Congressional Research Service
Informing the legislative debate since 1914

# Department of Homeland Security Appropriations: FY2016

Updated January 14, 2016

**Congressional Research Service**
https://crsreports.congress.gov
R44053

**CRS REPORT**
Prepared for Members and
Committees of Congress

# Summary

This report discusses the FY2016 appropriations for the Department of Homeland Security (DHS) and provides an overview of the Administration's FY2016 request. The report makes note of many budgetary resources provided to DHS, but its primary focus is on funding approved by Congress through the appropriations process. It also includes an **Appendix** with definitions of key budget terms used throughout the suite of Congressional Research Service reports on homeland security appropriations. It also directs the reader to other reports providing context for and additional details regarding specific component appropriations and issues engaged through the FY2016 appropriations process.

The Administration requested $41.4 billion in adjusted net discretionary budget authority for DHS for FY2016, as part of an overall budget that the Office of Management and Budget estimates to be $64.8 billion (including fees, trust funds, and other funding that is not annually appropriated or does not score against discretionary budget limits). The request amounted to a $1.7 billion, or 4.4%, increase from the $39.7 billion enacted for FY2015 through the Department of Homeland Security Appropriations Act, 2015 (P.L. 114-4).

The Administration also requested an additional $6.7 billion not reflected above for the Federal Emergency Management Agency (FEMA) in disaster relief funding, as defined by the Budget Control Act (BCA, P.L. 112-25), and a $160 million transfer from the Navy to the Coast Guard for overseas contingency operations (OCO) funding. Neither the disaster relief funding nor the OCO funding is considered when calculating the total amount of adjusted net discretionary budget authority, as neither count against the discretionary spending limit.

On June 18, 2015, the Senate Committee on Appropriations reported out S. 1619, accompanied by S.Rept. 114-68. S. 1619 included $40.2 billion in adjusted net discretionary budget authority for FY2016. This was $1.2 billion (2.9%) below the level requested by the Administration, but over $0.5 billion (1.4%) above the enacted level for FY2015. The Senate committee-reported bill included the Administration-requested levels for disaster relief funding and OCO funding covered by BCA adjustments—the latter as an appropriation in the DHS appropriations bill rather than the requested transfer.

On July 14, 2015, the House Committee on Appropriations reported out H.R. 3128, accompanied by H.Rept. 114-215. H.R. 3128 included $39.3 billion in adjusted net discretionary budget authority for FY2016. This was almost $2.1 billion (5.0%) below the level requested by the Administration, and $337 million (0.8%) below the FY2015 enacted level. While the House-reported bill included the Administration-requested level for disaster relief funding, overseas contingency operations funding for the Coast Guard covered by BCA adjustments was provided in the House-passed Department of Defense appropriations act as a transfer from the Navy—therefore it is not included in the total funding in this bill for DHS.

On December 18, 2015, the President signed into law P.L. 114-113, the Consolidated Appropriations Act, 2016, Division F of which was the Department of Homeland Security Appropriations Act, 2016. The act included almost $41.0 billion in adjusted net discretionary budget authority for DHS for FY2016, almost $1.3 billion more than was provided for FY2015, and $443 million less than was requested. The enacted bill included the requested overseas contingency operations and disaster relief funding as well.

This report will be updated in the event a supplemental appropriation is provided for DHS for FY2016.

# Contents

Introduction ..... 1
Note on Data and Citations ..... 1
Summary of DHS Appropriations ..... 2
Homeland Security Appropriations ..... 4
Departmental Management and Operations ..... 6
Security, Enforcement, and Investigations ..... 7
Protection, Preparedness, Response, and Recovery ..... 9
Research and Development, Training, and Services ..... 11
Crosscutting Issues for the Department of Homeland Security ..... 12
Discretionary Spending Limits ..... 12
Federal Pay Issues ..... 13
Execution of Personnel Funding ..... 14
Reception and Representation Expenses ..... 16
For Further Information ..... 16

## Tables

Table 1. Budgetary Resources for Departmental Management and Operations Components, FY2015 and FY2016 ..... 6
Table 2. Budgetary Resources for Security, Enforcement, and Investigations, FY2015 and FY2016 ..... 7
Table 3. Budgetary Resources for Protection, Preparedness, Response, and Recovery, FY2015 and FY2016 ..... 9
Table 4. Budgetary Resources for Research and Development, Training, and Services FY2015 andFY2016 ..... 11
Table 5. DHS Appropriations Experts ..... 16

Table A-1. FY2015 and FY2016 302(b) Discretionary Allocations for DHS ..... 20

## Appendixes

Appendix. Appropriations Terms and Concepts ..... 18

## Contacts

Author Information ..... 21

# Introduction

This report describes and analyzes annual appropriations for the Department of Homeland Security (DHS) for FY2016. It compares the enacted FY2015 appropriations for DHS, the Administration's FY2016 budget request, the appropriations proposed by Congress in response, and those enacted thus far. This report identifies additional informational resources, reports, and products on DHS appropriations that provide additional context for the discussion, and it provides a list of CRS policy experts whom clients may consult with inquiries on specific topics.

The suite of CRS reports on homeland security appropriations tracks legislative action and congressional issues related to DHS appropriations, with particular attention paid to discretionary funding amounts. The reports do not provide in-depth analysis of specific issues related to mandatory funding—such as retirement pay—nor do they systematically follow other legislation related to the authorization or amending of DHS programs, activities, or fee revenues.

Discussion of appropriations legislation involves a variety of specialized budgetary concepts. The **Appendix** to this report explains several of these concepts, including budget authority, obligations, outlays, discretionary and mandatory spending, offsetting collections, allocations, and adjustments to the discretionary spending caps under the Budget Control Act (P.L. 112-25). A more complete discussion of those terms and the appropriations process in general can be found in CRS Report R42388, *The Congressional Appropriations Process: An Introduction*, by Jessica Tollestrup, and the Government Accountability Office's *A Glossary of Terms Used in the Federal Budget Process*.[1]

## Note on Data and Citations

Except in summary discussions and when discussing total amounts for the bill as a whole, all amounts contained in the suite of CRS reports on homeland security appropriations represent budget authority and are rounded to the nearest million. However, for precision in percentages and totals, all calculations were performed using unrounded data.

Data used in this report for FY2015 amounts are derived from the Department of Homeland Security Appropriations Act, 2015 P.L. 114-4) and the explanatory statement that accompanied H.R. 240 as printed in the *Congressional Record* of January 13, 2015, pages H275-H322. Contextual information on the FY2016 request is generally from the *Budget of the United States Government, Fiscal Year 2016*, the FY2016 DHS congressional budget justifications, and the FY2016 DHS *Budget in Brief*.[2] However, most data used in CRS analyses in reports on DHS appropriations is drawn from congressional documentation to ensure consistent scoring whenever possible. Data on the FY2016 budget request and Senate-reported recommended funding levels are from S. 1619 and S.Rept. 114-68. Information on the House-reported recommended funding levels is from H.R. 3128 and H.Rept. 114-215. Data for FY2016 are derived from P.L. 114-113, the Omnibus Appropriations Act, 2016—Division F of which is the Homeland Security Appropriations Act, 2016—and the accompanying explanatory statement published in Books II and III of the *Congressional Record* for December 17, 2015.

[1] U.S. Government Accountability Office, *A Glossary of Terms Used in the Federal Budget Process*, GAO-05-734SP, September 1, 2005, http://www.gao.gov/products/GAO-05-734SP.

