



DHS BUDGET UPDATE: MAY 2018

About this report: Budget Update is a new client update newsletter from CT Strategies and Ferox Strategies, covering developments in the homeland security federal budget and appropriations cycle. Curious how Ferox Strategies' appropriations experts can support you? Visit our website at www.feroxstrategies.com, or email us at lalonzo@feroxstrategies.com.

Appropriations bills headed to floor, Senate DHS bill to debut in June: FY 2019 appropriations bills are set to hit the House and Senate floors starting in June. Senate Appropriations Committee Chairman Richard Shelby (R-AL) has scheduled his committee's draft FY 2019 DHS funding bill to debut in the committee the week of June 18 and to head to the Senate floor shortly afterward. The House Appropriations Committee has not scheduled its own DHS bill's debut.

Several barriers to final passage remain. DHS funding bills are typically a battleground over immigration and border policy, and this year will be particularly brutal as the two parties clash over the Trump Administration's policy to separate families detained illegally crossing the border, the future of the Deferred Action for Childhood Arrivals (DACA) program, and President Trump's promised border wall. Other potential problems stemming from intra-chamber differences and changing demands from the White House are below.

\$4.2 billion difference between the House and Senate on DHS funding: In late May, both the House and the Senate Appropriations Committees approved very different 302(b) topline spending limits for DHS. The House Appropriations Committee's planned spending limit for DHS in FY 2019 would goose DHS's budget by about \$4.8 billion, raising its overall funding to \$52.54 billion. Democrats argued this DHS increase comes at the expense of other domestic priorities, such as education and health programs, within the budget. However, because the House is firmly Republican, the House committee went ahead with its plan. In the Senate, Democrats retain more power, leading the Senate Appropriations Committee to a more bipartisan approach. The Senate committee's proposed funding limit for DHS is \$48.34 billion, still an overall increase for DHS but about \$4.2 billion less than the House's limit. While we don't yet know how appropriators will distribute this funding across DHS, such a wide difference between the chambers' spending limits will surely complicate a future conference process merging the two bills into one future funding law.

Trump Administration to request more for border wall funding: [Politico reported May 21](#) that the Trump Administration is preparing to increase its funding request for President Trump's promised southern border wall by a half-billion dollars, from \$1.6 billion to at least \$2.2 billion. If the Administration follows through, the revised request would move the goalposts as appropriators put the finishing touches on their draft FY 2019 funding bills for DHS. Adding more pressure, President Trump has repeatedly vowed to veto any funding bill that does not fully fund his promised southern border wall. Congress last year attempted to compromise with the Trump Administration by providing \$1.4 billion for southern border infrastructure including technology, staff, and physical barriers, but not the continuous concrete wall Trump wants. President Trump has been clear that he will not accept this in FY 2019.

Yoder new House Appropriations DHS cardinal: Rep. Kevin Yoder (R-KS) took over the House Appropriations Subcommittee on Homeland Security on May 15. Yoder replaces former chairman John Carter (R-TX), who moved to the Military Construction/Veterans Affairs Subcommittee. Yoder comes to the subcommittee relatively late in the FY 2019 cycle as hearings and bill-writing are already underway. [Yoder's press release on his new chairmanship](#) promised support for "physical structures" as well as technology and staffing at the border.

House prepares to consider border/immigration authorization bills in June: House GOP leaders have promised votes in late June on potentially several different border security and immigration bills that could authorize new funding for border and immigration priorities. Moderate House Republicans, facing tough midterms in swing and Democratic-leaning districts and feeling unsupported by party leaders, launched a “discharge petition” procedural effort that would have forced votes on four different immigration and border security bills. The petition would set up a “queen of the Hill” rule where the bill that wins the most votes above a 218 majority will advance. Bills floated for votes spanned the ideological spectrum and included:

- The [DREAM Act](#), a bill to grant legal status to young undocumented immigrants brought to the U.S. as children. While Democrats and some moderate Republicans support this bill, it is unlikely to win enough support to pass the House.
- The [Securing America’s Future Act](#), or the “Goodlatte bill,” a bill from the Republican leaders of the House Judiciary and House Homeland Security Committees to reduce legal immigration and authorize \$25 billion for border security priorities including a southern border wall. The White House supports this approach, but the bill is widely believed to be too conservative to even pass the Republican-controlled House, let alone pass into law.
- The bipartisan [Uniting and Securing America \(USA\) Act](#) intended as a “narrow” compromise offering permanent resident status for young undocumented immigrants brought to the U.S. as children while directing DHS to develop a new comprehensive southern border strategy, deploy updated technology at the borders, and build and expand ports of entry. The bill would also authorize \$110 million for the Operation Stonegarden border security grants to local police departments.
- A final bill chosen by House Speaker Paul Ryan (R-WI).

House Republican leaders are eager to avoid what they predict will be a messy intra-party fight over immigration in the run-up to the crucial 2018 midterms. The small but powerful conservative House Freedom Caucus—ironically, a group better known for these sorts of challenges to House leadership—pushed House leaders to kill the moderate rebellion and any votes on moderate bills. Undeterred, the moderates recruited more Republicans to their cause and came within striking distance of forcing the votes. House Republican leaders finally bought some time in late May by promising to collaborate with both the moderate and conservative wings to develop a compromise plan. The entire House Republican conference will meet on June 7 for two hours to find a path forward—expect fireworks.

Crucially, it is not clear if the divided House can pass ANY immigration and border legislation. For all the drama of the House debate, it’s also not yet clear if the Senate will take up anything the House advances. The Senate attempted a similar series of vote on differing immigration/border bills in February, only for every proposal to fail. Senate Majority Leader Mitch McConnell (R-KY) said at the time that the Senate was finished with immigration and border policy for the foreseeable future.

Trump Admin backs way off rescission plan: The Trump Administration backed off its previously announced plan to strip funding from FY 2018 appropriations (“rescission”) after congressional leaders in both parties panned the idea. The Trump Administration did not follow through on its plans to claw back FY 2018 funding appropriated in March, to the relief of contractors who feared the rescissions plan could freeze significant portions of FY 2018 federal funding. Instead the Administration cut its rescission plan in half and targeted years-old appropriations like old transportation earmarks, and even this plan drew opposition from Congress as they worried about the impacts on their districts. Congress’ pushback over the rescissions plan, even in a reduced form, reveals that for all our shared concern over the federal deficit, every dollar of federal spending has a constituency.