



May 25, 2017

Review of the FY2018 Budget Request for the U.S. Department of Homeland Security

Subcommittee on Homeland Security, Committee on Appropriations,
United States Senate, One Hundred Fifteenth Congress, First Session

HEARING CONTENTS:

Member Statements

John Boozman
[View Statement](#)

Witnesses

John Kelly
Secretary
U.S. Department of Homeland Security
[View Testimony](#)

Available Webcast(s)*:

- [\[Full Hearing\]](#)

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**Chairman John Boozman Opening Statement
Committee on Appropriations Subcommittee on Homeland Security**

Hearing on the U.S. Department of Homeland Security Fiscal Year 2018 Budget Request

May 25, 2017

(As prepared for delivery)

I call this hearing of the Subcommittee on Homeland Security to order. This is my first hearing as Chairman of this Subcommittee, and it is the Subcommittee's first hearing to review the fiscal year 2018 budget request, which was submitted to Congress earlier this week.

I want to begin by thanking the Secretary of Homeland Security, the Honorable John Kelly, for being with us today. Secretary Kelly, we understand the demands on your schedule, and we appreciate your testimony in what is your first appearance before our Subcommittee in your new role.

I would also like to welcome our Subcommittee's Ranking Member, the distinguished Senator from Montana, Senator Tester.

The Department of Homeland Security plays a pivotal role in keeping Americans safe by working to combat terrorism, manage our air, land, and sea borders, administer our immigration laws, secure critical cyber-assets, and prepare for and respond to disasters. The tragic events in Manchester, England earlier this week remind us why we must focus on the serious challenge of securing our homeland.

Mr. Secretary, you've dedicated your career to serving our national security interests, and in just a few months, you have proven your ability to lead this Department during a very challenging time. This Subcommittee will work to support you and the men and women of the Department, who are working every day to keep us safe.

The Department has been called on by this President to refocus its resources on certain national security risks and to redouble efforts to enforce immigration laws. We look forward to learning more about how the Department proposes to address these needs while ensuring we do not neglect the other critical missions of the Department.

This budget request gets many things right.

We've seen over the past few months that border security and immigration enforcement are closely related. As the new Administration is demonstrating, there are consequences for those entering and staying in the country illegally, with illegal border crossings dropping to historic lows.

Your budget proposes increased funding for Customs and Border Protection (CBP) and Immigration and Customs Enforcement (ICE), for both manpower and infrastructure, to continue

to reduce illegal border crossings. In order to better understand these requirements and make the right choices, the Subcommittee must get a more comprehensive plan from the Department that details how we can be smart about investing in border security and interior enforcement.

Another key component to securing our borders is the United States Coast Guard, which this budget generally supports. In FY17 this Subcommittee delivered significant investments to enhance the capabilities of the Coast Guard. We identified funding to continue the modernization of the surface and air fleets, and we partnered with our Defense Subcommittee to begin acquisition of a new polar icebreaker.

We'll have to work again to provide the resources necessary to enable the Coast Guard to continue protecting our borders, interdicting illegal migrants and drugs, conducting search and rescue missions, ensuring the safe navigation of our waterways, and maintaining our defense readiness.

This budget proposal appropriately acknowledges that the Federal government's cyber-network is under constant attack. I am pleased to see that the request has prioritized funding for all four phases of the Continuous Diagnostics and Mitigation (CDM) Program. Other Federal agencies must move past the initial CDM kick-start provided by the Department and begin properly budgeting for their own investment and utilization of this system in order to realize its full benefit.

You've rightly noted in your testimony and through this budget proposal that the Department's workforce is its most valuable resource, and that taking care of the people that work to keep us safe each day is a top priority. I hope we will work together to ensure the Department can improve workforce recruitment, development and retention.

We are aware of the unique stresses caused by the intense 2016 presidential election campaign. Additional duties, increased travel, ongoing investigative work, and the inherent requirements of Presidential protection have stretched the Secret Service workforce thin. These are the brave men and women who put their lives on the line every day to protect our top leaders and to prevent interference with our most critical institutions. We are optimistic that the additional resources provided in the recently-enacted appropriations bill will make a real difference for the men and women of the Secret Service.

But workforce challenges span the Department. We need to hire and retain more Customs officers, more Border Patrol agents, more acquisition experts, and more cyber-professionals. We want to help you make the Department of Homeland Security the best place to work in the entire Federal government.