[2] On April 14, 2016, the Administration submitted technical amendments to its budget request, but it presented no adjustments to its totals for the department. Therefore, modifications to authorization for Customs and Border Protection to use certain fee revenues are not reflected in this report.

## Summary of DHS Appropriations

Generally, the homeland security appropriations bill includes all annual appropriations provided for DHS, allocating resources to every departmental component. Discretionary appropriations[3] provide roughly two-thirds to three-fourths of the annual funding for DHS operations, depending how one accounts for disaster relief spending and funding for overseas contingency operations. The remainder of the budget is a mix of fee revenues, trust funds, and mandatory spending.

Appropriations measures for DHS typically have been organized into five titles.[4] The first four are thematic groupings of components:

- Title I, **Departmental Management and Operations,** the smallest of the first four titles, contains appropriations for the Office of the Secretary and Executive Management (OSEM), the Office of the Under Secretary for Management (USM), the Office of the Chief Financial Officer, the Office of the Chief Information Officer (CIO), Analysis and Operations (A&O), and the Office of the Inspector General (OIG).
    - The Administration requested $1,396 million in FY2016 net discretionary budget authority for components included in this title.[5] The appropriations request was $255 million (22.3%) more than was provided for FY2015.
    - Senate-reported S. 1619 envisioned the components included in this title receiving $1,346 million in net discretionary budget authority. This would have been $50 million (3.6%) less than requested, but $205 million (18.0%) more than was provided in FY2015.
    - House-reported H.R. 3128 envisioned the components included in this title receiving $1,217 million in net discretionary budget authority, a $179 million (12.8%) decrease from the request and $76 million (6.7%) above FY2015.
    - Division F of P.L. 114-113 included $1,546 million in net discretionary budget authority for the components in this title,[6] a $150 million (10.7%) increase from the request and $405 million (35.5%) above FY2015.
- Title II, **Security, Enforcement, and Investigations,** comprising roughly three-quarters of the funding appropriated for the department, contains appropriations for Customs and Border Protection (CBP), Immigration and Customs Enforcement (ICE), the Transportation Security Administration (TSA), the Coast Guard (USCG), and the Secret Service.

[3] Generally speaking, those provided through annual legislation. For more detail, see the **Appendix**.

[4] Although the House and Senate generally produce symmetrically structured bills, this is not always the case. Additional titles are sometimes added by one of the chambers to address special issues. For example, the FY2012 House full committee markup added a sixth title to carry a $1 billion emergency appropriation for the Disaster Relief Fund (DRF). The Senate version carried no additional titles beyond the five described above. For FY2016, the House- and Senate-reported versions of the DHS appropriations bill were generally symmetrical.

[5] In addition to the appropriations provided in Title I, under the request, the DHS Office of Inspector General (OIG) would receive $24 million in a transfer from the Disaster Relief Fund appropriation, and $43 million for financial systems modernization in general provisions. Funding for DHS headquarters consolidation is included in these totals, although funding is often provided in general provisions.

[6] In addition to the appropriations provided in Title I, Division F of P.L. 114-113 includes $24 million in a transfer from the Disaster Relief Fund appropriation, and $419 million in funding through general provisions. The latter funding is discussed in detail in CRS Report R44186, *DHS Appropriations FY2016: Departmental Management and Operations*.

- The Administration requested $32,481 million in FY2016 net discretionary budget authority for components included in this title, as part of a total budget for these components of $39,431 million for FY2016.[7] The appropriations request was $807 million (2.5%) more than was provided for FY2015.
- Senate-reported S. 1619 envisioned the components included in this title receiving $32,484 million in net discretionary budget authority. This would have been $3 million (0.01%) more than requested, and $810 million (2.6%) more than was provided in FY2015.
- House-reported H.R. 3128 envisioned the components included in this title receiving $32,182 million in net discretionary budget authority. This would have been $299 million (0.9%) less than requested, and $508 million (1.6%) more than was provided in FY2015.
- Division F of P.L. 114-113 included $33,062 million in net discretionary budget authority for the components in this title,[8] a $581 million (1.8%) increase from the request and $1,388 million (4.4%) above FY2015.

- Title III, **Protection, Preparedness, Response, and Recovery,** the second-largest of the first four titles, contains appropriations for the National Protection and Programs Directorate (NPPD), the Office of Health Affairs (OHA), and the Federal Emergency Management Agency (FEMA).
  - The Administration requested $6,222 million in FY2016 net discretionary budget authority for components included in this title, as part of a total budget for these components of $19,020 million for FY2016.[9] The appropriations request was $267 million (4.5%) more than was provided for FY2015.
  - Senate-reported S. 1619 envisioned the components included in this title receiving $6,291 million in net discretionary budget authority. This would have been $69 million (1.1%) more than requested, and $336 million (5.6%) more than was provided in FY2015.
  - House-reported H.R. 3128 envisioned the components included in this title receiving $6,122 million in net discretionary budget authority. This would

[7] In addition to the appropriations provided in Title II, under the request, U.S. Customs and Border Protection would receive $180 million in budget authority from a general provision that grants them the authority to expend fees raised under the Colombia Free Trade Act. Other resources that contribute to the budget for these components include mandatory spending, fee revenues, and trust funds.

[8] In addition to the appropriations provided in Title II, Division F of P.L. 114-113 includes a general provision under which, U.S. Customs and Border Protection would be authorized to expend fees raised under the Colombia Free Trade Act. CBO estimates $220 million in fees would be available under this provision.

[9] In addition to the appropriations provided in Title III, under the request, the Disaster Relief Fund would receive $6,713 million in budget authority that is accounted for by an adjustment to the discretionary spending limits set by the Budget Control Act (P.L. 112-25). Another $1,443 million is provided through offsetting collections to the Federal Protective Service—neither of these are included in the net discretionary budget total. Other resources that contribute to the budget for these components include mandatory spending, fee revenues, and trust funds, including the National Flood Insurance Fund.

have been $100 million (1.6%) less than requested, and $167 million (2.8%) more than was provided in FY2015.

- Division F of P.L. 114-113 included $6,353 in net discretionary budget authority for the components in this title,[10] a $131 million (2.1%) increase from the request and $398 million (6.7%) above FY2015.

- Title IV, **Research and Development, Training, and Services,** the second-smallest of the first four titles, contains appropriations for the U.S. Citizenship and Immigration Services (USCIS), the Federal Law Enforcement Training Center (FLETC), the Science and Technology Directorate (S&T), and the Domestic Nuclear Detection Office (DNDO).
  - The Administration requested $1,554 million in FY2016 net discretionary budget authority for components included in this title, as part of a total budget for these components of $5,427 million for FY2016. The appropriations request was $251 million (13.9%) less than was provided for FY2015.
  - Senate-reported S. 1619 envisioned the components included in this title receiving $1,451 million in net discretionary budget authority. This would have been $103 million (6.6%) less than requested, and $344 million (19.2%) less than was provided in FY2015.
  - House-reported H.R. 3128 envisioned the components included in this title receiving $1,503 million in net discretionary budget authority. This would have been $51 million (3.3%) less than requested, and $302 million (16.3%) less than was provided in FY2015.
  - Division F of P.L. 114-113 included $1,499 in net discretionary budget authority for the components in this title, a $55 million (2.2%) decrease from the request and $296 million (16.5%) below FY2015.

