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# Department of Homeland Security: FY2015 Appropriations

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## Summary

This report analyzes the FY2015 appropriations for the Department of Homeland Security (DHS). While this report makes note of many budgetary resources provided to DHS, its primary focus is on funding approved by Congress through the appropriations process.

The Administration requested \$38.332 billion in adjusted net discretionary budget authority for DHS for FY2015, as part of an overall budget of \$60.919 billion (including fees, trust funds, and other funding that is not appropriated or does not score against the budget caps). The request amounted to a \$0.938 billion, or 2.4%, decrease from the \$39.270 billion enacted through the consolidated appropriations act for FY2014 (P.L. 112-74).

In addition, the Administration requested an additional \$6.438 billion not reflected above for FEMA in disaster relief funding as defined by the Budget Control Act (BCA).

On June 11, 2014, the House Appropriations Committee marked up its draft Homeland Security Appropriations bill, and voted to report it out of committee. The House committee-reported bill provided \$39.220 billion in adjusted net discretionary budget authority, as well as the requested disaster relief funding.

On June 26, 2014, the Senate Appropriations Committee marked up its draft Homeland Security Appropriations bill, and voted to report it out of committee. The Senate committee-reported bill provided \$39.000 billion in adjusted net discretionary budget authority, as well as the requested disaster relief funding, and \$213 million for Coast Guard overseas contingency operations.

On September 19, 2014, the President signed H.J.Res. 124, the Continuing Appropriations Resolution, 2015, into law as P.L. 113-164. This continuing resolution originally funded the operations of the federal government at the current annual rate until December 11, 2014, or until full-year appropriations were passed, whichever came first. It has been extended by three other short-term continuing resolutions, including Division L of H.R. 83, the Consolidated and Further Continuing Appropriations Act, 2015, which extended funding for DHS through February 27, 2015.

With the beginning of the 114<sup>th</sup> Congress, both House- and Senate-reported FY2015 annual homeland security appropriations bills were no longer available for action. H.R. 240, a new FY2015 annual homeland security appropriations bill, was introduced on January 9, 2015, and considered in the House the following week under a structured rule that allowed five immigration policy-related amendments. After adopting these five amendments, the bill passed the House on January 14, 2015. On February 27, the Senate passed an amended H.R. 240 without the legislative text added by the House amendments.

After the House did not pass a three-week extension of the continuing resolution, the Senate and House passed a one week extension of the continuing resolution to avoid a lapse in annual appropriations for DHS. On March 3, 2015, the House voted to approve the Senate version of H.R. 240. The bill was signed into law on March 4, 2015, as P.L. 114-4.

As enacted, the bill provided \$39.670 billion in adjusted net discretionary budget authority, as well as the requested \$6.438 billion in disaster relief funding and \$213 million for Coast Guard overseas contingency operations, for total adjustments under the BCA of \$6.651 billion.

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This report describes and analyzes the discretionary appropriations for the Department of Homeland Security (DHS) for fiscal year 2015 (FY2015). It compares the President’s request for FY2015 funding for the Department of Homeland Security (DHS), the enacted FY2014 appropriations for DHS, the House- and Senate-reported homeland security appropriations measures for FY2015, and the Department of Homeland Security Appropriations Act, 2015 (P.L. 114-4).

The first portion of this report provides an overview and historical context for reviewing DHS appropriations, highlighting various aspects including the comparative size of DHS components, the amount of non-appropriated funding the department receives, and trends in the timing and size of the department’s appropriations legislation. The second portion of the report outlines the legislative chronology of major events in funding the department for FY2015. The third portion of the report provides detailed information on DHS appropriations, broken down by component, with discussion of associated policy issues.

The report tracks legislative action and congressional issues related to DHS appropriations with particular attention paid to discretionary funding amounts. The report does not provide in-depth analysis of specific issues related to mandatory funding—such as retirement pay—nor does the report systematically follow any other legislation related to the authorization or amendment of DHS programs, activities, or fee revenues.

Discussion of appropriations legislation involves a variety of specialized budgetary concepts. **Appendix A** to this report explains several of these concepts, including budget authority, obligations, outlays, discretionary and mandatory spending, offsetting collections, allocations, and adjustments to the discretionary spending caps under the Budget Control Act.

## Major Legislative Actions

The following descriptions reflect only the major actions taken on FY2015 homeland security appropriations. For a more detailed description of the procedural actions taken, see CRS Report R43776, *Congressional Action on FY2015 Appropriations Measures*, by (name redacted).

**Table 1. Legislative Status of Annual FY2015 Homeland Security Appropriations**

Subcommittee Markup		H.Rept. 113-481 (113 <sup>th</sup> Cong.)	S.Rept. 113-198 (113 <sup>th</sup> Cong.)	House Passes H.R. 240 (114 <sup>th</sup> Cong.)	Senate Passes H.R. 240 (114 <sup>th</sup> Cong.)	House Concurs w/ Senate Amendments (114 <sup>th</sup> Cong.)	Public Law 114-4
House	Senate						
5/28/14 (vv)	6/24/14 (vv)	6/11/14 (vv)	6/26/14 (vv)	1/14/15 (236-191)	2/27/15 (68-31)	3/3/15 (257-167)	3/4/2015

Notes: (vv) = voice vote.

### March 4-11, 2014—President’s FY2015 Budget Request Submitted

For FY2015, the Administration requested \$38.332 billion in adjusted net discretionary budget authority for DHS, as part of an overall budget request of \$60.919 billion (including fees, trust funds and other funding that is not appropriated or does not score against the budget caps). This request amounts to a \$0.938 billion (2.4%) decrease below the \$39.270 billion enacted for

FY2014 through Division F of P.L. 113-76. The overall estimated size of the DHS budget for FY2015 is a \$264 million (0.4%) increase above the budget of \$60.655 billion estimated for FY2014.<sup>1</sup>

## **June 11, 2014—House Appropriations Committee Approves H.R. 4903**

The House Committee on Appropriations reported its version of the FY2015 DHS Appropriations bill on June 11, 2014, by a voice vote. This report uses House-reported H.R. 4903 and the accompanying report (H.Rept. 113-481) as the source for House-reported appropriations numbers and, for comparison, the underlying FY2015 budget request from the Administration. The House bill as approved by the committee would have provided a net discretionary appropriation of \$39,220 million for DHS for FY2015, not including \$6,438 million for disaster relief that would be paid for by adjustments to the discretionary spending cap under the BCA. With that exclusion, the House-reported bill provided \$888 million (2.3%) above the Administration's request, and \$50 million (0.1%) below the amount provided under Division F of P.L. 113-76.

## **June 26, 2014—Senate Appropriations Committee Approves S. 2534**

The Senate Committee on Appropriations reported its version of the FY2015 DHS Appropriations bill on June 26, 2014, by a voice vote. This report uses Senate-reported S. 2534 and the accompanying report (S.Rept. 113-198) as the source for Senate-reported appropriations numbers. The Senate bill as approved by the committee would have provided a net discretionary appropriation of \$39,000 million for DHS for FY2015, not including \$6,438 million for disaster relief and \$213 million for Coast Guard overseas contingency operations that would be paid for by adjustments to the discretionary spending cap under the BCA. With those exclusions, the Senate-reported bill provided \$668 million (1.7%) above the Administration's request, and \$270 million (0.7%) below the amount provided under Division F of P.L. 113-76.

## **September 19, 2014—President Signs H.J.Res. 124 into Law**

H.J.Res. 124, the Continuing Appropriations Resolution, 2015, was introduced on September 9, 2014. This continuing resolution funded, with several specific exceptions and limitations, the operations of the federal government until December 11, 2014, or until full-year appropriations were passed, whichever was to come first. The joint resolution passed the House on September 17, 2014,<sup>2</sup> and the Senate on September 18, 2014.<sup>3</sup> On September 19, 2014, the President signed it into law as P.L. 113-164.

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<sup>1</sup> Department of Homeland Security, *Congressional Budget Justification FY2015: Budget Tables and Explanation of Changes for General Provisions* (Washington, DC, 2014), p. 1.

<sup>2</sup> Passed the House by a recorded vote, 391-108 (Roll Call Number 509).

<sup>3</sup> Passed the Senate without amendment by Yea-Nay vote, 78-22 (Roll Call Number 270).

## December 16, 2014—President Signs H.R. 83 into Law

After enactment of two short-term continuing resolutions, H.R. 83, the Consolidated and Further Continuing Appropriations Act, 2015, was signed into law on December 16, 2014. The act included 11 of the 12 regular appropriations bills. Congress did not include full annual funding for DHS as part of the package. This was, in large part, due to a lack of consensus on how Congress would respond to the Obama Administration’s announcement of immigration-related executive actions that had occurred the previous month. Some Congressional critics of the Administration’s proposal believed annual appropriations for DHS should be used as the vehicle to respond to those actions.<sup>4</sup> Consequently, Division L of H.R. 83 provided an extension of the FY2015 funding for DHS provided in P.L. 113-164 through February 27, 2015.

## January 14, 2015—House Passes H.R. 240

H.R. 240, an annual appropriations bill that would have provided DHS \$39.7 billion in adjusted net discretionary budget authority was introduced by House Appropriations Committee Chairman Rogers on January 9, 2015. The bill was not reported out of committee prior to floor consideration, but an explanatory statement serving the same function as a committee report was posted on the House Appropriations Committee website the same day the bill was introduced and printed in the *Congressional Record* for January 13, 2015.<sup>5</sup> The bill was considered under a structured rule on January 13 and 14, 2015. Under the structured rule, five amendments were made in order. Two were “Sense of Congress” amendments, expressing views on aspects of the Administration’s immigration policy. Three would have affected the availability of funds for certain purposes that were provided by H.R. 240, as well as in any other act in any fiscal year (these appeared as Sections 579, 580, and 581 in the House-passed bill).<sup>6</sup>

- The first of these three was an amendment that added a general provision that would restrict the use of any federal funds for carrying out the Administration’s immigration initiative of November 2014, or implementing the direction in several memoranda on prosecutorial discretion and immigration enforcement priorities that were issued in 2011 and 2012. This amendment went on to state that the prohibition would extend to future similar policies, expressed that such policies would have no legal effect and that no funds may be used to grant any federal benefit to any alien as a result of those policies.<sup>7</sup>
- The second of these three was an amendment to prohibit any federal funds from being used to consider new, renewal, or previously denied applications for

<sup>4</sup> See Emma Dumain and Emily Ethridge, “Price Pushes Plan to Separate Immigration Funding from Omnibus,” *CQ News*, November 25, 2014; and David Rogers, “Lawmakers Iron Out Money Details for a Deal,” *Politico*, December 4, 2014.

<sup>5</sup> Rep. Harold Rogers, “Explanatory Statement Submitted by Mr. Rogers of Kentucky, Chairman of the House Committee on Appropriations, Regarding H.R. 240,” House debate, *Congressional Record*, vol. 161, part 6 (January 13, 2015), pp. H275-H322.

<sup>6</sup> The Congressional Budget Office estimated that two of the amendments (Sections 579 and 580) would have had effects on both revenue and direct spending. The other three amendments were estimated to have no significant budgetary effects. The CBO estimate of these provisions is available at <http://www.cbo.gov/publication/49920>.

<sup>7</sup> H.Amdt. 6, offered by Rep. Aderholt to H.R. 240, and agreed to by a recorded vote of 237-190 (Roll no. 29). For additional information on the November 2014 executive actions, see CRS Report R43852, *The President’s Immigration Accountability Executive Action of November 20, 2014: Overview and Issues*, coordinated by (name redacted).

temporary relief for removal under the deferred action for childhood arrivals (DACA) program.<sup>8</sup>

- The third amendment would have required, through a restriction on the use of funds, that DHS treat aliens convicted of any offense involving domestic violence, sexual abuse, child molestation, or child molestation as being among the group of aliens that are the highest priority for deportation.<sup>9</sup>

After adopting these five amendments, the bill passed the House on January 14, 2015, by a vote of 236-191.<sup>10</sup>

## **February 27, 2015—H.R. 240 Is Amended and Passes the Senate**

The Senate proceeded to consider H.R. 240 on February 25, 2015. On February 27, 2015, the Senate adopted an amendment that was functionally the same as H.R. 240 as introduced—without the legislative text added by the five House amendments—by a vote of 66-33,<sup>11</sup> then passed the Senate-amended bill by a vote of 68-31.<sup>12</sup>

## **February 27, 2015—Senate and House Extend Continuing Resolution**

On February 27, 2015, a three-week extension of the continuing resolution funding DHS (H.J.Res. 35) did not pass the House by a vote of 203-224.<sup>13</sup> Roughly three hours later, the Senate amended a House bill (H.R. 33) to extend the continuing resolution through March 6, 2015, and passed the amended version by a voice vote. The House agreed to the Senate amendment by a vote of 357-60,<sup>14</sup> and the President signed the bill into law as P.L. 114-3 that night.

## **March 3, 2015—House Agrees to the Senate Amendment**

On March 3, 2015, the House voted 257-167 to approve the Senate version of H.R. 240.<sup>15</sup>

## **March 4, 2015—FY2015 Homeland Security Appropriations Enacted**

On March 4, 2015, H.R. 240 was signed into law as P.L. 114-4.

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<sup>8</sup> H.Amdt. 7, offered by Rep. Blackburn to H.R. 240, and agreed to by a recorded vote of 218-209 (Roll no. 30). For additional information on DACA, see CRS Report R43747, *Deferred Action for Childhood Arrivals (DACA): Frequently Asked Questions*, by (name redacted).

<sup>9</sup> H.Amdt. 8, offered by Rep. DeSantis to H.R. 240, and agreed to by a recorded vote of 278-149 (Roll no. 31). For additional information on immigration enforcement priorities, see CRS Report R43852, *The President's Immigration Accountability Executive Action of November 20, 2014: Overview and Issues*, coordinated by (name redacted).

<sup>10</sup> Roll no. 35.

<sup>11</sup> Record Vote Number 61.

<sup>12</sup> Record Vote Number 62.

<sup>13</sup> Roll No. 104.

<sup>14</sup> Roll No. 106.

<sup>15</sup> Roll No. 109.

## Note on Data and Citations

Except in summary discussions and when discussing total amounts for the bill as a whole, all amounts contained in this report are in budget authority and rounded to the nearest million—however, for precision in percentages and totals, all calculations were performed using unrounded data.

Data used in this report for FY2014 amounts are taken from the President’s Budget Documents, as well as H.Rept. 113-91, S.Rept. 113-77, Division F of P.L. 113-76, and the explanatory statement that accompanied it through the legislative process. Contextual information on the FY2015 request is generally from the President’s Budget Documents, the FY2015 DHS congressional budget justifications, and the FY2015 DHS *Budget in Brief*. Information on the House-reported FY2015 DHS Appropriations bill is from H.R. 4903 and H.Rept. 113-481. For consistency of budgetary comparisons, funding levels requested through the President’s budget for FY2015 are also drawn from H.Rept. 113-481 unless otherwise noted. Information on the Senate-reported FY2015 DHS Appropriations bill is from S. 2534 and S.Rept. 113-198. Enacted levels for FY2015 are derived from P.L. 114-4 and the explanatory statement that accompanied H.R. 240 as printed in the *Congressional Record* of January 13, 2015, pp. H275-H322. Historical funding data used in the appendices are taken from the *Analytical Perspectives* volumes of the FY2006-FY2015 President’s Budget request documents.

### The Opportunity, Growth, and Security Initiative

The Obama Administration included with its FY2015 budget request a new government-wide proposal referred to as the “Opportunity, Growth, and Security Initiative.” It was a \$56 billion fund that would have been divided equally between defense and non-defense expenditures. The cost of the initiative would have been offset largely with targeted spending cuts and closed tax loopholes. According to the Administration, this initiative, if passed, would have provided \$710 million beyond the budget request of \$38.176 billion for the Department of Homeland Security to address specific priorities that have been restricted by the impact of sequestration on the discretionary spending caps outlined in the Budget Control Act as amended. Proposed homeland security funding through the initiative included the following:

- \$400 million in competitive grants to state, local, and tribal governments through the Pre-Disaster Mitigation Program.
- \$300 million in additional funds for the National Preparedness Grant Program, the Administration’s proposed consolidated grant program to support state, local, and tribal government preparedness, prevention, and response capability.
- \$10 million for National Protection and Programs Directorate (NPPD) to conduct infrastructure analysis to identify critical facilities in states and/or sectors and analyze their ability to remain functional after disasters.

As this funding is not included in the formal congressional justifications for the targeted accounts, and would require the enactment of separate legislation to alter the discretionary budget caps to provide the requested resources, funding proposed through the Opportunity, Growth, and Security Initiative is not a part of the FY2015 requested funding levels analyzed in this report. None of the initiative’s content was funded in the FY2015 Department of Homeland Security Appropriations Act.

## Background

### 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 generally been organized into five titles:

- Title I contains appropriations for the Office of Secretary and Executive Management (OSEM), the Office of the Under Secretary for Management (USM), the Office of the Chief Financial Officer, the Office of the Chief Information Officer (CIO), Analysis and Operations (A&O), and the Office of the Inspector General (OIG).
- 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.
- Title III contains appropriations for the National Protection and Programs Directorate (NPPD), Office of Health Affairs (OHA) Federal Emergency Management Agency (FEMA).<sup>16</sup>
- 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).
- Title V contains general provisions providing various types of congressional direction to the department.

Several reorganizations and restructurings over the course of the department's early years of appropriations make detailed comparisons of funding levels across the first decade of departmental appropriations complicated. CRS can assist with developing such comparisons.

Although the House and Senate generally produce symmetrically structured bills, this is not always the case. Additional titles are sometimes added to address special issues: For example, the FY2012 House full committee markup added a sixth title to carry a \$1 billion emergency appropriation for the Disaster Relief Fund (DRF). The Senate version carried no additional titles beyond what is described above. For FY2015, the House- and Senate-reported versions of the DHS appropriations bill were generally symmetrical.

## **Appropriations for the Department of Homeland Security**

### **Summary of DHS Appropriations**

Generally, the homeland security appropriations bill includes all annual appropriations provided for DHS, providing resources to every departmental component. **Table 2** includes a summary of funding included in the FY2014 regular DHS appropriations bill, the Administration's FY2015

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<sup>16</sup> Through the FY2007 appropriation, Title III contained appropriations for the Preparedness Directorate, Infrastructure Protection and Information Security (IPIS) and FEMA. The President's FY2008 request included a proposal to shift a number of programs and offices to eliminate the Preparedness Directorate, create the NPPD, and move several programs to FEMA. These changes were largely agreed to by Congress in the FY2008 appropriation, reflected by Title III in Division E of P.L. 110-161.

appropriations request, the House- and Senate-reported FY2015 DHS appropriations bills, and P.L. 114-4, broken down by title.

**Table 2. Department of Homeland Security Appropriations by Title, FY2014-FY2015**  
(in millions of dollars of discretionary budget authority, rounded)

Title	FY2014 Enacted	FY2015 Request	House-Reported H.R. 4903 (113 <sup>th</sup> Cong.)	Senate-Reported S. 2534 (113 <sup>th</sup> Cong.)	P.L. 114-4
Title I: Departmental Management and Operations	\$1,037	\$1,172	\$967	\$1,033	\$1,035
Title II: Security, Enforcement, and Investigations <sup>a</sup>	30,877	29,828	31,090	30,731	31,536
Title III: Protection, Preparedness, Response, and Recovery <sup>b</sup>	5,952	5,611	5,902	5,980	5,979
Title IV: Research and Development, Training, and Services	1,878	1,771	1,801	1,761	1,795
Title V: General Provisions	-474	-49	-540	-505	-674
<b>Total</b>	<b>\$39,270</b>	<b>\$38,332</b>	<b>\$39,220</b>	<b>\$39,000</b>	<b>\$39,670</b>

**Source:** CRS analysis of FY2014 explanatory statement, FY2015 DHS congressional justifications, H.R. 4903 (113<sup>th</sup> Congress), H.Rept. 113-481, S. 2534 (113<sup>th</sup> Congress), S.Rept. 113-198, and P.L. 114-4 and its explanatory statement as printed in the *Congressional Record* of January 13, 2015, pp. H275-H322.

**Notes:** The standard legislative practice is to group rescissions with the bill's general provisions, often resulting in that title scoring as net negative budget authority. The Administration's budget request generally includes rescissions with the impacted component's request, rather than in a separate title. In addition, some funding for department-wide initiatives in recent years has been provided through general provisions. The table displays rounded numbers, but all operations were performed with unrounded data: therefore, amounts may not sum to totals.

- a. Does not include funding for the U.S. Coast Guard designated for Overseas Contingency Operations/the Global War on Terror (OCO/GWOT).
- b. Does not include funding for the Federal Emergency Management Agency provided under the allowable adjustment for the costs of major disasters under the Stafford Act (defined under the Budget Control Act as "disaster relief").

## Federal Civilian Employee Pay Raise

The Administration proposed a 1.0% pay increase for all civilian federal employees in its budget request. Almost all DHS employees are considered civilians, with the significant exception of Coast Guard military personnel.

The House Appropriations Committee included language in its report noting that the House bill did not include money for the pay raise. Neither House- nor Senate-reported bills included a restriction on a pay raise being given from within appropriated amounts. P.L. 114-4 placed no such restriction either.

## DHS Appropriations: Comparing the Components

Unlike some other appropriations bills, breaking down the DHS bill by title does not provide a great deal of transparency into where DHS’s appropriated resources are going. Generally, the homeland security appropriations bill includes all annual appropriations provided for DHS, providing resources to every departmental component. **Table 3** and **Figure 1** show DHS’s new discretionary budget authority for FY2015 broken down by component, from largest to smallest appropriations request.

Total discretionary appropriations in **Table 3** do not include resources provided through adjustments under the Budget Control Act (BCA)<sup>17</sup> in the individual component lines. These are accounted for separately from the total discretionary appropriations and are displayed at the bottom of the table. As the table and figure reflect new discretionary budget authority, neither appropriated mandatory spending nor rescissions of prior-year budget authority are reflected in the component totals.

**Table 3. DHS Appropriations by Component, FY2014-FY2015**

(in millions of dollars of discretionary budget authority, rounded)

Component	FY2014	FY2015			P.L. 114-4
	Enacted	Request	House-Reported H.R. 4903 (113 <sup>th</sup> Cong.)	Senate-Reported S. 2534 (113 <sup>th</sup> Cong.)	
Customs and Border Protection (CBP)	\$10,690	\$10,852	\$11,009	\$10,822	\$10,837
U.S. Coast Guard (USCG)	8,514 <sup>a</sup>	8,152	8,467	8,425 <sup>b</sup>	8,378
Immigration and Customs Enforcement (ICE)	5,269	5,014	5,486	5,163	5,959
Transportation Security Administration (TSA)	4,929	4,325	4,628	4,824	4,834
Federal Emergency Management Agency (FEMA)	4,354 <sup>c</sup>	3,970 <sup>d</sup>	4,320 <sup>d</sup>	4,329	4,347
U.S. Secret Service (USSS)	1,585	1,636	1,637	1,635	1,666
National Protection and Programs Directorate (NPPD)	1,471	1,515	1,454	1,527	1,502
Science & Technology Directorate (S&T)	1,220	1,072	1,107	1,071	1,104
Departmental Management	728	748	602	708	743
Domestic Nuclear Detection Office (DNDO)	285	304	312	306	308
Analysis & Operations (A&O)	300	302	274	295	256
Federal Law Enforcement Training Center (FLETC)	259	260	258	259	258
U.S. Citizenship and Immigration Services (USCIS)	116	135	125	124	124
Office of Health Affairs (OHA)	127	126	128	125	129

<sup>17</sup> P.L. 112-25.

Component	FY2014	FY2015			P.L. 114-4
	Enacted	Request	House- Reported H.R. 4903 (113 <sup>th</sup> Cong.)	Senate- Reported S. 2534 (113 <sup>th</sup> Cong.)	
Office of the Inspector General (OIG)	115	121	120	119	119
<b>Total Discretionary Appropriations without Rescissions</b>	<b>\$39,963</b>	<b>\$38,532</b>	<b>\$39,929</b>	<b>\$39,731</b>	<b>\$40,565</b>
Adjustments under the Budget Control Act	5,853	6,438	6,438	6,651	6,651
<b>Total New Discretionary Budget Authority</b>	<b>\$45,817</b>	<b>\$44,970</b>	<b>\$46,366</b>	<b>\$46,382</b>	<b>\$47.215</b>
<i>General Provisions: Rescissions (not reflected above or visually in figure)</i>	-693	-200	-708	-731	-894
<b>Total Net Discretionary Appropriations</b>	<b>\$39,270</b>	<b>\$38,332</b>	<b>\$39,220</b>	<b>\$39,000</b>	<b>\$39,670</b>

**Source:** CRS analysis of FY2014 explanatory statement, FY2014 DHS congressional justifications, H.R. 4903 (113<sup>th</sup> Congress), H.Rept. 113-481, S. 2534 (113<sup>th</sup> Congress), S.Rept. 113-198, and P.L. 114-4 and its explanatory statement as printed in the *Congressional Record* of January 13, 2015, pp. H275-H322.

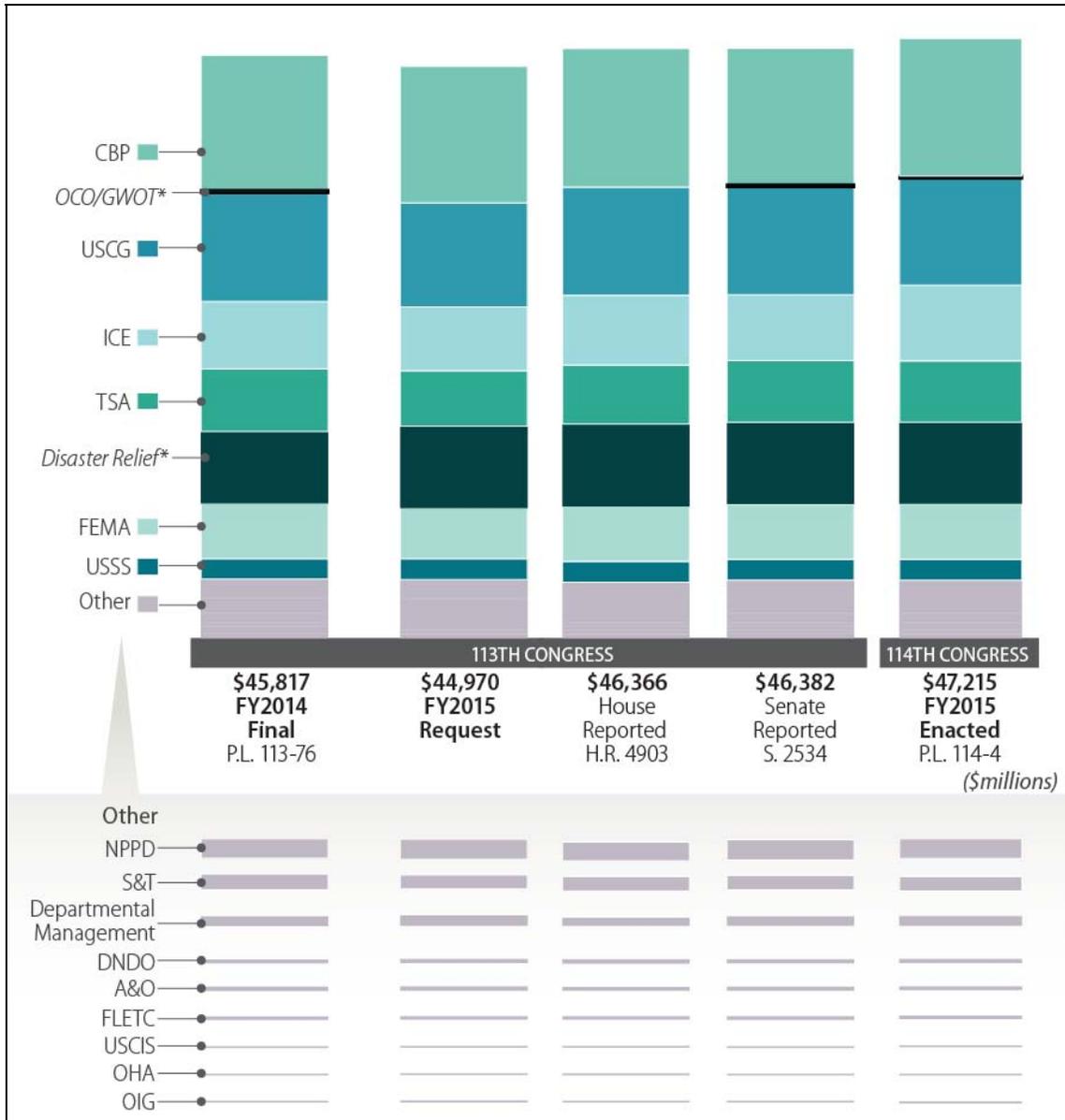
**Notes:** Table does not reflect non-appropriated resources available to DHS components.

- a. \$227 million in FY2014 funding for overseas contingency operations for the Coast Guard under an adjustment to the discretionary spending limits is not shown in this table entry, but is reflected in **Figure I**.
- b. \$213 million in FY2015 funding for overseas contingency operations for the Coast Guard under an adjustment to the discretionary spending limits is not shown in this table entry, but is reflected in **Figure I**.
- c. \$5,626 million in FY2014 funding for disaster relief costs provided through FEMA's Disaster Relief Fund under an adjustment to the discretionary spending limits is not shown in this table entry, but is reflected in **Figure I**.
- d. \$6,438 million in FY2014 funding for disaster relief costs provided through FEMA's Disaster Relief Fund under an adjustment to the discretionary spending limits is not shown in this table entry, but is reflected in **Figure I**.

In **Figure I**, the first column of numbers shows budget authority provided in P.L. 113-76, which included the FY2014 appropriations for DHS: resources available under the adjustments to the discretionary spending limits provided pursuant to the BCA are shown in black. The second column shows a similar breakdown for the FY2015 request, and the third and fourth columns show a similar breakdown of the FY2015 House- and Senate-reported bills. The fifth column shows the levels that provided under P.L. 114-4.

**Figure I. Department of Homeland Security Appropriations by Component, FY2014-FY2015**

(in millions of dollars, rounded)



**Source:** CRS analysis of FY2014 explanatory statement, FY2015 DHS congressional justifications, H.R. 4903 (113<sup>th</sup> Congress), H.Rept. 113-481, S. 2534 (113<sup>th</sup> Congress), S.Rept. 113-198, and P.L. 114-4 and its explanatory statement as printed in the *Congressional Record* of January 13, 2015, pp. H275-H322.

**Chart Abbreviations:** CBP, Customs and Border Protection; USCG, U.S. Coast Guard; OCO/GWOT, Overseas Contingency Operations/Global War on Terror; ICE, Immigration and Customs Enforcement; TSA, Transportation Security Administration; FEMA, Federal Emergency Management Administration; USSS, U.S. Secret Service; NPPD, National Protection and Programs Directorate; S&T, Science and Technology Directorate; DNDO, Domestic Nuclear Detection Office; A&O, Analysis and Operations; USCIS, U.S. Citizenship and Immigration Services; FLETC, Federal Law Enforcement Training Center; OHA, Office of Health Affairs; OIG, Office of the Inspector General.

**Note:** Table displays rounded numbers, but all operations were performed with unrounded data: therefore, amounts may not sum to totals. Items with asterisks are adjustments under P.L. 112-25. Figure does not display

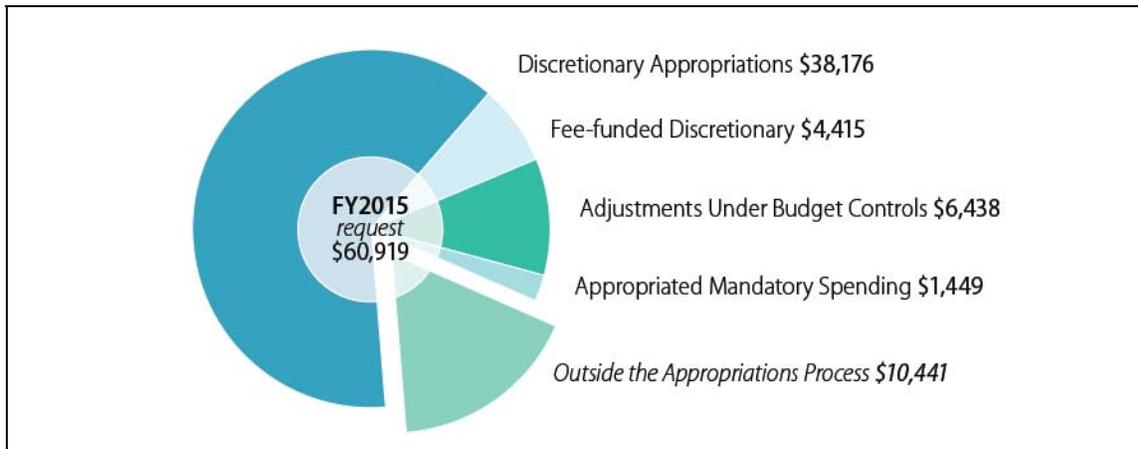
rescissions and other general provisions, or reflect resources available to DHS components beyond the scope of the appropriations measure.

## DHS Appropriations Compared to the Total DHS Budget

It is important to note that **Table 3**, even with its accounting for discretionary cap adjustments, does not tell the whole story about the resources available to individual DHS components. Much of DHS’s budget is not derived from discretionary appropriations. Some components, such as TSA, rely on fee income or offsetting collections to support a significant amount of their activities. Less than 4% of the budget for U.S. Citizenship and Immigration Services is provided through direct appropriations—the rest relies on fee income.

**Figure 2** highlights how much of the DHS budget is not funded through discretionary appropriations. It presents a comparison of the Administration’s FY2015 budget request, showing the discretionary appropriations, mandatory appropriations, and adjustments under the Budget Control Act, in the context of the total amount of budgetary resources available to DHS, as well as other non-appropriated resources. The amounts shown in this graphic are derived from the Administration’s budget request documents, and therefore do not exactly mirror the data presented in congressional documents, which are the source for most of the other data presented in the report.

**Figure 2. DHS Gross Budget Breakdown: FY2015 Request**  
(millions of dollars of budget authority, rounded)



**Source:** CRS analysis of the FY2015 DHS congressional justifications.

**Notes:** Amounts may not sum to totals due to rounding. Includes rescissions of prior-year budget authority. The amounts shown in this graph is derived from the Administration’s budget request documents, and therefore do not exactly mirror the data presented in congressional documents, which are the source for most of the other data presented in the report.

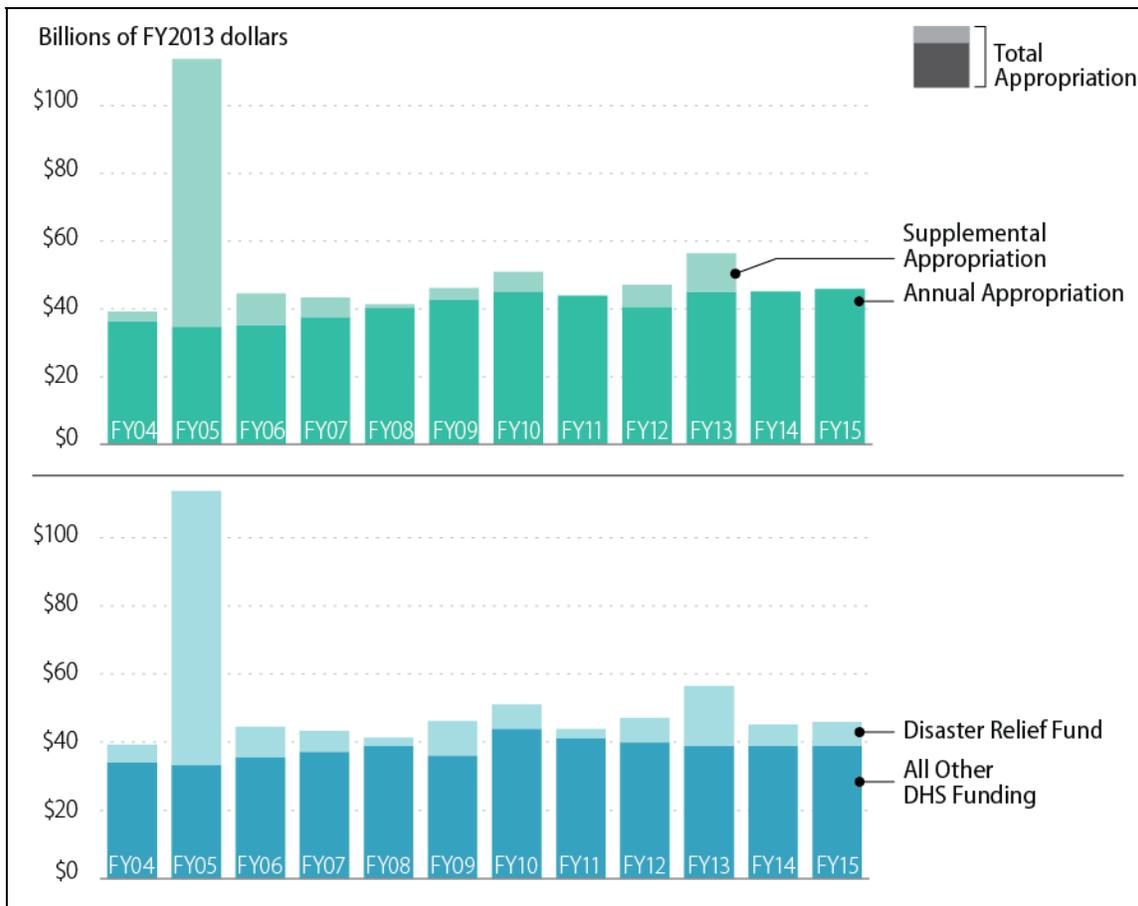
## DHS Appropriations Trends: Size

The figure below presents information on DHS discretionary appropriations, as enacted, for FY2004 through FY2015. The figure shows those appropriations in constant FY2013 dollars. The effects of supplemental appropriations and appropriations to pay for disasters can mask overall trends in year-to-year planned investment in homeland security. Both supplemental

appropriations and disaster relief fluctuate from year to year, and generally respond to unanticipated urgent needs. Most disaster relief also generally is passed through to aid recipients, with the exception of a small amount to pay for administrative costs—surges in relief generally do not imply surges in DHS resources or capacity to carry out homeland security missions.

