

Statement for the Record

The Honorable Janet Napolitano

Secretary

United States Department of Homeland Security

Before the

United States Senate

Committee on Homeland Security and Governmental Affairs

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

Let me begin by saying thank you for the strong support you have provided me and the Department this past year. I look forward to another year 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) 2011 Budget Request for the Department of Homeland Security (DHS).

As you know, the attempted attack on Northwest Flight 253 on December 25 was a powerful illustration that terrorists will go to great lengths to try to defeat the security measures that have been put in place since September 11, 2001. This Administration is determined to thwart those plans and disrupt, dismantle and defeat terrorist networks by employing multiple layers of defense that work in concert with one another to secure our country. This effort involves not just DHS, but also many other federal agencies as well as state, local, tribal, territorial, private sector and international partners. As President Obama has made clear, this Administration is determined to find and fix the vulnerabilities in our systems that allowed this breach to occur – and the FY 2011 Budget Request prioritizes these security enhancements.

The Department is also working hand-in-hand with our federal partners to respond to the devastation and loss of life in Haiti following the January 12 earthquake. Collaboration within DHS among our many components has allowed us to leverage unprecedented resources and personnel to assist with the humanitarian efforts in Haiti, once again demonstrating what these offices can accomplish together. The FY2011 Budget Request strengthens the ongoing work in each of our Department's offices to fulfill our unified mission.

I will now summarize the FY 2011 budget request along with some of our key accomplishments from last year.

FY 2011 BUDGET REQUEST

The FY 2011 DHS budget will strengthen efforts that are critical to the Nation's security, bolster the Department's ability to combat terrorism and respond to emergencies and potential threats, and allow DHS to tackle its responsibilities to protect the Nation and keep Americans safe.

DHS executes a wide array of responsibilities in its unified security mission. To bolster these efforts, DHS collaborates and coordinates with many partners—state, local and tribal governments and law enforcement agencies, international allies, the private sector and other federal departments. These partnerships are essential to DHS' ability to fulfill its security mission.

The FY 2011 budget continues efforts to use our resources as efficiently and effectively as possible. We must exercise strong fiscal discipline, making sure that we are investing our resources in what works, cutting down on redundancy, eliminating ineffective programs and making improvements across the board.

To institutionalize a culture of efficiency across the Department, DHS launched the Department-wide Efficiency Review Initiative in March 2009. One major element of the Efficiency Review is

the Balanced Workforce Strategy, a three-pronged approach to ensuring that the right workforce balance is achieved. First, we are taking steps to ensure that no inherently governmental functions are performed by contractors. Second, we put in place rigorous review procedures to ensure that future activities do not increase our reliance on contractors. Third, we are coordinating workforce assessments across the Department to seek economies and service improvements and reduce our reliance on contractors. In FY 2011, the Department will continue executing the Balanced Workforce Strategy by converting contractor positions to federal jobs.

DHS secures the United States against all threats through five main missions, each of which is strengthened by this budget:

- *Preventing Terrorism and Enhancing Security:* Guarding against terrorism was the founding mission of DHS and remains our top priority today. A key element of preventing terrorism is recognizing the evolving threats posed by violent extremists and taking action to ensure our defenses continue to evolve to deter and defeat them.
- *Securing and Managing Our Borders:* DHS monitors our air, land and sea borders to prevent illegal trafficking that threatens our country, while facilitating lawful travel and trade. We will continue to strengthen security efforts on the southwest border to combat and disrupt cartel violence and provide critical security upgrades—through infrastructure and technology—along the northern border.
- *Enforcing and Administering our Immigration Laws:* DHS is responsible for enforcing the Nation’s immigration laws while streamlining and facilitating the legal immigration process. In FY 2011, we will continue to strengthen enforcement activities while targeting criminal aliens who pose a threat to public safety and employers who knowingly violate the law.
- *Safeguarding and Securing Cyberspace:* The Department defends against and responds to attacks on the cyber networks through which Americans communicate with each other, conduct business and manage infrastructure. DHS analyzes and reduces cyber threats and vulnerabilities, distributes threat warnings, coordinates the response to cyber incidents and works with the private sector and our state, local, international and private sector partners to ensure that our computers, networks and cyber systems remain safe.
- *Ensuring Resilience to Disasters:* The Department provides the coordinated, comprehensive federal response in the event of a terrorist attack, natural disaster or other large-scale emergencies while working with federal, state, local and private sector partners to ensure a swift and effective recovery effort. DHS will continue its increased efforts to build a ready and resilient nation by bolstering information sharing, providing grants and training to our homeland security and law enforcement partners and further streamlining rebuilding and recovery along the Gulf Coast.

Ensuring shared awareness of risks and threats, increasing resilience in communities and enhancing the use of science and technology underpin these national efforts to prevent terrorism, secure and manage our borders, enforce and administer our immigration laws, safeguard and secure cyberspace and ensure resilience to disasters.

The total FY 2011 budget request for DHS is \$56.3 billion in total funding; a 2 percent increase over the FY 2010 enacted level. The Department's FY 2011 gross discretionary budget request¹ is \$47.1 billion, an increase of 2 percent over the FY 2010 enacted level. The Department's FY 2011 net discretionary budget request is \$43.6 billion,² an increase of 3 percent over the FY 2010 enacted level. For purposes of comparison the Overseas Contingency Operation funding and transfer from the National Science Foundation are not included in the FY 2010 enacted level.

