Congressional Research Service
Informing the legislative debate since 1914

DHS Appropriations FY2017: Departmental Management and Operations

Updated August 24, 2017

Congressional Research Service
https://crsreports.congress.gov
R44661

CRS REPORT
Prepared for Members and
Committees of Congress

Summary

This report is part of a suite of reports that discuss appropriations for the Department of Homeland Security (DHS) for FY2017. It specifically discusses appropriations for the components of DHS included in the first title of the homeland security appropriations bill—the Office of the Secretary and Executive Management, the Office of the Under Secretary for Management, the DHS headquarters consolidation project, the Office of the Chief Financial Officer, the Office of the Chief Information Officer, Analysis and Operations, and the Office of Inspector General for the department. Collectively, Congress has labeled these components in recent years as "Departmental Management and Operations," although this year, the House Appropriations Committee chose to rename the title "Departmental Management, Operations, Intelligence, and Oversight"—a name change that was carried forward in the FY2017 act.

The report provides an overview of the Administration's FY2017 request for these components, the appropriations proposed by the appropriations committees in response, and those enacted in Division F of the Consolidated Appropriations Act, 2017 (P.L. 115-31). The report includes information on provisions throughout the bills and reports that directly affect these components.

Departmental Management and Operations is the smallest of the four titles that carry the bulk of funding in the bill. The Obama Administration requested almost $1.5 billion for these components in FY2017, $37 million less than was provided for FY2016. The amount requested for these components is 3% of the Administration's $47.7 billion request in net discretionary budget authority and disaster relief funding for DHS.

Senate Appropriations Committee-reported S. 3001 would have provided the components included in this title more than $1.4 billion in net discretionary budget authority in FY2017. This would have been $24 million (1.7%) less than requested, and $62 million (4.2%) less than was provided in FY2016.

House Appropriations Committee-reported H.R. 5634 would have provided the components included in this title more than $1.3 billion in net discretionary budget authority in FY2017. This would have been $126 million (8.6%) less than requested, and $163 million (10.8%) less than was provided in FY2016.

On September 29, 2016, President Obama signed into law P.L. 114-223, which contained a continuing resolution that funds the government at the same rate of operations as FY2016, minus 0.496% through December 9, 2016. This was the first of a series of continuing resolutions that funded DHS until its annual appropriations were finalized.

On March 16, 2017, the Trump Administration submitted an amendment to the FY2017 budget request, which included a request for $3 billion in additional funding for DHS.

Congress chose to address this request in the Consolidated Appropriations Act, 2017 (signed into law as P.L. 115-31 on May 5, 2017). Division F of the act included both annual and supplemental appropriations for DHS. The act provided the components included in this title $1.25 billion in net discretionary budget authority. This was $209 million (14.3%) less than requested by the Obama Administration, and $246 million (16.5%) less than was provided in FY2016.

For information on the broader subject of FY2017 funding for DHS, details on the continuing resolutions, links to analytical overviews, and details regarding components in other titles, see CRS Report R44621, *Department of Homeland Security Appropriations: FY2017*.

This report will be updated if further supplemental appropriations are provided for DHS for FY2017.

Contents

Note on Data and Citations 1
The "Common Appropriations Structure" 2
Summary of DHS Appropriations 2
Departmental Management and Operations 3
Title I and the Common Appropriations Structure 7
Departmental Management 7
Summary of Appropriations 7
Departmental Management Component Details 10
Office of the Secretary and Executive Management (OSEM) 10
Under Secretary for Management (USM) 11
Issues for Congress 13
DHS Acquisition 13
Field Office Consolidation 14
Analysis and Operations 14
Summary of Appropriations 15
Office of the Inspector General 15
Summary of Appropriations 15
Issues in OIG Appropriations 16
OIG Mandates 16
OIG Accountability 17

Figures

Figure 1. Proportion of Requested DHS Discretionary Budget Authority by Title, FY2017 3

Tables

Table 1. Budgetary Resources for Departmental Management and Operations Components, FY2016 and FY2017, Common Appropriations Structure 5

Contacts

Author Information 18

This report is part of a suite of reports that discuss appropriations for the Department of Homeland Security (DHS) for FY2017. It specifically discusses appropriations for the components of DHS included in the first title of the homeland security appropriations bill—the Office of the Secretary and Executive Management, the Office of the Under Secretary for Management, the DHS headquarters consolidation project, the Office of the Chief Financial Officer, the Office of the Chief Information Officer, Analysis and Operations, and the Office of Inspector General for the department. Collectively, Congress has labeled these components in recent years as "Departmental Management and Operations," although this year, the House Appropriations Committee chose to rename the title "Departmental Management, Operations, Intelligence, and Oversight."

The report provides an overview of the Administration's FY2017 request for these components, the appropriations proposed by the appropriations committees in response, and those enacted in Division F of the Consolidated Appropriations Act, 2017 (P.L. 115-31). Rather than limiting the scope of its review to the first titles of the bills, the report includes information on provisions throughout the bills and report that directly affect these components.

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 CRS Report R44621, *Department of Homeland Security Appropriations: FY2017*, 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*, coordinated by James V. Saturno, and the Government Accountability Office's *A Glossary of Terms Used in the Federal Budget Process*.[1]

Note on Data and Citations

All amounts contained in the suite of CRS reports on homeland security appropriations represent budget authority. For precision in percentages and totals, all calculations were performed using unrounded data, which are presented in the report's tables. However, amounts in narrative discussions are generally rounded to the nearest million, unless noted otherwise.

Data used in this report for FY2016 and FY2017 amounts are derived from a single source. Normally, this report would rely on previous fiscal year enacted legislation and reports, as well as House and Senate legislative efforts in response to the Administration's budget request. However, due to the implementation of the Common Appropriations Structure for DHS (see below), this report relies on the Consolidated Appropriations Act, 2017 (P.L. 115-31), Division F of which is the Department of Homeland Security Appropriations Act, 2017, and the accompanying explanatory statement, which was printed in the May 3, 2017, *Congressional Record*.[2]

[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] The explanatory statement for Division F is found on pages H3807-H3873.