A fifth title contains general provisions, the impact of which may reach across the entire department, impact multiple components, or focus on a single activity. Rescissions of prior-year appropriations—cancellations of budget authority that reduce the net funding level in the bill—are found here. The Administration proposed rescinding $255 million in prior-year appropriations as part of its FY2016 budget request. Senate-reported S. 1619 included $1,359 million in rescissions, while House-reported H.R. 3128 included $1,692 million. Division F of P.L. 114-113 included $1,506 million in rescissions.

# Homeland Security Appropriations

The following tables present comparisons of FY2015 enacted and FY2016 requested, House and Senate appropriations committee-reported, and enacted appropriations for the department by

[10] In addition to the appropriations provided in Title III, though Division F of P.L. 114-113, the Disaster Relief Fund received $6,713 million in budget authority that is accounted for by an adjustment to the discretionary spending limits set by the Budget Control Act (P.L. 112-25). Another $1,443 million is provided through offsetting collections to the Federal Protective Service—neither of these are included in the net discretionary budget total. $24 million is transferred from the DRF to the OIG for oversight of disaster relief.

thematic grouping. References to titles refer to the organization of the funding in the FY2016 appropriations cycle, not the Administration's budget request.

The tables summarize the appropriations provided for each component, subtotaling the resources provided through the appropriations legislation. Indented text and bracketed numbers indicate resources either provided through provisions separate from the base appropriations for the component, or that do not count as net discretionary budget authority (see below). A subtotal for each component of total estimated resources that would be available under the legislation and from other sources (such as fees, mandatory spending, and trust funds) for the given fiscal year is also provided. At the bottom of each table, three totals indicate the total for the title on its own, the total for title's components in the entire bill, and the projected total FY2016 funding for the title's components from all sources (such as fees not governed by the bill, trust funds, etc.).

### DHS and "Adjusted" Net Discretionary Budget Authority

The annual DHS budget proposal includes a variety of funding mechanisms. For example, the FY2016 request envisions an appropriations bill that includes

- appropriations that are offset by agency collections, such as user fees;
- funding that is effectively not subject to the discretionary spending limits due to special designation;
- appropriations that are considered to be mandatory spending; and
- appropriations that are contingent on certain things happening.[11]

The appropriations bill also may include *rescissions*—cancellation of budget authority that otherwise would be available for obligation and thus is treated as negative spending. Also credited to the discretionary spending in the bill are two elements of "permanent indefinite discretionary spending" that are not included in the actual appropriations bill but are included in the discretionary spending total of the bill because of scorekeeping practices.

These numbers can be totaled in several different ways to summarize what is in the bill. For DHS, *net discretionary budget authority* includes all **discretionary budget authority** credited to the bill (thus excluding specially designated funding and mandatory spending), **net** of offsets (including any offsetting collections and fees).

In DHS budget documents, *net discretionary budget authority* does not take into account the impact of rescissions. However, *adjusted net discretionary budget authority* does take rescissions into account. This is the total that counts against discretionary spending limits, and it is the total used most commonly in debate on appropriations. To avoid confusion when readers interpret DHS documents, CRS reporting on DHS appropriations uses the DHS terminology to describe that total.

[11] Projections of the budget authority provided by these provisions may vary between the Office of Management and Budget and the Congressional Budget Office, but both include such appropriations in calculations of discretionary budget authority.

# Departmental Management and Operations

**Table 1. Budgetary Resources for Departmental Management and Operations Components, FY2015 and FY2016**

(budget authority in millions of dollars)

| Component/Appropriation | FY2015 Enacted | FY2016 Request | FY2016 Senate-Reported S. 1619 | FY2016 House-Reported H.R. 3128 | FY2016 Div. F, P.L. 114-113 |
|---|---|---|---|---|---|
| Office of the Secretary and Executive Management | 133 | 134 | 133 | 132 | 137 |
| Emergent Threats[a] | | | | | [50] |
| Office of the Under Secretary for Management | 188 | 193 | 185 | 194 | 197 |
| DHS Headquarters Consolidation | — | 216[b] | — | — | — |
| DHS Headquarters Consolidation (Title V) | [49] | — | [212] | [44] | [216] |
| Office of the Chief Financial Officer | 52 | 54 | 53 | 56 | 56 |
| Financial Systems Modernization (Title V) | [34] | [43[c]] | [36] | [53] | [53] |
| Office of the Chief Information Officer (OCIO) | 288 | 321 | 304 | 308 | 310 |
| OCIO Cyber Security Fund | — | — | — | — | [100] |
| Analysis and Operations | 256 | 269 | 263 | 265 | 265 |
| Office of the Inspector General | 119 | 142 | 134 | 141 | 137 |
| Transfer to OIG from FEMA's DRF (Title III)[d] | [24] | [24] | [24] | [24] | [24] |
| **Net Discretionary Budget Authority: Title I** | **1,035** | **1,329** | **1,074** | **1,096** | **1,103** |
| **Net Discretionary Budget Authority: Total for Departmental Management and Operations Components** | **1,141** | **1,396** | **1,346** | **1,217** | **1,546** |
| **Total Gross Budgetary Resources for Departmental Management and Operations Components** | **1,141** | **1,396** | **1,346** | **1,217** | **1,546** |

**Source:** CRS analysis of P.L. 114-4 and its explanatory statement as printed in the *Congressional Record* of January 13, 2015, pp. H275-H322, the FY2016 DHS *Budget-in-Brief,* S. 1619, S.Rept. 114-68, H.R. 3128, H.Rept. 114-215, and Div. F of P.L. 114-113 and its explanatory statement as printed in the *Congressional Record* of December 17, 2015, pp. H10161-H10210.

**Notes:** Table displays rounded numbers, but all operations were performed with unrounded data. Therefore, amounts may not sum to totals. FEMA = Federal Emergency Management Agency; DRF = Disaster Relief Fund.

a. This funding, Provided in Title V, is associated with the Office of the Secretary, as it was not attributed to any component through bill or explanatory statement language, and the Secretary has authority provided in the act to transfer it to other components (Sec. 543).

b. This amount includes more than $11 million in support costs for the facility, which generally has been appropriated in the Coast Guard's Operating Expenses account.

c. The Administration requested funding for this activity under the Office of the Chief Financial Officer.

d. The DHS Office of the Inspector General (OIG) also receives transfers from FEMA to pay for oversight of disaster-related activities that are reflected in the last two lines in these tables, including $24 million in FY2015 and $24 million for FY2016.

## Security, Enforcement, and Investigations

**Table 2. Budgetary Resources for Security, Enforcement, and Investigations, FY2015 and FY2016**

(budget authority in millions of dollars)

