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## CROSSCUTTING PROGRAMS

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### 3. HOMELAND SECURITY FUNDING ANALYSIS

Since the terrorist attacks of September 11, 2001, the Federal Government, with State, local and private sector partners, has engaged in a broad, determined effort to thwart terrorism, identify and pursue terrorists abroad and implement an array of measures to secure our citizens and resources at home. The Administration has worked with the Congress to reorganize the Federal Government; acquire countermeasures to chemical, biological, radiological, and nuclear (CBRN) weapons; enhance the security of our borders, transportation modes and critical infrastructure; and strengthen America's preparedness and response capabilities in our cities and local communities. Elements of our national homeland security strategy—to prevent terrorist attacks within the United States, reduce America's vulnerability to terrorism, and minimize the damage from attacks that may occur—involve every level of government as well as the private sector and individual citizens. Since September 11th, homeland security has continued to be a major policy focus for all levels of government, and one of the President's highest priorities.

Underscoring the importance of homeland security as a crosscutting Government-wide function, section 889 of the Homeland Security Act of 2002 requires a homeland security funding analysis to be incorporated in the President's Budget. This analysis addresses that legislative requirement. This analysis covers the homeland security funding and activities of all Federal agencies, not only those carried out by the Department of Homeland Security (DHS), but also addresses State, local, and private sector expenditures. Since not all activities carried out by DHS constitute homeland security funding (e.g., response to natural disasters, Coast Guard search and rescue activities), DHS estimates in this section do not represent the entire DHS budget.

#### Data Collection Methodology and Adjustments

The Federal spending estimates in this analysis utilize funding and programmatic information collected on the Executive Branch's homeland security efforts.<sup>1</sup> Throughout the budget formulation process, the Office of Management and Budget (OMB) collects three-year funding estimates and associated programmatic information from all Federal agencies with homeland security responsibilities. These estimates do not include the efforts of the Legislative or Judicial branches. Informa-

tion in this chapter is augmented by a detailed appendix of account-level funding estimates, which is available on the *Analytical Perspectives* CD-ROM.

To compile this data, agencies report information using standardized definitions for homeland security.<sup>2</sup> The data provided by the agencies are developed at the "activity level," which is a set of like programs or projects, at a level of detail sufficient to consolidate the information to determine total Governmental spending on homeland security.

To the extent possible, this analysis maintains programmatic and funding consistency with previous estimates. Some discrepancies from data reported in earlier years arise due to agencies' improved ability to extract homeland security-related activities from host programs and refine their characterizations. As in the Budget, where appropriate, the data is also updated to reflect agency activities, Congressional action, and technical re-estimates. In addition, the Administration may refine definitions or mission area estimates over time based on additional analysis or changes in the way specific activities are characterized, aggregated, or disaggregated.

#### Federal Expenditures

Total funding for homeland security has grown significantly since the attacks of September 11, 2001. For 2008, the President's Budget includes \$61.1 billion of gross budget authority for homeland security activities, a \$4.7 billion (8.4 percent) increase over the 2007 estimated level.<sup>3</sup> Not including the Department of Defense's (DOD) funding, the gross non-defense 2008 request for homeland spending is \$43.6 billion, or a \$3.8 billion (9.5 percent) increase over the 2007 estimated level. Excluding mandatory spending, fees, and the DOD's homeland security budget, the 2008 Budget proposes a net, non-Defense discretionary increase of \$3.4 billion (10.3 percent) over the 2007 level (see Table 3-1).

The 2008 Budget proposes homeland security funding for a total of 31 agencies. Of those, five agencies—the Departments of Homeland Security, Defense, Health and Human Services (HHS), Justice (DOJ) and Energy (DOE)—account for approximately 93 percent of total Government-wide homeland security funding in 2008.

<sup>1</sup>All data in the Federal expenditures section are based on the President's policy for the 2008 Budget. Additional policy and baseline data is presented in the "Additional Tables" section. Due to rounding, data in this section may not add to totals in other Budget volumes.

<sup>2</sup>Federal homeland security activities are currently defined by OMB in Circular A-11 as, "activities that focus on combating and protecting against terrorism, and that occur within the United States and its territories (this includes Critical Infrastructure Protection (CIP) and Continuity of Operations (COOP) data), or outside of the United States and

its territories if they support domestically-based systems or activities (e.g., visa processing or pre-screening high-risk cargo at overseas ports). Such activities include efforts to detect, deter, protect against, and, if needed, respond to terrorist attacks."

<sup>3</sup>Aside from DHS and DOD, all other agencies' 2007 funding is at the estimated full-year Continuing Resolution levels. Further, the FY07 gross homeland security funding excludes supplemental and emergency funding received in 2007 (\$1.7 billion) and the Department of Commerce's mandatory borrowing authority for emergency communications interoperability grants (\$1 billion).

**Table 3-1. HOMELAND SECURITY FUNDING BY AGENCY**

(Budget authority, in millions of dollars)

Budget Authority	2006 Actual	2006 Supplemental/ Emergency	2007 Enacted/CR	2007 Supplemental/ Emergency <sup>1</sup>	2008 Request <sup>2</sup>
Department of Agriculture .....	597.4	.....	522.5	.....	718.5
Department of Commerce <sup>3</sup> .....	181.1	.....	194.1	.....	217.7
Department of Defense .....	16,479.3	1,030.5	16,538.3	.....	17,461.2
Department of Education .....	24.7	.....	24.0	.....	23.2
Department of Energy .....	1,702.1	.....	1,696.6	.....	1,833.9
Department of Health and Human Services .....	4,351.8	0.1	4,313.2	.....	4,424.1
Department of Homeland Security .....	25,154.9	1,416.1	26,872.2	1,816.4	29,666.5
Department of Housing and Urban Development .....	1.9	.....	1.9	.....	3.4
Department of the Interior .....	59.5	.....	46.8	.....	48.4
Department of Justice .....	2,995.4	30.3	3,089.3	96.0	3,330.5
Department of Labor .....	48.3	.....	49.4	.....	51.8
Department of State .....	1,107.9	.....	1,239.6	.....	1,405.7
Department of Transportation .....	181.0	.....	178.6	.....	200.0
Department of the Treasury .....	113.5	1.3	108.8	3.0	118.0
Department of Veterans Affairs .....	297.8	.....	243.6	.....	270.0
Corps of Engineers .....	72.0	.....	43.0	.....	42.0
Environmental Protection Agency .....	129.4	.....	132.9	.....	152.4
Executive Office of the President .....	20.8	.....	20.8	.....	20.8
General Services Administration .....	98.6	0.1	73.7	.....	42.3
National Aeronautics and Space Administration .....	212.6	.....	199.2	.....	193.9
National Science Foundation .....	344.2	.....	344.2	.....	375.4
Office of Personnel Management .....	2.7	.....	2.8	.....	2.3
Social Security Administration .....	176.4	.....	194.0	.....	217.1
District of Columbia .....	13.5	.....	8.0	.....	3.0
Federal Communications Commission .....	2.3	.....	2.3	.....	3.6
Intelligence Community Management Account .....	56.0	.....	56.0	.....	58.0
National Archives and Records Administration .....	18.2	.....	18.2	.....	18.1
Nuclear Regulatory Commission .....	79.3	.....	66.0	.....	68.9
Securities and Exchange Commission .....	5.0	.....	14.3	.....	18.3
Smithsonian Institution .....	83.7	.....	80.6	.....	92.8
United States Holocaust Memorial Museum .....	7.8	.....	7.8	.....	8.4
Corporation for National and Community Service .....	20.4	.....	20.4	.....	14.9
<b>Total, Homeland Security Budget Authority .....</b>	<b>54,639.4</b>	<b>2,478.4</b>	<b>56,403.0</b>	<b>1,915.4</b>	<b>61,104.9</b>
Less Department of Defense .....	-16,479.3	-1,030.5	-16,538.3	.....	-17,461.2
<b>Non-Defense Homeland Security Budget Authority, excluding Mandatory Interoperability Communications Grants <sup>4</sup> .....</b>	<b>38,160.1</b>	<b>1,447.9</b>	<b>39,864.7</b>	<b>1,915.4</b>	<b>43,643.7</b>
Less Fee-Funded Homeland Security Programs .....	-3,512.9	.....	-4,396.4	.....	-4,986.2
Less Mandatory Homeland Security Programs .....	-2,256.9	.....	-2,487.7	.....	-2,291.0
<b>Net Non-Defense Discretionary Homeland Security Budget Authority, excluding Mandatory Interoperability Communications Grants <sup>4</sup> .....</b>	<b>32,390.3</b>	<b>1,447.9</b>	<b>32,980.6</b>	<b>1,915.4</b>	<b>36,366.5</b>
Plus Mandatory Interoperability Communications Grants .....	.....	.....	1,000.0	.....	.....
<b>Net Non-Defense, Discretionary Homeland Security Budget Authority, including Mandatory Interoperability Communications Grants <sup>4</sup> .....</b>	<b>32,390.3</b>	<b>1,447.9</b>	<b>33,980.6</b>	<b>1,915.4</b>	<b>36,366.5</b>
<b>Obligations Limitations</b>					
Department of Transportation Obligations Limitation .....	121.0	.....	121.0	.....	121.3

<sup>1</sup> The 2007 supplemental and emergency funding levels for the Departments of Homeland Security (DHS), Justice (DOJ), and Treasury include both enacted and requested supplemental funding. In the 2007 Global War on Terror (GWOT) supplemental request, DHS, DOJ, and Treasury request \$120 million, \$96 million, and \$3 million, respectively, for additional 2007 budget authority.

