

## BUDGET UPDATE: FY 2018 OMNIBUS, HOMELAND SECURITY HIGHLIGHTS

On March 23, President Trump reluctantly signed the Consolidated Appropriations Act, 2018 (P.L. 115-141), complaining it didn't deliver \$25 billion for his promised southern border wall. Trump's immigration policies, including a border wall, an immigration enforcement surge, and elimination of deportation deferral programs, remain a flashpoint in Congress. The White House has rejected compromises that trade border funding for immigration concessions, and the White House's demands cannot pass Congress. Even without a larger immigration agreement in place, Congress still delivered a \$5.3 billion funding increase for DHS in the omnibus, \$3.7 billion more than requested. Republicans tout the package as a homeland security victory ahead of the November midterms, but President Trump's disdain undermined that messaging.

### Closer look: DHS

While Congress delivered DHS a funding increase, it did not overlook the agency's chronic problems. Appropriators noted DHS agencies struggle to recruit and retain staff as well as collect and analyze data measuring program and staff effectiveness. Appropriators ordered a slew of reports and briefings on these issues and withheld some requested funding for the U.S. Border Patrol, a component of CBP, as well as ICE, where DHS failed to show data demonstrating the need for their requested staffing funds.

Within DHS, **CBP** got \$14 billion, a \$1.8 billion increase over 2017 and \$126 million more than the White House's request. The motherlode of new funding is in CBP's Procurement, Construction, and Improvements (PCI) account, which gets \$2.28 billion. PCI for "border security assets and infrastructure" between the ports total \$1.7 billion and funds 94 miles of a "wall system" of fencing, roads, and a new Border Patrol Station, but *not* the continuous wall President Trump desires. Trade and Travel PCI, supporting the ports of entry, gets \$263.64 million, more than twice the White House request of \$109.4 million. A further \$190 million is set aside for integrated operations PCI like airframes, sensors, and watercraft. The PCI account includes a lengthy list of border security technology priorities from appropriators. Name-checked technologies include:

- Potential development of space-based, real-time border surveillance tech
- \$224 million for "opioid detection and non-intrusive inspection equipment"
- \$13.25 million for tactical communications
- \$10 million for innovative towers
- \$39.24 million for Integrated Fixed Towers
- \$41.95 million for anti-tunneling tech
- \$3 million for "nationwide situational awareness on handheld devices"
- \$87.19 million for Remote Video Surveillance Systems plus \$7 million for RVSS at the northern border
- \$16 million for agent portable surveillance systems
- \$1 million for linear ground detection
- \$10 million for small unmanned aerial systems (UAS)
- \$46.84 million for Mobile Video Surveillance Systems
- \$9 million for maritime detection at the Northern Border
- \$20 million for ground sensors
- \$2.73 million for tactical aerostats
- \$8 million for Mobile Surveillance Capability

Looking beyond the "wall system:" CBP's Border Security Operations account got \$4.39 billion, about \$200 million less than requested. Appropriators did add unrequested funding for vehicles (\$30 million), GPS systems (\$3 million) and UAS (\$10 million). The report notes that fewer Border Patrol officers are expected on the payroll next year despite heavy recruitment efforts, plus CBP failed to demonstrate more agents are needed for the workload, so the agency's staff funding request was not fully granted.

In CBP's Trade and Travel Operations account, appropriators agree ports have been overlooked in the national discussion on border security. The account provides \$4.31 billion, with \$23 million set aside for port of entry "technology and facilities" on top of the funding provided in the PCI account. The Trade and Travel account also provides \$30.5 million for "opioid detection equipment" and \$10 million to test new commercial technologies along the southwest border.

