U.S. Budgets for Homeland Security

Cindy Williams
Outline

• What is homeland security?
• Federal budgets for homeland security
• The promise of a consolidated Department of Homeland Security (DHS), circa 2002
• Check on progress toward the promise
• What went wrong
• Recommended remedies
What is homeland security?

• Domestic measures to improve the safety of people and infrastructure within the United States
  – From terrorist attacks
  – From all hazards, including hurricanes and naturally occurring pandemics

• Three layers of security
  – Prevent
  – Protect
  – Prepare to mitigate the consequences

• Homeland security is a shared responsibility of all levels of government as well as businesses and private individuals
FY 2011 Homeland Security Request by Department

Total $72.5 billion

Security Studies Program at MIT
111810
About 34 percent of DHS’s budget pays for non-homeland security activities

<table>
<thead>
<tr>
<th></th>
<th>FY 2011 Request</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>HS</td>
<td>Non-HS</td>
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<tr>
<td>Customs &amp; Border Protection</td>
<td>9.5</td>
<td>1.6</td>
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<td>Immigration &amp; Customs Enforcement</td>
<td>4.8</td>
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<td>Transportation Security Admin</td>
<td>7.9</td>
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<tr>
<td>Coast Guard</td>
<td>3.7</td>
<td>6.6</td>
<td>10.3</td>
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<tr>
<td>Secret Service</td>
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<tr>
<td>FEMA</td>
<td>3.8</td>
<td>3.5</td>
<td>7.3</td>
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<tr>
<td>Citizenship &amp; Immigration Services</td>
<td>0</td>
<td>2.8</td>
<td>2.8</td>
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<tr>
<td>Other</td>
<td>5.9</td>
<td>3.6</td>
<td>9.5</td>
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<tr>
<td>Total</td>
<td>37.1</td>
<td>19.2</td>
<td>56.3</td>
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<tr>
<td>Share of total</td>
<td>66%</td>
<td>34%</td>
<td>100%</td>
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The promise of a new department
(Director Ridge 2002)

• Allocation of resources based on national priorities and risk
• Unity of effort
• Cost effectiveness
  – Cost of new elements and department-wide management would be funded from savings achieved by eliminating redundancies
Progress check:
Not allocating resources based on national priorities & risk

• Top national priorities
  – As reflected in federal strategy documents
    • Weapons of mass destruction in hands of terrorists
    • Prevention of terrorist attacks
  – As reflected in budgets….would expect to see substantial spending to prevent weapons of mass destruction from falling into the hands of terrorists
    • In fact….less than 2% of federal budgets for homeland security go to prevent WMD from falling into the hands of terrorists
Federal Homeland Security Budgets by Mission Category

- **Respond & recover**
- **Protect people, infrastructure, resources**
- **Prevent & disrupt attacks**

Yearly distribution of budgets from 2003 to 2011.
Progress check:
Not allocating resources based on national priorities & risk

• Uneven approach to risk assessment
• Within the Department of Homeland Security, little top-down exercise of the budget tool based on risk or national priorities
• Little money shifted from one DHS component to another
Each component’s share of DHS annual budget has barely changed

<table>
<thead>
<tr>
<th>DHS operating component</th>
<th>Share of annual budget (percent)</th>
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<tbody>
<tr>
<td><strong>Fiscal year</strong></td>
<td>2003</td>
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<td>Transportation Security Administration</td>
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<td>Secret Service</td>
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<tr>
<td>FEMA central operations</td>
<td>n.a.</td>
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<tr>
<td>Citizenship &amp; Immigration Services</td>
<td>5</td>
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<tr>
<td>Total share of DHS budget within the main operating components</td>
<td>73</td>
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Progress check:
Not realizing unity of effort

• Department of Homeland Security cannot be expected to bring unity of effort across federal homeland security activities
  – DHS controls only half of the federal homeland security budget
  – 34% of DHS budget is not for homeland security
• DHS legacy components generally set their own agendas
• Example: planning for research in DHS, HHS biological containment facilities
Progress check:
Cost of central administration and new elements not offset by eliminating redundancies

- Budgets for central administration and new elements more than tripled
- Components retained their 73 percent share of total
Budgets for central administration & new elements in DHS more than tripled

