

## DHS BUDGET UPDATE: AUGUST 2018

**Tight September schedule means CR likely for homeland:** August yielded little formal progress on Homeland Security appropriations as the House recessed for the month. When the House returns on September 4, Congress will have a mere 11 working days to clear a litany of must-pass legislation, including annual appropriations, before the end of the fiscal year on September 30. If Congress can't keep the government funded past this date, then a "lapse in appropriations" (or a federal shutdown for the rest of us) could result.

As of August 31, neither the House nor the Senate have any public plans to bring their versions of a FY 2019 Homeland Security appropriations bill for chamber-wide consideration despite the fast-approaching deadline. Slow action on the DHS funding bill is typical: [per the Congressional Research Service](#), Congress has not passed a Homeland Security funding bill into law on time since FY 2009. This year appears no different as Congress dukes out policy and funding differences over DHS' overall funding allocation, President Trump's border and immigration policy, election security, and disaster response.

To avoid a federal shutdown impacting DHS and other agencies, House and Senate staff have acknowledged Congress will most likely pass a continuing resolution (CR) holding funding for DHS at FY 2018 levels at least through the November 6 midterm election. CRs are not quite as disruptive for federal contractors as a shutdown, but *contractors should be aware that a long-term CR can prevent federal agencies from beginning new projects planned for the coming fiscal year until Congress provides more certainty regarding agencies' future funding.*

**President Trump remains X-factor in shutdown gamble:** Congress' plan to keep the federal government running past September 30, either in a CR or in a final funding agreement, faces a potential obstacle in President Trump. President Trump has insisted for six months he will block any appropriations bills that don't fully support his homeland and border security priorities from passing into law. At an August 24 White House event celebrating ICE and the Border Patrol, President Trump repeated that he would accept no compromises in funding for his priorities. President Trump argued his focus on immigration and border security will motivate Republican voters in the November 6 midterm elections, telling attendees of the White House event, "We're [Republicans] going to do very well in the midterms."

Trump's public flirtation with a shutdown worries Republican congressional leaders, who believe that a pre-midterm shutdown would damage their chances at the polls. Republican appropriators have produced funding bills explicitly aimed to please President Trump and avoid a shutdown. Sen. David Perdue (R-GA), who doesn't sit on the Senate Appropriations Committee, predicted at the August White House event that Congress would provide between \$2-\$5 billion for President Trump's border wall.

However, Republicans are unsure what Trump expects exactly for homeland and border security funding, because President Trump and his Administration have given unclear, conflicting, or changing instructions. For example, the House's GOP-crafted FY 2019 Homeland Security funding bill includes more than \$5 billion for CBP procurement and construction, far more than the White House's formal request of \$1.6 billion, based only on a verbal informal request from President Trump made this summer.

Further, President Trump could realize GOP appropriators' spin supporting the border wall doesn't fully match the reality of either chamber's draft Homeland funding bills. Congress has never gathered enough support to fully execute the Trump Administration's immigration and border priorities: bipartisan cooperation is essential given Democrats'

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filibuster power in the Senate, and even many Republicans have public misgivings about Administration priorities like a border wall. The \$5 billion for CBP procurement in the House's draft DHS funding bill, for example, funds many procurement priorities including technology and supporting infrastructure in addition to physical barriers. Likewise, neither chambers' draft bills fully fund the Administration's funding request for ICE and Border Patrol hiring or ICE detention. Will Trump object to these shortcomings, and throw the breaks on a CR or funding agreement for DHS? Place your bets...

**In a shutdown, most DHS staff keep working:** How might a "lapse in appropriations" impact DHS? Not as badly as it would other agencies. [DHS issued an updated shutdown plan](#) in March 2018, which shows that most DHS employees would not be furloughed in the event of a shutdown due to DHS's national security mission. Further, several agencies within DHS are entirely funded by user fees or multiyear appropriations. However, even if a relatively small number of DHS employees are furloughed, non-essential administrative functions would slow as remaining staff focus on preparing for a shutdown, and then maintaining the agency's core duties through any shutdown.

**2019 Dem House takeover could bring DHS investigations, impact appropriations process:** [Political analysts grew more confident](#) in August that Democrats will retake the House in the November 6 midterms. A Democratic House takeover would likely place Rep. Nita Lowey (D-NY) atop the House Appropriations Committee, and Rep. Lucille Roybal-Allard (D-CA) as the new chair of the House Appropriations Homeland Security Subcommittee. On the authorizers' side, Rep. Bennie Thompson (D-MS) is poised to take over the House Homeland Security Committee.

Should Democrats take the House in November as many expect, Republicans will likely scramble to pass their versions of FY 2019 funding bills into law in the post-election "lame duck" work period from November-December, while Democrats will maneuver for concessions or even to delay a final funding agreement until the new Congress is seated in January. While House Democrats still couldn't block GOP-crafted bills from passing out of the House until January, Senate Democrats retain filibuster power this year and could force Congress to rely on more CRs until Democrats extract concessions on priorities like Trump Administration's immigration enforcement and border security policies.

Once a Democratic House begins in January, the new crop of House leaders will launch the toughest congressional oversight and pushback of the Trump presidency so far. Contentious hearings and investigations related to DHS could focus on this summer's family separation crisis, President Trump's country-based travel bans, the Administration's historic cuts to refugee and asylum admissions, DHS's response to foreign-directed cyberattacks and election meddling, DHS's response to the 2017 hurricanes in Puerto Rico, and more.

Beginning in the FY 2020 appropriations cycle House Democratic appropriators will have new power to swipe at the Trump Administration's border, immigration, and homeland security priorities in hearings and funding bills. However, observers should NOT mistake campaign rhetoric for the Democrats' road map. Democrats will not "abolish ICE" as progressives have vowed, nor will "extremist" Democrats "open borders" as [President Trump claims](#). Because Republicans will likely retain control of the Senate next year as well as the White House, House Democratic appropriators must pursue bipartisanship if they want to fund the government. House Democrats could, for example, seek to pair immigration reforms with continued investments in border security (though definitely not a concrete border wall) to win bipartisan support. Anti-opioid efforts will likely remain a top bipartisan priority, as will trade and travel modernization and enforcement. More bipartisan operations could push back against unpopular Trump Administration policies on election security, cybersecurity, and disaster mitigation and relief programs.