The "Common Appropriations Structure"[3]

Section 563 of Division F of P.L. 114-113 (the FY2016 Department of Homeland Security Appropriations Act) provided authority for DHS to submit its FY2017 appropriations request under the new common appropriations structure (CAS), and implement it in FY2017. Under the act, the new structure was to have four categories of appropriations:

- Operations and Support;
- Procurement, Construction, and Improvement;
- Research and Development; and
- Federal Assistance.[4]

Most of the FY2017 DHS appropriations request categorized its appropriations in this fashion. The exception was the Coast Guard, which was in the process of migrating its financial information to a new system.

The House Appropriations Committee made its funding recommendation using the CAS (although it chose to implement it slightly differently than the Administration had envisioned in Title I), but the Senate Appropriations Committee did not, instead drafting its annual DHS appropriations bill and report using the same structure as was used in FY2016. No authoritative crosswalk between the House Appropriations Committee proposal in the CAS structure and Senate Appropriations Committee proposal in the legacy structure is publicly available.

The explanatory statement for Division F of the Consolidated Appropriations Act, 2017, included a "detail table," outlining the new structure of DHS appropriations, as well as Programs, Projects, and Activities (PPAs)—the next level of funding detail below the appropriation level. The table showed the FY2016 enacted and FY2017 requested funding for DHS in the new structure as well, enabling the comparisons in this report.[5]

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[6] provide roughly two-thirds to three-fourths of the annual funding for DHS operations, depending on 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.[7]

[3] A more complete analysis of the history and impact of the Common Appropriations Structure proposal is available in CRS Report R44621, *Department of Homeland Security Appropriations: FY2017*.

[4] Section 563, Division F, P.L. 114-113.

[5] For more details on the history of the CAS, see CRS Report R44621, *Department of Homeland Security Appropriations: FY2017*, coordinated by William L. Painter.

[6] Generally speaking, those provided through annual appropriations legislation.

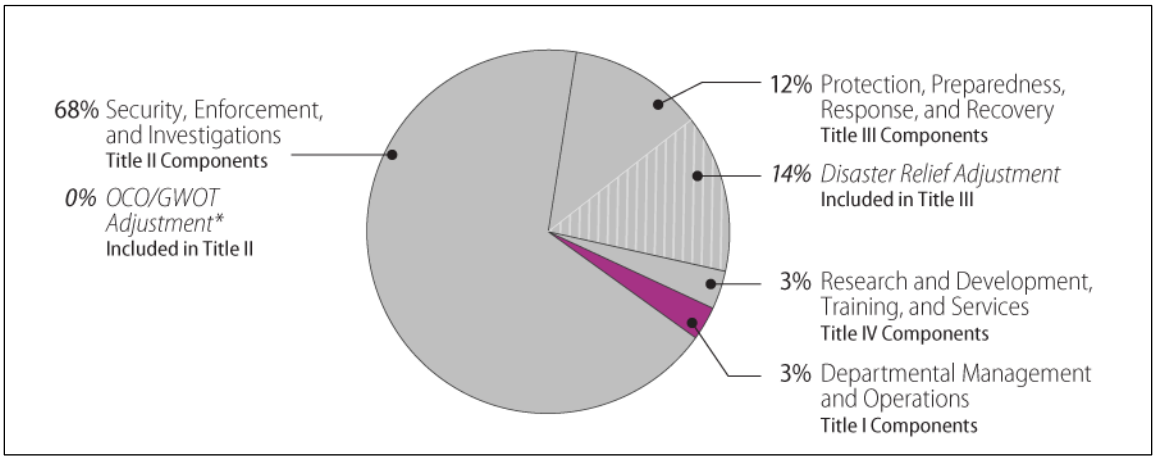
[7] A detailed analysis of this breakdown between discretionary appropriations and other funding is available in CRS Report R44052, *DHS Budget v. DHS Appropriations: Fact Sheet*, by William L. Painter.

Appropriations measures for DHS typically have been organized into five titles.[8] The first four are thematic groupings of components: Departmental Management and Operations;[9] Security, Enforcement, and Investigations; Protection, Preparedness, Response, and Recovery; and Research and Development, Training, and Services. 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. For FY2017, a sixth title responded to the Trump Administration's supplemental appropriations request submitted in March 2017.

The following pie chart presents a visual comparison of the share of annual appropriations requested by the Obama Administration for the components funded in each of the first four titles, highlighting the components discussed in this report.

Figure 1. Proportion of Requested DHS Discretionary Budget Authority by Title, FY2017

(including budget authority designated for disaster relief or OCO/GWOT under the Budget Control Act)



Source: CRS analysis of data from U.S. Department of Homeland Security, *FY2017 Budget in Brief*.

Notes: Labels in italics and the patterned wedge represent funding covered under adjustments to discretionary spending limits under the Budget Control Act.

* The Administration requested $163 million to be transferred to DHS under the Overseas Contingency Operations/Global War on Terror (OCO/GWOT) allowable adjustment under the Budget Control Act. This amount (0.3%) is too small to be visible in the chart.

Departmental Management and Operations

As noted above, the Departmental Management and Operations title (Title I) of the DHS appropriations bill provides funding for the department's management activities, Analysis and

[8] 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 Appropriations Committee-reported versions of the DHS appropriations bill were generally symmetrical.

[9] This title was renamed "Departmental Management, Operations, Intelligence, and Oversight" in House Appropriations Committee-reported H.R. 5634, and the Department of Homeland Security Appropriations Act, 2017. The shorted name is retained in this report for brevity.

Operations (A&O) function, and the Office of the Inspector General (OIG). Funding at times has been requested or provided for some of these functions in Title V, General Provisions, as well.

Departmental Management and Operations is the smallest of the four titles that carry the bulk of funding in the bill. The Obama Administration requested $1.46 billion for these components in FY2017,[10] $37 million less than was provided for FY2016. The amount requested for these components was 3% of the Obama Administration's $47.7 billion request in net discretionary budget authority and disaster relief funding for DHS. The proposed decrease in discretionary funding for the components is 11.1% of the total net decrease in adjusted net discretionary budget authority requested for the department. The largest budget increase proposed in the request for these components was $41 million (66%) for the Office of the Chief Procurement Officer, while the largest budget decrease proposed was the non-recurrence of a $100 million appropriation in general provisions to fund OCIO cybersecurity activities.