While this budget proposal makes some smart choices, there are also parts of it that are unworkable. Whether we're talking about a hard-working Arkansas family or one of the largest Departments in the federal government, when it comes time to develop a budget, tough choices have to be made. I have no doubt that many tough decisions were made in preparing this request, but many of the choices reflected in this budget put this Subcommittee in a difficult position.

For instance, it assumes statutory changes to programs that Congress would almost certainly be unable to enact before the end of the fiscal year. From the proposed increase to airline passenger fees, to the significant reductions to assistance for state and local partners, to the failure to invest adequately in research and development, this budget fails to take into consideration many practical realities.

We ask for your cooperation as we consult with you and your staff to make the necessary adjustments to allow this budget to work despite these significant challenges.

We will likely face a very tough appropriations cycle. We will certainly be urged to restore many of the significant reductions proposed by this budget, and absent some significant change to the availability of resources, we are not going to be able to fund all of the priorities it outlines. Congress will have to make these decisions based on shared priorities and with an eye toward risk-based distribution of limited resources. We know we can count on your partnership and guidance throughout the process.

Again, Mr. Secretary, we appreciate your testimony and your willingness to answer questions from members of this Subcommittee.

I will now turn to our distinguished Ranking Member, Senator Tester, then to our full committee Chairman, Senator Cochran, and then to our full Committee Vice Chairman, Senator Leahy, for any opening remarks they may have before asking Secretary Kelly to proceed with his testimony. Then we will allow each Senator, in order of arrival, seven minutes for any statements or questions they may have

Thank you.

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TESTIMONY
OF
THE HONORABLE JOHN F. KELLY
SECRETARY
U.S. DEPARTMENT OF HOMELAND SECURITY
REGARDING A HEARING ON
“THE FY 2018 DEPARTMENT OF HOMELAND SECURITY BUDGET”
BEFORE THE
UNITED STATES SENATE
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON HOMELAND SECURITY
THURSDAY, MAY 25, 2017
WASHINGTON, DC

Chairman Boozman, Ranking Member Tester, and distinguished Members of the Subcommittee:

It is a great honor and privilege to appear before you today to discuss the Department of Homeland Security's (DHS) crucial missions of protecting the homeland and securing our borders.

The men and women of DHS are exceptional and dedicated professionals who work tirelessly in support of our mission to safeguard the American people, our homeland, and our values with honor and integrity. I am pleased to appear before you to present the President's Fiscal Year (FY) 2018 Budget request for the Department of Homeland Security.

The President's Budget puts America first, and builds on DHS's accomplishments over the past 14 years. It makes critical investments in people, technology, and infrastructure for border security and the enforcement of our immigration laws. It advances cybersecurity programs, strengthens our biometric identification programs, promotes the expansion of E-Verify, and supports our new Victims of Immigration Crime Engagement (VOICE) Office. The Budget also sustains the U.S. Coast Guard (USCG), our nation's fifth service, to continue its important mission of ensuring maritime safety, security, and stewardship.

DHS is committed to the rule of law. Our men and women take an oath to defend the Constitution of the United States and uphold the laws of this great country against all enemies—foreign and domestic—and we get it done. We face diverse challenges and adversaries that do not respect the rule of law, or our borders. Our government must remain vigilant in detecting and preventing terrorist threats, including threats we face from “lone offenders,” who may be living in our communities and who are inspired by radical, violent ideology to do harm to Americans. I remain committed to tirelessly protect our country from threats, secure our borders, and enforce our laws—all while facilitating lawful trade and travel, and balancing the security of our nation with the protection of privacy, civil rights, and civil liberties.

The President's FY 2018 Budget requests \$44.1 billion in net discretionary funding for the Department of Homeland Security. The President's Budget also requests \$7.4 billion to finance the cost of emergencies and major disasters in the Federal Emergency Management Agency's (FEMA's) Disaster Relief Fund.

In order to ensure we are stretching every one of these dollars, we are striving to further improve information sharing, collaboration, and transparency, all of which are essential to leveraging the full value of every dollar DHS receives. We are expanding our cooperation with State, local, tribal, territorial, and regional partner nations, particularly Canada and Mexico. These partnerships are critical to identifying, monitoring, and countering threats to U.S. national security and regional stability.

I am also working to improve transparency and information sharing across the DHS enterprise to build efficiencies into our intelligence processes. An example of this is my ongoing support of DHS's Joint Task Forces, which link the authorities and capabilities of multiple DHS components in a unified approach that addresses emerging and priority threats to our nation. The magnitude, scope, and complexity of the challenges we face—including illegal immigration,

transnational crime, human smuggling and trafficking, and terrorism—demand an integrated counter-network approach.

