



Committee on Homeland Security

PRESIDENT BUSH'S FY 2009 BUDGET:
FAILING TO PROVIDE MUCH NEEDED FUNDING FOR
CRITICAL HOMELAND SECURITY PRIORITIES



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Prepared by the Majority Staff of the Committee on Homeland Security

On February 4, 2008, President Bush delivered the Fiscal Year 2009 Budget Request for the Department of Homeland Security (DHS). The proposed budget is woefully lacking on a number of critical priorities. The most significant of these priorities are outlined in Chairman Thompson's eight-point plan entitled, "Charting the Course towards Freedom from Fear," which includes the following:

- Improving the Functionality, Governance, and Accountability of the Department of Homeland Security
- Enhancing Security for All Modes of Transportation
- Response, Resilience, and Recovery in the Wake of a National Emergency
- Shielding the Nation's Critical Infrastructure from Foreign and Domestic Terrorism
- Securing the Homeland and Preserving Civil Liberties in Times of Terror
- Connecting the Dots: Intelligence, Information Sharing, and Interoperability
- Implementing Common Sense Border and Port Security
- Inspiring Minds and Developing Technology—The Future of Homeland Security

A robust Department, with a clear mission, trained personnel, and necessary resources are vital to the security of the homeland. The Department must complete its obligation to the American people by fully implementing H.R. 1 (the recommendations of the 9/11 Commission as passed by the Democratically-led 110th Congress), applying the lessons learned from Hurricane Katrina, and ensuring that the Department is prepared to undergo its first-ever presidential transition.

The American people deserve a budget and a plan from the President that ensures that the groundwork has been laid for a resilient Nation. The information contained in this document clearly demonstrates why the budget delivered to Congress does not reflect the President's rhetorical emphasis on securing the Nation.

SHORTFALLS IN THE PRESIDENT'S FY 2009 BUDGET REQUEST FOR THE DEPARTMENT OF HOMELAND SECURITY

Despite Modest Improvements, the President's Budget Resists Scrutiny of the Department of Homeland Security's Functionality, Governance, and Accountability

- ***Office of the Inspector General.*** The President's budget proposes \$101 million - a 7.5% reduction from the FY 2008 enacted amount of \$108.7 million - for the Department's Office of Inspector General. This proposed reduction flies in the face of accountability.
- ***Office of Human Capital (OHC).*** At \$48 million, the President's request doubles the Office of Human Capital's budget, allowing for 86 FTE's - a proposed increase of 33 FTE's from FY 2008. These increases in the OHC budget are necessary to ensure that the recruitment, training, morale, and retention issues persistent within the Department and many of its components are no longer

ignored. Given the Department's past failure to address this issue, the Committee of Homeland Security will closely monitor OHC's implementation of its plans and efforts to improve employee morale. Additionally, the President's budget fails to support funding for a clear and robust transition plan or provide a proposal to fill the critical vacancies plaguing the Department.

- ***Office of the Chief Financial Officer.*** The President seeks \$19.1 million for the "Transformation and Systems Consolidation" (TASC) initiative – the integration of the Department's financial systems. This proposed increase of \$15.5 million over the FY 2008 enacted amount is supposed to help the Department improve its financial controls. On the heels of the failed eMerge2 initiative and with recent GAO criticism of the Department's follow-on efforts, there is an open question regarding the Department's ability to wisely spend the money, as well as concerns about the opportunities being afforded to small and disadvantaged businesses.
- ***DHS Headquarters Project.*** The President's request of \$120 million for consolidation of the Department of Homeland Security's headquarters is identical to his FY 2008 proposal. However, the President's unwillingness to work with Congress resulted in no funds being appropriated for this much needed and long overdue project.

The President's Budget Enhances Aviation Security but Leaves Other Critical Modes of Transportation Vulnerable

- ***Surface Transportation Security (Mass Transit and Rail Security).*** The President's budget requests \$37 million for the Transportation Security Administration's surface transportation program – a decrease of nearly \$10 million from the FY 2008 level. In direct contradiction to H.R. 1, which implemented the 9/11 Commission's recommendations, the President's request would decrease the number of surface transportation security inspectors from 138 to 96. The President's proposal fails to make surface transportation security a priority and to apply the lessons learned from the mass transit and rail bombings of Madrid, London, and Mumbai.
- ***Critical Transportation Infrastructure.*** The President's request would drastically cut the budget for the Targeted Infrastructure Protection Grants Program, funding for rail, mass transit, trucking and port security, from the enacted FY 2008 level of \$400 million to \$175 million. In addition, the President's request would slice funding in half for trucking security (down to \$8 million) and port security grants (down to \$210 million from the \$400 million enacted for FY 2008.)
- ***Aviation Security.*** The President's budget request for the Transportation Security Administration (TSA) provides for an initial increase of \$286.5 million over the FY 2008 enacted amount. The President's request, in some cases, adequately

addresses the mandates of H.R. 1, but in other instances it reflects a decrease in requested funds of certain programs designed to meet homeland security goals.