- The bill directs CBP to develop within six months a "multi-year strategic plan" for improving security and interception of contraband at ports, including life-cycle cost estimates for all technology categories. The plan must cover several focus areas including counter-narcotics, counter-network, a biometric entry-exit system, trade and travel programs like the Automated Commercial Environment (ACE), agricultural inspection, and trusted traveler programs.
- Unlike CBP's Border Patrol or ICE, Trade and Travel received \$7 million to begin adding 328 CBP Officers at the ports of entry, with the new officers directed to understaffed and rural ports. Appropriators require a CBP briefing on how CBP allocates officers to passenger and cargo screening at maritime ports and how chronic understaffing at maritime ports can be addressed.
- On the northern border, the bill orders CBP to plan to modernize all northern border ports of entry built before 1980, including technology revamps. The bill also encourages expanded use of preclearance between the U.S. and Canada.
- The bill encourages modernization of license plate readers deployed along the borders. The explanatory note specifically reads: "As license plate reader technology used to analyze vehicular traffic crossing land borders nears the end of its useful life, CBP should continue to improve land border integration by deploying the latest, most effective vehicle monitoring technologies." The bill requires CBP to brief Congress on the progress of its automated cargo processing pilots for tractor trailers.
- There are concerns about mission creep in Targeting Operations as capabilities grow; notably how the expansion of the National Targeting Center will coordinate with the work of the recently announced National Vetting Center. The bill provides \$211.79 million for Targeting Operations and directs CBP to refocus on trade, immigration, and law enforcement using metrics-based goals.
- The bill provides \$234.2 million for the Office of Trade including \$8.94 million for additional staff, improved data analysis, and visualization capabilities.

In other CBP accounts, CBP's Integrated Operations supporting air and marine operations got \$1.06 billion including \$15 million in unrequested funding increases for UAS upgrades and \$3 million to retain personnel. The bill also orders CBP to address its problems detecting low-flying aircraft along the southern border. CBP's Mission Support got \$1.7 billion, \$10 million over the request for recruitment and retention.

ICE enjoyed a 10% funding increase of \$640.6 million, but the omnibus still delivered \$489 million less than the Trump Administration requested for a planned 1,000 agent hiring surge. ICE's pot includes \$4.1 billion for enforcement and removals; \$2.2 billion (\$79.6 million above the request) for investigations programs including hiring 65 new agents; \$458.56 million (\$108.17 million above the request) for mission support including vehicles and facilities, and \$81.89 million for procurement and construction. Procurement funding is kept level from last year, except for \$29 million added explicitly for facility maintenance. Notable provisions on technology:

- The bill encourages ICE's investigations arm to consider establishing a Regional Intelligence Integration Center, modelled on ICE's Tactical Intelligence Center, to integrate ICE and other law enforcement intelligence collection and coordination in the Gulf of Mexico Coastal region.

- The bill complains ICE has failed to detail its use of International Mobile Subscriber Identity (IMSI) catchers, also called a Stingray) and orders a complete report.
- The bill sets aside \$6 million for ICE to improve its immigration data tracking and analysis.

The omnibus cut **TSA's** discretionary funding by \$260.8 million, but still delivered \$803 million more than requested. When paired with mandatory funding from user fees, TSA's FY 2018 funding is \$76 million higher than last year. Level funding from last year is provided for TSA's air cargo screening, vetting, and intelligence programs. \$20.19 million goes to research and development of new screening solutions. The bill provides requested funding increases for canine explosive detection programs. Notable technology provisions:

- The total includes \$151,023,000 for Aviation Screening Infrastructure. Appropriators plugged in \$64 million in unrequested funding to speed deployment of computed tomography (CT) scanners, echoing a recent House-passed bill (H.R. 4176) favoring CT scanners.
- An extra \$10 million over last year is added to TSA's Screening Technology Maintenance account, bringing the total to \$387.88 million. The bill orders TSA to use this extra \$10 million to collaborate with airports to test "a sampling" of perimeter intrusion detection and deterrence technologies.
- The bill requires TSA to report on its air cargo and passenger baggage screening technologies, including a review of new and emerging technologies that could be used and cost estimates for these technologies. The bill also requires TSA to report on its Innovation Task Force's work to deploy "next generation screening solutions."

**DHS's Science and Technology Directorate** gets a \$59.2 million funding increase over last year to \$840.9 million. The Acquisition and Operations Analysis account within S&T gets a slight funding increase to \$46.24 million. This amount includes \$3 million to the Office of Standards; \$3.7 million for Joint Requirements Council Support; \$2.39 million for Operational Test and Evaluation; and \$5.36 million for Systems Engineering and Research.

**U.S. Secret Service's** funding is cut by \$53 million over last year due to the end of the presidential campaign. \$90.48 million is set aside for procurement and construction, including \$25 million (same as last year) for communications and information technology. The agency must also brief Congress on the progress of its Information Integration Technology Transformation program.