<sup>2</sup> The 2008 request levels for DHS and DOJ does not include additional budget authorities for 2008 requested in the 2007 GWOT supplemental request. Specifically, DHS and DOJ request \$225 million and \$85 million, respectively, in additional budget authority for 2008 to be provided in the 2007 GWOT supplemental appropriation bill.

<sup>3</sup> DOC's 2007 gross Continuing Resolution full-year estimate for homeland security excludes \$1 billion in mandatory borrowing authority to provide Federal grants to public safety agencies for communications interoperability purposes. Although technically scored in 2007, this funding will be made available from proceeds of the Federal Communications Commission's 2008 auction of returned television spectrum.

<sup>4</sup> The Deficit Reduction Act of 2005 appropriated \$1 billion from anticipated spectrum auction receipts for the Department of Commerce, in consultation with the Department of Homeland Security, to make grants to public safety agencies for communications interoperability purposes.

The growth in Federal homeland security funding is indicative of the efforts that have been initiated to secure our Nation. However, it should be recognized that fully developing the strategic capacity to protect America is a complex effort with many challenges. There

is a wide range of potential threats and risks from terrorism. To optimize limited resources and minimize the potential social costs to our free and open society, homeland security activities should be prioritized based on the highest threats and risks. Homeland security

represents a partnership between the Federal government and its State and local counterparts, the private sector, and individual citizens, each with a unique role in protecting our Nation.

The *National Strategy for Homeland Security* provides a framework for addressing these challenges. It guides the highest priority requirements for securing the Nation. As demonstrated below, the Federal government has used the *National Strategy* to guide its homeland security efforts. For this analysis, agencies categorize their funding data based on the critical mission areas defined in the *National Strategy*: intelligence and warning, border and transportation security, domestic counterterrorism, protecting critical infrastructures and key assets, defending against catastrophic threats, and emergency preparedness and response.

The *National Strategy* is a dynamic document being implemented through a robust interagency planning and coordination process. It includes actions that agencies use and must build upon to measure progress. In some cases, progress may be easily measured. In others, Federal agencies, along with State and local governments and the private sector, are working together to develop measurable goals. Finally, in some areas, Federal agencies and partners must continue to develop a better understanding of changing risks and threats—such as the biological agents most likely to be used by a terrorist group or the highest-risk critical infrastructure targets—in order to develop benchmarks that suit the needs of the moment and at the same time align to long-term goals. For example, a major interagency effort currently occurring at the Federal level is the development of the National Implementation

Plan for the Global War on Terrorism and attendant performance measures that address homeland security.

Funding presented in this report is analyzed in the context of major “mission areas.” Activities in many of the mission areas are closely related and certain capabilities highlighted by a single mission area also enhance capabilities captured by other mission areas. For example, information gleaned from activities in the intelligence and warning category may be utilized to inform law enforcement activities in the domestic counterterrorism category. Augmentation of pharmaceutical stockpiles, categorized as emergency preparedness and response, may also address agents that represent catastrophic threats. However, for the purposes of segmenting Federal homeland security funding by mission areas, discussions of cross-cutting activities have also been separated by mission areas.

Furthermore, there are a small number of notable cross-cutting activities that are not specifically highlighted in any of the mission areas. For example, although pandemic influenza preparedness is considered an essential homeland security activity, it does not necessarily fit into a single mission area, and general bio-defense and preparedness activities of the Federal government encompass it. Nevertheless, the preparations we are making for pandemic influenza have a direct impact on our ability to defend against and respond to terrorist Weapons of Mass Destruction (WMD) threats.

The following table summarizes funding levels by the *National Strategy’s* mission areas; more detailed analyses are provided in subsequent mission-specific analysis sections.

**Table 3–2. HOMELAND SECURITY FUNDING BY NATIONAL STRATEGY MISSION AREA**

(Budget authority, in millions of dollars)

Agency	2006 Actual	2006 Supplemental	2007 Enacted/CR	2007 Supplemental/ Emergency	2008 Request
Intelligence and Warning .....	443.0	6.3	500.3	13.0	647.9
Border and Transportation Security .....	18,042.3	1,335.8	19,528.1	1,816.4	22,403.8
Domestic Counterterrorism .....	4,535.6	89.8	4,980.3	83.0	4,889.4
Protecting Critical Infrastructure and Key Assets ..	17,933.2	862.4	17,919.7	3.0	19,096.1
Defending Against Catastrophic Threats .....	8,573.7	122.4	8,460.6	.....	8,828.9
Emergency Preparedness and Response .....	4,992.3	61.6	4,935.9	.....	5,022.0
Other .....	119.3	.....	78.1	.....	216.8
<b>Total, Homeland Security Budget Authority .....</b>	<b>54,639.4</b>	<b>2,478.4</b>	<b>56,403.0</b>	<b>1,915.4</b>	<b>61,104.9</b>
Plus Mandatory Interoperability Communica- tions Grants .....	.....	.....	1,000.0	.....	.....
<b>Total Homeland Security Budget Authority plus Mandatory Interoperability Communica- tions Grants .....</b>	<b>54,639.4</b>	<b>2,478.4</b>	<b>57,403.0</b>	<b>1,915.4</b>	<b>61,104.9</b>

### National Strategy Mission Area: Intelligence and Warning

The intelligence and warning mission area covers activities to detect terrorist threats and disseminate terrorist-threat information. This category includes intelligence collection, risk analysis, and threat-vulnerability integration activities for preventing terrorist attacks. It also includes information sharing activities among Federal, State, and local governments, relevant private sector entities, and the public at large. It does not

include most foreign intelligence collection—although the resulting intelligence may inform homeland security activities—nor does it fully capture classified intelligence activities. In 2008, funding for intelligence and warning is distributed between DHS (60 percent), primarily in the Office of Intelligence and Analysis (I&A); DOJ (27 percent), primarily in the Federal Bureau of Investigation (FBI); and other Intelligence Community members (9 percent). The 2008 funding for intelligence and warning activities is 29.5 percent above the 2007 level.

**Table 3–3. INTELLIGENCE AND WARNING FUNDING**

(Budget authority, in millions of dollars)

Agency	2006 Actual	2006 Supplemental	2007 Enacted/CR	2007 Supplemental/Emergency	2008 Request
Department of Agriculture .....	5.2	.....	5.2	.....	22.3
Department of Commerce .....	.....	.....	1.8	.....	1.8
Department of Homeland Security .....	337.7	.....	380.1	.....	388.4
Department of Justice .....	41.7	5.0	54.8	10.0	173.8
Department of the Treasury .....	2.4	1.3	2.4	3.0	3.6
Intelligence Community Management Account .....	56.0	.....	56.0	.....	58.0
<b>Total, Intelligence and Warning .....</b>	<b>443.0</b>	<b>6.3</b>	<b>500.3</b>	<b>13.0</b>	<b>647.9</b>

The major requirements addressed in the intelligence and warning mission area include:

- Unifying and enhancing intelligence and analytical capabilities to ensure officials have the information they need to prevent attacks; and
- Implementing information sharing and warning mechanisms, such as the Homeland Security Advisory System, to allow Federal, State, local, and private authorities to take action to prevent attacks and protect potential targets.

As established by the Intelligence Reform and Terrorism Prevention Act (IRTPA) of 2004, the Director of National Intelligence (DNI) ensures that this office is setting collection and analysis priorities that are consistent with the *National Intelligence Strategy*. This strategy calls for the integration of both the domestic and foreign dimensions of U.S. intelligence so that there are no gaps in our understanding of threats to the homeland.

In accordance with the IRTPA's requirements for the Information Sharing Environment (ISE), the DNI is also ensuring that information sharing takes place in an environment where access to terrorism information is matched to the roles, responsibilities, and missions of all the organizations across the intelligence community. These changes allow the intelligence community to "connect the dots" more effectively, develop a better integrated system for identifying and analyzing terrorist threats, and issue warnings more rapidly. The DNI, in conjunction with the Homeland Security Council (HSC) and relevant Federal agencies, has established the ISE Implementation Plan and ISE Privacy

Guidelines in accordance with a Presidential directive in December, 2005, which outlined new guidelines and protocols for improving information sharing between Federal, State, local, and foreign governments and the private sector. The President has extended work on the ISE for another two years and fully supports the plan going forward to complete the ISE mandate as outlined in IRTPA.