Border security is a high priority, and involves protecting 7,000 miles of land border, approximately 95,000 miles of shoreline, and 328 ports of entry along with staffing numerous locations abroad. We appreciate the support Congress has provided to improve security at our borders and ports of entry. With that support, we have made great progress, but more work must be done.

The President's Budget requests \$1.6 billion for 32 miles of new border wall construction, 28 miles of levee wall along the Rio Grande, where apprehensions are the highest along the Southwest Border, and 14 miles of new border wall system that will replace existing secondary fence in the San Diego Sector, where a border wall system will deny access to drug trafficking organizations. The Budget also requests \$976 million for high-priority tactical infrastructure and border security technology improvements for U.S. Customs and Border Protection (CBP). Under the President's Executive Order No. 13767, *Border Security and Immigration Enforcement Improvements*, CBP is conducting risk assessments to the needs of frontline officers and agents that will be used to tailor an acquisition strategy going forward.

While technology, equipment, and physical barriers certainly help secure our borders, we also must have more boots on the ground. I remain committed to hiring and training new Border Patrol agents and commensurate support personnel as supported by the President's Budget and Executive Order No. 13767. Let me be clear, we will maintain our standards, yet we will streamline hiring processes. This includes initiatives like waiving polygraph testing requirements for qualified Federal, State, and local law enforcement officers, as well as members of the Armed Forces, veterans, and members of the Reserves or the National Guard, as contemplated by legislation now pending before the Congress. On a broader scale, my Deputy Secretary, Elaine Duke, and I are working hard across DHS to attract, retain, and enhance career opportunities for our workforce.

Effective border security must be augmented by vigorous interior enforcement and the administration of our immigration laws in a manner that serves the national interest. As with any sovereign nation, we have a fundamental right and obligation to enforce our immigration laws in the interior of the United States—particularly against criminal aliens. We must have additional U.S. Immigration and Customs Enforcement (ICE) Enforcement and Removal Operations (ERO) officers to expand our enforcement efforts. The FY 2018 Budget requests over \$7.5 billion in discretionary funding for ICE to support both the expansion of transnational criminal investigatory capacity within Homeland Security Investigations (HSI) as well as ERO's expanded targeted enforcement activities, including increases for more than 51,000 detention beds to accommodate expected increases in interior arrests of criminal and fugitive aliens, associated transportation and removal costs, and an estimated 79,000 participants in ICE's Alternatives to Detention Program contract. Included in the request is \$185.9 million to hire more than 1,600 additional ICE ERO officers, HSI agents, and support personnel.

Detaining illegal aliens, and deporting them to their countries of origin, does not address the needs of members of our public who have been the targets of their crimes. For this reason, the Budget also requests an additional \$1 million to enhance the current operations of DHS's new VOICE Office, which supports victims of crimes committed by criminal aliens. As I have noted before, all crime is terrible, but these victims are unique because they are casualties of crimes that should never have taken place. The people who victimized them should not have been in this country in the first place.

To protect the American people, we must continue to improve our identification verification and vetting processes.

E-Verify is currently a voluntary program administered by U.S. Citizenship and Immigration Services that deserves more of our attention. Through E-Verify, our nation's employers verify the employment eligibility of their employees after they are hired, which in turn helps protect American workers from unfair competition. The President's Budget requests \$131.5 million for E-Verify operations, which includes an additional \$15.2 million for expansion of the program to support the mandatory use of E-Verify nationwide within three years—should Congress provide the authority to do so. We appreciate the continued support of Congress for this program.

Biometrics is another critical DHS identification and verification initiative, and I am committed to the pursuit of robust capabilities in this area. The Budget requests \$354 million to support biometric initiatives. We continue to make progress on the Biometric Entry-Exit System, with the goal of making air travel more secure, convenient, and easier.

The threat to aviation security remains high, and criminals and terrorists continue to target airlines and airports. We must continue to improve how we screen the belongings of travelers and cargo. We are in the business of protecting lives, and improved screening technologies coupled with additional Transportation Security Administration (TSA) Officers working security functions at the checkpoints, will help us deter, detect, disrupt, and prevent threats to aviation security. DHS continues to prioritize explosives screening, threat assessments, and detection capabilities, and the President's Budget includes \$77.0 million for research and development in this area. The Budget also includes \$277.2 million for checked baggage screening and explosives detection equipment.