**FEMA** is funded at \$12.3 billion, an \$899.5 million increase over last year. The bill provides \$1.03 billion for Operations and Support, including \$35 million for Urban Search and Rescue Teams, \$9 million for the National Dam Safety Program, and \$2M for the Emergency Management Assistance Compact. The bill also adds \$310.5M to FEMA state and local assistance grants, contracts, and cooperative agreements, totaling \$3.3 billion. These state and local programs include:

- \$507 million for the State Homeland Security Grant Program;
  - \$85 million for the Operation Stonegarden border security grant, \$30 million more than last year;
- \$100 million each for Port and Transit Security grants
- \$700 million for Fire and SAFER grants;
- \$350 million for Emergency Management Performance Grants;
- \$101 million for the National Domestic Preparedness Consortium;
- \$18 million for the Center for Homeland Defense and Security;
- \$43 million in operations and facility funds for the U.S. Fire Academy;
- 21 million for the Emergency Management Institute;
- \$64 million in operations and facility funds for the Center for Domestic Preparedness;

**National Protection and Programs Directorate (NPPD)** is funded at \$3.4 billion, \$117.6 million more than last year and \$110 million more than requested. \$1.09 billion goes to cybersecurity for civilian federal networks. \$290 million for readiness and response activities, \$14 million for cybersecurity education, and \$26 million to aid in securing election infrastructure.

**Coast Guard** gets \$12.1 billion, a \$1.7 billion increase over last year. This funding level includes \$2.7 billion in procurement and modernization supporting a new heavy polar icebreaker, a new cutter fleet including a national security cutter, six fast response cutters, and an offshore patrol cutter. \$195.6 million, more than double the amount requested, is provided for aircraft maintenance. \$29.14 million is set aside for research and development, including development of long-range UAS, anti-GPS jamming devices, and a maritime surveillance technology solution.

#### **Other national security agency funding levels in the omnibus**

**The Pentagon** gets a whopping \$61 billion funding increase over last year, bringing total spending to \$654.6 billion, more than half the overall federal budget. \$65.2 million goes to overseas warfighting. \$144.3 billion goes to weapons and equipment procurement, \$89.2 billion goes for research and development of new weapons and equipment, \$238 billion for operations and maintenance, and \$137.7 billion for personnel.

**State Department** gets \$16 billion, a \$1.8 billion cut from last year that appropriators chalk up to leftover funding set aside last year to combat ISIS. Appropriators earmarked \$6.07 billion, \$2.1 billion more than requested, for worldwide embassy security. A further \$9.5 billion is provided for international security assistance programs including foreign military financing.

**Commerce Department** gets \$11.1 billion, \$1.9 billion more than last year. The bulk of this funding increase goes to the Census Bureau, which is preparing for the 2020 Census.

**Justice Department** gets \$29.9 billion, \$1.3 billion more than last year. The FBI gets \$9.03 billion, a \$263 million increase from last year. The bill directs the FBI to improve the National Instant Criminal Background Check System (NICS), its communication and information-sharing, and election security. The Drug Enforcement Administration gets \$2.61 billion, a \$124 million increase over last year, with directions to direct the extra funding toward the opioid crisis. Elsewhere in the general DOJ budget, \$2.9 billion goes to state and local law enforcement grants, including a \$299.5 million increase over last year to address opioid abuse.

#### **So what's next?**

With the FY 2018 package barely behind them, appropriators have already started work on a FY 2019 appropriations package, with the House Appropriations Committee already holding hearings on future funding bills. The committees will hold more hearings and release new bills through the spring and early summer. A deal to raise sequestration-related budget caps passed in February allows appropriators to spend similar amounts in 2019, eliminating a major barrier for appropriators to draft new bills. However, a new obstacle has arisen in the November 6 midterms. From now through the election, Congress' will to pass major legislation like appropriations will evaporate, and they will blow through the beginning of FY 2019 on October 1 with no meaningful action. The next best chance for Congress to pass a FY 2019 package is in the post-election "lame duck" session; however, if the election shifts power to the Democrats, they may demand to hold off until the new Congress is seated in January 2019.



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