The figure presents historical DHS appropriations twice to illustrate the impact of these two factors on the total. The top graph shows the split between annual and supplemental appropriations for the department, while the second chart breaks out FEMA’s Disaster Relief Fund (DRF) from the rest of the DHS discretionary appropriations. **Appendix B** includes the data behind this table.

**Figure 3. DHS Appropriations, Showing Supplemental Appropriations and the DRF**  
(in billions of constant FY2013 dollars)



**Source:** CRS analysis of congressional appropriations documents: for FY2004, H.Rept. 108-280 (accompanying P.L. 108-90), H.Rept. 108-76 (accompanying P.L. 108-11), P.L. 108-69, P.L. 108-106, and P.L. 108-303; for FY2005, H.Rept. 108-774 (accompanying P.L. 108-334), P.L. 108-324, P.L. 109-13, P.L. 109-61, and P.L. 109-62; for FY2006, H.Rept. 109-241 (accompanying P.L. 109-90), P.L. 109-148, and P.L. 109-234; for FY2007, H.Rept. 109-699 (accompanying P.L. 109-295) and P.L. 110-28; for FY2008, Division E of the House Appropriations Committee Print (accompanying P.L. 110-161) and P.L. 110-252; for FY2009, Division D of House Appropriations Committee Print (accompanying P.L. 110-329), P.L. 111-5, P.L. 111-8, and P.L. 111-32; for FY2010, H.Rept. 111-298 (accompanying P.L. 111-83), P.L. 111-212, and P.L. 111-230; for FY2011, P.L. 112-10 and H.Rept. 112-331 (accompanying P.L. 112-74); for FY2012, H.Rept. 112-331 (accompanying P.L. 112-74) and P.L. 112-77; for FY2013, Senate explanatory statement (accompanying P.L. 113-6), P.L. 113-2, the DHS Fiscal Year 2013 Post-Sequestration Operating Plan dated April 26, 2013, and financial data from the Hurricane Sandy

Rebuilding Task Force Home Page at <http://portal.hud.gov/hudportal/HUD?src=/sandyrebuilding/recoveryprogress>; for FY2014, the explanatory statement accompanying P.L. 113-76; and for FY2015, the explanatory statement accompanying P.L. 114-4.

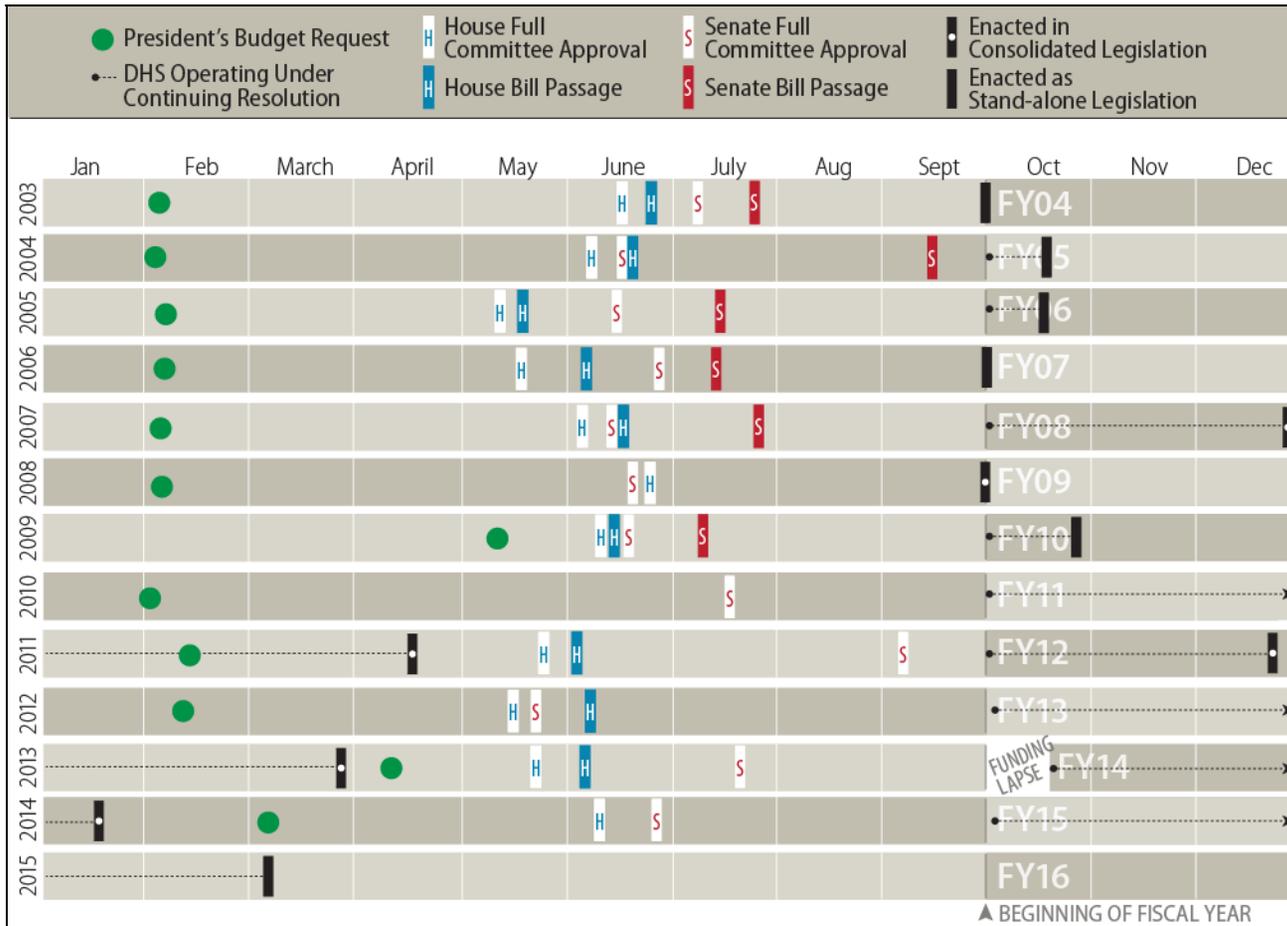
**Notes:** Emergency funding, appropriations for overseas contingency operations, and funding for disaster relief under the Budget Control Act's allowable adjustment are included based on their legislative vehicle. Transfers from DOD and advance appropriations are not included. Emergency funding in regular appropriations bills is treated as regular appropriations. FY2013 does not reflect the impact of sequestration.

Generally speaking, the highest level of appropriations for the DHS budget in constant dollars without counting the DRF was FY2010. Annual appropriations funding declined from then through FY2013. Excluding the DRF, post-sequestration funding levels for the department were approximately \$38.9 billion in FY2013, which was the lowest funding level for the department in constant dollars since FY2009.

## **DHS Appropriations Trends: Timing**

**Figure 4** shows the history of the timing of the DHS appropriations bills as they have moved through various stages of the legislative process. Initially, DHS appropriations were enacted relatively promptly, as stand-alone legislation. However, the bill is no longer an outlier from the consolidation and delayed timing that has affected other annual appropriations legislation. FY2015 marked the latest enactment of a Homeland Security appropriations act as a stand-alone piece of legislation.

**Figure 4. DHS Appropriations Legislative Timing**



Source: CRS analysis.

Note: Final action on the annual appropriations for DHS for FY2011, FY2013, FY2014, and FY2015 did not occur until after the beginning of the new calendar year.

## Title I: Departmental Management and Operations

Title I of the DHS appropriations bill provides funding for the department's management activities, Analysis and Operations (A&O) account, and the Office of the Inspector General (OIG). The Administration requested \$1,172 million for these accounts in FY2015, an increase of \$134 million (12.9%) above the FY2014 enacted level. The House-reported bill would have provided \$967 million, a decrease of \$205 million (17.5%) from the requested level and \$70 million (6.8%) below FY2014. The Senate-reported bill would have provided \$1,033 million, a decrease of \$138 million (11.8%) from the request and \$4 million (0.4%) below FY2014. Title I of P.L. 114-4 provided \$1,035 million, a decrease of \$137 million (11.7%) from the requested level and \$3 million (0.3%) below FY2014.

**Table 4** lists the enacted amounts for the individual components of Title I for FY2014 and the amounts requested by the Administration, recommended by the House- and Senate-reported bills, and provided by the enacted annual appropriation for FY2015 under Title I.

**Table 4. Title I: Departmental Management and Operations, FY2014-FY2015**  
(budget authority in rounded millions of dollars)

Component / Appropriation	FY2014	FY2015			
	Enacted	Request	House- Reported H.R. 4903	Senate- Reported S. 2534	P.L. 114-4
Office of the Secretary and Executive Management	122	129	100	125	133
Office of the Under Secretary for Management	196	195	175	193	188
Office of the Chief Financial Officer	46	95	39	48	52
Office of the Chief Information Officer	257	256	257	254	288
Analysis and Operations	300	302	274	295	256
DHS Headquarters Consolidation <sup>a</sup>	0	73	0	0	0
Office of the Inspector General <sup>b</sup>	115	121	120	119	119
<b>Net Budget Authority: Title I</b>	<b>1,037</b>	<b>1,172</b>	<b>967</b>	<b>1,033</b>	<b>1,035</b>
<b>Total Gross Budgetary Resources for Title I Components before Transfers</b>	<b>1,037</b>	<b>1,172</b>	<b>967</b>	<b>1,033</b>	<b>1,035</b>

**Sources:** CRS analysis of FY2014 explanatory statement, FY2015 DHS congressional justifications, H.R. 4903, H.Rept. 113-481, S. 2534, S.Rept. 113-198, and P.L. 114-4 and its explanatory statement as printed in the *Congressional Record* of January 13, 2015, pp. H275-H322.

**Notes:** Table displays rounded numbers, but all operations were performed with unrounded data: therefore, amounts may not sum to totals.

- a. This line only reflects funding for DHS Headquarters Consolidation included in Title I of the DHS appropriations legislation. \$35 million is provided in FY2014 appropriations for construction through the general provisions of the legislation, and \$13 million is provided under Coast Guard operations accounts to

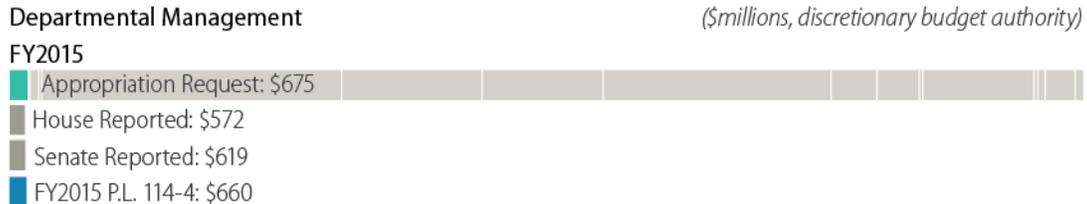
pay for operating costs of the Coast Guard headquarters facility. For FY2015, almost \$49 million is provided for Headquarters Consolidation in general provisions.

- b. The Office of the Inspector General also receives transfers from FEMA to pay for oversight of disaster-related activities that are not reflected in these tables, including \$24 million in FY2014, and \$24 million FY2015.

## Departmental Management<sup>18</sup>

The departmental management accounts cover the general administrative expenses of DHS. They include the Office of the Secretary and Executive Management (OSEM), which is comprised of the Immediate Office of the Secretary and 11 entities that report directly to the Secretary; the Under Secretary for Management (USM) and its components—the offices of the Chief Readiness Support Officer (formerly, the Office of the Chief Administrative Officer (OCAO)), Chief Human Capital Officer (OCHCO), Chief Procurement Officer (OCPO), and Chief Security Officer (OCSO); the Office of the Chief Financial Officer (OCFO); and the Office of the Chief Information Officer (OCIO). The Administration has usually requested funding for the consolidation of its headquarters here as well.

In this section and in each section hereinafter, a graphic follows that provides a numeric and graphic representation of the discretionary appropriation provided to each element of DHS described in the report. This graphic provides a quick reference to the relative size of the component to others in DHS as well as to the FY2015 request.



### FY2015 Request

The Administration requested \$675 million for departmental management, not including headquarters consolidation efforts. This included \$129 million for OSEM, \$129 million (\$6 million, or 5.2% above the FY2014 level) and \$195 million for USM (\$1 million, or 0.4% below the FY2014 level). The Administration requested \$95 million for OCFO and \$256 million for OCIO as well. Like headquarters consolidation, both OCFO and OCIO received funding through general provisions (Title V) in FY2014 for crosscutting initiatives, so direct comparison of their Title I appropriations has limited value.

### House-Reported H.R. 4903

H.R. 4903, as reported by the House Committee on Appropriations, included \$572 million for departmental management in Title I, \$50 million (8.0%) less than FY2014 and \$103 million (15.3%) less than requested by the Administration. As in the FY2014 appropriations report, the House Committee on Appropriations justified the reductions on the basis of the need to cover the

<sup>18</sup> Prepared by (name redacted), Analyst in American National Government, Government and Finance Division.

lack of revenue from unrealized funding proposals that were intended to offset the cost of the bill and the department's failure to comply with several statutory requirements for reports and plans that were included in previous appropriations acts. Additional reductions were taken at the full committee markup to offset increased appropriations for CBP and ICE efforts to deal with an increase in the number of unaccompanied alien children taken into custody on the southwest border.<sup>19</sup>

### Senate-Reported S. 2534

S. 2534, as reported by the Senate Committee on Appropriations, included \$619 million for departmental management in Title I, \$3 million (0.4%) less than FY2014, and \$56 million (8.3%) less than requested by the administration.

### P.L. 114-4

The total funding provided by P.L. 114-4 for Departmental Management in Title I was \$660 million. This was a decrease of \$87.8 million, or 11.7%, from the President's request of \$748 million, not including the funding for DHS headquarters consolidation at St. Elizabeths. See **Table 2** for additional detail.

#### Expenditure Plans and Investment Plans

Two documents commonly required by the appropriations committees as part of their oversight functions are expenditure plans and investment plans. Expenditure plans (also known as obligation, financial, or operating plans) are a response to the appropriation provided to a particular element of the department: Essentially, they outline what the element will do with the level of funding Congress has provided for the fiscal year. Investment plans have a longer-term perspective, and relate how an element plans to fund something (often a major capital investment) over the course of several years.

The House-reported bill and committee report directed the department to provide 13 "obligation and expenditure plans" through a single general provision.<sup>20</sup> The Senate-reported bill and committee report directed the department to provide 16 expenditure plans. Parameters for these plans are spelled out in both the House and Senate Appropriations Committee-reported bills and reports in various places.<sup>21</sup>

Three investment plans were required in the House-reported bill and committee report, while the Senate-reported bill and committee report required seven. Like the expenditure plans, parameters for these plans are spelled out in both the House and Senate Appropriations Committee-reported bills and reports in various places.

P.L. 114-4 and the accompanying explanatory statement called for obligation or expenditure plans for the following elements of DHS:<sup>22</sup>

- Office of Policy
- Office of Intergovernmental Affairs / Partnership and Engagement

<sup>19</sup> H.Rept. 113-481, p. 11.

<sup>20</sup> H.R. 4903, Sec. 514.

<sup>21</sup> H.Rept. 113-481, pp. 24-25; S.Rept. 113-198, pp. 16-17, p. 25.

<sup>22</sup> TSA is required to submit investment plans for air cargo, checkpoint security, and explosive detection systems activities under its Aviation Security appropriation, which include elements of (but also go beyond the parameters of) obligation and expenditure plans.

- Office of Civil Rights and Civil Liberties
- Citizenship and Immigration Services Ombudsman
- Office of Privacy
- Headquarters Consolidation
- Financial Service Modernization
- Office of the Inspector General
- Customs and Border Protection, all accounts
- Immigration and Customs Enforcement, Salaries and Expenses
- U.S. Coast Guard, Military Housing
- National Protection and Programs Directorate
- Office of Biometric Identity Management (specified separately from NPPD)
- Federal Emergency Management Agency, Automation Modernization
- Federal Emergency Management Agency, Disaster Relief Fund (base)
- Federal Law Enforcement Training Center, Salaries and Expenses

### *Office of the Secretary and Executive Management (OSEM)*

The Administration requested \$129 million for OSEM and 583 full-time employee equivalents (FTEs), \$6 million, or 5.2%, more than was provided in FY2014. The House-reported bill included \$100 million for OSEM, \$28 million (21.7%) less than requested. The Senate-reported bill included \$125 million, \$4 million (3.1%) less than requested. P.L. 114-4 provided \$133 million for OSEM, \$4 million (3.0%) more than requested.

The House- and Senate- reported bills provided that funds for the Immediate Office of the Secretary and the Immediate Office of the Deputy Secretary pay for costs associated with government aircraft use in support of official travel by the Secretary and the Deputy Secretary. The House committee required a quarterly report on the costs of the travel by the two officials, for both official and nonofficial purposes.

Because of “chronic, unacceptable delays in submitting statutorily required reports and plans,”<sup>23</sup> the House Appropriations Committee recommended that none of the department’s requests for the restoration of prior year funds be granted, no funding be provided for the Office of Legislative Affairs, and the entire appropriation be constrained to levels below the current funding. Within OSEM, the committee recommended funding the Office of Policy at an appropriation of less than \$32 million. For the Office for Civil Rights and Civil Liberties, the committee recommended an appropriation of \$22 million, including almost \$2.4 million for oversight of Secure Communities and the 287(g) program.

The Senate Appropriations Committee recommended an appropriation of \$5.8 million and five positions for employment-based case inquiries for the Citizenship and Immigration Services (CIS) Ombudsman and noted that the ombudsman had a 33% increase in employment-based

<sup>23</sup> H.Rept. 113-481, p. 8.

immigration inquiries from April 1, 2013, through March 2014. The committee recommended an appropriation of more than \$37 million for the Office of Policy, of which \$715,000 was to ensure that strategic guidance related to investments by the department translates into results. The committee explained that it denied the department's request to restore prior year funding reductions in OSEM offices because of "an insufficient justification" and "the Committee's intent to focus limited resources on the Department's critical operational missions."<sup>24</sup>

Noting that costs associated with DHS international activities increased by almost \$62 million and almost 300 positions since FY2014, the Senate Appropriations Committee also directed the department to develop a plan to reduce these costs by 10% in FY2015, and provide a briefing on "efforts to reduce unnecessary overlap and redundancies"<sup>25</sup> within 60 days after the act's enactment.

A program change included in the request for the CIS Ombudsman requested \$1 million and 3 FTEs for Employment-based Case Inquiries to assist employers in resolving problems with CIS.<sup>26</sup> The House Appropriations Committee report recommended \$2 million less than requested for this office, and the Senate Appropriations Committee report recommended a reduction of less than \$1 million, but neither document spoke explicitly to this particular matter.<sup>27</sup>

As in FY2014, P.L. 114-4 included a \$45,000 limit on the use of OSEM appropriations for official reception and representation expenses. Within 30 days after the act's enactment, the Secretary must submit to the House and Senate Committees on Appropriations and the Judiciary, the House Committee on Homeland Security, and the Senate Committee on Homeland Security and Governmental Affairs, a comprehensive plan to implement the biometric entry and exit data system, including estimated implementation costs.

The explanatory statement notes that funding has been realigned throughout the bill to support the initiative on Unity of Effort and directs the department to provide frequent updates on policies, procedures, and guidelines related to it.

### ***Under Secretary for Management (USM)***

The Administration requested \$195 million for the USM and 854 FTEs. The House-reported bill included \$175 million for the USM, \$20 million (10.3%) less than requested. The Senate-reported bill included \$193 million for the USM, \$2 million (1%) less than requested. P.L. 114-4 provided \$188 million for OSEM, \$8 million (4.0%) less than requested.

Several program changes were proposed under this appropriation in the Administration's request:

- The Office of the Chief Readiness Support Officer included a \$1 million reduction for contractor support and expenses;

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<sup>24</sup> S.Rept. 113-198, p. 11.

<sup>25</sup> S.Rept. 113-198, p. 17.

<sup>26</sup> Department of Homeland Security, *Congressional Budget Justification FY2015: Departmental Management and Operations, Office of the Secretary and Executive Management* (Washington, DC, 2014), p. OSEM-17.

<sup>27</sup> H.Rept. 113-481, p. 8; S.Rept. 113-198, p. 12.

- The Office of the Chief Human Capital Officer included a \$1 million reduction for contractor support and non-pay expenses. The Human Resources Information Technology (HRIT) request included a more than \$2 million increase in funding, divided between the Enterprise-wide Talent Management System (which automates training management), and HRIT portfolio management improvements;
- The Office of the Chief Procurement Officer included a reduction of nearly \$1.8 million and 18 FTEs for the Acquisition Professional Career Program, which helps develop the department's acquisition workforce.<sup>28</sup>

Both the House- and Senate-reported bills required the Under Secretary to submit a Comprehensive Acquisition Status Report at the same time as the President's budget is submitted and thereafter, 45 days after the completion of each quarter of the fiscal year.

Within USM, the House committee recommended funding of almost \$3 million for the Immediate Office of the Under Secretary and \$63 million for the Office of the Chief Procurement Officer. It directed the USM "to resume its efforts to compel the Department to adopt a zero-based budgeting approach to formulate"<sup>29</sup> the budget request and justification. The committee also recommended that the request for just over \$1 million to fund the Enterprise-wide Talent Management System be denied because "essential operations must be sufficiently supported and prioritized before additional funding can be considered for such administrative initiatives."<sup>30</sup>

The Office of the Chief Human Capital Officer (OCHCO) took a \$10 million (34.5%) cut in full committee markup to offset increased appropriations for CBP and ICE efforts to deal with an increase in the number of unaccompanied alien children taken into custody on the southwest border. This included zeroing out funding for the Human Resources Information Technology program, which the Senate-reported bill funded at \$8 million.<sup>31</sup>

Stating lengthy delays within the department in hiring new employees, the Senate Appropriations Committee directed DHS to report on a strategy to expedite the process, within 60 days after the act's enactment, and provide quarterly reports "on time to hire statistics by component."<sup>32</sup>

The law directed the USM to submit a Comprehensive Acquisition Status Report to the House and Senate Committees on Appropriations at the same time that the President submits his FY2016 budget and quarterly thereafter, not later than 45 days after the completion of each quarter. The explanatory statement directed that the report "contain all programs on the major acquisition oversight list and others of special interest" and display funding amounts by appropriation and PPA. A version of the report that is not "For Official Use Only" is to be posted on the department's website within 180 days after the act's enactment.<sup>33</sup> Additional directives included in

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<sup>28</sup> Department of Homeland Security, *Congressional Budget Justification FY2015: Departmental Management and Operations, Under Secretary for Management* (Washington, DC, 2014), pp. USM-6, 9, 11, 12, 14, and 16-17.

<sup>29</sup> H.Rept. 113-481, p. 20.

<sup>30</sup> H.Rept. 113-481, p. 21.

<sup>31</sup> H.Rept. 113-481, p. 11.

<sup>32</sup> S.Rept. 113-198, p. 23. The report noted that it took DHS an average of 146 days to hire an employee in 2013, including 106 days and 198 days, respectively, on average, to hire non-law enforcement employees and senior executive employees.

<sup>33</sup> "Explanatory Statement Submitted by Mr. Rogers of Kentucky, Chairman of the House Committee on (continued...)"

the explanatory statement provided that GAO develop a plan to review the department's major acquisition projects on an ongoing basis and that DHS report to the Appropriations Committees within 60 days after the act's enactment on a strategy to reduce hiring times and provide data on hiring timelines by component each quarter.<sup>34</sup>

### *Office of the Chief Financial Officer (OCFO)*

The Administration requested \$95 million for the OCFO and 212 FTEs. In FY2014, Title I included \$46 million for the OCFO, but Title V included an additional \$30 million for financial systems modernization efforts that are continued in the FY2015 request in Title I. The FY2015 request therefore represents a \$19 million, or 25%, increase above the total provided to the CFO in FY2014. The House-reported bill included \$39 million for OCFO under Title I, and \$30 million under Title V for the Financial Systems Modernization Program,<sup>35</sup> for a total OCFO investment of \$69 million, \$26 million (27.4%) below the amount requested. The Senate Appropriations Committee-reported bill included \$48 million for the OCFO under Title I, and \$40 million under Title V, for a total OCFO investment of \$98 million, \$2 million (2.1%) more than requested. P.L. 114-4 provided \$52 million for OCFO in Title I, and \$34 million in Title V, for a total OCFO investment of \$86 million, \$9 million (9.5%) less than requested.

Program changes for FY2015 included an increase of \$16 million for Component Financial Systems Modernization “to support requirements related to Component migrations to new financial systems,” as well as an increase of \$1 million and 4 additional FTEs to undertake a capabilities and requirements analysis “to implement improved investment lifecycle management.”<sup>36</sup>

The House- and Senate-reported bills both provided that the Secretary must submit the Future Years Homeland Security Program (FYHSP) at the same time as the President's budget is submitted. The Senate Appropriations Committee report specified that the FYHSP show funding by appropriation account and subordinate program, project, or activity and be accessible to the public.

Both House- and Senate-reported bills included a general provision requiring a Monthly Budget Execution and Staffing report within 30 days after the close of each month, with specifications for information to be included. The House-reported provision included several additional content requirements that were not included in the Senate-reported provision.<sup>37</sup> The House Appropriations Committee, in its report, justified its reductions to the OCFO request as being made “to offset the severe flaws of the budget request, including reliance upon unauthorized fee increases and the proposed, but unjustified reductions to the Department's operational components.” It also noted “the Department's chronic inability to comply with statutory reporting requirements,” and

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(...continued)

Appropriations, Regarding H.R. 240, the Department of Homeland Security Appropriations Act, 2015” (hereinafter “Explanatory Statement”), p. 8, available on the House Committee on Rules website at <http://docs.house.gov/billsthisweek/20150112/114-HR240-ES.pdf>.

<sup>34</sup> “Explanatory Statement,” p. 9.

<sup>35</sup> H.R. 4903, Sec. 539.

<sup>36</sup> Department of Homeland Security, *Congressional Budget Justification FY2015: Departmental Management and Operations, Office of the Chief Financial Officer* (Washington, DC, 2014), pp. OCFO-7–OCFO-11.

<sup>37</sup> H.R. 4903, Sec. 514; S. 2534, Sec. 513.

specifically reduced the Component Financial Systems Modernization by almost \$10 million to offset increased appropriations for CBP and ICE efforts to deal with an increase in the number of unaccompanied alien children taken into custody on the southwest border. The Senate Appropriations Committee explained that the recommendation for funding below the President's request was "due to program delays that have occurred since the budget request was formulated."<sup>38</sup>

The Senate Appropriations Committee report stated an expectation that the OCFO will "monitor the overuse of funding realignments by the Transportation Security Administration and the National Protection and Programs Directorate."<sup>39</sup>

P.L. 114-4 included a directive under the OCFO account that the Secretary of Homeland Security submit the Future Years Homeland Security Program to the House and Senate Committees on Appropriations at the same time as the President's FY2016 budget is submitted.

The explanatory statement directed the CFO to "maintain frequent communications" with the committees on Financial Systems Modernization (FSM) and to submit a detailed expenditure plan on the modernization within 45 days after the act's enactment.<sup>40</sup> A continuing general provision at Section 513 required the CFO to submit budget and staffing reports within 30 days after the end of each month.

### *Office of the Chief Information Officer (OCIO)*

The Administration requested \$256 million for the OCIO and 290 FTEs. In FY2014, Title I included \$257 million for the OCIO, but Title V included an additional \$42 million for data center consolidation which had previously been requested under Title I. The FY2015 request therefore represents a \$41 million decrease from the FY2014 funding level provided to OCIO overall, largely due to the conclusion of the data center consolidation initiative. The House Appropriations Committee-reported bill included \$257 million for the OCIO, \$1 million (0.3%) more than requested. The Senate Appropriations Committee-reported bill included \$254 million for the OCIO, \$2 million (0.9%) less than requested. P.L. 114-4 provided \$288 million for OCIO, \$32 million (12.4%) more than requested.

Net program changes totaling nearly \$2 million were requested. These included a nearly \$7 million increase for the Homeland Secure Data Network to cover rising operations and maintenance costs, and reductions of \$3 million<sup>41</sup> for information technology governance and oversight and nearly \$6 million<sup>42</sup> for information security and infrastructure activities.<sup>43</sup>

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<sup>38</sup> S.Rept. 113-198, p. 24.

<sup>39</sup> S.Rept. 113-198, p. 26.

<sup>40</sup> "Explanatory Statement," p. 10.

<sup>41</sup> The congressional justification, at p. OCIO-27 and p. OCIO-30, stated that the \$873,000 reduction in the Executive Correspondence Tracking System "will eliminate planned system upgrades and reduce contract support" and in DHS Hosting may, among other results, include "delayed responses for SharePoint requests, reduction in timely responses to customers for hosting requirements, and trouble shooting." A nearly \$2.3 million reduction will reduce program management support for the Enterprise Architecture Center of Excellence and decrease funding for the Geospatial Management Office, the Information Sharing Environment Office, and the Office of Accessible Systems and Technology (p. OCIO-30).

<sup>42</sup> The congressional justification, at pp. OCIO-31–OCIO-32, stated that this reduction would impact the capability of (continued...)

The House-reported bill provided that, within the total amount appropriated, \$93 million would fund salaries and expenses and almost \$164 million would support development and acquisition activities. Specifically, for the latter, the House Appropriations Committee recommended almost \$41 million for information technology activities, including \$2 million for the DHS Data Framework; \$53 million for infrastructure and security activities, including \$1 million for cyber remediation tools; and \$70 million for the Homeland Secure Data Network.

The Senate-reported bill provided that, within the total amount appropriated, \$95 million would fund salaries and expenses and almost \$159 million would support development and acquisition activities. Specifically, for the latter, the Senate Appropriations Committee recommended appropriations of almost \$39 million for information technology activities; \$52 million for infrastructure and security activities, including \$26 million to implement measures to protect classified information related to national security; and \$68 million for the Homeland Secure Data Network. In a general provision, the Senate-reported bill required the CIO to submit a multiyear investment plan, for 2015 through 2018, at the same time that the FY2016 budget is submitted to Congress.<sup>44</sup>

Within the OCIO account, \$99 million was provided for salaries and expenses and \$189 million<sup>45</sup> was to remain available until September 30, 2016, for the development and acquisition of information technology equipment, software, services, and related activities for the department. According to the explanatory statement, an additional \$1 million funds the DHS Data Framework initiative and an additional \$500,000 funds cyber remediation tools.<sup>46</sup>

Almost \$33 million and 25 FTE were realigned from Analysis and Operations to the OCIO for the Homeland Security Information Network Program and the Common Operating Picture in support of the Unity of Effort initiative.

The explanatory statement directed the CIO to brief the House and Senate Appropriations Committees on its execution of the “strategy to protect national security information held by DHS, including the cost and schedule details of the Homeland Secure Data Network, Identity Credential Access Management programs, and other large or multi-agency projects” within 90 days after the act’s enactment. The details of other efforts to protect classified information were to be included in the briefing.<sup>47</sup>

**Table 5** outlines the funding levels for existing management accounts requested and provided in Title I.

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(...continued)

the Information Technology Services Office to “perform independent technical analyses and assessments of network services provided by DHS” and “to evaluate service quality and level of performance ... alignment to customer requirements ... adherence to performance and security standards and the Enterprise Architecture, and use of best industry practices and innovation.”

<sup>43</sup> Department of Homeland Security, *Congressional Budget Justification FY2015: Departmental Management and Operations, Office of the Chief Information Officer* (Washington, DC, 2014), pp. OCIO-25–OCIO-32.

<sup>44</sup> S.Rept. 113-198, Sec. 545.

<sup>45</sup> This amount was allocated as follows: Information Technology Services (\$68 million), Infrastructure and Security Activities (almost \$53 million), and Homeland Secure Data Network (\$68 million).

<sup>46</sup> “Explanatory Statement,” p. 11.

<sup>47</sup> “Explanatory Statement,” p. 11.

**Table 5. DHS Management Account Appropriations, FY2014-FY2015**  
(budget authority in rounded millions of dollars)

Appropriation / Sub-Appropriation	FY2014	FY2015			
	Enacted	Request	House-Reported H.R. 4903	Senate-Reported S. 2534	P.L. 114-4
<b>Office of the Secretary and Executive Management</b>	<b>122</b>	<b>129</b>	<b>100</b>	<b>125</b>	<b>133</b>
Immediate Office of the Secretary	4	4	4	4	8
Immediate Office of the Deputy Secretary	2	2	2	2	2
Office of the Chief of Staff	2	2	2	2	3
Executive Secretary	7	8	7	7	6
Office of Policy	37	38	32	38	38
Office of Public Affairs	9	9	8	9	6
Office of Legislative Affairs	5	5	0	5	5
Office of Intergovernmental Affairs	2	2	2	2	10
Office of General Counsel	20	21	18	20	20
Office of Civil Rights and Civil Liberties	22	22	22	22	22
Citizenship and Immigration Services Ombudsman	5	6	5	6	6
Privacy Officer	8	8	8	8	8
Unspecified Reduction			-10 <sup>a</sup>		
<b>Under Secretary for Management</b>	<b>196</b>	<b>195</b>	<b>175</b>	<b>193</b>	<b>188</b>
Immediate Office of the Under Secretary	3	4	3	3	3
Office of Security	64	63	63	63	64
Office of the Chief Procurement Officer	65	64	63	64	60
Office of the Chief Human Capital Officer	30	31	19	29	27
Office of the Chief Readiness Support Officer	35	34	27	34	33
<b>Office of the Chief Financial Officer</b>	<b>46</b>	<b>95</b>	<b>39</b>	<b>48</b>	<b>52</b>
<b>Office of the Chief Information Officer</b>	<b>257</b>	<b>256</b>	<b>257</b>	<b>254</b>	<b>288</b>
<b>DHS Headquarters Consolidation</b>	<b>0</b>	<b>73</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total, Departmental Management<sup>b</sup></b>	<b>622</b>	<b>748</b>	<b>572</b>	<b>619</b>	<b>660</b>

**Sources:** CRS analysis of FY2014 explanatory statement, FY2015 DHS congressional justifications, H.R. 4903, H.Rept. 113-481, S. 2534, S.Rept. 113-198, and P.L. 114-4 and its explanatory statement as printed in the *Congressional Record* of January 13, 2015, pp. H275-H322.

**Notes:** Table displays rounded numbers, but all operations were performed with unrounded data: therefore, amounts may not sum to totals.

- a. The House-reported appropriations for the OSEM, the USM, and the OCFO were changed in a Manager's Amendment offered by Representative John Carter and agreed to by the House committee during markup on June 11, 2014. Unlike in the case of the reductions to the USM and the OCFO, the reduction to the OSEM was not made from a specific subappropriation, so it is unclear which activities would receive reduced funding.
- b. This line only reflects funding for DHS Headquarters Consolidation included in Title I of the DHS appropriations legislation. Other funding has been provided under Coast Guard accounts and in general provisions in previous years. See the section below for more explicit funding details.

## Issues for Congress

Several issues related to departmental management and administration have been discussed in recent hearings. Among the issues were those related to the Senior Executive Service, the use of Administratively Uncontrollable Overtime (AUO), spending on agency-sponsored conferences, initiatives to enhance the DHS workforce, and delays in submitting reports mandated by the appropriations committees. Brief discussions for each of these issues follow.

### *Senior Executive Service (SES)*

A March 13, 2014, hearing on the department's budget request for FY2015 conducted by the Senate Committee on Homeland Security and Governmental Affairs included discussion of the SES<sup>48</sup> at DHS. Senator Claire McCaskill asked Secretary Jeh Johnson to examine the mobility of executives within the department, including how many members of the SES have worked for more than one DHS component during their careers.<sup>49</sup> The Office of Personnel Management's FedScope database provides information on the number of SES members. As of September 2014 (most current available), there were 598 members of the SES at DHS. Most of the SES members were at Headquarters (139) and Customs and Border Protection (108).<sup>50</sup> This total places the department second among the fifteen Cabinet Agencies in terms of number of SES employees. Other departments in a ranking of the top six in this regard were Justice (767), Treasury (464), Defense (464),<sup>51</sup> Energy (462), and Health and Human Services (420).

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<sup>48</sup> According to the Office of Personnel Management, "The keystone of the Civil Service Reform Act of 1978, the SES was designed to be a corps of executives selected for their leadership qualifications. Members of the SES serve in the key positions just below the top Presidential appointees, ... are the major link between these appointees and the rest of the Federal work force, [and] operate and oversee nearly every government activity." ([http://www.opm.gov/policy-data-oversight/senior-executive-service/.](http://www.opm.gov/policy-data-oversight/senior-executive-service/))

<sup>49</sup> CQ Congressional Transcripts, "Senate Homeland Security and Governmental Affairs Committee Holds Hearing on President Obama's Proposed Fiscal 2015 Budget Request for the Homeland Security Department," March 13, 2014, available at <http://www.cq.com/doc/congressionaltranscripts-4441415?0>.