The National Counterterrorism Center (NCTC) is specifically chartered to centralize U.S. Government terrorism threat analysis and ensure that all agencies receive relevant analysis and information. NCTC serves as the primary organization in the U.S. Government for analyzing and integrating all intelligence pertaining to terrorism and counterterrorism (except purely domestic terrorism) and the central and shared knowledge bank on known and suspected terrorists and international terror groups. It also ensures that agencies, as appropriate, have access to and receive the all-source intelligence support needed to execute their counterterrorism plans or perform independent, alternative analysis. NCTC is tasked with coordinating counterterrorism operational planning on a global basis and developing strategic, operational plans for the Global War on Terrorism. The NCTC, with guidance from the National Security Council and the HSC, has created the first National Implementation Plan for the Global War on Terrorism, which will further consolidate the U.S. Government's efforts on the Global War on Terrorism.

The DNI and the NCTC work to utilize the unique assets and capabilities of other Government agencies

and interagency groups—some of which are reorganizing to improve these capabilities and better interface with the new intelligence structure. As such, the NCTC allocates requirements to the agencies with the assets and capabilities to address them. In addition, NCTC has formed a new core staff of analysts drawn from multiple intelligence agencies. This variety ensures that NCTC can access the Intelligence Community's full breadth of knowledge and complement the activities of individual agencies. Despite the addition of this new permanent planning staff, NCTC will not undertake direct operations but will continue to leave mission execution with the appropriate agencies. This separation ensures that agencies' chains of command remain intact and prevent potentially excessive micromanagement of counterterrorism missions. Taken together, the creation of the NCTC and recent legislation and executive orders will ensure counterterrorism intelligence and warning assets are better allocated and more tightly coordinated, leading to improved intelligence for homeland security.

The 2008 budget request for the FBI supports improvements in its national security investigations and intelligence analysis, as well as technical and tactical support programs. Many of the improvements are targeted at FBI's National Security Branch, which integrates the Intelligence Directorate, Counterterrorism Division and Counterintelligence Division.

Over the past five years, the FBI has developed its intelligence capabilities and improved its ability to protect the American people from threats to national security. It has built on its established capacity to collect information and enhanced its ability to analyze, disseminate and utilize intelligence. The President's 2008 Budget supports the FBI's priorities and its continuing transformation by providing the resources needed to enhance its national security capabilities and improve supporting information technology and infrastructure. These initiatives will increase the number of agents and specialists working national security cases; enhance intelligence collection, systems, and training; improve IT systems that reduce paperwork and facilitate information sharing; and upgrade biometric identification systems to improve the identification of terrorists.

As a result of the Department of Homeland Security's 2006 re-organization (Second Stage Review), a new Office of Intelligence and Analysis was established to strengthen intelligence functions and information sharing within DHS. I&A gathers information to analyze terrorist threats to critical infrastructure, transportation systems, or other targets inside the homeland. Led by the DHS Chief Intelligence Officer reporting directly to the Secretary, this office not only relies on personnel from the former Information Analysis and Infrastructure Protection Directorate, but also draws on the expertise of other DHS components with information collection and analytical capabilities. For example, improved coordination and information sharing between border agents, air marshals, and intelligence analysts deepens the Department's understanding of terrorist threats. By maintaining and expanding its partnership with the NCTC, DHS will better coordinate its activities with other members within the Intelligence Community and the DNI.

I&A also serves as the focal point for disseminating homeland security information to State and local entities. For example, I&A is connected to homeland security directors of States, counties, and territories through the Homeland Security Information Network (HSIN) and it is deploying the Homeland Security Data Network (HSDN) to them as well. All fifty States and major urban areas are connected to HSIN, and HSIN is being rolled out to major counties as well. Furthermore, in recognition of the limitations of virtual interactions through electronic communications networks, beginning in late 2006, I&A has begun deploying liaisons and intelligence analysts to State and Local Intelligence Fusion Centers across the nation to improve the flow and quality of homeland security information to State, local and private sector partners and ensure a more accurate situational awareness for DHS and its Federal partners.

#### **National Strategy Mission Area: Border and Transportation Security**

This mission area covers activities to protect border and transportation systems, such as screening airport passengers, detecting dangerous materials at ports

**Table 3-4. BORDER AND TRANSPORTATION SECURITY FUNDING**

(Budget authority, in millions of dollars)

Agency	2006 Actual	2006 Supplemental	2007 Enacted/CR	2007 Supplemental/Emergency	2008 Request
Department of Agriculture .....	205.6	.....	210.2	.....	221.7
Department of Commerce .....	.....	.....	1.5	.....	1.6
Department of Energy .....	.....	.....	.....	.....	7.1
Department of Homeland Security .....	16,732.1	1,335.8	18,086.3	1,816.4	20,812.8
Department of Justice .....	30.4	.....	25.4	.....	4.6
Department of State .....	1,056.6	.....	1,188.3	.....	1,346.0
Department of Transportation .....	17.7	.....	16.4	.....	10.0
<b>Total, Border and Transportation Security .....</b>	<b>18,042.3</b>	<b>1,335.8</b>	<b>19,528.1</b>	<b>1,816.4</b>	<b>22,403.8</b>

overseas and at U.S. ports-of-entry, and patrolling our coasts and the land between ports-of-entry. The majority of funding in this mission area (\$20.9 billion, or 93 percent, in 2008) is in DHS, largely for the U.S. Customs and Border Protection (CBP), the Transportation Security Administration (TSA), and the U.S. Coast Guard. Other DHS bureaus and other Federal Departments, such as the Departments of State and Justice, also play significant roles. The President's 2008 request would increase funding for border and transportation security activities by 6.7 percent over the 2007 level.

Securing our borders and transportation systems is a complex task. Security enhancements in one area may make another avenue more attractive to terrorists. Therefore, our border and transportation security strategy aims to make the U.S. borders "smarter"—targeting layered resources toward the highest risks and sharing information so that frontline personnel can stay ahead of potential adversaries—while facilitating the flow of legitimate visitors and commerce. The creation of DHS allowed for unification of the Federal Government's major border and transportation security resources, which facilitates the integration of risk targeting systems, and ensures greater accountability in border and transportation security. Rather than having separate systems for managing goods, people, and agricultural products, one agency is now accountable for ensuring that there is one cohesive border management system.

The 2008 Budget provides approximately \$8.8 billion for the Border Patrol (an increase of 36 percent over 2007) including funding for 3,000 new agents. The President has committed to doubling the size of the Border Patrol to over 18,000 agents before he leaves office. At the start of the President's Administration, there were 9,096 Border Patrol agents. This Budget will bring the total number of agents to 17,819, and the next one will meet the President's goal. To gain control of our borders, the Budget also continues funding for fencing technology and other infrastructure along the border. For example, in September of 2006, DHS awarded a contract to implement the technological and infrastructure component of its Secure Border Initiative effort, SBInet. SBInet will concentrate on using proven technology to significantly improve the availability of information and tools to Border Patrol agents so they can better detect, identify, classify and confront illegal border activity by those who pose a threat to the United States. The Budget includes \$1 billion for this priority. This investment will support smarter and more secure borders.

The Administration has effectively ended the practice of "catch and release" along the northern and southern borders. Non-Mexican illegal aliens apprehended at the border are now detained and then returned to their home countries as quickly as possible and all non-criminal Mexicans apprehended for crossing the border illegally are returned to Mexico immediately. The 2008 Budget includes \$2.2 billion in detention and removal resources to continue this success and supports a total

of 28,450 detention beds across the country to house illegal aliens apprehended by DHS.

To improve coordination and provide assistance to State and local law enforcement officials, the Budget will expand a successful Federal, State and local partnership—the 287(g) program, which provides State/local law enforcement officials with guidance and training in immigration law, subject to the direction of the Secretary of Homeland Security. The 2008 Budget includes an increase of \$26 million for the 287(g) program and the Law Enforcement Support Center, including the training of 250 State and local law enforcement officers, detention beds for apprehended illegal aliens, and personnel to assist State and local law enforcement when they encounter aliens. The Budget also includes an increase of \$29 million to identify criminal aliens in Federal, State, and local prison facilities and remove those aliens from the United States, \$13 million for investigating smuggling and border criminal activity and \$5 million for identifying, apprehending, prosecuting and removing aliens involved in gang activities.