Currently, TSA Officers screen more than two million passengers and their belongings each day, and this number is growing. Additional TSA Officers must be deployed to airport checkpoints to meet the increasing volume of travelers. The President's Budget offers a sound, two-part approach to meeting this challenge. First, the Budget proposes a much-needed increase in TSA passenger fees—only one dollar, changing the fee from \$5.60 to \$6.60, for each one-way trip. While Congress previously denied this increase, Congress must act now in order for TSA to continue to meet its mission to protect our nation from ever evolving security threats.

Second, the Budget proposes that TSA cease staffing airport exit lanes, which will enable placement of an additional 629 TSA Officers at the checkpoints. This solution reflects risk-based analysis; TSA Officers are specially trained to ensure no metallic or non-metallic threat items make it onboard planes. Their security screening skills and expertise are not being put to good use while staffing airport exit lanes, and this is a waste of taxpayer dollars.

The President also requests \$8.4 billion in operating expenses and recapitalization costs for USCG to promote maritime safety and security. Increases to Coast Guard's operating budget will ensure the agency keeps parity with the pay and benefits increases provided to the other armed services. Additionally, the Budget funds the crewing and maintenance requirements for all new ships and aircraft scheduled for delivery in 2018. Within the \$1.2 billion request for Coast Guard's acquisition programs, \$500 million is provided to contract for the Coast Guard's first Offshore Patrol Cutter and long lead time material for the second OPC.

In addition to our physical security and protection activities, we must continue efforts to address the growing cyber threat, illustrated by the real, pervasive, and ongoing series of attacks on public and private infrastructure and networks. The FY 2018 Budget includes approximately \$971.3 million for the National Protection and Programs Directorate's cybersecurity activities, including \$397 million for continued deployment and enhancements for EINSTEIN, which enables DHS to detect and prevent malicious traffic from harming Federal civilian government networks. It also provides \$279 million for our Continuous Diagnostics and Mitigation Program to provide hardware, software, and services to strengthen the security of Federal civilian ".gov" networks.

DHS also must be vigilant in preparing for and responding to disasters, including floods, wildfires, tornadoes, hurricanes, and other disasters. The FY 2018 President's Budget reflects FEMA's efficient use of taxpayer dollars to improve the nation's resilience from disasters. FEMA will prioritize programs that contribute most significantly to its emergency management mission, streamline business processes, harness innovative technologies, and better utilize public and private sector partnerships. The President's Budget requests \$7.4 billion to support disaster resilience, response, and recovery, primarily through the Disaster Relief Fund.

The Budget provides \$1.9 billion for FEMA's grant programs that support State, local, territorial, and tribal governments to improve their security and resilience posture against risks associated with man-made and natural disasters. It represents a continued investment in State and local preparedness while spending taxpayer dollars on programs that make the most difference. The Budget also proposes a 25 percent non-Federal cost-share for those preparedness grants that do not currently have a cost-share requirement. By using a cost-sharing approach, Federal dollars are spent on activities that our non-Federal partners themselves would invest in, providing clear results in priority areas.

In addition to protecting our nation's financial infrastructure, under the leadership of our new Director Tex Alles, the men and women of the U.S. Secret Service (USSS) protect our nation's

highest elected leaders, visiting foreign dignitaries, facilities, and major events. Using advanced countermeasures, USSS conducts operations to deter, minimize, and decisively respond to identified threats and vulnerabilities. The President's Budget includes \$1.9 billion to support USSS's missions, including investment in of advanced technologies and task force partnerships to enforce counterfeiting laws, and safeguard the payment and financial systems of the United States from financial and computer-based crimes. The funding also supports 7,150 positions – the highest staffing levels since 2011, and includes Presidential protection in New York and much-needed enhancement of technology used to protect the White House.

In closing, the challenges facing DHS and our nation are considerable. We have outstanding men and women working at DHS who are committed to protecting our homeland and the American people. The President's FY 2018 Budget request recognizes our current fiscal realities, as well as the serious and evolving threats and dangers our nation faces each day. You have my commitment to work tirelessly to ensure that the men and women of DHS are empowered to do their jobs.

Thank you again for the opportunity to appear before you today and for your continued support of DHS. I remain committed to working with Congress, and look forward to forging a strong and productive relationship to prevent and combat threats to our nation.

I am pleased to answer any questions.