| | FY2015 | FY2016 | | | |
|---|---|---|---|---|---|
| **Component/Appropriation** | **Enacted** | **Request** | **Senate-reported S. 1619** | **House-reported H.R. 3128** | **Div. F, P.L. 114-113** |
| **Customs and Border Protection** | | | | | |
| Salaries and Expenses | 8,460 | 9,124 | 8,779 | 8,695 | 8,629 |
| Small Airport User Fee[a] | 9 | 9 | 9 | 9 | 9 |
| Automation Modernization | 808 | 867 | 854 | 846 | 829 |
| Border Security Fencing, Infrastructure, and Technology | 382 | 373 | 373 | 439 | 447 |
| Air and Marine Operations | 750 | 747 | 755 | 785 | 802 |
| Facilities Management | 289 | 342 | 314 | 341 | 340 |
| COBRA FTA funding (Title V)[b] | [138] | [180] | [220] | [180] | [220] |
| **Title II Appropriation** | **10,699** | **11,463** | **11,084** | **11,116** | **11,057** |
| **Total Appropriation** | **10,837** | **11,643** | **11,304** | **11,296** | **11,277** |
| Fees, Mandatory Spending, and Trust Funds | 1,884 | 1,977 | 1,977 | 1,977 | 1,977 |
| Total Budgetary Resources (including Title V) | 12,721 | 13,620 | 13,281 | 13,273 | 13,254 |
| **Immigration and Customs Enforcement** | | | | | |
| Salaries and Expenses | 5,933 | 5,887 | 5,762 | 5,736 | 5,779 |
| Automation and Infrastructure Modernization | 26 | 74 | 53 | 74 | 53 |
| Construction | 0 | 5 | 0 | 5 | 0 |
| **Appropriation** | **5,959** | **5,965** | **5,815** | **5,815** | **5,832** |
| Fees, Mandatory Spending, and Trust Funds | 345 | 322 | 322 | 322 | 322 |
| Total Budgetary Resources | 6,304 | 6,287 | 6,137 | 6,137 | 6,154 |
| **Transportation Security Administration** | | | | | |
| Aviation Security (net funding) | 3,574 | 3,500 | 3,453 | 3,429 | 3,589 |

| Component/Appropriation | FY2015 Enacted | FY2016 Request | FY2016 Senate-reported S. 1619 | FY2016 House-reported H.R. 3128 | FY2016 Div. F, P.L. 114-113 |
|---|---|---|---|---|---|
| Surface Transportation Security | 124 | 124 | 123 | 107 | 111 |
| Intelligence and Vetting[c] (net funding) | 219 | 228 | 225 | 216 | 237 |
| Transportation Security Support | 917 | 931 | 919 | 901 | 924 |
| **Appropriation** | **4,834** | **4,783** | **4,719** | **4,653** | **4,861** |
| Fees, Mandatory Spending, and Trust Funds | 2,395 | 2,564 | 2,579 | 2,579 | 2,579 |
| Total Budgetary Resources | 7,229 | 7,347 | 7,299 | 7,233 | 7,440 |
| **U.S. Coast Guard** | | | | | |
| Operating Expenses[d] | 7,043 | 6,823 | 6,996 | 6,899 | 7,061 |
| Overseas Contingency Operations Adjustment (included in Operating Expenses)[d] | [213] | 0 | [160] | 0 | [160] |
| Environmental Compliance and Restoration | 13 | 13 | 13 | 13 | 13 |
| Reserve Training | 115 | 111 | 111 | 111 | 111 |
| Acquisition, Construction, and Improvements | 1,225 | 1,017 | 1,573 | 1,301 | 1,945 |
| Research, Development, Testing, and Evaluation | 18 | 18 | 18 | 18 | 18 |
| Health Care Fund Contribution[a] | 177 | 169 | 169 | 169 | 169 |
| **Discretionary Appropriation** | **8,378** | **8,151** | **8,721** | **8,512** | **9,158** |
| Fees, Mandatory Spending, and Trust Funds | 1,664 | 1,822 | 1,822 | 1,822 | 1,822 |
| Total Budgetary Resources | 10,255 | 9,973 | 10,703 | 10,334 | 10,980 |
| **U.S. Secret Service** | | | | | |
| Salaries and Expenses | 1,616 | 1,867 | 1,837 | 1,833 | 1,855 |
| Acquisition, Construction, and Improvements | 50 | 72 | 87 | 73 | 79 |
| **Appropriation** | **1,666** | **1,939** | **1,924** | **1,906** | **1,934** |
| Fees, Mandatory Spending, and Trust Funds | 260 | 265 | 265 | 265 | 265 |
| Total Budgetary Resources | 1,926 | 2,204 | 2,189 | 2,171 | 2,199 |
| **Net Discretionary Budget Authority: Title II** | **31,536** | **32,301** | **32,264** | **32,002** | **32,842** |
| **Net Discretionary Budget Authority: Total for Security, Enforcement, and Investigations Components** | **31,674** | **32,481** | **32,484** | **32,182** | **33,062** |

| Component/Appropriation | FY2015 Enacted | FY2016 Request | FY2016 Senate-reported S. 1619 | FY2016 House-reported H.R. 3128 | FY2016 Div. F, P.L. 114-113 |
|---|---|---|---|---|---|
| **Total Gross Budgetary Resources for Security, Enforcement, and Investigations Components** | **38,434** | **39,431** | **39,609** | **39,147** | **40,187** |

**Source:** CRS analysis of P.L. 114-4 and its explanatory statement as printed in the *Congressional Record* of January 13, 2015, pp. H275-H322, the FY2016 DHS *Budget-in-Brief,* S. 1619, S.Rept. 114-68, H.R. 3128, H.Rept. 114-215, and Div. F of P.L. 114-113 and its explanatory statement as printed in the *Congressional Record* of December 17, 2015, pp. H10161-H10210.

**Notes:** Table displays rounded numbers, but all operations were performed with unrounded data. Amounts, therefore, may not sum to totals. Fee revenues included in the "Fees, Mandatory Spending, and Trust Funds" lines are projections, and do not include budget authority provided through general provisions.

a. This item is considered permanent indefinite discretionary spending and, therefore, scores as being in the bill, despite not being explicitly appropriated in the bills' legislative language.

b. Sec. 556 of the Senate-reported bill, Sec. 551 of the House reported bill, and Sec. 556 of Division F of P.L. 114-113 authorize CBP to expend certain fee revenues collected pursuant to the Colombia Free Trade Act. These provisions score as discretionary budget authority, and so are reflected separately from other fees.

c. Formerly entitled "Transportation Threat Assessment and Credentialing."

d. Overseas contingency operations funding is included in the Operating Expenses appropriation, but is not added to the appropriations total in accordance with the appropriations committees' practices for subtotaling this account. This funding is reflected in the total gross budgetary resources for the Coast Guard, not the total net discretionary budget authority.

# Protection, Preparedness, Response, and Recovery

### Table 3. Budgetary Resources for Protection, Preparedness, Response, and Recovery, FY2015 and FY2016

(budget authority in millions of dollars)

| Component/Appropriation | FY2015 Enacted | FY2016 Request | FY2016 Senate-reported S. 1619 | FY2016 House-reported H.R. 3128 | FY2016 Div. F, P.L. 114-113 |
|---|---|---|---|---|---|
| **National Protection and Programs Directorate** | | | | | |
| Management and Administration | **62** | **64** | **58** | **56** | **62** |
| Infrastructure Protection and Information Security | 1,189 | 1,312 | 1,297 | 1,245 | 1,291 |
| Federal Protective Service[a] | [1,343] | [1,443] | [1,443] | [1,443] | [1,443] |
| Office of Biometric Identity Management | 252 | 284 | 283 | 283 | 282 |
| **Appropriation** | **1,502** | **1,659** | **1,638** | **1,585** | **1,636** |
| Fees, Mandatory Spending, and Trust Funds | 1,343 | 1,443 | 1,443 | 1,443 | 1,443 |
| Total Budgetary Resources | 2,845 | 3,103 | 3,082 | 3,028 | 3,079 |