Senate Appropriations Committee-reported S. 3001 would have provided the components included in this title $1.41 billion in net discretionary budget authority in FY2017. This would have been $24 million (1.7%) less than requested, and $62 million (4.2%) less than was provided in FY2016.

House Appropriations Committee-reported H.R. 5634 would have provided the components included in this title $1.31 billion in net discretionary budget authority in FY2017. This would have been $126 million (8.6%) less than requested, and $163 million (10.8%) less than was provided in FY2016.

These bills were not voted on in either body, and no annual appropriations bill for DHS was enacted prior to the end of FY2016. On September 29, 2016, the President signed into law P.L. 114-223, which contained a continuing resolution that funds the government at the same rate of operations as FY2016, minus 0.496%, through December 9, 2016. A second continuing resolution was signed into law on December 10, 2016 (P.L. 114-254), funding the government at the same rate of operations as FY2016, minus 0.1901%, through April 28, 2017, and a third (P.L. 115-30) extended the second continuing resolution through May 5, 2017. The continuing resolutions were superseded by the Department of Homeland Security Appropriations Act, 2017. For details on these continuing resolutions and their impact on DHS, see CRS Report R44621, *Department of Homeland Security Appropriations: FY2017*.

On March 16, 2017, the Trump Administration submitted an amendment to the FY2017 budget request, which included a request for $3 billion in additional funding for DHS. Congress addressed this request at the same time as it resolved annual appropriations for the federal government, through the Consolidated Appropriations Act, 2017 (signed into law as P.L. 115-31 on May 5, 2017). The act included both annual and supplemental appropriations for DHS as Division F. It provided $41.3 billion in adjusted net discretionary budget authority in annual appropriations, as well as $6.7 billion in funding for the costs of major disasters under the Stafford Act and $163 million in funding for overseas contingency operations.

Table 1 shows a brief funding history for the individual components funded under Departmental Management and Operations. It shows the funding level provided for the previous fiscal year, as well as the amounts requested for these accounts for FY2017 by the Obama and Trump Administrations, and the final level enacted in Division F of P.L. 115-31. As noted above, no authoritative crosswalk that would allow comparisons below the component level with the House and Senate appropriations committee-reported bills is publicly available.

[10] In addition to the appropriations provided in Title I, under the request, $24 million is provided to OIG by a transfer from FEMA in Title III.

The table includes information on funding under Title I as well as other provisions in the bill. As some annually appropriated resources were requested or provided for the Management Directorate and Office of the Inspector General from outside Title I, a separate line is included for each of those components showing a total for exclusively what is provided within Title I, above the line providing the total annual appropriation.

Table 1. Budgetary Resources for Departmental Management and Operations Components, FY2016 and FY2017, Common Appropriations Structure

(budget authority in thousands of dollars)

	FY2016	FY2017	
Component/Appropriation	**Enacted**	**Request**	**Enacted**
Office of the Secretary and Executive Management			
Operations and Support	137,466	136,451[a]	137,034
Office of the Secretary	*18,967*	*22,287*	*18,632*
Office of Policy	*39,077*	*37,049*	*37,461*
Office of Public Affairs	*5,472*	*5,384*	*5,000*
Office of Legislative Affairs	*5,363*	*5,287*	*5,080*
Office of Partnership and Engagement	*13,074*	*11,692*	*15,206*
Office of General Counsel	*19,472*	*19,298*	*19,298*
Office for Civil Rights and Civil Liberties	*21,800*	*21,403*	*22,571*
Office of the Citizenship and Immigration Services Ombudsman	*6,272*	*6,200*	*5,935*
Privacy Office	*7,969*	*7,851*	*7,851*
Total Annual Discretionary Appropriations	**137,466**	**136,451**	**137,034**
Supplemental Appropriations			
Operations and Support	0	11,304	0
Total Discretionary Appropriations	**137,466**	**147,755**	**137,034**
Total Budgetary Resources	137,466	147,755	137,034
Management Directorate			
Operations and Support	542,751	727,771	597,817
Immediate Office of the Under Secretary for Management	*3,393*	*3,758*	*3,564*
Office of the Chief Readiness Support Officer	*31,691*	*128,177*	*54,275*
Office of the Chief Human Capital Officer	*29,697*	*36,446*	*39,026*
Office of the Chief Security Officer	*69,120*	*61,723*	*63,102*
Office of the Chief Procurement Officer	*60,630*	*101,450*	*98,076*
Office of the Chief Financial Officer	*56,420*	*100,041*	*53,700*
Office of the Chief Information Officer	*291,800*	*296,176*	*286,074*
Procurement, Construction, and Improvements	17,955	144,789	18,839
Construction and Facility Improvements	*0*	*125,950*	*0*
Mission Support Assets and Infrastructure	*17,955*	*18,839*	*18,839*

Component/Appropriation	FY2016 Enacted	FY2017 Request	FY2017 Enacted
Research and Development	2,500	2,500	2,500
Title I Discretionary Appropriations	**563,206**	**875,060**	**619,156**
DHS HQ Consolidation (Title V)	215,679	0	13,253
Financial Systems Modernization (Title V)[b]	52,977	0	41,215
OCIO Cybersecurity Fund (Title V)	100,000	0	0
Total Annual Discretionary Appropriations	**931,796**	**875,060**	**673,624**
Total Discretionary Appropriations	**931,796**	**875,060**	**673,624**
Total Budgetary Resources	931,796	875,060	673,624
Analysis and Operations			
Operations and Support	264,714	265,719	263,551
Total Discretionary Appropriations	**264,714**	**265,719**	**263,551**
Total Budgetary Resources	264,714	265,719	263,551
Office of the Inspector General			
Operations and Support	137,488	157,144	175,000
Title I Discretionary Appropriations	**137,488**	**157,144**	**175,000**
Transfer from FEMA's DRF [Title III][c]	24,000	24,000	0
Total Discretionary Appropriations	**137,488**	**157,168**	**175,000**
Total Budgetary Resources	161,488	181,168	175,000
Net Discretionary Budget Authority: Title I	1,471,464	1,434,374	1,194,741
Net Discretionary Budget Authority: Total for Departmental Management and Operations Components (Annual and Supplemental)	1,495,874	1,469,678	1,249,209
Projected Total Gross Budgetary Resources for Departmental Management and Operations Components (Annual and Supplemental)	1,495,874	1,469,678	1,249,209

Source: CRS analysis of Division F of P.L. 115-31 and its explanatory statement as printed in the *Congressional Record* of May 3, 2017, pp. H3807-H3873.