<table>
<thead>
<tr>
<th>Central &amp; new elements</th>
<th>Constant FY 2010 dollars in billions</th>
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<tbody>
<tr>
<td></td>
<td>FY 2003</td>
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<tr>
<td>Departmental operations</td>
<td>0</td>
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<tr>
<td>Inspector General</td>
<td>0</td>
</tr>
<tr>
<td>Science &amp; technology</td>
<td>0.7</td>
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<tr>
<td>Domestic nuclear detection office</td>
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<tr>
<td>Analysis &amp; operations</td>
<td>0.1</td>
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<tr>
<td>Total for central &amp; new elements</td>
<td>0.8</td>
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</table>
Progress check:
Limited evidence of savings from consolidation
or elimination of duplicated effort

• Initial move to cut budgets for information
technology in anticipation of
consolidation—but it backfired
• Internal DHS study of duplication in
support structure brought little change
• Ongoing consolidation of data centers may
save money
What went wrong: Problems in DHS

• Weaknesses in DHS Planning, Programming, Budgeting and Execution (PPBE) Process
  – Leaders engaged too late, did not sign integrated planning guidance, held one-on-one meetings with components
  – Program review’s focus on performance leaves little time for tradeoff studies
  – Office of Program Analysis and Evaluation (PA&E) understaffed and junior

• DHS components remain stronger than the department
Recommended remedies: Department of Homeland Security

- Institute Quadrennial Homeland Security Review (QHSR)
  - Mandated by 9/11 Commission Act of 2007
  - Currently underway in DHS
  - Should follow the thread from strategy to budgets
  - Consider shifting responsibility for the QHSR from DHS to Executive Office of President

- Strengthen DHS leadership engagement in PPBE

- Expand DHS PA&E with senior staff, skilled in conducting cross-cutting tradeoff studies
What went wrong:
Problems in Executive Office of President

• Executive Office of the President not well structured or staffed to integrate strategic planning & resource allocation to address long-term security problems
  – Homeland Security Council was weak and understaffed—consolidated into National Security Council early in 2009
  – Office of Management & Budget was realigned to handle DHS, but multiple divisions & branches get involved in cross-cutting issues—18 branch chiefs had to sign off on one bio-defense document

• No explicit linkage between strategies and resource allocation
Recommended remedies:
Executive Office of President

- Strengthen the homeland security staff within the National Security Council
- Move OMB’s homeland security branch into the National Security Resource Management Office
- Create dedicated cells in NSC and OMB to conduct long-term planning, risk assessment, tradeoff studies
- Conduct a White House-level, interagency homeland security review at least every four years
What went wrong: Congress

- Congress lacks a unified approach to homeland security
- Jurisdictions for homeland security remain splintered across committees
  - Too many committees involved in authorizing legislation
  - Frequent committee requests for testimony & reports
  - Back door is always open for legacy agencies to press their positions
- Appropriation subcommittees are now aligned with DHS, but that leaves seams in areas that cross department lines
Some Oversight Committees for DHS’s Main Operating Components

<table>
<thead>
<tr>
<th></th>
<th>House</th>
<th>Senate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coast Guard</td>
<td>Homeland Security; Judiciary; Transportation &amp; Infrastructure</td>
<td>Commerce, Science &amp; Transportation</td>
</tr>
<tr>
<td>ICE</td>
<td>Judiciary; Ways &amp; Means</td>
<td>Judiciary; Finance</td>
</tr>
<tr>
<td>CBP</td>
<td>Homeland Security; Judiciary</td>
<td>Finance; Judiciary</td>
</tr>
<tr>
<td>CIS</td>
<td>Judiciary</td>
<td>Judiciary</td>
</tr>
<tr>
<td>FEMA</td>
<td>Homeland Security; Transportation &amp; Infrastructure</td>
<td>Homeland Security &amp; Governmental Affairs</td>
</tr>
<tr>
<td>TSA</td>
<td>Homeland Security</td>
<td>Commerce, Science &amp; Transportation</td>
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<tr>
<td>Secret Service</td>
<td>Judiciary</td>
<td>Judiciary</td>
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</table>
What went wrong: Congress (continued)

• Absence of homeland security budget function
  – Prevents consolidated allocation to homeland security in Congress’s budget resolution—no planning or total allocation at beginning of congressional process
  – Circumvents focused attention of congressional budget committees
  – Inhibits transparent audit of spending for key initiatives, weakens links between planned & executed budgets
Recommended remedies: Congress

• Establish single committee of jurisdiction for DHS oversight in each chamber of Congress
• Hold joint committee hearings on cross-cutting issues
• Create a homeland security budget function
• Eliminate “constant-shares” as a planning algorithm; budget based on priority missions
Summary

• Promised benefits of a Department of Homeland Security have not been realized
• Organizations, processes, and tools related to planning and budgeting are partly to blame
• Even small changes could make a difference