The following are highlights of the FY 2011 Budget Request:

PREVENTING TERRORISM AND ENHANCING SECURITY

- *Advanced Imaging Technology (AIT)*: An increase of \$214.7M is requested to procure and install 500 advanced imaging technology machines at airport checkpoints to detect dangerous materials, including non-metallic materials. This request, combined with units the Transportation Security Administration (TSA) plans to install in 2010, will mean that 1,000 AIT scanners, will total AIT coverage at 75 percent of Category X airports and 60 percent of the total lanes at Category X through II airports.
- *Transportation Security Officers (TSOs) to Staff AITs*: An increase of \$218.9M is requested for additional Transportation Security Officers (TSOs), managers and associated support costs to operate additional AITs at airport checkpoints. Passenger screening is critical to detecting and preventing individuals carrying dangerous or deadly objects and materials from boarding planes.
- *Federal Air Marshals (FAMs)*: An increase of \$85M is requested for additional FAMs to increase international flight coverage. FAMs help detect, deter and defeat terrorist and other criminal hostile acts targeting U.S. air carriers, airports, passengers and crew.
- *Portable Explosive Trace Detection (ETD)*: An increase of \$60M is requested to purchase approximately 800 portable ETD machines (\$39M) and associated checkpoint consumables (\$21M).
- *Canine Teams*: An increase of \$71M and 523 positions (262 Full-Time Equivalent, or FTE) is requested to fund an additional 275 proprietary explosives detection canine teams, 112 teams at 28 Category X airports and 163 teams at 56 Category I airports.
- *Behavior Detection Officers (BDOs)*: An increase of \$20M and 350 BDOs (210 FTE) is requested to further enhance TSA's Screening Passengers by Observation Techniques program. The FY 2011 request includes a total of 3,350 officers to enhance coverage at

¹ Gross Discretionary funding does not include funding such as Coast Guard's retirement pay account and fees paid for immigration benefits

² 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 costs of the National Flood Insurance Fund (FEMA).

lanes and shifts at high risk Category X and I airports and expand coverage to smaller airports.

- *Domestic Nuclear Detection Office Systems Engineering and Architecture*: An increase of \$13.4M is requested to fund systems engineering efforts to address vulnerabilities in the Global Nuclear Detection Architecture, the multi-layered system of detection technologies, programs and guidelines designed to enhance the Nation's ability to detect and prevent a radiological or nuclear attack.
- *Radiological/Nuclear Detection Systems*: An increase of \$41M is requested for the procurement and deployment of radiological and nuclear detection systems and equipment to support efforts across the Department.
- *Law Enforcement Detachment Teams*: An increase of \$3.6M is requested to bring deployable U.S. Coast Guard Law Enforcement Detachment (LEDET) teams to full capacity. LEDETs help prevent terrorism, secure U.S. borders, disrupt criminal organizations and support counter drug missions overseas. In FY 2009, for example, LEDETs aboard U.S. naval and partner nation assets accounted for more than 50 percent of total maritime cocaine removals.
- *2012 Presidential Campaign*: Total funding of \$14M is requested for startup costs associated with the 2012 Presidential Campaign including training for candidate/nominee protective detail personnel. The Secret Service will also begin to procure and pre-position equipment, services and supplies to support candidate/nominee protective operations throughout the country.
- *Secret Service Information Technology*: Total funding of \$36M is requested for the Information Integration and Transformation program. This funding will allow the Secret Service to successfully continue its comprehensive Information Technology (IT) transformation and provide a multi-year, mission-integrated program to engineer a modernized, agile and strengthened IT infrastructure to support all aspects of the Secret Service's mission.

SECURING AND MANAGING OUR BORDERS

- *Journeyman Pay Increase*: In the spring of 2010, DHS will implement the journeyman pay increase, raising the journeyman grade level for frontline Customs and Border Protection (CBP) Officers (including Border Patrol agents and Agricultural Specialists) from GS-11 level to the GS-12 level. An adjustment to the base of \$310.4M will fund the full-year impact of the salary and benefit requirements associated with this implementation
- *CBP Officers*: An increase of \$44.8M is requested to fund 318 CBP Officer FTEs within the Office of Field Operations and 71 support FTEs for CBP. The decline in the number of passengers and conveyances entering the United States in FY 2009 resulted in an almost 8 percent decrease in revenues from inspection user fees. CBP, therefore, has fewer resources to maintain critical staffing levels for CBP officers. The proposed funding will

allow CBP to maintain staffing for critical positions to protect the United States at its ports of entry.

- *Border Enforcement Security Task Forces (BESTs)*: An additional \$10M is requested to establish BESTs in three additional locations: Massena, NY; San Francisco, CA and Honolulu, HI. These multi-agency teams work to identify, disrupt and dismantle criminal organizations posing significant threats to border security, including terrorist groups, gang members, and criminal aliens.
- *Intellectual Property Rights (IPR) Enforcement*: An increase of \$30M is requested to support CBP and ICE IPR enforcement efforts. This includes information technology systems that support IPR activities and implementation of the 5-year IPR Plan. An increase of \$5M is also requested for the Immigration and Customs Enforcement (ICE)-led National Intellectual Property Rights Coordination Center (IPR Center). The IPR Center brings key U.S. government agencies together to combat IPR violations that threaten our economic stability, restrict the competitiveness of U.S. industry and endanger the public's health and safety. ICE will also use these funds to focus on disrupting criminal organizations through the internet and support for anti-counterfeiting efforts.
- *Intelligence Analysts*: An increase of \$10M is requested to fund 103 Intelligence Analysts for CBP. This staffing increase will support 24/7 operations of CBP Intelligence Watch, Operations Coordination and the Commissioner's Situation Room.
- *Coast Guard Asset Recapitalization*: A total of \$1.4B is requested to continue recapitalization of aging Coast Guard surface and air assets. Included in this request is \$538M for production of the Coast Guard's fifth National Security Cutter to continue replacement of the 378-foot High Endurance Cutters fleet. Also included is \$240M for production of four Fast Response Cutters to continue replacement of the 110-foot Class Patrol Boat fleet. The Fast Response Cutters have enhanced capability, high readiness, speed, and endurance, which will allow them to quickly and effectively respond to emerging threats. Additionally, \$40M is requested to purchase one Maritime Patrol Aircraft (MPA) HC-144A. The HC-144A will address the Coast Guard's MPA flight hour gap by providing 1,200 hours every year per aircraft. Finally, \$13.9M is requested for improvement and acquisition of housing to support military families.

