

**Statement for the Record**

**The Honorable Janet Napolitano**

**Secretary**

**United States Department of Homeland Security**

**Before the**

**United States Senate**

**Homeland Security and Governmental Affairs Committee**

**May 12, 2009**

Mr. Chairman, Senator Collins, and Members of the Committee:

Let me begin by saying thank you for the strong support you have consistently shown the Department, and I look forward to working with you to make certain that we have the right resources to protect the homeland and the American people and that we make the most effective and efficient use of those resources.

I am pleased to appear before the Committee today to present President Obama's Fiscal Year (FY) 2010 Budget Request for the Department of Homeland Security (DHS). I will also summarize the progress we have made since the start of the new administration along with some of our key accomplishments from last year.

### **FY 2010 BUDGET REQUEST**

The Department of Homeland Security's Budget will strengthen current efforts that are vital to the nation's security, bolster DHS' ability to respond to emerging and evolving threats, and allow DHS to embrace new responsibilities in order to secure the nation. This Budget puts forward critical investments in the protection of the American people.

DHS and its many component agencies fulfill a broad mandate and conduct many different activities within a single, unified security mission. DHS performs critical tasks from protecting transportation hubs to conducting maritime rescues, from aiding disaster victims to enforcing immigration laws. Within this broad portfolio, the Department aims to secure the American people from all hazards – including terrorist threats and natural or accidental disasters – and to work effectively with its many partners to lead the collaborative effort to secure the nation. DHS undertakes the mission of securing the United States against all threats through five main action areas, each of which is strengthened by this Budget:

- *Guarding Against Terrorism* – Protecting the American people from terrorist threats is the founding purpose of the Department and DHS' highest priority. This Budget expands DHS efforts to battle terrorism, including detecting explosives in public spaces and transportation networks, helping protect critical infrastructure and cyber networks from attack, detecting agents of biological warfare, and building information-sharing partnerships with state and local law enforcement that can enable law enforcement to mitigate threats.
- *Securing Our Borders* – DHS prevents and investigates illegal movements across our borders, including the smuggling of people, drugs, cash, and weapons. In March, the Department announced a new initiative to strengthen security on the southwest border in order to disrupt the drug, cash and weapon smuggling that fuels cartel violence in Mexico. This Budget strengthens those efforts by adding manpower and technology to the southwest border. This Budget also funds smart security on the northern border and facilitates international travel and trade. The President's request also makes targeted investments to reduce security risk across our nation's vast maritime borders.
- *Smart and Tough Enforcement of Immigration Laws and Improving Immigration Services* – DHS welcomes legal immigrants, protects against dangerous people entering the country, and pursues tough, effective enforcement against those who violate the nation's

immigration laws. This Budget contains funding to strengthen our employment eligibility verification systems, target and crack down on criminal aliens and expedite the application process for new legal immigrants.

- *Preparing for, Responding to, and Recovering from Natural Disasters* – The Department must aid local and state first responders in all stages of a natural disaster – preparing for the worst, responding to a disaster that has occurred, and recovering in the long run. This budget contains funding to strengthen DHS assistance for local first responders and the communities and families affected by disasters.
- *Unifying and Maturing DHS* – DHS is a young department. Its components must further evolve in order to operate as effectively as possible as one agency with a single, unified security mission. This Budget contains funding to initiate consolidation of mission support activities that will remain off-site from the St. Elizabeths campus, reducing the many small and widely scattered leased locations and supporting the goal to build “One DHS.”

DHS is employing several cross cutting initiatives to strengthen activities in each of these mission areas.

First, DHS is working across the board to increase cooperation with its partners – state, local, and tribal law enforcement agencies, international allies, the private sector, and other federal departments. The effort to secure America requires close coordination and collaboration; this Budget increases resources dedicated to these critical partnerships.

Second, the Department is bolstering its science and technology portfolio. This will lead to the development of new techniques and technologies that will expand DHS’ law enforcement capabilities while minimizing law enforcement’s impact on everyday, law-abiding citizens. This Budget contains important investments in technologies that will allow DHS officers to perform their security tasks more quickly and with greater accuracy.

Third, the Department continually aims for greater efficiency in its operations. Through the Department-wide Efficiency Review Initiative launched in March, DHS is ensuring all its resources are used in the most effective way possible to secure the nation.

The total FY 2010 budget request for the Department of Homeland Security is \$55.1 billion in funding; a 5 percent increase over the FY 2009 enacted level excluding supplemental funding. The Department’s FY 2010 gross discretionary budget request<sup>1</sup> is \$45.8 billion, an increase of 6 percent over the FY 2009 enacted level excluding emergency funding. The Department’s FY 2010 net discretionary budget request is \$42.7 billion.<sup>2</sup>

The following are highlights of the FY 2010 Budget Request:

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<sup>1</sup> Gross discretionary funding does not include funding such as Coast Guard’s retirement pay accounts and fees paid for immigration benefits.

<sup>2</sup> This does not include fee collections such as funding for the Federal Protective Service (NPPD), aviation security passenger and carrier fees (TSA), credentialing fees (such as TWIC - TSA), and administrative cost of the (National Flood Insurance Fund, FEMA).

