \$15 million of the amount appropriated for screening operations is to be made available for carrying out a pilot test to study various methods for screening airport employees. The report also makes \$59 million available for workers compensation payments, almost \$4 million above last years amount despite concerted efforts by the TSA to reduce costs associated with work-related injuries. The Senate bill would fund screener training at the requested level of \$200 million, \$44 million below FY2007 enacted levels, and directs the TSA to provide a detailed report on its behavioral screening initiatives which it intends to expand to all airports in FY2008, but has provided limited information on to date.

The Senate bill specifies \$66 million for air cargo security, \$10 million above the President's request, but \$7 million below the amount specified in the House bill. These funds, along with the additional \$80 million in FY2007 supplemental funding specified for air cargo security, are intended to be used for deploying additional canine teams, hiring additional cargo inspectors, and procuring cargo screening technologies. The Senate report instructs the TSA to complete the air cargo vulnerability assessments of Category X airports, funded through FY2007 supplemental funding, by March 1, 2008, and develop an action plan for inbound international air cargo addressing recommendations made by the GAO no later than February 5, 2008. Like the House bill, the Senate bill includes a \$4 million appropriation amount for carrying out airport perimeter security pilot programs that was not included in the President's request. An amendment approved by the Senate (S.Amdt. 2461) would shift \$3 million from Transportation Security Support to Aviation Security to provide increased funding for law enforcement reimbursable agreements that provide state and local law enforcement presence at passenger screening checkpoints.

The Senate bill specifies \$28 million for the Secure Flight program, \$3 million more than the amount specified in the House bill, but \$25 million less than the President's request. Like the House, the Senate report describes continued frustration with the TSA's inability "to fully articulate the goals, objectives, and requirements for the program" despite 18 months of "rebaselining" the program and years of work to develop a passenger prescreening system. However, the Senate bill includes a provision that would give the TSA authority to transfer the additional \$25 million sought, if the TSA can demonstrate significant improvement in the program, supported by the findings of an ongoing GAO review. Like the House bill, the Senate bill would keep in force the longstanding stipulation that Secure Flight may not be deployed for any purpose other than system testing until the GAO finds that all issues identified in legislation regarding the program have been adequately addressed, and it prohibits the use of commercial databases for vetting airline passengers. All other Transportation Threat Assessment and Credentialing (TTAC) programs would be funded at the levels specified in the President's request. The



Senate bill also matches the amounts specified in the President's request for surface transportation security and transportation security support.

**TSA Issues for Congress.** Identified issues for the TSA in the context of the FY2008 appropriations process center primarily on aviation security including screener workforce issues, screening technology, and air cargo security. Additionally, the planned nationwide roll-out of the TWIC program at seaports in FY2008 will likely also be an issue of considerable interest. Other issues have emerged during the FY2008 appropriations debate as the Administration has raised concerns over bill language that would cut funding for the Secure Flight program and would subject TSA decisions regarding airline security fee collections to judicial review.

**Screener Workforce Issues.** In the past, the total number of full-time equivalent TSOs has been statutorily capped at 45,000 through specific appropriations language. A GAO assessment of the TSA's screener staffing allocation methodology among commercial passenger airports found that the TSA's underlying assumptions should be reassessed.<sup>77</sup> In particular, the GAO found that many medium and smaller sized airports were staffed at levels either above or below the allocation specified by the staffing methodology. However, at small and medium sized airports, average peak-period passenger wait times in screening queues have consistently met the goal of 10 minutes or less. While the GAO found that all but one major (Category X) airport was staffed at levels consistent with the screener allocation methodology, the average passenger wait times at these airports (12.6 minutes in FY2006) exceeded the target of 10 minutes or less. Among other large airports (Category I), screener staffing was found to be in line with the staffing model at almost 80% of the airports, and average passenger wait times (10.4 minutes in FY2006) were found to be just slightly above the 10-minute target. Observations from these findings include the difficulty in predicting staffing needs at smaller and medium sized airports, where changes in air carrier flight schedules can have a more pronounced impact on screener staffing, and the possible need to more closely examine the persisting difficulties in achieving passenger wait time targets at large airports, particularly among the busiest airports in the country. While the President's FY2008 budget proposes to eliminate the 45,000 FTE cap for TSOs and add 955 additional screeners, this increase will support the new travel document screening initiative and is not expected to address staffing imbalances or passenger wait time issues. During the FY2008 appropriations debate, screener staffing needs to address these issues may be a topic of particular interest. While neither the House nor the Senate bills retain the longstanding screener cap, a minority view printed in House Rept. 110-181 questioned the removal of this cap, voicing concern that it would lead to poor strategic planning by hiring screeners rather than focusing on technology approaches to streamline screening procedures that could reduce manpower needs. A provision in the Implementing the 9/11 Commission Recommendations Act of 2007 (P.L. 110-53) explicitly removes the cap and directs the TSA to hire as many

---

<sup>77</sup> U.S. Government Accountability Office, *TSA's Staffing Allocation Model Is Useful for Allocating Staff among Airports, but Its Assumptions Should Be Systematically Reassessed*, GAO-07-299, February 2007.

personnel as determined necessary to enhance security and reduce passenger wait times to under 10 minutes.

In addition to screener staffing, workers compensation continues to be a significant expense for the TSA despite initiatives aimed at prevention and intervention strategies to reduce and mitigate workplace injuries. Anticipated costs of worker compensation claims account for \$59 million (about 2.3%) of the FY2008 Passenger & Baggage Screening (PC&B) amount. Thus, examining the effectiveness of the TSA's initiatives to address workplace injuries may be an issue of particular interest to appropriators. The Senate report (S.Rept. 110-84) specifically identified \$59 million for workers compensation benefits for FY2008, and requests committee briefings on how the TSA's proposed strategies will mitigate on-the-job injuries and associated costs.

Provisions in original House-passed and Senate-passed versions of the Implementing the 9/11 Commission Recommendations Act of 2007 (H.R. 1) would have placed TSA screeners under the same personnel management system as all other TSA employees, thereby extending to TSA screeners the right to collective bargaining. These provisions, however, were excluded from the Conference Report on the bill (H.Rept. 110-259), which became P.L. 110-53. When the TSA was established in 2001, the Aviation and Transportation Security Act (ATSA, P.L. 107-71) gave the TSA Administrator discretion to implement an alternate personnel system for screeners, which has, to date, barred screeners from collective bargaining. TSA Administrator Kip Hawley had cautioned that the direct cost to the TSA to set up a collective bargaining program for TSA screeners would be \$160 million.<sup>78</sup>

TSA's application of its performance-based accountability and standards system for employees has been another ongoing issue. In 2006, the TSA initiated a performance-based management system, and under this system compensates screeners and other employees, in part, based on factors related to performance, technical proficiency, level of training and development, and other indicators of job performance.<sup>79</sup> Senate-passed H.R. 2638 includes a provision that would require the TSA to submit a report to the congressional appropriations and oversight committees that examines performance ratings and pay increases for all positions covered under this system comparing performance and pay increases between managers and non-managers and providing data on attrition among employees covered under this system.

The President's FY2008 budget estimates fee collections of about \$35 million for the Registered Traveler program's continuation of its initial pilot phase at 10 to 20 airports, with the possibility of nationwide implementation sometime in FY2008 or later. A provision in Senate-passed H.R. 2638 would establish an international registered traveler program, coordinated with the US-VISIT and Visa Waiver

---

<sup>78</sup> Thomas Frank, "TSA Union Fight Threatens Anti-terror Bill", *USA Today*, February 28, 2007.

<sup>79</sup> United States Department of Homeland Security, Transportation Security Administration. Statement of Kip Hawley, Assistant Secretary, Before the Committee on Commerce, Science, and Transportation, United States Senate, January 17, 2006.

programs, that, like the domestic program would be offset by participant fees. Also, the TSA anticipates initial operational deployment of the long delayed Secure Flight program in the summer of 2008. Meanwhile, the TSA has indicated that it is culling the lists it currently provides to airlines for passenger prescreening to reduce false matches. While all of these initiatives could have an impact on reducing the burden on TSA screening resources, particularly resources dedicated to secondary screening of passengers, evaluating the impact of these initiatives may be an issue of particular interest to appropriators with regard to how they impact appropriations needs for screening resources.

**Screening Technologies.** Most of the currently deployed baggage explosives detection systems, deployed in the 2002 and 2003 time frame, have been in service for several years and are not as capable as newer, next generation (NextGen) equipment with regard to baggage throughput and explosives detection capability. The TSA is facing an ongoing challenge with regard to maintaining and extending the service life of existing equipment and phasing in replacement next generation systems. In 2006, the TSA developed a Electronic Baggage Screening Program (EBSP) Strategic Plan to optimize screening solutions at the 250 busiest airports with the goal of decreasing life cycle costs for baggage screening technologies. Faced with escalating maintenance costs for baggage screening systems, the effectiveness of this plan and its implementation may be an issue of particular interest for appropriators. Both the House and Senate bills would increase funding for explosives detection equipment procurement and installation above the requested levels.

In addition to baggage screening technologies, the TSA is engaged in field testing a host of emerging passenger checkpoint screening technologies designed to improve throughput and address new and emerging security threats. Technologies that are currently being evaluated include advanced x-ray and automated explosives detection systems for carry-on bags; whole body imaging; explosive trace detection portal machines; cast and prosthetic device scanners; and bottled liquid scanners. The effectiveness of these various technologies and how they fit into the TSA's overall strategy for deploying passenger checkpoint technologies may be an issue of particular interest during the FY2008 DHS appropriations debate. While the House bill includes additional funding for checkpoint technologies, the Senate bill would fund this activity at the requested level.

The Senate bill also includes a provision that would take the TSA out of the statutory framework that has kept its acquisition practices under a set of special rules initially set up for the Federal Aviation Administration (FAA). While the current TSA acquisition system offers greater flexibility than the general federal acquisition regulations, the rest of DHS currently operates under a separate contracting system. This provision would provide for commonality among acquisition procedures and practices across all of DHS.<sup>80</sup> This new system would apply to all technology acquisition including screening technologies for passengers, baggage, and cargo, as well as other service and support contracts with the TSA.

---

<sup>80</sup> Elizabeth Newell, "Senators Seek to Hold TSA to Standard Acquisition Rules," *Government Executive.com*, July 26, 2007.

**Air Cargo Security.** At present, the TSA's air cargo security program consists of 325 FTE air cargo security inspectors responsible for ensuring compliance with security regulations throughout the air cargo supply chain. Further, security threat assessments of cargo workers in the cargo supply chain is administered as a fee program (the indirect air cargo fee), and the TSA levies a \$28 charge per assessment. The air cargo security model is predicated on a risk-based system that relies heavily on the industry-wide known shipper program. In FY2008, the TSA anticipates deployment of an Air Cargo Risk Based Targeting (ACRBT) program that will build upon the known shipper program by including freight forwarder management information, a risk-based freight assessment system, and a certified shipper program. Implementation of this initiative may be an issue of particular interest for the appropriations debate.

A provision in P.L. 110-53 requires the TSA to phase-in physical inspections of all cargo placed on passenger airplanes. Under this provision, 50% of all cargo placed on passenger airplanes would have to be inspected within 18 months and 100% of such cargo would have to be inspected within three years of enactment. It is unclear how such a mandate would specifically impact appropriations. This is because the provision does not specifically indicate whether the screening would be a federal function or whether it would be carried out by the airlines as is currently the practice for those cargo items currently inspected. Critics of this measure have argued that the explosives detection technologies needed to meet such a mandate are not yet available. Thus, additional appropriations may be needed to accelerate technology development if this proposal is enacted. Both the House and Senate bills include increased funding for air cargo security activities above the requested amounts. These funds are intended for deploying additional canine units for screening air cargo and increasing the number of air cargo security regulatory compliance inspectors in addition to continued deployment and testing of new air cargo screening technologies.

A general provision in the House bill (Sec. 516) would require a doubling of the amount of cargo placed on passenger aircraft that undergoes inspection. The Administration strongly opposes this provision stating that this objective "...is not achievable with the resources provided and would adversely affect the flow of commerce."<sup>81</sup>

**TWIC Program Roll-Out.** On January 25, 2007, TSA issued a final rule implementing the Transportation Worker Identification Credential (TWIC) program for seaport workers.<sup>82</sup> The TSA expects to begin the implementation of TWIC at the Port of Wilmington, DE in the fall of 2007. Seaport workers will pay a fee of between \$107-\$159 to apply for a card which will be valid for five years. Vessel and port facility owners will have to provide card readers after a pilot program is conducted to test the best type of card reader to use. Anticipating full implementation of the TWIC program at U.S. seaports by FY2008, the President's

---

<sup>81</sup> Executive Office of the President, Office of Management and Budget, *Statement of Administration Policy, H.R. 2638*, June 12, 2007, p. 4.

<sup>82</sup> See *Federal Register*, vol. 72, no. 16, pp. 3492-3604.

budget expects fee collections to total roughly \$27 million in FY2008, compared to estimated collections of about \$10 million in FY2007. The TSA is also seeking comment on the use of a TWIC card in all modes of transportation. The scope of the program and its application to other transportation modes may be an issue of particular interest during the DHS FY2008 appropriations debate. Expressing concern over progress on the TWIC program and expecting that delays will not permit the program to be self-sustaining based on FY2008 fee collections alone, the House bill includes a \$15 million direct appropriation to be used for carrying out a pilot program to test TWIC card readers at maritime facilities as mandated in the SAFE Ports Act (P.L. 109-347). The Senate bill includes a provision prohibiting the use of FY2008 funds to remove any of the criminal offenses that would disqualify an individual from obtaining a TWIC card that were included in the Implementing the 9/11 Commission Act of 2007 (P.L. 110-53). The Senate bill also includes a provision that would require the TSA to resolve differences with the State of Florida which has already implemented an access control program at Florida seaports (see Senate-passed H.R. 2638, sections 544 and 565).

**Secure Flight.** The long delayed and highly controversial initiatives to develop a system for government prescreening of airline passengers against terrorist watchlists remains at issue. The Administration has long maintained that the requirement for GAO review and certification of the Secure Flight system constitutes a “legislative veto” of administration decisions and actions and therefore, in the Administration’s view, violates the constitutional framework of separation of powers.<sup>83</sup> The OMB has also voiced concerns in the current appropriations debate that cuts to the program included in both the House and Senate bills could further delay the program beyond a target deployment of sometime in 2010.<sup>84</sup>

**Judicial Review of Airline Security Fees.** In addition to passenger security fees charged, airlines are assessed direct fees for aviation security. At present the TSA has final authority in setting these fees and allocating fees among the various carriers, provided that the total fee collections do not exceed what all passenger airlines combined paid for privately-run security screening of passengers and property in calendar year 2000. Through FY2004, there were also per carrier limits that prevented any single carrier from paying more in fees than what it had spent on screening in calendar year 2000, but these limits no longer apply. Thus the TSA serves as the final authority for determining the proportion of total airline security fee collections, and, by statute, the TSA’s determinations are not subject to judicial review. A provision in the House bill (Sec. 539), however, would strike the provision in existing statute that exempts these TSA’s setting of these fees from judicial review, allowing airlines to challenge the TSA’s fee determination methods in court. The Administration has voiced strong opposition to this provision expressing concern that this would undermine the intent of the statute to allow the

---

<sup>83</sup> See, e.g., President George W. Bush, *Statement on H.R. 4567, the Department of Homeland Security Appropriations Act, 2005*, White House Office of the Press Secretary, Washington, DC. October 18, 2004.

<sup>84</sup> Executive Office of the President, Office of Management and Budget, *Statement of Administration Policy, H.R. 2638*, June 12, 2007.

