

## DHS BUDGET UPDATE: JUNE 2018

**September shutdown fight brews as Trump adds \$5 billion to border wall request.** President Trump stunned GOP appropriators in late June with an eye-popping \$5 billion increase to his Administration's \$1.6 billion request for a southern border wall. The White House hasn't delivered a formal increase request to Capitol Hill, so it's unclear how the Administration would spend the money. The dramatic increase threw appropriators for a loop in the final months of the FY 2019 funding cycle, raising chances of a September fight over border and immigration funding just ahead of the critical midterm elections. Conflict has brewed for months: GOP and Democratic leaders remain deeply skeptical of a border wall, instead funding improvements to "physical infrastructure" like fencing. Both parties are also increasingly concerned about the Trump Administration's family separation and detention policies. President Trump has vowed to block the next DHS funding bill if it does not fully fund his immigration and border priorities.

Even appropriators playing ball with the White House are struggling to keep up with shifting demands. House Appropriations Homeland Security Chairman Kevin Yoder (R-KS) acknowledged June 28 he is writing a DHS funding bill without fully understanding what President Trump wants for a border wall. Senate Appropriations Chairman Richard Shelby (R-AL) noted his committee has already completed a DHS funding bill that he's not interested in rewriting (see next item). Appropriators in both parties argued the White House should negotiate on other immigration and border priorities, like family detention or DACA, to secure more border funding. If President Trump follows through on his threats to block a DHS funding bill when the fiscal year ends on September 30, a short-term extension for DHS funding or even a shutdown could result.

**Senate FY 2019 DHS funding bill headed to floor.** The Senate Appropriations Committee introduced their FY 2019 Homeland Security funding bill ([S. 3109](#), [committee report](#)) this month, sending it to the full Senate for further debate on June 21. The \$48.34 billion bill (\$55.15 billion counting outside war and disaster relief funds) would increase DHS's funding by \$611 million compared to FY 2018. Senate Appropriations Homeland Security Subcommittee Chair Shelley Moore Capito (R-WV) touted the bill's lack of "riders," or policy changes. Capito argued the bill "cannot and should not" address the family separation crisis that exploded into the public consciousness in June, despite broad (including her own) opposition to the policy. While Capito is right that addressing policy in appropriations bills can trigger jurisdictional turf wars, appropriators can and regularly do insert policy changes into funding bills. Expect other senators to try to attach such riders when the bill goes to the Senate floor later this year. Another potential stumbling block for this bill: it does not fund construction of President Trump's signature southern border wall or hiring surge at ICE and the Border Patrol. Below are highlights of the Senate bill:

**CBP:** The bill provides \$14.3 billion for CBP, an increase of \$239 million from FY 2018.

- **CBP Procurement, Construction, and Improvements** is funded at \$2.08 billion, \$252 million less than FY 2018 but \$187.32 million above the Trump Administration's request. Much like Congress

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did last year, the committee sets aside \$1.6 billion for 65 miles of physical infrastructure, but NOT a border wall, at the southern border.

- The committee calls out several types of **border technology**, providing \$1.97 million for Integrated Fixed Towers Systems, \$43.727 million for Remote Video Surveillance Systems, and \$1.6 million for Mobile Video Surveillance Systems. The committee directs CBP to integrate small Unmanned Aircraft Systems (UAS) into Mobile Surveillance Capability Systems. The committee warns CBP, however, to improve its metrics for testing the efficacy of its various technologies.
- The bill ignores the Trump Administration's planned tapering of spending on **Non-Intrusive Inspection (NII)** technology, providing \$174.23 million, \$130 million above the Administration's request. \$30 million of this amount is set aside for opioid detection NII.
- **CBP Operations and Support** gets \$11.963 billion, a \$478 million increase from last year.
  - Within this account, appropriators added \$132.971 million for **Border Security Operations**, supporting the hiring of 375 new Border Patrol officers. The Administration sought an additional \$250 million for more border staffing, but the committee noted the Border Patrol has struggled to attract and retain staff.
  - **Trade and Travel Operations** are funded at \$4.55 billion, \$201 million more than last year and \$164 million above the request. This funding supports hiring of 375 new customs officers. \$68.4 million is set aside for opioid interception. The committee notes that high-accuracy license plate readers at the ports of entry require replacement, urges continued implementation of automated cargo processing and inspection, urges expansion of preclearance operations, and encourages appropriate customs officer staffing at ports of entry.
  - **Integrated Operations** are funded at \$1.102 billion, level funding from last year. The committee directs CBP to improve its UAS border surveillance capabilities, maintain aircraft, and keep up staffing.

