



MARCH 13, 2014

# HOMELAND SECURITY DEPARTMENT'S BUDGET SUBMISSION FOR FISCAL YEAR 2015

U.S. SENATE, COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

ONE HUNDRED THIRTEENTH CONGRESS, SECOND SESSION

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Secretary, U.S. Department of Homeland Security

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**Opening Statement of Chairman Thomas R. Carper**  
**“The Homeland Security Department’s Budget Submission for Fiscal Year 2015”**  
**March 13, 2014**

*As prepared for delivery:*

My thanks to Secretary Johnson for joining us today. I am pleased that in recent weeks we have been able to help put in place a team of talented people around Secretary Johnson. In fact, last week we scored a hat trick by confirming individuals to three key positions at the Department of Homeland Security (DHS)—Susan Spaulding as the Undersecretary of the National Protection and Programs Directorate, John Roth to be the Inspector General, and Gil Kerlikowski as the Commissioner of Customs and Border Protection.

Providing strong and steady leadership is critically important to the Department and the security of our nation. Providing adequate funding for the Department to carry out its mission is also vitally important – and is a central part of our job here in Congress.

The President’s request for \$38 billion dollars in discretionary funding for the Department makes some very tough choices.

It cuts the Department’s discretionary budget by one billion dollars, or almost three percent below 2014 appropriated levels. Many other Departments, including several without national security missions, did not see these kinds of cuts. In fact, some saw increases.

If you factor in the requested—and much deserved—one percent pay raise for federal employees in this budget, DHS will receive about \$100 million less than it did after sequestration slashed its Fiscal Year 2013 appropriation.

As the Government Accountability Office (GAO) recently reported, the sequestration cuts had a real, and negative, impact on DHS. For example, operations were scaled back at some components and first responder and preparedness grant funding was reduced, resulting in canceled training and hiring freezes across the country.

While some of the impacts of sequestration were immediately visible, many of the negative effects may not be felt for years to come. Some DHS officials have expressed concern that if funding levels were to be reduced further, the Department’s ability to meet mission priorities may be affected, as well as employee morale. The fact that this budget request for DHS is below the sequestration level of funding is, frankly, concerning.

I am concerned that these reduced funding levels will negatively impact the ability of the Department to effectively carry out its mission.

In recent years, we have had a number of incidents that remind us just how important that mission is— the attempted airline bombing on Christmas Day in 2009, the attempted terrorist attacks in Times Square in 2010, the devastation wrought by Hurricane Sandy in 2012, and the tragedy in Boston less than a year ago.

When you factor in the growing cyber threat, and the threat we face from foreign fighters gaining experience in places like Syria and perhaps traveling here to do us harm, it is easy to understand why this budget request raises both concerns and questions from Congress.

That said, we are facing extremely difficult budgetary times and we must be diligent to ensure taxpayer funds are well spent. I've said it before and I'll certainly say it again, all federal agencies and Departments, including DHS, have to shift from a culture of spendthrift to a culture of thrift so we can assure American taxpayers that their hard earned money is being spent responsibly and effectively.

The Secretary seems to have taken this message to heart, identifying \$200 million in cost-savings in the proposed budget. This is good to see.

It is also good to see that this budget proposes much needed funding for cybersecurity. However, I will be carefully examining this proposal to determine whether the funding requested is sufficient to support the Department's efforts to help companies adopt the cybersecurity framework that was recently released by the National Institute of Standards and Technology (NIST).

Of course, resources alone are not going to get the job done. That is why passing bipartisan legislation to compliment the President's cybersecurity Executive Order remains one of my highest priorities this year.

I also welcome the Administration's continued commitment to the security of our nation's borders demonstrated in this budget.

The budget maintains the current record level of staffing for the Border Patrol, and makes targeted investments in force-multipliers—technology such as advanced radars, cameras, and ground sensors—that help those agents work more effectively and efficiently. These efforts will build on the tremendous progress we have made in securing the border over the past decade.