TSA to adjust airline security fees to reflect current market share, and would prolong the fee collection process during judicial review.<sup>85</sup>

## United States Coast Guard<sup>86</sup>

The Coast Guard is the lead federal agency for the maritime component of homeland security. As such, it is the lead agency responsible for the security of U.S. ports, coastal and inland waterways, and territorial waters. The Coast Guard also performs missions that are not related to homeland security, such as maritime search and rescue, marine environmental protection, fisheries enforcement, and aids to navigation. The Coast Guard was transferred from the Department of Transportation to the DHS on March 1, 2003. The law that created the DHS (P.L. 107-296) directed that the Coast Guard be maintained as a distinct entity within the DHS and that the Commandant of the Coast Guard report directly to the Secretary of DHS.

**President's FY2008 Request.** For FY2008, the President requested a total of \$8,457 million in net budget authority for the Coast Guard, which is about a 2% increase over the FY2007 enacted level. The President requested \$5,894 million for operating expenses (an increase of 8% over FY2007), \$949 million for acquisition, construction, and improvements (a decrease of 27% from FY2007 enacted level), \$127 million for reserve training (an increase of 4% over FY2007), \$18 million for research, development, tests, and evaluation (an increase of 6% from FY2007), \$12 million for environmental compliance and restoration (an increase of 9% from FY2007), and zero funding for the bridge alteration program which the President proposes transferring to the Maritime Administration in the Department of Transportation. The President also requested \$223 million in FY2008 supplemental funding for the Coast Guard to support its operations in providing security for U.S. Navy vessels, facilities, and port operations in Iraq.<sup>87</sup> **Table 12** provides more detail regarding the Coast Guard's Operating Expenses (OE) account and its Acquisition, Construction, and Improvements (ACI) account. Under the ACI account, the President proposes transferring the funding of the personnel that administer ACI contracts (\$81 million and 652 FTEs) to the OE account.

**House-Passed H.R. 2638.** H.R. 2638 provides a total of \$8,352 million in net budget authority for the Coast Guard, which is \$100 million less than the President requested. This total includes \$5,885 million in operating expenses which is \$9 million less than the President requested and \$834 million in acquisition, construction, and improvements, which is \$115 million less than the President requested. The House provides \$16 million for the bridge alteration program versus the President's request for zero funds.

---

<sup>85</sup> Executive Office of the President, Office of Management and Budget, *Statement of Administration Policy, H.R. 2638*, June 12, 2007.

<sup>86</sup> Prepared by John Frittelli, Specialist in Transportation, Resources, Science and Industry Division.

<sup>87</sup> *The Budget for Fiscal Year 2008 — Appendix*, p. 1164.

The House denies the President's request to transfer ACI personnel funding to the OE account, contending that acquisition staffing levels can better be tracked in the ACI account.<sup>88</sup>

**Senate-Passed H.R. 2638.** The Senate provides \$8,559 million for the Coast Guard which is \$102 million more than the President requested. This total includes \$5,931 million in operating expenses which is \$37 million more than the President requested and \$991 million for acquisition, construction, and improvements which is \$42 million more than the President requested. The Senate Committee provides \$16 million for the bridge alteration program versus the President's request for zero funds. The Senate provides \$26 million for research, development, tests, and evaluation versus the President's request for \$18 million.

The Senate agrees with the President's request to transfer ACI personnel funding to the OE account, contending that by so doing, personnel can be surged to and from ACI projects where needed and provide the flexibility to match competencies to core requirements.<sup>89</sup>

**Table 12. Coast Guard Operating (OE) and Acquisition (ACI)  
Sub-account Detail**

(budget authority in millions of dollars)

Activity	FY2007 Enacted <sup>a</sup>	FY2008 Request	FY2008 House Passed	FY2008 Senate Passed	FY2008 Conf.
<b>Operating Expenses</b>	<b>5,478</b>	<b>5,894</b>	<b>5,885</b>	<b>5,931</b>	
Military pay and allowances	2,788	2,959	2,933	2,959	
Civilian pay and benefits	569	631	593	633	
Training and recruiting	181	187	186	187	
Operating funds and unit level maintenance	1,011	1,138	1,148	1,138	
Centrally managed accounts	202	226	226	230	
Port Security	15	—	45	30	
Intermediate and depot level maintenance	711	754	754	754	
<b>Acquisition, Construction, and Improvements</b>	<b>1,306</b>	<b>949</b>	<b>834</b>	<b>991</b>	
Vessels and Critical Infrastructure	27	9	9	9	

<sup>88</sup> H.Rept. 110-181, p. 67.

<sup>89</sup> S.Rept. 110-84, p. 69.

Activity	FY2007 Enacted <sup>a</sup>	FY2008 Request	FY2008 House Passed	FY2008 Senate Passed	FY2008 Conf.
Aircraft	15	—	—	—	
Other Equipment	116	114	114	174	
Integrated Deepwater System	1,046	788 <sup>a</sup>	591	770	
Shore facilities and Aids to Navigation	22	38	38	38	
Personnel and Related Support	81	1	83	1	

**Source:** *DHS FY2008 Budget Justification*, pp. CG-OE-4 and CG-AC&I-4.

- a. Does not include \$30 million in supplemental appropriations for the ACI account and a \$26 million rescission from the OE account as per P.L. 110-28.
- a. The *DHS FY2008 Budget Justification* requests \$788 million which reflects the cancellation of \$49 million from the FY2006 Appropriations (P.L. 109-90) for the Offshore Patrol Cutter, as stated in the FY2008 Budget Appendix, p. 469.

**Issues for Congress.** Increased duties in the maritime realm related to homeland security have added to the Coast Guard's obligations and increased the complexity of the issues it faces. Members of Congress have expressed concern with how the agency is operationally responding to these demands, including Coast Guard plans to replace many of its aging vessels and aircraft.

**Deepwater.** The Deepwater program is a \$24 billion, 25-year acquisition program to replace or modernize 91 cutters, 124 small surface craft, and 244 aircraft. The Coast Guard's management and execution of the program has been strongly criticized and several hearings were held on the program this year. For FY2008, the President requested \$788 million for the program. The House provides \$591 million for the program, which is \$197 million less than the President requested, and withholds \$400 million of this amount until the appropriations committees in the House and Senate receive and approve a detailed expenditure plan from the Coast Guard. The House Report continues to identify a number of concerns with the Deepwater program.<sup>90</sup> The Senate provides \$770 million for Deepwater which is \$18 million less than the President's request and requires the Coast Guard to submit an expenditure plan within 60 days of enactment of the appropriations bill. The Senate also requires an independent qualified third party to conduct an "alternative analysis" before the Coast Guard's acquisition of additional major assets not already under contract and before acquisition of a third National Security Cutter. Issues for Congress include the Coast Guard's management of the program, which is the largest and most complex acquisition effort in Coast Guard history, the overall cost of the program, and the program's time-line for acquisition. These issues are discussed in

---

<sup>90</sup> H.Rept. 110-181, pp. 71-75.



CRS Report RL33753, *Coast Guard Deepwater Program: Background, Oversight Issues, and Options for Congress*, by Ronald O'Rourke.

**Security Mission.** Some Members of Congress have expressed strong concerns that the Coast Guard does not have enough resources to carry out its homeland security mission. About 22% of the Coast Guard's FY2008 budget request is for its "port, waterways, and coastal security" (PWCS) mission.<sup>91</sup> The DHS Inspector General reports that the resource hours devoted to the PWCS mission has increased by a factor of 13 compared to pre-9/11 levels and that in FY2005 (the most recent year data is available), the PWCS mission consumed almost as many resources as all of its non-homeland security missions combined.<sup>92</sup>

For monitoring harbor traffic, the President's FY2008 request includes \$12 million to continue procurement plans and analysis for deployment of a nationwide system to identify, track, and communicate with vessels in U.S. harbors, called the Automatic Identification System (AIS). This system is currently operational in several major U.S. ports.<sup>93</sup> A GAO review of this system during an earlier stage of its development recommended that the Coast Guard partner with private and public organizations willing to develop AIS facilities on shore at their own expense, in order to reduce the cost and speed up development of AIS nationwide.<sup>94</sup> In its FY2008 Coast Guard budget review, the GAO reports that the Coast Guard has partnered with private entities in Tampa, Florida and Alaska.<sup>95</sup> The GAO also reports that this system is being implemented in three phases. The first phase is expected to be completed in September 2007 when the Coast Guard expects to track, but not communicate with, vessels in 55 ports and nine coastal areas. The last phase is planned to be completed in 2014 when the Coast Guard will be able to track ships as far as 2,000 nautical miles from shore and communicate with them when they are within 24 nautical miles from shore.

In the House Report (H.Rept. 110-181), the House committee recommends an additional \$40 million above the President's request for the Coast Guard to carry out new security-related requirements mandated in the SAFE Port Act (P.L. 109-347).<sup>96</sup> These additional funds are for establishing interagency port security operational

---

<sup>91</sup> *DHS Budget in Brief*, p. 52.

<sup>92</sup> DHS, Office of Inspector General, *Annual Review of Mission Performance: United States Coast Guard (FY2005)*, OIG-06-50, July 2006. "Resource hours" is measured by the number of flight hours (for aircraft) and underway hours (for vessels) dedicated to a specific mission. Because the marine safety and marine environmental protection missions are personnel intensive rather than asset intensive, these two missions are not included in the Inspector General's analysis.

<sup>93</sup> Coast Guard FY2008 Budget Justification, *Strategic Context*, p. CG-SC-7.

<sup>94</sup> GAO, *Maritime Security: Partnering Could Reduce Federal Costs and Facilitate Implementation of Automatic Vessel Identification System*, GAO-04-868, July 2004.

<sup>95</sup> GAO, *Coast Guard: Observations on the Fiscal Year 2008 Budget, Performance, Reorganization, and Related Challenges*, April 18, 2007, GAO-07-489T, p. 27.

<sup>96</sup> H.Rept. 110-181, p. 65.

centers, which are centers for federal and local law enforcement to share intelligence, monitor harbor traffic, and coordinate response activities; and for establishing a port security training program.

In the Senate Report (S.Rept. 110-84), the Senate committee also provides additional funds to the Coast Guard to carry out mandates in the SAFE Port Act. Specifically, it provides an additional \$60 million to establish interagency port security operational centers (noting that only three centers currently exist), \$15 million for the security of hazardous materials shipping, and \$15 million to double the frequency of security spot checks at ports, conduct vulnerability assessments at high risk ports, and develop AIS for long range tracking of ships. Senate-passed H.R. 2638 (section 571) requires the Coast Guard to report on the progress of establishing an interagency port security operational center at the Port of Charleston.

**Specialized Teams.** The President’s budget proposes establishing a “Deployable Operations Group” (DOG) as a means of coordinating the Coast Guard’s various specialized teams, namely the Maritime Security Response Team, Maritime Safety and Security Teams, Tactical Law Enforcement Teams, National Strike Force, and Port Security Units.<sup>97</sup> The DOG is intended to facilitate cross-training and standardization of tactics, procedures, and equipment among these teams and enable the Coast Guard to improve its “all hazards ... all threats” response capability.<sup>98</sup> The GAO reports that this reorganization will affect approximately 2,500 personnel and while it has not reviewed this reorganization specifically, it notes that obtaining “buy-in” from the affected personnel may be a challenge.<sup>99</sup>

The Senate Committee requires the Coast Guard to submit a detailed report on its reorganization plans within 90 days of enactment and requires the GAO to review this report.<sup>100</sup>

**Non-homeland Security Missions.** Some Members of Congress have expressed concern that with the Coast Guard’s emphasis on its maritime security mission, the agency may have difficulty sustaining its traditional, non-homeland security missions, such as fisheries enforcement or marine environmental protection.<sup>101</sup> The latest annual review of the Coast Guard’s mission performance by the DHS Inspector General found that in FY2005 the Coast Guard’s resource hours for its non-homeland security missions increased for the first time since September

---

<sup>97</sup> Coast Guard FY2008 Budget Justification, *Operating Expenses*, p. CG-OE-32.

<sup>98</sup> For additional information on the Coast Guard’s security mission, see CRS Report RS21125, *Homeland Security: Coast Guard Operations — Background and Issues for Congress*, by Ronald O’Rourke.

<sup>99</sup> GAO, *Coast Guard: Observations on the Fiscal Year 2008 Budget, Performance, Reorganization, and Related Challenges*, April 18, 2007, GAO-07-489T, p. 18.

<sup>100</sup> S.Rept. 110-84, p. 69.

<sup>101</sup> For information on Coast Guard environmental protection issues, see CRS Report RS22145, *Environmental Activities of the U.S. Coast Guard*, by Mark Reisch and Jonathan L. Ramseur.

11, 2001, due in large part to its response to Hurricane Katrina.<sup>102</sup> The IG reports that in FY2005, the Coast Guard's total non-homeland security resource hours were within 3% of pre-9/11 levels. The GAO reports that over the past five years, Coast Guard performance trends show that increased homeland security activities have not prevented the agency from meeting its non-homeland security mission goals.<sup>103</sup>

**Rescue-21.** During the FY2007 appropriations process, Congress expressed strong concern with the Coast Guard's management of the Rescue 21 program, the Coast Guard's new coastal zone communications network that is key to its search and rescue mission. Last fiscal year, Congress provided \$40 million to continue deployment of the new system, which began in 2002, and requested that the Coast Guard brief the Committees on Appropriations on a quarterly basis. A GAO audit of the program found a tripling of project cost from the original estimate, a likely further cost increase in the near future, and further delays in project completion, which is already five years behind schedule.<sup>104</sup> The President's FY2008 budget requests \$81 million for Rescue 21: for system installation at seven locations, infrastructure preparation at 12 locations, and full-rate production of the ground support system through design at ten locations.<sup>105</sup> The Senate agrees with the President's request of \$81 million for Rescue-21.

The GAO's FY2008 Coast Guard budget review notes that while Rescue-21 was originally intended to limit gaps to 2% of coverage area, that target has now expanded to a less than 10% coverage gap.<sup>106</sup>

**LORAN-C.** As in the FY2007 request, the FY2008 request proposes terminating the LORAN (Long-Range Aids to Navigation) -C system which helps boaters (including commercial fishermen) and pilots determine their location using radio signals. The Coast Guard has argued that this system is no longer needed in light of GPS (Global Positioning System) technology which is more precise than LORAN. In FY2007, Congress funded continuation of the LORAN-C system and required the Coast Guard, among other things, to first notify the public before terminating the system. On January 8, 2007, DHS and the Department of Transportation issued a Federal Register notice seeking public comment on whether to decommission LORAN, maintain it, or upgrade it.<sup>107</sup> Proponents of maintaining the ground-based LORAN system argue that it is valuable as a backup to the satellite-

---

<sup>102</sup> DHS, Office of Inspector General, *Annual Review of Mission Performance: United States Coast Guard (FY2005)*, OIG-06-50, July 2006.

<sup>103</sup> GAO, *Coast Guard: Observations on the Fiscal Year 2008 Budget, Performance, Reorganization, and Related Challenges*, April 18, 2007, GAO-07-489T, p. 2.

<sup>104</sup> GAO, *United States Coast Guard: Improvements Needed in Management and Oversight of Rescue System Acquisition*, GAO-06-623, May 2006.

<sup>105</sup> *DHS Budget-in-Brief*, p. 55.

<sup>106</sup> GAO, *Coast Guard: Observations on the Fiscal Year 2008 Budget, Performance, Reorganization, and Related Challenges*, April 18, 2007, GAO-07-489T, p. 3.