For **Immigration and Customs Enforcement (ICE)**, the bill provides \$7.21 billion, a \$134 million increase over last year but \$1.08 billion less than the Trump Administration sought for staffing. Appropriators didn't comment on this funding gap, but they have previously argued that the Trump Administration fails to demonstrate the need for a hiring surge at ICE, one of President Trump's signature campaign promises. The committee also dings the Trump Administration for failing to consult with appropriators before shifting its family separation and family detention policies this year. ICE's procurement budget is funded at \$70.43 million, the Administration's requested level.

For the **Transportation Security Administration (TSA)**, the bill provides \$4.84 billion, an \$83 million cut from FY 2018 but almost \$800 million above the Trump Administration's request. The bill supports hiring of 1,450 new officers. The bill also sets aside \$71.5 million for purchases of computed tomography (CT) scanners and \$85.36 million for explosives detection systems.

The bill provides \$10.19 billion for the **U.S. Coast Guard**, a \$237 million cut from last year. The bill sets aside \$2.16 billion within this account for procurement, \$282.51 million above the Administration's request, including "\$750 million for heavy polar icebreaker recapitalization, ongoing Offshore Patrol Cutter acquisition, additional Fast Response Cutters, and support for aircraft recapitalization and enhanced shore infrastructure," per a committee summary.

**The Science and Technology Directorate (S&T)** is funded at \$813 million, \$230 million above the Administration's request but \$237 million less than last year. The committee sets aside \$31.71 million for cargo and port of entry security solutions, noting a "critical shortfall" in capacity to screen cargo entering U.S. ports. Elsewhere, \$12.8 million is set aside for developing Air Based Technologies; \$16.75 million is reserved for Port and Coastal Surveillance; \$8.5 million for opioid detection; and \$13 million for counter-UAS systems. The committee also dings DHS's Silicon Valley Innovation Program charged with outreach to new technology company, ordering the program to deliver "rapid results" in 2018.

Other highlights of the bill:

- **Federal Emergency Management Agency (FEMA)** is funded at \$11.69 billion including \$7.23 billion in the Disaster Relief Fund. Non-disaster funding is \$672 million above the Trump Administration's request.
- **National Protection and Programs Directorate (NPPD)** is funded at \$1.95 billion, an increase of \$38 million above FY2018 and \$128 million above the request.
- **Domestic Nuclear Detection Office/Office of Health Affairs** is funded at \$457 million, level funding from last year.

**House DHS funding bill expected in July.** The House Appropriations Committee has fallen unusually behind the Senate developing a FY 2019 DHS funding bill. We now expect the House bill in early to mid-July. One reason for the delay: the Committee revised its allocation (funding limit) for DHS in June, shifting \$1.1 billion away from DHS to support veteran affairs priorities. The revised allocation likely required House appropriators to rework their bill. Notably, the House's new discretionary \$51.4 billion allocation for DHS is still about \$3 billion more than the Senate's \$48.34 billion. This funding gap could complicate a merger of the House and Senate bills ahead of the new fiscal year on October 1.

**House rejects border/immigration bills with big DHS funding increases.** The House in late June firmly rejected two bills proposing big increases to border security and immigration enforcement funding. House GOP leaders, urged on by moderate Republicans facing tough midterm races in toss-up districts, developed H.R. 6136 to trade immigration concessions like a path to citizenship for DACA recipients and an end to family separations for a \$23.4 billion increase to CBP procurement and construction. President Trump sent mixed signals from the White House, Republican leaders struggled to reign in the right flank of the party, which strongly opposes any path to citizenship for undocumented immigrants as "amnesty." The House on June 27 firmly rejected H.R. 6136 in a 121-301 vote. The House also on June 21 rejected a Trump-favored conservative proposal (H.R. 4760) to authorize \$25 billion for a wall and cut legal immigration in a 193-231 vote.

Fierce negotiations over these bills [split the House GOP](#), with different factions of the Republican Conference feeling betrayed by House leadership and an unsupportive White House. After these bill's failures, Republicans appear exhausted and reluctant to pursue immigration and border legislation this year. However, President Trump announced in June that the GOP will "run on" border security and immigration matters to motivate midterm voters. Republicans are also eager to pass a bill addressing the family separation/family detention crisis, which could become the vehicle for yet another immigration fight as Congress enters the summer and fall months.