Key to the Federal Government's screening of international visitors is the US-VISIT program, which is designed to expedite the clearance of legitimate travelers while identifying and denying clearance to those who may intend harm. US-VISIT currently collects two digital fingerprints and a digital photograph of all foreign visitors entering the United States. The ability to screen foreign visitors against criminal and terrorist databases as well as confirming the identity of travelers has improved border security. However, in the future, to improve accuracy in the identification of visitors, first-time visitors to the United States will be enrolled in the program by submitting ten fingerprints, allowing for improved accuracy in identifying foreign visitors and preventing the entry of known terrorists and criminals to the United States. DHS, in conjunction with the Departments of State and Justice, will implement this multiyear project to improve screening, and the 2008 Budget includes \$462 million for US-VISIT, of which \$228 million is for 10-print deployment and interoperability with the FBI's fingerprint system, the Integrated Automated Fingerprint Identification System.

In the area of aviation security, the Administration continues to enhance the multiple levels of security implemented in the wake of the September 11th attacks. The Transportation Security Administration has made significant improvements in aviation security since September 11<sup>th</sup> by implementing a layered, risk-based security approach. These advances include hardened cockpit doors, a greatly expanded Federal Air Marshals program, arming some pilots through the Federal Flight Deck Officers program, offering voluntary self defense training to crew members, and screening 100 percent of passenger and checked baggage. TSA will further strengthen these efforts in 2008 by requesting \$4 billion for aviation screening operations. TSA will also commit \$729 million to the purchase, installation, and maintenance of baggage screening devices, including inline systems that will increase baggage throughput up to

250 percent. The Budget also provides more than \$82 million for emerging technology at passenger checkpoints. This technology will enhance the detection of prohibited items, especially firearms and explosives, through the use of additional sensors such as whole body imaging, liquid bottle scanners, automated explosive sampling, and cast and prosthesis scanners.

Safeguarding our seaports is critical since terrorists may seek to use them to enter the country or introduce weapons or other dangerous materials. With 95 percent of all U.S. cargo passing through the Nation's 361 ports, a terrorist attack on a major seaport could slow the movement of goods and be economically devastating to the nation. The Maritime Transportation Security Act (MTSA) and its implementing regulations, issued by DHS in October 2003, require ports, vessels, and facilities to conduct security assessments. In 2008, the Coast Guard will continue to ensure compliance with MTSA port and vessel security standards and regulations. The 2008 Budget provides nearly \$3 billion for port security across DHS, primarily for Coast Guard port security activities such as Maritime Safety and Security Teams and harbor patrols. In addition, the Coast Guard's budget funds operations to strengthen intelligence collection and surveillance capabilities in the maritime environment, both of which contribute to the broader Coast Guard effort to enhance Maritime Domain Awareness. In 2007, Congress passed P.L. 109-347, the SAFE Port Act, which requires enhanced screening of cargo bound for the United States, among other port security measures. In addition, port operators are eligible for grants to fund security enhancements under DHS' Infrastructure Protection Program (IPP) which falls under the Infrastructure Protection mission area.

The State Department Bureau of Consular Affairs is the second largest contributor to border and transportation security. The State Border Security program includes visa, passport, American Citizen Services and International Adoption programs. In 2008, the State Department will continue working with interagency partners to enable the transition of the US-VISIT program to a ten fingerprint system. For visitors that require a visa, the Department of State collects the visitor's biometric and biographic data, which is then checked against watch lists, thereby improving the abil-

ity to make a visa determination. When the visitor arrives in the United States, US-VISIT procedures allow DHS to determine whether the person applying for entry is the same person who was issued the visa by the Department of State. This and additional watch list checks improve the ability of DHS to make admissibility decisions.

In addition, the Department of State will also lead the implementation of the Western Hemisphere Travel Initiative in 2008, which mandates that all persons travelling internationally within the Western Hemisphere travel with a passport or other authorized document by 2009. Under this initiative, United States citizens and foreign visitors traveling to and from the Caribbean, Bermuda, Panama, Canada or Mexico will be required to have a passport or standardized travel card that establishes the bearer's identity and nationality to enter or re-enter the United States. The initiative will improve security at our borders by standardizing entry and exit information and increasing the ability of Government agencies to work together.

### National Strategy Mission Area: Domestic Counterterrorism

Funding in the domestic counterterrorism mission area covers Federal and Federally-supported efforts to identify, thwart, and prosecute terrorists in the United States. The largest contributors to the domestic counterterrorism mission are law enforcement organizations: within DOJ (largely the FBI) and DHS (largely ICE), which account for 53.3 and 45 percent of total funding for 2008, respectively.

Since the attacks of September 11th, preventing and interdicting terrorist activity within the United States has become a priority for law enforcement at all levels of government. The major requirements addressed in the domestic counterterrorism mission area include:

- Developing a proactive law enforcement capability to prevent terrorist attacks;
- Apprehending potential terrorists; and
- Improving law enforcement cooperation and information sharing to enhance domestic counterterrorism efforts across all levels of government.

**Table 3-5. DOMESTIC COUNTERTERRORISM FUNDING**

(Budget authority, in millions of dollars)

Agency	2006 Actual	2006 Supplemental	2007 Enacted/CR	2007 Supplemental/Emergency	2008 Request
Department of Homeland Security .....	2,127.0	65.0	2,482.8	.....	2,201.0
Department of Interior .....	0.3	.....	0.3	.....	0.3
Department of Justice .....	2,325.3	24.8	2,418.2	83.0	2,604.0
Department of Transportation .....	21.0	.....	20.0	.....	21.0
Department of the Treasury .....	60.7	.....	57.6	.....	61.7
Social Security Administration .....	1.4	.....	1.4	.....	1.4
<b>Total, Domestic Counterterrorism .....</b>	<b>4,535.6</b>	<b>89.8</b>	<b>4,980.3</b>	<b>83.0</b>	<b>4,889.4</b>

The President's 2008 Budget supports the FBI's top strategic priority: to protect the United States from terrorist attacks. FBI continues to build its counterterrorism capabilities post-September 11<sup>th</sup>. Over the past six years, FBI has shifted resources to counterterrorism from lower priority programs, hired and trained additional field investigators, enhanced science and technology capabilities, and strengthened headquarters oversight of the counterterrorism program. In addition, FBI has integrated its counterterrorism, counterintelligence, and intelligence functions by establishing the National Security Branch to oversee all three programs. More recently, the FBI has created a Weapons of Mass Destruction Directorate to coordinate all investigative and analytical efforts directed at WMD issues. Overall, FBI resources in the domestic counterterrorism category have increased from \$0.9 billion in 2002 to \$2 billion in 2008. Among the largest 2008 initiatives for enhancing counterterrorism capabilities are \$38 million to improve FBI's data intercept and access program, \$26 million to fund additional counterterrorism agents, and \$19 million to expand the WMD Directorate.

Within DHS, ICE focuses on a broad array of national security, financial, and smuggling violations, including illegal arms exports, financial crimes, commercial fraud, and human trafficking. The 2008 Budget provides \$2 billion for these enforcement activities.

### National Strategy Mission Area: Protecting Critical Infrastructure and Key Assets

Funding in the protecting critical infrastructure and key assets mission area captures the efforts of the U.S. Government to secure the Nation's infrastructure, including information infrastructure, from terrorist attacks. Protecting the Nation's key assets is a complex challenge for two reasons: (1) the diversity of infrastructure and (2) the high level of private ownership (85 percent) of the Nation's key assets. DOD continues to

report the largest share of funding in this category for 2008 (\$12 billion, or 62.8 percent), which includes programs focusing on physical security and improving the military's ability to prevent or mitigate the consequences of attacks against departmental personnel and facilities. Nevertheless, DHS has overall responsibility for prioritizing and executing infrastructure protection activities at the national level and accounts for \$3 billion (16 percent) of 2008 funding. In addition, a total of 25 other agencies report funding to protect their own assets and work with States, localities, and the private sector to reduce vulnerabilities in their areas of expertise. The President's 2008 request increases funding for activities to protect critical infrastructure and key assets by \$1.2 billion (6.6 percent) over the 2007 level.

Securing America's critical infrastructure and key assets is a complex task. The major requirements include:

- Unifying disparate efforts to protect critical infrastructure across the Federal Government, and with State, local, and private stakeholders;
- Building and maintaining an accurate assessment of America's critical infrastructure and key assets and prioritizing protective action based on risk;
- Enabling effective partnerships to protect critical infrastructure; and
- Reducing threats and vulnerabilities in cyberspace.