| Component/Appropriation | FY2015 Enacted | FY2016 Request | FY2016 Senate-reported S. 1619 | FY2016 House-reported H.R. 3128 | FY2016 Div. F, P.L. 114-113 |
|---|---|---|---|---|---|
| **Office of Health Affairs** | | | | | |
| **Appropriation** | **129** | **124** | **123** | **125** | **125** |
| Fees, Mandatory Spending, and Trust Funds | 0 | 0 | 0 | 0 | 0 |
| Total Budgetary Resources | 129 | 124 | 123 | 125 | 125 |
| **Federal Emergency Management Agency** | | | | | |
| Salaries and Expenses | 934 | 949 | 929 | 956 | 961 |
| Grants and Training | 2,530 | 2,231 | 2,530 | 2,530 | 2,540 |
| Radiological Emergency Preparedness | -2 | * | * | * | * |
| U.S. Fire Administration | 44 | 42 | 44 | 44 | 44 |
| Disaster Relief Fund | 596 | 662 | 662 | 662 | 662 |
| Major Disasters Adjustment | [6,438] | [6,713] | [6,713] | [6,713] | [6,713] |
| Transfer to Office of Inspector General | [-24] | [-24] | [-24] | [-24] | [-24] |
| Subtotal: Net Total Disaster Relief Funding[b] | [7,009] | [7,351] | [7,351] | [7,351] | [7,351] |
| Flood Hazard Mapping and Risk Analysis | 100 | 279 | 190 | 100 | 190 |
| National Flood Insurance Fund[a] | [179] | [181] | [181] | [181] | [181] |
| Pre-disaster Mitigation Fund | 25 | 200 | 100 | 25 | 100 |
| Emergency Food and Shelter | 120 | 100 | 100 | 120 | 120 |
| **Appropriation[c]** | **4,347** | **4,462** | **4,554** | **4,437** | **4,616** |
| Fees, Mandatory Spending, and Trust Funds | 4,538 | 4,666 | 4,666 | 4,666 | 4,666 |
| Total Budgetary Resources | 15,299 | 15,817 | 15,909 | 15,791 | 15,971 |
| **Net Discretionary Budget Authority: Title III[c]** | **5,979** | **6,246** | **6,315** | **6,146** | **6,377** |
| **Net Discretionary Budget Authority: Total for Protection, Preparedness, Response and Recovery Components** | **5,955** | **6,222** | **6,291** | **6,122** | **6,353** |
| **Total Gross Budgetary Resources for Protection, Preparedness, Response and Recovery Components** | **18,250** | **19,020** | **19,114** | **18,920** | **19,151** |

**Source:** CRS analysis of P.L. 114-4 and its explanatory statement as printed in the *Congressional Record* of January 13, 2015, pp. H275-H322, the FY2016 DHS *Budget-in-Brief,* S. 1619, S.Rept. 114-68, H.R. 3128, H.Rept. 114-215, and Div. F of P.L. 114-113 and its explanatory statement as printed in the *Congressional Record* of December 17, 2015, pp. H10161-H10210.

**Notes:** * = rounds to zero. Table displays rounded numbers, but all operations were performed with unrounded data. Amounts, therefore, may not sum to totals. Fee revenues included in the "Fees, Mandatory

Spending, and Trust Funds" lines are projections, and do not include budget authority provided through general provisions.

a. This line is wholly offset by fees and, therefore, does not add to the total appropriation.

b. This line is a subtotal of the "Disaster Relief Fund" line and the "Disaster Relief Adjustment"—it represents the total resources provided to the DRF. The "Disaster Relief Fund" line is included in the "Appropriation" line, but the "Disaster Relief Adjustment" line is not.

c. For consistency across tables, this line does not include the $24 million transfer from the DRF—its impact is reflected in the budgetary resource totals below.

## Research and Development, Training, and Services

**Table 4. Budgetary Resources for Research and Development, Training, and Services FY2015 and FY2016**

(budget authority in millions of dollars)

| | FY2015 | FY2016 | | | |
|---|---|---|---|---|---|
| **Component/Appropriation** | **Enacted** | **Request** | **Senate-reported S. 1619** | **House-reported H.R. 3128** | **Div. F, P.L. 114-113** |
| **U.S. Citizenship and Immigration Services** | | | | | |
| E-Verify | 124 | 120 | 120 | 120 | 120 |
| Immigrant Immigration Programs | — | 10 | — | — | — |
| Immigrant Integration Grants (Title V; authority to use fees)[a] | [10] | — | — | — | — |
| U Visa fee proposal (Title V) | — | 21 | — | — | — |
| **Appropriation** | **124** | **151**[b] | **120** | **120** | **120** |
| Fees, Mandatory Spending, and Trust Funds | 3,097 | 3,874[b] | 3,491 | 3,491 | 3,491 |
| Total Budgetary Resources | 3,221 | 4,025[b] | 3,610 | 3,610 | 3,610 |
| **Federal Law Enforcement Training Center** | | | | | |
| Salaries and Expenses | 230 | 239 | 219 | 212 | 217 |
| Acquisition, Construction, Improvements, and Related Expenses | 28 | 28 | 26 | 28 | 28 |
| **Appropriation** | **258** | **267** | **246** | **239** | **245** |
| Fees, Mandatory Spending, and Trust Funds | 0 | 0 | 0 | 0 | 0 |
| Total Budgetary Resources | 258 | 267 | 246 | 239 | 245 |
| **Science and Technology Directorate** | | | | | |
| Management and Administration | 130 | 132 | 130 | 132 | 132 |
| Research, Development, Acquisition, and Operations | 974 | 647 | 634 | 655 | 655 |
| **Appropriation** | **1,104** | **779** | **765** | **787** | **787** |
| Fees, Mandatory Spending, and Trust Funds | 0 | 0 | 0 | 0 | 0 |
| Total Budgetary Resources | 1,104 | 779 | 765 | 787 | 787 |

| Component/Appropriation | FY2015 Enacted | FY2016 Request | FY2016 Senate-reported S. 1619 | FY2016 House-reported H.R. 3128 | FY2016 Div. F, P.L. 114-113 |
|---|---|---|---|---|---|
| **Domestic Nuclear Detection Office** | | | | | |
| Management and Administration | 37 | 38 | 38 | 38 | 38 |
| Research, Development, and Operations | 198 | 196 | 196 | 196 | 196 |
| Systems Acquisition | 73 | 123 | 87 | 123 | 113 |
| **Appropriation** | **308** | **357** | **320** | **357** | **347** |
| Fees, Mandatory Spending, and Trust Funds | 0 | 0 | 0 | 0 | 0 |
| Total Budgetary Resources | 308 | 357 | 320 | 357 | 347 |
| **Net Discretionary Budget Authority: Title IV** | **1,795** | **1,533** | **1,451** | **1,503** | **1,499** |
| **Net Discretionary Budget Authority: Total for Research and Development, Training, and Services Components** | **1,795** | **1,554** | **1,451** | **1,503** | **1,499** |
| **Total Gross Budgetary Resources for Research and Development, Training, and Services Components** | **4,892** | **5,427** | **4,941** | **4,993** | **4,989** |

**Source:** CRS analysis of P.L. 114-4 and its explanatory statement as printed in the *Congressional Record* of January 13, 2015, pp. H275-H322, the FY2016 DHS *Budget-in-Brief,* S. 1619, S.Rept. 114-68, H.R. 3128, H.Rept. 114-215, and Div. F of P.L. 114-113 and its explanatory statement as printed in the *Congressional Record* of December 17, 2015, pp. H10161-H10210.

**Notes:** Table displays rounded numbers, but all operations were performed with unrounded data. Amounts, therefore, may not sum to totals. Fee revenues included in the "Fees, Mandatory Spending, and Trust Funds" lines are projections, and do not include budget authority provided through general provisions.

a. As this is discretionary authority granted in the bill to use existing fees, it provides no new resources.

b. Includes the $21 million cost of the U visa legislative proposal.