## **GUARDING AGAINST TERRORISM**

- *State and Local Fusion Centers:* Full support and staffing by the end of FY 2011 are requested for the 70 identified State and Local Fusion Centers, facilities where information and intelligence is shared between federal, state, local and tribal authorities. Funding is dedicated to IT maintenance, support, and training.
- *Explosives Detection Systems (EDS) Procurement and Installation:* An increase of \$565.4 million to accelerate the Electronic Baggage Screening Program (EBS) at the Nation's airports to ensure 100 percent of all checked baggage is screened with an in-line explosive detection capability system, or a suitable alternative. This funding will support facility modifications, recapitalization efforts, as well as procurement and deployment of electronic baggage screening technology systems.
- *Bomb Appraisal Officers:* \$9 million for an additional 109 Bomb Appraisal Officers (BAOs) to provide expertise in the recognition of and response to improvised explosive devices at airports to enhance aviation security. The request will provide BAO coverage at 50 percent more airports including all Category X, I, and II airports, and will provide a BAO in every hub-spoke airport system, and to airports that currently have only one BAO assigned.
- *Visible Intermodal Prevention and Response Teams:* An increase of \$50 million is requested to fund 15 Visible Intermodal Prevention and Response (VIPR) teams dedicated to guarding surface transportation. The VIPR teams contain multi-skilled resources, including Transportation Security Inspectors, canine teams, Transportation Security Officers, Bomb Detection Officers, and Federal Air Marshals. These teams enhance the Transportation Security Administration's (TSA) ability to screen passengers, identify suspicious behavior, and act as a visible deterrent to potential terrorists in surface transportation environments.
- *Vulnerability Assessments:* A \$3.0 million increase is requested to provide for new nuclear reactor security consultations with the Nuclear Regulatory Commission. The budget request will also support vulnerability assessment pilot projects, which provide state and local stakeholders with a comprehensive understanding of vulnerabilities and critical infrastructure resiliency.
- *Bombing Prevention:* \$4.2 million is requested to enhance improved, coordinated national bombing prevention and improvised explosive device (IED) security efforts. Additionally, this funding will provide resources to enhance national awareness of the threat, facilitate multi-jurisdiction planning, and conduct additional capabilities assessments for 132 high-risk urban area detection, deterrence, response, and search elements. These elements include canine units, bomb squads, SWAT teams, and dive teams.
- *Cybersecurity for the Federal Government:* A \$75.1 million increase is requested to enable DHS to develop and deploy cybersecurity technologies to counter on-going, real

world national cyber threats and apply effective analysis and risk mitigation strategies to detect and deter threats.

- *Explosives Detection Research:* Total funding of \$120.8 million, an increase of \$24.7 million, is requested to support DHS' Science and Technology Directorate (S&T) in addressing critical capability gaps in detecting, interdicting, and lessening the impacts of non-nuclear explosives used in terrorist attacks against mass transit, civil aviation, and critical infrastructure. Of the \$24.7 million, \$10.0 million will develop high-throughput cargo screening technology through automated, more efficient equipment. The remaining \$14.7 million will build on FY 2009 efforts to counter the threat of hand-carried improvised explosive devices to mass transit systems by detecting all types of explosive threats such as homemade, commercial, and military explosives.
- *Cybersecurity Research:* Total funding of \$37.2 million, an increase of \$6.6 million, is requested to support Science and Technology in addressing critical capability gaps identified in the Comprehensive National Cybersecurity Initiative (CNCI). Specifically, this effort will develop technologies to secure the nation's critical information infrastructure and networks.
- *Transformational Research and Development (R&D):* A \$7.2 million increase is requested for Transformational R&D to improve nuclear detection capabilities, address enduring vulnerabilities, and reduce the operational burden of radiation and nuclear detection. The increase in FY 2010 will further these efforts to accelerate material optimization and production techniques, and establish a low-rate production capability for these materials. Additional funding could have a tremendous impact on the ability to uncover threats by detecting radiation sources.
- *BioWatch:* Total funding of \$94.5 million is requested for the BioWatch program in the Office of Health Affairs, which provides the capability for early detection and warning against biological attacks in over 30 of our nation's highest-risk urban areas through placement of a series of biological pathogen collectors. The request sustains the baseline capability of Gen-1/Gen-2 collectors while moving into the next generation of equipment. The funding would complete field testing for the Gen-3 prototype unit, secure IT architecture to facilitate networking between the biodetection systems, and procure production units to support the Gen-3 operational test and evaluation.
- *Vetting Infrastructure Modernization:* An increase of \$64 million is requested to modernize vetting infrastructure data management, adjudication workflow, and integration of all vetting systems in the third and final phase of the Vetting Infrastructure Improvement Plan. Modernization will enable a universal fee mechanism that will reduce duplicative background checks and fees for transportation workers, and provide the capability to process new populations using existing enrollment and vetting infrastructure, while continuing to ensure privacy and security.
- *Information Integration and Technology:* Total funding of \$34 million is requested for U.S. Secret Service information technology. Funding would provide for a secure cross-domain IT application, engineering and architecture activities to modernize and improve

Secret Service systems, information-sharing environments, database performance, cyber security, and continuity of operations through robust backup and recovery procedures.

