

U.S. Budgets for Homeland Security

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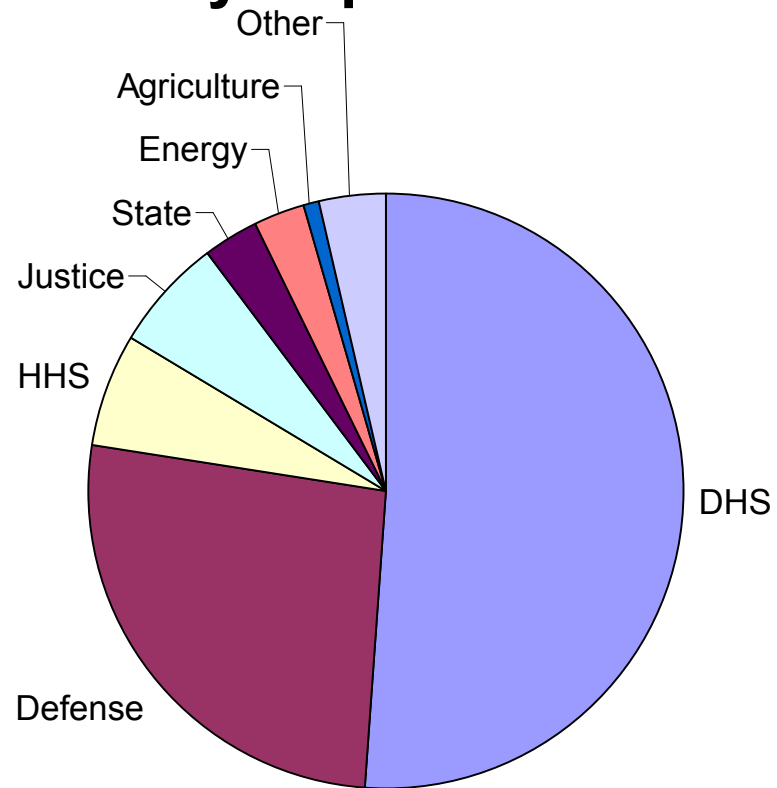
Outline

- 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?