<sup>107</sup> *Federal Register*, vol. 72, no. 4, January 8, 2007, pp. 796-797.

based GPS system. They argue that terrain can sometimes block the line of sight needed for GPS.

In the House Report (H.Rept. 110-181) and the Senate Report (S.Rept. 110-84), the committees deny the President's request to terminate LORAN-C. The committees note that a team of officials from DHS and DOT evaluated the system in late 2006 and concluded that LORAN-C should be maintained as a back up system.

**Bridge Alteration Program.** The President's FY2008 request proposes transferring the Bridge Alteration Program (a program to alter or remove bridges that are obstructing navigation) from the Coast Guard to the Maritime Administration, which is housed in the Department of Transportation. Consistent with prior requests, the President requests no new funding for this program. In FY2007, Congress appropriated \$16 million. In the House Report (H.Rept. 110-181) and the Senate Report (S.Rept. 110-84), the committees deny the President's request to transfer the program to the DOT<sup>108</sup> and both committees recommend \$16 million for the program.

## U.S. Secret Service

The U.S. Secret Service (USSS) has two broad missions — criminal investigations and protection.<sup>109</sup> Criminal investigations activities encompass financial crimes, identity theft, counterfeiting, computer fraud, and computer-based attacks on the nation's financial, banking, and telecommunications infrastructure, among other areas. The protection mission is the most prominent, covering the President, Vice President, their families, and candidates for those offices, along with the White House and the Vice President's residence (through the Service's Uniformed Division). Protective duties extend to foreign missions in the District of Columbia and to designated individuals, such as the DHS Secretary and visiting foreign dignitaries. Separate from these specific mandated assignments, the Secret Service is responsible for security activities at National Special Security Events (NSSEs), which include the major party quadrennial national conventions as well as international conferences and events held in the United States. The NSSE designation by the President gives the Secret Service authority to organize and coordinate security arrangements involving various law enforcement units from other federal agencies and state and local governments, as well as from the National Guard. **Table 13** displays sub-account detail for Secret Service funding.

---

<sup>108</sup> H.Rept. 110-181, p. 67 and S.Rept. 110-84, p. 76.

<sup>109</sup> U.S. Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2008, Appendix*, United States Secret Service, pp. 450 - 452; and *United States Secret Service, Fiscal Year 2008, Congressional Justification*.

**Table 13. U.S. Secret Service Appropriations**  
(budget authority in millions of dollars)

Programs and Activities	FY2007 Enacted	FY2008 Request	FY2008 House Passed	FY2008 Senate Passed
Protection of persons and facilities	\$651	\$697	\$690	\$694
Protective intelligence activities	\$56	\$58	\$58	\$58
National Special Security Events	\$1	\$1	\$1	\$1
Presidential candidate nominee protection	\$18	\$85	\$85	\$85
White House mail screening	\$16	\$27	\$16	\$27
Management and administration	\$169	\$176	\$176	\$176
Rowley Training Center	\$50	\$52	\$52	\$52
Domestic field operations	\$236	\$220	\$230	\$220
International field operations	\$23	\$28	\$28	\$28
Electronic crimes program	\$44	\$45	\$49	\$45
Forensic support grants for the National Center for Missing and Exploited Children (NCMEC)	\$8	\$8	\$8	\$8
Acquisition, construction, and improvements	\$4	\$4	\$4	\$4
<b>Total</b>	<b>\$1,276</b>	<b>\$1,401</b>	<b>\$1,397</b>	<b>\$1,396</b>

**FY2008 President's Request.** For FY2008, the President's budget submission requested an appropriation of \$1,401 million for the protection and criminal investigation missions of the Secret Service.<sup>110</sup> This reflected an increase of \$125 million or nearly 10% over the FY2007 total of \$1,276 million for the Service.

**House-Passed H.R. 2638.** For FY2008, the House proposes an appropriation of \$1,397 million for the protection and criminal investigation missions of the Secret Service.<sup>111</sup> This reflects an increase of \$121 million or 9% over the FY2007 total of \$1,276 million for the Service.

**Senate-Passed H.R. 2638.** For FY2008, the Senate proposes an appropriation of \$1,396 million for the protection and criminal investigation missions

<sup>110</sup> OMB, *Budget of the US Government, Fiscal Year 2008*, p. 451.

<sup>111</sup> H.R. 2638 (FY2008 DHS appropriations), Title II.

of the Secret Service.<sup>112</sup> This reflected an increase of \$122 million or 9% over the FY2007 total of \$1,276 million for the Service.

### **Title III: Preparedness and Response**

Title III includes appropriations for the Federal Emergency Management Agency (FEMA), the National Protection and Programs Directorate (NPPD), and the Office of Health Affairs (OHA). Congress expanded FEMA's authorities and responsibilities in the Post-Katrina Emergency Reform Act (P.L. 109-295) and explicitly kept certain DHS functions out of the "new FEMA."<sup>113</sup> In response to these statutory exclusions, DHS officials created the NPPD to house functions not transferred to FEMA, and the OHA was established for the Office of the Chief Medical Officer. **Table 14** provides account-level appropriations detail for Title III.

---

<sup>112</sup> H.R. 2638 (FY2008 DHS appropriations), Title II.

<sup>113</sup> P.L. 109-295, 120 Stat. 1400.

**Table 14. Title III: Preparedness and Response**  
(budget authority in millions of dollars)

Operational Component	FY2007 Appropriation				FY2008 Appropriation			
	FY2007 Enacted	FY2007 Supp.	FY2007 Resc.	FY2007 Total	FY2008 Request	FY2008 House Passed	FY2008 Senate Passed	FY2008 Total
<b>National Protection &amp; Programs Directorate</b>								
— Administration	38			38	46	40	30	
— Infrastructure Protection and Information Security	534	24	-1	557	538	533	522	
— US-VISIT	362			362	462	462	362	
<b>Net total</b>	<b>934</b>	<b>24</b>	<b>-1</b>	<b>957</b>	<b>1,047</b>	<b>1,035</b>	<b>914</b>	
<b>Office of Health Affairs</b>	<b>99</b>	<b>8</b>		<b>107</b>	<b>118</b>	<b>118</b>	<b>115</b>	
<b>Counter Terrorism Fund</b>	<b>-16</b>	—		<b>-16</b>	—	—	—	
<b>Federal Emergency Management Agency</b>								
— Management and Administration	535	14		549	716	685	727	
— Office of Grant Programs/State and Local Assistance	3,387	297		3,684	2,196	4,307	4,136	
— U.S. Fire Administration	41	—		41	43	43	43	
— Public health programs	34	—		34	—	—	—	
— Disaster relief	1,487	4,256 <sup>b</sup>		5,743	1,652	1,700	1,639	
— Flood map modernization fund	199	—		199	195	230	200	
— National flood insurance fund (NFIF) <sup>b</sup>	—	—		—	—	—	—	
— National flood mitigation <sup>c</sup>	—	—		—	—	—	—	

Operational Component	FY2007 Appropriation				FY2008 Appropriation			
	FY2007 Enacted	FY2007 Supp.	FY2007 Resc.	FY2007 Total	FY2008 Request	FY2008 House Passed	FY2008 Senate Passed	FY2008 Total
— Pre-disaster mitigation fund	100	—		100	100	120	120	
— Emergency food and shelter	151	—		151	140	153	153	
— Disaster assistance direct loan account	1	320		321	1	1	1	
<b>Net total</b>	<b>5,935</b>	<b>4,887</b>		<b>10,821</b>	<b>5,042</b>	<b>7,239</b>	<b>7,019</b>	
<b>Net budget authority subtotal: Title III</b>	<b>6,952</b>	<b>4,919</b>		<b>11,869</b>	<b>6,207</b>	<b>8,392</b>	<b>8,048</b>	

**Source:** *FY2008 DHS Congressional Budget Justification.*

**Notes:** No FY2007 funding for Title III was designated as emergency spending. Totals may not add due to rounding. Amounts in parentheses are non-adds. Amounts in italics and brackets show what the FY2008 request would look like if it had followed the FY2007 DHS account structure. For a more detailed analysis of the supplemental appropriations, please refer to Appendix I.

a. *Does not* include a \$16 million rescission of unobligated balances per P.L. 109-295.

b. Per P.L. 110-28, includes a \$4,110 million emergency supplemental appropriation, a transfer to the DHS OIG of \$4 million, and a transfer from the Small Business Administration Disaster loan program of \$150 million.

b. Funds derived from premium payments or transfers from the U.S. Treasury.

c. Funds derived from NFIF transfers.



## Federal Emergency Management Agency (FEMA)<sup>114</sup>

In the aftermath of Hurricane Katrina, Congress passed the Post-Katrina Emergency Management Reform Act (Title VI of P.L. 109-295, the FY2007 appropriations legislation) to address shortcomings identified in the reports published by congressional committees and the White House. Based on those reports and oversight hearings on many aspects of FEMA's performance during the hurricane season of 2005, the Post-Katrina Act expanded FEMA's responsibilities within the Department of Homeland Security and the agency's program authorities relevant to preparing for and responding to major disaster events.<sup>115</sup> The FY2008 appropriations legislation, based upon the Administration's request, represents the first opportunity of policymakers to fund the "new FEMA" and its efforts to implement many provisions of the Post-Katrina Reform Act.

**President's FY2008 Request.** The President's FY2008 request of \$5,042 million for FEMA more than doubles the FY2007 enacted level of \$2,464 million. This dramatic increase reflects the intent of Congress, through the Post-Katrina Act, to increase FEMA's authority, move disaster preparedness programs back within FEMA from the DHS Preparedness Directorate, and ensure that resources and personnel are able to respond to catastrophes. The transfer of the majority of the preparedness grant programs to FEMA accounts for \$2,196 million of the increase. Taking the Post-Katrina Act reorganization into account, the adjusted FY2007 enacted level for FEMA is \$5,935 million. Another significant increase is in the Operations and Support section of FEMA's budget which would be increased by \$668 million to support the preparedness changes as well as other Post-Katrina Act measures. Other changes proposed by the Administration for FY2008 include the following:

- A \$4 million decrease in the Flood Map Modernization Fund from \$199 million in FY2007 to \$195 million in FY2008.
- FEMA's budget no longer includes funding for the National Disaster Medical System (NDMS), which was transferred to the Department of Health and Human Services pursuant to the Post-Katrina Act.<sup>116</sup> NDMS had been funded at \$34 million for several years, as the sole program in FEMA's "Public Health Programs" account.
- An \$11 million reduction in the Emergency Food and Shelter Program (Title III of the McKinney-Vento Homeless Assistance Act) from \$151 million to \$140 million.

---

<sup>114</sup> Prepared by Keith Bea, Specialist in American National Government and Fran McCarthy, Analyst in American National Government, Government and Finance Division.

<sup>115</sup> For more information, see CRS Report, CRS Report RL33729, *Federal Emergency Management Policy Changes After Hurricane Katrina: A Summary of Statutory Provisions*, Keith Bea, Coordinator.

<sup>116</sup> See the legislative history for the 109<sup>th</sup> Congress in CRS Report RL33589, *The Pandemic and All-Hazards Preparedness Act (P.L. 109-417): Provisions and Changes to Preexisting Law*, by Sarah A. Lister and Frank Gottron.

- Decreased funding from \$47 million in FY2007 to \$43 million in FY2008 for the U.S. Fire Administration.

**House Passed H.R. 2638.** The House approved an appropriations total that exceeds the request by \$2,197 million, most of which derives from increased funding sought for the state and local programs account. The House-passed H.R. 2638 proposes \$4,307 million for state and local programs, which is \$623 million more than the FY2007 appropriated amount of \$3,684 million. Other areas in which the House sought funding over the request are \$10 million more for the Urban Search and Rescue teams, \$20 million more for the pre-disaster mitigation fund, and \$35 million more for the flood map modernization project. The House rejected the request to reduce funding for emergency food and shelter, and instead would provide \$153 million, slightly more than that appropriated for FY2007. Also, the House approved funding for disaster relief, management and administration, and emergency food and shelter at levels comparable to the request. The total amount approved by the House for FEMA is \$7,239 million; the Administration request totaled \$5,042 million.

**Senate Passed H.R. 2638.** The Senate approved version appropriates almost \$2 billion more in funding for FEMA than requested. Similar to the action taken by the House, the increase primarily rests in the state and local programs account. The Senate approved version of the legislation proposes an appropriation of \$4,136 million for state and local programs, \$452 million more than the FY2007 appropriation of \$3,684 million (including supplemental appropriations). The other accounts for which the Senate recommended funding levels different from that requested include a roughly \$5 million increase for flood map modernization, funding for emergency food and shelter at \$153 million (\$13 million more than the request), and \$20 million more than requested for the pre-disaster mitigation fund. The total approved by the Senate for FEMA is \$7,019 million, compared to the request for \$5,042 million.

**FEMA Issues for Congress.** The problematic response to Hurricane Katrina and the slow recovery from the storm (as well as Hurricanes Rita and Wilma) continue to be issues for Members of the 110<sup>th</sup> Congress. Members of Congress have expressed concern with the delay in filling personnel vacancies in the agency, delays in the final release of planning documents and guidances, and continued reliance on outdated or inefficient systems and technology. Issues that have been or might yet be discussed by Congress are reviewed below.

**Disaster Relief Fund.** The Disaster Relief Fund (DRF) usually accounts for the great majority of FEMA's spending. It is the DRF that funds the assistance made available under the Robert T. Stafford Disaster Relief Act (the Stafford Act).<sup>117</sup>

Congress appropriates supplemental funding for the DRF when annual appropriations are not adequate for the DRF obligations needed to pay for recovery

---

<sup>117</sup> Additional information on the statutory and funding history of the DRF is presented in CRS Report RL33053, *Federal Stafford Act Disaster Assistance: Presidential Declarations, Eligible Activities, and Funding*, by Keith Bea.

projects associated with disasters from previous years (notably the reconstruction of Gulf Coast states), current disaster activity for emergency response costs, and hazard mitigation efforts to reduce the impact of disasters in future years.<sup>118</sup> Funds for the Gulf Coast hurricane season of 2005 have been included in five supplemental appropriations statutes (P.L. 109-61, P.L. 109-62, P.L. 109-148, P.L. 109-234, and P.L. 110-28).

The issue before Congress concerns the use of supplemental appropriations legislation to meet climbing costs of emergency assistance instead of requesting sufficient funds at the start of the process. For example, in FY2007 the Administration requested \$1,500 million initially for the DRF; supplemental requests added billions more. The request for FY2008 exceeds that for the previous fiscal year by \$200 million, to \$1,700 million. While this is a significant increase within the context of FEMA's budget, the actual amount is actually slightly below FEMA's historical average of DRF spending (excluding outliers such as Hurricane Katrina and the World Trade Center attacks). The Senate Committee report addressed this issue by requiring that FEMA "provide a detailed estimate" of DRF funding needed through September 30, 2008 (not only the end of the fiscal year but toward the end of the hurricane season). The Committee also called upon agency officials "to firmly establish measurably thresholds for transparent decisionmaking regarding federal fiscal expenditures for disaster response."<sup>119</sup>

Congress also may be concerned about accountability for DRF expenditures, in particular when relevant programmatic expertise resides in an agency other than FEMA. An example is the Crisis Counseling Assistance and Training Program (CCP), authorized by the Stafford Act, which provides professional counseling services to victims of a major disaster in order to relieve mental health problems. FEMA and the Substance Abuse and Mental Health Services Administration (SAMHSA) in the Department of Health and Human Services (HHS) share administrative duties for CCP. Though the program is funded through the DRF, it is not clear which agency bears primary or ultimate responsibility for the program, which has been associated with fiscal and programmatic challenges.<sup>120</sup> Similarly, questions have been raised about FEMA's administration of the temporary housing program, also funded through the DRF.<sup>121</sup>

In past years Congress has authorized or directed the transfer of money from the DRF to other FEMA accounts to address identified needs or shortcomings. Some

---

<sup>118</sup> Historical information on supplemental appropriations is presented in CRS Report RL33226, *Emergency Supplemental Appropriations Legislation for Disaster Assistance: Summary Data FY 1989 to FY 2005*, by Justin Murray, and Keith Bea.