ENFORCING AND ADMINISTERING OUR IMMIGRATION LAWS

- *E-Verify*: A total of \$103.4M and 338 FTEs is requested for the E-Verify Program. In FY 2011, U.S. Citizenship and Immigration Services (USCIS) will develop and implement an E-Verify portal that will provide a single-user interface for the program's products and services. In addition, USCIS will enhance E-Verify's monitoring and compliance activities through analytical capabilities that will support more robust fraud detection and improved analytic processes and will continue developing system enhancements in response to customer feedback, surveys, mission requirements and capacity needs.
- *Secure Communities*: Total funding of \$146.9M is requested to continue FY 2010 progress toward nationwide implementation of ICE's Secure Communities program—which involves

the identification, apprehension and removal of all Level 1 criminal aliens in state prisons and local jails through criminal alien biometric identification capabilities. Secure Communities, in cooperation with federal, state and local law enforcement agencies, will provide a safeguard to American communities by removing those criminal aliens from the United States who represent the greatest threats to public safety and by deterring their re-entry through aggressive prosecution.

- *Immigrant Integration*: A total of \$18M is requested to fund USCIS Office of Citizenship initiatives, including expansion of the competitive Citizenship Grant Program to support national and community-based organizations preparing immigrants for citizenship, promoting and raising awareness of citizenship rights and responsibilities, and enhancing English language education and other tools for legal permanent residents. The Office of Citizenship will support the implementation of the Immigration Integration program and lead initiatives to educate aspiring citizens about the naturalization process, monitor and evaluate the administration and content of the new naturalization test, and develop educational materials and resources for immigrants and the organizations that serve them.

SAFEGUARDING AND SECURING CYBERSPACE

- *National Cyber Security Division (NCSD)*: Total funding of \$379M is requested for the NCSD to support the development of capabilities to prevent, prepare for and respond to incidents that could degrade or overwhelm the Nation's critical information technology infrastructure and key cyber networks. These funds will identify and reduce vulnerabilities, mitigate threats and ensure that cyber intrusions and disruptions cause minimal damage to public and private sector networks.
- *National Cyber Security Center (NCSC)*: A total of \$10M is requested for the NCSC to enhance cyber security coordination capabilities across the Federal Government including mission integration, collaboration and coordination, situational awareness and cyber incident response, analysis and reporting, knowledge management, and technology development and management.

ENSURING RESILIENCE TO DISASTERS

- *Disaster Relief Fund (DRF)*: The budget seeks funding of \$1.95B, an increase of \$350M for the DRF. The DRF provides a significant portion of the total federal response to victims in declared major disasters and emergencies.
- *Federal Emergency Management Agency (FEMA) Facilities*: An additional \$23.3M is requested to address critical FEMA real estate needs. By FY 2011, the capacity of FEMA facilities will be unable to accommodate key mission responsibilities and staff. FEMA also faces a critical need to maintain and repair aging and deteriorating national facilities. To address these needs, FEMA has developed a 5-year capital plan to begin critical regional facility acquisitions and repairs.
- *Pre-Disaster Mitigation Grants*: Total funding of \$100M is requested to provide program support and technical assistance to state, local and tribal governments to reduce the risks

associated with disasters, support the national grant competition and provide the required \$500,000 per state allocation. Resources will support the development and enhancement of hazard mitigation plans, as well as the implementation of pre-disaster mitigation projects.

- *Flood Map Modernization*: A total of \$194M is requested to analyze and produce flood hazard data and map products and communicate flood hazard risk. The funding will support the review and update of flood hazard data and maps to accurately reflect flood hazards and monitor the validity of published flood hazard information.
- *Rescue 21*: A total of \$36M is requested for the Rescue 21 system, enabling the U.S. Coast Guard to enhance preparedness, ensure efficient emergency response and rapidly recover from disasters. The Rescue 21 system replaces the U.S. Coast Guard's legacy National Distress and Response System and improves communications and command and control capabilities in the coastal zone. The system is the foundation for coastal Search and Rescue and enhances maritime situational awareness through increased communications ability with mariners and other responders.

