



HOUSE BUDGET COMMITTEE

Democratic Caucus

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Homeland Security in the President's 2007 Budget: Budget in Brief #9

Overall Funding Levels

The President's budget includes \$49.9 billion for all homeland security discretionary programs for 2007, \$1.5 billion more than the amount enacted for a similar category of programs for 2006. Net appropriations for domestic homeland security activities (a total that excludes all national defense and international affairs funding as well as fee-funded activities) for 2007 total \$29.4 billion. The 2007 domestic total reflects a \$1.8 billion (6.7 percent) increase above the amount enacted for 2006.

Homeland Security Funding (Billions of Dollars)

| | <u>2006</u> | <u>2007</u> | <u>Increase</u> | <u>% Increase</u> |
|---|-------------|-------------|-----------------|-------------------|
| Appropriated Programs: | \$48.4 | \$49.9 | \$1.5 | 3.0 |
| <i>National Defense (Function 050)</i> | \$20.8 | \$20.4 | \$-0.3 | -1.6 |
| <i>International Affairs (Function 150)</i> | \$0.1 | \$0.1 | \$0.0 | -29.4 |
| <i>Domestic Discretionary</i> | \$27.5 | \$29.4 | \$1.8 | 6.7 |

All numbers are based on CBO estimates. Numbers may not add exactly due to rounding. The Administration re-categorized some of the Department of Defense and Coast Guard programs as homeland security. Consequently, the homeland security funding totals are approximately \$7 billion greater in each year than they otherwise would be.

Program Highlights

Port Security — The Coast Guard estimated that basic security measures such as installing fencing, lighting, and surveillance cameras at our ports will cost more than \$5 billion over ten years. Since 2002, approximately \$800 million of federal port security grant funding has been provided, nearly all of it through congressional additions to the Administration's requests. Like last year, the President's budget includes no

OMB v. CBO: Different Estimates of the President's Budget

On February 9, the Budget Committee Democratic staff issued its detailed "Summary and Analysis of the President's Fiscal Year 2007 Budget." That report analyzed the budget using the estimates submitted by the Office of Management and Budget. The Congressional Budget Office (CBO) has since re-estimated the President's budget, and this report uses CBO's estimates of spending and revenue.

funding specifically for port security grants for 2007 even though the American Association of Port Authorities has called for \$400 million in port security grant funding per year. Since 2002, the President has requested only \$46 million for port security. Four years have passed since 9/11, and yet only six percent of containers entering our ports are inspected. In its final report dated December 2005, the 9/11 Commission gave the Administration and the Congress a grade of “D” for checked bag and cargo screening, a category that includes container inspections at ports.

First Responders — The budget includes a total of \$1.7 billion within the Department of Homeland Security for first responder funding, which is \$573 million (24.9 percent) less than the amount enacted for 2006. Within this total, the budget decreases firefighter assistance grants by \$355 million and eliminates all funding for law enforcement terrorism prevention, a reduction of \$385 million. These decreases are only partially offset by an \$87 million increase for formula-based grants and an \$80 million increase for specific high-threat urban areas. For the Department of Justice, the budget again proposes elimination of the Justice Assistance grant program – a reduction of \$388 million – and cuts \$412 million from the Community Oriented Policing Services (COPS) program, effectively eliminating any new funding for the program. The cut to COPS includes a \$371 million reduction in new appropriations for the program and a proposed increase in unobligated fund rescissions totaling \$41 million.

Cooperative Threat Reduction (CTR) — In 2004, President Bush said: “...the biggest threat facing this country is weapons of mass destruction in the hands of a terrorist network.” The United States has participated in a number of weapons of mass destruction threat reduction programs for over a decade. Despite this, there are still hundreds of tons of unsecured nuclear material in the former Soviet Union. The Administration’s budget requests for these efforts have remained relatively flat. For 2007, the budget includes \$372 million for the Cooperative Threat Reduction program (otherwise known as the Nunn-Lugar program), a cut of \$39 million below the 2006 enacted level, and a cut of \$86 million the amount President Clinton requested for 2001.

Army National Guard — Hurricane Katrina highlighted the need for National Guard personnel to respond to crises in the U.S. Yet the budget includes only enough funding to finance Army National Guard troop strength at 332,900, which is 17,100 below authorized levels. The National Governors Association has protested the inadequate budget for Army National Guard troop strength.

Republican Budget Eliminates the State Criminal Alien Assistance Program — The budget eliminates the State Criminal and Alien Assistance Program (SCAAP), which is currently funded at \$400 million. This elimination places financial burdens on states and localities that need federal aid to protect communities by incarcerating undocumented illegal immigrants who commit crimes.

Increase for Health Homeland Security Activities — Health-related homeland security activities are spread across the Departments of Health and Human Services, Homeland Security, Labor, and Agriculture. These activities include: protection of the nation’s food supply; preparation against potential bioterrorism attacks, including development and procurement of vaccines; research to develop countermeasures; and preparations for public health emergencies. The budget provides \$4.6 billion for health homeland security activities, a \$279 million (6.4 percent) increase over the 2006 enacted level. The biggest items are biodefense research at the National Institutes of Health and grants funded by the Centers for Disease Control for state and local preparedness activities.

Coast Guard — The President's 2007 budget provides \$8.4 billion for the Coast Guard. This funding level represents a 5.2 percent (\$419 million) increase above the 2006 enacted amount (excluding supplemental funding).

Increase in Taxes for Airline Passengers — The President's budget increases airline security passenger fees to cover 70 percent of core aviation security costs. The budget replaces the current fee system with a single flat security fee of \$5.00 for a one-way trip. This equates to a fee increase on airline passengers that will raise \$9.7 billion over five years (2007-2011).

Customs and Border Protection — The budget includes \$6.6 billion in appropriated funding for U.S. Customs and Border Protection at the Department of Homeland Security, \$647 million (10.9 percent) more than the 2006 enacted level. Most of the increase is for hiring, training, and equipping 1,500 new border patrol agents. The Intelligence Reform and Terrorism Prevention Act called for hiring 2,000 new border patrol agents. Customs and Border Protection consists of the inspection forces of the former Customs Service and the former Immigration and Naturalization Services, the Agriculture Quarantine and Inspection program, and the Border Patrol.