<sup>50</sup> U.S. Office of Personnel Management, FedScope database, Employment cubes, Agency Parameter set to Cabinet Level Agencies and Pay Plan and Grade Parameter set to Senior Executive Service, available at <http://www.fedscope.opm.gov/ibmcognos/cgi-bin/cognosisapi.dll>.

<sup>51</sup> When the Departments of the Air Force (158), Army (281), and Navy (305) are included, the aggregate total for the Department of Defense was 1,208 as of September 2014.

The Senate Committee on Appropriations noted the 198 days, on average, that it takes the department to hire senior executives and directed DHS to report, within 60 days of enactment, on the strategy to improve this circumstance.

In a September 22, 2014, news release, Secretary Johnson provided data on senior DHS positions filled over the last nine months and stated: “there have been 12 presidential appointments to senior-level positions.... Each of these appointees ha[s] pledged to serve until at least the end of this Administration. In fact, 90 percent of all positions at the SES level and above across this 240,000-person Department are now filled.”<sup>52</sup> The news release listed each position and its incumbent and was issued in response to a *Washington Post* article on turnover at DHS.<sup>53</sup>

### ***Administratively Uncontrollable Overtime (AUO)***

Another hearing conducted by the Senate Committee on Homeland Security and Governmental Affairs, on January 28, 2014, examined the improper use of AUO by employees of Customs and Border Patrol who were not eligible for those payments.<sup>54</sup> In a letter to President Barack Obama on October 31, 2013, Special Counsel Carolyn Lerner expressed “deep concerns about long-standing abuse of [AUO] overtime payments” by DHS and stated that “there remain serious questions about the agency’s ability or willingness to adequately address the AUO abuse issue.”<sup>55</sup> The department’s Chief Human Capital Officer, Catherine Emerson, told the committee members that DHS Secretary Jeh Johnson issued a memorandum on January 27, 2014, that “directed the heads of DHS components to suspend the use of AUO for certain categories of employees.” She also testified that “a comprehensive review of the use of AUO across the department” was underway within DHS under the direction of the Office of General Counsel.<sup>56</sup> The House and Senate Committees on Appropriations might be interested in the findings and recommendations that result from this review as the Special Counsel estimated that, “According to information provided by the whistleblowers, abuse of AUO” at the department costs “approximately \$8.7 million annually.”<sup>57</sup>

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<sup>52</sup> U.S. Department of Homeland Security, “Statement by Secretary Johnson About Today’s *Washington Post* Story on DHS,” September 22, 2014, available at <http://www.dhs.gov/news/2014/09/22/statement-secretary-johnson-about-todays-washington-post-story-dhs>.

<sup>53</sup> Jerry Markon, Ellen Nakashima and Alice Crites, “Top-level turnover makes it harder for DHS to stay on top of evolving threats,” *Washington Post*, September 21, 2014, available at [http://www.washingtonpost.com/politics/top-level-turnover-makes-it-harder-for-dhs-to-stay-on-top-of-evolving-threats/2014/09/21/ca7919a6-39d7-11e4-9c9f-ebb47272e40e\\_story.html](http://www.washingtonpost.com/politics/top-level-turnover-makes-it-harder-for-dhs-to-stay-on-top-of-evolving-threats/2014/09/21/ca7919a6-39d7-11e4-9c9f-ebb47272e40e_story.html).

<sup>54</sup> Office of Personnel Management (OPM) regulations state that AUO may be paid “to an employee in a position in which the hours of duty cannot be controlled administratively and which requires substantial amounts of irregular or occasional overtime work, with the employee generally being responsible for recognizing, without supervision, circumstances which require the employee to remain on duty.” Title 5, *Code of Federal Regulations*, Section 550.151.

<sup>55</sup> Letter to President Barack Obama from Carolyn N. Lerner, Special Counsel, October 31, 2013, available at <http://www.osc.gov/FY2014/14-1%20DI-13-0002/14-1%20DI-13-0002%20-%20Letter%20to%20the%20President.pdf>.

<sup>56</sup> CQ Congressional Transcripts, “Senate Homeland Security Subcommittee on Efficiency and Effectiveness of Federal Programs and the Federal Workforce Holds Hearing on the Homeland Security Department’s Overtime Policy,” January 28, 2014, available at <http://www.cq.com/doc/congressionaltranscripts-4416309?29>.

<sup>57</sup> Letter to President Barack Obama from Carolyn N. Lerner, Special Counsel, October 31, 2013, available at <http://www.osc.gov/FY2014/14-1%20DI-13-0002/14-1%20DI-13-0002%20-%20Letter%20to%20the%20President.pdf>.

The House Committee on Appropriations stated that certain accounts under CBP and NPPD were reduced because of “expected budgetary savings from improvements to AUO oversight and management.”<sup>58</sup> The committee directed the department to submit the results of the OIG’s review and the Office of Special Counsel’s investigations within 15 days of enactment. Within the same timeframe, the committee directed DHS to report on the compliance plans and internal controls developed in response to the Deputy Secretary’s May 23, 2014, memorandum on AUO.

The Senate Committee on Appropriations stated its expectation that it be regularly updated as DHS works to improve AUO administration.

The explanatory statement notes that the excessive use of AUO overtime by NPPD was inappropriate, states that the budget request for Infrastructure Security Compliance was reduced, and directs NPPD to brief the Appropriations Committees on implementation of the new overtime policies and “overtime year-to-date and anticipated expenditures” by May 1, 2015.<sup>59</sup>

### *Spending on Conferences*

Since FY2012, executive branch agencies must report annually to the Office of Management and Budget (OMB) on agency-sponsored conferences with expenses in excess of \$100,000.<sup>60</sup> The DHS annual reports on conference expenditures for FY2012, FY2013, and FY2014 are available on the department’s website.<sup>61</sup>

In addition, a general provision carried in the DHS Appropriations Act since FY2013<sup>62</sup> limits the use of appropriated funds to pay for DHS employee participation at international conferences.<sup>63</sup> Attendance was permitted if the Secretary, or a designee, determined that it was in the national interest and notified the House and Senate Committees on Appropriations within at least 10 days of that determination and the basis for it. The DHS congressional justification proposed that the provision be deleted “because it was a onetime directive, restricts the Department’s ability to use and manage appropriated resources, and infringes upon the Department’s ability to manage administrative functions.”<sup>64</sup>

The House and Senate Committees on Appropriations, and Section 553 of P.L. 114-4, continued this prohibition for FY2015. Within 30 days after the end of FY2015, the committees directed the OIG to report on the department’s expenditures on events. The report must assess DHS’ compliance with laws and regulations and include the total cost of events, the number of

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<sup>58</sup> H.Rept. 113-481, p. 15.

<sup>59</sup> “Explanatory Statement,” p. 46.

<sup>60</sup> U.S. Executive Office of the President, Office of Management and Budget, Memorandum to the Heads of Executive Departments and Agencies, Promoting Efficient Spending to Support Agency Operations, May 11, 2012, M-12-12, p. 4, available at <http://www.whitehouse.gov/sites/default/files/omb/memoranda/2012/m-12-12.pdf>.

<sup>61</sup> U.S. Department of Homeland Security, “Annual Report on Conferences,” available at <https://www.dhs.gov/publication/annual-report-conferences>.

<sup>62</sup> Section 569 of Division F of P.L. 113-6.

<sup>63</sup> International conference means a conference occurring outside of the United States attended by representatives of the U.S. government and of foreign governments, international organizations, or nongovernmental organizations.

<sup>64</sup> U.S. Department of Homeland Security, *Title V Fiscal Year 2014 Explanation of Changes—General Provisions*, pp. 18-19.

conferences held, the amount of funds obligated, and expenses by appropriation account or subaccount or other funding source.

### ***Enhancing the DHS Workforce***

The department's strategic plan for FY2012 through FY2016 included a goal related to enhancing the DHS workforce. The plan stated that, among other initiatives, DHS would develop career paths for employees to provide mobility within the department; provide opportunities for rotational assignments throughout the department; increase diversity in the workforce, especially at senior levels; and sustain a program on employee recruitment to improve the diversity of applicant pools, especially with regard to women, minorities, and veterans.<sup>65</sup> The House and Senate Committees on Appropriations might include consideration of the department's progress in achieving these workforce improvements as part of its oversight of DHS staffing needs.

The House Committee on Appropriations specifically addressed workforce issues related to employee morale and innovation, and awards. Stating its concern with "persistent findings of low morale and a weak environment for innovation across the Department,"<sup>66</sup> the committee directed DHS to provide information on its plan to correct these deficiencies, including the underlying causes and metrics to measure improvements that are clear and measurable. The information must be provided within 60 days after the act's enactment. The committee also directed DHS to include with the President's budget request estimated amounts for bonuses and performance awards, by component, for FY2016 and the standards and criteria underlying them.

### ***Congressionally Mandated Reports***

The department's lack of timely compliance with reporting requirements placed on it by Congress has been an ongoing issue for a number of years. At times, Congress has chosen to withhold funding for certain activities until requested or required reports are submitted. In the FY2014 act, no funds were withheld from management accounts, "to afford the new leadership of the Department an opportunity to demonstrate compliance with the law."<sup>67</sup>

During the House Committee on Appropriations March 11, 2014, hearing on the Department of Homeland Security's FY2015 budget proposal, the chairman of the Subcommittee on Homeland Security, Representative John Carter, and the chairman of the full committee, Representative Hal Rogers, noted the department's delay in providing reports that the committee had mandated. Chairman Carter stated that the budget proposal "does not comply with the law, as it is missing some 20 reports and expenditure plans required to be submitted with the budget." Chairman Rogers said that "Once again, the department has failed to submit a number of plans and reports which are essential to help this committee do its work.... These are not merely suggestions or requests. They're required by law."<sup>68</sup> For FY2015, the House committee stated that it "will not

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<sup>65</sup> U.S. Department of Homeland Security, "Strategic Plan Fiscal Years 2012-2016" (Washington: DHS, February 2012), pp. 25-26, available at <http://www.dhs.gov/xlibrary/assets/dhs-strategic-plan-fy-2012-2016.pdf>.

<sup>66</sup> H.Rept. 113-481, p. 18.

<sup>67</sup> Explanatory Statement, p. 3.

<sup>68</sup> CQ Congressional Transcripts, "House Appropriations Homeland Security Subcommittee Holds Hearing on Department of Homeland Security Budget for F.Y. 2015," March 11, 2014, available at <http://www.cq.com/doc/congressionaltranscripts-4437846?34>.

reconsider reductions to OSEM, or a restoration [of] funding to support OLA, until the Department complies with all statutory requirements and submits a responsible budget proposal that adequately supports essential mission requirements for frontline operations.”<sup>69</sup>

Likewise, the Senate committee stated: “Whatever the causes are for the delays in getting required information to the Committee, the expectation is that the Department’s performance will improve. In certain circumstances, a significant portion of a component’s appropriation is withheld from obligation until the required report is submitted.”<sup>70</sup>

Expressing concern about the increased use of the designation “For Official Use Only” (FOUO) on reports, briefings, and information, the House committee directed the department to include the name(s) and title(s) of the person(s) making the designation and the reasons for it, under DHS Management Directive 11042.1,<sup>71</sup> on all responses that are classified as FOUO.<sup>72</sup>

The Senate-reported bill directed the agencies under DHS to post reports required by the House and Senate Committees on Appropriations on their public websites upon determination by the agency head that such would serve the national interest and unless such action compromises homeland or national security or contains proprietary information. The posting would occur only after a report has been available to the requesting committee(s) for at least 30 days.<sup>73</sup> Section 565 of P.L. 114-4 included this provision, but provided that the posting would occur only after a report has been available to the requesting committee(s) for at least 45 days.

The explanatory statement directed that documents submitted to the House and Senate Committees on Appropriations that are classified as FOUO must include specific reasons for the classification based on the requirements of DHS Management Directive 11042.1 and noted that the signatories of the documents would be accountable for verifying the classification.<sup>74</sup>

## DHS Headquarters Consolidation<sup>75</sup>

As of July 2014, the Department of Homeland Security’s headquarters footprint occupies more than 9 million rentable square feet of office space in 50 separate locations in the greater Washington, DC, area.<sup>76</sup> This is largely a legacy of how the department was assembled in a short period of time from 22 separate federal agencies that were themselves spread across the National Capital region. The fragmentation of headquarters is cited by the department as a major contributor to inefficiencies, including time lost shuttling staff between headquarters elements; additional security, real estate, and administrative costs; and reduced cohesion among the components that make up the department.

<sup>69</sup> H.Rept. 113-481, p. 8.

<sup>70</sup> S.Rept. 113-198, p. 15.

<sup>71</sup> U.S. Department of Homeland Security, “Safeguarding Sensitive But Unclassified (For Official Use Only) Information,” January 6, 2005.

<sup>72</sup> H.Rept. 113-481, p. 18.

<sup>73</sup> S. 2534, Sec. 562.

<sup>74</sup> “Explanatory Statement,” p. 5.

<sup>75</sup> Prepared by (name redacted), Analyst in Emergency Management and Homeland Security Policy, Government and Finance Division.

<sup>76</sup> U.S. Government Accountability Office, *DHS and GSA Need to Strengthen the Management of DHS Headquarters Consolidation*, GAO-14-648, September 19, 2014, p. 4, <http://www.gao.gov/products/GAO-14-648>.

To unify the department's headquarters functions, the department and General Services Administration (GSA) approved a \$3.4 billion master plan to create a new DHS headquarters on the grounds of St. Elizabeths in Anacostia. According to GSA, this would be the largest federal office construction since the Pentagon was built during World War II. Originally, \$1.4 billion of this project was to be funded through the DHS budget, and \$2 billion through the GSA.<sup>77</sup> Phase 1A of the project—a new Coast Guard headquarters facility—has been completed with the funding already provided by Congress and is now in use.

Not all DHS functions in the greater Washington, DC, area are slated to move to the new facility. The Administration has sought funding several times in recent years for consolidation of some of those other offices to fewer locations to save money on lease costs.

### **FY2015 Request**

The Administration requested a total of \$323 million for the consolidation of DHS headquarters at St. Elizabeths—\$250 million of this was requested through GSA, and \$73 million through DHS. \$57.7 million of the FY2015 request for DHS is to complete partially-funded work on the center building, where the Secretary's office is to be located, and \$15.3 million for operational costs associated with the current campus.

### **House-Reported H.R. 4903**

House-reported H.R. 4903 included no funding for the consolidation of DHS headquarters at St. Elizabeths. The accompanying report directs the DHS Chief Readiness support officer to provide an update to the committee on plans for expending the project's prior-year appropriations, and to provide an updated alternatives analysis for headquarters consolidation that takes into account the current constrained budget environment.<sup>78</sup>

### **Senate-Reported S. 2534**

Senate-reported S. 2534 included no funding for the consolidation of DHS headquarters at St. Elizabeths in Title I of the bill. However, a general provision provides \$49 million to fund operating support costs and completion of the center building.<sup>79</sup>

### **P.L. 114-4**

P.L. 114-4 as enacted included almost \$49 million for the headquarters consolidation project in the act's general provisions. Together with the enacted FY2015 appropriation for GSA, this brings the total appropriated for the project to more than \$1.75 billion—\$543 million for DHS and \$1,207 million to GSA through FY2015.

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<sup>77</sup> U.S. Congress, House Committee on Appropriations, Subcommittee on Homeland Security, *Homeland Security Headquarters Facilities*, 111<sup>th</sup> Cong., 2<sup>nd</sup> sess., March 25, 2010 (Washington: GPO, 2010), pp. 335-366.

<sup>78</sup> H.Rept. 113-481, p. 23.

<sup>79</sup> Email exchange with Senate Appropriations staff, August 28, 2014.

## Issues for Congress

In 2013, DHS released an updated construction schedule for the consolidated headquarters based on annual construction of 300,000 square foot “useable segments” as opposed to the coordinated construction plan originally envisioned for the process. Following that schedule, the completion date of the headquarters would be pushed back to 2026, and the projected cost would rise to \$4.5 billion. However, DHS is working on a rebaselining of the requirements that were originally laid out in its master plan for construction to take into account evolution of the department and of workplace strategies since the project was first developed.

On September 19, 2014, the Government Accountability Office released a report criticizing DHS and GSA for not following best practices in developing their cost and schedule estimates. At a hearing before the House Committee on Homeland Security’s subcommittee on Oversight and Management Efficiency, DHS agreed with the findings of the GAO report, and indicated that with the FY2016 appropriations request, DHS would provide an “enhanced project plan,” which would meet GAO’s concerns. Congress may wish to examine this enhanced plan for the use of the St. Elizabeths facility to determine if that is the case.

Aside from traditional debate over the amount of discretionary spending for the project, Congress may also wish to explore alternative means of financing the multi-billion dollar project. However, any statutory authorization of such financing would typically not be carried in the DHS appropriations bill.

## Analysis and Operations<sup>80</sup>

Funds included in the Analysis and Operations account support both the Office of Intelligence and Analysis (I&A) and the Office of Operations Coordination and Planning (OPS). I&A is responsible for managing the DHS intelligence enterprise and for collecting, analyzing, and sharing intelligence information for and among all components of DHS, and with the state, local, tribal, and private sector homeland security partners. Because I&A is a member of the intelligence community,<sup>81</sup> its budget comes in part from the classified National Intelligence Program.<sup>82</sup> OPS develops and coordinates departmental and interagency operations plans. It also manages the National Operations Center, the primary 24/7 national-level hub for domestic incident management, operations coordination, and situational awareness, fusing law enforcement, national intelligence, emergency response, and private sector information.

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<sup>80</sup> Prepared by (name redacted), Specialist in Organized Crime and Terrorism, Domestic Social Policy Division.

<sup>81</sup> The intelligence community (IC), as defined in 50 U.S.C. 401a(4), includes the Central Intelligence Agency, the National Security Agency, the National Reconnaissance Office, the National Geospatial-Imagery Agency, the Defense Intelligence Agency, the Bureau of Intelligence and Research of the State Department, the Office of Intelligence and Analysis of the Treasury Department, and DHS’s I&A, as well as intelligence elements within the Federal Bureau of Investigation, the Drug Enforcement Administration, the Department of Energy, the Army, the Navy, the Air Force, the Marine Corps, and the Coast Guard.

<sup>82</sup> The National Intelligence Program “funds Intelligence Community (IC) activities in six Federal departments, the Central Intelligence Agency, and the Office of the Director of National Intelligence. The IC provides intelligence collection, the analysis of that intelligence, and the responsive dissemination of intelligence to those who need it—including the President, the heads of Executive Departments, military forces, and law enforcement agencies.” See <http://www.gpo.gov/fdsys/pkg/BUDGET-2013-BUD/pdf/BUDGET-2013-BUD-8.pdf>.

Analysis and Operations (A&O)

(\$millions, discretionary budget authority)

FY2015



**FY2015 Request**

The FY2015 request for the Analysis and Operations account was \$302.3 million, an increase of \$1.8 million (0.6%) from the enacted FY2014 level of \$300.5 million. The account request included funding for 850 FTE, an increase of 5 FTE from 2014.

**House-Reported H.R. 4903**

House-reported H.R. 4903 included \$274 million in appropriations for the Analysis and Operations account, \$27.9 million (9.2%) below the amount requested. According to H.Rept. 113-481, the House Committee on Appropriations reduced funding for OPS because of an inadequate justification and a lack of clarity regarding the alignment of OPS’s mission (and strategic goals) to its personnel structure. The committee noted that the reduction helped offset “severe flaws” in DHS’s request for frontline operations and enforcement. Also, the committee denied the requested decrease to the Border Intelligence Fusion Section led by I&A and located at the El Paso Intelligence Center in El Paso, TX. Additionally, the committee required DHS to submit a comprehensive inventory of all DHS operations centers within 60 days of enactment of the appropriation.

**Senate-Reported S. 2534**

Senate-reported S. 2534 included \$295 million for the Analysis and Operations Account, \$7 million (2.0%) below the amount requested. According to S.Rept. 113-198, the Senate Committee on Appropriations required DHS’s Chief Intelligence Officer (the Under Secretary for I&A) to brief the Committee on the I&A expenditure plan for FY2015 no later than 60 days after the enactment of DHS appropriations. The committee stipulated that the plan should include the following elements:

- fiscal year 2015 expenditures and staffing allotted for each program as compared to fiscal years 2013 and 2014;
- all funded versus on-board positions, including federal FTE, contractors, and reimbursable and nonreimbursable detailees;
- a plan, including dates or timeframes for achieving key milestones;
- allocation of funding within each PPA for individual programs and a description of the desired outcomes for fiscal year 2015; and

- actions taken to address the recommendations in GAO report (GAO–14–397), “Additional Actions Needed to Address Analytic Priorities and Workforce Challenges.”<sup>83</sup>

The Committee also directed I&A to continue semiannual briefings on the State and Local Fusion Centers program.

## P.L. 114-4

Title I of P.L. 114-4 (the Homeland Security Appropriations Act of 2015) provided \$255.8 million in appropriations for Analysis and Operations, \$46.5 million below the amount requested by the Administration, \$18.2 million less than in House-reported H.R. 4903, and \$39.2 million less than in Senate-reported S. 2534.

## Issues for Congress

Several issues have dogged I&A in recent years. Some arose in the 2014 Senate nomination hearings for Francis X. Taylor to the post of DHS Under Secretary for Intelligence and Analysis.<sup>84</sup> These included whether I&A has a mission that is clearly understood by its employees, to what extent I&A provides useful intelligence products to its customers, how to improve low employee morale, and to what degree state and major urban area fusion centers<sup>85</sup> (supported by I&A) enhance federal counterterrorism efforts.<sup>86</sup>

## Office of the Inspector General<sup>87</sup>

The DHS Office of the Inspector General (OIG) is intended to be an independent, objective body that conducts audits and investigations of the department’s activities to prevent waste, fraud, and abuse. The OIG keeps Congress informed about problems within the department’s programs and operations; ensures DHS information technology is secure pursuant to the Federal Information Security Management Act; and reviews and makes recommendations regarding existing and

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<sup>83</sup> U.S. Government Accountability Office, *DHS Intelligence Analysis: Additional Actions Needed to Address Analytic Priorities and Workforce Challenges*, GAO-14-397, June 2014.

<sup>84</sup> Taylor became Under Secretary on April 14, 2014. See <http://www.dhs.gov/person/francis-x-taylor>.

<sup>85</sup> See <http://www.dhs.gov/state-and-major-urban-area-fusion-centers>.

<sup>86</sup> Senate Select Committee on Intelligence, “Open Hearing: Nomination of John P. Carlin to be Assistant Attorney General for National Security at the Department of Justice, and Nomination of Francis X. Taylor to be the Under Secretary for Intelligence and Analysis at the Department of Homeland Security,” February 25, 2014, <http://www.intelligence.senate.gov/hearings.cfm?hearingid=f00b2bec76ceca7ac77335d8aa10cf0a&witnessId=f00b2bec76ceca7ac77335d8aa10cf0a-0-2>; Senate Committee on Homeland Security and Governmental Affairs, “Nominations of L. Reginald Brothers, Jr., to be Under Secretary for Science and Technology, U.S. Department of Homeland Security, and Hon. Francis X. Taylor to be Under Secretary for Intelligence and Analysis, U.S. Department of Homeland Security,” March 5, 2014, <http://www.hsgac.senate.gov/hearings/nominations-of-l-reginald-brothers-jr-to-be-under-secretary-for-science-and-technology-us-department-of-homeland-security-and-hon-francis-x-taylor-to-be-under-secretary-for-intelligence-and-analysis-us-department-of-homeland-security>.

<sup>87</sup> Prepared by (name redacted), Analyst in American National Government, Government and Finance Division, and (name redacted), Analyst in Emergency Management and Homeland Security Policy, Government and Finance Division.

proposed legislation and regulations related to the department. The OIG reports to Congress and the Secretary of DHS.<sup>88</sup>

Office of the Inspector General (OIG)	<i>(\$millions, discretionary budget authority)</i>
FY2015	
Appropriation Request: \$121	
House Reported: \$120	
Senate Reported: \$119	
FY2015 P.L. 114-4: \$119	

### FY2015 Request

The Administration requested a \$121 million appropriation for the OIG, \$6 million (5.2%) more than was appropriated in FY2014.

The Administration also requested a \$24 million transfer from the Disaster Relief Fund (DRF) specifically for oversight of disaster relief activities. Transfers from the DRF are a long-standing means of supporting the DHS OIG’s annual budget for oversight of disaster relief, first occurring in FY2004, the first annual appropriations act for the department.<sup>89</sup>

### House-Reported H.R. 4903

House-reported H.R. 4903 included a \$120 million appropriation for the OIG, \$1 million (0.9%) below the amount requested, and \$5 million (4.3%) above the amount appropriated in FY2014. The House-reported bill included the requested transfer from the DRF for disaster relief oversight activities.

### Senate-Reported S. 2534

Senate-reported S. 2534 included a \$119 million appropriation for the OIG, \$3 million (2.3%) below the amount requested, and \$3 million (2.8%) above the amount appropriated in FY2014. Like the House-reported bill, the Senate-reported bill included the requested transfer from the DRF for disaster relief oversight activities.

### P.L. 114-4

Like the Senate-reported bill, P.L. 114-4 included a \$119 million appropriation for the OIG, \$3 million (2.3%) below the amount requested, and \$3 million (2.8%) above the amount appropriated in FY2014. Like both the House- and Senate-reported bills, P.L. 114-4 included the requested transfer from the DRF for disaster relief oversight activities.

<sup>88</sup> H.Rept. 112-469, p. 25.

<sup>89</sup> P.L. 108-90.

## Issues for Congress

Issues surrounding the DHS OIG are generally issues that impact the broader oversight community, or are issues that are shared throughout the broader community of inspectors general. Although two such issues are briefly highlighted below, a much fuller analysis is available in the discussion of statutory Offices of Inspectors General in CRS Report RL30240, *Congressional Oversight Manual*, by (name redacted) et al.

## OIG Mandates

It is common practice for authorization and appropriations bills and reports to direct the OIG to conduct specific work in addition to its ongoing audit and inspection activities. These mandates are frequently placed on the OIG without providing additional resources to fund the work required.

According to the DHS OIG, as of the submission of the FY2015 budget request, it will have to comply with 30 separate mandates from Congress (as well as one under an Executive Order) in FY2014. Requirements established in executive orders and in law aside from the FY2014 appropriations process will require publication of at least 19 individual reports, audits, or reviews in FY2014. In addition, through the FY2014 appropriations process, the OIG was mandated to produce seven reviews, reports, and spend plans, as well as to provide semiannual and quarterly briefings on two topics.<sup>90</sup>

The House and Senate reports for FY2015 directed that the OIG:

- Provide a detailed spending plan for the office, including work on corruption at the U.S. border;<sup>91</sup> and
- Report to Congress on event-related spending and conferences.<sup>92</sup>

In addition, the House report directed the OIG to provide a semi-annual briefing to the committee on its waste and fraud prevention efforts.<sup>93</sup> The Senate report directed the OIG work with the Deputy Secretary to provide a status update on their work with CBP and ICE to “further address the process for investigating cases of corruption of DHS employees.”<sup>94</sup> No additional direction was provided in the explanatory statement accompanying P.L. 114-4.

## OIG Accountability

Recently questions regarding the objectivity and quality of the oversight provided by the DHS Inspector General (IG) drew public attention. John Roth was confirmed as the DHS IG on March 13, 2014, but from March 1, 2011, until that date, DHS did not have a Senate-confirmed Inspector

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<sup>90</sup> Department of Homeland Security, “Status of Congressionally Requested Studies, Report, and Evaluations,” *Congressional Budget Justification FY2015: Office of Inspector General, One-Time Exhibits* (Washington, DC, 2014), OIG-5 through OIG-10.

<sup>91</sup> H.Rept. 113-481, p. 31, and S.Rept. 113-198, pp. 30-31.

<sup>92</sup> H.Rept. 113-481, p. 18, and S.Rept. 113-198, p. 31.

<sup>93</sup> H.Rept. 113-481, p. 31.

<sup>94</sup> S.Rept. 113-198, p. 17.

General. Charles Edwards, who served as Acting Inspector General and Deputy Inspector General during most of this period, came under scrutiny on the basis of whistleblower allegations of misconduct.<sup>95</sup> The Integrity Committee of the Council of the Inspectors General on Integrity and Efficiency, which was created by the Inspector General Reform Act of 2008,<sup>96</sup> facilitates the oversight of these intentionally independent oversight bodies, and is investigating these allegations.<sup>97</sup>

In 2013, the Subcommittee on Financial and Contracting Oversight of the Senate Homeland Security and Government Affairs Committee launched its own investigation of these allegations, and released its report on April 24, 2014. Mr. Edwards had asked for and received a transfer to a separate component of DHS in December 2013—shortly before he was expected to testify before the subcommittee. Secretary Jeh Johnson placed Mr. Edwards on administrative leave upon the release of the subcommittee’s report, pending a review of his employment.<sup>98</sup>

### ***GAO Report on DHS OIG’s Structure Policies and Procedures***

The explanatory statement accompanying the Homeland Security Appropriations Act, 2013,<sup>99</sup> tasked the Government Accountability Office with reviewing the OIG’s organizational structure to ensure compliance with the independence standards for inspectors general. The report, released September 26, 2014, found that “The OIG’s organizational structure, roles, and responsibilities are generally consistent with the Inspector General (IG) Act of 1978, as amended,” but went on to note several areas for improvement, and indicated that although their policies and procedures were consistent with independence standards, senior officials did not adequately document their independence as required by those policies.<sup>100</sup>

One issue before Congress may be to ensure that the OIG’s planned efforts to remediate the weaknesses identified by GAO are implemented effectively.

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

Title II of the DHS appropriations bill, which includes over three-quarters of the budget authority provided in the legislation, contains the appropriations for U.S. Customs and Border Protection

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<sup>95</sup> Carol D. Leonnig, “Probe: DHS Watchdog Cozy with Officials, Altered Reports as He Sought Top Job,” *The Washington Post*, April 24, 2014. [http://www.washingtonpost.com/politics/probe-dhs-watchdog-cozy-with-officials-altered-reports-as-he-sought-top-job/2014/04/23/b46a9366-c6ef-11e3-9f37-7ce307c56815\\_story.html](http://www.washingtonpost.com/politics/probe-dhs-watchdog-cozy-with-officials-altered-reports-as-he-sought-top-job/2014/04/23/b46a9366-c6ef-11e3-9f37-7ce307c56815_story.html).

<sup>96</sup> P.L. 110-409.

<sup>97</sup> Letter from Phyllis K. Fong, Chairperson, Council of the Inspectors General on Integrity and Efficiency, to The Honorable Claire McCaskill, Chairwoman, Subcommittee on Financial and Contracting Oversight, Committee on Homeland Security and Governmental Affairs, June 11, 2014, <http://www.hsgac.senate.gov/download/letter-from-cigie-regarding-allegations-of-misconduct-by-former-dhs-deputy-inspector-general-charles-edwards&ei=2lhTVM0eDPTIsATWxILgCQ&usg=AFQjCNH690SLkxwJXwaFqMj0KEO8IrrhQQ&bvm=bv.78677474,d.cWc>.

<sup>98</sup> Carol D. Leonnig, “Homeland Security Puts Former Inspector General on Administrative Leave,” *The Washington Post*, April 24, 2014, at [http://www.washingtonpost.com/politics/homeland-security-puts-former-inspector-general-on-administrative-leave/2014/04/24/a3e6e4b6-cbfb-11e3-93eb-6c0037dde2ad\\_story.html](http://www.washingtonpost.com/politics/homeland-security-puts-former-inspector-general-on-administrative-leave/2014/04/24/a3e6e4b6-cbfb-11e3-93eb-6c0037dde2ad_story.html).

<sup>99</sup> Division F of P.L. 113-6.

<sup>100</sup> U.S. Government Accountability Office, *DHS OIG’s Structure, Policies, and Procedures Are Consistent with Standards, but Areas for Improvement Exist*, GAO-14-726, September 24, 2014, Highlights, <http://www.gao.gov/products/GAO-14-726>.

(CBP), U.S. Immigration and Customs Enforcement (ICE), the Transportation Security Administration (TSA), the U.S. Coast Guard (USCG), and the U.S. Secret Service (USSS). The Administration requested \$29,828 million for these accounts in FY2015, a decrease of \$1,048 million (3.4%) below the enacted level. The House-reported bill provided \$31,090 million, an increase of 4.2% from the requested level and 0.7% above FY2014. The Senate-reported bill provided \$30,731 million, an increase of 3.0% from the requested level and 0.5% below FY2014. Title II of P.L. 114-4 included \$31,536 million, an increase of 5.5% from the requested level, and 2.1% above FY2014.

Senate-reported S. 2534 and P.L. 114-4 also included \$213 million in overseas contingency operations funding for the Coast Guard. This amount, requested by the administration after the House Appropriations Committee had marked up H.R. 4903 in full committee, is covered by an adjustment under the Budget Control Act (BCA), and does not add to the total adjusted net discretionary budget authority in P.L. 114-4.

**Table 6** lists the enacted amounts for the individual components of Title II for FY2014 and the amounts requested by the Administration, recommended by the House- and Senate-reported bills, and provided by the enacted annual appropriation for FY2015 under Title II.

**Table 6. Title II: Security, Enforcement, and Investigations, FY2014-FY2015**  
(budget authority in rounded millions of dollars)

Component / Appropriation	FY2014	FY2015			
	Enacted	Request	House-Reported H.R. 4903	Senate-Reported S. 2534	P.L. 114-4
<b>Customs and Border Protection</b>					
Salaries and Expenses	8,146	8,326	8,367	8,320	8,460
Small Airport User Fee <sup>a</sup>	5	9	9	9	9
Automation Modernization	817	812	810	807	808
Border Security Fencing, Infrastructure, and Technology	351	362	412	362	382
Air and Marine Operations	805	709	788	707	750
Facilities Management	456	482	484	478	289
COBRA CFTA Funding	0 <sup>b</sup>	[138] <sup>c</sup>	0 <sup>c</sup>	0 <sup>c</sup>	0 <sup>c</sup>
<b>Appropriation</b>	<b>10,580</b>	<b>10,701</b>	<b>10,871</b>	<b>10,684</b>	<b>10,699</b>
Fees, Mandatory Spending, and Trust Funds	1,704	1,884	1,884	1,884	1,884
Total Budgetary Resources	12,283	12,585	12,755	12,567	12,582
<b>Immigration and Customs Enforcement</b>					
Salaries and Expenses	5,229	4,988	5,455	5,137	5,933
Automation and Infrastructure Modernization	35	26	31	26	26
Construction	5	0	0	0	0

Component / Appropriation	FY2014	FY2015			
	Enacted	Request	House-Reported H.R. 4903	Senate-Reported S. 2534	P.L. 114-4
<b>Appropriation</b>	<b>5,269</b>	<b>5,014</b>	<b>5,486</b>	<b>5,163</b>	<b>5,959</b>
Fees, Mandatory Spending, and Trust Funds	345	345	345	345	345
Total Budgetary Resources	5,614	5,359	5,831	5,508	6,304
<b>Transportation Security Administration</b>					
Aviation Security (net funding)	2,863	3,033	3,382	3,555	3,574
Surface Transportation Security	109	128	121	127	124
Intelligence and Vetting [formerly Transportation Threat Assessment and Credentialing] (net funding)	176	233	232	219	219
Transportation Security Support	962	932	893	924	917
Federal Air Marshals	819	0 <sup>d</sup>	0	0	0
<b>Appropriation</b>	<b>4,929</b>	<b>4,325</b>	<b>4,628</b>	<b>4,824</b>	<b>4,834</b>
Fees, Mandatory Spending, and Trust Funds	2,436	2,980	2,410	2,410	2,395
Total Budgetary Resources	7,365	7,305	7,038	7,234	7,229
<b>U.S. Coast Guard</b>					
Operating Expenses <sup>e</sup>	7,012	6,750	6,864	6,985	7,043
Environmental Compliance and Restoration	13	13	13	13	13
Reserve Training	120	110	115	115	115
Acquisition, Construction, and Improvements	1,376	1,084	1,287	1,330	1,225
Research, Development, Testing, and Evaluation	19	18	11	18	18
Health Care Fund Contribution <sup>a</sup>	201	177	177	177	177
<b>Discretionary Appropriation</b>	<b>8,514</b>	<b>8,152</b>	<b>8,467</b>	<b>8,425</b>	<b>8,378</b>
Fees, Mandatory Spending, and Trust Funds	1,808	1,664	1,664	1,789	1,664
Overseas Contingency Operations Adjustment	227	0	0	213	213
Total Budgetary Resources	10,549	9,815	10,131	10,427	10,255
<b>U.S. Secret Service</b>					
Salaries and Expenses	1,533	1,586	1,587	1,585	1,616
Acquisition, Construction, and Improvements	52	50	50	50	50
<b>Appropriation</b>	<b>1,585</b>	<b>1,636</b>	<b>1,637</b>	<b>1,635</b>	<b>1,666</b>

Component / Appropriation	FY2014	FY2015			
	Enacted	Request	House-Reported H.R. 4903	Senate-Reported S. 2534	P.L. 114-4
Fees, Mandatory Spending, and Trust Funds	255	260	260	260	260
Total Budgetary Resources	<b>1,840</b>	<b>1,896</b>	<b>1,897</b>	<b>1,895</b>	<b>1,926</b>
<b>Net Discretionary Budget Authority: Title II</b>	<b>30,877</b>	<b>29,828</b>	<b>31,090</b>	<b>30,731</b>	<b>31,536</b>
<b>Total Budgetary Resources for Title II Components before Transfers</b>	<b>37,651</b>	<b>36,390</b>	<b>37,652</b>	<b>37,631</b>	<b>38,296</b>

**Sources:** CRS analysis of FY2014 explanatory statement, FY2014 DHS congressional justifications, H.R. 4903, H.Rept. 113-481, S. 2534, S.Rept. 113-198, and P.L. 114-4 and its explanatory statement as printed in the *Congressional Record* of January 13, 2015, pp. H275-H322.