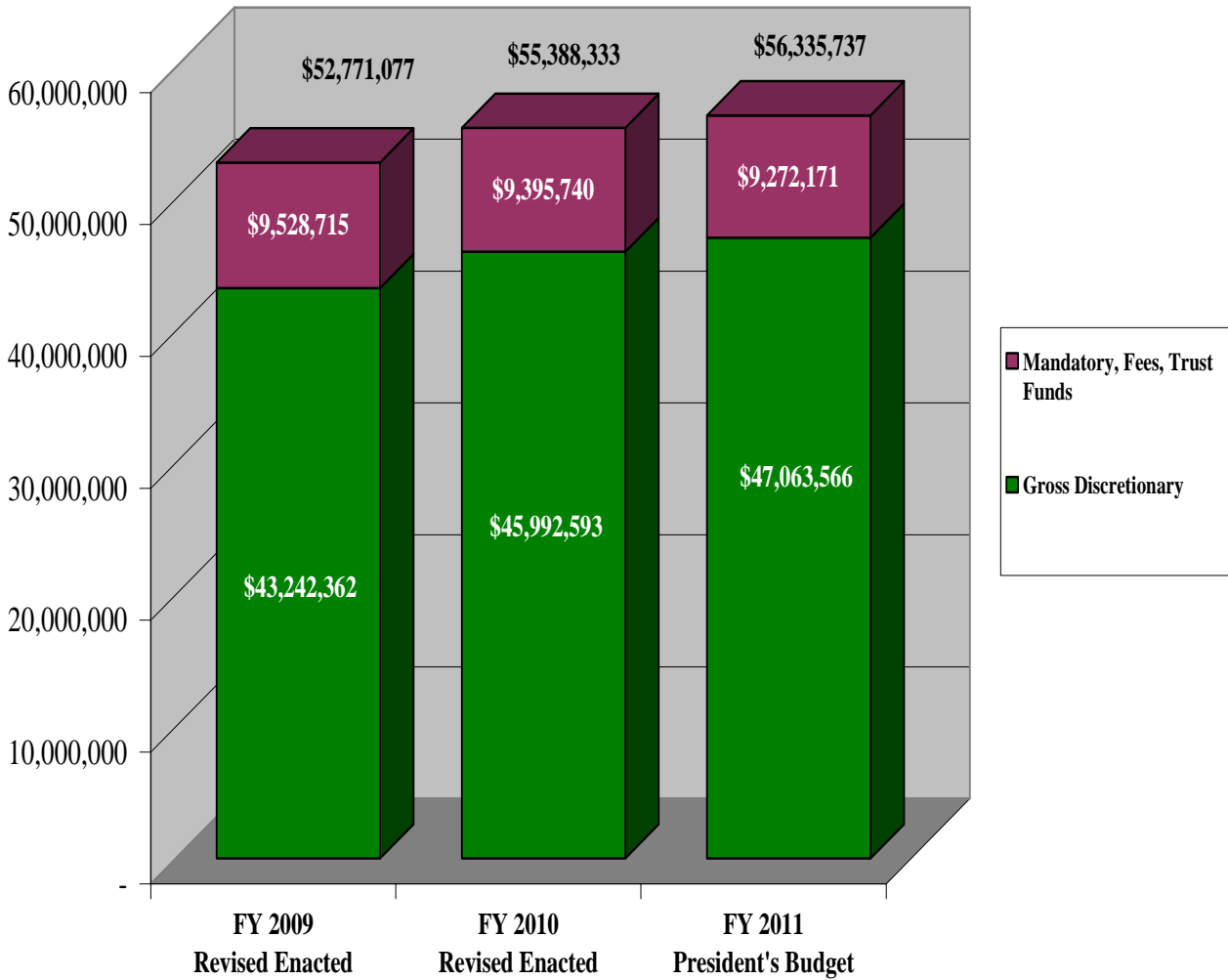
MATURING AND STRENGTHENING THE HOMELAND SECURITY ENTERPRISE

- *St. Elizabeths Headquarters Consolidation*: To streamline the Department's core operations, \$287.8M is requested to consolidate executive leadership, operations coordination and policy and program management functions in a secure setting at St. Elizabeths. The Department's facilities are currently dispersed over more than 40 locations throughout the National Capital Region (NCR). This consolidation at St. Elizabeths will reduce the fragmentation of components and will improve communications, coordination and cooperation across all DHS headquarters organizations.
- *Lease Consolidation – Mission Support*: A total of \$75M is requested to align the Department's real estate portfolio in the NCR to enhance mission performance and increase management efficiency in conjunction with St. Elizabeths Headquarters Consolidation.
- *Data Center Migration*: A total of \$192.2M is requested for the continuation of system and application migration of legacy data centers to two enterprise-wide DHS Data Centers to meet current and anticipated data service requirements. Funding will also be utilized for upgrading infrastructure requirements.
- *Acquisition Workforce*: The FY 2011 request includes an increase of \$24.2M to strengthen the Department's acquisition workforce capacity and capabilities. The increase is requested to mitigate the risks associated with skill gaps of the acquisition workforce, ensure that the Department achieves the best terms possible in major acquisitions and improve the effectiveness of the workforce.
- *Science and Technology (S&T) Safe Container (SAFECON)/Time Recorded Ubiquitous Sensor Technology (TRUST) R&D*: A total of \$8M is requested for the S&T SAFECON and TRUST programs. These initiatives develop high reliability, high-throughput detection technologies to scan cargo containers entering the country for weapons of mass destruction, explosives, contraband and human cargo.

- *Grants*: A total of \$4B is requested for grant programs to support our nation’s first responders. This funding assists state and local governments in the prevention of, protection against, response to and recovery from incidents of terrorism and other events.

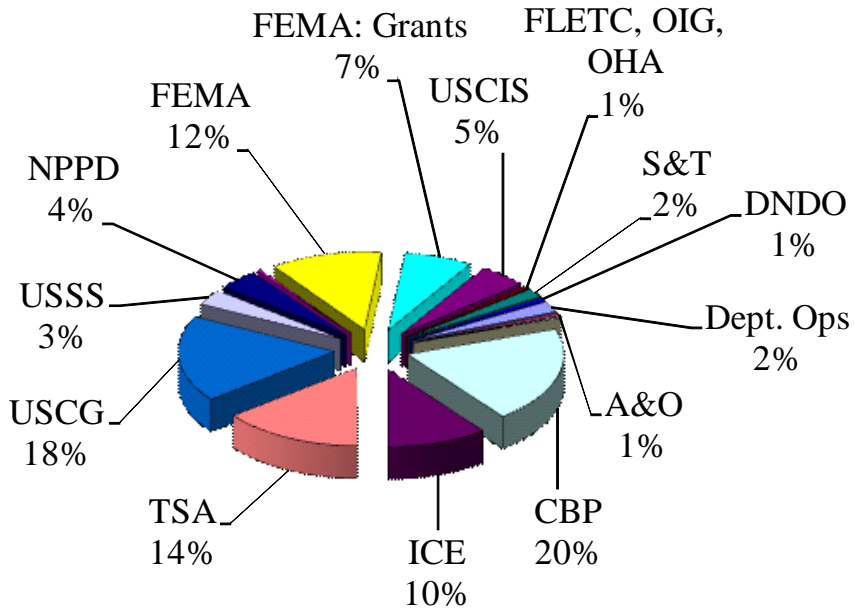
TOTAL BUDGET AUTHORITY

Dollars in Thousands



- FY 2011 Gross Discretionary funding increases by \$1.1 billion, or 2 percent, over FY 2010.
- There is an decrease of \$123 million, or 1 percent, in estimated budget authority for Mandatory, Fees, and Trust Funds over FY 2010.
- Excludes supplemental funding and rescissions of prior-year carryover funds.

FY 2011
Percent of Total Budget Authority by Organization
\$56,335,737,000



Notes: Departmental Operations is composed 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, the Office of the Chief Information Officer and the National Special Security Event Fund.