<sup>119</sup> U.S. Congress, Senate Committee on Appropriations, *Department of Homeland Security Appropriations Bill, 2008*, 110<sup>th</sup> Cong., 1<sup>st</sup> Sess., S.Rept. 110-84 (Washington: 2007), p. 104.

<sup>120</sup> See CRS Report RL33738, *Gulf Coast Hurricanes: Addressing Survivors' Mental Health and Substance Abuse Treatment Needs*, by Ramya Sundararaman, Sarah A. Lister, and Erin D. Williams.

<sup>121</sup> See CRS Report RL34087, *FEMA Disaster Housing and Hurricane Katrina: Overview, Analysis, and Congressional Options*, by Francis X. McCarthy.

may contend that the dispersion of money from the DRF reduces the amount needed for disaster relief activities; others perceive the DRF to be an appropriate source of funds to meet special needs related to the mission of the agency. For example, the Office of Inspector General (OIG) has received funds in this manner to conduct audits and investigations into the use of DRF funds. The Senate version of the legislation continues this tradition with the transfer of \$14 million to the OIG, and also allows for the transfer of up to \$48 million to fill agency personnel vacancies and provide further opportunities to enhance the skills of the workforce. The House did not include similar language. The House Appropriations Committee noted its disapproval of the planned transfer of \$48 million “to convert temporary disaster employees into permanent positions.”<sup>122</sup>

**Post-Katrina Reform Act Measures.** In addition to the significant resources needed for FEMA to administer preparedness grants, there are provisions in the Post-Katrina Reform Act that, in seeking to improve the performance of FEMA, necessarily expand the Agency’s coverage and areas of responsibility. Many of these changes carry potentially large costs depending on the frequency and scope of future disaster activity. However, they also hold the potential for vastly improved service to disaster victims and their communities. Some of the areas for potentially increased costs include the following.

- Federal contributions for the Hazard Mitigation Grant Program (HMGP) for approximately the past five years has been set at 7.5% of the total aid provided in a state after it receives a major disaster declaration. The Post-Katrina Act modifies the HMGP provision to provide 15% (for disasters with total damages under \$2 billion), 10% (for disasters with damages between \$2 billion and \$10 billion), and 7.5% (for disasters between \$10 billion and \$35.3 billion). The House Committee report noted that HMGP assistance has been “greatly underutilized” after Hurricane Katrina and directs FEMA to report on needed policy changes and plans to direct funding as needed.<sup>123</sup> Also related to mitigation, the Senate Committee report makes reference to the recent finding that mitigation activities result in cost savings and encourages incentives for such actions. The Senate-approved version of the legislation includes a provision that exempts certain hazard mitigation projects associated with Hurricanes Katrina and Rita from precertification requirements.
- The Public Assistance (PA) program authority has been expanded in several ways that could result in increased federal disaster spending. First, the list of eligible applicants, previously defined by those that provided “essential services of a governmental nature to the general

---

<sup>122</sup> U.S. Congress, House Committee on Appropriations, *Department of Homeland Security Appropriations Bill, 2008*, 110<sup>th</sup> Cong., 1<sup>st</sup> Sess., H.Rept. 110-181 (Washington: 2007), p. 108.

<sup>123</sup> U.S. Congress, House Committee on Appropriations, *Department of Homeland Security Appropriations Bill, 2008*, 110<sup>th</sup> Cong., 1<sup>st</sup> Sess., H.Rept. 110-181 (Washington: 2007), p. 113.

public,” can now be expanded by the President. Also, under this 2006 amendment, services do not necessarily have to be available only to the general public. Second, the PA program statutory authority establishes eligibility for some facilities previously identified in regulations. Third, education facilities can apply directly for Stafford Act assistance without first pursuing a Small Business Administration loan. Finally, the post-Katrina Act includes a Pilot Program for Public Assistance that seeks to provide incentives to state and local governments to be more involved in the PA work such as debris removal and repair projects. While one intent of the provision is to reduce costs, the incentives provided could result in an increase in the Federal cost share for participating areas as well as reimbursement for base wages for local hires employed by the state and local governments to accomplish this work.

- Another area of accelerated FEMA involvement that could increase costs concerns expedited federal assistance. This may take the form of earlier, and greater, technical assistance provided to a state for precautionary evacuation measures as well as help with logistics and communications.
- There are several administrative and service improvement provisions in the Post-Katrina Act likely to result in increased outreach and greater expenditures, including efforts to identify and assist the disabled and disaster victims with limited English proficiency, assist in the reunification of families following a disaster event, and provide increased transportation assistance to victims. Another deficiency identified in the wake of Hurricane Katrina concerned the information systems used by FEMA. The Senate Committee report included expectations that the agency is to adopt “cutting edge technology” and ensure that technology is used effectively. To achieve this goal, the Senate Committee included \$6 million to be awarded competitively for this purpose.
- The Post-Katrina Act authorizes case management to be an eligible cost. Given the importance of this service and the potential caseload that could require some of this assistance, higher costs will likely be associated with providing this new form of assistance to major disaster victims.
- The surplus trailers (manufactured housing) used by FEMA to provide temporary shelters to disaster victims remains a point of concern for some policymakers. The Post-Katrina Act addressed concerns that the temporary housing provisions of the Stafford Act required emendation. The House Committee report includes language that directs the agency to examine the feasibility of making

surplus housing units available to homeless veterans.<sup>124</sup> The Senate-passed version also addresses the issue by including a requirement that the FEMA Administrator provide training to agency officials, including lawyers, on health concerns of disaster victims, and by requiring that reports be prepared and programs established to address the health concerns associated with FEMA trailers.

- Concern with preparedness for a catastrophic disaster led to the inclusion in the Senate bill of a mandate that West Virginia and Pennsylvania officials be consulted with regard to evacuations from the National Capital Region.

## Office of Grant Programs

The Office of Grant Programs within FEMA is responsible for facilitating and coordinating DHS state and local programs. The office administers formula and discretionary grant programs to further state and local homeland security capabilities. As a result of the reorganization mandated by the Post-Katrina Reform Act (P.L. 109-295), the work of the Office of Grant Programs has been separated from FEMA training activities. FEMA's National Integration Center within the agency's National Preparedness Directorate administers training, exercises, and technical assistance for states and localities. Table 15 provides information on appropriations for state and local homeland security grant programs.

**Table 15. State and Local Homeland Security Programs**  
(budget authority in millions of dollars)

Program	FY2007 Enacted	FY2008 Request	FY2008 House Passed	FY2008 Senate Passed
State Homeland Security Grant Program (SHSGP)	\$525	\$250 <sup>a</sup>	\$550	\$525
Urban Area Security Initiative (UASI)	\$770	\$800 <sup>b</sup>	\$850	\$820
Law Enforcement Terrorism Prevention Program (LETPP)	\$375	—	\$400	\$375
Port Security Program	\$210	\$210	\$400	\$400
Transit Security Program	\$175	\$175	\$400	\$400
Intercity Bus Security Program	\$12	\$12	\$11	\$12
Trucking Industry Security Program	\$12	\$9	\$10	\$16

<sup>124</sup> U.S. Congress, House Committee on Appropriations, *Department of Homeland Security Appropriations Bill, 2008*, 110th Cong., 1st Sess., H.Rept. 110-181 (Washington: 2007), p. 97.

Program	FY2007 Enacted	FY2008 Request	FY2008 House Passed	FY2008 Senate Passed
Buffer Zone Protection	\$50	\$50	\$100	\$50
Assistance to Firefighters (FIRE)	\$662	\$300	\$805	\$705
Emergency Management Performance Grants (EMPG)	\$200	\$200	\$300	\$300
Citizen Corps Programs (CCP)	\$15	\$15	\$17	\$15
Metropolitan Medical Response System (MMRS)	\$33	—	\$50	\$33
Training, Technical Assistance, Exercises, and Evaluation	\$298	\$175	\$293	\$295
Commercial Equipment Direct Assistance Grants	\$50	—	\$20	\$40
Interoperable Communications Grants	—	—	\$50	\$100
Real ID Grants	—	—	\$50	—
Regional Catastrophic Preparedness Grants	—	—	—	\$50
<b>Total</b>	<b>\$3,387</b>	<b>\$2,196</b>	<b>\$4,306</b>	<b>\$4,136</b>

**Note:** Totals may not add due to rounding.

- a. Of the \$250 million requested for SHSGP, \$63 million would be allocated for law enforcement terrorism prevention activities.
- b. Of the \$800 million requested for UASI, \$200 million would be allocated for law enforcement terrorism prevention activities.

**President's Request.** The President's FY2008 request of \$2,196 million for state and local programs is \$1,191 million less than the FY2007 appropriated amount of \$3,387 million. The Administration did not request funding for LETPP; instead it requested that \$63 million of the \$250 million sought for SHSGP and \$200 million of the \$800 million for UASI be used for law enforcement terrorism prevention activities.<sup>125</sup> If funded as proposed, this shift could result in the availability of fewer funds for the states — \$188 million in FY2008 (versus \$525 million in FY2007) for SHSGP activities, and \$600 million (versus \$770 million in FY2007) for high threat urban areas seeking to fund UASI activities.

**House Passed H.R. 2638.** The House-passed appropriation of \$4,306 million for state and local programs is \$920 million more than the FY2007 appropriated amount of \$3,387 million. The House would provide funding for the Law Enforcement Terrorism Prevention Program (LETPP, \$400 million) even

---

<sup>125</sup> U.S. Office of Management and Budget, *Fiscal Year 2008 Budget of the United States Government*, (Washington: GPO, 2007), Appendix, p. 480.

though the Administration had requested no line item funding for the program. Additionally, contrary to the Administration request, the House proposed funding for the Metropolitan Medical Response System (\$50 million), Commercial Equipment Direct Assistance Grants (\$20 million), Interoperable Communications Grants (\$50 million), and Real ID Grants (\$50 million).

**Senate-Passed H.R. 2638.** The Senate approved an appropriation of \$4,136 million for state and local programs, \$749 million more than the FY2007 appropriation of \$3,387 million. Like the House, the Senate would fund the Law Enforcement Terrorism Prevention Program (LETPP, \$375 million) even though the Administration had requested no line item funding for the program, and would also fund the Metropolitan Medical Response System (\$33 million), Commercial Equipment Direct Assistance Grants (\$40 million), Regional Catastrophic Preparedness Grants (\$50 million), and Interoperable Communications Grants (\$100 million).

**Issues for Congress.** Two issues appear to have dominated congressional debate on the request for homeland security grant funds — the method by which funds are allocated among the states and the proposed reduction in Assistance to Firefighters Grant Program (FIRE) appropriations. These issues are discussed below.

***Distribution Methods for State and Local Assistance Programs.*** For years, since publication of the final report of the National Commission on Terrorist Attacks Upon the United States (often referred to as the 9/11 Commission), Members of Congress have debated the formula or process to be used in distributing federal homeland security grant funds. The 9/11 Commission recommended that funds should be distributed based on threat and risk assessments. While debate has ensued on this recommendation, certain program funds have been distributed pursuant to the formula set out in Section 1014 of the USA Patriot Act (P.L. 107-56). This statute guaranteed each state a minimum of 0.75% of total appropriations for domestic preparedness programs.

The Administration requested that FY2008 funds for only the Emergency Management Performance Grants (EMPG) and Citizen Corps Programs (CCP) be distributed pursuant to the Section 1014 formula. Additionally, the Administration proposed that SHSGP be a discretionary program, but guaranteed each state a minimum of 0.25% of total appropriations. Certain Members of Congress did not agree with this proposal; however, both the House-passed and Senate-passed versions of H.R. 2638 do not include provisions to alter the funding distribution method because the issue was included in debate on other legislation, H.R. 1 and S. 4. With enactment of this legislation (P.L. 110-53, Implementing the 9/11 Commission Recommendations Act of 2007), funding decisions will be based upon a different formula; the minimum allocation for each state for SHSGP grants will be 0.375% of total SHSGP and UASI appropriations in FY2008, with the floor eventually reduced to 0.35% of the total SHSGP and UASI appropriations in FY2012.<sup>126</sup> While some may contend that this agreement resolves the debate that has been the focus of

---

<sup>126</sup> P.L. 110-53, Title I, Sec. 101, “Sec. 2004,(e)(1)(A).”



congressional attention for years, others might argue that SHSGP would not be a discretionary program if there is a guaranteed minimum amount for states each fiscal year.

***Reduction in Assistance to Firefighters Program.*** Administration budget proposals have typically recommended significant cuts for fire grants, as well as zero funding for SAFER grants. Opponents of the cuts have argued that the reduced levels are inadequate to meet the needs of fire departments, while the Administration has argued that reduced levels are sufficient to enhance critical capabilities in the event of a terrorist attack or major disaster. For FY2008, the Administration proposed \$300 million for fire grants in FY2008, a 45% cut from the FY2007 level. No funding was proposed for SAFER grants. The total request for Assistance to Firefighters Grants (AFG) was 55% below the FY2007 level for fire and SAFER grants combined. The FY2008 budget proposal eliminated grants for wellness/fitness activities and modifications to facilities for firefighter safety. The budget justification requested funding for “applications that enhance the most critical capabilities of local response to fire-related hazards in the event of a terrorist attack or major disaster.” The budget justification also stated that the requested level of funding is “an appropriate level of funding given the availability of significant amounts of funding for first responder preparedness missions from other DHS grant programs which are better coordinated with state and local homeland security strategies and, unlike AFG, are allocated on the basis of risk.”

On June 5, 2007, the House Appropriations Committee recommended an appropriation of \$570 million for fire grants and \$230 million for the Staffing for Adequate Fire and Emergency Response Firefighters (SAFER) program. The Committee directed FEMA to: continue providing funds directly to local fire departments; include the U.S. Fire Administration during the grant administration process; maintain an all-hazards focus; and, not limit the list of eligible activities. The Committee also expressed concern that large numbers of fire grant applications never reach the peer review stage. The Committee report directed the Government Accountability Office (GAO) to review the application and award process for fire and SAFER grants, and directed FEMA to peer review all grant applications that meet basic eligibility requirements. On June 15, 2007, the House passed H.R. 2638, including an amendment adding \$5 million to the SAFER account. Thus, the final House-passed bill provided \$570 million for fire grants and \$235 million for SAFER.

On June 14, 2007, the Senate Appropriations Committee approved its version of the FY2008 appropriations bill for the Department of Homeland Security. As reported, the bill would provide \$560 million for fire grants and \$140 million for SAFER. The Senate Committee directed DHS to continue the present practice of funding applications according to local priorities, as well as those established by the United States Fire Administration. The Committee further directed DHS to continue to direct funding to fire departments and to the peer review process. Additionally, the Committee directed that \$3 million be available for foam firefighter equipment in remote areas. On July 26, 2007, the Senate-passed version of H.R. 2638 included an amendment adding \$5 million to the SAFER account. Thus, the final Senate-passed bill provided \$560 million for fire grants and \$145 million for SAFER.