The Proposed Elimination and Reduction of Key Programs in the President's Budget Compromises the Nation's Capacity for Response, Resiliency, and Recovery in the Wake of a National Catastrophe

- ***Office of the Federal Coordinator for Gulf Coast Rebuilding.*** The President's budget includes a mere \$291,000 and only two FTEs for the Office of the Federal Coordinator for Gulf Coast Rebuilding – a decrease of \$2.4 million from the FY 2008 enacted level of \$2.7 million. The office was created to support the recovery and rebuilding of the Gulf Coast Region devastated by Hurricanes Katrina and Rita. The goal of the office is to ensure Federal and state coordination in developing a set of prioritized, integrated and long-term initiatives including restoring long-term safety and security, renewing the region's economy and creating growth opportunities, and revitalizing its communities. However, two and a half years after the hurricanes and the subsequent creation of this office, many of these initiatives still remain without solutions - including the fact that over 40,000 people continue to live in the FEMA-provided travel trailers.
- ***Assistance to Firefighters Grant Program (FIRE Grants).*** The President's budget cuts funding for the Assistance to Firefighters Grant program (FIRE Act) nearly 50% from \$560 million in FY 2008 to \$300 million. This program has proven to be effective in providing local fire departments with the tools they need to perform their day-to-day duties, as well as enhancing their ability to respond to large disasters. The program annually receives in excess of 23,000 requests totaling \$2 billion for equipment, apparatus, public education programs, health and safety programs, and training programs to local fire departments. These cuts will further hamper local communities' ability to meet these needs.
- ***Staffing for Adequate Fire and Emergency Response (SAFER) Grant Program.*** The President has proposed eliminating the SAFER program, despite clear evidence that additional firefighters are needed to adequately staff fire departments. SAFER was funded at \$190 million in FY 2008. The Council on Foreign Relations and the National Fire Protection Association reported that two-thirds of America's fire departments do not meet the consensus fire service standard for minimum safe staffing levels. This program is critical in addressing these shortfalls by providing grants to local fire departments to support hiring of career firefighters and programs for the recruiting and retaining of volunteer firefighters.
- ***Metropolitan Medical Response System (MMRS).*** The President seeks to eliminate funding for MMRS in FY 2009. Congress rebuffed efforts to eliminate this critical program last year, and funded MMRS at \$41 million for FY 2008. The goal of MMRS is to increase the ability of metropolitan areas to use their own resources in order to provide lifesaving assistance and population protection

within the first few hours post-event until additional assistance and resources arrive. Considering the current threats posed by pandemic influenza and terrorism, and the continuing need to strengthen medical systems where population density is highest, the elimination of this program would inhibit our health care infrastructure at a time when it clearly needs to increase.