# Crosscutting Issues for the Department of Homeland Security[12]

## Discretionary Spending Limits

Most of the DHS budget is outside of the defense budget function (050). As a result, the department competes with the rest of the federal nondefense budget for discretionary spending allocations under the budget controls imposed by the Budget Control Act.[13] The funding to be allocated among the appropriations subcommittees is not anticipated to rise at the same rate as envisioned in the Administration's budget request. House Homeland Security Subcommittee Chairman John Carter described the tension this creates at a subcommittee hearing on the request:

[12] These sections coauthored with Barbara L. Schwemle, Analyst in American National Government, Government and Finance Division.

[13] For more detail on the Budget Control Act and its implications on the appropriations process, see CRS Report R41965, *The Budget Control Act of 2011*, by Bill Heniff Jr., Elizabeth Rybicki, and Shannon M. Mahan.

> To begin, the $1.5 billion increase [proposed for DHS] absorbs almost 75% of non-defense, discretionary spending available under the limits of the Budget Control Act of 2013. Mr. Secretary … the Congress intends to live within the confines of the law even if the Administration does not. As a result, I doubt DHS's budget will rise as steeply as the request proposes.[14]

## Federal Pay Issues

### *Pay Increase*

The Administration proposed a 1.3% pay increase for all civilian federal employees and members of the military in its FY2016 budget request. Almost all DHS employees are considered civilians, with the significant exception of Coast Guard military personnel.

The Senate Appropriations Committee report stated that "the committee assumes the COLA for civilian employees across the Department will be absorbed within amounts appropriated in this act."[15] Likewise, the House Appropriations committee report indicated that funding was not provided for the civilian pay increase, but that if the Administration provides a civilian pay increase that it would "be absorbed within other amounts appropriated for FY2016."[16] The House Appropriations Committee report indicated that the military pay raise was fully funded.[17]

The explanatory statement accompanying the omnibus did not provide further guidance or contradict any of the above directions. Executive Order 13715 issued by President Barack Obama on December 18, 2015, authorized a 1.3% pay adjustment for almost all federal civilian employees effective in January 2016.[18]

### *Structural Pay Reform Restriction*

The FY2016 Homeland Security Appropriations Act included a general provision[19] that had been carried in both House- and Senate-reported bills[20] that prohibited the obligation of appropriated funds for any structural pay reform that affects more than 100 full-time positions or costs more than $5 million in a single year until the end of the 30-day period that begins when the Secretary notifies Congress about (1) the number of FTE positions affected by the change, (2) funding required for the change for the current year and through the Future Years Homeland Security Program, (3) the justification for the change, and (4) an analysis of the compensation alternatives to the change that the department considered.

---

[14] Rep. John Carter, opening statement for *Budget Hearing—Department of Homeland Security*, House Appropriations Committee Subcommittee on Homeland Security, March 26, 2015, at http://docs.house.gov/meetings/AP/AP15/20150326/103205/HHRG-114-AP15-20150326-SD001.pdf.

[15] S.Rept. 114-68, p. 21.

[16] H.Rept. 114-215, p. 3.

[17] H.Rept. 114-215, p. 57.

[18] U.S. President (Obama), "Adjustments of Certain Rates of Pay," Executive Order 13715, *Federal Register*, vol. 80, December 23, 2015, pp. 80195-80206, available at https://www.gpo.gov/fdsys/pkg/FR-2015-12-23/pdf/2015-32582.pdf.

[19] Sec. 557

[20] Sec. 506 of S. 1619 and Sec. 552 of H.R. 3128, respectively.

## Execution of Personnel Funding

### *Hiring Process Delays*

The Senate Appropriations Committee report stated that although Congress has provided for the increased personnel that the department has consistently requested,[21] "DHS has failed to bring those funded positions on board for a myriad of reasons including delays in obtaining suitability determinations and a backlog in polygraphs."[22] According to the committee, hiring difficulties are exacerbated by qualified applicants who have withdrawn from the process or accepted other positions by the time an offer of employment is made. Hiring times have increased department-wide (from 146 days in 2013 to 163 days in 2014) and at CBP (from 278 days in 2013 to 308 days in 2014). While noting that the U.S. Secret Service improved its hiring times (from 327 days in 2013 to 295 days in 2014), the committee report stated that the hiring process "still takes an inordinately long time."

The Senate report directed the department to report on its strategy to reduce hiring times and time to hire statistics within 60 days after the act's enactment. In addition, DHS and its major components were directed to develop metrics to track the status of hiring actions, including measuring the time spent on actions within each step of the process.[23] The USM was directed to provide a briefing on the development of the metrics within 90 days after the act's enactment.

According to the House Appropriations Committee report, "Chronic and systemic personnel shortfalls and lengthy hiring times jeopardize DHS's homeland security mission" and attrition rates are outpacing hiring in several components of the department. The report stated that DHS expects to end FY2015 "more than 6,000 FTEs below the number for which funds were provided" and would have to hire more than 7,000 FTEs between July 2015 and September 30, 2015, to reach the FTE level requested for FY2016. Given these circumstances, the report states that, for FY2016, "the Committee is unconvinced DHS will be able to spend the funds requested in the budget" and therefore, "reduce[d] funding in various agencies to reflect a more realistic and achievable number of FTEs."[24]

Going forward, the House report mandated two actions. First, the USM was directed to prepare "a root cause analysis" of the attrition and hiring shortfalls, "develop a corrective action plan" that will include metrics to measure the outcomes of initiatives, and provide monthly updates, beginning on January 15, 2016, to the committee on the results of the initiatives. Second, the department was again directed to provide a report,[25] on a strategy for reducing hiring times and provide data on those hiring times by component, by quarter, within 30 days after the act's

[21] The Senate committee report noted particularly requests for border security and cybersecurity personnel. (S.Rept. 114-68, p. 19.)

[22] S.Rept. 114-68, p. 19.

[23] The Senate committee report noted that the Federal Emergency Management Agency already tracks the status of hiring actions. (S.Rept. 114-68, p. 20.)

[24] The report stated that the committee recommended the requested number of mission-critical positions in Customs and Border Protection and the U.S. Secret Service. (H.Rept. 114-215, p. 13 and p. 4.)

[25] The explanatory statement that accompanied P.L. 114-4 directed DHS to provide such a report. The committee received the report on June 22, 2015, but determined that it "failed to fully comply with the requirement" because of incomplete data on hiring times and a lack of information on metrics. (H.Rept. 114-215, p. 13.)

enactment and thereafter, each quarter. The committee required that the report include additional content on hiring times[26] and metrics.[27]

The explanatory statement accompanying the omnibus repeated the direction for DHS to produce a root cause analysis for the delays in hiring and a corrective action plan, and mandated that reporting on the corrective action plan and hiring metrics begin on January 15, 2016, and that monthly reports on the metrics continue until further notice.[28]

Outside the appropriations process, in September 2015, the Office of Personnel Management granted DHS special "Schedule A" authority to expedite the hiring of up to 1,000 cybersecurity professionals until June 30, 2016, or new streamlined regulations are implemented.[29] Schedule A allows for streamlined and tailored recruiting and expedited hiring in cases where it is not practicable to apply competitive service qualification standards and requirements.