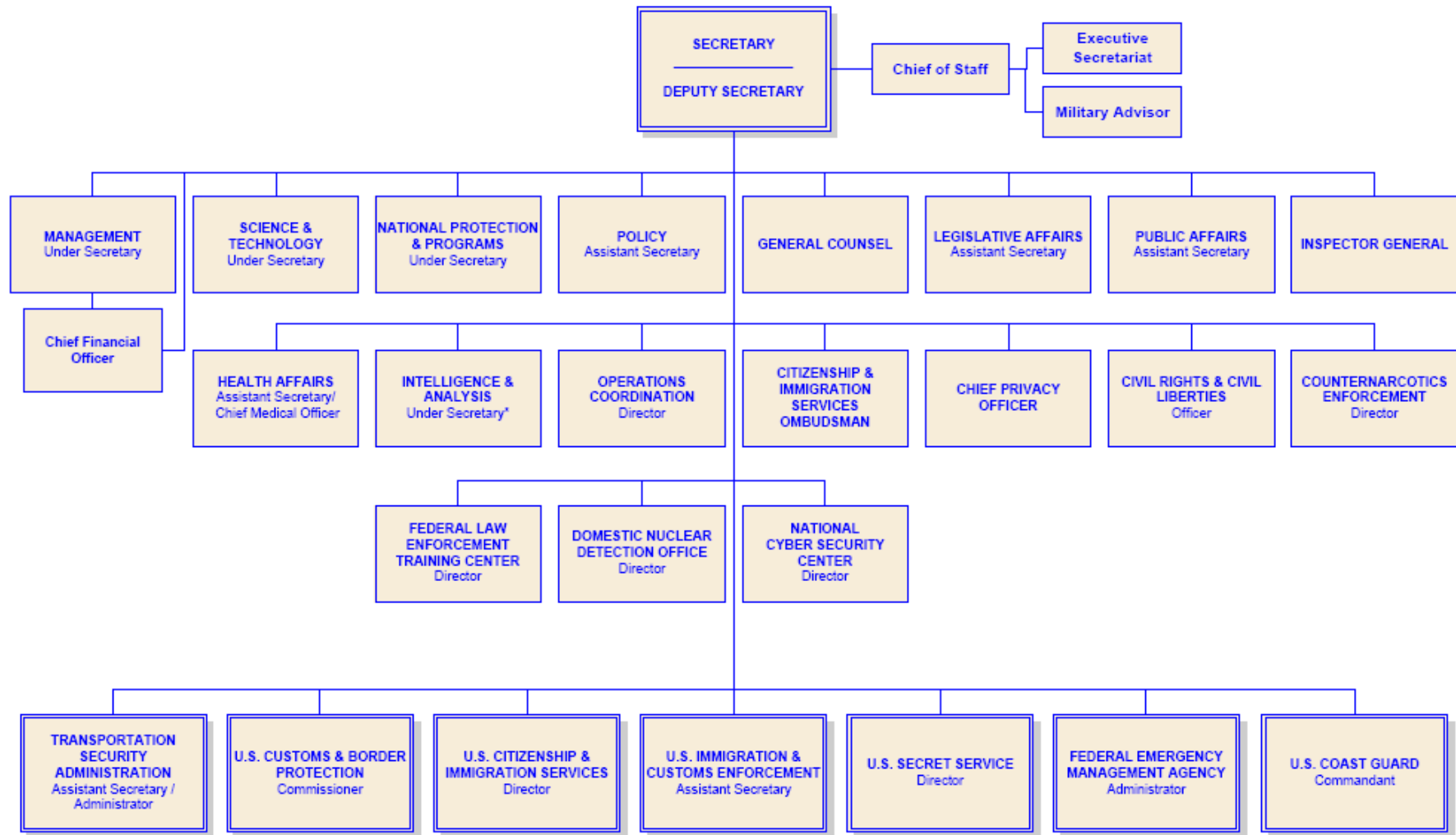
- Domestic measures to improve the safety of people and infrastructure within the United States
 - From terrorist attacks
 - From all hazards, including hurricanes and naturally occurring pandemics
- Three layers of security
 - Prevent
 - Protect
 - Prepare to mitigate the consequences
- Homeland security 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

U.S. DEPARTMENT OF HOMELAND SECURITY



* Under Secretary for Intelligence & Analysis title created by Public Law 110-53, Aug. 3rd, 2007

Approved 3/20/2008

About 34 percent of DHS's budget pays for non-homeland security activities

	FY 2011 Request Billions of Dollars		
	HS	Non-HS	Total
Customs & Border Protection	9.5	1.6	11.1
Immigration & Customs Enforcement	4.8	0.7	5.5
Transportation Security Admin	7.9	0	7.9
Coast Guard	3.7	6.6	10.3
Secret Service	1.5	0.4	1.9
FEMA	3.8	3.5	7.3
Citizenship & Immigration Services	0	2.8	2.8
Other	5.9	3.6	9.5
Total	37.1	19.2	56.3
Share of total	66%	34%	100%

The promise of a new department (Director Ridge 2002)