## Office of Health Affairs<sup>127</sup>

The Post-Katrina Act codified the position of Chief Medical Officer (CMO) within DHS.<sup>128</sup> The Administration budget request for FY2008 proposes the creation of a new Office of Health Affairs (OHA) within DHS, to be headed by the CMO, who will report to the Secretary through the Deputy Secretary, and have the title of Assistant Secretary for Health Affairs and Chief Medical Officer. According to the *FY2008 DHS Congressional Budget Justification*,<sup>129</sup> the OHA will consist of three main divisions: (1) Weapons of Mass Destruction (WMD) and Biodefense; (2) Medical Readiness; and (3) Component Services. The WMD and Biodefense Division will lead the department's biodefense activities, including the BioShield and BioWatch programs, which will be transferred from the Science and Technology Directorate (S&T), and the National Biosurveillance Integration System (NBIS), which will be transferred from the former Preparedness Directorate. The Medical Readiness division will oversee contingency planning, first responder readiness, WMD incident management support, medical readiness grant coordination, and assistance to the FEMA Administrator in emergency and disaster response. The Component Services division will oversee the department's occupational health and safety programs.

The Administration requests \$118 million for OHA for FY2008. This includes a funding increase of \$17 million, in addition to \$100 million for the following transfers:

- \$5 million from the former Preparedness Directorate, for the Office of the Chief Medical Officer;
- \$82 million from the S&T Directorate, for BioWatch Operations and the Biological Warning and Incident Characterization (BWIC) programs;
- \$3 million from the S&T Directorate, for the Rapidly Deployable Chemical Defense System (RDCDS);
- \$1 million from the S&T Directorate for personnel support for BioWatch, BWIC, and RDCDS;
- \$8 million from the former Preparedness Directorate for NBIS; and
- \$1 million from the former Preparedness Directorate for personnel support for NBIS.<sup>130</sup>

House-passed H.R. 2638 recommends \$118 million for OHA, but directs that \$2 million of the amount requested for BioWatch Operations be used instead to enter into a grant or contract with the National Academy of Sciences to evaluate the effectiveness of the program.

---

<sup>127</sup> Prepared by Sarah A. Lister, Specialist in Public Health and Epidemiology, Domestic Social Policy Division.

<sup>128</sup> 6 U.S.C. § 321e.

<sup>129</sup> *FY2008 DHS Congressional Justification*, pp. OHA 2-3.

<sup>130</sup> *Ibid.* Numbers do not add due to rounding.

Senate-passed H.R. 2638 recommends \$115 million for OHA, including the full amount requested for BioWatch Operations, but \$3 million less than requested for salaries and expenses.

## **National Protection and Programs Directorate<sup>131</sup>**

The National Protection and Programs (NPP) Directorate is a new directorate formed by the Secretary for Homeland Security in response to the Post-Katrina Emergency Management Reform Act of 2006. This act deconstructed the Preparedness Directorate by transferring preparedness activities and responsibilities back to a new reconstructed Federal Emergency Management Agency (FEMA). The act required the Office of Grants and Training (which runs the agency's Homeland Security Grants Program), the U.S. Fire Administration, the Chemical Stockpile Emergency Preparedness Division, the Radiological Emergency Preparedness Program, and the Office of the National Capital Region Coordination, be transferred from the Preparedness Directorate to the new FEMA, as well. The remaining functions of the old Preparedness Directorate, primarily related to critical infrastructure protection, and grouped under the Infrastructure Protection and Information Security Program, were not transferred. The Secretary, under his own authority, transferred the Office of the Chief Medical Officer to a new Office of Health Affairs.

Additional elements were also added to the new NPP. The Post-Katrina Emergency Management Reform Act established the Office of Emergency Communications, combining within it a number of disparate programs from other parts of the department aimed at facilitating communications between first responders and policy makers during times of crisis. The act placed the Office of Emergency Communications under the Assistant Secretary for Cybersecurity and Communications, who now reports to the Under Secretary for National Protection and Programs. In addition, the Secretary, under his own authority, transferred the US-VISIT program to this new directorate. Also under his own authority, the Secretary established an Office of Intergovernmental Affairs to act as liaison between state and local officials and the Directorate, and elevated the Risk Management Division of the Office of Infrastructure Protection into a separate Office of Risk Management and Analysis, reporting directly to the proposed Under Secretary.

## **U.S. Visitor and Immigrant Status Indicator Technology (US-VISIT)<sup>132</sup>**

Until FY2006, US-VISIT was coordinated out of the Directorate of Border and Transportation Security (BTS). DHS Secretary Chertoff's second stage review, among other things, eliminated BTS and proposed placing US-VISIT within a new Screening Coordination Office (SCO) that would have combined a number of

---

<sup>131</sup> Prepared by John Moteff, Specialist in Science and Technology Policy, Resources, Science and Industry Division.

<sup>132</sup> Prepared by Blas Nuñez-Neto, Analyst in Domestic Security, Domestic Social Policy Division.

screening programs within DHS<sup>133</sup> and that would have reported directly to the Secretary. The appropriators did not provide funding for the SCO, however, and US-VISIT became a stand-alone office within Title II of the DHS appropriation in FY2006.<sup>134</sup> In FY2008, DHS is proposing to move US-VISIT into a new entity, the National Protection Programs Directorate (NPPD). In its Section 872 letter, DHS states that it is relocating US-VISIT to the NPPD “to support coordination for the program’s protection mission and to strengthen DHS management oversight.”<sup>135</sup>

**President’s Request.** The Administration requested \$462 million for US-VISIT in FY2008, an increase of \$100 million over the FY2007 enacted level. Included in the Administration’s request is an increase of \$146 million to convert the entry system to 10 fingerprint capability, and a decrease of \$31 million for pilot programs to test the exit component of the system.<sup>136</sup>

**House-Passed H.R. 2638.** The House fully funded the Administration’s request for US-VISIT in FY2008, including the \$228 million requested to implement 10 finger-print capability for entry purposes. The House also withheld \$232 million from the overall appropriation for US-VISIT pending the submission, and approval by the Committee, of an expenditure plan. This plan should include a complete schedule for the full implementation of a biometric exit component within five years, or a certification that a cost-effective solution is not technically feasible in five years.

**Senate-Passed H.R. 2638.** The Senate recommended an appropriation of \$362 million for US-VISIT in FY2008, \$100 million less than the President requested. The Senate committee noted that DHS has large unobligated balances for the US-VISIT program in making its recommendation. The Senate also withheld \$100 million from obligation pending the receipt of a comprehensive expenditure plan for the US-VISIT program.

**Issues for Congress.** There are a number of issues that Congress may face relating to the implementation of the US-VISIT system and its proposed transfer to the NPPD. These issues may include whether the Administration’s decrease in funding for the exit component and focus on expanding the entry component of the system is appropriate, whether U.S. Visit should be placed administratively within the NPPD or whether there is some other configuration within DHS that is better suited to US-VISIT’s mission, and whether the current POE infrastructure can

---

<sup>133</sup> Programs proposed for transfer to the Screening Coordination Office included the US Visitor and Immigrant Status Indicator Project (US-VISIT); Free and Secure Trade (FAST) and NEXUS/SENTRI, from CBP; and Secure Flight, Transportation Worker Identification Credential (TWIC), Registered Traveler, Hazardous Materials (HAZMAT) background checks, and the Alien Flight School background checks program from TSA

<sup>134</sup> H.Rept. 109-241.

<sup>135</sup> U.S. Department of Homeland Security, letter from Secretary Michael Chertoff to the Honorable Joseph I. Lieberman, Chairman, Committee on Homeland Security and Government Affairs, U.S. Senate, Washington, DC, January 18, 2007, p. 8.

<sup>136</sup> *DHS FY2008 Justification*, p. US-VISIT 3.

support the added communication load that a 10 fingerprint system would likely require.

**Administrative Placement Within NPPD.** Some question whether the administrative placement of US-VISIT within the proposed NPPD is appropriate.<sup>137</sup> Most of the other DHS components that would comprise the NPPD focus on infrastructure protection and government-wide coordination and were previously located within the Office of Infrastructure Protection at DHS. While an argument could be made that US-VISIT supports the protection of critical infrastructure by preventing terrorists from entering the country, a counter-argument could be made that US-VISIT's primary role is immigration-related and relates to screening individuals as they enter the country. Some observers, including the GAO, have noted that the US-VISIT program would benefit from stronger management oversight, especially in light of the program's continuing inability to formulate a strategic plan.<sup>138</sup> However, there is some doubt concerning whether the NPPD would be the best fit within DHS for US-VISIT given the seeming disparity between US-VISIT and the other proposed components of the NPPD. A possible issue for Congress could include whether US-VISIT should be placed administratively within the NPPD or whether there are other administrative placements that would be more appropriate. Possible options, should Congress decide against placing US-VISIT within the NPPD, could include leaving US-VISIT as a stand-alone entity within DHS reporting directly to the Undersecretary, or placing it within CBP to bolster US-VISIT's immigration control aspects. Both the House and Senate passed bills would leave US-VISIT within the NPPD.

**10 Fingerprint Entry Versus the Exit Component.** In its FY2008 request, DHS appears to be moving toward implementing a 10 fingerprint entry component to the US-VISIT system rather than electing to implement the system's exit component. In congressional testimony, DHS acknowledged that it has stopped actively testing technologies associated with the exit component of the system,<sup>139</sup> and the FY2008 request includes a reduction of \$31 million for exit pilot programs. Instead, DHS appears to be focusing on expanding the entry component of the system to include 10 fingerprint enrollment and interoperability with other federal government fingerprint databases. Possible issues for Congress may include whether these goals are mutually exclusive, and whether DHS should continue to work on the exit component of the system as it expands the entry component. H.R. 2638 fully funded the Administration's request for the implementation of a 10 fingerprint entry capability. However, the House Committee on Appropriations voiced concern over the "lack of a clear plan, with timelines and milestone goals, for addressing an exit

---

<sup>137</sup> For example, H.R. 1684, as amended during committee markup, would prohibit this transfer until DHS submits a plan for implementing the US-VISIT program's exit component at all ports of entry.

<sup>138</sup> *GAO Testimony, February 2007*, p. 19.

<sup>139</sup> U.S. Congress, Senate Committee on the Judiciary, Subcommittee on Terrorism, Technology, and Homeland Security, *US-VISIT: Challenges and Strategies for Securing the U.S. Border*, 110<sup>th</sup> Cong., 1<sup>st</sup> Sess., January 31, 2007.

strategy.”<sup>140</sup> The House also noted that, while the implementation of the exit component at the land border may not be feasible with current technology, “the failure to exploit the foundation for air exit solutions is incomprehensible — as are current plans to terminate the existing air pilots, rather than use them to fill a gap until a permanent solution can be found.”<sup>141</sup> Senate-passed H.R. 2638 also fully funded the Administration’s request for the implementation of 10 fingerprint entry capability. However, the Senate Committee on Appropriations “is deeply disappointed that the Department has achieved no tangible progress on instituting an ‘exit’ capacity in over 4 years.”<sup>142</sup> Senate-passed H.R. 2638 would withhold \$100 million from obligation pending the committee’s approval of a comprehensive US-VISIT plan.

## Infrastructure Protection and Information Security<sup>143</sup>

Within DHS, those activities which coordinate the national effort to identify the nation’s most critical infrastructure assets and to prioritize risk reduction activities at those sites are located in the Infrastructure Protection and Information Security (IPIS) Program. For the most part, these activities were left in place following the reorganizations mentioned above. One notable exception was the transfer of the Biosurveillance program/project activity (PPA) to the new Office of Health Affairs. In addition, funding for the new Office of Emergency Communications (OEC) falls within this program.

**President’s FY2008 Request.** The President’s request for the FY2008 IPIS program was \$538 million. While many of the activities of the IPIS program were left in place, the President’s request did make some changes that make it difficult to compare the FY2008 requested figures with the FY2007 enacted figures presented in the President’s budget. In the FY2008 budget request, a number of IPIS program/project activities (PPAs — Critical Infrastructure Outreach and Partnerships, Critical Infrastructure Identification and Evaluation, National Infrastructure Simulation and Analysis Center, and Protective Actions) were combined into a single PPA called Infrastructure Protection (IP). In addition, the President’s request transferred certain expenses (such as facility rents and information technology support), previously paid for by each PPA, to the NPPD’s Management and Administration account, while proposing that each sub-program pick up their own related salaries and benefits. Salaries and benefits were previously paid for in an IPIS Management and Administration PPA. Tracking these transfers is beyond the scope of this document. The FY2007 enacted figures noted below in **Table 16** are based on House and Senate reports accompanying their respective appropriation bills. Presumably, these FY2007 enacted figures reflect the changes made in the new FY2008 budget categories.

---

<sup>140</sup> H.Rept. 110-181, p. 89.

<sup>141</sup> H.Rept. 110-181, p. 89.

<sup>142</sup> S.Rept. 110-84, p. 86.

<sup>143</sup> Prepared by John Moteff, Specialist in Science and Technology Policy, Resources, Science and Industry Division.

The President's budget identified 6 programmatic increases totaling approximately \$38 million. The largest of these was \$15 million to expand the Chemical Site Security Program (within the IP PPA) to support development, implementation, and oversight of the new regulations being promulgated on selected sites that handle certain amounts of selected hazardous chemicals. The other relatively large increase was \$11 million to accelerate activities associated with the Department's Wireless Priority Service responsibility (within the NS/EP PPA). The budget also identified 3 areas where program reductions were made, with \$30 million in various IP PPA activities being scaled back. These included, among others, reductions in management and implementation of the National Infrastructure Protection Plan (made possible according to DHS by completion of Sector Specific Plans), deferral of some capabilities of the Automated Critical Asset Management System, reductions in the Bomb Prevention Program and some Infrastructure Planning, Training and Exercise Programs. **Table 16** provides PPA-level detail for IPIS.

**House-Passed H.R. 2638.** The House appropriated \$533 million for the IPIS program, providing more funds for Infrastructure Protection (IP) and the Office of Emergency Communications (OEC) than requested, and less funds for Computer Security (CS) and National Security/Emergency Preparedness Telecommunications (NS/EP). Within the IP PPA, the House provided \$20 million more than requested for continued management and implementation of the National Infrastructure Protection Plan. It did not accept the argument that the release of the Sector Specific Plans could allow for a reduction in effort. The increase included \$3 million for greater administrative and logistical support for the Sector Coordinating Councils, through which DHS interacts with the private sector on critical infrastructure protection. The House also provided \$10 million more than requested for the National Infrastructure Simulation and Analysis Center. Within the OEC PPA, the House provided \$8 million more than requested for interoperability integration and technical assistance to State and local entities. Regarding the reduction made in the NS/EP request, the House did not feel that DHS had justified the large increase requested for a Next Generation Network so soon after the anticipated successful completion of the current Wireless Priority Service program. The House provided \$18 million, instead of the \$52 million requested. The House bill also contained provisions that would preclude federal regulations from preempting stronger state and local regulations governing security at chemical facilities.