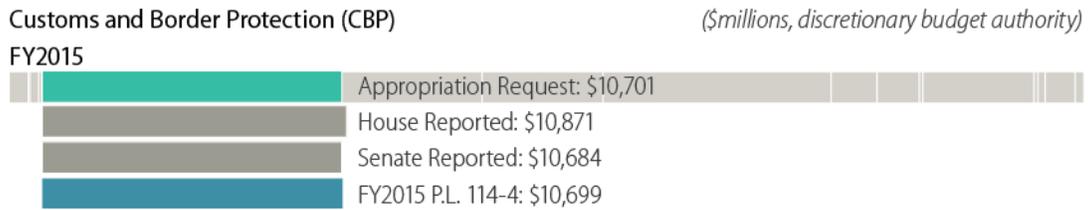
**Notes:** Table displays rounded numbers, but all operations were performed with unrounded data: therefore, amounts may not sum to totals. Fee revenues included in the “Fees, Mandatory Spending, and Trust Funds” lines are projections.

- a. This is permanent indefinite discretionary spending, and therefore scores as being in the bill, despite not being explicitly appropriated in the bills’ legislative language.
- b. Legislative language was included under Title V of the bill that provided \$110 million in these fees for use by CBP. As the language was not in this title, the resources are not reflected in this table.
- c. Legislative language was included under Title V of the bill that provided \$138 million in these fees for use by CBP. As the language was not in this title, the resources are not reflected in this table.
- d. In FY2015, the Administration requested funding for Federal Air Marshals under the Aviation Security appropriation. The appropriations committees accommodated that request.
- e. Overseas contingency operations funding is displayed in this line, but is not added to the discretionary appropriation subtotal, in accordance with the appropriations committees’ practices for subtotalling this component. However, this funding is reflected in the total budgetary resources for the Coast Guard.

## Customs and Border Protection<sup>101</sup>

CBP is responsible for security at and between ports of entry (POE) along the border, with a dual mission of preventing the entry of terrorists and instruments of terrorism, while also facilitating the flow of legitimate travel and trade into and out of the United States. CBP officers inspect people (immigration enforcement) and goods (customs enforcement) at POEs to determine if they are authorized to enter the United States. CBP officers and U.S. Border Patrol (USBP) agents enforce more than 400 laws and regulations at the border to prevent illegal entries.

<sup>101</sup> Prepared by (name redacted), Section Research Manager, Domestic Social Policy Division.



CBP’s major programs include Border Security Inspections and Trade Facilitation, which encompasses risk-based targeting and the inspection of travelers and goods at POEs; Border Security and Control between Ports of Entry, which includes the Border Patrol; Air and Marine Interdiction; Automation Modernization, which includes customs and immigration information technology systems; Border Security Fencing, Infrastructure, and Technology (BSFIT); Facilities Management; and a number of immigration and customs user Fee Accounts. See **Table 6** for account-level detail for all of the agencies in Title II, and **Table 7** for subaccount-level detail for CBP appropriations and funding for FY2014-FY2015.

### FY2015 Request

For FY2015, the Administration requested an appropriation of \$12,585 million in gross budget authority for CBP. The bullets below highlight select program changes from the FY2014 baseline.<sup>102</sup>

- An increase of \$6.8 million to fund training for new and incumbent CBP Officers, Agriculture Specialists, Import Specialists, and Entry Specialists assigned to the ports of entry.
- An increase of \$11.7 million to fund the refreshment and refurbishment of Non-Intrusive Inspection (NII) technology equipment.<sup>103</sup>
- A one-time investment of \$10.7 million for a “cross-Component Fuel Sharing Initiative” that will enable DHS vehicles to obtain fuel from any “CBP-controlled facility along or near the Southwest border.”
- An increase of \$11 million to fund the development of a National Border Geo-Intelligence strategy. CBP would work with the Office of Intelligence and Investigative Liaison (OIIL) to enhance the Border Patrol’s ability on a range of geospatial-related tracking activities including identifying traffic patterns of illegal aliens and informing daily decisions on deployment of personnel and equipment to improve situational awareness along the Southwest border.

<sup>102</sup> Drawn from Department of Homeland Security, *Congressional Budget Justification FY2015: Customs and Border Protection* (Washington, DC 2014). Only select program changes of \$5 million or greater are described in this section.

<sup>103</sup> NII equipment includes x-ray and gamma ray imaging systems and related technologies. NII scanning produces a high-resolution image of container contents that is reviewed by law enforcement officers to detect hidden cargo and other anomalies that suggest container contents do not match reported manifest data. If an officer detects an abnormality, containers may be “cracked open” for a physical examination. For a fuller discussion, see CRS Report R43014, *U.S. Customs and Border Protection: Trade Facilitation, Enforcement, and Security*, by (name redacted) and (name redacted).

- An increase of \$8.3 million to fund CBP's mobile program. This program provides capabilities to CBP officers to enable them to inspect vehicles, vessels, and cargo on a mobile platform.<sup>104</sup>
- An increase of \$11.8 million to fund enhancements and improved capability to the Arrival and Departure Information System (ADIS).<sup>105</sup>
- An increase of \$45.8 million for enhancements to the Remote Video Surveillance System (RVSS) in the Rio Grande Valley.
- An increase of \$8.9 million for maintenance of border patrol facilities.
- An increase of \$131.6 million in fees<sup>106</sup> to fund an additional 2,000 CBP Officers.
- A decrease of \$7.7 million to the Automated Targeting System (ATS).<sup>107</sup>
- A decrease of \$5.9 million in recurring funding for personnel associated with the Import Safety Initiative.

### House-Reported H.R. 4903

House-reported H.R. 4903 included \$12,755 million in gross budget authority for CBP, \$170 million (1.4%) above the Administration's request and \$466 million (3.8%) above the FY2014 enacted level. The committee noted in its report that the Administration's budget proposal did not include funding to address the unaccompanied alien children crisis. The committee also noted that the Office of Management and Budget submitted updated budgetary estimates for FY2015, which projected UAC costs for FY2015 will escalate to \$506 million, of which only \$429 million was included in the budget request. The committee directed CBP to submit estimates of the UAC costs for FY2015 immediately and to include such costs in subsequent budget requests.

The House-reported bill included an increase of \$22 million (0.8%) over the Administration's request for Inspections, Trade, and Travel Facilitation at Ports of Entry. The committee, however, did not adopt the Administration's request to fund an additional 2,000 CBP Officers.

The House-reported bill included \$788 million for CBP's Office of Air and Marine (OAM), an increase of \$79 million (11.1%) over the Administration's request. In its report, the committee

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<sup>104</sup> The mobile platform includes mobile hand-held screening equipment. See Testimony of CBP Commissioner Secretary R. Gil Kerlikowske, U.S. Congress, House Committee on Appropriations, *Budget Hearing—United States Customs and Border Protection*, 113<sup>th</sup> Cong., 2<sup>nd</sup> sess., April 2, 2014.

<sup>105</sup> ADIS is a system that stores biographic and biometric data on aliens who have applied for entry, entered, or departed the United States. ADIS consolidates information from various systems in order provide a repository of data held by DHS for pre-entry, entry, status management, and exit tracking of immigrants and non-immigrants. See description at <http://www.gpo.gov/fdsys/pkg/FR-2007-08-22/html/E7-....3.htm>.

<sup>106</sup> CBP collects user fees to recover certain costs incurred for processing, among other things, air and sea passengers and various private and commercial land, sea, air, and rail carriers and shipments. These fees were created by the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) and are deposited into the Customs User Fee Account. In addition to the COBRA and Immigration User Fees, the Administration has also proposed an increase in the Express Consignment Carrier Facility (ECCF) fee. Parcels that are cleared through an Express Consignment Carrier Facility (ECCF) are subjected to a fee, which was established under the Trade Act of 2002.

<sup>107</sup> ATS is a CBP program that screens inbound and certain outbound cargo and persons by assigning risk-based scores for the purpose of targeting, identifying, and preventing potential terrorists and terrorist weapons from entering the United States and identifies other violations of U.S. trade and immigration laws. By doing so, it allows CBP officers to focus their efforts on instruments and passengers that warrant further attention.

noted the absence of a valid flying hour program and an effective logistics maintenance system, which it concluded was the reason for many aspects of OAM’s “operational slide.”<sup>108</sup>

**Senate-Reported S. 2534**

Senate-reported S. 2534 included \$12,567 million in gross budget authority for CBP, \$17 million (-0.1%) below the Administration’s request and \$278 million (2.3%) above the FY2014 enacted level. The Senate-reported bill included \$77 million above the Administration’s request for CBP to meet the needs of the projected number of UACs in FY2015.

The Senate-reported bill included a decrease of \$24 million (-0.9%) over the Administration’s request for Inspections, Trade, and Travel Facilitation at Ports of Entry. The committee, however, partially adopted the Administration’s request to fund additional CBP Officers. While the Administration requested the hiring of an additional 2,000 CBP Officers, the committee recommended hiring 1,000 CBP Officers through FY2016 at air and sea ports of entry to be paid for by the increase in the Immigration User Fee (IUF). The Senate-reported bill included a general provision that increased the IUF by \$2.00 for arriving commercial air and sea passengers.

**P.L. 114-4**

P.L. 114-4 (the Homeland Appropriations Act of 2015) provided \$12,582 million in gross budget authority for CBP, \$3 million below the amount requested by the Administration, \$173 less than in House-reported H.R. 4903, and \$15 million more than in Senate-reported S. 2534.

**Table 7. U.S. Customs and Border Protection Account Detail, FY2014-FY2015**  
(budget authority in rounded millions of dollars)

Appropriation / Sub-Appropriation	FY2014	FY2015			
	Enacted	Request	House-Reported H.R. 4903	Senate-Reported S. 2534	P.L. 114-4
Salaries and Expenses	8,146	8,326	8,367	8,320	8,460
Headquarters Management and Administration	1,199	1,184	1,161	1,178	1,368
Border Security Inspections and Trade Facilitation	3,216	3,204	3,237	3,174	3,187
Border Security and Control Between POE	3,731	3,939	3,970	3,968	3,904
Small Airport User Fee <sup>a</sup>	5	9	9	9	9

<sup>108</sup> H.Rept. 113-481, p. 45.

Appropriation / Sub-Appropriation	FY2014	FY2015			
	Enacted	Request	House-Reported H.R. 4903	Senate-Reported S. 2534	P.L. 114-4
Automation Modernization	817	812	810	807	808
Border Security Fencing, Infrastructure, and Technology	351	362	412	362	382
Air and Marine Operations	805	709	788	707	750
Facilities Management	456	482	484	478	289
<b>Total Net Appropriation</b>	<b>10,580</b>	<b>10,701</b>	<b>10,871</b>	<b>10,684</b>	<b>10,699</b>
Estimated Fees, Mandatory Spending and Trust Funds	1,704	1,884	1,884	1,884	1,884
<b>Total CBP Budget Authority</b>	<b>12,289</b>	<b>12,585</b>	<b>12,755</b>	<b>12,567</b>	<b>12,582</b>

**Source:** CRS analysis of FY2015 explanatory statement, FY2015 DHS congressional justifications, H.R. 4903, H.Rept. 113-481, S. 2534, S.Rept. 113-198, and P.L. 114-4 and its explanatory statement as printed in the *Congressional Record* of January 13, 2015, pp. H275-H322.

**Notes:** Table displays rounded numbers, but all operations were performed with unrounded data: therefore, amounts may not sum to totals.

- a. This is permanent indefinite discretionary spending, and therefore scores as being in the bill, despite not being explicitly appropriated in the bills' legislative language.

## Issues for Congress

For the FY2015 budget cycle, appropriators grappled with the increased number of unaccompanied children who came across the border illegally and its impact on CBP's operations and resources.

### *Unaccompanied Alien Children*

Over the past several years, the number of unaccompanied alien children (UAC, unaccompanied minors) that were apprehended by the Border Patrol for illegally crossing the Southwest border has substantially increased. In FY2014, that number reached a peak, with the Border Patrol apprehending over 68,000 unaccompanied minors along the Southwest border.

In the President's original FY2015 budget for the various agencies<sup>109</sup> directly responsible for the UAC population, there wasn't a request for funding increases to help address what was characterized as a strain on agencies' resources. However, an amended budget request was

<sup>109</sup> In addition to several agencies within DHS (i.e., CBP, ICE and USCIS), the Department of Health and Human Service's Office of Refugee Resettlement and the Department of Justice Executive Office for Immigration Review have responsibilities for the handling and care of the population.

submitted to Congress and for DHS agencies responsible for the population, the Administration’s amended request included an additional \$166 million for “CBP overtime, contract services for care and support of unaccompanied minors, and transportation costs.”<sup>110</sup>

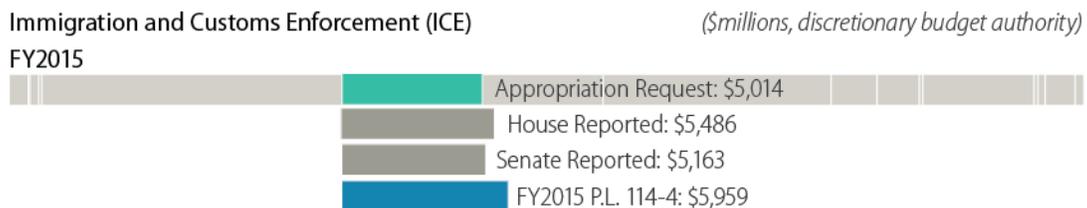
P.L. 114-4 provided \$3,431 million for ICE enforcement and removal operations, including transport of unaccompanied minors for CBP.

In the general provisions of the Homeland Appropriations Act of 2015, Section 569 sets forth a requirement that DHS submits a proposal with the annual budget that estimates the number of unaccompanied minors the agency anticipates will be apprehended that fiscal year, along with the number of agent or officer hours and related costs required to manage the workload.

Section 571 of the act permits the Secretary to reprogram within and transfer funds into CBP and Immigration and Customs Enforcement Salaries and Expenses accounts with regard to the care and transportation of unaccompanied minors. Section 572 of P.L. 114-4 allows for State Homeland Security Program and Urban Area Security Initiative grants awarded to states along the southwest border to be used by recipients for costs or reimbursement of costs related to providing humanitarian relief to unaccompanied minors.

## Immigration and Customs Enforcement (ICE)<sup>111</sup>

ICE focuses on enforcement of immigration and customs laws within the United States. ICE has two main components: Homeland Security Investigations (HSI) and Enforcement and Removal Operations (ERO). HSI is responsible for disrupting and dismantling criminal organizations (many of which are transnational) engaged in activities including terrorist financing and money laundering, intellectual property theft, human trafficking, cybercrime, child exploitation, and drug trafficking. HSI enforces export laws and enforces trade agreement noncompliance, and is responsible for investigating and enforcing violations of the immigration laws (e.g., alien smuggling, hiring unauthorized alien workers). ERO is the government agency responsible for locating, detaining if appropriate, and removing foreign nationals who have overstayed their visas, entered illegally, or have become deportable.



### FY2015 Request

For FY2015, the Administration requested \$5,014 million in net budget authority and \$5,359 million in gross budget authority for ICE, a decrease from the FY2014 enacted amounts of 4.8%

<sup>110</sup> Executive Office of the President Office of Management and Budget memo to Representative Nita Lowey, May 30, 2014.

<sup>111</sup> Prepared by (name redacted), Specialist in Immigration Policy, Domestic Social Policy Division.

and 4.5%, respectively. The budget request included the following changes from the FY2014 baseline:

- Increase of \$28 million for the Criminal Alien Program (CAP);<sup>112</sup>
- Increase of \$21 million to modernize the TECS System;<sup>113</sup>
- Increase of \$9 million for the Office of Principal Legal Advisor (OPLA);
- Increase of \$2 million for Fugitive Operations;<sup>114</sup>
- Increase of \$3 million for transfers of detained foreign nationals from CBP to ICE;
- Increase of \$3 million for the Alternatives to Detention (ATD) program;
- Reduction of \$202 million in detention bed funding (a decrease of 3,461 beds);
- Reduction of \$48 million in the transportation removal program; and
- Reduction of \$28 million for domestic investigations.<sup>115</sup>

### House-Reported H.R. 4903

House-reported H.R. 4903 included \$5,486 million in net budget authority, a 9.4% increase over the President's request. The House-reported bill appropriated \$5,831 million in gross budget authority, 8.8% more than the President's request.

### Senate-Reported S. 2534

For FY2015, Senate-reported S. 2534 provided \$5,163 million in net budget authority and \$5,508 million in gross budget authority for ICE. The Senate bill appropriated 3% more than the President's request in net budget authority, and 2.8% more in gross budget authority.

### P.L. 114-4

For FY2015, in P.L. 114-4, Congress appropriated \$5,959 million in net budget authority for ICE which represented an increase of 18.8% over the President's request in net budget authority. Congress provided \$6,304 million in gross budget authority, 17.6% more than the President's request in gross budget authority.

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<sup>112</sup> CAP identifies criminal aliens incarcerated within federal, state, and local correctional facilities to try to assure that these criminal aliens are removed before they are released into the community. The majority of the increase comes from transferring money since the deployment of interoperability (Secure Communities) is completed. For information on CAP, see CRS Report R42057, *Interior Immigration Enforcement: Programs Targeting Criminal Aliens*, by (name redacted) and (name redacted).

<sup>113</sup> TECS is the case management system used by CBP and ICE.

<sup>114</sup> Fugitive Operations locates and apprehends foreign nationals with final orders of removal, and removable criminal aliens who have been released from jails or prisons.

<sup>115</sup> Most of this reduction would come from termination of one-time costs associated with information technology (IT) enhancements.

**Table 8. Immigration and Customs Enforcement (ICE) Sub-Account Detail, FY2014-FY2015**

(budget authority in rounded millions of dollars)

Appropriation / Sub-Appropriation	FY2014	FY2015			
	Enacted	Request	House-Reported H.R. 4903	Senate-Reported S. 2534	P.L. 114-4
<b>Salaries and Expenses</b>	<b>5,229</b>	<b>4,988</b>	<b>5,455</b>	<b>5,137</b>	<b>5,933</b>
HQ Management and Administration	336	350	335	347	347
Legal Proceedings	206	215	216	213	217
Investigations	1,804	1,778	1,885	1,775	1,860
<i>Investigations—Domestic</i>	<i>1,672</i>	<i>1,645</i>	<i>1,720</i>	<i>1,643</i>	<i>1,700</i>
<i>Investigations—International</i>	<i>131</i>	<i>133</i>	<i>165</i>	<i>132</i>	<i>160</i>
<i>International Operations</i>	<i>100</i>	<i>101</i>	<i>106</i>	<i>101</i>	<i>111</i>
<i>Visa Security Program</i>	<i>32</i>	<i>32</i>	<i>59</i>	<i>32</i>	<i>50</i>
Intelligence	74	77	76	76	76
Enforcement and Removal Operations	2,785	2,569	2,942	2,725	3,431
<i>Custody Operations</i>	<i>1,994</i>	<i>1,792</i>	<i>2,006</i>	<i>1,870</i>	<i>2,533</i>
<i>Fugitive Operations</i>	<i>129</i>	<i>132</i>	<i>154</i>	<i>131</i>	<i>143</i>
<i>Criminal Alien Program</i>	<i>294</i>	<i>322</i>	<i>365</i>	<i>327</i>	<i>327</i>
<i>Alternatives to Detention</i>	<i>91</i>	<i>94</i>	<i>94</i>	<i>94</i>	<i>110</i>
<i>Transportation and Removal Program</i>	<i>277</i>	<i>229</i>	<i>322</i>	<i>303</i>	<i>319</i>
Comprehensive Identification and Removal of Criminal Aliens (Secure Communities)	25	0	0	0	0
<b>Automation and Infrastructure Modernization</b>	<b>35</b>	<b>26</b>	<b>31</b>	<b>26</b>	<b>26</b>
<b>Construction</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>ICE Appropriations</b>	<b>5,269</b>	<b>5,014</b>	<b>5,486</b>	<b>5,163</b>	<b>5,959</b>
Fee Accounts	345	345	345	345	345
ICE Gross Budget Authority	5,614	5,359	5,831	5,508	6,304

**Source:** CRS analysis of FY2014 explanatory statement, FY2015 DHS congressional justifications, H.R. 4903, H.Rept. 113-481, S. 2534, S.Rept. 113-198, and P.L. 114-4 and its explanatory statement as printed in the *Congressional Record* of January 13, 2015, pp. H275-H322.

**Notes:** Table displays rounded numbers, but all operations were performed with unrounded data: therefore, amounts may not sum to totals.

## Issues for Congress

ICE is responsible for many divergent activities due to the breadth of the civil and criminal violations of law that fall under its jurisdiction. As a result, how ICE resources can be allocated so as best to achieve its mission is continuously debated. Nonetheless, most of the discussion regarding ICE appropriations focuses on Enforcement and Removal Operations (ERO) and issues regarding identifying and removing foreign nationals who have violated U.S. immigration law rather than HSI. The most significant debate surrounding the FY2015 appropriations focused on the impact on ICE (specifically ERO) resources of the large increase in the number of unaccompanied alien children<sup>116</sup> and family units<sup>117</sup> apprehended while attempting to illegally cross into the United States during FY2014.<sup>118</sup>

## Custody Management

ICE's Office of Enforcement and Removal Operations provides custody management of the aliens who are in removal proceedings or who have been ordered removed from the United States.<sup>119</sup> ERO also is responsible for ensuring that aliens ordered removed actually depart from the United States.

The number of foreign nationals detained by ICE has been an area of Congressional attention. Since FY2007, the appropriations committees have included direction either in report language or legislative language describing or directing the average number of detention beds to be maintained by ICE in a given fiscal year. The amount of detention beds set by Congress is seen by some as a "detention mandate," i.e., that ICE must, on average, detain daily the same number of aliens as the bed space specified by Congress.<sup>120</sup>

P.L. 113-76 specified that ICE shall maintain 34,000 beds through the end of FY2014. ICE has stated that it needs approximately 27,000 beds to detain all foreign nationals who are mandatory detainees,<sup>121</sup> and that the growth in bed space has led to the increase in detention of lower-risk, non-mandatory<sup>122</sup> detainees who could be placed in lower-cost alternatives to detention

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<sup>116</sup> UAC are defined in statute as children who lack lawful immigration status in the United States, who are under the age of 18, and who are without a parent or legal guardian in the United States or no parent or legal guardian in the United States is available to provide care and physical custody.

<sup>117</sup> Although family units can consist of a related adult and child, most of the family units were mothers with their children. E-mail from Immigration and Customs Enforcement, Congressional Relations, March 26, 2015.

<sup>118</sup> For more information on the recent surge in unaccompanied minors, see CRS Report R43599, *Unaccompanied Alien Children: An Overview*, by (name redacted), (name redacted), and (name redacted).

<sup>119</sup> For more information on detention issues, see CRS Report RL32369, *Immigration-Related Detention*, by (name redacted). 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>120</sup> For example, see Statement of the American Immigration Lawyers Association, U.S. Congress, House Committee on Appropriations, Subcommittee on Homeland Security, *Department of Homeland Security FY2015 Budget*, 113<sup>th</sup> Cong., 2<sup>nd</sup> sess., March 11, 2014.

<sup>121</sup> The Immigration and Nationality Act mandates that certain categories of aliens are subject to mandatory detention (i.e., the aliens must be detained) during the removal process. Aliens subject to mandatory detention include those arriving without documentation or with fraudulent documentation, those who are removable on criminal grounds, those who are removable on national security grounds, those certified as terrorist suspects, and those who have final orders of deportation. For a discussion of mandatory detention, see CRS Report RL32369, *Immigration-Related Detention*, by (name redacted).

<sup>122</sup> Examples of non-mandatory detainees include aliens who have overstayed their visas or entered illegally but do not (continued...)

programs.<sup>123</sup> The Administration requested 30,539 beds for FY2015, a decrease of 3,461 beds from FY2014. The Administration contended this would be enough bed space to accommodate the mandatory population as well as other priority detainees.<sup>124</sup> To correspond to the decrease in bed space, the President's request as originally submitted decreased to \$229 million (a \$48 million reduction) the budget for the Transportation and Removal Program.<sup>125</sup>

H.R. 4903 directed ICE to maintain no less than 34,000 detention beds. S. 2534 required ICE to maintain at least 31,039 detention beds, 500 more than the Administration requested. 450 of these were allocated to detain family units.<sup>126</sup> The House and Senate committee reports both recommended increased funding for the Transportation and Removal Program. The increase is discussed below in the section entitled, "Unaccompanied Alien Children (UAC)."

P.L. 114-4 provided funding for 34,000 detention beds. The act also provided \$90 million more than the President's budget request for Transportation and Removal Program (for a total appropriation of \$319 million for the program). The increase was to support 34,000 detention beds rather than the 30,539 beds requested by the Administration, and to support the increased transportation and removal costs related to the surge in unaccompanied children and families apprehended while crossing the border in FY2015.

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. ICE's Alternatives to Detention (ATD) provides less restrictive alternatives to detention, using such tools as electronic monitoring devices (e.g., ankle bracelets), home visits, work visits, and reporting by telephone, to monitor aliens who are out on bond while awaiting hearings during removal proceedings or the appeals process.<sup>127</sup> The Administration requested \$94 million for the ATD program, an increase of \$3 million from the FY2014 enacted amount. According to the committee reports, both the House- and Senate-reported bills would have provided \$94 million for the ATD program. According to the explanatory statement, P.L. 114-4 provided almost \$110 million for the ATD program, including an increase of \$16 million to support supervision of family units that were apprehended trying to illegally cross the Southwest border.<sup>128</sup>

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(...continued)

have a criminal conviction.

<sup>123</sup> Department of Homeland Security, *Congressional Budget Justification FY2015: U.S. Immigration and Customs Enforcement, Salaries and Expenses* (Washington, DC, 2014), p. 81.

<sup>124</sup> Examples of these detainees include criminal aliens whose crimes do not make them mandatory detainees and others who may pose a risk to public safety or a danger to national security. Ibid.

<sup>125</sup> The Transportation and Removal Program (TRP) is responsible for the transportation of those in ICE custody including the physical removal of aliens from the United States.

<sup>126</sup> S.Rept. 113-139, p. 62.

<sup>127</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/graphics/news/newsreleases/insideice/insideice\\_062104\\_web3.htm](http://www.ice.gov/graphics/news/newsreleases/insideice/insideice_062104_web3.htm).

<sup>128</sup> *Congressional Record*, January 13, 2015, H279.

## ***Unaccompanied Alien Children (UAC)***

ICE is responsible for the transportation of undocumented and unaccompanied alien children (UAC) arriving in the United States<sup>129</sup> and representing the government's position in removal proceedings before the Department of Justice, Executive Office for Immigration Review (EOIR). ICE is also responsible for the physical removal of all foreign nationals, including UAC, who have final orders of removal or who have elected voluntary departure while in removal proceedings.<sup>130</sup>

In the President's FY2015 budget request for the various agencies directly responsible for the unaccompanied child population, there wasn't a request for funding increases to help address what has been characterized as a strain on agency resources. In late May 2014, the Administration projected they would need an additional \$166 million for "CBP overtime, contract services for care and support of UAC, and transportation costs."<sup>131</sup> H.Rept. 113-481 and S.Rept. 113-198 recommended an increase of \$67 million over the President's request for transportation and removal costs of unaccompanied minors. In addition, both the House and Senate bills required DHS and OMB to include information related to unaccompanied children and the costs associated with these children as part of the congressional budget justifications.

P.L. 114-4 contained several funding increases for international investigations to address the UAC situation. According to the explanatory statement, the act provided an additional \$2 million to increase the number of specialized law enforcement units in Central America that are vetted by and work with ICE to disrupt the operations of gangs, and human trafficking and smuggling networks, and \$3 million to expand international human smuggling investigations.<sup>132</sup> As discussed above, the act also increased funding for the Transportation and Removal Program in part to support the increase in transportation and removal costs associated with the rise in UAC apprehensions.

## **Transportation Security Administration<sup>133</sup>**

TSA, created in 2001 by the Aviation and Transportation Security Act (ATSA, P.L. 107-71), is charged with protecting air, land, and rail transportation systems within the United States to ensure the freedom of movement for people and goods. In 2002, TSA was transferred from the Department of Transportation to DHS with the passage of the Homeland Security Act (P.L. 107-296). TSA's responsibilities include protecting the aviation system against terrorist threats, sabotage, and certain other criminal acts through the deployment of passenger and baggage screeners; detection systems for explosives, weapons, and other threats; and other security technologies. 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

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<sup>129</sup> In most cases, ICE is responsible for transporting the unaccompanied minor from the custody of Customs and Border Protection (CBP)—the agency that apprehended them—to the Department of Health and Human Services, Office of Refugee Resettlement (ORR)—the agency responsible for their care and custody.

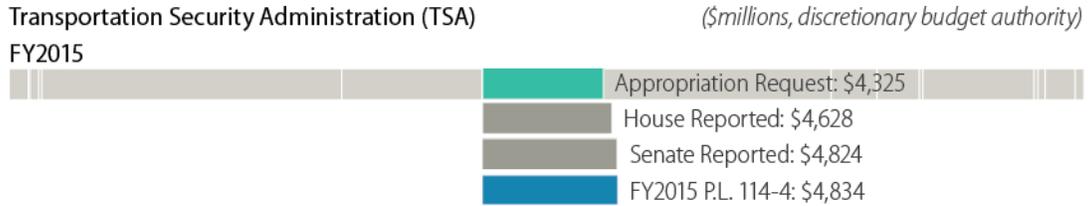
<sup>130</sup> UAC in standard removal proceedings are eligible to be granted voluntary departure under INA §240B at no cost to the child.

<sup>131</sup> Executive Office of the President Office of Management and Budget memo to Representative Nita Lowey, May 30, 2014.

<sup>132</sup> *Congressional Record*, January 13, 2015, p. H279.

<sup>133</sup> Prepared by (name redacted), Specialist in Aviation Policy, Resources, Science, and Industry Division.

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.



The TSA budget is one of the most complex components of the DHS Appropriations bill. The graphic above reflects net direct discretionary appropriations for TSA, but that represents only a portion of the budgetary resources it has available. An airline security fee collection offsets a portion of aviation security costs, including \$250 million dedicated to capital investments in screening technology. Other fees offset the costs of transportation threat assessment and credentialing. Since the amounts covered by these fees are not set through traditional appropriations provisions, they are not reflected in the above graphic. **Table 9** presents a breakdown of TSA’s total additional budgetary resources requested from all non-appropriated sources and those provided through direct appropriations, as accounted for in the DHS budget justifications. Due to differences between OMB and CBO methodologies and issues related to authorization of fee increases, these amounts are not completely congruent with other amounts presented in committee documents or this report.

**Table 9. TSA Requested Budgetary Resources, FY2015**  
(budget authority in millions of dollars)

Funding Source	FY2015 Request
Total Offsetting Fees	2,818
<i>Aviation Passenger Security Fee</i>	2,203
<i>Aviation Passenger Security Fee (Revenue from proposed increase)</i>	195
<i>Aviation Security Infrastructure Fees</i>	420
Aviation Security Capital Fund	250
Credentialing Fees (including Alien Flight Student Program)	80
Discretionary appropriations	4,157
<b>Total Budgetary Resources</b>	<b>7,305</b>

**Sources:** CRS analysis of the FY2015 DHS congressional justifications.

**Note:** These are OMB-developed numbers; due to differences between OMB and CBO methodologies and issues related to authorization of fee increases, these numbers are not congruent with other CBO-based numbers presented in this report. The table displays rounded numbers, but all operations were performed with unrounded data: therefore, amounts may not sum to totals.

## **FY2015 Request**

The President's request specified \$7,305 million for TSA in FY2015, \$60 million less than the FY2014 enacted amount (see **Table 10**). The request included a proposal to realign the Federal Air Marshals Service (FAMS) under the Aviation Security component of the TSA budget, rather than as a separate account. Combined, the request for Aviation Security and FAMS together totaled \$5,683 million, \$29 million less than the FY2014 enacted amount. The request specified \$19 million of that reduction was to come from FAMS.

It also specified a reduction of more than \$80 million to Screener Personnel Compensation and Benefits, largely as a result of reduced headcount due to improved screening efficiency from use of risk-based approaches. This was partially offset by increased amounts for purchasing explosives detection equipment and airport management, support, and information technology. Requested funding for Transportation Threat Assessment and Credentialing (TTAC) increased by roughly \$70 million, largely the result of a proposed realignment of Intelligence into it and an increase to Secure Flight funding to encompass forthcoming name checks of passengers on charter and large general aviation aircraft flights. The request included a proposed increase of roughly \$19 million for Surface Transportation Security, largely reflecting deployment of additional security inspectors and the realignment of Visible Intermodal Prevention and Response (VIPR) under it. Requested Transportation Security Support funding was roughly \$30 million less than the FY2014 enacted level, largely the result of the proposed move of Intelligence to TTAC, which was partially offset by a proposed increase for information technology.

## **House-Reported H.R. 4903**

The House-reported bill specified a gross total of \$7,038 million for TSA, \$267 million less than requested. The report accompanying the bill specified \$600 million for FAMS, \$200 million less than requested. Other notable amounts lower than requested included screener personnel (\$26 million less than requested); airport management and support (\$7 million less); surface transportation security inspectors (\$6 million less); headquarters administration (\$12 million less); information technology (\$19 million less); and human capital services (\$8 million less). The House-reported bill specified \$160 million, \$5 million more than requested, for private screening operations at airports without TSA screeners under the Screening Partnership Program (SPP). Also, the House committee report specified \$25 million for the Federal Flight Deck Officer (FFDO) program and crew training, \$5 million above the request and equal to the FY2014 appropriated amount, and \$353 million for aviation regulation and other enforcement, \$4 million more than requested and roughly on par with the FY2014 enacted amount.

## **Senate-Reported S. 2534**

The Senate-reported bill specified a gross total of \$7,234 million, \$71 million less than requested. The Senate committee report specified \$790 million for the FAMS, \$10 million less than requested and \$29 million less than the FY2014 enacted level. It also proposed amounts notably lower than requested for: screener personnel (\$5 million less than requested); checkpoint support (\$15 million less); explosives detection equipment purchases and installation (\$10 million less); aviation regulation and other enforcement (\$10 million less); Secure Flight passenger vetting (\$13 million less); and information technology (\$6 million less). Like the House-reported bill, the Senate reported bill specified \$160 million for the SPP, but otherwise did not specify amounts larger than requested.

**P.L. 114-4**

P.L. 114-4 provided \$7,229 million for TSA, \$136 million less than the FY2014 enacted amount. The largest reduction compared to FY2014 enacted levels was for screener personnel (\$110 million less), where cost savings were realized through risk-based security measures, most notably the Pre-Check program which allows certain passengers to undergo expedited screening. The Federal Air Marshal Service was incorporated into the Aviation Security function, and its FY2015 appropriation was reduced by \$29 million compared to the FY2014 enacted level. The SPP was appropriated \$167 million, \$12 million more than requested, to fund current and recently awarded airport screening contracts. The FFDO program received an appropriation of \$22 million, \$2 million more than requested, but \$3 million less than the FY2014 enacted level and the House committee recommendation for FY2015. The act provided \$100 million for Secure Flight, \$13 million less than requested due to delays in implementing the program to perform watchlist checks for large general aviation aircraft and charter flights.

**Table 10** outlines the funding levels for existing TSA program functions.

**Table 10. TSA Gross Budget Authority by Budget Activity, FY2014-FY2015**  
(gross budget authority in rounded millions of dollars)

Appropriation / Sub-Appropriation	FY2014	FY2015			
	Enacted	Request	House-Reported H.R. 4903	Senate-Reported S. 2534	P.L. 114-4
Aviation Security	4,983	5,683	5,462	5,635	5,639
Screening Partnership Program (SPP)	158	155	160	160	167
Screener Personnel Compensation and Benefits	3,034	2,953	2,927	2,948	2,924
Screener Training and Other	227	226	225	226	225
Checkpoint Support	103	103	103	88	88
EDS/ETD Purchase/Installation	74	84	84	74	84
Screening Technology Maintenance and Utilities	299	295	295	295	295
Aviation Regulation and Other Enforcement	354	349	353	339	350
Airport Management, IT, and Support	587	592	585	589	588
FFDO and Flight Crew Training	25	20	25	20	22
Air Cargo	122	107	106	106	106
Federal Air Marshals	—	800	600	790	790
Federal Air Marshal Service	819	—	—	—	—
Management and Administration	708	—	—	—	—
Travel and Training	111	—	—	—	—

Appropriation / Sub-Appropriation	FY2014	FY2015			
	Enacted	Request	House-Reported H.R. 4903	Senate-Reported S. 2534	P.L. 114-4
Intelligence and Vetting (formerly Threat Assessment and Credentialing (TTAC))	242	312	311	300	299
<i>Intelligence</i>		52	52	52	52
<i>Secure Flight</i>	93	113	112	100	100
<i>Other Vetting / Screening Administration and Operations</i>	83	68	68	68	68
<i>Credentialing Fees</i>	66	80	80	80	80
Surface Transportation Security	109	128	121	127	124
<i>Operations and Staffing</i>	35	29	29	29	29
<i>Security Inspectors</i>	73	98	92	98	95
Transportation Security Support	962	932	893	924	917
<i>HQ Administration</i>	272	276	264	275	269
<i>Information Technology</i>	441	452	433	446	449
<i>Human Capital Services</i>	204	204	196	203	199
<i>Intelligence</i>	45	—	—	—	—
Aviation Security Capital Fund (ASCF) (mandatory)	250	250	250	250	250
<b>TSA Gross Total</b>	<b>7,365</b>	<b>7,305</b>	<b>7,038</b>	<b>7,234</b>	<b>7,229</b>

**Sources:** CRS analysis of FY2014 explanatory statement, FY2015 DHS congressional justifications, H.R. 4903, H.Rept. 113-481, S. 2534, S.Rept. 113-198, and P.L. 114-4 and its explanatory statement as printed in the *Congressional Record* of January 13, 2015, pp. H275-H322.