- *Intermodal Security Coordination Office (ISCO)*: A \$10 million increase is requested for the Intermodal Security Coordination Office within DHS Policy to support integrated planning between DHS and the Department of Transportation in the area of maritime transportation, as well as in other homeland security mission areas. The Intermodal Security Coordination Office will develop a strategic plan and metrics to guide development and modernization of intermodal freight infrastructure that links coastal and inland ports to highways and rail networks; an assessment of intermodal freight infrastructure needs and capability gaps; and recommendations to address the needs and capability gaps. The recommendations to address intermodal freight infrastructure needs and capability gaps will be incorporated into DHS' 5-year programming and budgeting guidance, and tracked to ensure they are achieved.
- *Electronic Crime Task Forces (ECTFs)*: Total funding of \$2.0 million is requested to support the operational costs of 13 ECTFs and DHS-mandated Certification and Accreditation of the Secret Service online reporting system.
- *Train 21*: Total funding of \$4.1 million is requested for Train 21, a business operations and training transformation initiative that advances the Federal Law Enforcement Training Center's mission to provide training for law enforcement personnel.
- *Uniformed Division Modernization*: Total funding of \$4.0 million is requested to support a restructuring of the U.S. Secret Service Uniformed Division's (UD) legal authorities governing pay and compensation to bring the UD in line with the rest of the Federal Government and to more effectively recruit and retain the talent necessary to carry out its protective mission
- *National Technical Nuclear Forensics*: A \$2.8 million increase is requested to expand efforts to develop the capability to improve technical nuclear forensics on U.S.-made nuclear and radiological materials. The increase will also expand international collaborative efforts to collect and share relevant nuclear forensics information.

## **SECURING OUR BORDERS**

- *Combating Southbound Firearms and Currency Smuggling*: An increase of \$26.1 million is requested to enhance DHS' capability to combat southbound firearms and currency smuggling through additional personnel at and between the ports of entry and along the southwest border. This funding will support an additional 44 Border Patrol agents and 8 support staff as well as 65 Customs and Border Protection officers and 8 support staff. Resources are also requested to expand and maintain the Licensed Plate Reader (LPR) program to help establish and maintain effective control of the border. Additionally Immigration and Customs Enforcement (ICE) requests an additional \$70 million to hire 349 positions (specifically Special Agents, Intelligence Analysts, and Criminal Investigators) to increase enforcement staffing, improve cooperative efforts with the Mexican government, and establish another Border Violence Intelligence Cell. This

cross-program initiative will increase national security by expanding activities to secure our borders.

- *Maritime Border Security Enhancements*: \$700 million is requested to purchase five new Coast Guard Cutters, two Maritime Patrol Aircraft and one aircraft flight simulator to increase surface and air asset presence in the maritime domain and vastly improve threat detection and interdiction capabilities. \$103 million is requested to purchase 30 new Coast Guard small boats to replace aging, obsolete assets with more capable, multi-mission platforms. \$1.2 million is requested to establish a permanent Biometrics at Sea System, an investment which enables Coast Guard boarding teams to identify dangerous individual documented in the US-VISIT database and yields the type of cross-component operational integration sought through creation of DHS and that must continue to be built upon.
- *Northern Border Technology*: \$20.0 million is requested to assist U.S. Customs and Border Protection (CBP) in providing improved situational awareness along the northern border through the design, deployment, and integration of surveillance, sensing platforms, detection technologies and tactical infrastructure. This technology will expand DHS capabilities, increase the effectiveness of our agents, and increase the ability to detect unlawful border activity successfully.
- *CBP Air and Marine (A&M) Personnel*: A \$19.1 million increase is requested to support Border Patrol agents by providing air cover as well as expanding maritime assistance along the borders. Funding is requested to hire an additional 68 pilots, 20 marine and 56 support personnel. During FY 2010, A&M plans to continue the expansion of its capabilities across the northern and coastal border and place heavy emphasis on the maritime requirements along the southeast and Caribbean borders. The additional personnel resources are requested as new marine vessels are deployed to marine branches at strategic locations along the coastal borders.
- *Research and Development for Border and Maritime Security*: A \$7.1 million increase for Science & Technology is requested to fund a new research effort to provide advanced detection, identification, apprehension, and enforcement capabilities along borders, increasing the security of the border and lowering the risk of a successful terrorist attack. Additionally, funding will provide new technologies to the United States Coast Guard, Customs and Border Protection, and Immigration and Customs Enforcement, and other components operating in the maritime environment.

## **SMART AND TOUGH ENFORCEMENT OF IMMIGRATION LAWS AND IMPROVING IMMIGRATION SERVICES**

- *E-Verify*: Total funding of \$112 million and 80 new positions are requested to support improvements to the employment eligibility verification system, E-Verify. The growth of the E-Verify program will increase the need for monitoring and compliance activities to protect employees from discriminatory practices, safeguard privacy information, and enhance program efficacy. The FY 2010 program increase is primarily for monitoring

and compliance activities, as well as IT-related business initiatives to improve system use.