Notes: FEMA = Federal Emergency Management Agency; DRF = Disaster Relief Fund.

a. The Administration proposed reorganizing $1 million of chemical, biological, radiological, nuclear, and explosives (CBRNE) policy activity from the Office of the Secretary and Executive Management to a new CBRNE Office at DHS funded elsewhere in the bill. This reorganization was not included in the FY2017 act.

b. The FY2017 request for Operations and Support, Management and Administration, Office of the Under Secretary for Management included $41 million for financial systems modernization, which was funded through a general provision.

c. The DHS Office of the Inspector General (OIG) had received 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 FY2016 and $24 million requested for FY2017. The FY2017 DHS appropriations act included no such transfer.

Title I and the Common Appropriations Structure

In implementing the CAS in its FY2017 budget request, the Administration chose to group a number of components together: The Office of the Secretary and Executive Management (OSEM), the Under Secretary for Management (USM), the Offices of the Chief Information Officer (OCIO) and Chief Financial Officer (OCFO), and Analysis and Operations (A&O) were all grouped together as "Departmental Management and Operations," and OSEM, USM,[11] and A&O each had a separate request for appropriations under the new Operations and Support appropriation. Funding was also requested for USM under the Procurement, Construction, and Improvements and Research and Development appropriations.

As noted above, the Senate Appropriations Committee did not adopt the CAS, or the other aspects of restructured appropriations proposed by the Administration. The House did adopt the CAS, but chose to only include OSEM and the restructured USM under Departmental Management and Operations, removing the statutory distinction between appropriations for those appropriations, while keeping appropriations for Analysis and Operations separate and distinct.

The Department of Homeland Security Appropriations Act 2017 provided statutorily distinct appropriations in the CAS for OSEM, a Management Directorate (which included USM, OCIO, and OCIO functions), A&O, and the Office of Inspector General (OIG). OSEM and Management were no longer grouped as Departmental Management and Operations, and future CRS reports will reflect that change.

Departmental Management[12]

The departmental management accounts cover the general administrative expenses of DHS. They include the Office of the Secretary and Executive Management (OSEM), which is comprised of the Immediate Office of the Secretary and 11 entities that report directly to the Secretary; the Under Secretary for Management (USM) and its components—the offices of the Chief Readiness Support Officer (formerly, the Office of the Chief Administrative Officer [OCAO]), Chief Human Capital Officer (OCHCO), Chief Procurement Officer (OCPO), and Chief Security Officer (OCSO); the Office of the Chief Financial Officer (OCFO); and the Office of the Chief Information Officer (OCIO).

Some discussions of these accounts from other sources—including the Administration's FY2017 budget request—include DHS Analysis and Operations as a management account. For consistency, CRS treats Analysis and Operations separately.

Summary of Appropriations

The Obama Administration requested a total of $1.012 billion for departmental management. This total included $136 million ($1 million, or 0.7%, below the FY2016 level of $137 million) for OSEM and $875 million for a restructured set of USM appropriations in Title I, which included OCIO and OCFO, as well as $226 million for DHS headquarters consolidation and $41 million for a crosscutting financial systems modernization effort.

[11] Under the request, the USM appropriation would include OCIO and OCFO as well.

[12] Prepared by Barbara L. Schwemle, Analyst in American National Government, Government and Finance Division.

DHS Headquarters Consolidation[13]

The request for DHS management accounts (specifically for the Under Secretary for Management) includes $226 million for DHS Headquarters Consolidation. In implementing the new Common Appropriations Structure in the FY2017 request, funding for this project was divided between the Operations and Support appropriation and the Procurement, Construction, and Improvements appropriation. In the past, and in the Senate Appropriations Committee-reported FY2017 DHS appropriations bill (S. 3001), funding for the DHS share of this project was provided through a separate appropriation in the general provisions of the bill. While the Senate Appropriations Committee-reported bill included the requested funding through DHS, the House Appropriations Committee-reported bill provides just under $100 million for "headquarters consolidation mission support and construction management" as requested under Operations and Support,[14] but does not provide the $126 million requested under Procurement, Construction, and Improvements for DHS's share of the next phase of construction.[15] The Department of Homeland Security Appropriations Act 2017 included $26 million for St. Elizabeths DHS headquarters operations, and $13 million in general provisions "for tenant designs for a new FEMA headquarters and remaining elements of the Center Building Complex."[16]

$231 million in FY2017 funding for construction of the project was also requested through the General Services Administration (GSA) in the Financial Services and General Government Appropriations Act. Neither the Senate Committee- nor House Committee-reported bill included GSA funding for the project, and GSA funding for the project was not included in the Consolidated Appropriations Act, 2017.

S. 3001, as reported by the Senate Committee on Appropriations, included a total of $995 million for departmental management components, including $728 million for departmental management in Title I, and the requested $226 million for DHS headquarters consolidation and $41 million for the crosscutting financial systems consolidation effort in Title V. The proposed funding level was $17 million (1.7%) less than requested for FY2017, and $75 million (7.0%) less than enacted for FY2016.

While S. 3001 made its recommendations in the same structure of appropriations as the FY2016 DHS Appropriations Act, providing separate appropriations for OSEM, USM, OCIO, and OCFO, H.R. 5634 adopted the Common Appropriations Structure, and also chose to further consolidate the statutory language of appropriations for all four offices under "Departmental Management and Operations."

H.R. 5634, as reported by the House Committee on Appropriations, included $845 million for departmental management and operations in Title I and the requested $41 million for the crosscutting financial systems consolidation effort in a Title V general provision, for a proposed total funding level of $886 million. Most of the difference in total funding was due to the House Appropriations Committee not recommending funding for the next phase of construction of the consolidated headquarters for DHS.

P.L. 115-31 included a total of $811 million for departmental management and operations. The Trump Administration's request for an additional $11 million for OSEM in FY2017 for improved immigration statistics tracking and reporting was not included.