The President's budget request includes proposals to help pay for these smart investments in part by raising the fees that Customs and Border Protection charges for inspecting passengers and goods at our airports and seaports. This new revenue would be used to deploy 2,000 new officers at our ports of entry. Let me say that again, 2,000 new officers at our ports of entry. That would be a positive development for both our economic and national security.

The budget also includes a proposal to raise fees to continue efforts to secure our aviation system against potential attacks. I like to say that, if something is worth having, it's worth paying for, and I support these fee increases.

And I'm not the only Member of Congress who supports these types of fee increases to cover the cost of providing critical government services. Republican Congressman and Budget Committee Chairman Paul Ryan—said this last December, when speaking about authorizing new aviation security fees: "If you use a government service, pay for the government service. If you use airport security, pay for airport security." I couldn't agree more.

If we want more officers expediting travel and trade at our airports, border crossings and seaports, and if we want more secure airplanes—and I think that we do—then we ought to be willing to pay for it, just as Congressman Ryan suggested.

If Congress does not support the requested fee increases, either the Department will have to cut about a billion dollars in funding from a budget that is already stretched thin—or Congress will have to increase the discretionary funding it provides to the Department.

Speaking of smart, strategic investments, I am encouraged to see the increase in funding for the consolidation of the Department's Headquarters at the St. Elizabeths Campus. The funding requested will help move this project along. Completing it is critical to improving the efficiency and effectiveness of operations and management of the Department.

I also welcome the President's request for \$45 million for the modernization of the financial management systems at the Department. This is a key investment to ensure that DHS can sustain its recently obtained clean audit.

With that said, I'm concerned about some of this budget's significant cuts to other key homeland priorities.

For example, I am troubled by the proposed cuts to the homeland security grants that DHS provides to state and local governments. As we saw clearly in the response to the Boston Marathon Bombing and in severe winter storms this year, state and local officials are the ones who will inevitably be on the front lines responding to a terrorist attack or a natural disaster.

While acknowledging that our approach to grant funding distribution must be risk based, I want to ensure that the Department is able to continue to adequately help state and local responders be prepared to respond effectively.

**Statement for the Record**

**The Honorable Jeh Johnson**

**Secretary**

**United States Department of Homeland Security**

**Before the**

**United States Senate**

**Committee on Homeland Security & Governmental Affairs**

**March 13, 2014**

Chairman Carper, Ranking Member Coburn, and Members of the Committee:

I begin by thanking this Committee for the strong support you have provided to the Department the past eleven years. I look forward to continuing to work with you in the coming year to protect the homeland and the American people.

I am pleased to appear before the Committee to present President Obama's Fiscal Year (FY) 2015 Budget Request for the Department of Homeland Security (DHS). The FY 2015 Budget request builds on our accomplishments over the past eleven years while providing essential support to national and economic security.

The FY 2015 Budget reflects President Obama's strong commitment to protecting the homeland and the American people. It supports and continues our focus on preserving frontline priorities across the Department by cutting costs, sharing resources across DHS components, and streamlining operations wherever possible. It will ensure our men and women on the frontlines are well trained, equipped, and supported while continuing to maximize Department-wide efficiencies. It will also continue to make responsible investments in personnel, technology and asset recapitalization that are critical to ensuring our future security, while recognizing that difficult fiscal choices must be made.

The basic missions of DHS are and should continue to be preventing terrorism and enhancing security; securing and managing our borders; enforcing and administering our immigration laws; safeguarding and securing cyberspace; and strengthening national preparedness and resilience. The President's FY 2015 Budget request provides the resources necessary to maintain and strengthen our efforts in each of these critical mission areas.

In all, the FY 2015 Budget requests \$60.9 billion in total budget authority, \$49.0 billion in gross discretionary funding and \$38.2 billion in net discretionary funding.