- *Secure Communities*: Total funding of \$39.1 million is requested to hire, train, and equip 80 new enforcement personnel who will identify suspected criminal aliens, determine subjects' alien status, prioritize ICE enforcement actions against the highest threat criminal aliens, and assist in the removal of apprehended criminal aliens. Funding will also support the continued investment in information technology to improve efficiencies within ICE criminal alien identification prioritization and removal processes.
- *Detention and Removal Operations Modernization (DROM)*: Total funding of \$25 million is requested for improvements to the system of detaining and removing illegal immigrants. The funding will be dedicated to developing and deploying the Detainee Location Tracking Module as part of the Bed Space and Transportation Management System, expanding the ICE Data warehouse data capacity and reporting capability to support the DRO IT data, and expanding Web services to allow the Electronic Travel Document application to communicate with other internal or external applications. DROM will effect improvements in the areas of real-time dynamic data reporting, detainee management, management of detention beds and tracking detainees, bed-space availability management, and transportation management for improved efficiency in detention and removals.
- *Law Enforcement Systems Modernization*: Total funding of \$49 million is requested to fund the ICE Law Enforcement Systems Modernization initiative, including a number of case management, information sharing, and operational support service projects that will improve access to law enforcement information. For example, the case management Traveler Enforcement Communication System (TECS) system modernization effort will support the investigative arm of ICE and update a 20-year-old system, giving ICE improved capabilities for case management, money laundering tracking and reporting, telephone analysis, intelligence reporting and dissemination, Bank Secrecy Act data access, information sharing of subject record data, and statistical/ performance reporting. The funding will also support the design and development for the integration of ICE-Agreements of Cooperation in Communities to Enhance Safety and Security (ACCESS) and Information Sharing.
- *Immigrant Integration*: Total funding of \$10 million is requested for an Immigrant Integration program within USCIS, in order to improve the integration of immigrants into the United States. This program allows USCIS and the Office of Citizenship to work across the Federal Government and with state and local governments, U.S. businesses, non-profits, academia, and faith-based organizations to support effective integration efforts across the country. USCIS will provide grants to community-based organizations for citizenship preparation programs; facilitate English language learning through improved web resources; build volunteer capacity by developing a training certification framework for volunteers and, promote citizenship with integration messages at the workplace, among federal agencies, and the general public.

- *US-VISIT Identity Management and Screening Services*: An \$11.2 million increase is requested to support the increased workload demands associated with the transition from 2- to 10- fingerprint biometric capture for foreign visitors. The increase will support biometric identifications and verifications, latent print processing, data sharing with other agencies, and the growing Secure Communities initiative, which shares biometric information with local law enforcement. The funding will also support information sharing and technical assistance to select foreign governments to promote the adoption and use of common biometric identity management standards in order to advance the ability to screen travelers to and workers within the United States.

*Western Hemisphere Travel Initiative (WHTI)*: A \$20.9 million increase is requested to continue maintaining and operating the WHTI program that supports Departmental efforts to facilitate the efficient movement of people at the land border POEs. WHTI provides a tool to conduct the necessary authentication at the time of crossing and it also accelerates the verification process mandated by law to the extent possible with Radio Frequency Identification (RFID) Technology and communications technology.

## **PREPARING FOR, RESPONDING TO, AND RECOVERING FROM NATURAL DISASTERS**

- *Pre-Disaster Mitigation (PDM)*: A \$60 million increase is requested for Pre-Disaster Mitigation in the Federal Emergency Management Agency. Funding will assist in the implementation of pre-disaster hazard mitigation measures that are cost-effective and are designed to reduce injuries, loss of life, and damage and destruction of property, including damage to critical services and facilities.
- *Adequate Fire and Emergency Response Staffing for Adequate Fire and Emergency Response (SAFER) Grants*: Total funding of \$420 million is requested to double the funds devoted to SAFER grants administered by the Federal Emergency Management Agency, which help fire departments increase the number of frontline firefighters. Funding will enable fire departments to increase their staffing and deployment capabilities, ensuring around the clock protection.
- *Disaster Relief Fund (DRF)*: Total DRF funding of \$2 billion, an increase of \$0.6 billion, is requested. The DRF, administered by the Federal Emergency Management Agency (FEMA), provides a significant portion of the total federal response to victims in declared major disasters and emergencies. This increase will provide relief for non-catastrophic disaster activity.
- *First Responder Technology*: Total funding of \$12 million is requested to develop and design technologies to address capability gaps identified by federal, state, local and tribal first responders. This program will test technologies, assess usability, and commercialize them to increase availability across all first responder communities.
- *Gap Analysis Program*: An additional \$3.0 million is requested for the Gap Analysis Program to supplement programs that evaluate the strengths and weaknesses of each

state's emergency plans and evacuation plans and expand beyond earlier focus on hurricane-prone regions and rural and suburban areas to all hazards.