Another structural change in H.R. 5634 was the addition of an administrative provisions subtitle in each of the first four titles of the bill. These are generally provisions that otherwise might have appeared in the bill's general provisions, but apply to specific components, rather than the

[13] This element prepared by William L. Painter, Specialist in Homeland Security Policy and Appropriations, Government and Finance Division.

[14] H.Rept. 114-668, p. 13.

[15] Ibid., p. 18.

[16] Explanatory Statement, p. H3808.

department as a whole. In Title I of H.R. 5634, there are five such administrative provisions, all of which had appeared in previous fiscal years:

- The CFO must submit monthly a budget and staffing report that includes total monthly and fiscal year obligations by appropriation and program, project, and activity within 30 days after the end of each month. The total obligations for staffing must provide on-board and funded full-time equivalent (FTE) staffing levels. The number and total obligations for contract employees for each DHS office must also be provided.[17]
- The Secretary must submit a report to the IG that lists all grants and contracts awarded through other than full and open competition during FY2017. The IG must review the report to assess the department's compliance with applicable laws and regulations.[18]
- The Secretary must require that all DHS contracts that provide award fees link such fees to successful outcomes for cost, schedule, and performance of acquisitions.[19]
- The Secretary, in consultation with the Secretary of the Treasury, must notify the House and Senate Appropriations Committees of any proposed funds transfers of funds from the Treasury Forfeiture Fund to any DHS agency.[20]
- The USM must include the Comprehensive Acquisition Status Report in the President's FY2018 budget proposal and provide quarterly updates.[21]

In addition to the administrative provisions mentioned above, P.L. 115-31 also includes the following administrative provisions in Title I:

- Section 101 continues the House- and Senate-proposed provision requiring the Secretary to submit the Future Years Homeland Security Program when the FY2018 budget proposal is submitted.
- Section 106 continues the House- and Senate-proposed provision related to official travel costs for the Secretary and Deputy Secretary.
- Section 107 continues the Senate-proposed provision "requiring the Secretary to submit a report on visa overstay data and to post border security metrics on the DHS website."[22]
- Section 108, a new provision, requires "the Secretary to certify whether U.S. Immigration and Customs Enforcement is administering and executing its

[17] This also appears as Section 513 of S. 3001, and Sec. 102 of Division F of P.L. 115-31.

[18] This also appears as Section 516 of S. 3001, and Sec. 103 of Division F of P.L. 115-31.

[19] This also appears as Section 521 of S. 3001, and Sec. 104 of Division F of P.L. 115-31.

[20] This also appears as Section 525 of S. 3001, and Sec. 105 of Division F of P.L. 115-31.

[21] This also appears as a proviso in the USM appropriation in S. 3001, as reported, p. 4. This provision was not carried in P.L. 115-31, and according to the explanatory statement that accompanied P.L. 115-31, the Comprehensive Acquisition Status Report is discontinued. (*Congressional Record*, vol. 163, May 3, 2017, p. H3808.)

[22] Ibid., p. H3809. According to the Explanatory Statement, $2 million is withheld from the Office of the Secretary until the visa overstay data report and the border security metrics data are provided to Congress. The Statement said that "DHS is expected to improve upon the scope of the data provided in the fiscal year 2015 [visa overstay] report in its forthcoming report." It directed the department to brief the committees within 90 days of the act's enactment "on its plan to develop and publish the [border security] metrics."

Enforcement and Removal Operations activities consistent with available budgetary authority."[23]

Departmental Management Component Details

Office of the Secretary and Executive Management (OSEM)

The Administration requested $136 million for OSEM. S. 3001, as reported, included $136 million, less than $1 million (0.3%) less than requested. H.R. 5634, as reported, included slightly more than S. 3001, but still several thousand dollars less than requested. P.L. 115-31 provided $137 million for OSEM Operations and Support, $583,000 more than requested.

The Senate Appropriations Committee-reported bill withheld from obligation $13 million of OSEM funding until a legally mandated report on visa overstay data by country is submitted and the metrics developed to measure border security are published on the DHS website. Aside from this withholding, the Senate Appropriations Committee recommendation for OSEM generally followed the funding levels requested by the Administration, although in a different structure.[24]

For OSEM subcomponents, the House committee report recommended funding under the appropriations category of Operations and Support and included several shifts in resources between selected subcomponents. Selected examples of these are listed below, and how the elements were addressed in P.L. 115-31.

Immediate Office of the Secretary

Responding to a request for $12 million, the House Appropriations Committee recommended $9 million for the Immediate Office of the Secretary. The committee report attributed the reduction to the continued funding of countering violent extremism activities in the Office of Partnership and Engagement.[25]

In the explanatory statement accompanying P.L. 115-31, distinction was no longer made among the Immediate Office of the Secretary, the Immediate Office of the Deputy Secretary, the Chief of Staff, and the Executive Secretary: all four PPAs were combined as the "Office of the Secretary," with a total request of slightly more than $22 million, and almost $19 million included in P.L. 115-31. As proposed by the House, funds for the Office of Community Partnerships were included in the Office of Partnership and Engagement rather than within this account.

Office of Policy

Responding to a request for $37 million, the House Appropriations Committee recommended $36 million for the Office of Policy. The committee report stated that the reduction was attributed to the department continuing to not fill the position of Assistant Secretary for Policy.

The explanatory statement accompanying P.L. 115-31 included $37 million for the Office of Policy, $412,000 more than requested. As the Senate report directed, $600,000 above the request

[23] Ibid.

[24] The Senate report directed DHS to brief the committee on work underway to develop metrics to measure the effectiveness of border security within 30 days after the act's enactment. The report noted that "Over the past 2 years, the Secretary has directed a rigorous initiative to improve data inputs, develop models, conduct peer reviews of methodology, and establish measures that are statistically valid and repeatable ... fiscal year 2017 is the time to release these measures so they can inform the public discourse on border security for the future." (S.Rept. 114-264, p. 11).

[25] H.Rept. 114-668, p. 8.

was to support qualified data analysts in the Office of Immigration Statistics. DHS was to report on the deployment and usage of International Mobile Subscriber Identity (IMSI) catchers and related technologies within 180 days of the act's enactment. In addition to the comprehensive review of the number and locations of all DHS personnel deployed overseas, which the House report directed, the office was to identify where redundant staff are located and explain why they are required.