Homeland Security Policy Directive 7 (HSPD-7), signed in December 2003, established a national policy to protect critical infrastructure and key resources from attack, to ensure the delivery of essential goods and services, and to maintain public safety and security. Under HSPD-7, DHS is responsible for coordinating Federal critical infrastructure programs and working closely with State and local governments and the private sector to align protection efforts. To provide the overall framework to integrate various critical infrastructure protection activities, DHS developed the Na-

**Table 3-6. PROTECTING CRITICAL INFRASTRUCTURE AND KEY ASSETS FUNDING**

(Budget authority, in millions of dollars)

Agency	2006 Actual	2006 Supplemental	2007 Enacted/CR	2007 Supplemental/ Emergency	2008 Request
Department of Agriculture .....	90.7	.....	31.1	.....	64.0
Department of Defense .....	11,150.5	862.3	11,254.0	.....	11,966.2
Department of Energy .....	1,520.6	.....	1,515.1	.....	1,607.1
Department of Health and Human Services .....	181.7	.....	184.8	.....	180.2
Department of Homeland Security .....	2,698.3	.....	2,779.6	.....	3,035.5
Department of Justice .....	541.1	.....	531.2	3.0	494.3
Department of Transportation .....	131.9	.....	131.9	.....	166.1
Department of Veterans Affairs .....	262.5	.....	208.3	.....	221.9
National Aeronautics and Space Administration ....	212.6	.....	199.2	.....	193.9
National Science Foundation .....	317.2	.....	317.2	.....	350.4
Social Security Administration .....	174.6	.....	191.9	.....	215.0
Other Agencies .....	651.7	0.1	575.4	.....	601.6
<b>Total, Protecting Critical Infrastructure and Key Assets .....</b>	<b>17,933.2</b>	<b>862.4</b>	<b>17,919.7</b>	<b>3.0</b>	<b>19,096.1</b>

tional Infrastructure Protection Plan (NIPP). The plan's risk-management approach provides the framework for government and industry to work together on common protective goals, while focusing resources where they are needed the most.

Recognizing that each infrastructure sector possesses its own unique characteristics, HSPD-7 also designated sector-specific agencies to coordinate infrastructure protection efforts within each sector. This approach enables agencies to rely on specialized expertise and long-standing relationships with industry in conducting infrastructure protection activities. There are 17 critical infrastructure sectors and 9 sector-specific agencies, including DHS. In December of 2006, DHS received the first set of sector-specific plans that address how each critical infrastructure sector will work together to collect infrastructure information, prioritize assets and protective programs, and develop metrics to inform future initiatives.

Although these efforts aimed at protecting critical infrastructure and key assets nationwide are in motion, the Administration has also been focusing on a select number of high-priority areas in parallel with NIPP implementation. For example, the 2008 Budget provides \$25 million to DHS to focus on chemical security regulation enforcement activities, such as requiring security vulnerability assessments and facility security plans and inspecting chemical facilities for compliance. The budget for the Environmental Protection Agency includes \$22 million in 2008 to begin testing the last of its pilot systems for the Water Security Initiative. The program develops pilot systems for cost effective, early warning of disease, pest, or poisonous agents in drinking water systems and offers subsequent consequence management. The Department of Agriculture also has completed extensive physical security assessments to make sure that agricultural physical security issues throughout the United States are in line with the latest best practices. Many other departments and agencies have critical infrastructure protection programs underway that support the mission of the NIPP and will benefit from the NIPP process.

DHS recently reorganized and combined its preparedness and response functions to fulfill requirements of the 2007 Homeland Security Appropriations Act. DHS also created the National Protection and Programs Directorate (NPPD), which includes offices that were omitted from the transfer to FEMA by statute. These offices, which focus on physical and cyber infrastructure protection, communications, as well as other major security initiatives, will be part of the newly created NPPD.

The Office of Infrastructure Protection (IP), located within this new directorate, is responsible for managing and prioritizing infrastructure protection at the national level. The Office operates the national asset database, which aggregates infrastructure data from across the nation. The database supports DHS in developing a risk-based strategy for protection and can be used to identify critical infrastructure under certain sce-

narios. IP also conducts site visits and assessments each year, and has used this information to develop site security guidelines for nuclear power plants and chemical facilities. The 2008 Budget provides \$240 million for these activities. In conjunction with funding for the Office of Infrastructure Protection, the Administration supports the Infrastructure Protection Program, which consists of five grant programs funding security enhancement projects in and around transportation assets and other critical infrastructure sites. Awarded through the Office of Grant Programs, IPP grants supplement State and local infrastructure security efforts, especially detection and prevention investments.

Cyberspace security is a key element of infrastructure protection because the Internet and other computer systems link infrastructure sectors. The consequences of a cyber attack could cascade across the economy, imperiling public safety and national security. To address this threat, DHS established the National Cyber Security Division (NCSA) in 2003—in response to the President's *National Strategy to Secure Cyberspace*—in order to identify, analyze and reduce cyber threats and vulnerabilities, coordinate incident response, and provide technical assistance. NCSA, now part of NPPD, works collaboratively with public, private, and international entities to secure cyberspace and America's cyber assets. NCSA has also established the U.S. Computer Emergency Response Team (US-CERT), which operates a cyber watch, warning, and incident response center. US-CERT supports a watch and warning capability responsible for tracking incident and trend data, ranking associated severity, and generating real-time alerts.

NCSA also operates a Control Systems Security Program. Today, many critical infrastructures such as pipelines, water and pumping stations, and pharmaceutical production are run by computerized control systems. These systems make our critical infrastructure assets more automated, more productive, more efficient, and more innovative, but they also may expose those physical assets to cyber-related threats. NCSA works to address these weaknesses and enhance control systems security. To evaluate readiness and response programs such as the National Response Plan, NCSA has conducted national cyber exercises such as Cyber Storm with public and private sector entities. These exercises test our capabilities and improve our ability to respond to an incident. To support these critical preparedness activities, the Budget includes \$98 million for the NCSA in 2008.

### **National Strategy Mission Area: Defending Against Catastrophic Threats**

The defending against catastrophic threats mission area covers activities including research, development, and deployment of technologies, systems, and medical measures to detect and counter the threat of chemical, biological, radiological, and nuclear weapons. The agencies with the most significant resources to help develop and field technologies to counter CBRN threats are:

(1) DOD (\$5 billion, or 57.6 percent, of the 2008 total); (2) HHS, largely for research at the National Institutes of Health (NIH) (\$1.9 billion, or 22.1 percent, of the 2008 total); and (3) DHS (\$1.3 billion, or 14.5 percent,

of the 2008 total). The President's 2008 request would increase funding for activities to defend against catastrophic threats by \$368 million (4 percent) over the 2007 level.

**Table 3-7. DEFENDING AGAINST CATASTROPHIC THREATS FUNDING**

(Budget authority, in millions of dollars)

Agency	2006 Actual	2006 Supplemental	2007 Enacted/CR	2007 Supplemental/Emergency	2008 Request
Department of Agriculture .....	238.3	.....	226.0	.....	343.5
Department of Commerce .....	80.6	.....	88.7	.....	90.7
Department of Defense .....	4,988.5	122.0	4,889.8	.....	5,007.9
Department of Energy .....	62.1	.....	62.1	.....	63.2
Department of Health and Human Services .....	1,806.0	.....	1,848.5	.....	1,954.2
Department of Homeland Security .....	1,306.1	.....	1,255.1	.....	1,276.7
Department of Justice .....	37.4	0.5	40.0	.....	43.9
Department of the Treasury .....	.....	.....	.....	.....	1.8
National Science Foundation .....	27.0	.....	27.0	.....	25.0
Nuclear Regulatory Commission .....	27.8	.....	23.4	.....	21.9
<b>Total, Defending Against Catastrophic Threats</b>	<b>8,573.7</b>	<b>122.4</b>	<b>8,460.6</b>	.....	<b>8,828.9</b>

The major requirements addressed in this mission area include:

- Preventing terrorist use of CBRN weapons through detection systems and procedures, and improving decontamination techniques; and
- Developing countermeasures, such as vaccines and other drugs to protect the public from the threat of a CBRN attack or other public health emergency.

To protect against a nuclear or radiological weapon entering the country, the Domestic Nuclear Detection Office (DNDO) was created in 2005 within DHS to coordinate the Nation's nuclear detection efforts. DNDO, together with the Departments of State, Energy, Defense, and Justice, is responsible for developing and deploying a comprehensive system to detect and report any attempt to import a nuclear explosive device or radiological material into the United States. DNDO is also responsible for establishing response protocols to ensure that the detection of a nuclear explosive device or radiological material leads to timely and effective action by military, law enforcement, emergency response, and other appropriate Government assets. The 2008 Budget includes \$562 million for DNDO, a 17 percent increase from the 2007 level.

In 2008, DNDO will invest \$100 million in transformational research and development aimed at enhancing our ability to detect, identify, and attribute nuclear and radiological materials. This research looks beyond current capabilities and seeks to find new scientific tools and methodologies that may prove useful in broad efforts to focus the Nation's resources toward countering the threat of nuclear and radiological devices. DNDO's budget also includes \$178 million for the deployment of both fixed and mobile radiation portal monitors at strategic points of entry throughout the

country. An additional \$30 million will be used to improve the detection of radiological and nuclear materials in and around the Nation's major urban areas under a program called Securing the Cities. Together with overseas non-proliferation efforts led by the Department of State, and overseas detection capabilities managed by the Department of Energy, these programs seek to create a seamless approach toward preventing terrorists anywhere in the world from acquiring, transporting, or introducing these materials into the United States.