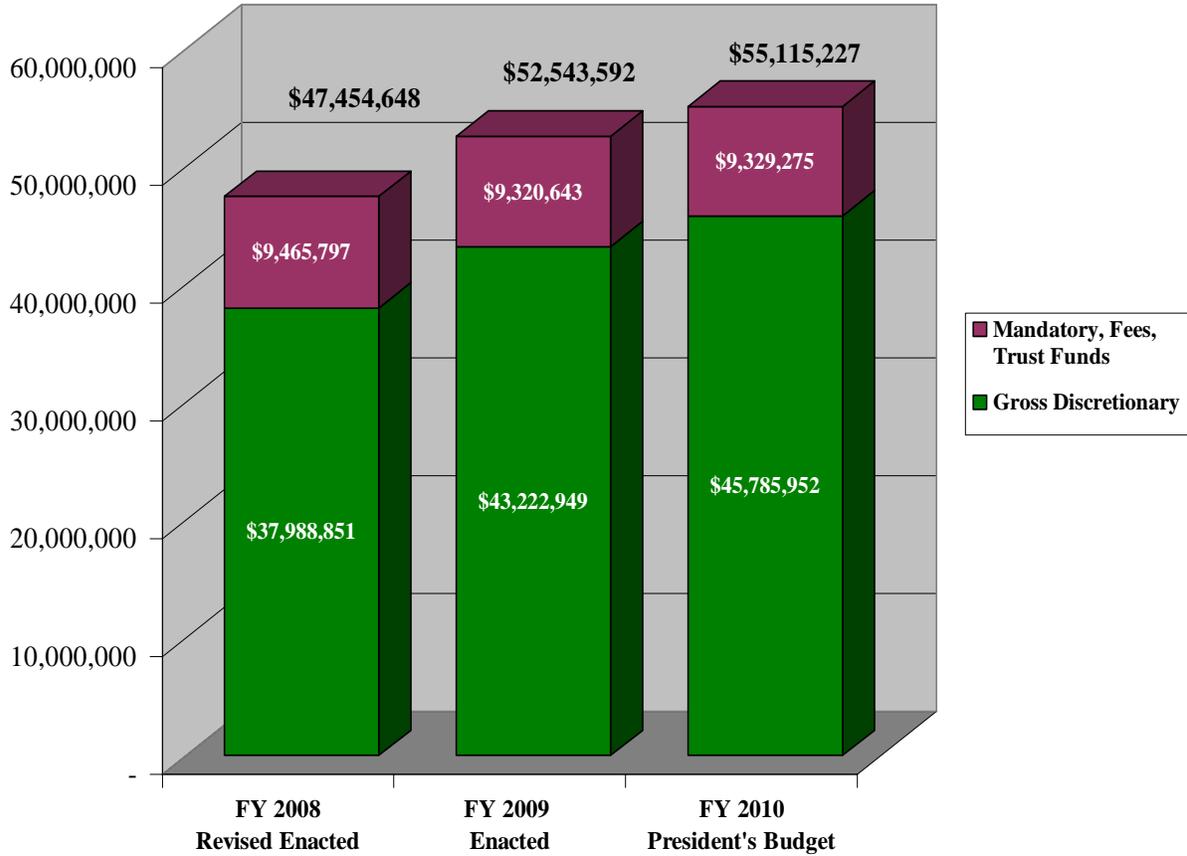
### **MATURING AND UNIFYING DHS**

- *DHS Headquarters Consolidation Project:* An additional \$75.0 million is requested in FY 2010 to initiate consolidation of mission support activities that will remain off-campus, reducing the amount of small and widely scattered leased locations.
- *Strategic Requirements Planning Process:* An additional \$5.0 million and five FTE are requested for the DHS Strategic Requirements Planning Process (SRPP) to establish tangible Department-wide targets and goals to help integrate DHS components' efforts and ensure that the Department fulfills its homeland security mission. The SRPP is designed to coordinate with the Department's resource allocation and investment processes and ensure that both of these processes address the most critical homeland security needs and capability gaps. The SRPP is designed to utilize risk assessments to prioritize analysis of capability gaps, and risk would also be used to inform the prioritization of investment in capability gaps and needs identified through the SRPP.
- *OIG Auditors:* An increase of \$5.1 million is requested to hire an additional 60 staff. The increase of staffing will better position the Office of Inspector General to assist in supporting the Department's integrated planning guidance (IPG) of strengthening border security and interior enforcement. In addition, the increase will expand oversight of activities relating to DHS issues on immigration and border security, transportation security, critical infrastructure protection, federal and state/local intelligence sharing, Secure Border Initiative (SBI), and acquisition strategies. The OIG's oversight activities add value to DHS programs and operations by providing an objective third party assessment to ensure integrity and transparency.
- *Data Center Development/Migration:* A \$200.0 million increase is requested to support further migration of component systems, applications and disaster recovery to the DHS Enterprise Data Centers for central DHS management. Select DHS component budgets include funds to migrate their component specific applications to the DHS Data Center. The Data Center consolidation efforts will standardize IT resource acquisitions across DHS components, as well as streamline maintenance and support contracts, allowing for less complex vendor support and expediting response times in the event of an emergency. Benefits derived from consolidation include enhanced IT security, improved information sharing with stakeholders, and enhanced operational efficiencies over time.
- *Information Security and Infrastructure:* \$23.0 million is requested to support: Network Security Enhancements, Internet Gateway Enhancements, and Single Sign-On Capability.
  - *Network Security Enhancements:* This funding is requested to mitigate high-risk areas within the DHS firewall. This request will establish critical Policy Enforcement Points across the DHS Network, improve DHS Security Operation Center capabilities (i.e., remediation, forensics), and establish robust classified facilities with highly skilled analysts. Network Security Enhancements will identify all internet connections for remediation by migrating separate, legacy component connections behind the DHS Trusted Internet Connections (TICs).