Office of Partnership and Engagement (OPE)

Responding to a request for $12 million, the House Appropriations Committee recommended $15 million for OPE. According to the House committee report, the funding included $1 million to address cybersecurity issues by developing a public service awareness campaign and almost $4 million to operate the Office of Countering Violent Extremism (CVE). The committee directed the office to report on department-wide CVE programs and initiatives, with personnel and funding levels, within 60 days after enactment.[26]

The explanatory statement accompanying P.L. 115-31 included more than $15 million for OPE. This amount includes almost $4 million for the Office of Community Partnerships and the requested funding for the Blue Campaign, which is to be fully accounted for and justified in future budget requests.

Office for Civil Rights and Civil Liberties

Responding to a request for $21 million, the House committee recommended $23 million. According to the House committee report, the increased funding was to support enhancements within the Compliance Branch to address the increasing number of opened complaints since FY2012.

The explanatory statement accompanying P.L. 115-31 included slightly less than the House Appropriations Committee recommended. As the House committee report directed, however, the almost $1.2 million increase above the requested amount is to support enhancements to programs in the Compliance Branch.[27]

Under Secretary for Management (USM)

P.L. 115-31 provides $619 million for the Management Directorate, $256 million less than requested. As can be seen in **Table 1**, the appropriation is allocated as $598 million for Operations and Support (O&S), $19 million for Procurement, Construction, and Improvements, and $2.5 million for Research and Development.

The implementation of the CAS makes side-by-side comparison of funding levels between the FY2016 enacted level, FY2017 requested level, and the House and Senate Appropriations Committee recommendations below the level of overall funding for the USM not adequately informative. This section of the report therefore focuses largely on the direction provided to two of the USM's subcomponents.

[26] The report noted that because more clarity and planning on "how grants will be provided to community organizations that work to prevent radicalization" and DHS articulation of how CVE program effectiveness will be measured are needed, the funds requested for a CVE grant program were not provided. However, the manager's amendment approved at full committee markup included funding for the program as a part of FEMA's State and Local Grants.

[27] *Congressional Record*, vol. 163, May 3, 2017, p. H3808.

Office of the Chief Human Capital Officer

The Senate committee recommended funding for the Office of the Chief Human Capital Officer at the requested level of $36 million, while the House committee report recommended over $39 million for the office. The House report noted the increased funding included a more than $3 million increase to transition the Cyber Student Volunteer Initiative into a DHS Cybersecurity Internship Program to recruit and develop future cybersecurity professionals.[28] P.L. 115-31 and its explanatory statement included $39 million for the Office of the Chief Human Capital Officer, and the direction regarding the Cybersecurity Internship Program.

The explanatory statement reiterated the instructions included in the Senate and House committee reports, directing DHS "to continue working with every component to develop metrics on hiring, attrition, the processes used to bring staff on board, and a hiring corrective action plan."[29] The department was to brief the committees within 90 days after the act's enactment on the "strategy to decrease the number of days it takes to hire new employees."[30] Among the information to be provided in the briefing were "quarterly hiring metrics by component," "progress toward monthly metrics reporting," and "progress made to establish reciprocity with other agencies on polygraph examinations and security clearances." CBP is to "continue monthly reporting of hiring gains and attrition losses."[31]

The Senate report approved the transfer of the Human Resources Information Technology (HRIT) Program from the Office of the Chief Human Capital Officer to the OCIO, as DHS requested. The House report expressed the committee's concern that, although the department has been implementing the HRIT system for more than 12 years, just 1 of 15 improvement areas identified in the Human Capital Segment Architecture Blueprint has been completed. It expressed the committee's further concern that implementation will not be achieved "without proper oversight, established time-frames, and key acquisition documents."[32] Therefore, the committee directed DHS to provide a briefing on the status of work underway to address the recommendations in a February 2016 Government Accountability Office report[33] within 180 days after the act's enactment. This issue was not raised in the explanatory statement, and therefore, its direction stands.

Office of the Chief Financial Officer

Acknowledging that DHS intends to begin migrating components to a shared financial services provider to try to achieve cost savings and efficiencies, the Senate report stated that the migration's total potential costs are not fully known. Therefore, the committee directed the Office of the Chief Financial Officer to provide the total cost of the migration, by component, within 60 days after the act's enactment. The costs must be provided by major cost driver, phase, and fiscal year for the project's total life cycle and include obligations to date. Estimated and actual cost savings by fiscal year and major cost driver for each component also must be provided. The committee directed DHS to remain in frequent communication on the department's financial management improvement plans with an implementation timeline and discrete milestones

[28] H.Rept. 114-668, p. 14.

[29] *Congressional Record*, vol. 163, May 3, 2017, p. H3808.

[30] Ibid.

[31] Ibid.

[32] H.Rept. 114-668, p. 17.

[33] U.S. Government Accountability Office, *Homeland Security: Oversight of Neglected Human Resources Information Technology Investment is Needed*, GAO-16-253 (Washington: GAO, February 11, 2016), at http://www.gao.gov/assets/680/675162.pdf.

included and to provide timely updates on any delays. The House committee report included a similar requirement, and as these requirements were not contradicted in the explanatory statement, they remain in effect.

The explanatory statement directed DHS to retain the Appropriations Liaison Office as part of the OCFO and to continue submitting quarterly obligation plans to the committees in accordance with past instructions. Stating that "clarity and completeness" is important for O&S accounts because of "the size of many of these appropriations" and the department's current flexibility "to move funds among PPAs," the statement directs DHS to include "a breakout of each account by cost driver, including cost drivers for any proposed programmatic changes" and any changes in their underlying assumptions, in the budget justification.

In addition, the statement directs that the funding provided in the Department of Homeland Security Appropriations Act, 2017, must be obligated in accordance with Section 2.0 of Chapter 2 on "DHS Appropriations Structure" in the Department of Homeland Security Financial Management Policy Manual dated October 1, 2016. DHS must notify the committees about substantive revisions to the manual.

Issues for Congress

DHS Acquisition

The OCIO and the Office of Program Accountability and Risk Management (PARM) are working together as part of DHS's effort to improve acquisition processes which, according to the Senate committee, "do not support agile development efforts" and have "no real oversight or program management benefit."[34] The committee directed the OCIO and PARM to provide a briefing on the results of four pilot programs that are testing new processes within 60 days after the act's enactment.