**Notes:** Table displays rounded numbers, but all operations were performed with unrounded data: therefore, amounts may not sum to totals.

## Issues for Congress

TSA appropriations issues included offsetting fee collections and financing of transportation security activities; enhancing airport checkpoint security; funding and administration of FAMS; name checks of passengers on charter flights and large general aviation aircraft; and deployment of VIPR teams and surface transportation security inspectors.

## Fees and Financing

Language in the Bipartisan Budget Act of 2013 (P. L. 113-67) restructured the passenger security fee (paid directly by passengers and collected by the airlines) to a flat fee of \$5.60 per one-way trip effective July 1, 2014. That law mandated that in FY2015, \$1,190 million in passenger security fees be applied as offsetting receipts to the Treasury general fund for deficit reduction. Subsequently, stand-alone legislation (P.L. 113-294) enacted on December 19, 2014, set limitations on the fees charged to airline passengers. That law prohibits any further increase to the fee above \$5.60 per one-way trip or \$11.20 per round trip. In addition, P. L. 113-67 repealed the

Aviation Security Infrastructure Fee (ASIF) fee paid to TSA directly by the airlines, effective October 1, 2014. The ASIF was based on the costs airlines collectively paid in CY2000 for security screening of passengers and property.

The FY2015 request included an additional increase to the passenger fee to \$6.00 per one-way trip and a proposed reinstatement of the ASIF. The Administration estimated that in FY2015 the passenger security fee increase would generate \$195 million in additional revenue and the ASIF would net an estimated \$420 million that would be counted as offsetting collections against TSA spending. TSA estimated that, with these two proposed changes, offsetting collections would total \$2,819 million, roughly 39% of total TSA spending. Without the proposed increases, offsetting collections were estimated at \$2,204 million, roughly 30% of the TSA gross total.

Both the House and Senate appropriations committees included report language noting that the appropriations committees lacked jurisdiction to consider the Administration's fee proposal.<sup>134</sup> Neither the House-reported nor the Senate-reported bill included the fee increases in revenue assumptions, and the two bills had differing funding levels below requested amounts to reflect these lower revenue assumptions. The House report noted that future budget requests should not be constructed with similar assumptions regarding the enactment of proposed revenue increases. The Senate bill contained a general provision that prohibited FY2015 funds from being used to pay salaries or expenses associated with developing or submitting budget or appropriations materials that assume revenues derived from unauthorized user fee proposals.<sup>135</sup> This provision, which was included in P. L. 114-4 (see Sec. 565), applies unless the submission identifies spending reductions in the event that such fees are not enacted into law prior to Congress convening a committee of conference to debate a FY2016 DHS appropriations act.

The explanatory statement that accompanied P.L. 114-4 reflected anticipated collections of \$2,065 million from aviation security fees, which was \$138 million less than the administration projection of \$2,203 million. It did not include either the \$195 million in additional revenue from the proposed fee increase or the requested reinstatement of ASIF fees, as neither of these proposals has been authorized.

The first \$250 million in fee collections fund a mandatory deposit into the Aviation Security Capital Fund (ASCF), which provides for airport security improvements, particularly improvements made to accommodate and streamline explosives screening of checked baggage. Report language in the explanatory statement accompanying P. L. 114-4 requested that TSA consider lifting its prohibition against funding design and construction of systems not on its qualified products list when an airport is more than 12 months from the start of construction and can demonstrate that certain high-speed systems would be more efficient and would result in long-term cost savings compared to currently approved systems.

### *Risk-Based Passenger Screening*

TSA has established a number of Pre-Check security lanes at major airports. These lanes offer expedited screening to passengers who either undergo background checks to join the Pre-Check program or are randomly selected from passengers assessed to be low risk through prescreening measures or by behavior detection officers and canine explosives detection teams. TSA

<sup>134</sup> H.Rept. 113-481, p. 8; S.Rept. 113-198, p. 68.

<sup>135</sup> S. 2534, Sec. 560.

incorporates random and unpredictable measures into its risk-based screening methods to prevent terrorists or criminals from exploiting expedited screening procedures.

TSA has indicated that up to 35% of all airline passengers now undergo expedited screening, and it has plans to further increase prescreening.<sup>136</sup> While travelers benefit from streamlined screening procedures, such as not having to remove shoes, laptops, and liquids for separate screening, the program has efficiency benefits for TSA that allow it to better focus resources on passengers of an unknown or elevated risk.

TSA estimated that efficiencies derived from risk-based screening practices will allow it to eliminate more than 1,400 full-time equivalent screener positions and consequently reduce costs by about \$100 million in FY2015. Additionally, TSA asserted that as a result of risk-based screening and the random and unpredictable measures incorporated into it, it would be able to reduce its Security Playbook operations at selected airports. The Security Playbook consists of a series of tactics and strategies, the specifics of which are security sensitive, to increase unpredictability and serve as a deterrent to terrorists attacks and other criminal activities at large commercial aviation airports. TSA estimated that the proposed reduction to Security Playbook operations would yield a savings of \$20 million in FY2015 through staffing reductions of roughly 300 full-time equivalents.<sup>137</sup>

The House committee recommended \$26 million less than requested and \$107 million below FY2014 enacted levels for TSA screeners to reflect anticipated cost reductions from efficiencies associated with risk-based screening. The committee also stipulated a rescission of \$20 million and withholding \$76 million for screener personnel, compensation, and benefits in FY2015. The withholding of funds will last until TSA can provide technical corrections to the FY2015 budget justification to include more detailed accounting of estimated cost savings from risk-based security measures and how these will offset these amounts, which are tied to a planned structural pay reform for screener personnel. The bill included a cap of 45,000 full-time equivalent screeners. The bill would also withhold \$25 million in obligations for headquarters administration until TSA submits a report providing evidence that behavior detection officers, a key element of TSA's risk-based strategy, have been demonstrated to be effective in identifying individuals that may pose a risk to aviation safety. It also specified that TSA submit a detailed report on integrated screening technologies, cost-effective deployment of the screener workforce, and labor savings from the deployment of new technologies, as well as a report detailing a strategy to increase the number of passengers eligible for expedited screening.

S. 2534 would have required TSA to submit semiannual reports updating information on a strategy to increase the number of air passengers eligible for expedited screening, including benchmark and performance metrics and data regarding use of Pre-Check screening lanes, and details regarding the impact of using risk-based security methods on TSA resources. Additionally, report language specified that TSA is to brief the committee regarding its strategic communications campaign for the Pre-Check program. The Senate bill did not include a statutory cap on TSA screeners, and report language noted that the expected decrease of screening

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<sup>136</sup> Statement of John S. Pistole, Administrator, Transportation Security Administration, U.S. Department of Homeland Security, before the U.S. House of Representatives Committee on Appropriations Subcommittee on Homeland Security, March 25, 2014, p. 2.

<sup>137</sup> *Ibid.*, p. 4.

personnel, totaling more than 3,000 full time equivalent positions, would keep levels well below the cap of 46,000 set in FY2014 appropriations.

P. L. 114-4 specified that no later than April 15, 2015, TSA was to submit a semiannual report detailing its strategy to increase the number of airline passengers eligible for expedited screening to congressional appropriations committees. The act prohibits members of Congress and senior federal officials from being exempted from federal passenger and baggage screening requirements. The act reflected reductions in screening costs realized through risk-based approaches to passenger screening, and kept in place the cap on full-time equivalent screeners of 45,000. Additionally, the bill withholds \$25 million from obligation for Transportation Security Support until TSA submits a report to the congressional appropriations committees providing evidence that behavior indicators can be used to identify passengers who may pose a security threat to aviation, as well as a report addressing concerns raised by GAO regarding TSA's advanced imaging technology program for deploying systems to screen passengers using whole body imagers.<sup>138</sup>

### ***Enhancing Airport Checkpoint Security***

In response to a November 1, 2013, incident at Los Angeles International Airport (LAX) that resulted in the shooting death of a TSA screener and injuries to two other screeners and a traveler, TSA identified a number of actions designed to improve the response to potential future security incidents at airport screening checkpoints. Planned actions include recommended active shooter training and exercises, evacuation plans, and mandatory evacuation drills. TSA has also issued recommendations for increased law enforcement presence in airport terminal areas, particularly in congested areas and at peak travel times.

Law enforcement agencies at about 320 of the approximately 450 commercial service airports with TSA or TSA-contracted screening checkpoints receive reimbursement from TSA that partially offsets the cost of positioning law enforcement officers at these airports.<sup>139</sup> Under reimbursement agreements, law enforcement must commit to mandatory response times to security incidents at checkpoints, or in a few cases must maintain fixed posts near screening checkpoints.

TSA did not request a funding increase for FY2015 for the Law Enforcement Officer Reimbursement Program, indicating that improved program efficiencies and reviews of actual annual expenditures will enable it to maximize the use of available program funds.<sup>140</sup> Given the emphasis on law enforcement presence at airports and airport checkpoints following the LAX incident, funding for this program was of particular interest during appropriations debate.

The House report noted that while airport law enforcement staffing levels have remained relatively constant, TSA reimbursement amounts for law enforcement support have declined. It

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<sup>138</sup> U.S. Government Accountability Office, *Advanced Imaging Technology: TSA Needs Additional Information before Procuring Next-Generation Systems*, GAO-14-357, March 31, 2014, <http://www.gao.gov/products/GAO-14-357>.

<sup>139</sup> Transportation Security Administration, *Enhancing TSA Officer Safety and Security: Agency Actions and Path Forward*, March 26, 2014; Department of Homeland Security, *Congressional Budget Justification FY2015: Transportation Security Administration, Aviation Security* (Washington, DC, 2014).

<sup>140</sup> Department of Homeland Security, *Congressional Budget Justification FY2015: Transportation Security Administration, Aviation Security* (Washington, DC, 2014).

specified \$71 million for airport law enforcement assets (within Aviation Regulation and Other Enforcement), \$1 million more than the FY2014 level, and directed TSA to maximize the use of these funds to more fully reimburse participating airports for law enforcement support.<sup>141</sup> H.R. 4903 also included a general provision prohibiting the use of funds to require airport operators to monitor checkpoint exit lanes at locations where TSA screeners currently monitor these lanes. This provision was accompanied by report language directing TSA to work with airports to actively examine technologies that may provide lower-cost solutions for exit lane security.

The Senate report directed TSA to brief the appropriations committees on the implementation of recommendations made following the LAX shooting to increase law enforcement presence at high traffic locations, such as checkpoints and ticket counters at peak travel times. The Senate also included funding to continue TSA monitoring of exit lanes where it currently does so. Senate report language similarly encouraged TSA to evaluate exit lane monitoring costs and develop a long-term strategy using low-cost technological solutions, law enforcement reimbursements, and other approaches.<sup>142</sup>

P.L. 114-4 provided \$71 million for airport law enforcement and assessments and required TSA to prepare a report for congressional appropriations committees on its investment plans for checkpoint security. The act included a general provision (Sec. 556) that prohibits the use of appropriated funds to require airport operators to provide airport-financed staffing to monitor exit lanes in any location where TSA provided such monitoring as of December 1, 2013.

### *The Federal Air Marshals Service (FAMS)*

While the request specified \$800 million for FAMS, \$19 million less than the FY2014 appropriation, the House-passed bill specified \$600 million, \$200 million less than requested. H.Rept. 113-481 noted that in light of various improvements to other layers of aviation security, many air marshals have been assigned to management positions at various airports, and others have been detailed to various other agencies, departments, and liaison roles. The House committee concurred with the administration's proposal to align FAMS under Aviation Security to better reflect TSA's management and organization structure, and to allow better alignment of law enforcement assets to address emerging threats. The report encouraged TSA to consider additional options to leverage other federal assets to supplement FAMS resources, such as armed pilots in the FFDO program and federal law enforcement officers and agents traveling armed on commercial passenger aircraft.

The Senate bill recommended \$790 million for FAMS, \$10 million less than requested, but \$190 million more than the House bill. According to S.Rept. 113-198, the Senate amount reflected the consolidation of Visible Intermodal Prevention and Response (VIPR) teams in the Surface Transportation appropriation as well as other administrative cost adjustments. The report also directed TSA to brief the appropriations committee on its efforts to implement recommendations pertaining to FAMS operations, training, and risk analysis included in a Homeland Security Studies and Analysis Institute report, and to continue providing quarterly reports on mission coverage, staffing levels, and hiring.

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<sup>141</sup> H.Rept. 113-481, p. 66.

<sup>142</sup> S.Rept. 113-198, pp. 71-72.

P.L. 114-4 provided \$790 million for FAMS, \$10 million less than requested. The explanatory statement indicated that this funding amount reflected current attrition rates, consolidation of FAMS into Aviation Security, and the realignment of remaining FAMS funding into the Surface Transportation account. Actual FAMS workforce numbers and attrition rates are considered sensitive security information and are not publicly disclosed. The explanatory statement directed TSA to utilize FAMS personnel and deployment patterns to optimize coverage of flights and meet statutory requirements to cover high risk flights and give priority to nonstop long distance flights, including inbound international flights.

### ***Charter Flights and Large General Aviation Aircraft***

A provision in the Intelligence Reform and Terrorism Prevention Act of 2004 (P.L. 108-458) mandated that TSA establish a process to provide watchlist screening for charter and lease customers of aircraft weighing more than 12,500 pounds. TSA intends to issue new regulations to meet this mandate, but its rulemaking actions have been delayed. In addition to charter and lease operations for aircraft greater than 12,500 pounds, TSA also intends to encompass other general aviation aircraft weighing in excess of 30,000 pounds within the regulatory regime.<sup>143</sup> In total, TSA estimates that the proposed regulations would cover about 2,000 general aviation operators.

TSA requested an increase of roughly \$13 million to Secure Flight funding to update software and hardware and process screening requests from chartered and leased aircraft over 12,500 pounds and large (i.e., over 30,000 pounds) general aviation aircraft operators. TSA estimated that it will conduct 11 million additional watchlist screenings annually under this initiative.<sup>144</sup>

The House-reported bill included the increased funding for Secure Flight requested to support vetting of passengers who fly on large general aviation and air charter flights. The Senate-reported bill and report language specified \$13 million less than requested for Secure Flight anticipating that the additional funds would not be required in FY2015 due to anticipated delays in implementing the large aircraft and charter screening program.

P.L. 114-4 provided \$100 million to Secure Flight noting that, due to delays in implementing the Large Aircraft and Charter Screening Program, it did not provide the additional \$13 million requested.

### ***Visible Intermodal Prevention and Response Teams and Surface Transportation Security Inspectors***

Visible Intermodal Prevention and Response (VIPR) teams are made up of transportation security inspectors, and air marshals. These teams deploy across all modes to detect suspicious activity and act as a visible deterrent to crime and terrorism.

Historically, VIPR teams have concentrated on surface modes, particularly transit systems and intercity rail. However, following the November 2013 shooting incident at LAX, TSA has

<sup>143</sup> Department of Homeland Security, *Congressional Budget Justification FY2015: Transportation Security Administration, Aviation Security* (Washington, DC, 2014), p. 64.

<sup>144</sup> Department of Homeland Security, *Congressional Budget Justification FY2015: Transportation Security Administration, Intelligence, and Vetting* (Washington, DC, 2014), p. 9.

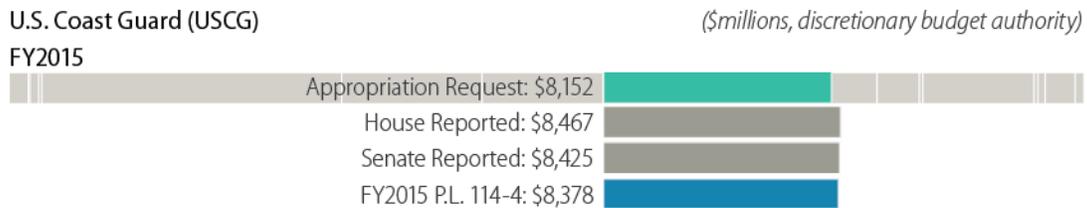
modified its VIPR deployment strategy to split deployments roughly evenly between surface and aviation modes.

In the FY2015 request, TSA proposed to reduce the number of VIPR teams from 37 to 33, which would result in a net reduction of 48 full-time equivalent positions and related costs totaling \$11 million. TSA also proposed to transfer 257 full-time equivalent positions from Aviation Security and the Federal Air Marshals Service to Surface Transportation Security. The move consolidates Surface Inspectors and multi-modal VIPR teams under one program.

The House-reported bill and report language concurred with the consolidation of VIPR teams, but called for a larger reduction, bringing the number of VIPR teams down to 31. This accounted for \$5 million of the \$6 million below the requested amount specified in H.R. 4903 for surface transportation security. The Senate-reported bill and report language also concurred with the consolidation plan but did not specify any further reduction in the number of VIPR teams. The explanatory statement accompanying P.L. 114-4 notes funding is provided to reduce the number of VIPR teams to 31.<sup>145</sup>

## U.S. Coast Guard<sup>146</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.



### FY2015 Request

The President requested \$8,152 million for the Coast Guard in FY2015. This includes \$6,750 million for operating expenses and \$1,084 million for acquisition, construction, and improvements. These two accounts are further detailed in the table below. Note that the operating expense request did not include funding for overseas contingency operations (such as Iraq and Afghanistan) which the President requested later in the year as an amendment to the Department of Defense budget. As the table indicates, the largest differences from last year's enacted level concern vessels and aircraft. The Coast Guard's multiyear effort to replace its aging cutters has been a major issue for Congress. These issues are discussed in CRS Report R42567, *Coast Guard Cutter Procurement: Background and Issues for Congress*, by (name redacted).

<sup>145</sup> *Congressional Record*, January 13, 2015, p. H281.

<sup>146</sup> Prepared by (name redacted), Specialist in Transportation Policy, Resources, Science, and Industry Division.

### House-Reported H.R. 4903

The House-reported bill provided \$316 million more than the President requested for the Coast Guard. The additional funding is mostly for constructing four fast response cutters rather than two (accounting for an additional \$95 million), an additional \$95 million to acquire one missionized long range surveillance aircraft, an additional \$81 million for backlogged depot maintenance, and an additional \$36 million for a military pay raise.

### Senate-Reported S. 2534

The Senate-reported bill provided \$273 million more than requested for the Coast Guard in order to acquire six fast response cutters instead of two. It agreed with the President’s request concerning long range surveillance aircraft and provided \$6 million to address a construction backlog for military housing. It also included \$213 million in funding for overseas contingency operations for the Coast Guard that had been requested as a transfer from the Department of Defense. This funding is covered by an adjustment under the Budget Control Act, and therefore does not count against the discretionary spending limits.

### P.L. 114-4

P.L. 114-4, as indicated in **Table 11**, provided \$80 million more than requested within the operating expenses account primarily for “intermediate and depot level maintenance” and “operating funds and unit level maintenance,” as well as \$213 million in overseas contingency operations funding that doesn’t count against the discretionary spending limits. Within the acquisition (ACI) account, the \$141 million net increase compared to the requested level was primarily for aircraft and vessel acquisition.

**Table 11** outlines the enacted funding levels for the USCG operating expenses and acquisition and construction functions for FY2014 and the proposed and enacted funding levels for FY2015.

**Table 11. Coast Guard Operating (OE) and Acquisition (ACI) Sub-Account Detail, FY2014-FY2015**

(budget authority in rounded millions of dollars)

Appropriation / Sub-Appropriation	FY2014	FY2015			
	Enacted	Request	House-Reported H.R. 4903	Senate-Reported S. 2534	P.L. 114-4
<b>Operating Expenses</b>	<b>7,012</b>	<b>6,750</b>	<b>6,864</b>	<b>6,985</b>	<b>7,043</b>
Military pay and allowances	3,417	3,434	3,469	3,441	3,450
Civilian pay and benefits	783	787	782	782	782
Training and recruiting	206	198	198	198	198
Operating funds and unit level maintenance	1,035	992	996	1,004	1,009

Appropriation / Sub-Appropriation	FY2014	FY2015			
	Enacted	Request	House-Reported H.R. 4903	Senate-Reported S. 2534	P.L. 114-4
Centrally managed accounts	319	335	336	336	336
Intermediate and depot level maintenance	1,013	1,004	1,085	1,011	1,057
St. Elizabeths Support	13	0	0	0	0
OCO / GWOT <sup>a</sup>	227	0	0	213	213
<b>Acquisition, Construction, and Improvements</b>	<b>1,376</b>	<b>1,084</b>	<b>1,287</b>	<b>1,330</b>	<b>1,225</b>
Vessels	999	803	884	1,044	824
Aircraft	175	68	187	68	180
Other Acquisition Programs	65	57	60	57	59
Shore Facilities and Aids to Navigation	5	41	41	41	41
Military Housing	18	0	0	6	6
Personnel and Related Support	113	115	115	115	115

**Source:** CRS analysis of FY2014 explanatory statement, FY2015 DHS congressional justifications, H.R. 4903, H.Rept. 113-481, S. 2534, S.Rept. 113-198, and P.L. 114-4 and its explanatory statement as printed in the *Congressional Record* of January 13, 2015, pp. H275-H322.

**Notes:** Table displays rounded numbers, but all operations were performed with unrounded data: therefore, amounts may not sum to totals.

- a. The Administration did not make a specific funding request for Overseas Contingency Operations until June 26, 2014, after the House Appropriations Committee had reported out its bill. The Administration requested a transfer of \$213 million from Navy Operations and Maintenance for USCG support of Operation Enduring Freedom.

## Issues for Congress

### *Oil Spill Prevention*

The Coast Guard’s mission set includes oil spill prevention and response.

New drilling methods for extracting crude oil have led to a domestic oil boom. This has meant that some North American refineries that formerly processed oil arriving by ship from the Middle East, Africa, and Latin America now refine large quantities of domestic oil. Pipeline links between the new domestic oil fields and refineries are limited, so much of the crude oil moves by rail or on river barges, coastal barges, and tankers. For example, river tank barges are moving crude oil down the Illinois Waterway, Arkansas River, Ohio River, and Mississippi River to Gulf Coast refineries; the Columbia River to West Coast refineries; and the Hudson River to East Coast refineries. River barges are also moving crude oil along the Texas and Louisiana

intracoastal waterway. Seagoing barges and tankers are moving oil from the Gulf Coast to refineries in the U.S. Northeast and eastern Canada, as well as through Puget Sound. In some waterways, the nature of petroleum traffic has changed from refined products to crude oil, or from foreign tankers to domestic barges, while other ports or waterways may be handling crude oil for the first time or have experienced a dramatic increase in the amount of crude oil they handle. As the nature and amount of crude oil movement on many U.S. waters has changed significantly in just the past two years,<sup>147</sup> Congress may wish to examine how the Coast Guard is responding. Potential questions include:

- Is the Coast Guard shifting safety resources to those ports and waterways that have experienced dramatic increases in crude oil traffic?
- Has the strong demand for U.S.-built tankers and barges called into service older vessels or more inexperienced crews?
- Has the Coast Guard instituted any new navigation rules to better separate traffic in harbors with a sudden increase in traffic?

Just as there has been a significant increase in the movement of crude oil by barge, the Coast Guard is in the process of establishing the new safety inspection regime for barges that Congress called for in 2004 (the Coast Guard and Maritime Transportation Act of 2004, P.L. 108-293, Section 415). This includes establishing structural standards for the vessel as well as standards for the number and qualifications of the crew. Section 409 of the 2004 Act also authorized the Coast Guard to evaluate an hours-of-service limit for crews on tugs that push barge tows. Congress has been concerned with the pace at which the Coast Guard is carrying out the directive on towing vessels. In the Coast Guard authorization Act of 2010 (P.L. 111-281, Section 701), Congress requested that all rulemakings related to oil pollution prevention, including towing vessel inspection, be finalized within 18 months of enactment (April 2012), but this deadline was not met and some final rules have yet to be issued as of November 2014.

### ***Other Energy-Related Marine Hazardous Materials***

The drilling boom is raising challenges for the Coast Guard beyond the movement of crude oil. River barges may be involved in moving wastewater from hydraulic fracturing drilling sites. The Coast Guard is currently evaluating requirements under which river tows might be permitted to move this hazardous material.<sup>148</sup>

Vastly increased natural gas production has led to the desire to export liquefied natural gas (LNG) by ship.<sup>149</sup> This involves converting existing import terminals to export terminals or building entirely new terminals. The Coast Guard provides a safety review of waterways intended for LNG transport. The Coast Guard also provides safety and security escorts for LNG tankers in U.S. harbors, which it describes as one of the most resource-intensive functions the Coast Guard

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<sup>147</sup> For further information on the Coast Guard's role in oil spill prevention and response, see CRS Report RL33705, *Oil Spills: Background and Governance*, by (name redacted)

<sup>148</sup> For further information see CRS Report R43148, *An Overview of Unconventional Oil and Natural Gas: Resources and Federal Actions*, by (name redacted) and (name redacted). See also, 78 *Federal Register* 64905, October 30, 2013, and docket no. USCG-2013-0915 at <http://www.regulations.gov> to view comments filed.

<sup>149</sup> For further information see CRS Report R42074, *U.S. Natural Gas Exports: New Opportunities, Uncertain Outcomes*, by (name redacted) et al.

performs. Vessel operators are examining LNG as a potential fuel source, especially since the United States established an Emissions Control Area around its coastline, requiring vessels to burn cleaner fuels. The Coast Guard is involved in establishing regulations specifying where LNG fuel tanks can most safely be placed aboard vessels as well as regulations for safe LNG fueling operations in ports.

The boom in domestic energy production is expected to increase domestic chemical production, as natural gas is the main feedstock for many chemical plants. If this occurs, some of these chemicals will likely be shipped in tank vessels, posing additional demands on Coast Guard resources.<sup>150</sup>

### *Performance of the Coast Guard's Marine Safety Office*

The Coast Guard's technical expertise in providing effective safety oversight of certain maritime operations was a concern of Congress several years ago.<sup>151</sup> The FY2009 Coast Guard budget request noted that "the Coast Guard is encountering serious stakeholder concern about our capacity to conduct marine inspections, investigations, and rulemaking."<sup>152</sup> At that time, Congress provided funds for additional Coast Guard civilian maritime inspectors. The Coast Guard acknowledged that its practice of regularly rotating staff geographically or by activity, as military organizations typically do, may hinder its ability to develop a cadre of staff with sufficient technical expertise in marine safety.<sup>153</sup> The number and quality of the Coast Guard's investigations and reports of marine accidents, as well as the lack of a "near-miss" reporting system, have been noted by the DHS Inspector General and other observers as missed opportunities to learn from past incidents.<sup>154</sup> In response to these criticisms, the agency revamped its safety program.<sup>155</sup> Among other things, it created additional civilian safety positions, converted military positions into civilian ones, and developed a long-term career path for civilian safety inspectors and investigators.

Congress may inquire whether these changes have brought about the desired outcome. At an October 2011 meeting with the towing industry to discuss the multiyear effort to promulgate inspection regulations, towing operators complained about having to rehash the same issues with a "revolving door" of Coast Guard officials in charge of the rulemaking project.<sup>156</sup> They also asserted that the Coast Guard was placing too much emphasis on a one-day-per-year inspection of vessels and equipment and not enough emphasis on human factors, the leading cause of marine accidents.

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<sup>150</sup> For a graph illustrating the recent increase in petroleum and chemicals transported on U.S. inland waterways, see <http://www.navigationdatacenter.us/wcsc/wcmpetrolchem.htm>.

<sup>151</sup> House Committee on Transportation and Infrastructure, Subcommittee on Coast Guard and Maritime Transportation, Hearing on Challenges Facing the Coast Guard's Marine Safety Program, July 27, 2007.

<sup>152</sup> Department of Homeland Security, *Congressional Budget Justification FY2009: United States Coast Guard*, p. CG-SC-5.

<sup>153</sup> See the 2007 report on the Coast Guard's marine safety mission by a retired Coast Guard vice admiral at <http://www.uscg.mil/hq/cg5/cg54/docs/VADM%20Card%20Report.pdf>.

<sup>154</sup> DHS, Office of Inspector General, *Marine Accident Reporting, Investigations, and Enforcement in the U.S. Coast Guard*, OIG-13-92, May 2013; [http://www.oig.dhs.gov/assets/Mgmt/2013/OIG\\_13-92\\_May13.pdf](http://www.oig.dhs.gov/assets/Mgmt/2013/OIG_13-92_May13.pdf).

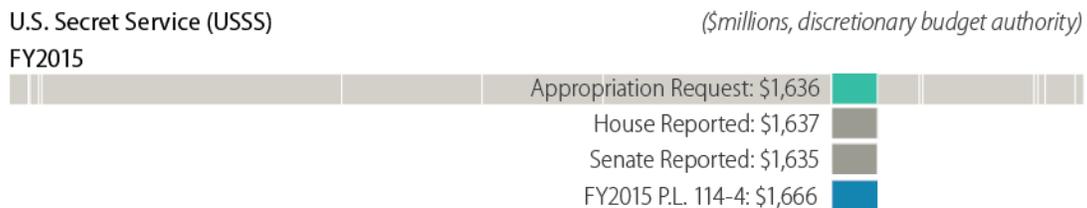
<sup>155</sup> U.S. Coast Guard, "Enhancing the Coast Guard's Marine Safety Program," September 25, 2007. See also *Coast Guard Proceedings*, Summer 2008, pp. 20-28, available at <http://www.uscg.mil/proceedings>.

<sup>156</sup> <http://www.regulations.gov/#!documentDetail;D=USCG-2006-24412-0095>

The President’s FY2015 budget request proposed reducing the Coast Guard’s marine safety mission by 18% or \$118 million and the agency’s marine environmental protection mission by 8% or \$19 million.<sup>157</sup> The House-reported bill included \$115 million more than the President requested for the Coast Guard’s operating expenses, and the Senate-reported bill recommended \$22 million more,<sup>158</sup> but the accompanying reports focused on concerns about the drug interdiction mission rather than marine safety.<sup>159</sup> As noted in **Table 11**, P.L. 114-4 provided \$80 million more than requested for Coast Guard operations.<sup>160</sup>

## U.S. Secret Service<sup>161</sup>

The U.S. Secret Service (USSS)<sup>162</sup> has two broad missions, criminal investigations and protection. Criminal investigation 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 Vice President’s residence, through the Service’s Uniformed Division. Protective duties also extend to foreign missions in the District of Columbia and to designated individuals, such as the DHS Secretary and visiting foreign dignitaries.



## FY2015 Request

For FY2015, the Administration requested an appropriation of \$1,636 million for the USSS. The Administration requested approximately \$913 million for its protection mission, \$347 million for its investigation mission, and total of 6,572 FTE to meet its personnel needs.<sup>163</sup>

## House-Reported H.R. 4903

For FY2015, House-reported H.R. 4903 recommended an appropriation of \$1,637 million for the USSS. This would have been approximately \$52 million more than the USSS’s FY2014

<sup>157</sup> Department of Homeland Security, U.S. Coast Guard, *Always Ready: United States Coast Guard, 2013 Performance Highlights, 2015 Budget in Brief* (Washington, DC, 2014), Table 2.

<sup>158</sup> Not including \$213 million in overseas contingency operations funding.

<sup>159</sup> H.Rept. 113-481, p. 75; S.Rept. 113-198, pp. 82-84.

<sup>160</sup> Not including \$213 million in overseas contingency operations funding.

<sup>161</sup> Prepared by (name redacted), Analyst in Emergency Management and Homeland Security Policy, Government and Finance Division.

<sup>162</sup> For more information, see CRS Report RL34603, *The U.S. Secret Service: History and Missions*, by (name redacted).

<sup>163</sup> Department of Homeland Security, *Congressional Budget Justification FY2015: U.S. Secret Service, Salaries and Expenses* (Washington, DC, 2014), p. 3.

appropriation (\$1,585 million) and approximately \$1 million more than the Administration requested.<sup>164</sup>

### **Senate-Reported S. 2534**

For FY2015, Senate-reported S. 2534 recommended an appropriation of \$1,635 million for the USSS. This would have been \$1 million less than the Administration requested and approximately \$53 million more than the USSS's FY2014 appropriation.<sup>165</sup>

### **P.L. 114-4**

Congress appropriated a total amount of \$1,666 million for USSS. Congress provided \$990 million for the USSS's protection mission, \$381 million for its criminal investigations mission, and almost \$50 million for the USSS's acquisition, construction, improvements, and related expenses account.

As in previous years, Congress specifically required that none of the funds appropriated to the USSS be made available to protect the head of a federal agency other than the DHS Secretary unless the USSS Director enters into an agreement with the agency to provide such protection on a fully reimbursable basis. Additionally none of the funds appropriated to the USSS may be obligated for the purpose of opening a new permanent domestic or overseas office or location unless the House and Senate of Committees of Appropriations are notified within 15 days in advance of such obligation.

A new requirement included in P.L. 114-4 stated that no later than 90 days after the date of enactment of the USSS appropriations, the USSS Director shall submit a report to the House and Senate Committees of Appropriations providing evidence that the USSS has sufficiently reviewed its professional standards of conduct, and had issued new guidance and procedures for the conduct of employees when engaged in overseas operations and protective missions. Finally, Congress has withheld \$10 million from the obligation from Headquarters, Management and Administration account until the USSS Director submits this report.<sup>166</sup>

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<sup>164</sup> H.Rept. 113-481, p. 84.

<sup>165</sup> S.Rept. 113-198, p. 95.

<sup>166</sup> P.L. 114-4, Title II.

**Table 12. Budget Authority for the U.S. Secret Service, FY2013-FY2014**  
(budget authority in rounded millions of dollars)

Appropriation / Sub-Appropriation	FY2014	FY2015			
	Enacted	Request	House-Reported H.R. 4903	Senate-Reported S. 2534	P.L. 114-4
<b>Salaries and Expenses</b>	<b>1,533</b>	<b>1,586</b>	<b>1,587</b>	<b>1,585</b>	<b>1,616</b>
Protection	920	973	965	965	990
<i>Protection of persons and facilities</i>	848	875	868	868	893
<i>Protective intelligence activities</i>	67	68	68	68	68
<i>National Special Security Events</i>	5	5	5	5	5
<i>Presidential candidate nominee protection</i>		26	26	26	26
Investigations	368	367	381	376	381
<i>Domestic field operations</i>	329	332	338	333	338
<i>International Field Office Administration, Operations and Training</i>	31	34	34	34	34
<i>Forensic Support to the National Center for Missing and Exploited Children</i>	8	0	8	8	8
Headquarters, Management and Administration	189	189	185	188	188
Information Integration and Technology Transformation	1	1	1	1	1
James J. Rowley Training Center	55	56	55	55	55
<b>Acquisition, Construction, and Improvements</b>	<b>52</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>
Facilities	5	5	5	5	5
Information Integration and Technology Transformation	46	45	45	45	45
<b>Total</b>	<b>1,585</b>	<b>1,636</b>	<b>1,637</b>	<b>1,635</b>	<b>1,666</b>

**Sources:** CRS analysis of the FY2015 DHS congressional justifications, H.Rept. 113-481, S.Rept. 113-198, and P.L. 114-4 and its explanatory statement as printed in the *Congressional Record* of January 13, 2015, pp. H275-H322.

**Note:** Table displays rounded numbers, but all operations were performed with unrounded data: therefore, amounts may not sum to totals.

## Issues for Congress

### *Allegations of Misconduct and Poor Performance*

Two potential ongoing issues for Congress concerning the USSS are the recurring allegations of misconduct within USSS, and USSS's mishandling of its "protection of persons and facilities" mission.

On September 19, 2014, a person gained unauthorized entrance into the White House after climbing the fence. The House Oversight and Government Reform Committee held a hearing entitled "White House Perimeter Breach: New Concerns about the Secret Service," on September 30, 2014, which addressed this breach and previous incidents.<sup>167</sup> The committee inquired whether deficient procedures, insufficient training, personnel shortages, or low morale contributed to these security breaches. Later that same day, it became public that earlier in the year a private security contractor at a federal facility, while armed, was allowed to share an elevator with the President during a site visit, in violation of USSS security protocols. USSS Director Julia Pierson resigned the next day.<sup>168</sup> Finally, on March 4, 2015, it was reported that two senior USSS special agents, including one who was responsible for all aspects of White House security, disrupted the scene of an investigation of a suspicious package during an elevated security condition at the White House complex. It was further alleged that these two agents were under the influence of alcohol.