The cornerstone of the Homeland Security mission is protecting our nation against terrorist attacks. Through the efforts of both the Bush and Obama Administrations, we have put al Qaeda's core leadership on a path to strategic defeat. But the terrorist threat has continued to evolve. We must remain vigilant in detecting and preventing terrorist threats that seek to penetrate the homeland from the land, sea or air. We also must continue to build relationships with state and local law enforcement, and the first responders in our communities, to address the threats we face from those who self-radicalize to violence, the so-called "lone wolf" who may be living quietly in our midst, inspired by radical, violent ideology to do harm to Americans— illustrated last year by the Boston Marathon bombing.

The FY 2015 Budget strengthens the Department's antiterrorism efforts. It requests \$3.8 billion for TSA screening operations to continue improving aviation security effectiveness by aligning passenger screening resources based on risk. It also requests more than \$1 billion for FEMA's preparedness grants with particular emphasis on building and sustaining capabilities that address high consequence events that pose the greatest risk to the security and resilience of the United States and can be utilized to address multiple threats and hazards.

Border security is essential to homeland security. Good border security is both a barrier to terrorist threats, drug traffickers, transnational criminal organizations, and other threats to national security and public safety, and a facilitator for legitimate trade and travel. We are gratified by the support Congress has provided to improve security at our borders and ports of entry. With that support, we've made great progress. There is now more manpower, technology and infrastructure on our borders than ever before, and our men and women in and around the border are producing results. But we must remain vigilant.

The FY 2015 Budget builds on this progress by providing \$362.5 million to maintain the necessary infrastructure and technology along the Nation's borders to ensure that law enforcement personnel are supported with effective surveillance technology to improve their ability to detect and interdict illegal activity in a safer environment. The Budget invests \$90 million in technology that will improve remote and mobile video surveillance systems and \$11.7 million to recapitalize non-intrusive inspection equipment. The Budget will allow DHS to complete the hiring of up to 2,000 new Customs and Border Protection officers, which commenced in FY 2014, and an additional 2,000 officers funded by fees in FY 2015, resulting in faster processing and inspections of passengers and cargo at U.S. ports of entry, which is projected to add nearly 66,000 new jobs, add \$4 billion to GDP and result in more seizures of illegal items, such as drugs, guns, and counterfeit goods. The FY 2015 Budget supports the salaries, benefits, and operating costs for 21,370 Border Patrol agents and 25,775 CBP officers.

With respect to removals and immigration enforcement, we must continue to prioritize our resources on those who represent threats to national security, public safety and border security. The FY 2015 Budget will provide \$2.6 billion to support Immigration and Customs Enforcement (ICE) activities to identify, apprehend, and remove aliens from the United States. The FY 2015 Budget also includes \$124.8 million to continue expansion and enhancement of the E-Verify program.

We will continue to streamline and facilitate the legal immigration process while enforcing U.S. immigration laws through the smart and effective use of resources. As I have said many times, we must also take serious steps forward on immigration reform legislation and find common sense solutions to a problem we all know we have. I am committed to working with Congress to achieve that goal.

In addition, we must continue efforts to address the growing cyber threat to the private sector and the ".gov" networks, illustrated by the real, pervasive, and ongoing series of attacks on public and private infrastructure. The FY 2015 Budget includes \$1.27 billion for DHS cybersecurity activities, including \$377.7 million for Network Security Deployment, including the EINSTEIN<sup>3</sup> Accelerated (E3A) program, which enables DHS to detect malicious traffic targeting civilian Federal Government networks and prevent malicious traffic from harming those networks. It also includes \$143.5 million for the Continuous Diagnostics and Mitigation program, which provides hardware, software, and services designed to support activities that strengthen the operational security of Federal civilian networks. In support of Executive Order 13636, the Budget will also provide \$8.5 million to establish a voluntary program and an enhanced cybersecurity services capability.