**Senate-Passed H.R. 2638.** Senate-passed H.R. 2638 would provide \$522 million for IPIS. Similar to the House, the Senate Committee on Appropriations recommended additional funding for IP and OEC, while recommending less for CS and NS/EP than requested. Within the IP PPA, the Committee recommended increases for implementing security regulations at chemical facilities (+ \$15 million) and for the National Infrastructure Simulation and Analysis Center (+ \$9 million). Within the OEC PPA, the Committee recommended an increase of \$12 million for the Interoperable Communications Integration and Technical Assistance program. Similar to the House, the Senate Appropriations Committee recommended less funding than requested for the Next Generation Network, within the NS/EP PPA (recommending \$30 million instead of the \$52 million requested). In addition, during floor debate, the Senate agreed to Amendment 2468 which specified that \$10 million shall be provided to the Office of Bombing Prevention and not more than \$26

million should be provided for the Next Generation Network (reducing it further than the Committee recommendation). The full Senate also agreed to Amendment 2502, amending the Homeland Security Act, authorizing the Secretary to regulate the sale of ammonium nitrate. The amendment also authorized \$2 million to implement this authority, to be funded through the IPIS program. Ammonium nitrate is an ingredient used in fertilizers that can also be used to make homemade bombs like that used in the Oklahoma City bombing. The Senate also agreed to S.Amdt. 2465, which provides an additional \$5 million to firefighter assistance grants by reducing the amount provided to IPIS by \$5 million. Senate-passed H.R. 2638 thus includes \$522 million for IPIS.

**Table 16. FY2008 Budget Activity for the Infrastructure Protection and Information Security Appropriation**  
(budget authority in millions of dollars)

Program Project Activity	FY07 Enact.	FY07 Supp.	FY07 Resc.	FY07 Total	FY08 Req.	FY08 House	FY08 Senate	FY08 Conf.
M/A	55			55				
IP	227	24	-1	250	240	272	252	
CS	92			92	98	87	92	
NS/EP	143			143	165	129	137	
OEC	17			17	36	46	46	
Undistributed reduction							-5	
<b>Total</b>	<b>534</b>	<b>24</b>	<b>-1</b>	<b>557</b>	<b>538</b>	<b>533</b>	<b>522</b>	

M/A=Management and Administration; IP=Infrastructure Protection; CS=Computer Security; NS/EP=National Security/Emergency Preparedness Telecommunications; OEC=Office of Emergency Communications.

**Source:** U.S. Congress. House of Representatives. *Department of Homeland Security Appropriations Bill, 2008*. H.Rept. 110-181, accompanying H.R. 2638. June 8, 2008.

**Note:** Totals may not add due to rounding.

a. FY2007 enacted figures reflect changes in the expenditures covered in the FY2008 budget request, making FY2007 and FY2008 figures comparable. They do not represent the actual enacted figure for the IPIS program at the time of enactment.

**Issues for Congress.** Some IPIS-related issues that may be of interest to Congress include the quality of the budget requests; chemical facility regulations; and the location of risk management funding.

**Quality of Budget Requests.** The consolidation of some of the IPIS PPAs may make some activities less visible and give the Secretary more discretion to transfer funds within the IPIS budget. Both the House and the Senate Appropriations



Committee criticized the level of detail and clarity of the NPPD budget justification document and the apparent transfer of funds without their knowledge. The Senate Appropriations Committee went further to say that the consolidation appeared to be an effort to obfuscate. Both went on to specify lower-level line-item funding for individual program areas within the IP and NS/EP PPAs. The Senate Appropriations Committee also cut the NPPD's request for its Management and Administration account by \$16 million and withheld half (\$15 million) of its recommended funding from obligation until the Committee receives and approves an expenditure plan that has been reviewed by the Government Accountability Office.

***Chemical Facility Regulations.*** Both the House and the Senate Appropriations Committee were concerned about the chemical facility security regulations developed by DHS which preempt State and local regulations. The House bill included language that specifically prevents federal regulations from precluding or preempting stronger State and local regulations. The Senate Appropriations Committee included similar language, unless "there is an actual conflict" between Section 550 of the Department of Homeland Security Appropriations Act of 2007 (P.L. 109-295), the provision of federal law authorizing DHS to regulate security at chemical facilities, and the State law. The Senate language seems to be in response to the White House Statement of Policy regarding H.R. 2638, which "strongly opposes" the House language. One rationale given by the White House for opposing the House language is that it would prevent the Department from preempting State or local laws that "actually conflict with and/or impede the Federal regulatory requirements...." The White House also stated that the language would weaken the Department's ability to protect information transmitted to the Department for regulatory purposes from disclosure, although it does not elaborate on how this would do so.

***Location of Risk Management Funding.*** As part of the reorganization of the National Protection and Programs Directorate, the Secretary elevated the Division of Risk Management to the Office of Risk Management and Analysis. The Director of the new Office reports directly to the Undersecretary for National Protection and Programs. The President's request included \$9 million for this Office, but dispersed these funds within each of the IPIS PPAs and the NPPD's Management and Administration account. The House version of the appropriations bill would fund this Office out of the NPPD's Management and Administration account. The Senate Appropriations Committee did not make a comparable recommendation.

## **Title IV: Research and Development, Training, Assessments, and Services**

Title IV includes appropriations for U.S. Citizenship and Immigration Services (USCIS), the Federal Law Enforcement Training Center (FLETC), the Science and Technology Directorate (S&T), and the Domestic Nuclear Detection Office (DNDO). **Table 17** provides account-level details of Title IV appropriations.

**Table 17. Title IV: Research and Development, Training, Assessments, and Services**  
(budget authority in millions of dollars)

Operational Component	FY2007 Appropriation				FY2008 Appropriation			
	FY2007 Enacted	FY2007 Supp.	FY2007 Resc.	FY2007 Total	FY2008 Request	FY2008 House Passed	FY2008 Senate Passed	FY2008 Total
<b>Citizenship and Immigration Services</b>								
Total available budget authority	1,986	8		1,994	2,569	2,569	2,589	
— Offsetting fees <sup>a</sup>	-1,804	—		-1,804	-2,539	-2,539	-2,539	
<b>Net subtotal (Direct appropriation)</b>	<b>182</b>	<b>8</b>		<b>190</b>	<b>30</b>	<b>30</b>	<b>50<sup>b</sup></b>	
<b>Federal Law Enforcement Training Center</b>	<b>275</b>	<b>3</b>		<b>278</b>	<b>263</b>	<b>263</b>	<b>266</b>	
<b>Science and Technology</b>								
— Management and Administration	134	—	-1	133	143	131	141	
— Research, Development, Acquisition, and Operations	624	5		629	656	646	697	
<b>Net Subtotal</b>	<b>758<sup>c</sup></b>	<b>5</b>	<b>-1</b>	<b>762</b>	<b>799</b>	<b>777</b>	<b>838</b>	
<b>Domestic Nuclear Detection Office</b>								
— Management and Administration	30	—		30	34	31	32	
— Research, Development, Acquisition, and Operations	273	35		308	320	317	336	
— Systems Acquisition	178	100		278	208	208	182	
<b>Net Subtotal</b>	<b>481</b>	<b>135</b>		<b>616</b>	<b>562</b>	<b>556</b>	<b>550</b>	
<b>Gross budget authority: Title IV</b>	<b>3,500</b>	<b>151</b>		<b>3,650</b>	<b>4,193</b>	<b>4,165</b>	<b>4,243</b>	
— Offsetting collections: Title IV	-1,804	—		-1,804	-2,539	-2,539	-2,539	
<b>Net budget authority: Title IV</b>	<b>1,696</b>	<b>151</b>		<b>1,846</b>	<b>1,654</b>	<b>1,626</b>	<b>1,704</b>	

**Source:** FY2008 DHS Congressional Budget Justification. Totals may not add due to rounding.

**Notes:** Amounts in parentheses are non-adds.

a. Fees include Immigration Examination Fund; H-1b Visa Fee; and the Fraud Prevention and Detection fee.

CRS-84

- b. Senate-passed H.R. 2638 also includes an additional \$60 million in emergency funding (not shown in **Table 17**) for USCIS' Employment Eligibility Verification System, that is to be taken from the \$3,000 million emergency appropriation included in Senate-passed H.R. 2638 as a part of the Border Security First Act of 2007.
- c. *Does not* include a \$125 million rescission of unobligated balances per P.L. 109-295.

## U.S. Citizenship and Immigration Services (USCIS)<sup>144</sup>

There are three major activities that dominate the work of the U.S. Citizenship and Immigration Services (USCIS): the adjudication of immigration petitions (including nonimmigrant change of status petitions, relative petitions, employment-based petitions, work authorizations, and travel documents); the adjudication of naturalization petitions for legal permanent residents to become citizens; and the consideration of refugee and asylum claims, and related humanitarian and international concerns.<sup>145</sup> USCIS funds the processing and adjudication of immigrant, nonimmigrant, refugee, asylum, and citizenship benefits largely through monies generated by the Examinations Fee Account.<sup>146</sup> **Table 17** shows FY2007 appropriations and congressional actions in response to the FY2008 request.

**President's FY2008 Request.** USCIS is a fee driven agency. As part of the former Immigration and Naturalization Service (INS), USCIS was directed to transform its revenue structure with the creation of the Examinations Fee Account.<sup>147</sup> Although the agency has received direct appropriations in the last decade, these appropriations have been largely directed towards specific projects such as backlog reduction initiatives. The vast majority of the agency's revenues, however, come from the adjudication fees of immigration benefit applications and petitions. In the President's FY2008 budget request, the agency requested \$30 million in direct appropriations. The remaining \$2,539 million of the appropriations requested would be funded by revenues from collected fees.

As **Table 18** below shows, the requested USCIS budget for FY2008 is approximately \$2,569 million. This requested amount constitutes an increase of \$583 million or 29% over the enacted appropriation amount from FY2007. The requested direct appropriation of \$30 million would be designated for the Employer Eligibility Verification Program (EEV), while all other program and operations would be fee funded. Of the requested funds for FY2008, \$1,981 million, or roughly 77%, would fund the USCIS adjudication services. A plurality of these adjudication funds would go towards pay and expenses with an allocation of \$764 million, while district operating expenses would receive \$552 million and service center operating expenses would be allocated \$354 million, respectively. Business transformation

---

<sup>144</sup> Prepared by Chad C. Haddal, Analyst in Immigration Policy, Domestic Social Policy Division.

<sup>145</sup> CRS Report RL32235, *U.S. Immigration Policy on Permanent Admissions*, by Ruth Ellen Wasem.

<sup>146</sup> §286 of the Immigration and Nationality Act, 8 U.S.C. §1356.

<sup>147</sup> There are two other fee accounts at USCIS, known as the H-1B Nonimmigrant Petitioner Account and the Fraud Prevention and Detection Account. The revenues in these accounts are drawn from separate fees that are statutorily determined (P.L. 106-311 and P.L. 109-13, respectively). USCIS receives 5% of the H-1B Nonimmigrant Petitioner Account revenues and 33% of the Fraud Detection and Prevention Account revenues. In FY2006, the USCIS shares of revenues in these accounts were approximately \$13 million and \$16 million respectively, and these funds combined for roughly 3% of the USCIS budget (U.S. Department of Homeland Security, U.S. Citizenship and Immigration Services, *Fiscal Year 2008 Congressional Budget Justifications*).

initiatives for modernizing systems and improving agency information sharing and efficiency would receive \$139 million. The President's budget request also includes requested funding levels of \$162 million for information and customer services, \$375 million for administration, and \$21 million for the Systematic Alien Verification for Entitlements (SAVE) Program.

**Table 18. USCIS Budget Account Detail**  
(budget authority in millions of dollars)

Program/Project Activity	FY2007 Enacted	FY2008 Request	FY2008 House Passed	FY2008 Senate Passed <sup>a</sup>	FY2008 Enacted
<i>Appropriations</i>					
<b>Appropriations</b>	<b>182<sup>b</sup></b>	<b>30</b>	<b>30</b>	<b>110</b>	
Business Transformation	47	—	—	—	
SAVE	21	—	—	—	
EEV	114	30	30	90 <sup>c</sup>	
FBI Background Check	—	—	—	20	
<i>Fee Accounts</i>					
<b>Adjudication Services</b>	<b>1,419</b>	<b>1,981</b>	<b>1,981</b>	<b>1,981</b>	
Pay & Benefits	625	764	764	764	
District Operating Expenses	385	552	552	552	
Service Center Operating Expenses	267	354	354	354	
Asylum/Refugee Operating Expenses	75	91	91	91	
Records Operating Expenses	67	81	81	81	
Business Transformation		139	139	139	
<b>Information and Customer Services</b>	<b>144</b>	<b>162</b>	<b>162</b>	<b>162</b>	
<b>Administration</b>	<b>241</b>	<b>375</b>	<b>375</b>	<b>375</b>	
<b>SAVE</b>	<b>—</b>	<b>21</b>	<b>21</b>	<b>21</b>	
<b>Total USCIS Funding</b>	<b>1,986</b>	<b>2,569</b>	<b>2,569</b>	<b>2,649<sup>c</sup></b>	

Source: H.Rept. 109-699; DHS FY2008 Congressional Budget Justifications; H.R. 2638; H.Rept. 110-181; Senate-passed H.R. 2638; and S.Rept. 110-84.

- a. The table does not include a proposed appropriation of \$523,000 to benefit parole programs. Thus, the total proposed appropriation in Senate-passed H.R. 2638 is \$110,523,000.
- b. The Table does not include a supplemental appropriation of \$8 million for FY2007 included in P.L. 110-28.

- c. Includes an additional \$60 million in emergency funding (SA 2518) for USCIS's Employment Eligibility Verification System, which is to be taken from the \$3,000 million emergency appropriation included in Senate-passed H.R. 2638 as a part of the Border Security First Act of 2007.

**House-Passed H.R. 2638.** The appropriations bills on homeland security offer different funding proposals in the two congressional chambers. The House-passed version of the USCIS appropriations is identical to the agency's request, but H.Rept. 110-181 expressed some concerns that committee members had regarding USCIS fees and operations. The report expressed concern regarding the potential hardship the fee increase may create for some applicants, and Members directed USCIS to review its fees on a more regular basis.<sup>148</sup> Moreover, the report would require USCIS to submit a report to the committee with the FY2009 budget request on whether the fee increase resulted in service improvements, including reductions in USCIS adjudication times and FBI backlogs. Finally, the House Members expressed continuing support for USCIS' business and information technology transformation and internal security improvements, while urging the immediate publication of the final regulation rule on U-Visas.<sup>149</sup>

**Senate-Passed H.R. 2638.** In the course of considering the DHS budget, the Senate chose to adopt H.R. 2638 and employ the language of S. 1644 in the nature of a substitute. Although similar to the President's budget request in most respects, the Senate appropriations proposal would supplement the agency's request of \$30 million for the EEV program with an additional \$80.5 million in direct appropriations. Of these funds, \$20 million would be appropriated for FBI background checks, and \$523,000 would be for benefit parole programs.<sup>150</sup> In the S.Rept. 110-84, the committee members expressed their concern about the FBI backlogs for background checks submitted by USCIS and the length of time it currently takes to process security background checks. Additionally, the committee would require that the Secretary of Homeland Security and the Attorney General submit a plan to comprehensively deal with the FBI backlogs, and it would require USCIS to submit quarterly reports on the status of USCIS application processing and its backlog reduction plan.

In addition to the FBI-related funding, the Senate also adopted two amendments during floor debates that relate to USCIS funding. First, the Senate stipulated in S.Amdt 2518 that a further \$60 million be made available in direct appropriations for the EEV program. These funds would be drawn from the supplemental funds provided for under the border security measures of S.Amdt. 2480 to H.R. 2638.

---

<sup>148</sup> H.Rept. 110-181 also directs USCIS to ensure that all its ongoing base operations are fully funded by fees prior to initiating any new initiatives.

<sup>149</sup> The U-Visa is a nonimmigrant visa designed for issuance to victims of domestic violence and other heinous crimes. It was originally enacted in the Victims of Trafficking and Violence Protection Act of 2000. (P.L.106-386)

<sup>150</sup> According to S.Rept. 110-84, on March 31, 2007, the Secretary of Homeland Security transferred this amount of funds to the Cuban-Haitian Entrant Program, the Moscow Refugee Program, and the Humanitarian Parole Program within USCIS from U.S. Immigration and Customs Enforcement's Office of Investigations (International). The Senate Report recommends that this transfer become permanent.