### *Determining Personnel Requirements*

The Senate Appropriations Committee report stated that the committee seeks "to understand how the Department proposes to balance real technology needs against manpower costs" and has requested "reports and briefings on the right balance of people, technology, and infrastructure" to support DHS operations.[30]

The House Appropriations Committee report asserts that "the lack of a rigorous and consistent methodology to determine" the department's personnel requirements and costs is a "strategic problem." To address this matter, the committee directed USM to require the OCFO "to conduct an analysis of force structure that identifies the operations in which DHS personnel are expected to perform, the effects they must achieve, the attributes the forces must possess, and what kind and size of force is needed to execute the operations successfully."[31] The committee also directed that the OCFO provide quarterly briefings on the progress of the study and apply recommendations from its analysis to the FY2018 budget request, with personnel funding shortfalls noted.

The explanatory statement accompanying the consolidated appropriations act directed the CFO to "conduct a department-wide force structure analysis to inform component-level staffing and budget requirements not later than the fiscal year 2019 budget request."[32]

---

[26] With regard to hiring, the number of days associated with each step in the hiring process, including announcements in progress, announcements posted, interviews pending, offers pending, individuals selected, security approvals, and personnel entering on duty should be included.

[27] With regard to metrics, data on the number of days reduced by implementing an initiative, the numbers of onboard personnel at the beginning and end of the reporting period, and the number of separations for the reporting period should be included.

[28] "Consolidated Appropriations Act, 2016," *Congressional Record*, vol. 161, part 184, Book III (December 17, 2015), p. H10163.

[29] U.S. Office of Personnel Management, "Excepted Service," *Federal Register*, vol. 80, November 10, 2015, p. 69726, available at https://www.gpo.gov/fdsys/pkg/FR-2015-11-10/pdf/2015-28566.pdf.

[30] S.Rept. 114-68, p. 5.

[31] H.Rept. 114-215, p. 13.

[32] "Consolidated Appropriations Act, 2016," *Congressional Record*, vol. 161, part 184, Book III (December 17, 2015), p. H10163.

### Reception and Representation Expenses

Several DHS components have specific limitations placed on their funding for "reception and representation expenses." These limits range from $2,000 for the Office of the Under Secretary for Management in House-reported H.R. 3128 to $34,425 for Customs and Border protection in both Senate and House-reported bills. Thirteen such limitations, totaling $177,505, appear in Senate-reported S. 1619, and 14 such limitations, totaling $166,955, appear in House-reported H.R. 3128. Aside from the specific direction provided in the Senate- and House-reported legislation, both committee reports provided additional direction. The Senate Appropriations Committee report continued to require quarterly reports on obligations for all reception and representation expenses and stated that the funds should not be used "to purchase unnecessary collectibles or memorabilia."[33] The House committee report directed the department to review representation allowances for all DHS agencies to ensure the equitable alignment of funds with responsibilities, and submit any proposed changes with the FY2017 budget request.[34]

The Homeland Security Appropriations Act, 2016, included thirteen specific allocations of official reception and representation expenses, totaling $169,655. No additional direction was provided in the explanatory statement.

# For Further Information

For additional perspectives on FY2016 DHS appropriations, see the following:

- CRS Report R44186, *DHS Appropriations FY2016: Departmental Management and Operations*;
- CRS Report R44215, *DHS Appropriations FY2016: Security, Enforcement and Investigations*;
- CRS Report R44182, *DHS Appropriations FY2016: Protection, Preparedness, Response, and Recovery*;
- CRS Report R44183, *DHS Appropriations FY2016: Research and Development, Training, and Services*;
- CRS Report R44604, *Trends in the Timing and Size of DHS Appropriations: In Brief*;
- CRS Report R44051, *Comparing DHS Appropriations by Component, FY2016: Fact Sheet*; and
- CRS Report R44052, *DHS Budget v. DHS Appropriations: Fact Sheet*.

Readers also may wish to consult CRS's experts directly. The following table lists names and contact information for the CRS analysts and specialists who contribute to CRS DHS appropriations reports:

**Table 5. DHS Appropriations Experts**

| **Component**/Subcomponent | **Name** |
|---|---|
| **DHS Annual and Supplemental Appropriations, Overall** | William Painter |
| **Departmental Management** | Barbara L. Schwemle |

[33] S.Rept. 114-68, p. 9.

[34] H.Rept. 114-215[35] 31 U.S.C. §§1341, 1342, 1344, 1511-1517.

| **Component**/Subcomponent | **Name** |
|---|---|
| DHS Headquarters Consolidation | William Painter |
| **Analysis and Operations** | Jerome Bjelopera |
| **Office of the Inspector General** | William Painter |
| **U.S. Customs and Border Protection** | Lisa Seghetti |
| **U.S. Immigration and Customs Enforcement** | Alison Siskin |
| **Transportation Security Administration** | Bart Elias |
| **U.S. Coast Guard** | John Frittelli |
| **U.S. Secret Service** | Shawn Reese |
| **National Protection and Programs Directorate** | |
| Federal Protective Service | Shawn Reese |
| Office of Biometric Identity Management | Lisa Seghetti |
| **Office of Health Affairs** | Sarah A. Lister |
| **Federal Emergency Management Agency** | |
| Management | Francis X. McCarthy |
| Preparedness Grants | Shawn Reese |
| Firefighter Assistance Grants | Lennard G. Kruger |
| Disaster Relief Fund | Bruce R. Lindsay |
| Emergency Food and Shelter | Francis X. McCarthy |
| Pre-disaster Mitigation | Francis X. McCarthy |
| **U.S. Citizenship and Immigration Services** | William A. Kandel |
| **Science and Technology** | Daniel Morgan |
| **Domestic Nuclear Detection Office** | Daniel Morgan |
| **General Provisions** | William Painter |

# Appendix. Appropriations Terms and Concepts

## Budget Authority, Obligations, and Outlays

Federal government spending involves a multistep process that begins with the enactment of budget authority by Congress. Federal agencies then obligate funds from enacted budget authority to pay for their activities. Finally, payments are made to liquidate those obligations; the actual payment amounts are reflected in the budget as outlays.

*Budget authority* is established through appropriations acts or direct spending legislation and determines the amounts that are available for federal agencies to spend. The Antideficiency Act[35] prohibits federal agencies from obligating more funds than the budget authority enacted by Congress. Budget authority also may be indefinite, as when Congress enacts language providing "such sums as may be necessary" to complete a project or purpose. Budget authority may be available on a one-year, multiyear, or no-year basis. One-year budget authority is only available for obligation during a specific fiscal year; any unobligated funds at the end of that year are no longer available for spending. Multiyear budget authority specifies a range of time during which funds may be obligated for spending, and no-year budget authority is available for obligation for an indefinite period of time.

*Obligations* are incurred when federal agencies employ personnel, enter into contracts, receive services, and engage in similar transactions in a given fiscal year. *Outlays* are the funds that are actually spent during the fiscal year.[36] Because multiyear and no-year budget authorities may be obligated over a number of years, outlays do not always match the budget authority enacted in a given year. Additionally, budget authority may be obligated in one fiscal year but spent in a future fiscal year, especially with certain contracts.

In sum, budget authority allows federal agencies to incur obligations and authorizes payments, or outlays, to be made from the Treasury. Discretionary agencies and programs, and appropriated entitlement programs, are funded each year in appropriations acts.