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

	FY 2009 Revised Enacted ¹	FY 2010 Revised Enacted ²	FY 2011 President's Budget	FY 2011 +/- FY 2010 Enacted	FY 2011 +/- FY 2010 Enacted
	\$000	\$000	\$000	\$000	%
Departmental Operations ³	\$ 659,109	\$ 802,931	\$ 1,270,821	\$ 467,890	58%
Analysis and Operations	327,373	335,030	347,930	12,900	4%
Office of the Inspector General	114,513	113,874	129,806	15,932	14%
U.S. Customs & Border Protection	11,250,652	11,449,283	11,180,018	(269,265)	-2%
U.S. Immigration & Customs Enforcement	5,968,015	5,741,752	5,835,187	93,435	2%
Transportation Security Administration	6,992,778	7,656,066	8,164,780	508,714	7%
U.S. Coast Guard	9,624,179	10,122,963	10,078,317	(44,646)	0%
U.S. Secret Service	1,640,444	1,702,644	1,811,617	108,973	6%
National Protection and Programs Directorate	1,188,263	2,432,755	2,361,715	(71,040)	-3%
Office of Health Affairs	157,621	139,250	212,734	73,484	53%
Federal Emergency Management Agency	5,971,159	6,194,268	6,527,406	333,138	5%
FEMA: Grant Programs	4,220,858	4,165,200	4,000,590	(164,610)	-4%
U.S. Citizenship & Immigration Services	2,876,348	2,859,997	2,812,357	(47,640)	-2%
Federal Law Enforcement Training Center	332,986	282,812	278,375	(4,437)	-2%
S&T Directorate	932,587	1,006,471	1,018,264	11,793	1%
Domestic Nuclear Detection Office	514,191	383,037	305,820	(77,217)	-20%
TOTAL:	\$ 52,771,076	\$ 55,388,333	\$ 56,335,737	\$ 947,404	1.71%
Less Rescission of Prior Year Carryover Funds: ⁴	(61,373)	(40,474)	-	40,474	-100%
ADJUSTED TOTAL BUDGET AUTHORITY:	\$ 52,709,703	\$ 55,347,859	\$ 56,335,737	\$ 987,878	2%
SUPPLEMENTAL: ⁵	\$ 3,354,503	\$ 295,503	\$ -	\$ (295,503)	\$ -
Less Rescission of Prior Year Carryover Funds: ⁵	\$ (100,000)	\$ -	\$ -	\$ -	\$ -

1/ FY 2009 revised enacted reflects:

- Net reprogramming/transfer adjustments for OSEM (\$17.4 million); OIG (\$16.0 million); CBP (\$-24.1 million); ICE (\$16.4 million); TSA (14.4 million); USCG (\$400 million); USSS (\$ 2.5 million); NPPD (\$30 million); OHA (\$430 million); FEMA (\$-39.5 million).
- Technical adjustments to revise fee/trust fund estimates for ICE - Immigration Inspection User Fee (\$7.0 million); ICE - Detention and Removal Examination Fee (\$1.4 million); ICE - Breached Bond/Detention Fund (\$15.0 million); 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); CIS (\$185.4 million); USCG (\$7.9 million).
- Realignment of USCG 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).
- Scorekeeping adjustment for a rescission of prior year unobligated balances from USCG - AC&I (-\$20.0 million).

2/ FY 2010 revised enacted reflects:

- Technical adjustments for TSA Aviation Security Fees of (\$128.9 million); USCG Health Care Fund (\$5.0 million).
- Scorekeeping adjustment for a rescission of prior year unobligated balances from USCG - AC&I (-\$.800 million).
- For comparability purposes, excludes USCG Overseas Contingency Operations (\$241.5 million) and National Science Foundation transfer to USCG of \$54.0 million.

3/ 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, the Office of the Chief Information Officer, and the National Special Security Events Fund (NSSE).

4/ 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). Pursuant to P.L. 111-83, reflects FY 2010 rescissions of prior year unobligated balances: Analysis and Operations (-\$2.4 million); TSA (-\$4.0 million); Counter-Terrorism Fund (-\$5.6 million); FEMA (-\$5.6 million); S&T (-\$6.9 million); DNDO (-\$8.0 million).

5/ In order to obtain comparable figures, Net Discretionary, Gross Discretionary, and Total Budget Authority excludes:

- FY 2009 supplemental funding pursuant to P.L. 110-252: USCG (\$112 million).
- FY 2009 supplemental funding pursuant to P.L. 111-5 (ARRA): USM (\$200 million); OIG (\$5 million); CBP (\$680 million); ICE (\$20 million); TSA (\$1.0 Billion); USCG (\$240 million); FEMA (\$610 million).
- FY 2009 supplemental funding pursuant to P.L. 111-8: USSS (\$100 million).
- FY 2009 supplemental funding pursuant to P.L. 111-32: CBP (\$51.2 million); ICE (\$66.8 million); USCG (\$139.5 million); FEMA (\$130.0 million).
- Pursuant to P.L. 111-32 reflects FY 2009 rescissions of prior year unobligated balances: FEMA (-\$100.0 million).
- FY 2010 Overseas Contingency Operations funding provided in P.L. 111-83: USCG (\$241.5 million);
- FY 2010 Supplemental funding pursuant to P.L. 111-117: USCG (\$54.0 million);

NET DISCRETIONARY AUTHORITY BY ORGANIZATION
Excludes Discretionary Offsetting Fees & Mandatory, Non-Offsetting Fees, & Trust Funds