These alleged and confirmed misconduct and security breach incidents collectively may indicate issues within the USSS. Specifically these ongoing issues may be related to the USSS's management, alleged and confirmed ethical violations, security breaches, funding, staffing, and training of personnel.

The House Appropriations Committee stated in the report accompanying the DHS appropriations bill that it was "deeply disappointed by recurring allegations of misconduct within the Secret Service." The Committee also recommended withholding \$20 million from their management budget until the Service submits a report providing evidence that the USSS "has sufficiently reviewed its professional standards of conduct; issued new guidance for the procedures and conduct of employees when engaged in overseas operations and protective missions; and instituted a zero-tolerance policy consistent with the agency's critical missions and unique position of public trust."<sup>169</sup>

The explanatory statement that accompanied P.L. 114-4 noted that some of the problems affecting the USSS "can be attributed to insufficient resources requested by DHS and the Office of Management and Budget, others are systemic and appear to reflect broader cultural challenges

<sup>167</sup> U.S. Congress, House Committee on Oversight and Government Reform, *White House Perimeter Breach: New Concerns about the Secret Service*, 113<sup>th</sup> Cong., 2<sup>nd</sup> sess., September 30, 2014.

<sup>168</sup> Carol D. Leonnig and David Nakamura, "Julia Pierson Resigns as Secret Service Director After Series of Security Lapses," *Washington Post*, October 1, 2014, at [http://www.washingtonpost.com/politics/julia-pierson-resigns-as-secret-service-director/2014/10/01/ea39a396-499f-11e4-891d-713f052086a0\\_story.html](http://www.washingtonpost.com/politics/julia-pierson-resigns-as-secret-service-director/2014/10/01/ea39a396-499f-11e4-891d-713f052086a0_story.html).

<sup>169</sup> H.Rept. 113-481, p. 86.

within the Secret Service.”<sup>170</sup> The statement goes on to note that the bill provided an additional \$25 million for protection activities, to provide security enhancements and training.

## Title III: Protection, Preparedness, Response, and Recovery

Title III of the DHS appropriations bill contains the appropriations for the National Protection and Programs Directorate (NPPD), the Office of Health Affairs (OHA), and the Federal Emergency Management Agency (FEMA). The Administration requested \$5,611 million for these accounts in FY2015, a decrease of \$341 million below the FY2014 enacted level. The House-reported bill included \$5,902 million, an increase of 5.2% above the requested level and 0.8% below FY2014. The Senate-reported bill included \$5,980 million, an increase of 6.6% above the requested level and 0.5% above FY2014. Title III of P.L. 114-4 included \$5,979 million, an increase of 6.2% above the requested level and 0.5% above FY2014.

In addition, P.L. 114-4 included \$6,438 million for disaster relief as the Administration requested. This amount is covered by an adjustment under the Budget Control Act (BCA), and does not add to the total adjusted net discretionary budget authority in P.L. 114-4.

**Table 13** lists the enacted amounts for the individual components of Title III for FY2014 and the amounts requested by the Administration, recommended by the House- and Senate-reported bills, and provided by the enacted annual appropriation for FY2015 under Title III.

**Table 13. Title III: Protection, Preparedness, Response, and Recovery, FY2014-FY2015**  
(budget authority in rounded millions of dollars)

Component / Appropriation	FY2014	FY2015			
	Enacted	Request	House-Reported H.R. 4903	Senate-Reported S. 2534	P.L. 114-4
<b>National Protection and Programs Directorate</b>					
Management and Administration	56	66	64	65	62
Infrastructure Protection and Information Security	1,187	1,198	1,139	1,213	1,189
Federal Protective Service <sup>a</sup>	[1,302]	[1,343]	[1,343]	[1,343]	[1,343]
Office of Biometric Identity Management	227	252	250	249	252
<b>Appropriation</b>	<b>1,471</b>	<b>1,515</b>	<b>1,454</b>	<b>1,527</b>	<b>1,502</b>
Fees, Mandatory Spending, and Trust Funds	1,302	1,343	1,343	1,343	1,343
Total Budgetary Resources	2,772	2,858	2,797	2,869	2,845

<sup>170</sup> *Congressional Record*, January 13, 2015, p. H284.

Component / Appropriation	FY2014	FY2015			
	Enacted	Request	House-Reported H.R. 4903	Senate-Reported S. 2534	P.L. 114-4
<b>Office of Health Affairs</b>					
<b>Appropriation</b>	<b>127</b>	<b>126</b>	<b>128</b>	<b>125</b>	<b>129</b>
Fees, Mandatory Spending, and Trust Funds	0	0	0	0	0
Total Budgetary Resources	127	126	128	124	129
<b>Federal Emergency Management Agency</b>					
Salaries and Expenses	947	925	913	936	934
Grants and Training	2,530	2,225	2,530	2,530	2,530
Radiological Emergency Preparedness	-1	-2	-2	-2	-2
U.S. Fire Administration	44	41	44	44	44
Disaster Relief Fund	595	596	596	596	596
Total Disaster Relief Funding <sup>b</sup>	[6,221]	[7,033]	[7,033]	[7,033]	[7,033]
Flood Hazard Mapping and Risk Analysis	95	84	94	100	100
National Flood Insurance Fund <sup>a</sup>	[176]	[179]	[179]	[179]	[179]
Pre-disaster Mitigation Fund	25	0	25	25	25
Emergency Food and Shelter	120	100	120	100	120
<b>Appropriation</b>	<b>4,354</b>	<b>3,970</b>	<b>4,320</b>	<b>4,329</b>	<b>4,347</b>
Fees, Mandatory Spending, and Trust Funds	3,864	4,538	4,538	4,538	4,538
Disaster Relief Adjustment	5,626	6,438	6,438	6,438	6,438
Total Budgetary Resources	13,845	14,946	15,297	15,305	15,323
<b>Net Discretionary Budget Authority: Title III</b>	<b>5,952</b>	<b>5,611</b>	<b>5,902</b>	<b>5,980</b>	<b>5,979</b>
<b>Total Budgetary Resources for Title III Components before Transfers</b>	<b>16,744</b>	<b>17,929</b>	<b>18,221</b>	<b>18,299</b>	<b>18,298</b>

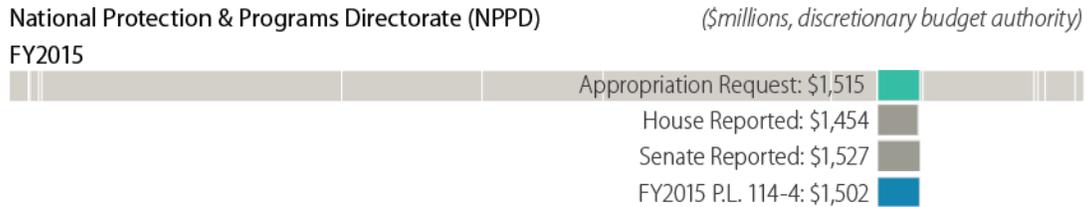
**Sources:** CRS analysis of FY2014 explanatory statement, FY2015 DHS congressional justifications, H.R. 4903, H.Rept. 113-481, S. 2534, S.Rept. 113-198, and P.L. 114-4 and its explanatory statement as printed in the *Congressional Record* of January 13, 2015, pp. H275-H322.

**Notes:** Table displays rounded numbers, but all operations were performed with unrounded data: therefore, amounts may not sum to totals.

- a. This line is wholly offset by fees, and therefore does not add to the total appropriation.
- b. This line is a subtotal of the “Disaster Relief Fund” line, which is included in the “Appropriation” line, and the “Disaster Relief Adjustment” line, which is not.

## National Protection and Programs Directorate (NPPD)<sup>171</sup>

The National Protection and Programs Directorate (NPPD) was formed by the Secretary for Homeland Security in response to the Post-Katrina Emergency Management Reform Act of 2006. The Directorate includes the Office of the Under Secretary for NPPD and accompanying administrative support functions; the Information Protection and Infrastructure Security Program; the Federal Protective Service; and the Office of Biometric Identity Management.



## Information Protection and Infrastructure Security

The Infrastructure Protection and Information Security Program (IPIS) supports the programmatic activities of the Office of Infrastructure Protection, the newly formed Office of Cyber and Infrastructure Analysis,<sup>172</sup> and the Office of Cybersecurity and Communications.

### *FY2015 Request*

The administration requested \$1,198 million for IPIS. The request amounted to a net \$11 million increase over the \$1,187 million enacted for FY2014, or just below 1%. A review of **Table 14** reveals two primary budgetary increases at the program, project, and activity (PPA) level: Next Generation Networks (\$49 million) and Infrastructure Security Compliance (\$6 million). The NPPD planned to use the additional \$49 million for Next Generation Networks to maintain the number of wireless carriers that can provide Priority Telecommunication Services by transitioning the Wireless Priority Services infrastructure to Internet-based technologies.<sup>173</sup> The Infrastructure Security Compliance PPA supports implementation of the Chemical Facility Anti-Terrorism Standards (CFATS). NPPD would use the additional \$6 million to create ten additional permanent positions and to develop technologies that would allow for electronic submission of facility data, control the access and use of that data, record inspection data, and monitor workflow.<sup>174</sup>

These increases were offset by budgetary decreases in a number of the other PPAs, the largest decrease being in the Federal Network Security PPA (-\$28 million). The Federal Network Security PPA supports DHS efforts to improve network security across the federal government and to assure agency compliance with federal standards. Most of the \$28 million reduction

<sup>171</sup> Prepared by (name redacted), Specialist in Science and Technology Policy, Resources, Science, and Industry Division.

<sup>172</sup> The Office of Cyber and Infrastructure Analysis was established by DHS in 2014 in response to Presidential Policy Directive/PPD-21. Critical Infrastructure Security and Resilience, February 12, 2013 (see <http://www.gpo.gov/fdsys/pkg/DCPD-201300092/pdf/DCPD-201300092.pdf>), and Executive Order 13636, *Improving Critical Infrastructure Cybersecurity* (see *Federal Register*, vol. 78, no. 33, February 19, 2013, pp. 11739-11744).

<sup>173</sup> Department of Homeland Security. *Congressional Budget Justification FY2015: National Protection and Programs Directorate, Infrastructure Protection and Information Security* (Washington, DC, 2014), p. 5.

<sup>174</sup> *Ibid.*, pp. 29-31.

resulted from a drop in funds for continuous diagnostic and monitoring (-\$25 million).<sup>175</sup> However, this drop in funding reflected a shift from the procurement of continuous diagnostic and monitoring sensors to operation and maintenance of the technology.<sup>176</sup>

The budget request also would have reduced the Global Cybersecurity Management PPA by \$8 million below the FY2014 enacted amount, primarily through reductions in DHS support of cybersecurity education (from \$16 million to \$8 million).<sup>177</sup> This included a \$5 million reduction in support for DHS Cyber Innovation Centers and a \$3 million decrease in DHS support for the National Initiative for Cybersecurity Education (NICE).<sup>178</sup>

The PPA structure in **Table 14** does not reveal all of the programmatic increases and decreases in the IPIS request. Of note, the Administration requested an additional \$6 million to support the Cybersecurity Framework developed by the National Institute of Standards and Technology (NIST), in response to Executive Order (EO) 13636, *Improving Critical Infrastructure Cybersecurity*.<sup>179</sup> The Cybersecurity Framework includes efforts to promote the voluntary implementation of cybersecurity standards by private-sector owners and operators of critical infrastructure assets. The Administration also requested an additional \$3 million to expand the Enhanced Cybersecurity Services program.<sup>180</sup> Enhanced Cybersecurity Services transfers federal security technologies to firms that provide commercial Internet services to federal agencies. The request partially offset these increases with a \$2 million reduction in Sector Specific Agency Management (within the Sector Management and Governance PPA).<sup>181</sup>

The Administration also requested an increase of \$8 million to support other activities called for in Presidential Policy Directive 21, *Critical Infrastructure Security and Resilience*. Of the \$8 million, \$5 million would have gone toward additional Regional Risk Assessments with a focus on identifying cascading risks, \$3 million for Infrastructure Design and Support, and \$1 million to maintain current operations of the National Coordination Center (NCC).<sup>182</sup> Infrastructure Design and Support promotes the development and use of construction standards and best practices aimed at improving the resiliency of critical infrastructure assets. The additional funds for the NCC, a 24x7 incident response center for the telecommunications sector, covers the loss of Department of Defense and Defense Intelligence Agency personnel deployed at the NCC.<sup>183</sup> These increases would have been partially offset by a \$3 million reduction in Site Assessment Visits and a \$3 million reduction in DHS support to non-lead agencies that sit on the various public-private infrastructure protection councils.<sup>184</sup>

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<sup>175</sup> Ibid., p. 38.

<sup>176</sup> Ibid., p. 44.

<sup>177</sup> Ibid., p. 56.

<sup>178</sup> Ibid., pp. 100-101.

<sup>179</sup> Ibid., p. 91.

<sup>180</sup> Ibid., p. 92.

<sup>181</sup> Ibid., pp. 5, 92.

<sup>182</sup> Ibid., pp. 95-96.

<sup>183</sup> Ibid., pp. 95-96.

<sup>184</sup> Ibid., p. 96.

### ***House-Reported H.R. 4903***

The House Appropriations Committee approved \$1,139 million for the IPIS program, \$59 million below the amount requested. The House Appropriations Committee attributed much of this reduction to FY2015 spending caps associated with the National Defense Budget Function, of which the IPIS is a part.<sup>185</sup> As a result the committee's recommendation did not include the increase sought by the Administration for the Next Generation PPA (\$49 million).<sup>186</sup> The House report also recommended reducing support for vulnerability assessments by \$3 million (part of the Infrastructure Analysis and Planning PPA), and would have reduced the Regional Field Operations and Infrastructure Security Compliance PPAs by \$4 million each. The latter two reductions reflect, in part, House concern over the reported misuse of uncontrolled overtime pay for Protective Security Advisors and Chemical Security Inspectors.<sup>187</sup> The House Appropriations Committee, however, did partially fund the increases sought by the Administration to automate the compliance process. The House report also included language instructing the Department to work with its industry partners in developing the CFATS Personnel Surety Program performance-based requirement, designed to vet personnel at covered chemical facilities and not to mandate a process if a covered facility meets those requirements with existing vetting processes.

The slight net reduction in Network Security Deployment PPA included an \$8 million reduction to better align with a delayed acquisition schedule for EINSTEIN 3 hardware and software.<sup>188</sup> The House report also encouraged the Department to explore new capabilities in detecting malicious traffic and asked for a report outlining the steps being taken to engage the private sector and Federally Funded Research and Development Centers to better understand the evolving cyber-related threats and technical opportunities to counter them, including behavioral analysis and zero-day threat detection.<sup>189</sup>

### ***Senate-Reported S. 2534***

The Senate Appropriations Committee recommended a total of \$1,213 million for the IPIS program, \$15 million above what the Administration requested.<sup>190</sup> The committee recommended nearly the requested amount for the Next Generation PPA. It also recommended an increase in the Global Cybersecurity PPA, primarily replacing funding for cybersecurity education efforts that the Administration reduced.

In regard to Infrastructure Protection, the committee recommended an additional \$2 million above what was requested for the Office of Bombing Prevention.<sup>191</sup> It also directed the department to fully fund training for personnel in charge of public safety at large venue events and to brief the committee on new sensing technologies to enhance building security and resilience.<sup>192</sup> The committee largely supported the increase in funding sought for CFATS

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<sup>185</sup> H.Rept. 113-481, p. 88.

<sup>186</sup> *Ibid.*, p. 93

<sup>187</sup> *Ibid.*, p. 90.

<sup>188</sup> *Ibid.*, p. 93.

<sup>189</sup> *Ibid.*, p. 93

<sup>190</sup> S.Rept. 113-198, p. 98.

<sup>191</sup> *Ibid.*, p. 101.

<sup>192</sup> *Ibid.*, p. 102.

implementation. Like the House Appropriations Committee, the Senate Appropriations Committee expressed concerns about reported misuse of uncontrolled overtime and the potential for overburdening industry partners as the department develops its Personnel Surety Program. The committee also encouraged the department to consider the role that chemical neutralization technologies can play in responding to risks at chemical facilities.<sup>193</sup>

In regard to cybersecurity, the Senate Appropriations Committee directed the department to review and report on the availability and benefit of using cybersecurity personnel and facilities outside the National Capital Region to meet federal and national cybersecurity needs.<sup>194</sup> The committee also encouraged the department to expand the Enhanced Cybersecurity Services effort to include state and local governments and to report on the current and expected growth of state and local government need for those services.<sup>195</sup> As mentioned above, the committee rejected the Administration’s request to reduce cybersecurity training funding in the Global Cybersecurity Management PPA and recommended that no less than \$16 million be allocated to support those activities.<sup>196</sup>

In regard to communications, the committee provided nearly full funding, as requested, for the Next Generation Networks PPA.

**P.L. 114-4**

P.L. 114-4 provided \$1,189 million for the IPIS program, \$9 million below the budget request, and \$2 million above the amount enacted for FY2014. See the discussion below for further information on the final appropriations.

**Table 14** outlines the funding levels enacted for FY2014, as well as the proposed and enacted FY2015 funding levels for each PPA within the IPIS program.

**Table 14. Budget Authority for Infrastructure Protection and Information Security, FY2014-FY2015**

(budget authority in rounded millions of dollars)

Appropriation / Sub-Appropriation	FY2014	FY2015			
	Enacted	Request	House-reported H.R. 4903	Senate-reported S. 2534	P.L. 114-4
Infrastructure Protection	263	271	263	275	271
Infrastructure Analysis and Planning	63	64	61	68	64
Sector Management and Governance	63	63	65	63	65
Regional Field Operations	57	57	53	57	57

<sup>193</sup> Ibid., p.103.

<sup>194</sup> Ibid., p. 104.

<sup>195</sup> Ibid., p. 105.

<sup>196</sup> Ibid., p. 105.

Appropriation / Sub-Appropriation	FY2014	FY2015			
	Enacted	Request	House-reported H.R. 4903	Senate-reported S. 2534	P.L. 114-4
<i>Infrastructure Security Compliance</i>	81	87	83	87	85
Cybersecurity	792	746	746	757	753
<i>Cybersecurity Coordination</i>	4	4	4	4	4
<i>US-CERT Operations</i>	102	99	99	99	99
<i>Federal Network Security</i>	200	172	171	171	171
<i>Network Security Deployment</i>	382	378	378	378	377
<i>Global Cybersecurity Management</i>	26	18	18	26	26
<i>Critical Infrastructure Cyber Protection and Awareness</i>	73	71	71	74	71
<i>Business Operations</i>	5	6	6	6	6
Communications	131	180	131	181	164
<i>Office of Emergency Communications</i>	37	36	36	37	37
<i>Priority Telecommunications Services</i>	53	53	53	53	53
<i>Next Generation Networks</i>	21	70	21	70	53
<i>Programs to Study and Enhance Telecommunications</i>	10	10	10	10	10
<i>Critical Infrastructure Protection</i>	9	10	10	10	10
<b>Total, Infrastructure Protection and Information Security</b>	<b>1,187</b>	<b>1,198</b>	<b>1,139</b>	<b>1,213</b>	<b>1,189</b>

**Source:** CRS analysis of FY2014 explanatory statement, FY2015 DHS congressional justifications, H.R. 4903, H.Rept. 113-481, S. 2534, S.Rept. 113-198, and P.L. 114-4 and its explanatory statement as printed in the *Congressional Record* of January 13, 2015, pp. H275-H322.

**Note:** Table displays rounded numbers, but all operations were performed with unrounded data: therefore, amounts may not sum to totals.

### Issues for Congress

Congressional interest in the Infrastructure Security Compliance PPA, in particular the effectiveness of DHS’s efforts to implement the Chemical Facility Anti-Terrorism Standards (CFATS) program, was expected to continue. The NPPD budget request included additional funds for this effort. The Senate supported this request; the House reduced it by \$4 million. Both committees expressed some concern about reported misuse of uncontrolled overtime for

inspectors. P.L. 114-4 split the difference between the House and Senate, and reduced the Infrastructure Security Compliance PPA by \$2 million. For additional information related to the implementation of the program, see CRS Report R43346, *Implementation of Chemical Facility Anti-Terrorism Standards (CFATS): Issues for Congress*, by (name redacted).

Congressional interest in cybersecurity was expected to continue. A detailed discussion of cybersecurity-related legislation introduced and passed in the 113<sup>th</sup> Congress and how those bills might impact the IPIS program was beyond the scope of this report. For a discussion of some of the bills introduced, see CRS Report R42114, *Federal Laws Relating to Cybersecurity: Overview of Major Issues, Current Laws, and Proposed Legislation*, by (name redacted). Also see CRS Report R42984, *The 2013 Cybersecurity Executive Order: Overview and Considerations for Congress*, by (name redacted) et al., for a discussion of E.O. 13636, the implementation of which is supported by a number of IPIS programs. With the exception noted below, P.L. 114-4 essentially provided the amount of funds requested by the Administration for cybersecurity activities.

The Administration's request for a reduction in funding for cybersecurity education activities raised issues for Congress.<sup>197</sup> The Senate Appropriations Committee expressly rejected the Administration's cuts to DHS support for cybersecurity education efforts.<sup>198</sup> The House agreed to the reductions in the Global Cybersecurity Management PPA, where these educational activities were supported. P.L. 114-4 restored the funds and stipulated that of the \$26 million allocated to the Global Cybersecurity Management PPA, at least \$16 million was to be used for educational activities, as proposed by the Senate.<sup>199</sup>

The House and Senate also had to reconcile their differences on support for Next Generation priority wireless program. The Administration requested a \$49 million increase for that effort. The Senate recommended nearly the requested amount. The House cited the need to conform to discretionary spending limits and did not provide the additional funds. P.L. 114-4 provided a total of \$53 million; \$17 million below the request, but an increase of \$32 million above the amount enacted for the Next Generation PPA in FY2014. However, P.L. 114-4 also allowed that, should funds made available for Federal Network Security and Network Security Deployment become available due to delays in contracting action, those funds could be put toward the Next Generation PPA activities.<sup>200</sup>

In regard to the Infrastructure Analysis and Planning PPA, the House proposed \$3 million less than requested (through fewer vulnerability assessments) and the Senate proposed \$4 million more than requested. P.L. 114-4 provided \$0.5 million more than what was requested and explicitly provided \$17 million for the National Infrastructure Simulation and Analysis Center, \$16 million for Vulnerability Assessments, and \$9 million for the Office of Bombing Prevention.<sup>201</sup>

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<sup>197</sup> Department of Homeland Security, *Congressional Budget Justification FY2015: National Protection and Programs Directorate, Infrastructure Protection and Information Security* (Washington, DC, 2014), pp. 100-101.

<sup>198</sup> S.Rept. 113-198, p. 105.

<sup>199</sup> Congressional Record, January 13, 2015. H275.

<sup>200</sup> P.L. 114-4, 129 Stat. 52.

<sup>201</sup> Congressional Record, January 13, 2015. H285.

## Federal Protective Service<sup>202</sup>

The Federal Protective Service (FPS), within the National Protection and Programs Directorate (NPPD),<sup>203</sup> is responsible for the protection and security of federal property, personnel, and federally owned and leased buildings.<sup>204</sup> In general, FPS operations focus on security and law enforcement activities that reduce vulnerability to criminal and terrorist threats. FPS protection and security operations include all-hazards based risk assessments; emplacement of criminal and terrorist countermeasures, such as vehicle barriers and closed-circuit cameras; law enforcement response; assistance to federal agencies through Facility Security Committees; and emergency and safety education programs. FPS also assists other federal agencies, such as the U.S. Secret Service (USSS) at National Special Security Events (NSSE), with additional security.<sup>205</sup> FPS is the lead “Government Facilities Sector Agency” for the National Infrastructure Protection Plan (NIPP).<sup>206</sup> Currently, FPS employs 1,372 FTEs and trains and monitors over 15,000 contract security guards.<sup>207</sup>

### *FY2015 Request*

The President’s FY2015 budget request included 1,371 FTEs and \$1,343 million for FPS. This was same amount that FPS received in FY2014. FPS does not receive a typical appropriation, but instead has a budget wholly offset by security fees charged to GSA building tenants in FPS-protected buildings and facilities. Of the total funding projected in the request, \$276 million in fees would be collected for basic security operations, \$601 million for building-specific security operations, and \$466 million for reimbursable agency-specific security.<sup>208</sup>

### *House-Reported H.R. 4903 and Senate-Reported S. 2534*

Both House and Senate appropriations committee reports included a recommendation for the requested amount of \$1,343 million for FPS. While the House committee report did not include a specific recommendation for funding levels for basic security, building-specific security, or reimbursable agency-specific security funding levels, the Senate committee report made recommendations that mirrored the Administration’s proposal.

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<sup>202</sup> Prepared by (name redacted), Analyst in Emergency Management and Homeland Security Policy, Government and Finance Division.

<sup>203</sup> FPS was transferred to NPPD from ICE following the enactment of the FY2010 DHS appropriations, P.L. 111-83.

<sup>204</sup> 40 U.S.C. 1315.

<sup>205</sup> For information on NSSEs, see CRS Report R43522, *National Special Security Events: Fact Sheet*, by (name redacted).

<sup>206</sup> For Information on the NIPP, see [http://www.dhs.gov/xprevprot/programs/editorial\\_0827.shtm](http://www.dhs.gov/xprevprot/programs/editorial_0827.shtm).

<sup>207</sup> Department of Homeland Security, *Congressional Budget Justification FY2015: National Protection and Programs Directorate, Federal Protective Service* (Washington, DC, 2014), p. 2.

<sup>208</sup> *Ibid.*, p. 3. Reimbursable agency-specific security revenue is funding via a reimbursable agreement between FPS and another federal agency for the occupants of federally owned or leased facilities requiring the same services provided as part of building-specific security, but provided to an individual customer.

### ***P.L. 114-4***

P.L. 114-4 includes the requested authority for FPS to expend its revenues and fees collected to carry out its mission. Additionally, FPS was required to submit a strategic human capital plan that aligns fee collections to personnel requirements based on current threat assessments with the President's FY2016 budget proposal.<sup>209</sup>

### ***Issues for Congress***

Congress may wish to continue its oversight of federal facility security generally, and the FPS specifically. One issue is FPS's continued challenges in training and monitoring its contract security guards. The Government Accountability Office (GAO) states that FPS continues to face challenges ensuring that its contract security guards have been properly trained and certified before being deployed to federal facilities. In its December 2013 report, GAO found that FPS is challenged in providing active shooter response and screener training. As a result, GAO found that FPS has limited assurance that contract security guards at federal facilities are prepared to respond to active shooter incidents; and that contract security guards may be using screening equipment without proper training.<sup>210</sup>

### **Office of Biometric Identity Management (OBIM)**

The Office of Biometric Identity Management is responsible for collecting, maintaining, and sharing biometric data with DHS's partners. As part of this mission, it maintains the Automated Biometric Identification System (IDENT)—DHS's central repository for biometric data.

### ***FY2015 Request***

The Administration requested \$252 million for OBIM in FY2015, \$24 million (10.8%) more than it received in FY2014.

### ***House-Reported H.R. 4903***

The House Appropriations Committee approved \$250 million for OBIM, more than \$1 million (0.5%) below the amount requested, but \$23 million (10.1%) more than OBIM received in FY2014. The committee report recommended full funding for IDENT improvements, but noted "architectural limitations" of the IDENT system, and directed OBIM to submit a plan for its replacement no later than 120 days after enactment.<sup>211</sup> The report further noted that the plan should include the IDENT requirements for supporting a planned biometric entry-exit system.<sup>212</sup>

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<sup>209</sup> 129 Stat. 52.

<sup>210</sup> U.S. Government Accountability Office, *Homeland Security: Federal Protective Service Continues to Face Challenges with Contract Guards and Risk Assessments at Federal Facilities*, GAO-14-235T, December 17, 2013, p. 2, <http://www.gao.gov/assets/660/659744.pdf>.

<sup>211</sup> H.Rept. 113-481, pp. 95-96.

<sup>212</sup> Title I of the House-reported bill provided that, within 30 days of enactment, the Secretary must submit a comprehensive plan for implementation of the biometric entry and exit data system, including estimated implementation costs.

**Senate-Reported S. 2534**

The Senate Appropriations Committee approved \$249 million for OBIM, more than \$2 million (1.0%) below the amount requested, but \$22 million (9.7%) more than OBIM received in FY2014. The report noted the committee’s strong support for IDENT modernization, citing budget constraints as the cause for the reduction.<sup>213</sup>

The Senate-reported bill continued to carry a general provision requiring that a management and investment plan justifying current and future requirements for OBIM be submitted with the FY2016 budget request.<sup>214</sup>

**P.L. 114-4**

P.L. 114-4 provided \$252 million for OBIM for FY2015, almost a half million dollars above the the budget request, and \$25 million (11.0%) above the amount enacted for FY2014. The explanatory statement directs OBIM to provide the appropriations committees with a plan for the obligation and expenditure of funds; semi-annual briefings on its operations, including updates on cost and schedule estimates for replacement of the IDENT system; and semi-annual briefings on interagency integration of biometric systems.<sup>215</sup>

**Office of Health Affairs<sup>216</sup>**

The Office of Health Affairs (OHA) has operational responsibility for several programs, including the BioWatch program, the National Biosurveillance Integration Center (NBIC), and the department’s occupational health and safety programs.<sup>217</sup> OHA also coordinates or consults on DHS programs that have a public health or medical component; these include FEMA operations, homeland security grant programs, and medical care provided at ICE detention facilities.

Office of Health Affairs (OHA) FY2015	<i>(\$millions, discretionary budget authority)</i>
	Appropriation Request: \$126
	House Reported: \$128
	Senate Reported: \$125
	FY2015 P.L. 114-4: \$129

**FY2015 Request**

The Administration requested \$126 million for OHA for FY2015, about \$1 million less than the amount appropriated for FY2014. The proposed allocation among OHA’s activities was \$85 million for the BioWatch program; \$8 million for NBIC; almost \$1 million for the Chemical

<sup>213</sup> S.Rept. 113-198, p. 108.

<sup>214</sup> S. 2534, pp. 74-74 (Sec. 545).

<sup>215</sup> *Congressional Record*, January 13, 2015, p. H285.

<sup>216</sup> Prepared by (name redacted), Specialist in Public Health and Epidemiology, Domestic Social Policy Division.

<sup>217</sup> DHS, Office of Health Affairs, [http://www.dhs.gov/xabout/structure/editorial\\_0880.shtm](http://www.dhs.gov/xabout/structure/editorial_0880.shtm).

Defense Program; \$5 million for Planning and Coordination (under which leadership and coordination activities are implemented); and \$27 million for Salaries and Expenses.<sup>218</sup>

**House-Reported H.R. 4903**

The House Appropriations Committee recommended \$128 million for OHA for FY2015, \$2 million above the amount requested and \$1 million above the FY2014 level. The committee proposed \$87 million for the BioWatch program; \$9 million for NBIC; almost \$1 million for the Chemical Defense Program; \$5 million for Planning and Coordination (under which leadership and coordination activities are implemented); and \$26 million for Salaries and Expenses.<sup>219</sup>

**Senate-Reported S. 2534**

The Senate Appropriations Committee recommended \$125 million for OHA for FY2015, \$1 million below the amount requested and \$2 million below the FY2014 level. The committee proposed \$85 million for the BioWatch Program; \$8 million for NBIC; almost \$1 million for the Chemical Defense Program, \$5 million for Planning and Coordination, and \$26 million for Salaries and Expenses.<sup>220</sup>

**P.L. 114-4**

The law provided \$129 million for OHA for FY2015, almost \$4 million more than requested and almost \$3 million more than the FY2014 level. It included \$87 million for the BioWatch Program and \$11 million for NBIC, each funded above the FY2014 enacted and the FY2015 requested levels. Other funding was as requested; almost \$1 million for the Chemical Defense Program, \$5 million for Planning and Coordination, and \$26 million for Salaries and Expenses.

**Table 15** presents the enacted funding amounts for OHA components for FY2014, the Administration’s request for FY2015, the House- and Senate-reported numbers for the same, and the final enacted amounts.

**Table 15. Office of Health Affairs, FY2014-FY2015**

(budget authority in rounded millions of dollars)

Sub-Appropriation	FY2014	FY2015			
	Enacted	Request	House-reported H.R. 4903	Senate-reported S. 2534	P.L. 114-4
BioWatch	85	85	87	85	87

<sup>218</sup> Department of Homeland Security, *Congressional Budget Justification FY2015: Office of Health Affairs* (Washington, DC, 2014), p. 4.

<sup>219</sup> H.Rept. 113-481, p. 96.

<sup>220</sup> S.Rept. 113-198, p. 109.

Sub-Appropriation	FY2014	FY2015			
	Enacted	Request	House-reported H.R. 4903	Senate-reported S. 2534	P.L. 114-4
National Biosurveillance Integration Center	10	8	9	8	11
Chemical Defense	1	1	1	1	1
Planning and Coordination	5	5	5	5	5
Salaries and Expenses	26	27	26	26	26
<b>Total OHA budget authority</b>	<b>127</b>	<b>126</b>	<b>128</b>	<b>125</b>	<b>129</b>

**Sources:** CRS analysis of FY2014 explanatory statement; FY2015 DHS congressional justifications; H.R. 4903 and H.Rept. 113-481; S. 2534, S.Rept. 113-198, and P.L. 114-4 and its explanatory statement as printed in the *Congressional Record* of January 13, 2015, pp. H275-H322.

**Notes:** Table displays rounded numbers, but all operations were performed with unrounded data: therefore, amounts may not sum to totals.

## Issues for Congress

### *BioWatch: Effectiveness and Deployment*

The BioWatch program deploys sensors in more than 30 large U.S. cities to detect the possible aerosol release of a bioterrorism pathogen, in order that medications could be distributed before exposed individuals became ill. Operation of BioWatch accounts for most of OHA’s budget. The program had sought for several years to deploy more sophisticated autonomous sensors (so-called “Generation-3” or “Gen-3” sensors) that could detect airborne pathogens in a few hours, rather than the day or more that is currently required. However, after a critical GAO review,<sup>221</sup> several procurement delays, and growing skepticism among some Members of Congress,<sup>222</sup> DHS announced the termination of further Gen-3 procurement activities in April 2014.<sup>223</sup>

The budget request for FY2015, which was released before the announcement of Gen-3 termination, would have sustained current BioWatch operations, and did not include additional funding for Gen-3 system development or procurement.<sup>224</sup>

<sup>221</sup> U.S. Government Accountability Office, *Biosurveillance: DHS Should Reevaluate Mission Need and Alternatives before Proceeding with BioWatch Generation-3 Acquisition*, GAO-12-810, September 10, 2012, p. 3, at <http://www.gao.gov/products/GAO-12-810>.

<sup>222</sup> See for example U.S. Congress, House Energy and Commerce, Oversight and Investigations, “Oversight and Investigations Subcommittee Continues Investigation of BioWatch and Surveillance of Bioterrorism,” hearing, 113<sup>th</sup> Cong., 1<sup>st</sup> sess., June 18, 2013, at <http://energycommerce.house.gov/press-release/oversight-and-investigations-subcommittee-continues-investigation-biowatch-and-surveillance-of-bioterrorism>.

<sup>223</sup> DHS, “Cancellation of the BioWatch Autonomous Detection Technology Acquisition,” spot report, April 24, 2014. See also David Willman, “Homeland Security Cancels Plans for New BioWatch Technology,” *Los Angeles Times*, April 25, 2014.

<sup>224</sup> Department of Homeland Security, *Congressional Budget Justification FY2015: Office of Health Affairs* (Washington, DC, 2014), p. 7. Funding was also not requested or provided for Gen-3 activities for FY2014.

In light of the Gen-3 cancellation, the House Appropriations Committee recommended a \$2 million increase above the FY2014 amount for BioWatch, to be used to replace aging Gen-2 equipment. The Committee urged continued efforts by OHA and the S&T Directorate to enhance BioWatch capability in the future.<sup>225</sup> The Senate Appropriations Committee recommended the amount requested for BioWatch, and also urged OHA to continue its efforts to enhance future BioWatch capability.<sup>226</sup> P.L. 114-4 included \$2 million to begin replacement of BioWatch equipment to maintain current capabilities. The explanatory statement directed OHA and S&T to brief the Appropriations Committees within 60 days after the date of enactment on future plans for BioWatch.<sup>227</sup>

### ***Unaccompanied Alien Children***

The Senate Appropriations Committee commented in its report that OHA staff were involved in providing direct medical care to some of the recent wave of undocumented and unaccompanied alien children entering the United States. The Committee asserted this is not within OHA's mission and urged OHA to work with CBP and ICE to improve the ability of the latter two agencies to assure the provision of direct medical care in the future.<sup>228</sup>

### **Federal Emergency Management Agency (FEMA)**

The primary mission of the Federal Emergency Management Agency (FEMA) is to reduce the loss of life and property, and protect the nation from all hazards. It is responsible for leading and supporting the nation's preparedness for manmade and natural disasters through a risk-based and comprehensive emergency management system of preparedness, protection, response, recovery, and mitigation.<sup>229</sup>

FEMA executes its mission through a number of activities. It provides incident response, recovery, and mitigation assistance to state and local governments, primarily appropriated through the Disaster Relief Fund (DRF) and the Pre-Disaster Mitigation Fund. It also supports disaster preparedness through a series of homeland security and emergency management grant programs.