## Discretionary and Mandatory Spending

*Gross budget authority*, or the total funds available for spending by a federal agency, may be composed of discretionary and mandatory spending. Discretionary spending is not mandated by existing law and is thus appropriated yearly by Congress through appropriations acts. The Budget Enforcement Act of 1990[37] defines *discretionary appropriations* as budget authority provided in annual appropriations acts and the outlays derived from that authority, but it excludes appropriations for entitlements. *Mandatory spending*, also known as *direct spending*, consists of budget authority and resulting outlays provided in laws other than appropriations acts and is typically not appropriated each year. Some mandatory entitlement programs, however, must be appropriated each year and are included in appropriations acts. Within DHS, Coast Guard retirement pay is an example of appropriated mandatory spending.

[35] 31 U.S.C. §§1341, 1342, 1344, 1511-1517.

[36] Appropriations, outlays, and account balances for various appropriations accounts can be viewed in the end-of-year reports published by the U.S. Treasury titled *Combined Statement of Receipts, Outlays, and Balances of the United States Government*. The DHS portion of the report can be accessed at http://fms.treas.gov/annualreport/cs2005/c18.pdf.

[37] P.L. 101-508, Title XIII.

## Offsetting Collections[38]

*Offsetting funds* are collected by the federal government, either from government accounts or the public, as part of a business-type transaction such as collection of a fee. These funds are not considered federal revenue. Instead, they are counted as negative outlays. DHS *net discretionary budget authority*, or the total funds that are appropriated by Congress each year, is composed of discretionary spending minus any fee or fund collections that offset discretionary spending.

Some collections offset a portion of an agency's discretionary budget authority. Other collections offset an agency's mandatory spending. These mandatory spending elements are typically entitlement programs under which individuals, businesses, or units of government that meet the requirements or qualifications established by law are entitled to receive certain payments if they establish eligibility. The DHS budget features two mandatory entitlement programs: the Secret Service and the Coast Guard retired pay accounts (pensions). Some entitlements are funded by permanent appropriations, and others are funded by annual appropriations. Secret Service retirement pay is a permanent appropriation and, as such, is not annually appropriated. In contrast, Coast Guard retirement pay is annually appropriated. In addition to these entitlements, the DHS budget contains offsetting Trust and Public Enterprise Funds. These funds are not appropriated by Congress. They are available for obligation and included in the President's budget to calculate the gross budget authority.

## 302(a) and 302(b) Allocations

In general practice, the maximum budget authority for annual appropriations (including DHS) is determined through a two-stage congressional budget process. In the first stage, Congress sets overall spending totals in the annual concurrent resolution on the budget. Subsequently, these totals are allocated among the appropriations committees, usually through the statement of managers for the conference report on the budget resolution. These amounts are known as the *302(a) allocations*. They include discretionary totals available to the House and Senate Committees on Appropriations for enactment in annual appropriations bills through the subcommittees responsible for the development of the bills.

In the second stage of the process, the appropriations committees allocate the 302(a) discretionary funds among their subcommittees for each of the appropriations bills. These amounts are known as the *302(b) allocations*. These allocations must add up to no more than the 302(a) discretionary allocation and form the basis for enforcing budget discipline, since any bill reported with a total above the ceiling is subject to a point of order. The 302(b) allocations may be adjusted during the year by the respective Appropriations Committee issuing a report delineating the revised suballocations as the various appropriations bills progress toward final enactment. No subcommittee allocations are developed for conference reports or enacted appropriations bills.

**Table A-1** shows comparable figures for the 302(b) allocation for FY2015, based on P.L. 114-4, the President's request for FY2016, House and Senate subcommittee allocations for the Homeland Security appropriations bills for FY2016, and the allocation that would have been needed to accommodate the FY2016 enacted Homeland Security Appropriations Act, 2016.

[38] Prepared with assistance from Bill Heniff Jr., Analyst in American National Government.

**Table A-1. FY2015 and FY2016 302(b) Discretionary Allocations for DHS**

(budget authority in billions of dollars)

| FY2015 Comparable | FY2016 Request Comparable | FY2016 House Allocation | FY2016 Senate Allocation | FY2016 Enacted Comparable |
|---|---|---|---|---|
| 39.670[a] | 41,194[b] | 39,330[c] | 40,213 | 40,955 |

**Source:** CRS analysis of the explanatory statement accompanying H.R. 240 as printed in the *Congressional Record* of January 13, 2015, pp. H275-H322, the FY2015 DHS *Budget-in-Brief,* and the explanatory statement accompanying H.R. 2090 as printed in the *Congressional Record* of December 17, 2015, pp. 10161-10210.

a. This authority does not include the $213 million for overseas contingency operations or the $6,438 million for disaster relief covered by adjustments to the discretionary spending caps set by the Budget Control Act.

b. This authority does not include the $6,713 million requested for disaster relief covered by adjustments to the discretionary spending caps set by the Budget Control Act. This allocation was originally $39,230 million—it was adjusted upward by a committee amendment on July 8, 2015.

c. This authority does not include the $160 million for overseas contingency operations or the $6,713 million for disaster relief covered by adjustments to the discretionary spending caps set by the Budget Control Act.

## The Budget Control Act, Discretionary Spending Caps, and Adjustments

The FY2012 appropriations bills were the first appropriations bills governed by the Budget Control Act, which established discretionary security and nonsecurity spending caps for FY2012 and FY2013. The bill also established overall caps that govern the actions of appropriations committees in both chambers. Subsequent legislation, including the Bipartisan Budget Act of 2013,[39] amended those caps. For FY2015, the overall cap on discretionary spending is $1,014 billion. Separate limitations are made for defense and nondefense spending—roughly $521 billion and $492 billion, respectively. Most of the budget for DHS is considered nondefense spending.

In addition, the Budget Control Act allows for adjustments that would raise the statutory caps to cover funding for overseas contingency operations/Global War on Terror, emergency spending, and, to a limited extent, disaster relief and appropriations for continuing disability reviews and control of health care fraud and abuse.

Three of the four justifications outlined in the Budget Control Act for adjusting the caps on discretionary budget authority have played a role in DHS's appropriations process. Two of these—emergency spending and overseas contingency operations/Global War on Terror—are not limited.

The third justification—disaster relief—is limited. Under the Budget Control Act, the allowable adjustment for disaster relief is determined by the Office of Management and Budget (OMB), using the following formula:

> Limit on disaster relief cap adjustment for the fiscal year = Rolling average of the disaster relief spending over the last ten fiscal years (throwing out the high and low years) + the unused amount of the potential adjustment for disaster relief from the previous fiscal year.

For FY2014, OMB determined the allowable adjustment for disaster relief was $12,143 million,[40] of which only $5,717 million was exercised. In February 2015, OMB noted the FY2015 allowable adjustment for disaster assistance was $18,430 million: $11,913 million from the

[39] P.L. 113-67.

[40] Office of Management and Budget, *OMB Sequestration Preview Report to the President and Congress for Fiscal Year 2015*, Washington, DC, March 10, 2014, p. 9.

rolling average and $6,517 million in carryover from FY2014.[41] FY2015 was the first year in which more than $1 billion of allowable adjustment for disaster relief carried over from the previous fiscal year. The disaster relief allowable adjustment for FY2016 was $14,125 million.[42]

## Author Information

William L. Painter, Coordinator
Analyst in Emergency Management and Homeland Security Policy

Barbara L. Schwemle
Analyst in American National Government

## Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.

[41] Office of Management and Budget, *OMB Sequestration Update Report to the President and Congress for Fiscal Year 2016*, Washington, DC, February 2, 2015, p. 12.

[42] Office of Management and Budget, *OMB Final Sequestration Report to the President and Congress for Fiscal Year 2016*, Washington, DC, January 4, 2016, p. 7, https://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/sequestration/sequestration_final_january_2016_potus.pdf.