	FY 2009 Revised Enacted ¹	FY 2010 Revised Enacted ²	FY 2011 President's Budget	FY 2011 +/- FY 2010 Enacted	FY 2011 +/- FY 2010 Enacted
	\$000	\$000	\$000	\$000	%
Departmental Operations ³	\$ 659,109	\$ 802,931	\$ 1,270,821	\$ 467,890	58%
Analysis and Operations	327,373	335,030	347,930	12,900	4%
Office of the Inspector General	114,513	113,874	129,806	15,932	14%
U.S. Customs & Border Protection	9,803,667	10,134,554	9,817,117	(317,437)	-3%
U.S. Immigration & Customs Enforcement	5,005,615	5,436,952	5,523,800	86,848	2%
Transportation Security Administration	4,369,358	5,129,505	5,724,000	594,495	12%
U.S. Coast Guard	8,104,707	8,541,749	8,466,537	(75,212)	-1%
U.S. Secret Service	1,415,444	1,482,644	1,571,617	88,973	6%
National Protection and Programs Directorate	1,188,263	1,317,755	1,246,715	(71,040)	-5%
Office of Health Affairs	157,621	139,250	212,734	73,484	53%
Federal Emergency Management Agency	2,777,560	2,963,268	3,292,860	329,592	11%
FEMA: Grant Programs	4,220,858	4,165,200	4,000,590	(164,610)	-4%
U.S. Citizenship & Immigration Services	152,490	224,000	385,800	161,800	72%
Federal Law Enforcement Training Center	332,986	282,812	278,375	(4,437)	-2%
S&T Directorate	932,587	1,006,471	1,018,264	11,793	1%
Domestic Nuclear Detection Office	514,191	383,037	305,820	(77,217)	-20%
TOTAL:	\$ 40,076,342	\$ 42,459,032	\$ 43,592,786	\$ 1,133,754	2.67%
Less Rescission of Prior Year Carryover Funds: ⁴	(61,373)	(40,474)	-	40,474	-100%
Mandatory, Fees, and Trusts	12,694,734	12,929,301	12,742,951		
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5/ In order to obtain comparable figures, Net Discretionary, Gross Discretionary, and Total Budget Authority excludes:

- FY 2009 supplemental funding pursuant to P.L. 110-252: USCG (\$112 million).
- FY 2009 supplemental funding pursuant to P.L. 111-5 (ARRA): USM (\$200 million); OIG (\$5 million); CBP (\$680 million); ICE (\$20 million); TSA (\$1.0 Billion); USCG (\$240 million); FEMA (\$610 million);
- FY 2009 supplemental funding pursuant to P.L. 111-8: USSS (\$100 million).
- FY 2009 supplemental funding pursuant to P.L. 111-32: CBP (\$51.2 million); ICE (\$66.8 million); USCG (\$139.5 million); FEMA (\$130.0 million).
- Pursuant to P.L. 111-32 reflects FY 2009 rescissions of prior year unobligated balances: FEMA (-\$100.0 million).
- FY 2010 Overseas Contingency Operations funding provided in P.L. 111-83: USCG (\$241.5 million);
- FY 2010 Supplemental funding pursuant to P.L. 111-117: USCG (\$54.0 million);

KEY FY 2009 ACCOMPLISHMENTS & REFORMS

In 2009, our 230,000 employees strengthened existing efforts and launched new initiatives to meet our five key responsibilities: guarding against terrorism; securing our borders; engaging in smart, effective enforcement of immigration laws; preparing for, responding to and recovering from disasters of all kinds; and building a mature and unified Department.

DHS has emphasized three cross-cutting approaches to achieve these aims—increasing cooperation with federal, state, tribal, local, private sector, and international partners; deploying the latest science and technology to support our mission; and maximizing efficiency and streamlining operations across the Department.

As a result, we have made major advances in addressing new and emerging threats to keep our homeland safe, fostering lawful trade and travel and continuing to build a ready and resilient nation able to meet the challenges of the 21st century. The following are some key initiatives accomplished this past year.

Guarding Against Terrorism and Threats to Cyber Networks and Critical Infrastructure

Protecting the American people from terrorist threats is the founding purpose of the Department and a top priority. Over the past year, DHS has continued to guard against terrorism by enhancing explosives detection and other protective measures in public spaces and transportation networks, working with the private sector to protect critical infrastructure and cyber networks from attack, improving detection of chemical, biological, radiological, and nuclear materials, and building information-sharing partnerships with state and local law enforcement that enable law enforcement to better mitigate threats.

- Fulfilling a key 9/11 Commission recommendation, TSA began implementing Secure Flight, which prescreens passenger name, date of birth and gender against government watch lists for domestic and international flights.
- TSA achieved the 9/11 Act requirement of screening 50 percent of air cargo transported on domestic passenger aircrafts by February 3, 2009. Currently, 100 percent of cargo is screened on more than 95 percent of flights originating in the United States and 100 percent of all baggage is screened for explosives
- The Domestic Nuclear Detection Office directly trained more than 3,600 federal, state and local officers and first responders in radiological and nuclear detection and began demonstrating the first-of-its-kind Cargo Advanced Automated Radiography System, which aims to detect special nuclear materials and shielding material in cargo at ports of entry.
- DHS opened the new National Cyber Security and Communications Integration Center—a 24-hour, DHS-led coordinated watch and warning center that will improve national efforts to address threats and incidents affecting the Nation’s critical IT and cyber infrastructure.
- DHS worked with the Office of Personnel Management to attain new authority to recruit and hire up to 1,000 cyber security professionals across the Department over the next 3 years to

help fulfill DHS' broad mission to protect the Nation's cyber infrastructure, systems and networks.

- S&T partnered with the U.S. Secret Service, industry and academia to digitize more than 9,000 ink samples to expedite the investigation of criminal and terrorist activities by reducing matching times from days to minutes.
- DHS held the 5-day National Level Exercise 2009—the first national level exercise to focus on terrorism prevention—in conjunction with federal, state, local, tribal, private sector and international partners.
- In accordance with the Chemical Facilities Anti-Terrorism Standards Act (CFATS), which allows DHS to regulate the security measures at high-risk chemical facilities, DHS is working with 2,300 facilities on strengthening security measures. In 2009, DHS received Site Security Plans from over 900 regulated facilities.
- DHS signed agreements to prevent and combat crime with Italy, Greece, Portugal and Spain. These agreements allow for the exchange of biometric and biographic data to bolster counterterrorism and law enforcement efforts while emphasizing privacy protections.
- DHS and Spanish Interior Minister Perez Rubalcaba signed a Declaration of Principles formalizing the Immigration Advisory Program—which identifies high-risk travelers at foreign airports before they board aircraft bound for the United States.
- DHS forged partnerships with Germany and Spain to facilitate scientific research and collaboration to combat transnational threats.
- DHS and Canadian Public Safety Minister Peter Van Loan announced a series of cooperative initiatives between the United States and Canada to address terrorism and organized crime while expediting the lawful flow of travel and trade—including a biometric data sharing initiative also involving Australia, the United Kingdom and, eventually, New Zealand.