- Internet Gateway Enhancements: This request will implement a High Assurance Guard to support mission requirements for accessing social networking sites and establishing the DHS Email Disaster Recovery capability where 100 percent of all e-mail traffic will be behind the two DHS TICs.
- Single Sign-On (SSO) Capability: Increased FY 2010 funding will be utilized to initiate the application integration and establishment of the core infrastructures for AppAuth, eAuth, the SSO Gateway, and Service Oriented Architecture required under the SSO project. Through the close alignment with HSPD-12, DHS employees and federal, state, local and private-sector partners will be able to log in to their systems with only a single set of credentials in order to access multiple applications.

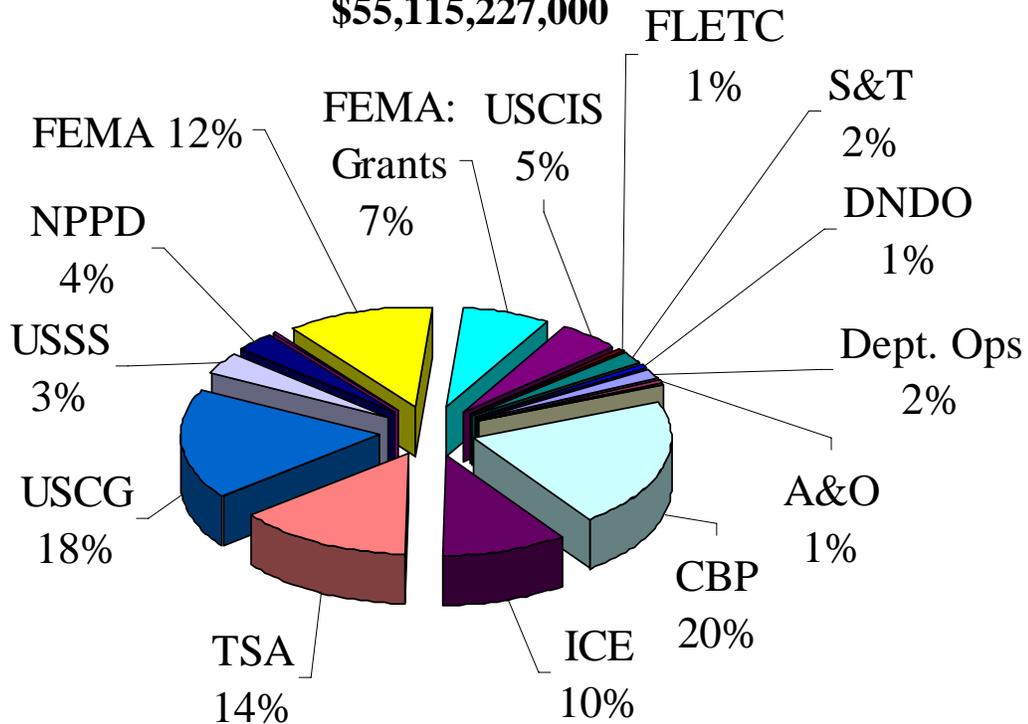
## TOTAL BUDGET AUTHORITY

Dollars in Thousands



- FY 2010 Gross Discretionary funding increases by \$2.6 billion, or 6 percent, over FY 2009.
- There is an increase of \$8.6 million, or .1 percent, in estimated budget authority for Mandatory, Fees, and Trust Funds over FY 2009.
- Does not include supplementals or rescissions of prior-year carryover funds.

**FY 2010**  
**Percent of Total Budget Authority by Organization**  
**\$55,115,227,000**



- The following offices are less than one percent of the total budget authority and are not labeled in the chart above: Office of the Inspector General, Office of Health Affairs.
- Departmental Operations is comprised of the Office of the Secretary & Executive Management, the Office of the Federal Coordinator for Gulf Coast Rebuilding, the Office of the Undersecretary for Management, the Office of the Chief Financial Officer, and the Office of the Chief Information Officer.