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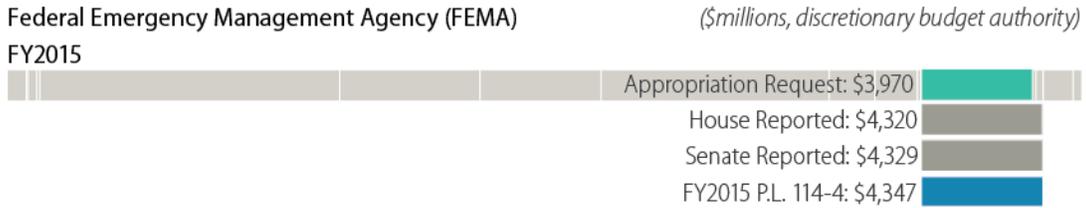
<sup>225</sup> H.Rept. 113-481, pp. 96-97.

<sup>226</sup> S.Rept. 113-198, pp. 109-110.

<sup>227</sup> Explanatory Statement for FY2015, *Congressional Record*, vol. 161 (January 13, 2015), p. H285.

<sup>228</sup> S.Rept. 113-198, p. 111.

<sup>229</sup> For a full description of FEMA's mission and authorities, see 6 U.S.C. §§314-315, which are Sections 503 and 504 of the Homeland Security Act of 2002, as amended. See also the Robert T. Stafford Disaster Relief and Emergency Assistance Act (P.L. 93-288, as amended); Title V of the Homeland Security Act of 2002 (P.L. 107-296, 6 U.S.C. §§311-321, as amended); and the Post-Katrina Emergency Management Reform Act of 2006 (P.L. 109-295, 6 U.S.C. §§700-797).



**FY2015 Request**

The Administration requested a total discretionary appropriation of \$3,970 million in net budget authority for FEMA for FY2015, a decrease of \$385 million (8.8%) from the enacted FY2014 level of \$4,354 million. In addition, the Administration requested an additional \$6,438 million for the DRF, paid for by an adjustment to the discretionary spending limit under a mechanism established by the Budget Control Act. This adjustment, which is \$811 million above the additional funding provided for the DRF pursuant to major disaster declarations in FY2014, is discussed more in detail below and earlier in the report.

**House-Reported H.R. 4903**

House-reported H.R. 4903 included a total discretionary appropriation of \$4,320 million for FEMA for FY2015, an increase of \$351 million (8.8%) from the President’s request and an decrease of \$35 million (0.8%) from FY2014.

**Senate-Reported S. 2534**

Senate-reported S. 2534 included a total discretionary appropriation of \$4,329 million for FEMA for FY2015, an increase of \$359 million (9.0%) from the President’s request and a decrease of \$26 million (0.6%) from FY2014.

**P.L. 114-4**

P.L. 114-4 included a total discretionary appropriation of \$4,347 million for FEMA for FY2015, and increase of \$377 million (9.5%) from the President’s request and a decrease of \$7 million (0.2%) from FY2014. Like the House and Senate-reported bills, P.L. 114-4 also included an additional \$6,438 million for the DRF specifically designated for the cost of major disasters, and exempt from discretionary spending limits.

**DHS State and Local Preparedness Grants<sup>230</sup>**

State and local governments have primary responsibility for most domestic public safety functions. When facing difficult fiscal conditions, state and local governments may reduce resources allocated to public safety and, consequently, homeland security preparedness, due to increasing pressure to address tight budgetary constraints and fund competing priorities. Since

<sup>230</sup> Prepared by (name redacted), Analyst in Emergency Management and Homeland Security Policy.

state and local governments fund the largest percentage of public safety expenditures, this may have a significant impact on the national preparedness level.

Prior to 9/11, three federal grant programs were available to state and local governments to address homeland security: the State Domestic Preparedness Program administered by the Department of Justice, the Emergency Management Performance Grant (EMPG) administered by the Federal Emergency Management Agency (FEMA), and the Metropolitan Medical Response System (MMRS) administered by the Department of Health and Human Services. Since that time, several additional homeland security grant programs have been added to amplify state and local preparedness, including the State Homeland Security Grant Program (SHSGP), Citizen Corps Program (CCP), Urban Area Security Initiative (UASI), Driver's License Security Grants Program (REAL ID), Operation Stonegarden grant program (Stonegarden), Regional Catastrophic Preparedness Grant Program (RCPG), Public Transportation Security Assistance and Rail Security Assistance grant program (Transit Security Grants), Port Security Grants (Port Security), Over-the-Road Bus Security Assistance (Over-the-Road), Buffer Zone Protection Program (BZPP), Interoperable Emergency Communications Grant Program (IECGP), and Emergency Operations Center Grant Program (EOC).

### **FY2015 Request**

The Administration requested \$1,205 million for state and local grant programs and training in FY2015. This is \$295 million less than was appropriated in FY2014 (\$1,500 million). Additionally, the Administration proposed a single block grant for preparedness grants—the National Preparedness Grant Program, a single block grant for training programs—Training Partnership Grants, and a single block grant for the programs and groups<sup>231</sup> that provide education, training, and exercises.

### **House-Reported H.R. 4903**

House-reported H.R. 4903 included a total of \$1,500 million for state and local grant programs and training for FY2015, the same level as provided in FY2014. The grant programs were structured as they were in the FY2014 DHS appropriations bill, rather than as the Administration proposed.

### **Senate-Reported S. 2534**

Senate-reported S. 2534 included a total of \$1,500 million for state and local grant programs and training for FY2015, the same level provided in FY2014 and in the House-reported bill. Like the House-reported bill, the Senate-reported bill and report recommended structuring the grant programs as they were in the FY2014 DHS appropriations bill.

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<sup>231</sup> These groups include the Center for Domestic Preparedness and the Emergency Management Institute.

**P.L. 114-4**

P.L. 114-4 included a total of \$1,500 million for state and local grant programs and training for FY2015, which was consistent with the funding level and structure in the FY2014 enacted and House- and Senate-reported DHS appropriations measures.

**Table 16** outlines the funding levels for FEMA state and local programs.

**Table 16. State and Local Grant Programs and Training, FY2014-FY2015**  
(budget authority in rounded millions of dollars)

Appropriation / Sub-Appropriation	FY2014	FY2015			
	Enacted	Request	House-Reported H.R. 4903	Senate-Reported S. 2534	P.L. 114-4
<b>State and Local Programs (grants)</b>	<b>1,266</b>		<b>1,266</b>	<b>1,267</b>	<b>1,267</b>
State Homeland Security Grant Program (SHSGP)	466		466	467	467
<i>Operation Stonegarden (included in SHSGP)</i>	[55]		[55]	[55]	[55]
Urban Area Security Initiative (UASI)	600		600	600	600
<i>Non-Profit Security Grants (included in UASI)</i>	[13]		[13]	[13]	[13]
Public Transportation Security Assistance, Railroad Security Assistance, Over-the-Road Bus Security Assistance	100		100	100	100
<i>Amtrak Security (included in above security assistance programs)</i>	[10]		[10]	[10]	[10]
<i>Over-the-Road Bus Security (included in above security assistance programs)</i>			[5]		[3]
Port Security	100		100	100	100
Education, Training, and Exercises	234		234	233	233
<i>Emergency Management Institute (EMI)</i>	21		21	21	21

Appropriation / Sub-Appropriation	FY2014	FY2015			
	Enacted	Request	House-Reported H.R. 4903	Senate-Reported S. 2534	P.L. 114-4
Center for Domestic Preparedness (CDP)	65		65	65	65
National Domestic Preparedness Consortium	98		98	98	98
National Exercise Program (NEP)	21		21	20	20
Continuing Training	29		29	30	30
National Preparedness Grant Program	n/a	1,043			
Training Partnership Grants	n/a	60	Congress did not accept the Administration's proposed reorganization of preparedness grants.		
Education, Training, and Exercises (CDP/EMI/NEP)	n/a	102			
<b>Total, State and Local Programs</b>	<b>1,500</b>	<b>1,205</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>

**Sources:** CRS analysis of FY2014 explanatory statement, FY2015 DHS congressional justifications, H.R. 4903, H.Rept. 113-481, S. 2534, S.Rept. 113-198, and P.L. 114-4 and its explanatory statement as printed in the *Congressional Record* of January 13, 2015, pp. H275-H322.

**Notes:** Table displays rounded numbers, but all operations were performed with unrounded data: therefore, amounts may not sum to totals.

### *Proposed Consolidation of State and Local Preparedness Grants*

The Administration first proposed the National Preparedness Grant Program (NPGP) in its FY2013 budget request to Congress, and again in FY2014. Congress denied the request both times. Congress expressed concern that the NPGP had not been authorized by Congress, lacked sufficient detail regarding the implementation of the program, and lacked sufficient stakeholder participation in the development of the proposal.<sup>232</sup>

The Administration proposed the NPGP once again in FY2015. The Administration indicated that its latest proposal includes adjustments that responded to congressional concerns. The committee-reported bills and P.L. 114-4 continued to oppose the Administration's grant reform proposals, and continued a general provision barring the establishment of the National Preparedness Grant Program or similar structures without explicit congressional authorization.<sup>233</sup>

<sup>232</sup> P.L. 113-76, Div. F, Sec. 557.

<sup>233</sup> H.Rept. 113-481, pp. 173-174; H.R. 4903, Sec. 547; S.Rept. 113-198, pp. 188-189; S. 2534, Sec. 550; P.L. 114-4, Sec. 550.

## Assistance to Firefighters Grant Program (AFG)<sup>234</sup>

The Administration's FY2015 budget proposed \$670 million for firefighter assistance, including \$335 million for AFG and \$335 million for Staffing for Adequate Fire and Emergency Response (SAFER) grants, a 1.5% reduction from the FY2014 level. Funding for management and administration of these grants would be drawn from a separate FEMA account (Salaries and Expenses). The Firefighter Assistance Grants would be categorized under First Responder Assistance Programs (FRAP), one of three activities under FEMA's State and Local Programs (SLP) appropriation. The Administration requested that all previous SAFER waivers again be enacted for FY2015. Also in the budget proposal, FEMA encouraged SAFER applicants to seek, recruit, and hire post-9/11 veterans in order to take advantage of the provisions of the Veterans Opportunity to Work (VOW) to Hire Heroes Act of 2011.

The House Appropriations Committee bill provided \$680 million in firefighter assistance, including \$340 million for AFG and \$340 million for SAFER. This matched the FY2014 level. The committee continued to fund firefighter assistance under its own account, and declined the Administration's request to place firefighter assistance under the State and Local Programs account. The bill also continued to grant DHS waiver authority from SAFER requirements in FY2015. In the accompanying report, the committee noted that this annual waiver authority has been available since FY2009,<sup>235</sup> and that the reauthorization of the SAFER program by the 112<sup>th</sup> Congress (P.L. 112-239) provided FEMA with permanent authority to waive certain matching and non-supplantation requirements for grantees based on a determination that a grantee meets economic hardship criteria. Given that FEMA has been working with stakeholders to develop these criteria and that the agency hopes to soon be able to implement its new waiver authority, the committee expected that FY2015 should be the last instance in which annual waiver authority will be provided, and that any waivers in future fiscal years will be limited to the authorization provided in P.L. 112-239.

The Senate Appropriations Committee bill provided \$680 million in firefighter assistance, including \$340 million for AFG and \$340 million for SAFER. This matched the FY2014 level as well as the House Appropriations Committee level. As did the House-reported bill, the Senate-reported bill continued to fund firefighter assistance under its own separate account and granted DHS waiver authority from SAFER requirements in FY2015. In the accompanying report, the committee expressed its expectation that funding for rural fire departments should be consistent with the previous five-year funding history and that FEMA will brief the committee if there is an anticipated fluctuation.

P.L. 114-4 provided \$680 million in firefighter assistance, including \$340 million for AFG and \$340 million for SAFER. This matched the FY2014 level as well as the House and Senate Appropriations Committee level. Additionally, section 557 of P.L. 114-4 provided DHS with continuing SAFER waiver authority for FY2015.

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<sup>234</sup> Prepared by (name redacted), Specialist in Science and Technology Policy, Resources, Science and Industry Division.

<sup>235</sup> H.Rept. 113-481, p. 102.

## Disaster Relief Fund (DRF)<sup>236</sup>

The Disaster Relief Fund (DRF) is the main account used to fund a wide variety of programs, grants, and other forms of emergency and disaster assistance to states, local governments, certain nonprofit entities, and families and individuals affected by disasters. The DRF is a no-year account—unused funds from the previous fiscal year are carried over to the next fiscal year. The Administration requested funding for the DRF based on what FEMA plans to spend on all past declared catastrophic events, plus the 10-year average for non-catastrophic events,<sup>237</sup> and a \$500 million reserve to prevent shortfalls. The Administration’s FY2015 budget proposed \$7,033 million for the DRF—an increase of roughly \$812 million compared to the Administration’s request and enacted level from FY2014.

The DRF funding request can be broken out into two categories. First, \$596 million for activities not directly tied to major disasters under the Stafford Act (including activities such as assistance provided to states for emergencies and fires).<sup>238</sup> This is sometimes referred to as the DRF’s “base” funding. The second (and significantly larger) category is for disaster relief costs for major disasters under the Stafford Act, for which the Administration requested \$6,438 million. This structure reflects the impact of the Budget Control Act, which allows these costs incurred by major disasters to be paid through an “allowable adjustment” to the discretionary spending caps, rather than having them count against the discretionary spending allocation for the bill.

### **The Disaster Relief Fund, Disaster Relief, and the Budget Control Act (BCA)**

It is important to note that “disaster relief” funding under the BCA and the Disaster Relief Fund are not the same. The BCA defines funding for “disaster relief” as funding for activities carried out pursuant to a major disaster declaration under the Stafford Act. This funding comes not only from FEMA, but from accounts across the federal government. While a portion of funding for the DRF is eligible for the allowable adjustment under the BCA, it is not wholly “disaster relief” by the BCA definition. For more detail on the allowable adjustment, see the end of **Appendix A** of this report, or CRS Report R42352, *An Examination of Federal Disaster Relief Under the Budget Control Act*, by (name redacted), (name redacted), and (name redacted).

The House- and Senate-reported bills included the amount requested by the Administration for the DRF (\$7,033 million). Of this amount, \$6,438 million was designated as disaster relief for major disasters under the Stafford Act (the same amount requested for major disasters by the Administration).<sup>239</sup>

P.L.114-4 matched the levels proposed by the Administration and the House and Senate Appropriations Committees (\$7,033 million) and retained the proposed funding structure (\$6,438 million for major disasters and \$596 million for base funding).

## Disaster Declaration Determinations

When a state is overwhelmed by a disaster, the governor may elect to request federal assistance. FEMA provides a recommendation to the President regarding whether that state should receive

<sup>236</sup> Prepared by (name redacted), Analyst in American National Government, and (name redacted), Analyst in Emergency Management and Homeland Security Policy, Government and Finance Division.

<sup>237</sup> In previous years, a five-year rolling average of non-catastrophic disaster costs was used.

<sup>238</sup> This includes a transfer of \$24 million to the DHS Office of Inspector General.

<sup>239</sup> Including a transfer of \$24 million to the DHS Office of Inspector General.

federal disaster assistance by calculating the cost of damage to public facilities and infrastructure divided by the state's population—a per capita damage indicator—and comparing it to a per capita threshold. If the indicator exceeds the threshold FEMA generally makes a recommendation to the President to issue a major disaster declaration. Currently that threshold is \$1.39 (per capita).

A report issued by GAO in 2012 found that the per capita damage indicator is artificially low because it has not been fully adjusted for the rise in per capita income or for inflation.<sup>240</sup> According to the GAO analysis, if the per capita indicator had been properly adjusted for increases in per capita income and inflation, there would have been a reduction in the number of incidents declared as eligible for disaster assistance. The report also stated that the per capita damage indicator was a poor metric for establishing a state's capacity to respond to an incident. FEMA concurred with the GAO recommendation to develop and implement a methodology that provides a more comprehensive assessment of a jurisdiction's need for federal assistance.

The Senate Appropriations Committee expressed similar concerns about the per capita indicator. The report accompanying the Senate bill stated that it was not evident that the threshold criteria has been reviewed and updated and that there is a lack of transparency regarding disaster declaration criteria in general.<sup>241</sup> The committee directed FEMA to conduct a comprehensive review of the methodology used to determine if federal assistance is warranted and brief the committee, as well as the authorizing committees of jurisdiction, on its findings no later than 120 days after enactment.

The House Appropriations Committee also recommended that FEMA review how it makes disaster declaration recommendations to the President because, in part, under the current policy, a small community within a highly populated state may not be eligible for federal assistance even if local impacts are severe.<sup>242</sup>

### ***Balances in the DRF***

The monthly report issued by FEMA on September 5, 2014, indicated that there was \$8,899 million in unobligated funds remaining in the DRF as of the end of August, including \$6,866 million in unobligated funds for the costs of major disasters.<sup>243</sup> This is a comparatively large amount compared to years prior to the BCA where a large disaster or active hurricane season (or both) could have quickly depleted the remaining unobligated amount, necessitating a supplemental appropriation for additional funds for disaster relief.

These unusual balances are due in large part to the congressional response to recent major disasters, such as Hurricane Sandy. The DRF does not simply pay immediate costs of relief—it reimburses state and local governments for costs of disasters for years. Over the first half of FY2014, the DRF obligated an average of nearly \$400 million per month for costs related to

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<sup>240</sup> U.S. Government Accountability Office, *Federal Disaster Assistance: Improved Criteria Needed to Assess a Jurisdiction's Capability to Respond and Recover on Its Own*, GAO, September 12, 2012, p. 23, at <http://www.gao.gov/assets/650/648162.pdf>.

<sup>241</sup> S.Rept. 113-198, pp. 125-126.

<sup>242</sup> H.Rept. 113-481, p. 106.

<sup>243</sup> Federal Emergency Management Agency, *Disaster Relief Fund: Monthly Report Through August 31, 2014*, September 5, 2014, p. 4. Available at <http://www.fema.gov/media-library/assets/documents/31789>.

major disasters, almost all from disasters that struck in previous fiscal years. This number is expected to rise—FEMA has projected spending nearly \$3 billion in the state of New York for recovery from Hurricane Sandy in the last two months of FY2014 alone.<sup>244</sup>

The House-reported bill rescinded \$352 million from the DRF, and the Senate-reported bill rescinded \$310 million because the committees anticipated a significant balance of unallocated funds in the DRF base to be carried over from FY2014 to FY2015.<sup>245</sup> The House Appropriations Committee report stated that the remaining balances, combined with the amount appropriated, would fully fund recovery efforts for previous disasters, including Hurricane Sandy, the Colorado wildfires, and the Oklahoma tornadoes, as well as pay for relief efforts for future disasters. P.L. 114-4 included a rescission of \$375 million from the DRF base.

### **Pre-Disaster Mitigation (PDM) Program<sup>246</sup>**

The Pre-Disaster Mitigation (PDM) program provides federal grants to mitigate property damage and loss of life due to disasters. Although funding is authorized under Section 203 of the Stafford Act, eligibility for the PDM program does not require a Stafford Act disaster declaration.<sup>247</sup> Authorization for the PDM program expired in 2013.<sup>248</sup>

Funding for the PDM program has declined in recent years. The FY2011 appropriation, P.L. 112-10, provided \$50 million for the PDM program, matching the lowest level of funding for the program since FY2006. The FY2012 budget requested \$85 million, which was an increase of \$35 million over the FY2011 enacted amount. Recent appropriations to the program have been at the \$25 million level. Despite continued congressional funding of the PDM program, the Administration has, in the last three budget cycles (including FY2015), suggested zeroing out the PDM program with no additional funding requested.

However, the FY2015 request appeared to send mixed signals in this area. Although the line item for the PDM program was zero, the PDM *fund* was included in the Administration's "Opportunity, Growth and Security Initiative." That initiative would have provided significant funding for the PDM fund, although not for the PDM program as currently understood. As the budget request noted, the initiative "would provide \$400 million to this fund."<sup>249</sup> At one oversight hearing a FEMA witness sought to explain the dissonance in the budget message by framing the initiative as forward-looking while mitigation was based on past, previous events.<sup>250</sup> While

<sup>244</sup> Ibid., Appendix B, p. 10.

<sup>245</sup> Including funds recovered from previous disasters during project closeouts. At the end of August 2014, there was \$2,033 million in the DRF base, after the Administration used a transfer of \$268 million from the DRF to ICE in August to help pay the cost of dealing with a sharp increase in the number of unaccompanied alien children crossing the border illegally earlier in the year.

<sup>246</sup> This section prepared by (name redacted), Analyst, Emergency Management Policy, Government and Finance Division.

<sup>247</sup> 42 U.S.C. 5133 §203. For additional information on the PDM program, see CRS Report RL34537, *FEMA's Pre-Disaster Mitigation Program: Overview and Issues*, by (name redacted).

<sup>248</sup> Although authorization has expired there are signs of ongoing support for the PDM program. On March 28, 2014, a bipartisan group of 56 House members signed a letter to the DHS Appropriations Subcommittee supporting continuing funding "at a sufficient level" for the PDM program.

<sup>249</sup> DHS/FEMA, National Pre-Disaster Mitigation Fund, FY2015 Submission, I. Appropriation Summary, C. Budget Request Summary.

<sup>250</sup> U.S. House of Representatives, Hearing before the Subcommittee on Economic Development, Public Buildings and (continued...)

mitigation does include some calculations based on losses from previous events, mitigation is generally considered to be actions taken to lessen the threat of future hazardous events.

For FY2015, both House and Senate appropriations committees recommended funding for the PDM program at the \$25 million level, but also noted their interest in mitigation and more explanations from FEMA on how it is emphasizing mitigation concepts. P.L. 114-4 appropriated \$25 million for PDM.

Also, when considering the status of PDM, Congress may wish to consider the recent Administration initiative to establish the “National Disaster Resilience Competition” with \$1 billion from the Hurricane Sandy supplemental funding bill. Unlike PDM, the funds can only be expended for projects in states that experienced disasters during 2011, 2012 and 2013. But like PDM it is an open competition for applicants to increase their resilience against future disasters.<sup>251</sup>

### Related Mitigation Issues

S. 2534 contained a provision to provide mitigation funding as calculated under Section 404, the Hazard Mitigation Grant Program (HMGP) of the Stafford Act,<sup>252</sup> for Section 420 of the Stafford Act, which authorizes Fire Management Assistance Grants (FMAGs).<sup>253</sup> This indicates that during FY2015, FMAGs, in addition to helping states control ongoing fires, could also generate funds for the states to take mitigation efforts prior to the next fire threat. This provision was included in P.L. 114-4 so mitigation funding is available for FMAGs through the end of CY2015.<sup>254</sup>

In addition, the Senate committee report contained a section on wildfire mitigation. The report notes the large amounts of damage caused by wildfires and the large amounts of funding spent fighting the fires. It contrasts those significant sums with the much smaller amounts devoted to any form of mitigation to prevent or lessen the impact of future fires. The report then requested specific actions from FEMA and its federal partners:

The Committee directs FEMA, in conjunction with the Forest Service and the Department of Interior, to provide a strategy to better mitigate wildfire impacts on urban and residential areas no later than 120 days after the date of enactment of this act. The strategy should include ways for FEMA to partner with the Forest Service and Department of Interior in their wildfire prevention and mitigation efforts, and also ways for FEMA to partner with State and local governments at risk for wildfires on cooperative efforts in the coming years.<sup>255</sup>

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(...continued)

Emergency Management of the Committee on Transportation and Infrastructure, “Disaster Mitigation: Reducing Costs and Saving Lives,” April 3, 2014.

<sup>251</sup> White House, “Fact Sheet: National Disaster Resilience Competition,” June 14, 2014.

<sup>252</sup> Unlike PDM, the HMGP program is funded by the DRF subaccount for major disaster declarations.

<sup>253</sup> S. 2534, Section 573, pp 106-107.

<sup>254</sup> P.L. 114-4, General Provisions, Section 570.

<sup>255</sup> S.Rept. 113-198, p. 116, to accompany S. 2534, Department of Homeland Security Appropriations Bill, 2015, 113<sup>th</sup> Cong., 2<sup>nd</sup> Sess.

## Emergency Food and Shelter Program (EFS)<sup>256</sup>

The EFS Program is authorized by Title III of the McKinney-Vento Homeless Assistance Act.<sup>257</sup> The program enables thousands of social service providers across the nation to provide emergency help (preventing evictions, utility cut-offs, supplementing shelters, soup kitchens, food banks, etc.) to families and individuals in need. FEMA chairs a national board that administers the program consisting of representatives from the Salvation Army, Catholic Charities USA, the United Way, the American Red Cross, the Jewish Federations of North America, and the National Council of Churches. The unique part of the program is that after allocations are made at the national level, decisions on funding to specific provider organizations are made at the local level by an EFS Local Board similar in composition to the EFS National Board. The total administrative budget for the program is 3.5%, so almost all funds go to direct services.

The Administration's FY2015 budget, as with previous submissions, suggested cutting the EFS program by \$20 million, from its current \$120 million to \$100 million. The Administration's justification notes that the reduction in EFS funding will permit a "refocus of agency-wide resources on FEMA's primary mission" of disaster response and recovery efforts. In addition, the FY2015 budget also proposed moving the program from FEMA to the Department of Housing and Urban Development (HUD). The Senate agreed with the cut to the \$100 million level while the House maintained the program at the previous year's \$120 million. P.L. 114-4 placed the funding level for EFS at \$120 million.

While the EFS program is not a disaster program within FEMA's "primary mission," it has been hosted at FEMA for more than 30 years and has a significant role in communities during times of high unemployment. Also, the program's national board is composed of agencies that are frequently FEMA's partners in disaster response and recovery work as well as homeless assistance. The move to HUD has been proposed by every Administration since the program was established by Congress in 1983, but Congress has never agreed to the transfer. However, arguably FEMA's recent difficulties in administering the program may suggest to Congress that a review of current administrative practices is warranted, if not moving the program.<sup>258</sup>

The House-reported bill and P.L. 114-4 did not include the requested authority to transfer the EFS program to HUD. In discussing the move to HUD, the House Appropriations Committee suggested that before considering such a move

the Committee expects FEMA and HUD to jointly brief the Committee on the rationale for the proposed change; efforts by both agencies to engage stakeholders on the proposal; and a plan for transitioning the program to HUD, including a strategy for preserving EFSP's unique, local decision-making structure and an assessment of how the transition to HUD would affect the current EFSP funding distribution to local jurisdictions.<sup>259</sup>

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<sup>256</sup> Prepared by (name redacted), Analyst in Emergency Management Policy, Government and Finance Division.

<sup>257</sup> P.L. 100-77.

<sup>258</sup> While EFS was known for its rapid distribution of award funds, that has slowed in recent years. For example, FY2013 funding was not distributed until the beginning of FY2014. For additional information see CRS Report R42766, *The Emergency Food and Shelter National Board Program and Homeless Assistance*, by (name redacted), pp. 13-16.

<sup>259</sup> U.S. House of Representative, H.Rept. 113-481 accompanying H.R. 4903, Department of Homeland Security, 2015, June 19, 2014, p. 110.

However, S. 2534 did contain the legislative language to authorize FEMA to transfer the EFS funds to HUD. In its report the Senate Appropriations Committee explained:

While the Committee includes the permissive transfer language, it also notes that this program is not duplicative of other HUD programs and therefore it shall retain its original purpose and shall not be combined with other HUD programs.<sup>260</sup>

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

Title IV of the DHS appropriations bill contains the 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. The Administration requested \$1,771 million for these accounts in FY2015, a decrease of \$108 million below the enacted level. The House-reported bill provided \$1,801 million, an increase of 1.7% from the requested level and 4.1% below FY2014. The Senate-reported bill provided \$1,761 million, a decrease of 0.5% from the requested level, and 6.2% below FY2014. Title IV of P.L. 114-4 included \$1,795 million, an increase of 1.3% above the request, and 4.4% below FY2014 enacted levels.

**Table 17** lists the enacted amounts for the individual components of Title IV for FY2014 and the amounts requested by the Administration, recommended by the House- and Senate-reported bills, and provided by the enacted annual appropriation for FY2015 under Title IV.

**Table 17. Title IV: Research and Development, Training, and Services, FY2014-FY2015**  
(budget authority in rounded millions of dollars)

Component / Appropriation	FY2014	FY2015			
	Enacted	Request	House- reported H.R. 4903	Senate- reported S. 2534	P.L. 114-4
<b>Citizenship and Immigration Services</b>					
<b>Appropriation</b>	<b>114</b>	<b>135</b>	<b>125</b>	<b>124</b>	<b>124</b>
Fees, Mandatory Spending, and Trust Funds	3,103	3,125	3,105	3,257	3,097
Total Budgetary Resources	3,217	3,260	3,230	3,382	3,221
<b>Federal Law Enforcement Training Center</b>					
Salaries and Expenses	228	232	230	231	230

<sup>260</sup> S.Rept. 113-198, p. 129, to accompany S. 2534, Department of Homeland Security Appropriations Bill, 2015, 113<sup>th</sup> Cong., 2<sup>nd</sup> Sess.

Component / Appropriation	FY2014	FY2015			
	Enacted	Request	House- reported H.R. 4903	Senate- reported S. 2534	P.L. 114-4
Acquisition, Construction, Improvements and Related Expenses	31	28	28	28	28
<b>Appropriation</b>	<b>259</b>	<b>260</b>	<b>258</b>	<b>259</b>	<b>258</b>
Fees, Mandatory Spending, and Trust Funds	0	0	0	0	0
Total Budgetary Resources	259	260	258	259	258
<b>Science and Technology</b>					
Management and Administration	129	130	127	130	130
Research, Development, Acquisition, and Operations	1,091	942	980	942	974
<b>Appropriation</b>	<b>1,220</b>	<b>1,072</b>	<b>1,107</b>	<b>1,071</b>	<b>1,104</b>
Fees, Mandatory Spending, and Trust Funds	0	0	0	0	0
Total Budgetary Resources	1,220	1,072	1,107	1,071	1,104
<b>Domestic Nuclear Detection Office</b>					
Management and Administration	37	37	36	37	37
Research, Development, and Operations	205	199	201	196	198
Systems Acquisition	43	68	75	73	73
<b>Appropriation</b>	<b>285</b>	<b>304</b>	<b>312</b>	<b>306</b>	<b>308</b>
Fees, Mandatory Spending, and Trust Funds	0	0	0	0	0
Total Budgetary Resources	285	304	312	306	308
<b>Net Budget Authority: Title IV</b>	<b>1,878</b>	<b>1,771</b>	<b>1,801</b>	<b>1,760</b>	<b>1,795</b>
<b>Total Budgetary Resources for Title IV Components before Transfers</b>	<b>4,981</b>	<b>4,896</b>	<b>4,906</b>	<b>5,018</b>	<b>4,892</b>

**Sources:** CRS analysis of FY2014 explanatory statement, FY2014 DHS congressional justifications, H.R. 4903, H.Rept. 113-481, S. 2534, S.Rept. 113-198, and P.L. 114-4 and its explanatory statement as printed in the *Congressional Record* of January 13, 2015, pp. H275-H322.

**Notes:** Table displays rounded numbers, but all operations were performed with unrounded data: therefore, amounts may not sum to totals.

## U.S. Citizenship and Immigration Services<sup>261</sup>

Three activities dominate the work of the U.S. Citizenship and Immigration Services (USCIS): (1) processing and adjudication of all immigration applications and petitions, including family-based petitions, employment-based petitions, nonimmigrant change of status petitions, work authorizations, and travel documents; (2) adjudication of naturalization petitions for legal permanent residents to become citizens; and (3) consideration of refugee and asylum claims, and related humanitarian and international concerns.

U.S. Citizenship and Immigration Services (USCIS) FY2015	<i>(\$millions, discretionary budget authority)</i>
	Appropriation Request: \$135
	House Reported: \$125
	Senate Reported: \$124
	FY2015 P.L. 114-4: \$124

USCIS funds the processing and adjudication of immigrant, nonimmigrant, refugee, asylum, and citizenship benefits largely through its fee revenues deposited into the Immigration Examinations Fee Account.<sup>262</sup> In the last decade, the agency has received annual appropriations from the Treasury that have been directed largely towards specific projects such as reducing petition processing backlogs and operating the E-Verify program.<sup>263</sup> The agency receives most of its revenue from adjudication fees of immigration benefit applications and petitions.<sup>264</sup> The graphic above only shows the annual appropriations for USCIS.

### FY2015 Request

The Administration requested \$135 million in appropriations for USCIS for FY2015, including \$125 million for the E-Verify program and \$10 million for the Immigrant Integration Initiative. Together with \$3,125 million in projected fee collections, the request projected \$3,260 million in new gross budget authority for USCIS (see **Table 18**). Of this FY2015 amount, \$2,654 million

<sup>261</sup> This section was prepared by William Kandel, Analyst in Immigration Policy, Domestic Social Policy Division.

<sup>262</sup> Section 286 of the Immigration and Nationality Act, 8 U.S.C. §1356. 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. Department of Homeland Security, *Congressional Budget Justification FY2015: U.S. Citizenship and Immigration Services, H-1B Nonimmigrant Petitioner Account and Fraud Prevention and Detection Account* (Washington, DC, 2014).

<sup>263</sup> E-verify allows employers to electronically confirm that prospective and current employees possess legal authorization to work in the United States. See CRS Report R40446, *Electronic Employment Eligibility Verification*, by (name redacted).

<sup>264</sup> For more on USCIS fees, see CRS Report RL34040, *U.S. Citizenship and Immigration Services' Immigration Fees and Adjudication Costs: Proposed Adjustments and Historical Context*, by (name redacted).

was to fund adjudication services, which included \$239 million for asylum, refugee, and international operations and \$185 million for digital conversion of immigrant records (“Business Transformation”). Apart from adjudication services, \$99 million was to fund information and customer services, \$342 million was to fund administration expenses, and \$30 million was to fund the Systematic Alien Verification for Entitlements (SAVE) program.<sup>265</sup>

### House-Reported H.R. 4903

House-reported H.R. 4903 recommended that USCIS receive gross budget authority for FY2015 at \$3,230 million, \$30 million below the amount requested. Two-thirds of the reduction is a reduction in service center spending authority, from \$571 million to \$551 million.<sup>266</sup> The bill included \$125 million in appropriations for USCIS’s E-Verify Program, the funding level requested by the Administration. The House-reported bill did not include the \$10 million appropriation requested for immigrant integration grants, but permits up to \$10 million of fee revenue to be allocated for that purpose. Within the total fees collected, the committee directed USCIS to provide at least \$29 million to continue converting paper immigration records to a digital format.

The House-reported bill also specifies that USCIS appropriations may not be used by the agency to grant immigration benefits to an individual unless USCIS has received the results of a criminal background check and the results do not preclude the granting of the benefit. None of the funds made available to USCIS for immigrant integration grants may be used to provide services to aliens who have not been lawfully admitted for permanent residence.

The House-reported bill does not prohibit USCIS from providing pay raises to its personnel using fee revenue. If such raises are foregone, however, any potential savings are to be made available to enhance the E-Verify program. The bill also does not provide authority to use fee revenue to help establish a Citizenship Foundation noted in the Administration’s request.

### Senate-Reported S. 2534

Senate-reported S. 2534 recommended that USCIS receive gross budget authority for FY2015 at \$3,382 million, \$122 million above the amount requested to reflect revised fee collections. The bill included \$124 million in appropriations for USCIS’s E-Verify Program, \$11 million below the Administration’s request. The Senate-reported bill would have permitted up to \$10 million of fee revenue to be allocated for immigrant integration grants. Such grants may not be used to provide services to aliens who have not been lawfully admitted for permanent residence. The committee specified that no funds may be used by USCIS to grant immigration benefits unless the requisite background checks permit the granting of such benefit, and the results do not preclude the granting of the benefit. USCIS was also directed to provide an overdue E-B5 visa program report.<sup>267</sup>

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<sup>265</sup> For more information on the SAVE program, see CRS Report R40889, *Noncitizen Eligibility and Verification Issues in the Health Care Reform Legislation*, by (name redacted).

<sup>266</sup> H.Rept. 113-481 indicates that the \$20 million reduction in the USCIS spending authority for its fee collections resulted from “continued failures by the Office of Congressional Affairs to provide timely and informative assistance to congressional offices regarding normal case work.”

<sup>267</sup> The E-B5 visa program, also known as the Investor Visa Program, was created by Congress in 1990 to stimulate the (continued...)

In response to two GAO reports<sup>268</sup> that assessed USCIS’s process for granting asylum, the Senate Committee directed GAO to issue a third report that took into account steps to implement GAO’s previous recommendations, and that incorporated relevant information from any investigative findings or after-actions reports concerning the Boston Marathon bombing.

**P.L. 114-4**

Title IV of P.L. 114-4 (the Homeland Security Appropriations Act of 2015) provided \$124 million in appropriations for USCIS, \$11 million below the amount requested by the Administration, \$1 million less than in House-reported H.R. 4903, and the same amount in Senate-reported S. 2534. Together with \$3,097 million in projected fee collections, the total gross budget authority for USCIS in FY2015 is \$3,221 million, which is \$39 million less than the FY2015 request, \$9 million less than House-reported H.R. 4903 and \$161 million less than Senate reported S. 2534.

As in the House- and Senate-reported bills, appropriated funds were only provided for the E-Verify Program.

The act allowed USCIS to make \$10 million available for immigrant integration grants from fee revenues. The act specified that the grants shall be used to provide services to individuals who have been lawfully admitted into the U.S. for permanent residence. It also carried the background check provisions described above in the House and Senate bills.