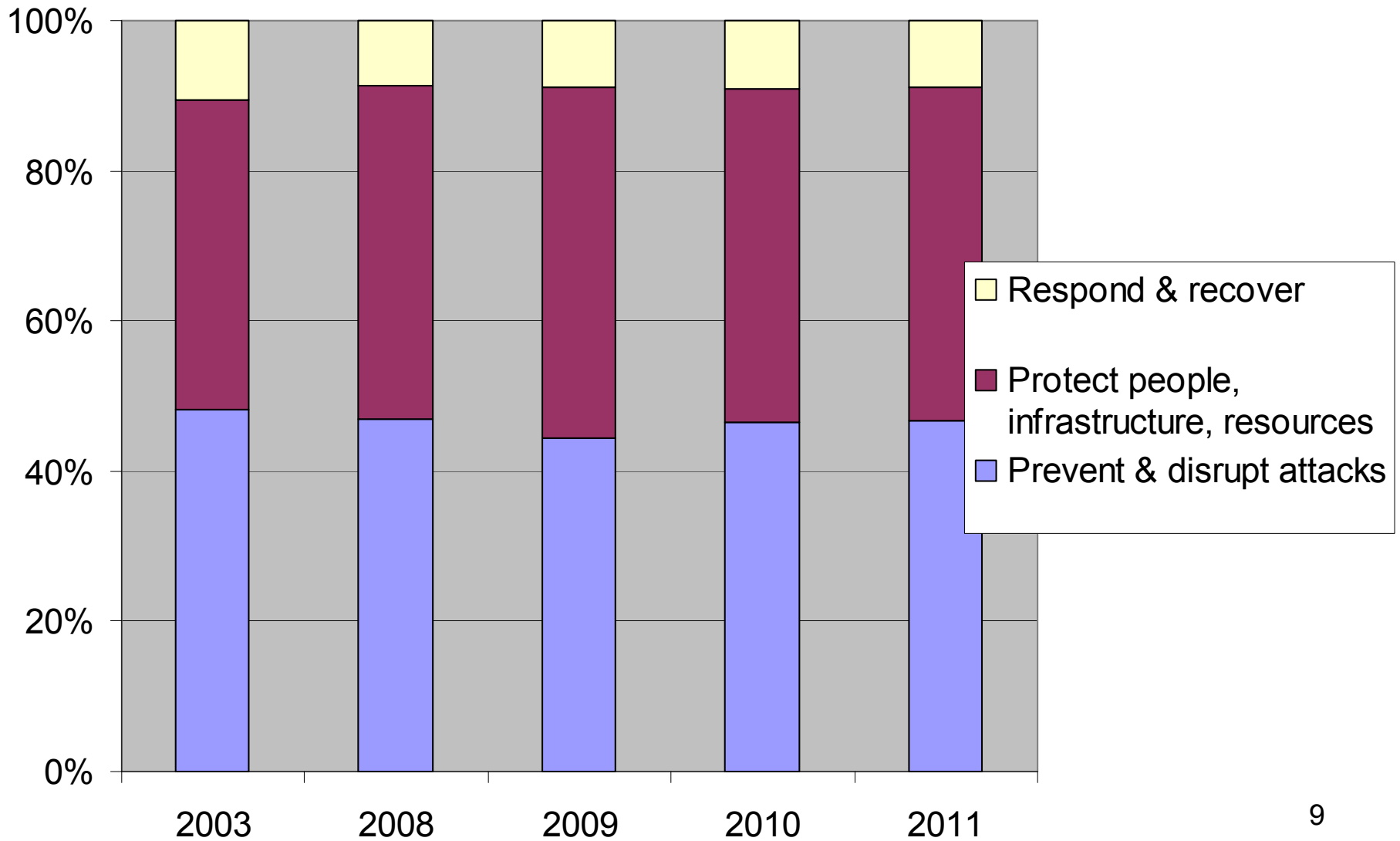
- Allocation of resources based on national priorities and risk
- Unity of effort
- Cost effectiveness
 - Cost of new elements and department-wide management would be funded from savings achieved by eliminating redundancies

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



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

DHS operating component	Share of annual budget (percent)	
	2003	2011
Fiscal year		
Customs & Border Protection	19	20
Immigration & Customs Enforcement	9	10
Transportation Security Administration	17	15
Coast Guard	20	18
Secret Service	4	3
FEMA central operations	n.a.	2
Citizenship & Immigration Services	5	5
Total share of DHS budget within the main operating components	73	73

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

Central & new elements	Constant FY 2010 dollars in billions	
	FY 2003	FY 2010
Departmental operations	0	0.9
Inspector General	0	0.1
Science & technology	0.7	1.0
Domestic nuclear detection office	0	0.4
Analysis & operations	0.1	0.4
Total for central & new elements	0.8	2.8

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

	House	Senate
Coast Guard	Homeland Security; Judiciary; Transportation & Infrastructure	Commerce, Science & Transportation
ICE	Judiciary; Ways & Means	Judiciary; Finance
CBP	Homeland Security; Judiciary	Finance; Judiciary
CIS	Judiciary	Judiciary
FEMA	Homeland Security; Transportation & Infrastructure	Homeland Security & Governmental Affairs
TSA	Homeland Security	Commerce, Science & Transportation
Secret Service	Judiciary	Judiciary

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

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