**TOTAL BUDGET AUTHORITY BY ORGANIZATION**  
**Gross Discretionary & Mandatory, Fees, Trust Funds**

	FY 2008 Revised Enacted <sup>1</sup>	FY 2009 Enacted <sup>2</sup>	FY 2010 President's Budget <sup>3</sup>	FY 2010 +/- FY 2009 Enacted	FY 2010 +/- FY 2009 Enacted
	\$000	\$000	\$000	\$000	%
<b>Departmental Operations <sup>4</sup></b>	\$ 573,983	\$ 644,553	\$ 904,673	\$ 260,120	40%
<b>Analysis and Operations</b>	304,500	327,373	357,345	29,972	9%
<b>Office of the Inspector General</b>	108,711	98,513	127,874	29,361	30%
<b>U.S. Customs &amp; Border Protection</b>	9,285,001	11,274,783	11,436,917	162,134	1%
<b>U.S. Immigration &amp; Customs Enforcement</b>	5,054,317	5,928,210	5,762,800	(165,410)	-3%
<b>Transportation Security Administration</b>	6,809,359	6,990,778	7,793,576	802,798	11%
<b>U.S. Coast Guard</b>	8,631,053	9,623,779	9,955,663	331,884	3%
<b>U.S. Secret Service</b>	1,629,496	1,637,954	1,709,584	71,630	4%
<b>National Protection and Programs Directorate</b>	896,476	1,158,263	1,958,937	800,674	69%
<b>Office of Health Affairs</b>	118,375	157,191	138,000	(19,191)	-12%
<b>Federal Emergency Management Agency</b>	5,515,178	5,985,805	6,612,287	626,482	10%
<b>FEMA: Grant Programs</b>	4,117,800	4,245,700	3,867,000	(378,700)	-9%
<b>U.S. Citizenship &amp; Immigration Services</b>	2,822,012	2,690,926	2,867,232	176,306	7%
<b>Federal Law Enforcement Training Center</b>	273,302	332,986	288,812	(44,174)	-13%
<b>S&amp;T Directorate</b>	830,335	932,587	968,391	35,804	4%
<b>Domestic Nuclear Detection Office</b>	484,750	514,191	366,136	(148,055)	-29%
<b>TOTAL:</b>	\$ 47,454,648	\$ 52,543,592	\$ 55,115,227	\$ 2,571,635	4.89%
<b>Less Rescission of Prior Year Carryover Funds: <sup>5</sup></b>	(124,985)	(61,373)	-	61,373	-100%
<b>ADJUSTED TOTAL BUDGET AUTHORITY:</b>	\$ 47,329,664	\$ 52,482,219	\$ 55,115,227	\$ 2,633,008	5%
<b>SUPPLEMENTAL: <sup>6</sup></b>	\$ 15,129,607	\$ 2,967,000	\$ -	\$ (2,967,000)	\$ -

1/ FY 2008 revised enacted reflects net reprogramming/transfer adjustments for CBP (\$2.6 million); TSA (-\$10.5 million); USSS (\$34.0 million); NPPD (-\$5.6 million); OHA (\$1.9 million); FEMA (-\$23.0 million); US CIS (\$282.167 million); FLETC (\$5.636 million) FEMA - DRF to OIG (\$16 million). Reflects technical adjustments to revise fee estimates for TSA Aviation Security - General Aviation Fee (\$.050 million); TSA Aviation Security - Passenger & Aviation Security Infrastructure Fee (\$96.025 million); TSA Transportation Threat Assessment and Credentialing - Registered Traveler (-\$31.601million); TSA Transportation Threat Assessment and Credentialing - Transportation Worker Identification Credentials (\$37.9 million); TSA Transportation Threat Assessment and Credentialing - HAZMAT (-\$1.0 million); TSA Transportation Threat Assessment and Credentialing - Alien Flight School (\$1.0 million); and FEMA - Radiological Emergency Preparedness (-\$.492 million). Pursuant to P.L. 110-161 reflects a scorekeeping adjustment for rescissions of prior year unobligated balances from USCG - AC&I (-\$137.264 million) and a rescission of current-year appropriations for USM (-\$5.0 million).

2/ FY 2009 enacted reflects technical adjustments to revise fee estimates for TSA - Transportation Threat and Credentialing - Registered Traveler (-\$10.0 million), TSA - Transportation Threat and Credentialing - Transportation Worker Identification Credentials (\$22.7 million); TSA - Transportation Threat and Credentialing - HAZMAT (-\$3.0 million); TSA - Transportation Threat and Credentialing - Alien Flight School (\$1.0 million). Reflects USCG realignment of Operating Expenses funding and Pursuant to P.L. 110-53 reflects TSA realignment of funds for 9/11 Commission Act implementation (\$3.675 million - Aviation Security, 13.825 million - Surface, \$2.5 million - Support). Reflects a scorekeeping adjustment for a rescission of prior year unobligated balances from USCG - AC&I (-\$20.0 million)

3/ FY 2010 President's Budget reflects the proposed transfer of Federal Protective Service from ICE to NPPD (\$640.0 million).

4/ Departmental Operations is comprised of the Office of the Secretary & Executive Management, the Office of the Federal Coordinator for Gulf Coast Rebuilding, the Office of the Undersecretary for Management, the Office of the Chief Financial Officer, and the Office of the Chief Information Officer.

5/ Pursuant to P.L. 110-161, reflects rescission of prior year unobligated balances: FY 2008 - Counter-Terrorism Fund (-\$8.480 million); TSA (-\$4.5 million); Analysis and Operations (-\$8.7 million); FEMA - Disaster Relief Fund (-\$20.0 million); USCG - Operating Expenses (-\$9.584 million); CBP (-\$2.003 million); US CIS (-\$.672 million); FEMA (-\$2.919 million); ICE (-\$5.137 million); FLETC (-\$.334 million); OSEM (-\$4.211 million); USM (-\$.444 million); CFO (-\$.380 million); CIO (-\$.493 million); DNDO (-\$.368 million); OHA (-\$.045 million); OIG (-\$.032 million); NPPD (-\$1.995 million); S&T (-\$.217 million).

Pursuant to P.L. 110-161, reflects FY 2008 rescissions of start-up balances: CBP (-\$25.621 million); FEMA (-\$14.257 million); Departmental Operations (\$12.084 million); Working Capital Fund (-\$2.509 million).