These funds would be used to ensure that state and local programs have sufficient access to and coordination with the EEV system and that the system has sufficient capacity for the registration and inquiries of employers in states with EEV registration requirements. Also the funds would be used for the development of privacy and security policies and protection. Secondly, S.Amdt. 2526 stipulated that not less than \$1 million of USCIS funding be set aside for a benefits fraud assessment of the H-1B Visa Program.

**Issues for Congress.** The 110<sup>th</sup> Congress may face a number of issues relating to legal immigration and USCIS' role in the process. These issues may include whether the Administration's proposed fee increases for visa applicants should be implemented or whether there are alternatives to fee increases that could be considered, whether USCIS is effectively dealing with their adjudication backlog, and whether the proposed fee structure would provide sufficient funding to cover the elimination of the USCIS backlog.

**Scheduled Fee Increase.** On May 30, 2007, USCIS published a new fee schedule for immigration adjudications and benefits set to take effect on July 30, 2007. These fee adjustments would constitute the first fee revision since October 26, 2005, and would increase application fees by a weighted average of 96% for each benefit.<sup>151</sup> USCIS officials claim the fee increase is necessary to maintain proper service levels and to avoid the accumulation of backlogs.<sup>152</sup> Congressional reactions to these proposed fees have been strong and divergent. Some opponents of the fees have called for congressional action to prevent the new fees from being implemented. Although generally not opposed to the increased revenue for USCIS, the fee increase opponents want USCIS to implement a sliding scale fee structure or request direct appropriations to offset the benefit costs for lower income families.<sup>153</sup> Fee increase supporters contend that the proposed fee structure would help deter possible public charges from applying for immigration benefits. These fee proponents further contend that the immigration benefits these individuals receive are a "good deal" by world standards, even under the proposed fee structure.<sup>154</sup>

**Adjudication Backlog.** The fee increase has also raised issues and questions concerning the adjudications backlog that USCIS has worked towards reducing. USCIS Director Emilio T. Gonzalez has stated that the current backlog of

---

<sup>151</sup> This weighted average does not include the increases to the biometric fee. When combined with the biometric fee, the weighted average application fee increase would be reduced to 86%. (U.S. Department of Homeland Security, "U.S. Citizenship and Immigration Services, Adjustment of the Immigration and Naturalization Benefit Application and Petition Fee Schedule; Proposed Rule," *Federal Register*, vol. 72, no. 21 (February 1, 2007), p. 4888)

<sup>152</sup> *Ibid*, p. 4892.

<sup>153</sup> For example, in the House Chamber, Representatives Gutierrez and Shakowsky introduced H.R. 1379, which would prevent USCIS from increasing the citizenship application fees to levels above application processing costs.

<sup>154</sup> U.S. Congress, House Committee on the Judiciary, Subcommittee on Immigration, Citizenship, Refugees, Border Security, and International Law, *The Proposed Immigration Fee Increase*, 110<sup>th</sup> Cong., 1<sup>st</sup> sess., February 14, 2007



applications for immigration benefits has been significantly reduced, and that the share of the backlog due to factors under the control of USCIS was approximately 65,000.<sup>155</sup> Critics continue to be concerned, however, about the more than 1 million additional applications that have been pending for more than six months that USCIS does not count in its backlog figures, and that the seriousness of the USCIS backlog is masked by changes in the agency's backlog definition.<sup>156</sup> Critics are also concerned about delays that are allegedly caused by the FBI's National Name Check Program.<sup>157</sup> Since FY2002, Congress has appropriated \$574 million towards backlog reduction efforts at USCIS, including \$494 million in direct appropriations.

It has been the stated goal of President George W. Bush to reduce the application processing time for immigration to a six month standard.<sup>158</sup> Some argue that in order for USCIS to be able to accomplish this goal, it needs a fee structure that more accurately reflects the cost of processing immigration benefit applications. USCIS claims that the proposed fees are more aligned with the agency's adjudication costs.<sup>159</sup> Some additionally believe that the fee increases would be necessary in order for USCIS to handle any potential future increases in applications. Since USCIS is fee funded, any passage of comprehensive immigration reform legislation that includes either earned legalization or a temporary worker program would likely result in a significant increase in the number of incoming applications.

### **Federal Law Enforcement Training Center (FLETC)<sup>160</sup>**

The Federal Law Enforcement Training Center provides training on all phases of law enforcement instruction, from firearms and high speed vehicle pursuit to legal case instruction and defendant interview techniques for 81 federal entities with law enforcement responsibilities, state and local law enforcement agencies, and international law enforcement agencies. Training policies, programs, and standards

---

<sup>155</sup> Ibid.

<sup>156</sup> The DHS Inspector General has expressed concern that the changing backlog definitions "will not resolve the long-standing processing and IT problems that contributed to the backlog in the first place. (U.S. Department of Homeland Security, Office of the Inspector General, *USCIS Faces Challenges in Modernizing Information Technology*, OIG-05-41 (September 2005), p. 28) The USCIS Ombudsman also criticized the definition changes, saying that "these definitional changes hide the true problem and the need for change" (U.S. Department of Homeland Security, Citizenship and Immigration Service Ombudsman, *Annual Report 2006*, June 29, 2006, p. 9).

<sup>157</sup> For example, see S.Amdt. 1228 to S. 1348.

<sup>158</sup> Remarks by the President at INS Naturalization Ceremony (July 10, 2001), at [<http://www.whitehouse.gov/news/releases/2001/07/20010710-1.html>], visited March 9, 2007.

<sup>159</sup> U.S. Department of Homeland Security, "U.S. Citizenship and Immigration Services, Adjustment of the Immigration and Naturalization Benefit Application and Petition Fee Schedule; Proposed Rule," *Federal Register*, vol. 72, no. 21 (February 1, 2007), pp. 4893-4894.

<sup>160</sup> Prepared by Blas Nuñez-Neto, Analyst in Domestic Security, Domestic Social Policy Division.

are developed by an interagency Board of Directors, and focus on providing training that develops the skills and knowledge needed to perform law enforcement functions safely, effectively, and professionally. FLETC maintains four training sites throughout the United States and has a workforce of more than 1,000 employees.

**President's Request.** The overall request for FLETC in FY2008 is \$263 million, a decrease of \$12 million from the FY2007 appropriation. The Administration is proposing the creation of a FLETC Fund to replace the Salaries and Expenses account within FLETC. For FY2008, the fund would be capitalized with \$220 million in a no year revolving fund that would allow for the development of a reimbursable cost module. The new fund would include funding for 1,077 positions including an increase of seven new instructors to support the Secure Border Initiative (SBI) at CBP. As part of SBI, FLETC estimates it will need to provide basic training for 4,350 USBP agents in order to add a net total of 3,000 agents to the USBP workforce.<sup>161</sup>

**House-Passed H.R. 2638.** The House fully funded the Administrations FY2008 request for FLETC. However, the House did not approve the Administration's proposal to replace the salaries and expenses account within FLETC with a no-year revolving fund, asserting that "the current funding mechanisms utilized for FLETC appear to be working well."<sup>162</sup>

**Senate-Passed H.R. 2638.** The Senate recommended \$266 million for FLETC in FY2008, \$3 million more than the Administration requested. Included in the recommendation is \$1 million for the construction of a detention training facility within the Artesia, new Mexico FLETC.

## Science and Technology (S&T)<sup>163</sup>

The Directorate of Science and Technology is the primary DHS organization for research and development. Headed by an Under Secretary for Science and Technology, it performs R&D in several laboratories of its own; funds R&D performed by universities, industry, the national laboratories, and other government agencies; and manages operational systems. See **Table 19** for details of the directorate's appropriation.

**President's FY2008 Request.** The Administration requested a total of \$799 million for S&T for FY2008. This was 18% less than the FY2007 appropriation of \$973 million, but about half of the proposed reduction was in operational programs that were transferred from S&T to other parts of the department (Biowatch and related programs from the Biological and Chemical program and Safecom from the Command, Control, and Interoperability program). Including these transfers and a \$125 million rescission of unobligated balances, the FY2007 enacted amount was

---

<sup>161</sup> *DHS FY2008 Congressional Budget Justification*, pp. FLETC Fund 3-6.

<sup>162</sup> H.Rept. 110-181, p. 117.

<sup>163</sup> Prepared by Daniel Morgan, Analyst in Science & Technology, Resources, Science, and Industry Division.

\$758 million (not including supplementals and rescissions included in P.L. 110-5 or P.L. 110-28). A proposed \$41 million reduction in the Explosives program was due to the completion of efforts to develop a prototype for protecting commercial aircraft against shoulder-launched missiles. A proposed \$51 million reduction in the Infrastructure and Geophysical program was largely the result of reducing funding for local and regional initiatives previously established or funded at congressional direction.

**House-Passed H.R. 2638.** The House, citing unfilled staff positions in the S&T Directorate, provided \$12 million less than the request for Management and Administration. It rejected the \$14 million request for procurement of third-generation BioWatch units in the Biological and Chemical program. It provided \$10 million more than the request for University Programs and instructed the S&T Directorate to report by February 1, 2008, on how it selects university Centers of Excellence, determines the research topics for Centers, and evaluates the quality of their work. Several other smaller changes added up to a net decrease of \$10 million in Research, Development, Acquisition, and Operations.

**Senate-Passed H.R. 2638.** The Senate provided an increase of \$41 million in Research, Development, Acquisition, and Operations over the request for FY2008. Within this total, reductions relative to the request included \$13 million from the Biological and Chemical program and \$14 million from Innovation. Increases included \$18 million for Explosives to counter car bombs and other improvised explosive devices, \$40 million for Infrastructure and Geophysical earmarked for the Southeast Region Research Initiative and the Regional Technology Integration initiative, and \$15 million for Laboratory Facilities earmarked for Pacific Northwest National Laboratory. The Senate provided a reduction of \$2 million in Management and Administration.

**Issues for Congress.** During the FY2007 appropriations cycle, Congress and others were highly critical of the S&T Directorate's performance. Among the fundamental issues facing Congress are questions about the directorate's mission, its organization, its priorities and how they are set, its financial management, and the transparency of its operations. A reorganization in late 2006 aligned the directorate's management structure with the presentation of its budget (with a division director responsible for each italicized program in **Table 19**). The directorate's university centers of excellence are to be realigned to match the new organization, with new centers being established for some topics and other topics being merged. After several years of criticism for failing to spend funds that were appropriated, the directorate reports progress in more rapidly obligating its FY2007 funding.

## **Domestic Nuclear Detection Office<sup>164</sup>**

The Domestic Nuclear Detection Office (DNDO) is the primary DHS organization for combating the threat of nuclear attack. It is responsible for all DHS nuclear

---

<sup>164</sup> Prepared by Daniel Morgan, Analyst in Science and Technology, Resources, Science, and Industry Division.

detection research, development, testing, evaluation, acquisition, and operational support. See **Table 19** for details of the appropriation for DNDO.

**President's FY2008 Request.** The Administration requested a total of \$562 million for DNDO for FY2008. This was a 17% increase from the FY2007 appropriation. A proposed \$47 million increase in Research, Development, and Operations would focus primarily on the Transformational R&D program, whose goal is to identify, develop, and demonstrate technologies that fill major gaps in the nuclear detection architecture. A proposed \$30 million increase in Systems Acquisition would go to begin implementation of the Securing the Cities initiative in the New York City area.

**House-Passed H.R. 2638.** The House provided the requested amount for Systems Acquisition. A reduction of \$40 million, including a reduction of \$20 million in the Securing the Cities initiative, was recommended by the House committee but was reversed by a floor amendment. The House reduced Management and Administration and Research, Development, and Operations by \$3 million each. The House report directed DNDO not to procure Advanced Spectroscopic Portal (ASP) systems until it certifies that they are more effective than traditional radiation portal monitors.

**Senate-Passed H.R. 2638.** Compared with the request, the Senate provided a reduction of \$2 million in Management and Administration, an increase of \$16 million in Research, Development, and Operations, and a reduction of \$26 million in Systems Acquisition. The largest change relative to the request was a shift of \$29 million from Systems Acquisition to Research, Development, and Operations. Of this amount, \$20 million would be spent on screening general aviation aircraft for illicit nuclear materials. A floor amendment increased funding for the Securing the Cities initiative to the requested amount: \$30 million in Systems Acquisition and \$10 million in Research, Development, and Operations. The Senate bill would prohibit obligation of funds for full-scale procurement of ASP monitors until DHS provides the report and certification called for by the FY2007 conference report (H.Rept. 109-699).

**Issues for Congress.** The DNDO was funded in the S&T account in FY2006, and before that year, nuclear and radiological R&D were the responsibility of the S&T Directorate. In the FY2007 appropriations cycle, the House committee report expressed dissatisfaction with the transfer of DNDO out of S&T and directed S&T to work with DNDO and support its R&D-related needs (H.Rept. 109-476). Meanwhile, the Senate committee report for FY2007 directed DNDO to work with S&T rather than start a duplicative university grant program (S.Rept. 109-273). With DNDO funding increasing and S&T funding decreasing, the relative roles of the two organizations remain an issue of congressional interest. Congressional attention has also focused on criticism of a cost-benefit analysis that DNDO conducted to support its decision to purchase and deploy next-generation ASP technology for radiation portal monitors.<sup>165</sup>

---

<sup>165</sup> See, for example, Government Accountability Office, *Combating Nuclear Smuggling*: (continued...)

**Table 19. Research and Development Accounts and Activities,  
FY2007-FY2008**

(budget authority in millions of dollars)

	FY2007 Enacted <sup>a</sup>	FY2008 Request	FY2008 House Passed	FY2008 Senate Passed	FY2008 Final
<b>Science and Technology Directorate</b>	<b>973 <sup>b</sup></b>	<b>799</b>	<b>777</b>	<b>838</b>	
Management and Administration <sup>c</sup>	135	143	131	141	
R&D, Acquisition, and Operations	838	656	646	697	
<i>Borders and Maritime Security</i>	33	26	26	25	
<i>Chemical and Biological <sup>c</sup></i>	314	229	215	216	
<i>Command, Control, and Interoperability <sup>d</sup></i>	63	64	61	62	
<i>Explosives</i>	105	64	64	82	
<i>Human Factors</i>	7	13	13	7	
<i>Infrastructure and Geophysical</i>	75	24	24	64	
<i>Innovation</i>	38	60	52	46	
<i>Laboratory Facilities</i>	106	89	89	104	
<i>Test and Evaluation, Standards</i>	25	26	29	24	
<i>Transition</i>	24	25	26	24	
<i>University Programs</i>	49	39	49	39	
<i>Homeland Security Institute</i>	—	—	—	5	
<b>Domestic Nuclear Detection Office</b>	<b>481</b>	<b>562</b>	<b>556</b>	<b>550</b>	
Management and Administration	30	34	31	32	
Research, Development, and Operations	273	320	317	336	
Systems Acquisition	178	208	208	182	
<b>U.S. Coast Guard Research, Development, Testing, and Evaluation</b>	<b>17</b>	<b>18</b>	<b>18</b>	<b>26</b>	
<b>Subtotal DHS R&amp;D:</b>	<b>1,471</b>	<b>1,379</b>	<b>1,351</b>	<b>1,414</b>	
Rescission of unobligated funds from prior years	-125	—	—	—	
<b>Total DHS R&amp;D:</b>	<b>1,346</b>	<b>1,379</b>	<b>1,351</b>	<b>1,414</b>	

<sup>165</sup> (...continued)

*DHS's Decision to Procure and Deploy the Next Generation of Radiation Detection Equipment Is Not Supported by Its Cost-Benefit Analysis*, GAO-07-581T, testimony before the House Committee on Homeland Security, March 14, 2007.