To counter the threat of CBRN weapons, the Budget continues to invest in efforts to decrease the time between an attack and implementation of Federal, State and local response protocols. Unlike an attack with conventional weapons, a CBRN attack may not be immediately apparent. Working to ensure earlier detection and characterization of an attack helps protect and save lives. DHS will therefore continue to support efforts such as the BioWatch environmental monitoring program, which samples and analyzes air in over 30 metropolitan areas to continually check for dangerous biological agents. The program is designed to provide early warning of a large-scale biological weapon attack, thereby allowing the distribution of life-saving treatment and preventative measures before the development of serious and widespread illnesses. Beginning in 2008, DHS bio-defense programs such as BioWatch and biosurveillance will be consolidated in the newly established Office of Health Affairs. However, on-going research and development into next-generation bio-sensors that are able to better detect biological pathogens will continue in DHS's Science and Technology Directorate.

A key element in defending against catastrophic threats is developing and maintaining adequate countermeasures for a CBRN attack. This not only means

stockpiling countermeasures that are currently available, but developing new countermeasures for agents that currently have none, and next-generation countermeasures that are safer and more effective than those that presently exist. The Budget continues HHS's investment in developing medical countermeasures to CBRN threats with \$1.9 billion in funding, which is more than \$1.8 billion over the level prior to September 11<sup>th</sup> (this includes funding for programs focused on chemical and radiological and nuclear countermeasures referenced below). For 2008, the Budget includes nearly \$190 million for the advanced development of medical countermeasures against threats of bioterrorism. Large investments in basic research of medical countermeasures at HHS have helped create multiple promising products to protect the public against the threat of a terrorist attack. These investments will accelerate the development of these products to help Project BioShield acquire them more quickly for inclusion in the Strategic National Stockpile.

HHS will also continue to improve human health surveillance with \$88 million dedicated to biosurveillance activities, including the BioSense program (allowing local, State, and national public health authorities to monitor "real-time" trends in data from hospitals, emergency departments, and laboratories to identify and characterize potential human health threats), increasing laboratory capacity, and augmenting the number and quality of border health and quarantine stations. The Food and Drug Administration and the Department of Agriculture will also conduct surveillance to ensure the security of the food supply. Information collected from these programs will be disseminated to the National Biosurveillance Integration Center at DHS.

DOD defends the nation against catastrophic threats by undertaking long-term research on chemical and biological threats and by developing strategies to counter the risk of such attacks. DOD's efforts in maritime defense and interdiction provide early detection and response to possible CBRN threats. DOD also conducts anti-terrorism planning to defend against a potential

CBRN or other terrorist attack against a military base or installation. Finally, the U.S. Northern Command, the military command responsible for DOD's homeland defense activities, is included in this category.

### National Strategy Mission Area: Emergency Preparedness and Response

The Emergency Preparedness and Response mission area covers agency efforts to prepare for and minimize the damage from major incidents and disasters, particularly terrorist attacks that endanger lives and property or disrupt Government operations. The mission area encompasses a broad range of agency incident management activities, as well as grants and other assistance to States and localities. Response to natural disasters, including catastrophic natural events such as Hurricane Katrina, does not directly fall within the definition of a homeland security activity for funding purposes, as defined by Section 889 of the Homeland Security Act of 2002. However, in preparing for terrorism-related threats, many of the activities within this mission area also support preparedness for catastrophic natural disasters. Additionally, lessons learned from the response to Hurricane Katrina will help to revise and strengthen catastrophic response planning.

HHS, the largest participant in this mission area (\$2.3 billion, or 48.4 percent, in 2008), assists States, localities and hospitals to upgrade public health capacity and maintains a national stockpile of medicines and vaccines for use following an event. DHS maintains the second largest share of funding in this category (\$1.5 billion, or 30.7 percent, for 2008), mainly for preparedness grant assistance to State and local first responders. A total of 23 other agencies include emergency preparedness and response funding. A number of agencies maintain specialized response assets that may be called upon in select circumstances, and others report only funding for their agency's internal preparedness capability. The major requirements addressed in this mission area include:

**Table 3-8. EMERGENCY PREPAREDNESS AND RESPONSE FUNDING**

(Budget authority, in millions of dollars)

Agency	2006 Actual	2006 Supplemental	2007 Enacted/CR	2007 Supplemental/ Emergency	2008 Request
Department of Defense .....	340.4	46.2	394.5	.....	487.1
Department of Energy .....	119.4	.....	119.4	.....	156.3
Department of Health and Human Services .....	2,364.2	0.1	2,279.9	.....	2,289.7
Department of Homeland Security .....	1,842.9	15.3	1,821.6	.....	1,755.6
Other Agencies .....	325.4	.....	320.5	.....	333.3
<b>Total, Emergency Preparedness and Response ...</b>	<b>4,992.3</b>	<b>61.6</b>	<b>4,935.9</b>	<b>.....</b>	<b>5,022.0</b>
Plus Mandatory Communications Interoperability Grants .....	.....	.....	1,000.0	.....	.....
<b>Total, Emergency Preparedness and Response, including Mandatory Communications Interoperability Grants .....</b>	<b>4,992.3</b>	<b>61.6</b>	<b>5,935.9</b>	<b>.....</b>	<b>5,022.0</b>

- Establishing measurable goals for national preparedness and ensuring that Federal funding supports these goals;
- Ensuring that Federal programs to train and equip States and localities meet national preparedness goals in a coordinated and complementary manner;
- Encouraging standardization and interoperability of first responder equipment, especially for communications;
- Building a national training, exercise, and evaluation system;
- Implementing the National Incident Management System;
- Preparing health care providers for a mass casualty event; and
- Augmenting America's pharmaceutical and vaccine stockpiles.

Many of the key elements of the national emergency response system are already in place. During 2004, separate Federal response plans were integrated into a single all-hazards National Response Plan. The National Incident Management System was simultaneously developed to integrate a standardized Incident Command System throughout Federal, State and local response agencies and organizations. Additionally, the release of a unified National Preparedness Goal will provide a new framework for guiding Federal, State, and local investments. In order to ensure that these investments translate into improvements in preparedness, we must continue to identify capability gaps and improve response and recovery efforts at all levels of government. A related challenge is ensuring that investments in State and local preparedness are focused on building and enhancing response capabilities, and not simply supplanting normal operating expenses. DHS is leading an interagency effort to better match Federal resources with achieving national preparedness goals.

From 2001 through 2007, the Federal Government has allocated over \$16 billion in State and local terrorism preparedness funding from the Departments of Homeland Security, Health and Human Services, and Justice, increasing spending from an annual level of approximately \$350 million in 2001 to \$2.9 billion in the 2008 request. The funding growth has been directed to Federal programs and grant assistance which support State and local preparedness and response activities, including equipping, training and exercising first responders, and preparing the public health infrastructure, for a range of terrorist threats. The Federal Government has taken steps to rationalize and simplify the distribution of State and local assistance; better target funds based on risk and effectiveness; and develop and implement the seven national priorities and 37 target capabilities identified in the National Preparedness Goal.

The 2008 Budget provides over \$100 million for DHS programs which train and exercise first responders in preparation for catastrophic events including the Na-

tional Exercise Program and the Center for Domestic Preparedness. In addition to these programs, DHS will provide grant funding to State and local agencies to support approximately 1,200 all-hazards preparedness exercises annually in 2007 and in 2008. The 2008 Budget also provides grants which support coordinated terrorism preparedness training and equipment for State and local responders across the various responder agencies. The 2008 request includes over \$1.5 billion for terrorism preparedness grants to be administered by the Office of Grant Programs within DHS, and proposes to continue current progress on the grant allocation process to better address threats and needs. In addition, to supplement assistance for public safety communications projects available through the DHS grants, the Department of Commerce, in consultation with DHS, will be awarding \$1 billion in additional grants for first responder communications interoperability to qualified applicants from anticipated spectrum auction receipts. The full outlay and impact of these funds will begin to be realized in FY 2008. The Budget also supports a range of Federal response capabilities, including providing \$110 million for the Department of Energy's Nuclear Emergency Support Team, \$20 million within DHS for the Federal Emergency Management Agency's Urban Search and Rescue teams, \$53 million for the National Disaster Medical System, and other emergency response, management, and operations assets. The capabilities of these teams range from providing radiological assistance in support of State and local agencies to responding to major incidents worldwide.