Securing our Borders while Facilitating Lawful Travel and Trade

In 2009, DHS continued to strengthen security on the Southwest border through additional manpower and new technology to disrupt the flow of illegal drug, cash and weapon smuggling that fuels cartel violence in Mexico. The Department also reinforced security on the northern border while facilitating lawful travel and trade.

- The Obama administration announced the Southwest Border Security Initiative, a joint effort of the Departments of Homeland Security, Justice and State to crack down on Mexican drug cartels by enhancing border security through additional personnel, increased intelligence capability and better coordination with state, local and Mexican law enforcement authorities. As of December 8, 2009, CBP has seized more than \$38.3 million in southbound currency—an increase of more than \$29.3 million compared to the same period in 2008. In total thus far in 2009, CBP and ICE have seized more than \$101.7 million and nearly 1.59 million

kilograms of drugs—an increase of more than \$48.2 million and more than 423,167 kilograms of drugs compared to the same period in 2008.

- DHS implemented the Western Hemisphere Travel Initiative for land and sea travel to the United States, increasing border security while facilitating lawful travel and trade by requiring U.S. and Canadian citizens to present a passport or other approved secure document that denotes identity and citizenship when crossing the border.
- DHS and the Department of Justice joined with the Office of National Drug Control Policy to release the National Southwest Border Counternarcotics Strategy, the Obama administration's strategy to stem the flow of illegal drugs and their illicit proceeds across the southwest border and reduce associated crime and violence.
- The Department announced the expansion of Global Entry—a CBP pilot program that streamlines the screening process at airports for trusted travelers through biometric identification—as a permanent voluntary program at airports across the United States. Global Entry reduces average wait times by more than 70 percent and more than 75 percent of travelers using Global Entry are admitted in less than five minutes.
- DHS launched a joint Coast Guard-CBP effort to use Predator Unmanned Aerial Systems (UAS) to provide improved surveillance of the United States' maritime borders. DHS will conduct the first UAS operations along maritime borders in 2010.
- DHS, the Department of Justice and the Government of Mexico signed a Letter of Intent to develop a coordinated and intelligence-driven response to the threat of cross-border smuggling and trafficking of weapons and ammunition. This first-of-its-kind arrangement leverages the combined investigative capabilities of ICE, the Bureau of Alcohol, Tobacco, Firearms and Explosives and the Attorney General of Mexico to combat violence and criminal activity along the U.S.-Mexico border.
- Through Global Entry, DHS launched a first-of-its-kind initiative with the Netherlands to open membership in U.S. and Dutch expedited air travel programs to citizens of both countries in an effort to streamline entry processes for pre-screened fliers.

Engaging in Smart, Effective Immigration Law Enforcement

Over the past year, DHS has strengthened its immigration enforcement activities, targeting criminal aliens and employers who violate the nation's immigration laws, while making improvements to the legal immigration system.

- DHS implemented a new, comprehensive strategy to reduce the demand for illegal employment and protect employment opportunities for the Nation's lawful workforce by targeting employers who knowingly hire illegal workers through investigations, prosecution and civil and criminal penalties. Since January 2009, DHS' new worksite enforcement policies have led to 1,897 cases and 2,069 Form I-9 inspections targeting employers, 58 companies and 62 individuals debarred, and 142 Notices of Intent to Fine totaling \$15,865,181 issued.

- DHS is reforming the immigration detention system, enhancing security and efficiency nationwide while prioritizing the health and safety of detainees. New initiatives include creating an Office of Detention Policy and Planning to ensure uniform conditions of confinement, medical care and design; implementing a medical classification system; centralizing all detention facility contracts under ICE headquarters' supervision; developing a plan for alternatives to detention; more than doubling the number of federal personnel providing onsite oversight at the facilities where the majority of detainees are housed; creating two advisory boards comprised of community and immigration advocacy groups; and establishing an independent Office of Detention Oversight reporting directly to the ICE Assistant Secretary.
- DHS expanded the Secure Communities initiative—which uses biometric information to target criminal aliens in U.S. correctional facilities—from 14 to 107 locations in 2009, reflecting an increased emphasis on identifying and removing criminal aliens who pose the greatest threat to public safety. To date, the program has identified more than 111,000 aliens in jails and prisons who have been charged with or convicted of criminal offenses.
- USCIS and the FBI cleared the backlog of a year or more for background checks on people seeking to work and live in the United States or become citizens—reflecting DHS' commitment to quick, thorough and fair adjudication of immigration applications. The vast majority of these checks are now answered within 30 days. At the end of fiscal year 2009, USCIS also reduced the backlog of pending immigration applications and petitions by more than 90 percent and reduced average processing times for naturalization applicants by nearly 5 months as compared to FY 2008.
- USCIS launched a redesigned website—available in English and Spanish—which provides a one-stop location for immigration services and information, including real-time alerts on the status of immigration applications via text message and e-mail.
- USCIS increased employer participation in E-Verify, the nation's preeminent employment eligibility verification system, from 88,000 companies at the end of FY 2008 to more than 177,000 employers today.

Preparing for, Responding to and Recovering from Disasters

In the event of a terrorist attack, natural disaster or other large-scale emergency, the Department provides a coordinated, comprehensive federal response and works with federal, state, local, and private sector partners to ensure a swift and effective recovery effort. This year, DHS increased efforts to build a ready and resilient nation by providing grants and training to our homeland security and law enforcement partners, coordinating the federal government's response to H1N1, and streamlining rebuilding and recovery along the Gulf Coast.

- DHS led the federal response to the H1N1 outbreak, creating regional coordination teams comprised of representatives from DHS and the Departments of Defense and Health and Human Services to oversee, coordinate and execute national incident management responsibilities. DHS also coordinated outreach efforts to congressional, state, local, tribal, private sector and international officials regarding the H1N1 outbreak.