Citing previous directives to the department to improve the transparency, timeliness, and evaluation of acquisitions and procurements by outlining steps in the procurement process, and noting personnel requirements and timelines, the Senate committee directed DHS to provide a briefing on continuing efforts in this regard within 120 days after the act's enactment. The committee commended the OCPO for engaging with industry and the acquisition community in efforts to improve the department's business practices, including structuring contracts for agile services, and directed the OCPO to include discussion of such in the required briefing on acquisition program management. According to the explanatory statement, "At congressional direction, DHS plans to improve the clarity and completeness of budget justification materials, particularly for procurement accounts."[35]

Stating that unity of effort requires DHS components to be engaged and realize value, the Senate report directed the department to provide a briefing on unity of effort goals and outcomes within 30 days after the act's enactment. In addition, the committee directed DHS to include in the briefing its explanation for believing that authorizing legislation is needed before many initiatives for unity of effort, including a joint duty training and assignment program, can be commenced.

The Senate report directed DHS to regularly update the committee on the decisions, reviews, and results of Joint Requirements Council (JRC) activities. The House report recommended the

[34] S.Rept. 114-264, p. 27.

[35] *Congressional Record*, vol. 163, May 3, 2017, p. H3808.

requested $5 million in funding for the JRC[36] and the committee directed DHS to provide quarterly briefings on council activities. According to the House report, the department's components need to adopt the JRC process to facilitate improved cost estimates and better justified investments. In lieu of the directives in the House and Senate reports on activities of the JRC, the explanatory statement directed DHS to provide monthly activities status updates to the committees, including a list of the requirements documents that have been validated and those that remain in the analysis phase.[37]

Field Office Consolidation

The House report noted that, despite pilot program findings that personnel consolidation would result in savings, the department's field offices do not work together to determine whether colocating would result in efficiencies, with regard to such matters as real estate and vehicle fleets. Therefore, the committee directed DHS to provide, within 90 days after the act's enactment, a plan that would require all component-level field offices to consolidate space, services, and assets. The plan must describe the departmental mechanisms (e.g., legislative authorities, management directives, and regional working groups) used to direct the field offices to conduct such reviews and the methods that will be used to ensure compliance. This issue was not raised in the explanatory statement, and therefore, its direction stands.

Analysis and Operations[38]

The Analysis and Operations (A&O) account includes resources for both the Office of Intelligence and Analysis (I&A) and the Office of Operations Coordination. I&A is responsible for managing the DHS intelligence enterprise and for collecting, analyzing, and sharing intelligence information for and among all components of DHS, and with the state, local, tribal, and private sector homeland security partners. Because I&A is a member of the intelligence community,[39] its budget comes in part from the classified National Intelligence Program.[40] The Office of Operations Coordination develops and coordinates departmental and interagency

[36] "The JRC is a senior requirements review board that: 1. Identifies crosscutting opportunities and common requirements among DHS Organizational Elements for non-IT investments and aids in determining how best to ensure that the Department uses its resources wisely and in the best interest of the American public; 2. Conducts reviews of non-IT mission needs statements, Department capital investment plans, portfolio management documents and special interest issues submitted in accordance with the DHS Planning, Programming, and Budgeting Guidance, and other documents/issues; 3. Makes programmatic recommendations to the Investment Review Board (IRB) on proposed new programs and changes to existing capital programs." (U.S. Department of Homeland Security, "Charter of DHS Joint Requirements Council," September 17, 2003, available at http://www.dhs.gov/sites/default/files/publications/mgmt_directive_1405_charter_dhs_joint_requirements_council.pdf).

[37] *Congressional Record*, vol. 163, May 3, 2017, p. H3808.

[38] Prepared by Jerome P. Bjelopera, Specialist in Organized Crime and Terrorism, Domestic Social Policy Division.

[39] The intelligence community (IC), as defined in 50 U.S.C. §401a(4), includes the Central Intelligence Agency, the National Security Agency, the National Reconnaissance Office, the National Geospatial-Imagery Agency, the Defense Intelligence Agency, the Bureau of Intelligence and Research of the State Department, the Office of Intelligence and Analysis of the Treasury Department, and DHS's Intelligence and Analysis, as well as intelligence elements within the Federal Bureau of Investigation, the Drug Enforcement Administration, the Department of Energy, the Army, the Navy, the Air Force, the Marine Corps, and the Coast Guard.

[40] The National Intelligence Program "includes all programs, projects, and activities of the [U.S.] intelligence community as well as any other intelligence community programs designated jointly by the DNI [Director of National Intelligence] and the head of department or agency, or the DNI and the President." See https://www.dni.gov/index.php/intelligence-community/ic-policies-reports/ic-policies-2?highlight=WyJidWRnZXQiXQ==.

operations plans. It also manages the National Operations Center, the primary 24/7 national-level hub for domestic incident management, operations coordination, and situational awareness, fusing law enforcement, national intelligence, emergency response, and private sector information.

Summary of Appropriations

The Administration requested $266 million in appropriations for A&O for FY2017. This is about $1 million more than was provided in FY2016.

Senate Appropriations Committee-reported S. 3001 recommended that A&O receive a gross budget authority for FY2017 of $260 million, $6 million below the $266 million requested. The committee noted its disappointment that DHS failed to provide an assessment of the Kansas Intelligence Fusion Center [KIFC] as a State-based Center of Excellence for multiagency, multidiscipline public-private partnership to enhance threat information sharing and collaboration.[41] It also directed I&A to assess the level of field support that it provides to the border security mission at DHS and the extent to which additional support, colocated on the Southwest border, would bolster the mission.

House Appropriations Committee-reported H.R. 5634 recommended $266 million in appropriations for FY2017, the same amount as the Administration request. The committee supported efforts to provide security clearances to appropriate state and local law enforcement personnel and other first responders. The committee directed A&O to provide a briefing on the number of state and local personnel sponsored for security clearances no later than 60 days after the act's enactment.

The Department of Homeland Security Appropriations Act, 2017 provided $264 million for A&O, 0.8% less than was requested and 0.4% less than was provided in FY2016. The specific directions from the House and Senate committee reports were not addressed in P.L. 115-31 or the accompanying explanatory statement, and therefore stand.