Pursuant to P.L. 110-329, reflects FY 2009 rescissions of prior year unobligated balances: Analysis and Operations (-\$21.373 million); TSA (-\$31.0 million); FEMA - Cerro Grande (-\$9.0 million).

6/ In order to obtain comparable figures, Total Budget Authority excludes:

- FY 2008 supplemental funding pursuant to P.L. 110-161: CBP (\$1.531 billion); ICE (\$526.9 million); USCG (\$166.1 million);
- NPPD (\$275.0 million); FEMA (\$3.030 billion); US CIS (\$80.0 million); FLETC (\$21.0 million).
- FY 2008 supplemental funding pursuant to P.L. 110-252: USCG (\$222.607 million); FEMA (\$897.0 million).
- FY 2008 supplemental funding pursuant to P.L. 110-329: OIG (\$8.0 million); USCG (\$300.0 million); FEMA (\$8.072 billion).
- FY 2009 supplemental funding pursuant to P.L. 110-252: USCG (\$112 million).
- FY 2009 supplemental funding pursuant to P.L. 111-5: USM (\$200 million); CBP (\$680 million); ICE (\$20 million); TSA (\$1.0 Billion); USCG (\$240 million); FEMA (\$610 million); OIG (\$5 million).
- FY 2009 supplemental funding pursuant to P.L. 111-8: USSS (\$100 million).

## EFFICIENCY REVIEW

As the Department highlights its spending priorities in this Budget, it is simultaneously conducting a bold and far-reaching Efficiency Review initiative to ensure that taxpayer dollars are spent in the most effective way possible. Efficiency Review encompasses both simple, common-sense reforms and longer-term, systemic changes that will, over time, make DHS a leaner, smarter department better equipped to protect the nation.

I launched the Efficiency Review on March 27, 2009 announcing sixteen department-wide initiatives beginning within 120 days, including:

### 30 Days:

- Eliminate non-mission critical travel and maximize use of conference calls and web-based training and meetings
- Consolidate subscriptions to professional publications and newspapers
- Minimize printing and distribution of reports and documents that can be sent electronically or posted online
- Maximize use of government office space for meetings and conferences in place of renting facilities

### 60 Days:

- Implement an electronic tracking tool for fleet usage data to identify opportunities for alternative fuel usage; heighten vigilance for fraud, waste or abuse; and optimize fleet management
- Conduct an assessment of the number of full-time, part-time employees and contractors to better manage our workforce
- Utilize refurbished IT equipment (computers and mobile devices) and redeploy the current inventory throughout DHS
- Leverage buying power to acquire software licenses for Department-wide usage (estimated savings of \$283 million over the next six years)

### 90 Days:

- Develop cross-component training opportunities for employees
- Develop a process for obtaining preliminary applicant security background data for candidates referred for final consideration (savings of up to \$5,500 per avoided full background check)
- As replacements are needed, convert new printers, faxes, and copiers into all-in-one machines (estimated savings of \$10 million over five years)
- Streamline decision-making processes in headquarters offices to eliminate redundancies

### 120 Days:

- Establish a plan to ensure the DHS workforce has employees sufficient in number and skill to deliver our core mission

- As replacements are needed for non-law enforcement vehicles, initiate acquisition and leasing of hybrid vehicles, or alternative-fuel vehicles in cases where hybrids are not feasible (estimated mileage improvement of above 30%)
- Maximize energy efficiencies in facility management projects (estimated savings of \$3 million a year)
- Standardize content for new-employee orientation and mandatory annual training modules department-wide.

I have issued formal guidance to all DHS employees regarding the 30-Day initiatives, and planning for the remaining initiatives is underway. Beyond the first 120 days, Efficiency Review will become a central element of budget development and the long term strategic vision of the Department.

### **PROGRESS**

The initiatives strengthened by this Budget would build atop what the Department has already accomplished since the start of the new administration.

To secure the border, DHS has launched a major new initiative to combat drug, cash and weapons smuggling that support drug cartels in Mexico in their efforts against law enforcement. The initiative includes hundreds of new personnel at the border and increased technological capabilities. These efforts have resulted in significant seizures of smuggled items headed into Mexico.

The Department has distributed \$970 million dollars to bolster transit and port security. The Recovery Act signed by President Obama contains \$1 billion for the development of new explosives-detection technologies to increase safety at transit hubs and public places. To guard against terrorism, I signed a new agreement with Germany to cooperate in developing new counter-terrorism technologies.

In terms of increasing preparedness for, response to, and recovery from natural disasters, DHS has led the national effort in response to and preparedness for the 2009 H1N1 flu outbreak. Furthermore, the Department has responded quickly and effectively to severe ice storms in Kentucky, Arkansas, and Missouri, as well as to record flooding on the Red River in North Dakota and Minnesota. The Department has also taken critical steps to speed recovery in the Gulf Coast communities still struggling due to Hurricanes Katrina and Rita, including the extension of critical programs.

The Department has also taken important steps toward building a single identity and culture. The Recovery Act contained \$650 million for a new, consolidated headquarters for DHS, which is now scattered in buildings throughout the Washington, D.C. area. In March, I announced a moratorium on new branding for DHS components, which will now all use the established DHS seal.

Thank you for inviting me to appear before you today. I look forward to answering your questions and to working with you on the FY 2010 Budget Request and other issues.