- Since January 20, 2009, Louisiana and Mississippi have received more than \$2.1 billion in public assistance from DHS, including \$125 million for debris removal and emergency protective measures, \$935.5 million in public works and infrastructure projects, \$258 million for mitigation activities to increase resilience and more than \$542 million for K-12 education. In addition, more than 6,000 displaced households in Louisiana and Mississippi have been transitioned to permanent housing.
- To cut through red tape and streamline and expedite the decision-making process for public assistance for recovery efforts in the Gulf Coast, DHS established two joint public assistance teams and a new arbitration process to resolve longstanding issues over public assistance funding. Over the past 10 months, the Joint Expediting Team and the Unified Public Assistance Project Decision Team have resolved 156 projects, distributing more than \$100 million dollars to support the repair and replacement of fire and police stations, schools like the Southern University of New Orleans and Holy Cross School, libraries and other infrastructure critical to the recovery of Gulf Coast communities.
- FEMA has responded to 47 declared disasters since January 21, 2009, including the Red River flooding in North Dakota and Minnesota, the September flooding in Georgia and the earthquake and tsunami that struck American Samoa.

Unifying and Maturing DHS

Six years since the Department's creation, DHS' goal remains the same: one enterprise dedicated to a shared vision for homeland security. Over the past year, DHS implemented a series of wide-ranging efficiency initiatives that leverage the economies of scale in DHS in order to recover millions of dollars and create a culture of responsibility and fiscal discipline. At the same time, the Department leveraged new technology to improve DHS operations, coordination and outreach.

- DHS broke ground on its new headquarters at the St. Elizabeths Campus. While DHS currently operates in more than 40 offices around the National Capitol Region, the consolidated headquarters will unify DHS' many components into one cohesive department and is expected to save taxpayers \$163 million over the next 30 years.
- DHS launched the Efficiency Review Initiative to improve efficiency, streamline operations and promote greater accountability, transparency and customer satisfaction through a series of initiatives—including eliminating non-mission critical travel, renegotiating contracts, utilizing government facilities instead of private rentals, reducing printing and postal mail and maximizing the use of web-based communication, training and meetings, implementing energy efficiencies in DHS facilities and maximizing DHS' buying power to receive the lowest price possible when acquiring office supplies and software licenses. These initiatives collectively are expected to lead to hundreds of millions of dollars in cost avoidances. This past year, DHS identified more than \$100 million in cost savings including \$22 million by eliminating non-mission critical travel; \$16 by utilizing software licensing agreements DHS-wide; \$7 million through the mandatory review of contracts; \$9 million by eliminating redundancy in processing mariner credentials; \$8 million by consolidating the DHS sensitive-but-unclassified portal system; almost \$4 million by posting documents online or using e-mail in lieu of printing and postal mail; \$2 million by streamlining boat maintenance and support schedules; \$2 million by utilizing government facilities instead of private

rentals; almost \$2 million by increasing energy efficiencies at facilities and many more examples across the Department.

- S&T launched the Virtual USA initiative, an innovative, information-sharing initiative that helps federal, state, local and tribal first responders communicate during emergencies by linking disparate tools and technologies in order to share the location and status of critical assets and information—such as power and water lines, flood detectors, helicopter-capable landing sites, emergency vehicle and ambulance locations, weather and traffic conditions, evacuation routes and school and government building floor plans—across federal, state, local and tribal governments.

Selected DHS High Priority Performance Goals

Preventing Terrorism and Enhancing Security

- **Improve security screening of passengers, baggage, and employees while expediting the movement of the traveling public (aviation and surface transportation security).**

FY2011 Initiatives include deploying new technology, law enforcement and canine assets at domestic airports, enhancing checkpoint technology, implementing the Transportation Workers Identification Credential (TWIC) program—which requires transportation workers to obtain a biometric identification card to gain access to secure areas of transportation facilities, and strengthening our Visible Intermodal Prevention and Response (VIPR) teams— which use unpredictability to deter, detect, and disrupt potential terrorist activities, will help us to achieve these goals.

Securing and Managing Our Borders

- **Prevent terrorist movement at land ports of entry and maritime borders through enhanced screening while expediting the flow of legitimate travel.**

FY2011 initiatives include implementing the Western Hemisphere Travel Initiative by deploying new technology, upgrading our processing capabilities at border checkpoints, and enhancing information sharing among law enforcement, as well as continuing recapitalization of aging Coast Guard surface and air assets to quickly and effectively respond to emerging threats.

Enforcing and Administering Our Immigration Laws

- **Improve the efficiency of the process to detain and remove illegal immigrants from the United States.**
- **Improve the delivery of immigration services.**

FY2011 initiatives include increasing our targets for detaining and removing dangerous criminal aliens from the United States through our Secure Communities program—which uses biometrics to identify and remove criminal aliens incarcerated in state and local jails—by four percent per

year. Additionally, we will improve the delivery of immigration services by modernizing our adjudication process for new immigrants and potential citizens.

Ensuring Resilience to Disasters

- **Strengthen disaster preparedness and response by improving FEMA's operational capabilities and enhancing State, local and private citizen preparedness**

In FY2011, FEMA will continue to enhance its training programs to help state and local entities prepare for all types of disasters. FEMA is also developing a national strategy to house up to half a million households within sixty days of a disaster—increasing current capacity by 200 percent.

Maturing and Strengthening the Homeland Security Enterprise

- **Mature and unify the Homeland Security Enterprise through effective information sharing.**
- **Improve acquisition execution across the DHS acquisition portfolio, by ensuring key acquisition expertise resides in major program office and acquisition oversight staffs throughout the Department.**

In FY2011, our efforts will focus on information sharing across all departmental components. Additionally, the department is undertaking an initiative to enhance the capability and capacity of its acquisition workforce to ensure that major acquisition projects do not exceed cost, schedule, and performance objectives.

We will focus on these goals over the next two years and continue to work closely with the Office of Management and Budget in the monitoring and reporting of milestones and performance measures associated with them. As we continue the Bottom-Up Review associated with the QHSR, we may update these goals and associated measures.

CONCLUSION

The FY 2011 budget proposal reflects this administration's continued commitment to protecting the homeland and the American people through the effective and efficient use of DHS resources. As outlined in my testimony today, the Department will build on past successes in several areas including information sharing with our partners, aviation and port security measures and immigration reform efforts.

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 2011 Budget Request and other issues.