**Source:** CRS analysis of the FY2008 DHS congressional budget justification, H.R. 2638 as passed by the House and by the Senate, H.Rept. 110-181, and S.Rept. 110-84.

**Notes:** This table shows all DHS research and development activities, combining accounts from the Directorate of Science and Technology, the Domestic Nuclear Detection Office, and the U.S. Coast Guard to show the department's overall R&D budget. Totals may not add because of rounding.

- a. Programs in the S&T Directorate have been realigned since the enactment of the FY2007 appropriation. For comparability, FY2007 funding is shown here in the new structure.
- b. Including a rescission of \$125 million, and the transfers outlined in notes c & d (below), the FY2007 amount is \$758 million.
- c. Biowatch and related programs will be transferred from the S&T Directorate to the Office of Health Affairs in FY2008. The enacted FY2007 funding for these programs in S&T consisted of \$1 million in the Management and Administration account plus \$84 million in the Chemical and Biological program of the R&D, Acquisition, and Operations account.
- d. Safecom will be transferred from the S&T Directorate to the National Protection and Programs Directorate in FY2008. Its enacted FY2007 funding in S&T was \$5 million in the Command, Control, and Interoperability program of the R&D, Acquisition, and Operations account.

## **FY2008 Related Legislation**

### **Budget Resolution — H.Con.Res. 99/ S.Con.Res. 21**

The annual concurrent resolution on the budget sets forth the congressional budget. The House introduced H.Con.Res. 99 on March 23, 2007 and passed the budget resolution on March 29, 2007. H.Con.Res. 99 would provide \$955 billion in discretionary budget authority for FY2008. The Senate introduced S.Con.Res. 21 on March 16, 2007 and passed the budget resolution on March 23, 2007. S.Con.Res. 21 would provide \$942 billion in discretionary budget authority for FY2008. The House and Senate appointed conferees to resolve the differences between the two resolutions and adopted a conference agreement on May 16, 2007. The House and Senate adopted the conference report (H.Rept. 110-153) on May 17, 2007. The conference report provides \$954 billion in discretionary budget authority for FY2008.

There is currently no separate functional category for Homeland Security in the budget resolution. However, homeland security budget authority amounts are identified within each major functional category, though these amounts are typically not available until the publication of the committee reports that accompany the budget resolutions.

## Appendix I. FY2007 Supplemental Appropriations and Rescissions

### **P.L. 110-28 (H.R. 2206) — U.S. Troop Readiness, Veteran's Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007<sup>166</sup>**

Following the failure of the House to override the President's veto of H.R. 1591, the House introduced two new bills that would provide supplemental appropriations for FY2007 H.R. 2206, and H.R. 2207. The House passed H.R. 2206 on May 10, 2007. On May 17, 2007, the Senate adopted an amendment in the nature of a substitute (S.Amdt. 1126) which contained no specific funding figures.<sup>167</sup> On May 24, 2007, the House adopted two amendments to the Senate amendment which were adopted by the Senate later that day. P.L. 110-28 was signed into law by the President on May 25, 2007.

**P.L. 110-28.** P.L. 110-28 provides a total of \$5,190 million for DHS agencies and accounts. Provisions providing funding for DHS are contained in Titles II, III, IV, and V. Title II provides an additional \$3,400 million for the FEMA disaster relief. Title III provides the following amounts:

- Analysis and Operations — \$8 million;
- CBP Salaries and Expenses — \$72 million;
- CBP AMO Operations and Procurement — \$75 million;
- FLETC — \$3 million;
- ICE Salaries and Expenses — \$6 million;
- TSA Aviation Security — \$390 million;
- TSA Federal Air Marshals — \$5 million;
- NPPD Office of Health Affairs — \$8 million;
- NPPD IPIS — \$24 million;
- FEMA Management and Administration — \$14 million;
- FEMA State and Local Programs — \$247 million;
- FEMA Emergency Management Performance Grants — \$50 million;
- USCIS — \$8 million;
- S&T Research, Development, Acquisition, and Operations — \$5 million;
- DNDO Research, Development, and Operations — \$35 million; and
- DNDO Systems Acquisition — \$100 million.

---

<sup>166</sup> For more detailed information concerning H.R. 2206 see CRS Report RL33900, *FY2007 Supplemental Appropriations for Defense, Foreign Affairs, and Other Purposes*, by Stephen Daggett, Amy Belasco, Pat Towell, Susan B. Epstein, Connie Veillette, Curt Tarnoff, Rhoda Margesson, and Bart Elias.

<sup>167</sup> See CRS summary of S.Amdt. 1126 to H.R. 2206 at [<http://www.congress.gov/cgi-lis/bdquery/z?d110:HR02206:@@D&summ2=m&:dbs=n:>].



Title IV of H.R. 2206 provides a total of \$710 million to DHS. Of this amount, \$4 million is for the DHS OIG and \$706 million is for FEMA disaster relief. Section 6401 of Title V of H.R. 2206 makes up to \$30 million in unobligated USCG Retired Pay balances available until expended. Section 5404(a) of Title IV of H.R. 2206 rescinds funds from several different DHS accounts totaling approximately \$31 million. Section 5404(b) provides additional appropriations of \$30 million to the USCG Acquisition, Construction, and Improvements account, and \$1 million to the Office of the Under Secretary for Management.

**House-Passed H.R. 2206.** DHS funding provisions contained in the House-passed version of H.R. 2206 were identical to those provisions contained in the version of H.R. 1591 that was vetoed by the President on May 1, 2007. Titles II, III, and IV of H.R. 2206 contained funding provisions pertaining to DHS accounts. H.R. 2206 would have provided a total of \$6,851 million for DHS. Title II would have provided a total of \$2,250 million as follows:

- Analysis and Operations — \$15 million;
- CBP Salaries and Expenses — \$110 million;
- CBP AMO Operations and Procurement — \$120 million;
- FLETC — \$5 million;
- ICE Salaries and Expenses — \$10 million;
- TSA Aviation Security — \$970 million;
- TSA Federal Air Marshals — \$8 million;
- Office of Health Affairs — \$15 million;
- NPPD IPIS — \$37 million;
- FEMA Management and Administration — \$25 million;
- FEMA State and Local Programs — \$553 million;
- FEMA Emergency Management Performance Grants — \$100 million;
- USCIS — \$10 million;
- S&T Research, Development, Acquisition, and Operations — \$10 million;
- DNDO Research, Development, and Operations — \$39 million; and
- DNDO Systems Acquisition — \$224 million.

Title III of H.R. 2206 would have provided a total of \$4,610 million to DHS. Of this amount, \$4 million was for the DHS OIG and \$4,606 million was for FEMA disaster relief. Section 5401 of Title IV of H.R. 2206 would have made up to \$30 million in unobligated USCG Retired Pay balances available until expended. Section 5404(a) of Title IV of H.R. 2206 would have rescinded funds from several different DHS accounts totaling approximately \$31 million. Section 5404(b) would have provided additional appropriations of \$30 million to the USCG Acquisition, Construction, and Improvements account, and \$1 million to the Office of the Under Secretary for Management.

## H.R. 1591 — U.S. Troop Readiness, Veteran's Health, and Iraq Accountability Act<sup>168</sup>

H.R. 1591 was introduced in the House on March 20, 2007, and was passed by the House on March 23, 2007. The Senate passed its version of H.R. 1591 on March 29, 2007. The conference agreement was passed by the House on April 25, 2007, and by the Senate on April 26, 2007. The President vetoed the bill on May 1, 2007. On May 2, 2007 the House failed to override the President's veto by a vote of 222-203. The following sections describe the amounts that would have been provided for DHS in the House-passed, Senate-passed, and conference versions of the bill.

**House-Passed H.R. 1591.** The House-passed version would have provided a total of \$6,710 million in supplemental funding for DHS in Title I, Title III, and Title IV of the bill. Title I provisions included the following amounts:

- Analysis and Operations — \$35 million;
- CBP Salaries and Expenses — \$100 million (transfer \$1 million to FLETC);
- CBP AMO Operations and Procurement — \$150 million;
- TSA Aviation Security — \$1,250 million;
- NPPD IPIS — \$25 million;
- FEMA Salaries and Expenses — \$25 million;
- FEMA State and Local Programs — \$415 million;
- DNDO Systems Acquisition — \$400 million.

Title II would have provided \$4,310 million for FEMA Disaster Relief, which included \$4 million to be transferred to the DHS Inspector General. Title IV included a provision that would have rescinded nearly \$90 million of unobligated balances that were appropriated by P.L. 109-90, the FY2006 DHS Appropriation.

**Senate-Passed H.R. 1591.** The Senate-passed version of H.R. 1591 would have provided a total of \$6,310 in supplemental funding for DHS in Title I, and Title II of the bill. Title I amounts included the following:

- CBP Salaries and Expenses — \$140 million;
- CBP AMO Operations and Procurement — \$75 million;
- ICE Salaries and Expenses — \$20 million;
- TSA Aviation Security — \$660 million;
- TSA Federal Air Marshals — \$15 million;
- Preparedness Chief Medical Officer — \$18 million;
- Preparedness IPIS — \$18 million;
- FEMA Administrative and Regional Operations — \$20 million;
- FEMA State and Local Programs — \$855 million;

---

<sup>168</sup> For more detailed information concerning H.R. 1591 see CRS Report RL33900, *FY2007 Supplemental Appropriations for Defense, Foreign Affairs, and Other Purposes*, by Stephen Daggett, Amy Belasco, Pat Towell, Susan B. Epstein, Connie Veillette, Curt Tarnoff, Rhoda Margesson, and Bart Elias.

- FEMA Emergency Management Performance Grants — \$100 million;
- USCIS — \$25 million;
- S&T Research, Development, Acquisition, and Operations — \$15 million; and
- DNDO Research Development and Operations — \$39 million.

Title II would have provided \$4,310 million for FEMA Disaster Relief.

**Conference (H.Rept. 110-107).** Titles I, II, and IV of the conference version of H.R. 1591 included funding provisions pertaining to DHS accounts. The conference version of H.R. 1591 would have provided a total of \$6,851 million for DHS. This amount was \$141 million more than was recommended by House-passed H.R. 1591, and \$541 million more than was recommended by Senate-passed H.R. 1591. Title I would have provided the following amounts:

- Analysis and Operations — \$15 million;
- CBP Salaries and Expenses — \$110 million;
- CBP AMO Operations and Procurement — \$120 million;
- FLETC — \$5 million;
- ICE Salaries and Expenses — \$10 million;
- TSA Aviation Security — \$970 million;
- TSA Federal Air Marshals — \$8 million;
- Office of Health Affairs — \$15 million;
- NPPD IPIS — \$37 million;
- FEMA Management and Administration — \$25 million;
- FEMA State and Local Programs — \$553 million;
- FEMA Emergency Management Performance Grants — \$100 million;
- USCIS — \$10 million;
- DNDO Research, Development, and Operations — \$39 million; and
- DNDO Systems Acquisition — \$224 million.

Title II of the conference adopted version of H.R. 1591 would have provided a total of \$4,610 million to DHS. Of this amount, \$4 million was for the DHS OIG and \$4,606 million was for FEMA disaster relief. Section 4404(a) of Title IV of the conference version of H.R. 1591 would have rescinded funds from several different DHS accounts totaling approximately \$31 million. Section 4404(b) would have provided additional appropriations of \$30 million to the USCG Acquisition, Construction, and Improvements account, and \$1 million to the Office of the Under Secretary for Management.

## Appendix II. DHS Appropriations in Context

### Federal-Wide Homeland Security Funding

Since the terrorist attacks of September 11, 2001, there has been an increasing interest in the levels of funding available for homeland security efforts. The Office of Management and Budget, as originally directed by the FY1998 National Defense Authorization Act, has published an annual report to Congress on combating terrorism. Beginning with the June 24, 2002 edition of this report, homeland security was included as a part of the analysis. In subsequent years, this homeland security funding analysis has become more refined, as distinctions (and account lines) between homeland and non-homeland security activities have become more precise. This means that while **Table 20** is presented in such a way as to allow year to year comparisons, they may in fact not be strictly comparable due to the increasing specificity of the analysis, as outlined above.

With regard to DHS funding, it is important to note that DHS funding does not comprise all federal spending on homeland security efforts. In fact, while the largest component of federal spending on homeland security is contained within DHS, the DHS homeland security request for FY2008 accounts for approximately 49% of total federal funding for homeland security. The Department of Defense comprises the next highest proportion at 29% of all federal spending on homeland security. The Department of Health and Human Services at 7.2%, the Department of Justice at 5.5% and the Department of Energy at 3.0% round out the top five agencies in spending on homeland security. These five agencies collectively account for nearly 94% of all federal spending on homeland security. It is also important to note that not all DHS funding is classified as pertaining to homeland security activities. The legacy agencies that became a part of DHS also conduct activities that are not homeland security related. Therefore, while the FY2008 request included total *homeland security* budget authority of \$29.7 billion for DHS, the requested *total gross budget authority* was \$43.0 billion. The same is true of the other agencies listed in the table.

**Table 20. Federal Homeland Security Funding by Agency,  
FY2002-FY2008**

(budget authority in millions of dollars)

Department	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008 Req.	FY2008 as % of total
Department of Homeland Security (DHS)	17,380	23,063	22,923	24,549	26,571	28,689	29,667	48.6%
Department of Defense (DOD) <sup>a</sup>	16,126	15,413	15,595	17,188	17,510	16,538	17,461	28.6%
Department of Health and Human Services (HHS)	1,913	4,144	4,062	4,229	4,352	4,313	4,424	7.2%
Department of Justice (DOJ)	2,143	2,349	2,180	2,767	3,026	3,185	3,331	5.5%
Department of Energy (DOE)	1,220	1,408	1,364	1,562	1,702	1,697	1,834	3.0%
Department of State (DOS)	477	634	696	824	1,108	1,240	1,406	2.3%
Department of Agriculture (AG)	553	410	411	596	597	523	719	1.2%
Department of Transportation (DOT)	1,419	383	284	219	181	179	200	0.3%
National Science Foundation (NSF)	260	285	340	342	344	344	375	0.6%
Other Agencies	2,357	1,329	1,550	2,107	1,727	1,612	1,689	2.8%
<b>Total Federal Budget Authority</b>	<b>43,848</b>	<b>49,418</b>	<b>49,405</b>	<b>54,383</b>	<b>57,118</b>	<b>58,319</b>	<b>61,105</b>	<b>100%</b>

**Source:** CRS analysis of data contained in "Section 3. Homeland Security Funding Analysis," and Appendix K of the Analytical Perspectives volume of the FY2008 President's Budget (for FY2006- FY2008); Section 3. "Homeland Security Funding Analysis," of Analytical Perspectives volume of the FY2006 President's Budget (for FY2004); Section 3. "Homeland Security Funding Analysis," of Analytical Perspectives volume of the FY2005 President's Budget (for FY2003) and Office of Management and Budget, *2003 Report to Congress on Combating Terrorism*, Sept. 2003, p. 10; CRS analysis of FY2002-2006 re-estimates of DoD homeland security funding provided by OMB, March 17, 2005.

**Notes:** Totals may not add due to rounding. FY totals shown in this table include enacted supplemental funding. Year to year comparisons using particularly FY2002 may not be directly comparable, because as time has gone on agencies have been able to distinguish homeland security and non-homeland security activities with greater specificity