- ***State Homeland Security Grant (SHSGP).*** The President's budget includes a colossal \$750 million (79%) cut for the SHSGP, which provides grants to first responders in all fifty states and U.S. territories to help them prevent, prepare for, and respond to an act of terrorism or other emergency. The President requests only \$200 million for FY 2009 compared to the enacted FY 2008 amount of \$950 million.
- ***Urban Area Security Initiative (UASI).*** The President's budget requests \$825 million for the UASI program, a slight increase of \$5 million over the enacted FY 2008 level. The UASI increase is minor in comparison to the drastic cuts to SHGP.
- ***Emergency Management Performance Grants (EMPG).*** The President's budget reduces EMPG program to \$200 million, a significant difference from the enacted FY 2008 level of \$300 million. The EMPG grants are the primary source of federal funding to state and local emergency management programs for planning, training, exercising, and hiring personnel for use in all hazards.
- ***Office of Emergency Communications.*** The President's budget request for the Office of Emergency Communications is \$38.3 million—a mere 1% increase over last year's budget request. The need to develop a nationwide interoperable emergency communications plan and system of governance is critical for first responders at all levels of government when responding to natural disasters, acts of terrorism, or man-made disasters.
- ***United States Fire Administration (USFA).*** The President's budget decreases funding for USFA from \$43.3 million in FY 2008 to \$40.9 million in FY 2009. This budget cut would hamper the ability of firefighters to reduce the nation's loss of life and property due to fire when coupled with the cuts to the FIRE grant program and the proposed elimination of the SAFER grant program,
- ***Urban Search and Rescue (USAR) Program.*** The President's budget requests only \$25 million for the USAR program, a cut of nearly one-third from the enacted FY 2008 level. This slash in the budget negatively impacts the twenty-eight task forces that are called upon in times of disaster to help locate and remove victims from collapsed buildings and structures.
- ***Training Programs.*** The President's budget drastically cuts State and Local Training programs in FY 2009. Specifically, the budget slashes funding for the National Domestic Preparedness Consortium by 60% (from \$88 million to \$32

million) and further proposes a 20% cut (from \$62.5 million to \$47 million) to the Center for Domestic Preparedness, which offers specialized Weapons of Mass Destruction training to our first responders, provides for first responder training across multiple disciplines, and works to standardize training.

- ***National Exercise Program.*** The President's budget proposes a \$10 million cut to the National Exercise Program down to \$40 million. These cuts come at an inopportune time as crisis coordination and findings from homeland security preparedness-related exercises remain underdeveloped.

The President's Budget Fails to Support Strategic Planning and Coordination to Shield the Nation's Critical Infrastructure from Foreign and Domestic Terrorism

- ***Infrastructure Protection and Information Security (IPIS).*** The President's budget for Infrastructure Protection and Information Security proposes an increase of \$186.5 million above the enacted FY 2008 level to \$654 million. Regrettably, however, the budget proposes a \$3.18 million cut for infrastructure protection – if compromised, critical infrastructure would negatively affect the economy, government, and morale of the United States.
- ***National Infrastructure Protection Plan (NIPP).*** The NIPP – which supports the voluntary partnership between government and industry via the 17 critical infrastructure sectors – is the foundation for infrastructure protection in the United States. It is therefore perplexing that the President's budget would cut \$14.1 million in resources for the management of the NIPP program, thereby prohibiting the Department from adequately monitoring and effectively measuring risk.
- ***Chemical Security.*** The President's budget request of \$63 million for chemical site security is a \$13 million increase over the FY 2008 enacted amount. The funding is needed for the Department to carry out the Chemical Facility Anti-Terrorism Standards (CFATS) program, which regulates the security practices at the nation's high-risk chemical facilities.
- ***Protective Security Advisors (PSAs).*** The President's budget proposes a mere \$565,000 increase for the PSAs, which serve as the link between the Department, all levels of government, and the private sector. Given that 85% of the Nation's critical infrastructure is privately held, this modest increase fails to demonstrate a commitment to improving coordination and partnership functions.
- ***Committee on Foreign Investment in the United States (CFIUS).*** Just two years after the Dubai Ports World debacle — and the legislation reforming CFIUS signed into law in 2007 (H.R. 556, Foreign Investment and National Security Act of 2007)—the President's budget states that, among other activities, a \$1.6 million increase in the Office of Policy will “support [the] Committee on Foreign Investment in the United States,” but fails to thoroughly articulate the resource allocations for CFIUS.

The President's Budget Fails to Prioritize the Preservation of Civil Liberties in Times of Terror

- **Office of Civil Rights and Civil Liberties (CRCL).** The President's budget request for the Office of Civil Rights and Civil Liberties is \$17.9 million, which is an increase of \$3 million over the enacted FY 2008 level. This request will allow for 10 new positions and 5 new FTEs.
- **Privacy Office.** The President's budget requests \$6.8 million for the Privacy Office. This request is \$795,000 over the FY 2008 enacted level, which would support only four new positions and 2 FTEs. Despite the slight proposed increase, concerns remain that the President's request will not meet the demands of the Office, which includes the elimination of major backlogs.

The President's Budget Dismisses the Need to Connect the Dots for Intelligence and Information Sharing

- **Office of Intelligence and Analysis (I&A).** The President's unclassified budget request of \$331 million for the combined I&A and the Office of Operations Coordination (OPS) represents a 9% proposed increase from the FY 2008 enacted level, although the increase is closer to a modest 6% when FY 2009 OPS initiatives are factored out. I&A leads the intelligence effort for the Department and its components and is focused on improving the analysis and sharing of terrorist threat information.