Office of the Inspector General[42]

The DHS Office of the Inspector General (OIG) is intended to be an independent, objective body that conducts audits and investigations of the department's activities to prevent waste, fraud, and abuse. The OIG keeps Congress informed about problems within the department's programs and operations; ensures DHS information technology is secure pursuant to the Federal Information Security Management Act; and reviews and makes recommendations regarding existing and proposed legislation and regulations related to the department. The OIG reports to Congress and the Secretary of DHS.

Summary of Appropriations

For FY2016, the Administration requested $157 million in discretionary budget authority for the OIG. This is $20 million (14.3%) more than was provided in FY2016. The Administration also requested a $24 million transfer from the Disaster Relief Fund (DRF) specifically for oversight of

[41] As directed in S.Rept. 113-198.

[42] Prepared by William L. Painter, Specialist in Homeland Security and Appropriations, Government and Finance Division.

disaster relief activities. Transfers from the DRF are a long-standing means of supporting the DHS OIG's annual budget for oversight of disaster relief, first occurring in FY2004, the first annual appropriations act for the department.[43]

Senate Appropriations Committee-reported S. 3001 included $155 million in discretionary budget authority for the OIG. This was $2 million (1.3%) less than was requested by the Administration, and $18 million (12.8%) more than was provided in FY2016. The House Appropriations Committee-reported bill included the requested transfer from the DRF for disaster relief oversight activities.

House Appropriations Committee-reported H.R. 5634 included $157 million in discretionary budget authority for the OIG. This was the funding level requested by the Administration, and $20 million (14.3%) more than was provided in FY2016. The House committee-reported funding level is $2 million (1.3%) more than was proposed in the Senate committee-reported bill. Like the House Appropriations Committee-reported bill, the Senate Appropriations Committee-reported bill included the requested transfer from the DRF for disaster relief oversight activities.

The Department of Homeland Security Appropriations Act, 2017, provided $175 million for the OIG, $6 million (3.4%) less than was requested and $14 million (8.4%) more than was provided in FY2016. In a departure from previous practice, this budget authority was wholly appropriated to the OIG—none of it was provided as a transfer from FEMA for disaster-related work. The explanatory statement notes "the OIG is directed to allocate not less than $20,856,000 to disaster-related investigations and audits."[44]

Issues in OIG Appropriations

Issues surrounding the DHS OIG are generally issues that impact the broader oversight community, or are issues that are shared throughout the broader community of inspectors general. Although two such issues are briefly highlighted below, a much fuller analysis is available in the discussion of statutory Offices of Inspectors General in CRS Report RL30240, *Congressional Oversight Manual*, by Alissa M. Dolan et al.

OIG Mandates

It is common practice for authorization and appropriations bills and reports to direct the OIG to conduct specific work in addition to its ongoing audit and inspection activities. These mandates are frequently placed on the OIG without providing additional resources to fund the work required.

Along with existing statutory requirements, the House and Senate reports for FY2017 directed that the OIG

- continue monitoring and assessing component oversight of the use of force by law enforcement personnel, and recommend how that oversight can help improve training;[45]

[43] P.L. 108-90.

[44] Explanatory Statement, H3809.

[45] H.Rept. 114-668, p. 19.

- keep the appropriations committees informed of the progress on their review of ICE and CBP detention facilities;[46]
- provide a detailed spending plan for the office;[47]
- continue covert testing of aviation security capabilities;[48]
- review NPPD's documentation and results of its pilot project exploring regionalization of support for its infrastructure protection personnel, and what authorities would be necessary to implement this concept;[49] and
- report to Congress on event-related spending and conferences.[50]

OIG Accountability

In recent years, questions about the objectivity and quality of the oversight provided by the DHS Inspector General (IG) drew public attention. John Roth was confirmed as the DHS IG on March 13, 2014, after a three-year period during which DHS did not have a Senate-confirmed Inspector General. One of the individuals who had served as Acting Inspector General and Deputy Inspector General during most of that period came under scrutiny on the basis of whistleblower allegations of misconduct.[51] These allegations were investigated separately by the Integrity Committee of the Council of the Inspectors General on Integrity and Efficiency,[52] and the Subcommittee on Financial and Contracting Oversight of the Senate Homeland Security and Government Affairs Committee.[53]

In discussing the proposed increase in funding above FY2016, the Senate Appropriations Committee noted in its report that "the DHS OIG has made great strides under the current Inspector General in restoring its credibility and capabilities.... The Committee expects to see continued progress and results from these investments."[54] The House Appropriations Committee report did not specifically mention these reforms, and no further commentary was provided in the explanatory statement accompanying the FY2017 act.

[46] Ibid.

[47] S.Rept. 114-264, pp. 28-29.

[48] S.Rept. 114-264, p. 29.

[49] Ibid.

[50] S.Rept. 114-264, p. 30.

[51] Carol D. Leonnig, "Probe: DHS Watchdog Cozy with Officials, Altered Reports as He Sought Top Job," *The Washington Post*, April 24, 2014. http://www.washingtonpost.com/politics/probe-dhs-watchdog-cozy-with-officials-altered-reports-as-he-sought-top-job/2014/04/23/b46a9366-c6ef-11e3-9f37-7ce307c56815_story.html.

[52] The committee, created by the Inspector General Reform Act of 2008 (P.L. 110-409), facilitates the oversight of these intentionally independent oversight bodies.

[53] Letter from Phyllis K. Fong, Chairperson, Council of the Inspectors General on Integrity and Efficiency, to The Honorable Claire McCaskill, Chairwoman, Subcommittee on Financial and Contracting Oversight, Committee on Homeland Security and Governmental Affairs, June 11, 2014, http://www.hsgac.senate.gov/download/letter-from-cigie-regarding-allegations-of-misconduct-by-former-dhs-deputy-inspector-general-charles-edwards&ei=2IhTVMOeDPTIsATWxILgCQ&usg=AFQjCNH690SLkxwJXwaFqMj0KEO8IrrhQQ&bvm=bv.78677474,d.cWc.

[54] S.Rept. 114-264, p. 28.

Author Information

William L. Painter, Coordinator
Specialist in Homeland Security and Appropriations

Jerome P. Bjelopera
Specialist in Organized Crime and Terrorism

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.