In order to ensure that the nation is prepared for dealing with a biological attack, including pandemic influenza, the Administration continues to make significant investments in medical countermeasures through Project BioShield.<sup>4</sup> While the stockpiling of medical countermeasures is the primary goal, BioShield is also designed to stimulate the development of the next generation of countermeasures by allowing the Federal Government to buy critically needed vaccines and medications for biodefense as soon as experts agree that they are safe and effective enough to be added to the Strategic National Stockpile. As a result, this program also provides an incentive for the development and manufacturing of advanced countermeasures, ensuring that new and improved countermeasures will be available in the future. The Budget includes \$581 million to maintain and augment this supply of vaccines and other countermeasures that can be made available within 12 hours in the event of a terrorist attack or other public health emergency. This includes funding for storage and maintenance of products purchased through BioShield.

Finally, HHS has the lead role in preparing public health providers for catastrophic terrorism. In addition to providing additional funding to expand HHS's public health and medical response capabilities, including disaster medical assistance, the 2008 Budget also provides

<sup>4</sup>BioShield is a shared responsibility, joining the intelligence capabilities of DHS with the medical expertise of HHS.

nearly \$414 million to continue improvements for hospital infrastructure and \$698 million for upgrades to State and local public health capacity. This investment will bring the total assistance provided by HHS to States, local governments and health care providers since 2001 to over \$9 billion.

### **Non-Federal Expenditures<sup>5</sup>**

State and local governments and private-sector firms also have devoted resources of their own to the task of defending against terrorist threats. Some of the additional spending has been of a one-time nature, such as investment in new security equipment and infrastructure; some additional spending has been ongoing, such as hiring more personnel, and increasing overtime for existing security personnel. In many cases, own-source spending has supplemented the resources provided by the Federal Government.

Many governments and businesses continue to place a high priority on and provide additional resources for security. On the other hand, many entities have not increased their spending. A 2004 survey conducted by the National Association of Counties found that as a result of the homeland security process of intergovernmental planning and funding, three out of four counties believed they were better prepared to respond to terrorist threats. Moreover, almost 40 percent of the surveyed counties had appropriated their own funds to assist with homeland security. Own-source resources

<sup>5</sup>OMB does not collect detailed homeland security expenditure data from State, local, or private entities directly.

supplemented funds provided by States and the Federal Government. However, the same survey revealed that 54 percent of counties had not used any of their own funds.<sup>6</sup>

There is also a diversity of responses in the businesses community. A 2003 survey conducted by the Conference Board showed that just over half of the companies reported that they had permanently increased security spending post-September 11, 2001. About 15 percent of the companies surveyed had increased their security spending by 20 percent or more. Large increases in spending were especially evident in critical industries, such as transportation, energy, financial services, media and telecommunications, information technology, and healthcare. However, about one-third of the surveyed companies reported that they had not increased their security spending after September 11th.<sup>7</sup> Given the difficulty of obtaining survey results that are representative of the entire universe of States, localities, and businesses, it is expected that there will be a wide range of estimates on non-Federal security spending for critical infrastructure protection.

### **Additional Tables**

The tables in the Federal expenditures section above present data based on the President's policy for the 2008 Budget. The tables below present additional policy and baseline data, as directed by the Homeland Security Act of 2002.

<sup>6</sup>Source: National Association of Counties, "Homeland Security Funding—2003 State Homeland Security Grants Programs I and II."

<sup>7</sup>Source: Conference Board, "Corporate Security Management" 2003.

## Estimates by Agency:

**Table 3-9. DISCRETIONARY FEE-FUNDED HOMELAND SECURITY ACTIVITIES BY AGENCY**

(Budget authority, in millions of dollars)

Agency	2006 Actual	2006 Supplemental	2007 Enacted/CR	2007 Supplemental/ Emergency	2008 Request
Department of Energy .....	1.9	.....	1.9	.....	3.3
Department of Homeland Security .....	2,422.0	.....	2,885.0	.....	3,319.0
Department of State .....	815.0	.....	1,166.7	.....	1,323.1
General Services Administration .....	91.8	.....	66.9	.....	34.3
Social Security Administration <sup>1</sup> .....	175.0	.....	193.3	.....	215.7
Federal Communications Commission .....	2.3	.....	2.3	.....	3.6
Nuclear Regulatory Commission .....	.....	.....	66.0	.....	68.9
Securities and Exchange Commission .....	5.0	.....	14.3	.....	18.3
<b>Total, Discretionary Homeland Security Fee-Funded Activities .....</b>	<b>3,512.9</b>	.....	<b>4,396.4</b>	.....	<b>4,986.2</b>

<sup>1</sup> Social Security physical and computer security measures are financed by amounts from the Social Security trust funds and payroll taxes.

**Table 3-10. MANDATORY HOMELAND SECURITY FUNDING BY AGENCY**

(Budget authority, in millions of dollars)

Agency	2006 Actual	2006 Supplemental	2007 Enacted/CR	2007 Supplemental/ Emergency	2008 Request
Department of Agriculture .....	177.4	.....	182.0	.....	194.5
Department of Commerce .....	14.1	.....	16.3	.....	18.3
Department of Energy .....	12.0	.....	12.0	.....	13.0
Department of Health and Human Services .....	16.6	.....	15.9	.....	14.3
Department of Homeland Security .....	2,032.8	.....	2,257.5	.....	2,042.2
Department of Labor .....	3.9	.....	3.9	.....	8.8
<b>Total, Homeland Security Mandatory Programs ....</b>	<b>2,256.9</b>	.....	<b>2,487.7</b>	.....	<b>2,291.0</b>
Plus Mandatory Communications Interoperability Grants .....	.....	.....	1,000.0	.....	.....
<b>Total, Homeland Security Mandatory Programs including Mandatory Communications Interoperability Grants .....</b>	<b>2,256.9</b>	.....	<b>3,487.7</b>	.....	<b>2,291.0</b>

**Table 3-11. BASELINE ESTIMATES—TOTAL HOMELAND SECURITY FUNDING BY AGENCY**

(Budget authority, in millions of dollars)

Agency	2007 Enacted/ CR <sup>1</sup>	Baseline				
		2008	2009	2010	2011	2012
Department of Agriculture .....	523	545	559	574	587	602
Department of Commerce <sup>2</sup> .....	193	200	205	210	215	222
Department of Defense .....	16,538	17,064	17,569	18,077	18,591	19,110
Department of Education .....	24	25	25	26	26	27
Department of Energy .....	1,695	1,738	1,777	1,817	1,856	1,896
Department of Health and Human Services .....	4,313	4,422	4,532	4,640	4,752	4,853
Department of Homeland Security .....	28,572	29,562	30,549	31,508	32,480	33,466
Department of Housing and Urban Development .....	2	2	2	2	2	3
Department of the Interior .....	45	46	48	50	53	55
Department of Justice .....	3,090	3,210	3,327	3,446	3,566	3,694
Department of Labor .....	49	54	51	52	52	53
Department of State .....	1,239	1,268	1,299	1,327	1,354	1,380
Department of Transportation .....	179	187	193	202	210	219
Department of the Treasury .....	109	113	116	120	123	127
Department of Veterans Affairs .....	245	252	259	268	276	282
Corps of Engineers .....	43	44	45	46	47	48
Environmental Protection Agency .....	133	137	141	145	148	153
Executive Office of the President .....	20	20	21	21	22	23
General Services Administration .....	74	75	78	79	80	81
National Aeronautics and Space Administration .....	199	203	208	213	217	222
National Science Foundation .....	344	352	360	368	376	384
Office of Personnel Management .....	3	3	3	3	3	3
Social Security Administration .....	194	217	186	190	192	196
District of Columbia .....	8	8	8	9	9	9
Federal Communications Commission .....	2	2	2	2	2	2
Intelligence Community Management Account .....	56	57	59	60	61	62
National Archives and Records Administration .....	18	18	19	19	20	20
Nuclear Regulatory Commission .....	66	69	71	74	75	78
Securities and Exchange Commission .....	14	18	18	19	19	20
Smithsonian Institution .....	80	84	88	92	96	100
United States Holocaust Memorial Museum .....	8	8	8	8	9	9
Corporation for National and Community Service .....	20	20	21	21	21	22
<b>Total, Homeland Security Budget Authority .....</b>	<b>58,098</b>	<b>60,023</b>	<b>61,847</b>	<b>63,688</b>	<b>65,540</b>	<b>67,421</b>
Less Department of Defense .....	-16,538	-17,064	-17,569	-18,077	-18,591	-19,110
<b>Non-Defense Homeland Security Budget Authority, excluding Mandatory Interoperability Communications Grants and BioShield <sup>3</sup> .....</b>	<b>41,560</b>	<b>42,959</b>	<b>44,278</b>	<b>45,611</b>	<b>46,949</b>	<b>48,311</b>
Less Fee-Funded Homeland Security Programs .....	-4,397	-4,833	-4,909	-5,020	-5,124	-5,228
Less Mandatory Homeland Security Programs .....	-2,489	-2,290	-2,426	-2,531	-2,631	-2,735
<b>Net Non-Defense, Discretionary Homeland Security Budget Authority, excluding Mandatory Interoperability Communications Grants and BioShield <sup>3</sup> .....</b>	<b>34,674</b>	<b>35,836</b>	<b>36,943</b>	<b>38,060</b>	<b>39,194</b>	<b>40,348</b>
Plus Mandatory Communications Interoperability Grants .....	1,000	.....	.....	.....	.....	.....
Plus BioShield .....	.....	.....	2,175	.....	.....	.....
<b>Net Non-Defense, Discretionary Homeland Security Budget Authority, including Mandatory Interoperability Communications Grants and BioShield <sup>3</sup> .....</b>	<b>35,674</b>	<b>35,836</b>	<b>39,118</b>	<b>38,060</b>	<b>39,194</b>	<b>40,348</b>
<b>Obligations Limitations</b>						
Department of Transportation Obligations Limitation .....	121	124	126	130	133	135