Noticeably absent from the President's request is funding for several key initiatives now required of I&A in H.R. 1 – all rooted in the recommendations of the 9/11 Commission – such as improving information sharing with State and local law enforcement at fusion centers; promoting rigorous privacy issues, civil liberties awareness, and practice through training; and developing and managing an effective cadre of State, local, and tribal law enforcement officers within the Interagency Threat Assessment and Coordination Group (ITACG) to develop more accurate, actionable, and timely intelligence products for police and sheriffs' officers nationwide.

Although an Improvement, the President's Budget Falls Short of Fully Implementing Common Sense Border and Port Security

- **Coast Guard.** The President's budget request for the United States Coast Guard is \$9.346 billion, an increase of \$604.9 million over the enacted FY 2008 level. In addition, the President proposes a \$154 million increase over the enacted FY 2008 level for the Integrated Deepwater Systems program. The Deepwater program, however, has been plagued with problems – including the dry-docking of its 123 foot patrol cutters. The Coast Guard, which is working to address these

problems, released the Blueprint for Acquisition Reform in July 2007, but more must be done.

- ***Customs and Border Protection.*** The President's request of \$10.9 billion for Customs and Border Protection (CBP) is only a modest increase above the FY 2008 enacted level of \$10.8 billion. The budget request includes \$362.5 million to hire, train, and equip 2,200 new Border Patrol agents in order to meet the President's stated goal of having a total of approximately 18,000 agents by the end of calendar year 2008. While the number of Border Patrol agents has increased in recent years, attrition continues to be a significant problem. Therefore, there are concerns about whether the 18,000 agent goal will be met by the end of 2008.

The President's budget request includes funding for 539 CBP Officers under CBP's Radiation Portal Monitor, Passenger Screening, and Western Hemisphere Travel Initiative programs. However, this figure is totally inadequate to properly secure our Nation's ports of entry. The President's budget also requests a rescission of Law Enforcement Officer (LEO) status and benefits for Customs and Border Protection (CBP) Officers that was provided by Congress in the recent Omnibus Appropriations Act. LEO status is an essential tool for recruitment and retention of CBP Officers.

The requests include \$775 million for the *SBI*net program of technology and tactical infrastructure at the border. To date, the Administration has failed to implement its highly touted virtual fence along the Southwest border. The first installment of the initiative, Project 28, is more than six months behind schedule and it is uncertain whether the Administration will ever be able to deliver this tool, which was originally intended to help the Border Patrol gain operational control of the border. Also, it is unclear whether this Administration will meet its goal of completing 370 miles of physical fencing along the border by the end of 2008, given substantial opposition to construction of a border fence among many private property owners.

- ***Immigration and Customs Enforcement (ICE).*** The President's budget requests \$46 million to add an additional 1,000 detention beds for FY 2009. Recently, a proposal to detain and prosecute Mexican nationals apprehended throughout the Southwest border region, intended to serve as a deterrent to repeated illegal entry attempts, was unsuccessful due to a lack of adequate detention space. It is unclear whether 1,000 new beds would suffice to meet the needs of that proposal.

The President's budget provides \$2.67 million for the 287(g) program. This funding will result in the training of fewer state and local law enforcement officers than last year (207 officers compared to 250). More funding would be needed to meet the increased interest of some states and localities to ensure that ICE properly oversees program participants.

- **Justice Department Programs.** The President's budget would, for the sixth year in a row, eliminate funding for the State Criminal Alien Assistance Program (SCAAP). The SCAAP program was established to reimburse state and local governments for the incarceration of undocumented immigrants. Congress appropriated \$410 million for SCAAP in FY 2008.

Also, instead of providing dedicated funding for the Southwest Border Prosecutions Initiative, the Administration creates the Southwest Border Enforcement Initiative by consolidating several Department of Justice law enforcement and prosecutorial efforts on the U.S. Southwest border.