**Table 18. USCIS Budget Account Detail, FY2014-FY2015**  
(budget authority in rounded millions of dollars)

Program / Project / Activity	2014	2015			
	Enacted	Request	House-reported H.R. 4903	Senate-reported S. 2534	P.L. 114-4
<b>Appropriations</b>	<b>114</b>	<b>135</b>	<b>125</b>	<b>124</b>	<b>124</b>
E-Verify	114	125	125	124	124
Immigrant integration grants	—	10	—	—	—
<b>Fee-funded Activities</b>	<b>3,103</b>	<b>3,125</b>	<b>3,105</b>	<b>3,257</b>	<b>3,097</b>
Adjudication Services	2,637	2,654	2,634	2,747	2,626
District Operations	1,544	1,566	1,566	1,594	1,566

(...continued)

U.S. economy through job creation and capital investment by foreign investors. Under a pilot immigration program first enacted in 1992 and regularly reauthorized since, certain EB-5 visas also are set aside for investors in Regional Centers designated by USCIS based on proposals for promoting economic growth.

<sup>268</sup> See U.S. Government Accountability Office, *Agencies Have Taken Actions to Help Ensure Quality in the Asylum Adjudication Process but Challenges Remain*, GAO-08-935, September 25, 2008; and U.S. Government Accountability Office, *Significant Variation Existed in Asylum Outcomes Across Immigration Courts and Judges*, GAO-08-940, September 25, 2008.

Program / Project / Activity	2014	2015			
	Enacted	Request	House-reported H.R. 4903	Senate-reported S. 2534	P.L. 114-4
<i>Immigrant integration grants<sup>a</sup></i>	[8]		[10]	[10]	[10]
Service Center Operations	578	571	551	615	542
Asylum, Refugee and International Operations	237	239	239	232	239
Records Operations	94	93	93	110	93
Business Transformation	183	185	185	195	185
Information and Customer Services: Operating Expenses	96	99	99	109	99
Administration: Operating Expenses	339	342	342	377	342
Systematic Alien Verifications for Entitlements (SAVE)	30	30	30	25	30
<b>Total USCIS Budgetary Resources</b>	<b>3,217</b>	<b>3,260</b>	<b>3,230</b>	<b>3,382</b>	<b>3,221</b>
<b>Fee revenue sources</b>					
Immigration Examination Fee Account	3,049	3,071	3,051	NA	3,042
HI-B Visa Fee Account	13	14	14	NA	14
HI-B and L Fraud Prevention Fee Account	41	41	41	NA	41

**Source:** CRS analysis of FY2015 explanatory statement, FY2015 DHS congressional justifications, H.R. 4903, H. Rept. 113-481, S. 2534, S.Rept. 113-198, and P.L. 114-4 and its explanatory statement as printed in the *Congressional Record* of January 13, 2015, pp. H275-H322.

**Notes:** NA=not available—S.Rept. 113-198 did not project fee revenues by account. Figures in italics sum to Adjudication Services total. Fee revenue source amounts and appropriations total sum to total USCIS budgetary resources. Amounts may not strictly accord with budgetary documents due to rounding.

- a. These are paid by for by fee revenues in general provisions, and do not add to the total appropriation.

## Issues for Congress

For FY2015, a potential issue for Congress included ongoing concerns about E-Verify operability.

### *E-Verify*

Congress continued to be concerned about the operability and accuracy of E-Verify, a voluntary program designed to assist employers in ascertaining whether their employees have the requisite legal status and work authorization to work lawfully in the United States.<sup>269</sup> Congress has long expressed concerns about individuals falsely identified as ineligible to work. The House committee report directed USCIS to report to the committee twice a year on progress in implementing the Verification Information System (VIS) modernization initiative,<sup>270</sup> which is being rolled out over the next two years, with a particular focus on reducing erroneous non-

<sup>269</sup> See CRS Report R40446, *Electronic Employment Eligibility Verification*, by (name redacted).

<sup>270</sup> The VIS, a composite information system incorporating data from various Department of Homeland Security databases, is the underlying information technology that supports E-Verify.

confirmations and improving ease of use for employers. The House committee report also requested to be updated on oversight activity by USCIS’s E-Verify Monitoring and Compliance Division to ensure that employers comply with the program’s requirements.

The Senate committee report acknowledged improvements in the accuracy of E-Verify and increased prevalence in employers’ use of the program. It also directed USCIS to update the Committee on its efforts to expand the use of E-Verify among small employers by developing mobile application and other available smart-phone technologies.<sup>271</sup>

P.L. 114-4 was silent on provisions regarding E-Verify, apart from its appropriation.

## Federal Law Enforcement Training Center<sup>272</sup>

The Federal Law Enforcement Training Center (FLETC) provides basic and advanced law enforcement instruction to 91 federal entities with law enforcement responsibilities. FLETC also provides specialized training to state and local law enforcement entities, campus police forces, law enforcement organizations of Native American tribes, and international law enforcement agencies. By training officers in a multi-agency environment, FLETC intends to promote consistency and collaboration across its partner organizations. FLETC administers four training sites throughout the United States, but also uses online training and provides training at other locations when its specialized facilities are not needed. The Center employs approximately 1,100 personnel.

Federal Law Enforcement Training Center (FLETC) FY2015	<i>(\$millions, discretionary budget authority)</i>
	Appropriation Request: \$260
	House Reported: \$258
	Senate Reported: \$259
	FY2015 P.L. 114-4: \$258

### FY2015 Request

The Administration proposed a budget of \$260 million for FLETC, an increase of \$1 million (0.4%) from FY2014’s appropriation of \$259 million. The FLETC budget in recent years has been made up of two appropriations—Salaries and Expenses (proposed at \$232 million, up \$4 million from FY2014), and Acquisition, Construction, Improvements, and Related Expenses (proposed at \$28 million, down \$3 million from FY2014). The increase in the Salaries and Expenses appropriation is part of a \$16 million program increase to train 1,200 additional CBP officers, which is compensated for by \$6 million in efficiencies and elimination of \$8 million in non-recurring costs from FY2014. Half the proposed reduction in Acquisition, Construction, Improvements, and Related Expenses is from deferring construction work.

<sup>271</sup> S.Rept. 113-198.

<sup>272</sup> Prepared by (name redacted), Analyst in Emergency Management and Homeland Security Policy, Government and Finance Division.

## House-Reported H.R. 4903

House-reported H.R. 4903 included \$258 million for FLETC, \$2 million (0.8%) below the request. The entire reduction was taken from the management and administration activity under the Salaries and Expenses appropriation for FLETC, and was explained in the report as the result of shortfalls in the DHS budget request not directly related to FLETC.<sup>273</sup> The House-reported bill included the requested \$28 million appropriation for Acquisitions, Construction, Improvements, and Related Expenses.

## Senate-Reported S. 2534

Senate-reported S. 2534 included \$259 million for FLETC, \$1 million (0.4%) below the request. The reduction was taken from all the activities under the Salaries and Expenses appropriation for FLETC.<sup>274</sup> The Senate-reported bill also included the requested \$28 million appropriation for Acquisitions, Construction, Improvements, and Related Expenses.

## P.L. 114-4

P.L. 114-4 included \$258 million for FLETC, just over \$1 million (0.5%) below the request. The reduction was taken from Management and Administration activity for FLETC.<sup>275</sup> P.L. 114-4 also included the requested \$28 million appropriation for Acquisitions, Construction, Improvements, and Related Expenses.

## Issues for Congress

Although FLETC itself has not been the focus of congressional debate, both the House and Senate have raised questions about the training of federal law enforcement officers. All versions of the FY2015 appropriations bill included the requested funding to train the remaining 1,200 of 2,000 new CBP officers funded in FY2014.<sup>276</sup>

The Senate-passed version of comprehensive immigration reform in the 113<sup>th</sup> Congress (S. 744) called for 19,200 additional Border Patrol agents.<sup>277</sup> Fielding this many additional personnel would require an increase in the budget for FLETC's operations.

## Science and Technology Directorate<sup>278</sup>

The Directorate of Science and Technology (S&T) is the primary DHS organization for research and development (R&D). Headed by the Under Secretary for Science and Technology, it performs R&D in several laboratories of its own and funds R&D performed by the Department of Energy

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<sup>273</sup> H.Rept. 113-481, p. 113.

<sup>274</sup> S.Rept. 113-198, p. 133.

<sup>275</sup> S.Rept. 113-198, p. 133.

<sup>276</sup> H.Rept. 113-481, p. 113, and S.Rept. 113-198, p. 133.

<sup>277</sup> S. 744(eas), Section 6(a)(3)(A)(i), p. 51.

<sup>278</sup> Prepared by (name redacted), Specialist in Science and Technology Policy, Resources, Science and Industry Division.

national laboratories, industry, universities, and others. It also conducts testing and other technology-related activities in support of acquisitions by other DHS components. See **Table 19** for a breakdown of S&T Directorate funding for FY2014 and FY2015.



### FY2015 Request

The Administration’s request of \$1,072 million for the S&T Directorate in FY2015 was 12.2% less than the FY2014 appropriation of \$1,220 million. The decrease resulted largely from the request in Laboratory Facilities for \$300 million, versus \$404 million in FY2014, for construction of the National Bio and Agro-Defense Facility (NBAF). Within the request for Research, Development, and Innovation, border security R&D would increase by \$7 million; Apex projects would receive the same funding as in FY2014; and the other four thrust areas would all decrease. The proposed reduction of \$9 million for University Programs would decrease the annual funding rate for existing university centers of excellence and might also reduce the number of centers supported.

### House-Reported H.R. 4903

The House-reported bill would have provided \$1,107 million for the S&T Directorate in FY2015.<sup>279</sup> In previous years, the committee had criticized the Research, Development, and Innovation (RD&I) budget item for being too all-encompassing and not specifying funding levels for specific thrust areas. For FY2015, the House report recommended \$28 million more than the request for RD&I and stated that “to provide the new Under Secretary for S&T flexibility to shift resources ... the Committee provides the funds for RD&I without breakouts for specific thrust areas.”<sup>280</sup> The report stated that the committee was pleased with the results of Apex projects (one of the RD&I thrust areas) and urged the S&T Directorate to expand the Apex concept into other areas of its work. In Laboratory Facilities, the report recommended the requested \$300 million for NBAF construction. The recommended funding for University Programs was \$10 million more than requested. The report stated that this level of support would allow the continuation of all existing university centers of excellence as well as a new center that was expected to be awarded in FY2015. It directed DHS to define and report on key metrics used to make center awards.

### Senate-Reported S. 2534

The Senate-reported bill would have provided \$1,071 million for the S&T Directorate in FY2015.<sup>281</sup> As in the House, the Senate committee in previous years had criticized the

<sup>279</sup> Not including a rescission of \$14 million from prior-year balances in the R&D, Acquisition, and Operations account.

<sup>280</sup> H.Rept. 113-481, p. 116.

<sup>281</sup> Not including a rescission of \$14 million from prior-year balances in the R&D, Acquisition, and Operations (continued...)

consolidation of RD&I into a single budget item. For FY2015, the Senate report stated that “in order to provide additional flexibility ... the Committee does not break out the RD&I budget in thrust areas.”<sup>282</sup> Within RD&I, the report expressed support for the Apex concept and encouraged the S&T Directorate to invest more of its resources in that effort. In Laboratory Facilities, the recommended amount for NBAF construction was \$300 million, as requested. In University Programs, the report recommended \$9 million more than the Administration’s request and explained that the increase was for university centers of excellence, including support for the existing centers and a new center to be awarded in FY2015.

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The final bill provided \$1,104 million for the S&T Directorate in FY2015.<sup>283</sup> The explanatory statement did not specify the distribution of RD&I funds among thrust areas. It directed DHS to brief the appropriations committees on that distribution and on the allocation of funds to Apex projects. In Laboratory Facilities, it allocated \$300 million for NBAF construction. For University Programs, it allocated an amount between the House and Senate committee recommendations.

**Table 19. Directorate of Science and Technology, FY2014-FY2015**  
(budget authority in rounded millions of dollars)

Appropriation / Sub-Appropriation	FY2014	FY2015			
	Enacted	Request	House-reported H.R. 4903	Senate-reported S. 2534	P.L. 114-4
<b>Directorate of Science and Technology</b>	<b>1,220</b>	<b>1,072</b>	<b>1,107</b>	<b>1,071</b>	<b>1,104</b>
Management and Administration	129	130	127	130	130 <sup>a</sup>
R&D, Acquisition, and Operations	1,091	942	980 <sup>b</sup>	942 <sup>b</sup>	974 <sup>c</sup>
<i>Research, Development, and Innovation</i>	462	434	462	426	457
<i>Laboratory Facilities</i>	548	435	435	435	435
<i>Acquisition and Operations Support</i>	42	42	42	42	42
<i>University Programs</i>	40	31	41	40	40

**Sources:** CRS analysis of FY2014 explanatory statement, FY2015 DHS congressional justifications, H.R. 4903 as reported, H.Rept. 113-481, S. 2534 as reported, S.Rept. 113-198, and P.L. 114-4 and its explanatory statement as printed in the *Congressional Record* of January 13, 2015, pp. H275-H322.

**Note:** Table displays rounded numbers, but all operations were performed with unrounded data: therefore, amounts may not sum to totals.

- a. Does not reflect a rescission of \$0.5 million from prior-year balances.
- b. Does not reflect a rescission of \$14 million from prior-year balances.

(...continued)

account.

<sup>282</sup> S.Rept. 113-198, p. 135.

<sup>283</sup> Not including a rescission of \$17 million from prior-year balances in the R&D, Acquisition, and Operations account and a rescission of \$0.5 million in prior-year balances in the Management and Administration account.

- c. Does not reflect a rescission of \$17 million from prior-year balances.

## Issues for Congress

### *National Bio and Agro-Defense Facility (NBAF)*

The NBAF is a planned replacement for the current Plum Island Animal Disease Center. Site preparation has been completed, and construction of a central utility plant is under way. DHS expects to award a contract for construction of the main laboratory in FY2015. In preparation for this, the department issued a request for information from industry in December 2014.<sup>284</sup> According to DHS, the \$300 million requested and provided for FY2015, together with previously appropriated federal and state funds and additional anticipated funds from the state of Kansas, would fully fund the NBAF construction contract. Despite receiving \$404 million for NBAF construction in FY2014, DHS did not intend to begin construction before full funding for the project was appropriated. The estimated total project cost for NBAF is \$1,250 million, up from \$1,230 million in the FY2014 budget. DHS expects NBAF construction and commissioning to be completed in Q3 FY2021, one year later than the estimate of Q3 FY2020 provided in the FY2014 budget. The previous estimate for NBAF, given in the FY2012 budget, was a total project cost of \$725 million with a completion date of Q1 FY2016.

### *Coordination of Research & Development Activities*

In September 2012, GAO reported that although the S&T Directorate, the Domestic Nuclear Detection Office (DNDO), and the Coast Guard are the only DHS components that report R&D activities to the Office of Management and Budget, several other DHS components also fund R&D and activities related to R&D.<sup>285</sup> The GAO report found that DHS lacks department-wide policies to define R&D and guide reporting of R&D activities, and, as a result, DHS does not know the total amount its components invest in R&D. The report recommended that DHS develop policies and guidance for defining, reporting, and coordinating R&D activities across the department, and that DHS establish a mechanism to track R&D projects. In March 2013, the explanatory statement for the Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6) directed the Secretary of Homeland Security, through the Under Secretary for Science and Technology, to establish a review process for all R&D and related work within DHS.<sup>286</sup> In April 2013, citing its September 2012 report, GAO listed DHS R&D as an area of concern in its annual report on fragmented, overlapping, or duplicative federal programs.<sup>287</sup> In January 2014, the joint explanatory statement for the Consolidated Appropriations Act, 2014 (P.L. 113-76) directed DHS to implement and report on new policies for R&D prioritization and review and, in accordance with GAO's recommendations, to implement policies and guidance for defining and overseeing R&D department-wide.<sup>288</sup> In July 2014, GAO reported that DHS had updated its guidance to include a definition of R&D and was conducting R&D portfolio reviews

<sup>284</sup> Solicitation HSHQDC-15-I-NBAFK, December 12, 2014, available at <https://www.fbo.gov>.

<sup>285</sup> U.S. Government Accountability Office, *Department of Homeland Security: Oversight and Coordination of Research and Development Should Be Strengthened*, GAO-12-837, September 12, 2012.

<sup>286</sup> *Congressional Record*, March 11, 2013, p. S1547.

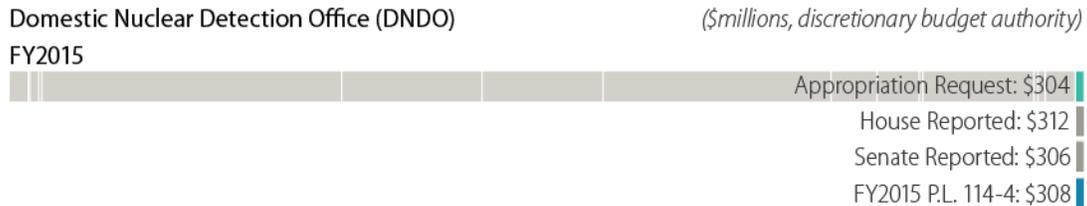
<sup>287</sup> U.S. Government Accountability Office, *2013 Annual Report: Actions Needed to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits*, GAO-13-279SP, April 2013.

<sup>288</sup> *Congressional Record*, January 15, 2014, p. H927.

across the department but had not yet developed policy guidance for DHS-wide R&D oversight, coordination, and tracking.<sup>289</sup>

## Domestic Nuclear Detection Office<sup>290</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 detection research, development, testing, evaluation, acquisition, and operational support. See **Table 20** for a breakdown of DNDO funding for FY2014 and FY2015.



### FY2015 Request

The Administration requested \$304 million for DNDO in FY2015, an increase of 6.7% from the FY2014 appropriation of \$285 million. In the Systems Acquisition account, funding for the Securing the Cities program would have decreased by \$10 million, while funding for Human Portable Radiation Detection Systems would have increased by \$37 million to support the procurement of handheld radioisotope identification devices (RIIDs) for Customs and Border Protection.

### House-Reported H.R. 4903

The House-reported bill would have provided \$312 million for DNDO. The report recommended \$7 million more than the request for Securing the Cities and stated that this would “support ongoing efforts in current ... cities and the risk-based expansion to new cities.” The report recommended the requested increase for Human Portable Radiation Detection Systems.

### Senate-Reported S. 2534

The Senate-reported bill would have provided \$306 million for DNDO. As in the House, the Senate report recommended \$7 million more than the Administration’s request for the Securing the Cities program. The report recommended \$2 million less than the request for Human Portable Radiation Detection Systems (HPRDS), and it directed DNDO to provide a multiyear procurement forecast and deployment schedule for these funds.

<sup>289</sup> U.S. Government Accountability Office, *Department of Homeland Security: Continued Actions Needed to Strengthen Oversight and Coordination of Research and Development*, GAO-14-813T, July 31, 2014.

<sup>290</sup> Prepared by (name redacted), Specialist in Science and Technology Policy, Resources, Science and Industry Division.

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The final bill provided \$308 million for DNDO in FY2015. The explanatory statement included the same amount for Securing the Cities as was recommended in the House and Senate committee reports. Its allocation for HPRDS was the same as recommended in the Senate committee report.

**Table 20. Domestic Nuclear Detection Office, FY2014-FY2015**  
(budget authority in rounded millions of dollars)

Appropriation / Sub-Appropriation	FY2014	FY2015			
	Enacted	Request	House-reported H.R. 4903	Senate-reported S. 2534	P.L. 114-4
<b>Domestic Nuclear Detection Office</b>	<b>285</b>	<b>304</b>	<b>312</b>	<b>306</b>	<b>308</b>
Management and Administration	37	37	36	37	37
Research, Development, and Operations	205	199	201	196	198
<i>Systems Engineering and Architecture</i>	21	18	18	17	17
<i>Systems Development</i>	21	22	22	21	21
<i>Transformational R&amp;D</i>	71	70	70	69	70
<i>Assessments</i>	39	38	38	38	38
<i>Operations Support</i>	30	32	32	31	31
<i>National Technical Nuclear Forensics Center</i>	23	20	22	20	21
Systems Acquisition	43	68	75	73	73
<i>Radiation Portal Monitors Program</i>	7	5	5	5	5
<i>Securing the Cities</i>	22	12	19	19	19
<i>Human Portable Radiation Detection Systems</i>	14	51	51	49	49

**Sources:** CRS analysis of FY2014 explanatory statement, FY2015 DHS congressional justifications, H.R. 4903 as reported, H.Rept. 113-481, S. 2534 as reported, S.Rept. 113-198, and P.L. 114-4 and its explanatory statement as printed in the *Congressional Record* of January 13, 2015, pp. H275-H322.

**Note:** Table displays rounded numbers, but all operations were performed with unrounded data: therefore, amounts may not sum to totals.

## Title V: General Provisions

Title V of the DHS appropriations bill contains the general provisions for the bill. General provisions typically include rescissions of funding from previous years that partially offset the score of the bill. Occasionally appropriations for special initiatives are found here as well. This section of the report generally limits its discussion to new general provisions not mentioned elsewhere in the report and those with a direct impact on the budgetary scoring of the bill.

## **FY2015 Request**

The Administration generally requests rescissions in the accounts where they are made, rather than in this title. However, this year, the Administration proposed a \$200 million rescission from the Disaster Relief Fund in the general provisions of the bill. The Administration requested no appropriations through general provisions for FY2015.

The Administration proposed retaining 41 of the 78 general provisions from the FY2014 DHS Appropriations act (Division F of P.L. 113-76) in the FY2015 appropriations act. Fifteen were proposed to be amended to one degree or another, and 26 remained without proposed changes. These provisions may be modified to simply change their effective date, make adjustments for clarity of purpose, or provide or restore flexibility to certain aspects of departmental operations.

The Administration therefore proposed eliminating 37 general provisions. Some general provisions, like those rescinding funds, have a one-time effect, and so are proposed for elimination the following years. Some are provisos proposed elsewhere in the bill, such as waivers on restrictions of the use of certain grant funds, or are consolidated, and therefore a separate general provision would be redundant. Others become overtaken by events or changes in permanent law, while others the Administration proposes for elimination as they are, in their view, unduly restrictive on the department's operations or use and management of resources.

The Administration also proposed adding six new general provisions aside from the aforementioned rescission. These included the following:

- a new provision allowing obligation of \$104 million in previously collected fees;
- a provision authorizing aviation security fees and increasing aviation passenger fees for FY2015 (this is in part similar to previously proposed provisions);
- a new provision increasing the statutory cap on visas for crime victims;
- a new provision authorizing USCIS to use up to \$3 million in fee revenues to start up the proposed U.S. Citizenship Foundation;
- a previously proposed provision authorizing a public awareness and outreach campaign on dam safety; and
- a provision increasing CBP fees and authorizing the use of other fee revenues collected pursuant to the U.S.-Colombia Trade Promotion Agreement Implementation Act (this is in part similar to previously proposed provisions, and a provision carried in the FY2014 act).

## **House-Reported H.R. 4903**

House-reported H.R. 4903 included \$708 million in rescissions in Title V. In addition, under this title \$30 million was included for DHS financial systems modernization efforts. These were the only provisions in this title that affected the score of the bill, providing a reduction in the net budget authority provided in the bill of \$540 million.

The House Appropriations Committee concurred with the Administration's request to drop 11 general provisions that had been included in the FY2014 Homeland Security Appropriations act. The House Appropriations Committee did not add any of the general provisions requested by the Administration, with the exception of a rescission that it deepened.

The House added nine new general provisions, three of which had identical counterparts in the Senate-reported bill:

- A provision requiring budget justification for structural pay reform affecting more than 100 FTE or costing more than \$5 million,<sup>291</sup>
- A provision making public safety officer survivor benefits available to the widow and children of a Transportation Security Officer killed in the line of duty in 2013,<sup>292</sup> and
- A provision requiring the Administration provide estimates of the number of unaccompanied alien children anticipated to be apprehended in the coming budget year and the projected impact of those detentions and transfers on the budget of each component in the Administration's budget request.<sup>293</sup>

In total, House-reported H.R. 4903 included 74 general provisions.

### **Senate-Reported S. 2534**

Senate-reported S. 2534 included \$731 million in rescissions in Title V. In addition, under this title \$49 million was included for DHS headquarters consolidation, and \$40 million for DHS financial systems modernization. Taken together, these provisions provide a reduction in the net budget authority provided in the bill of \$505 million.

The Senate Appropriations Committee concurred with the Administration's request to drop 10 general provisions that had been included in the FY2014 Homeland Security Appropriations Act.

The Senate Appropriations Committee did not add any of the general provisions requested by the Administration, with the exception of a rescission that it deepened, and a portion of the fee proposal solely for hiring and retaining CBP officers at air and sea points of entry.<sup>294</sup>

Aside from the three new provisions noted above that were carried in both the House-and Senate-reported bills, the Senate Appropriations also added seven of its own new general provisions. In total Senate-reported S. 2534 contains 73 general provisions.

### **P.L. 114-4**

P.L. 114-4 included \$894 million in rescissions in Title V. In addition, under this title \$49 million was included for DHS headquarters consolidation, \$34 million for DHS financial systems modernization, and \$138 million for CBP. Taken together, these rescissions and other general provisions provide a reduction in the net budget authority provided in the bill of \$674 million.

The act does not include 8 of the 34 general provisions included in the FY2014 Homeland Security Appropriations Act that the Administration had asked to drop. The act did not add any of

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<sup>291</sup> H.R. 4903, Sec. 563; and S. 2534, Sec. 561.

<sup>292</sup> H.R. 4903, Sec. 565; and S. 2534, Sec. 567.

<sup>293</sup> H.R. 4903, Sec. 569; and S. 2534, Sec. 566.

<sup>294</sup> S. 2534, Sec. 559.

the general provisions requested by the Administration, with the exception of a rescission proposal that it deepened.

Aside from the three new general provisions that were carried in both the House- and Senate-reported bills, several other new general provisions were added. Three new general provisions from the House-reported bill, pertaining to staffing of exit lanes at airports, a report on DHS purchases of weapons, and a LORAN station were retained in P.L. 114-4.<sup>295</sup> Four new general provisions from the Senate-reported bill, pertaining to inclusion of unauthorized fee increases in appropriations requests, posting of departmental reports, the repeal of a port of entry technology demonstration program, and a transfer of funds from the Disaster Assistance Direct Loan Program to the Disaster Relief Fund were retained as well.

In total, P.L. 114-4 contained 78 general provisions, one more than in FY2014.

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<sup>295</sup> P.L. 114-4, Sec. 556, 562, and 563.

## Appendix A. Appropriations Terms and Concepts

### Budget Authority, Obligations, and Outlays

Federal government spending involves a multistep process that begins with the enactment of budget authority by Congress. 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>296</sup> prohibits federal agencies from obligating more funds than the budget authority that was enacted by Congress. Budget authority may also be indefinite, as 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>297</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.

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. 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>298</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

<sup>296</sup> 31 U.S.C. §§1341, 1342, 1344, 1511-1517.

<sup>297</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>.

<sup>298</sup> P.L. 101-508, Title XIII.

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>299</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. These mandatory spending elements 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 appropriated by Congress. They are available for obligation and included in the President's budget to calculate the gross budget authority.

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

In general practice, 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 by the Appropriations Committee by issuing a report delineating the revised suballocations as the various appropriations bills progress towards final enactment.

**Table A-1** shows DHS's initial 302(b) allocations in the House and Senate for FY2015, and comparable figures for FY2014, the President's request for FY2015, and the enacted FY2015 DHS appropriation.

<sup>299</sup> Prepared with assistance from (name redacted), Analyst in American National Government.

**Table A-1. FY2014 and FY2015 302(b) Discretionary Allocations for DHS**  
(budget authority in billions of dollars)

FY2014 Comparable	FY2015 Request Comparable	FY2015 House Allocation	FY2015 Senate Allocation	FY2015 Enacted Comparable
39.270 <sup>a</sup>	38.332 <sup>b</sup>	39.220 <sup>b</sup>	39.000 <sup>c</sup>	39.670

**Source:** CRS analysis of the P.L. 113-76 explanatory statement, DHS FY2015 congressional justifications, H.Rept. 113-481, S.Rept. 113-198, and the explanatory statement accompanying H.R. 240 as printed in the *Congressional Record* of January 13, 2015, pp. H275-H322.

- This authority does not include the \$227 million for overseas contingency operations or disaster relief of \$5,626 million covered by adjustments to the discretionary spending caps set by the Budget Control Act.
- This authority does not include \$6,438 million requested for disaster relief covered by adjustments to the discretionary spending caps set by the Budget Control Act.
- This authority does not include the \$213 million for overseas contingency operations or disaster relief of \$6,438 million covered by adjustments to the discretionary spending caps set by the Budget Control Act.

### The Budget Control Act, Discretionary Spending Caps, and Adjustments

The FY2012 appropriations bills were the first appropriations bills that were affected by the Budget Control Act (BCA), which established discretionary security and nonsecurity spending caps for FY2012 and FY2013, and overall caps that will govern the actions of appropriations committees in both houses. Subsequent legislation, including the Bipartisan Budget Act of 2013,<sup>300</sup> has amended those caps. For FY2015, the overall cap on discretionary spending is \$1,014 billion. Separate limitations are made for defense and non-defense spending—roughly \$521 billion and \$492 billion, respectively. Most of the budget for the Department of Homeland Security is considered non-defense spending.

In addition, the BCA allows for adjustments that would raise the statutory caps to cover funding for overseas contingency operations/Global War on Terror, emergency spending, and, to a limited extent, disaster relief and appropriations for continuing disability reviews and for controlling health care fraud and abuse.

Three of the four justifications outlined in the BCA for adjusting the caps on discretionary budget authority have played a role in DHS’s appropriations process. Two of these—emergency spending and overseas contingency operations/Global War on Terror—are not limited.

The third justification—disaster relief—is limited. Under the BCA, the allowable adjustment for disaster relief is determined by the Office of Management and Budget (OMB), using the following formula:

Limit on disaster relief cap adjustment for the fiscal year = Rolling average of the disaster relief spending over the last ten fiscal years (throwing out the high and low years) + the unused amount of the potential adjustment for disaster relief from the previous fiscal year.

<sup>300</sup> P.L. 113-67.

For FY2014, OMB determined the allowable adjustment for disaster relief to be \$12,143 million,<sup>301</sup> of which only \$5,717 million was exercised. In February 2015, OMB noted the FY2015 allowable adjustment for disaster assistance would be \$18,430 million: \$11,913 million from the rolling average and \$6,517 million in carryover from FY2014.<sup>302</sup> FY2015 was the first year in which there was more than \$1 billion of allowable adjustment for disaster relief carried over from the previous fiscal year.

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<sup>301</sup> Office of Management and Budget, *OMB Sequestration Preview Report to the President and Congress for Fiscal Year 2015*, Washington, DC, March 10, 2014, p. 9.

<sup>302</sup> Office of Management and Budget, *OMB Sequestration Update Report to the President and Congress for Fiscal Year 2016*, Washington, DC, February 2, 2015, p. 12.

## Appendix B. DHS Appropriations in Context

### DHS Appropriations History

As established earlier in the report, the department was first established by the Homeland Security Act, P.L. 107-296. It became operational on January 24, 2003, in the middle of the fiscal year. Its initial partial year of operation was funded by transfers and supplemental appropriations. FY2004 was the first year the department requested and received an annual appropriations bill.

The tables below present information on DHS discretionary appropriations, as enacted, for FY2004 through FY2014. To allow for comparisons over time, **Table B-1** provides data in nominal dollars, while **Table B-2** provides data in constant FY2013 dollars. Making meaningful comparisons over time for the department's appropriations as a whole is complicated by a variety of factors, the two most significant of which are the frequency of supplemental appropriations for the department, and the impact of disaster assistance funding.

Supplemental funding, which frequently addresses congressional priorities, such as disaster assistance and border security, varies widely from year to year and as a result distorts year-to-year comparisons of total appropriations for DHS. In the department's initial fiscal year of operations, it received over \$5 billion in supplemental funding during that fiscal year in addition to all the resources transferred with the department's components. Twenty separate supplemental appropriations acts have provided appropriations to the department since it was established. Gross supplemental appropriations provided to the department in those acts exceed \$115 billion. **Table B-1** and **Table B-2**, in their second and third columns, provide amounts of new discretionary budget authority provided to DHS from FY2004 through FY2014, and a total for each fiscal year in the fourth column.

One of DHS's larger component budgets is that of the Federal Emergency Management Agency (FEMA). That budget includes the Disaster Relief Fund (DRF), which funds a large portion of the costs incurred by the federal government in the wake of disasters. Of the billions of dollars provided to the DRF each year, only a single-digit percentage of this funding goes to pay for FEMA personnel and administrative costs tied to disasters; the remainder is provided as assistance to states, communities, and individuals. The gross level of funding provided to the DRF has varied widely since the establishment of DHS depending on the occurrence and size of disasters, from less than \$3 billion in FY2008 to more than \$60 billion in FY2005. **Table B-1** and **Table B-2**, in their fifth column, provide the amount of new budget authority provided to the DRF, and in the sixth column, show the total new budget authority provided to DHS without counting the DRF.

A visual representation of this data is available in **Figure 3**.

**Table B-1. DHS New Discretionary Budget Authority, FY2004-FY2014**  
(budget authority in billions of dollars)

<b>Fiscal Year</b>	<b>Annual Appropriations</b>	<b>Supplemental Appropriations</b>	<b>Total</b>	<b>DRF Funding</b>	<b>Total Less DRF Resources</b>
FY2004	\$29,809	\$2,523	\$32,333	\$4,300	\$28,033
FY2005	29,557	67,330	96,887	68,542	28,345
FY2006	30,995	8,217	39,212	7,770	31,442
FY2007	34,047	5,161	39,208	5,610	33,598
FY2008	37,809	897	38,706	2,297	36,409
FY2009	40,070	3,243	43,312	9,360	33,952
FY2010	42,817	5,570	48,387	6,700	41,687
FY2011	42,477	-	42,477	2,650	39,827
FY2012	40,062	6,400	46,462	7,100	39,362
FY2013	46,555	12,072	58,627	18,495	40,132
FY2013 post-sequester	44,971	11,468	56,439	17,566	38,873
FY2014	45,817	-		6,221	39,596

**Table B-2. DHS New Discretionary Budget Authority, FY2013 Dollars, FY2004-FY2014**  
(billions of dollars of budget authority)

	<b>Regular</b>	<b>Supplemental</b>	<b>Total</b>	<b>DRF Funding</b>	<b>Total Less DRF Resources</b>
FY2004	\$35,762	\$3,027	\$38,789	\$5,159	\$33,630
FY2005	34,379	78,316	112,695	79,725	32,969
FY2006	34,916	9,257	44,173	8,753	35,420
FY2007	37,345	5,661	43,006	6,153	36,852
FY2008	40,632	964	41,596	2,469	39,128
FY2009	42,562	3,444	46,006	9,942	36,064
FY2010	45,088	5,866	50,954	7,055	43,898
FY2011	43,874	-	43,874	2,737	41,136
FY2012	40,667	6,497	47,164	7,207	39,957
FY2013	46,555	12,072	58,627	18,495	40,132
FY2013 post-sequester	44,971	11,468	56,439	17,566	38,873
FY2014	45,141	-	45,141	6,129	39,012

**Sources:** CRS analysis of congressional appropriations documents: for FY2004, H.Rept. 108-280 (accompanying P.L. 108-90), H.Rept. 108-76 (accompanying P.L. 108-11), P.L. 108-69, P.L. 108-106, and P.L. 108-303; for FY2005, H.Rept. 108-774 (accompanying P.L. 108-334), P.L. 108-324, P.L. 109-13, P.L. 109-61, and P.L. 109-62; for FY2006, H.Rept. 109-241 (accompanying P.L. 109-90), P.L. 109-148, and P.L. 109-234; for FY2007, H.Rept. 109-699 (accompanying P.L. 109-295) and P.L. 110-28; for FY2008, Division E of the House Appropriations Committee Print (accompanying P.L. 110-161) and P.L. 110-252; for FY2009, Division D of House Appropriations Committee Print (accompanying P.L. 110-329), P.L. 111-5, P.L. 111-8, and P.L. 111-32; for FY2010, H.Rept. 111-298 (accompanying P.L. 111-83), P.L. 111-212, and P.L. 111-230; for FY2011, P.L. 112-10 and H.Rept. 112-331 (accompanying P.L. 112-74); for FY2012, H.Rept. 112-331 (accompanying P.L. 112-74) and P.L. 112-77; for FY2013, Senate explanatory statement (accompanying P.L. 113-6), P.L. 113-2, the DHS Fiscal Year 2013 Post-Sequestration Operating Plan dated April 26, 2013, and financial data from the Hurricane Sandy Rebuilding Task Force Home Page at <http://portal.hud.gov/hudportal/HUD?src=/sandyrebuilding/recoveryprogress>; for FY2014, the explanatory statement accompanying P.L. 113-76; and for FY2015, P.L. 114-4 and its explanatory statement as printed in the *Congressional Record* of January 13, 2015, pp. H275-H322.

**Notes:** Emergency funding, appropriations for overseas contingency operations, and funding for disaster relief under the Budget Control Act's allowable adjustment are included based on their legislative vehicle. Transfers from DOD and advance appropriations are not included. Emergency funding in regular appropriations bills is treated as regular appropriations. Numbers in italics do not reflect the impact of sequestration.

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