<sup>1</sup> 2007 levels include enacted supplemental appropriations (\$1,696 million in DHS) but exclude GWOT supplemental requests in DHS, DOJ, and Treasury totaling \$219 million.<sup>2</sup> DOC's 2007 gross Continuing Resolution full-year estimate for homeland security excludes \$1 billion in mandatory borrowing authority to provide Federal grants to public safety agencies for communications interoperability purposes. Although technically scored in 2007, this funding will be made available from proceeds of the Federal Communications Commission's 2008 auction of returned television spectrum.<sup>3</sup> The Deficit Reduction Act of 2005 appropriated \$1 billion from anticipated spectrum auction receipts for the Department of Commerce, in consultation with the Department of Homeland Security, to make grants to public safety agencies for communications interoperability purposes.

## Estimates by Budget Function:

Table 3–12. HOMELAND SECURITY FUNDING BY BUDGET FUNCTION

(budget authority, in millions of dollars)

Agency	2006 Actual <sup>1</sup>	2007 Enacted/CR <sup>2</sup>	2008 Request <sup>3</sup>
National Defense .....	22,056	20,463	21,359
International Affairs .....	1,107	1,239	1,406
General Science Space and Technology .....	616	602	635
Energy .....	124	106	122
Natural Resources and the Environment .....	288	264	292
Agriculture .....	581	506	679
Commerce and Housing Credit <sup>4</sup> .....	149	154	180
Transportation .....	8,186	9,161	9,453
Community and Regional Development .....	2,212	2,257	2,010
Education, Training, Employment and Social Services .....	177	174	179
Health .....	4,393	4,317	4,451
Medicare .....	12	15	14
Income Security .....	8	8	14
Social Security .....	175	193	216
Veterans Benefits and Services .....	299	245	270
Administration of Justice .....	15,917	17,792	18,941
General Government .....	816	821	890
<b>Total, Homeland Security Budget Authority .....</b>	<b>57,116</b>	<b>58,317</b>	<b>61,111</b>
Less National Defense, DoD .....	-17,508	-16,538	-17,465
<b>Non-Defense Homeland Security Budget Authority, excluding Mandatory Interoperability Communications Grants <sup>4</sup> .....</b>	<b>39,608</b>	<b>41,779</b>	<b>43,646</b>
Less Fee-Funded Homeland Security Programs .....	-3,509	-4,317	-4,899
Less Mandatory Homeland Security Programs .....	-2,257	-2,489	-2,290
<b>Net Non-Defense, Discretionary Homeland Security Budget Authority, excluding Mandatory Interoperability Communications Grants <sup>4</sup> .....</b>	<b>33,842</b>	<b>34,973</b>	<b>36,457</b>
Plus Mandatory Interoperability Communications Grants .....	.....	1,000	.....
<b>Net Non-Defense, Discretionary Homeland Security Budget Authority, including Mandatory Interoperability Communications Grants <sup>4</sup> .....</b>	<b>33,842</b>	<b>35,973</b>	<b>36,457</b>

<sup>1</sup> 2006 actual levels include enacted supplemental appropriations.<sup>2</sup> For 2007, only DOD and DHS have enacted appropriations; all other agencies' funding levels are based on their full-year CR rates. 2007 funding levels also include enacted supplemental appropriations (\$1,696 million) and requested 2007 supplemental budget authority (\$219 million) in the GWOT supplemental request.<sup>3</sup> DOC's 2007 gross Continuing Resolution full-year estimate for homeland security excludes \$1 billion in mandatory borrowing authority to provide Federal grants to public safety agencies for communications interoperability purposes. Although technically scored in 2007, this funding will be made available from proceeds of the Federal Communications Commission's 2008 auction of returned television spectrum.<sup>4</sup> The Deficit Reduction Act of 2005 appropriated \$1 billion from anticipated spectrum auction receipts for the Department of Commerce, in consultation with the Department of Homeland Security, to make grants to public safety agencies for communications interoperability purposes.

**Table 3-13. BASELINE ESTIMATES—HOMELAND SECURITY FUNDING BY BUDGET FUNCTION**

(Budget authority, in millions of dollars)

Budget Authority	2007 Enacted/ CR <sup>1</sup>	Baseline				
		2008	2009	2010	2011	2012
National Defense .....	20,264	20,897	21,508	22,120	22,738	23,364
International Affairs .....	1,239	1,268	1,299	1,327	1,354	1,380
General Science Space and Technology .....	602	616	630	644	657	672
Energy .....	106	111	112	116	117	121
Natural Resources and the Environment .....	264	271	279	287	295	304
Agriculture .....	506	528	541	555	568	583
Commerce and Housing Credit <sup>2</sup> .....	154	164	167	172	175	181
Transportation .....	9,161	9,537	9,832	10,132	10,438	10,745
Community and Regional Development .....	2,257	2,312	2,367	2,418	2,469	2,523
Education, Training, Employment and Social Services .....	174	179	186	192	197	204
Health .....	4,317	4,425	4,536	4,644	4,755	4,855
Medicare .....	15	16	16	17	18	19
Income Security .....	8	13	8	8	8	9
Social Security .....	193	216	185	189	191	195
Veterans Benefits and Services .....	245	252	259	268	276	282
Administration of Justice .....	17,775	18,379	19,057	19,712	20,375	21,053
General Government .....	818	839	865	887	909	931
<b>Total, Homeland Security Budget Authority .....</b>	<b>58,098</b>	<b>60,023</b>	<b>61,847</b>	<b>63,688</b>	<b>65,540</b>	<b>67,421</b>
Less National Defense, DoD .....	-16,538	-17,064	-17,569	-18,077	-18,591	-19,110
<b>Non-Defense, Discretionary Homeland Security Budget Authority, excluding Mandatory Interoperability Communications Grants and BioShield<sup>3</sup> .....</b>	<b>41,560</b>	<b>42,959</b>	<b>44,278</b>	<b>45,611</b>	<b>46,949</b>	<b>48,311</b>
Less Fee-Funded Homeland Security Programs .....	-4,397	-4,833	-4,909	-5,020	-5,124	-5,228
Less Mandatory Homeland Security Programs .....	-2,489	-2,290	-2,426	-2,531	-2,631	-2,735
<b>Net Non-Defense, Discretionary Homeland Security Budget Authority, excluding Mandatory Interoperability Communications Grants and BioShield<sup>3</sup> .....</b>	<b>34,674</b>	<b>35,836</b>	<b>36,943</b>	<b>38,060</b>	<b>39,194</b>	<b>40,348</b>
Plus Mandatory Communications Interoperability Grants .....	1,000	.....	.....	.....	.....	.....
Plus BioShield .....	.....	.....	2,175	.....	.....	.....
<b>Net Non-Defense, Discretionary Homeland Security Budget Authority, including Mandatory Interoperability Communications Grants and BioShield<sup>3</sup> .....</b>	<b>35,674</b>	<b>35,836</b>	<b>39,118</b>	<b>38,060</b>	<b>39,194</b>	<b>40,348</b>
<b>Obligations Limitations</b>						
Department of Transportation Obligations Limitation .....	199	203	208	213	217	222

<sup>1</sup> 2007 levels include enacted supplemental appropriations (\$1,696 million in DHS) but exclude GWOT supplemental requests in DHS, DOJ, and Treasury totaling \$219 million.

<sup>2</sup> DOC's 2007 gross full-year CR estimate for homeland security excludes \$1 billion in mandatory borrowing authority to provide Federal grants to public safety agencies for communications interoperability purposes. Although technically scored in 2007, this funding will be made available from proceeds of the Federal Communications Commission's 2008 auction of returned television spectrum.

<sup>3</sup> The Deficit Reduction Act of 2005 appropriated \$1 billion from anticipated spectrum auction receipts for the Department of Commerce, in consultation with the Department of Homeland Security, to make grants to public safety agencies for communications interoperability purposes.

### Detailed Estimates by Budget Account:

An appendix of account-level funding estimates, organized by *National Strategy* mission area, is available on the *Analytical Perspectives* CD-ROM.