- ***United States Visitor and Immigrant Status Indicator Technology (US-VISIT).*** The President's budget proposes \$390 million for the US-VISIT program under the National Protection and Programs Directorate and another \$62 million for US-VISIT operation and maintenance under CBP. This request is a decrease from the FY08 enacted level of \$475 million, but does include \$42.6 million for development of a biometric exit capability, which was a key 9/11 Commission recommendation.
- ***REAL ID.*** The President's budget proposes \$50 million to develop an information sharing and verification "hub" for REAL ID Act implementation. A total of \$110 million in grant funding is also proposed to be available in conjunction with other grants under the State and Local Grant Program within the Federal Emergency Management Agency. With a price tag of roughly \$3.9 billion to states, the Administration has failed to take a realistic approach to funding REAL ID and has created another mandate for states that is not fully funded.

The President's Budget Lacks the Specificity and Transparency Needed to Develop Technology and Educate Future Homeland Security Experts

- ***Science and Technology (S&T).*** The President's budget request for S&T is \$866.8 million, up \$38.7 million from the FY 2008 enacted level. Included in this proposed increase is a \$96.1 million request for research on explosive detection, including standoff detection of homemade explosives and vehicle-borne improvised explosive devices, as well as technologies to harden possible targets or other blast-mitigation technologies; this is an \$18.5 million increase above the FY 2008 enacted level.
- ***Laboratory Facilities.*** The President budget requests \$146.9 million for laboratory facilities, an increase of \$43.1 million from the FY 2008 enacted level. These funds are necessary to complete construction of the National Biodefense Analysis Countermeasures Center in 2008.
- ***University Programs.*** Unfortunately, the President's budget proposes a \$6 million decrease to University Programs down to \$43 million. The proposed cut,

coupled with the division's failure to meet 40% of its milestones in FY 2007, reveals a lack of commitment to educating future homeland security experts. Of significant concern is the \$788,000 cut to programs for Minority Serving Institutions (MSI) balanced by the fact that the Department proposes several new goals in this critical area. The proposed cuts undermine the Department's stated goal of training a diverse cadre of leaders in homeland security.

- **Cybersecurity.** The President's budget requests \$293 million for the National Cyber Security Division, an \$83 million increase over the enacted FY 2008 level. This includes a \$6 million requested increase for the Department's Control Systems Security Program, bringing the total to \$41 million for FY 2009. This program is designed to secure the computer systems that run the country's electric grid, dams, and other critical infrastructure. The increased request is welcomed given the serious threat that hackers pose to the security of our critical infrastructure.
- **United States Computer Readiness Team (US-CERT).** The US-CERT – the Federal government's primary coordination unit for preventing, detecting, and responding to cyber incidents – continues to receive priority. The President's budget would increase funding for US-CERT to \$242 million, up from the total amount allocated in FY 2008 of \$159 million.
- **Office of Health Affairs (OHA).** The President requests \$161.3 million for OHA, an increase from \$116.5 million enacted in FY 2008. OHA serves as the principal medical advisor for the Secretary of Homeland Security and the FEMA Administrator, with the mission of providing timely incident-specific management guidance for the medical consequences of disasters. Additionally, OHA is responsible for food, agriculture, and veterinary defense and coordination of the Department's responsibilities in implementing HSPD-9.

OHA addresses a number of other areas, including national biodefense. Most of the proposed increase in OHA's budget is targeted for BioWatch – up from \$77.1 million for FY 2008 to \$111 million requested for FY 2009. There is also an increase for Planning and Coordination – up from \$4.475 million for FY 2008 to \$9.923 million requested for FY 2009.

- **Office of Bombing Prevention.** The President's budget proposes \$8 million for the Office of Bombing Prevention, a decrease of \$1.5 million from the enacted FY 2008 level. Although the Administration defends this position on the grounds of "streamlining," Congress is still waiting for the completion of the National Strategy for Improvised Explosive Devices (NSIED), as required by HSPD-19. Given the proven reliance on improvised explosive devices by terrorists, more emphasis and a real sense of urgency is necessary.

- ***Domestic Nuclear Detection Office (DNDO).*** The President's budget request for the Domestic Nuclear Detection Office is \$563.8 million dollars – \$79.4 million above the FY 2008 enacted level.
- ***Chief Security Officer.*** The President's budget seeks an increase of \$1.286 million (twelve positions and 6 FTEs) to expand its Counterintelligence and Investigative Division and to significantly enhance the Department's counterintelligence program.
- ***Chief Information Officer.*** The President's budget continually proposes to reduce the information technology security budget – down to \$70 million from the FY 2008 enacted level of \$124 million.

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