DHS also must be vigilant in preparing for and responding to disasters, including floods, wildfires, tornadoes, hurricanes, and most recently, chemical leaks like the 2014 spill into the Elk River in

West Virginia that threatened the water supply of hundreds of thousands of people. We have come a long way since the days of Hurricane Katrina. We have improved disaster planning with public and private sector partners, non-profit organizations, and the American people. With the help of Congress, we have also improved the Department's emergency response agility through important changes to the structure of the Disaster Relief Fund, which brings immediate help and resources to our communities in their most dire times of need.

Of particular note, the President's FY 2015 Budget funds production of National Security Cutter 8, as part of the recapitalization of the Coast Guard, and requests \$300 million to complete the funding necessary to construct the National Bio- and Agro- Defense Facility, a state-of-the-art bio-containment facility central to the protection of the Nation's food supply and security.

The FY 2015 Budget will provide \$10.2 billion to support disaster resiliency, primarily through the grants programs that are administered by FEMA and the Disaster Relief Fund. Of this total, \$2.2 billion in total grant funding will support state and local government efforts to prevent, protect against, respond to, and recover from incidents of terrorism and other catastrophic events. Also included are Firefighter and Emergency Management Performance Grants that support local first responders in achieving their missions, and \$7 billion in DRF funding to provide immediate and long-lasting assistance to individuals and communities stricken by emergencies and major disasters.

Lastly, the Budget includes the President's Opportunity, Growth, and Security Initiative, which provides a roadmap for additional investments to help secure our nation's future. Specifically, this initiative funds \$300 million for FEMA's reformed, risk-based approach to increase preparedness, mitigation, and emergency response to disasters and other threats in communities across the country. The Opportunity, Growth, and Security Initiative also dedicates significant resources to help our communities prepare for the effects of climate change, including \$400 million to support planning and pilot projects for cities and communities through FEMA hazard mitigation assistance and national preparedness grants, and \$10 million to help the National Protection and Programs Directorate identify critical infrastructure facilities and analyze their ability to remain functional after disasters.

As Secretary of Homeland Security, I am mindful of the environment in which we pursue each of these important missions. The days are over when those of us in national and homeland security can expect more and more to be added each year to our top line budgets. I therefore believe I am obliged to identify and eliminate inefficiencies, waste, and unnecessary duplications of resources across DHS's large and decentralized bureaucracy, while pursuing important missions such as the recapitalization of the aging Coast Guard fleet. Over the past two years, the Department has found innovative ways to reduce cost and leverage efficiencies, reducing DHS-wide expenses by over \$2.7 billion during that period. We also reached a major milestone last year when the Department achieved its first unqualified or "clean" audit opinion on its financial reporting. These are important steps in maturing the Department's management and oversight functions, but there is more to do.

As part of this agenda we are tackling our budget structure and process. DHS currently has 76 appropriations and over 120 projects, programs or activities, and there are significant structural inconsistencies across components, making mission based budget planning and budget execution analysis difficult. We are making changes to our budget process to better focus our efforts on a

mission and cross-component view. I, along with the Deputy Secretary, am personally engaged to provide the necessary leadership and direction to this process. I look forward to further discussing these ideas and strategies with this Committee as we develop ways to refine our planning process and appropriation account structure in order to improve how the Department resources its missions.

As part of a management reform agenda, I am also doing a top to bottom review our of acquisition governance process – from how we develop our strategies, to the development of our requirements, to how we sustain our platforms, equipment and people and everything in between. Part of this will include the thoughtful, but necessary, consolidation of functions to provide the Department with the proper oversight, management and responsibilities to carry out this task. This will allow DHS to more fully ensure the solutions we pursue are responsive to our strategy, technologically mature, and cost effective. I look forward to sharing our ideas and strategies with this Committee as we move forward in this area.

In closing, the Department's FY 2015 Budget request recognizes our current fiscal realities and works within them. It is a responsible plan that will strengthen our Nation's security while allowing the Department to continue to achieve its core objectives. I thank the Committee for inviting me to appear today. In the pursuit of our important mission, I pledge to this Committee my total dedication and all the energy I possess. I look forward to working with you to meet our shared priorities.