

# CRS Report for Congress

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## **Appropriations for FY2004: Department of Homeland Security**

**Updated January 12, 2004**

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Appropriations are one part of a complex federal budget process that includes budget resolutions, appropriations (regular, supplemental, and continuing) bills, rescissions, and budget reconciliation bills. The process begins with the President's budget request and is bounded by the rules of the House and Senate, the Congressional Budget and Impoundment Control Act of 1974 (as amended), the Budget Enforcement Act of 1990, and current program authorizations.

This report is a guide to one of the 13 regular appropriations bills that Congress passes each year. It is designed to supplement the information provided by the House and Senate Appropriations Subcommittees on Homeland Security. It summarizes the current legislative status of the bill, its scope, major issues, funding levels, and related legislative activity, and will be updated as events warrant. The report lists the key CRS staff relevant to the issues covered and related CRS products.

**NOTE: A Web version of this document with active links is available to congressional staff at: [http://www.crs.gov/products/appropriations/apppage.shtml].**

# Appropriations for FY2004: Department of Homeland Security

## Summary

This report describes the FY2004 appropriations for the Department of Homeland Security (DHS). It summarizes the President's FY2004 budget request for DHS programs, as submitted to the Congress February 3, 2003, and the congressional response to that proposal. The report includes tables that compare the President's FY2004 request to the FY2003 amounts for programs and activities that were transferred to DHS after its establishment on January 24, 2003, nearly 4 months after the start of FY2003. The report also includes amounts recommended for DHS programs by House and Senate bills, and the final amounts approved by conferees, as work on the final bill was completed.

DHS programs include activities formerly conducted by the Federal Emergency Management Agency (FEMA) and the U.S. Customs Service, and most of the activities formerly operated by the Immigration and Naturalization Service (INS).

On June 24, 2003, the House amended and passed H.R. 2555, the Department of Homeland Security Appropriations Act, 2004. The House bill (H.Rept. 108-169) would provide DHS with \$29.4 billion in discretionary appropriations for FY2004, compared to the current estimate of \$28.9 billion for FY2003. The President's request was \$28.4 billion.

On July 24, 2003, the Senate passed its version of H.R. 2555 (S.Rept. 108-86). The Senate bill would provide DHS with \$28.5 billion in discretionary funds for DHS for FY2004.

On September 23, 2003, conferees on the 2 versions of the DHS appropriations bill reported agreement (H.Rept. 108-280), and the final bill cleared both Houses the following day. The President signed the bill as P.L. 108-90 on October 1, 2003.

The DHS bill provides total appropriations of \$30.4 billion for FY2004 through 4 separate titles: Department Management and Operations (\$455 million); Security, Enforcement, and Investigations (\$19.1 billion); Preparedness and Recovery (\$8.4 billion); and Research and Development, Training, Assessments, and Services (\$2.2 billion). Included within Title II are the major security functions of Customs and Border Protection (\$4.9 billion); Immigration and Customs Enforcement (\$3.4 billion); the Transportation Security Administration (\$2.5 billion); the U.S. Coast Guard (\$6.8 billion); and the U.S. Secret Service (\$1.0 billion). Title II also included \$330 million to fund operations of the Visitor and Immigration Status Indicator Technology project (VISIT) for FY2004. Title III provides \$4.0 billion for the Office of Domestic Preparedness.

This is the final version of the Congressional Research Service report on the DHS appropriations process for FY2004.

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# Appropriations for FY2004: Department of Homeland Security

## Most Recent Developments

**P.L. 108-90 Enacted.** On October 1, 2003, the Department of Homeland Security Appropriations Act, 2004, was signed into law, as **P.L. 108-90 (H.R. 2555; conference report H.Rept. 108-280)**. The Act provides \$29.4 billion of FY2004 discretionary appropriations for the Department of Homeland Security (DHS). If enacted, **H.R. 2673**, the Consolidated Appropriations Act, 2004, would reduce these appropriations by 0.59% (see page 10).

**Senate Version of H.R. 2555 Passed.** On July 24, 2003, the Senate amended and passed **H.R. 2555 (S.Rept. 108-86)**, on July 24, 2003. The bill would have provided \$28.5 billion in discretionary DHS appropriations.

**House Version of H.R. 2555 Passed.** On June 23, 2003, the House amended and passed **H.R. 2555 (H.Rept. 108-169)**. The bill would have provided \$29.4 billion in discretionary DHS appropriations.

**President's FY2004 Budget Submitted.** On February 3, 2003, the President submitted the FY2004 budget request to the Congress, proposing \$28.4 billion in discretionary appropriations for DHS.

**Department Established.** The Homeland Security Act of 2002 (HSA) was signed into law November 25, 2002, as **P.L. 107-296**, establishing DHS, effective January 24, 2003. Most programs and activities were officially transferred to DHS from other federal agencies on March 1, 2003. Relative to FY2004 appropriations, the FY2003 discretionary total for DHS has been estimated at \$28.9 billion.

**Table 1** summarizes the legislative status of DHS appropriations for FY2004.

**Table 1. Legislative Status of Homeland Security  
Appropriations, H.R. 2555**

| Subcommittee markup |               | H.Rept. 108-169      | House passage           | S.Rept. 108-86         | Senate passage         | Confer. report H.Rept. 108-280 | Conference report approval |                      | Public Law 108-90 |
|---------------------|---------------|----------------------|-------------------------|------------------------|------------------------|--------------------------------|----------------------------|----------------------|-------------------|
| House               | Senate        |                      |                         |                        |                        |                                | House                      | Senate               |                   |
| 6/12/03<br>(a)      | 7/09/03<br>vv | 6/17/03<br>vv<br>(b) | 6/24/03<br>425-2<br>(c) | 7/10/03<br>29-0<br>(d) | 7/24/03<br>93-1<br>(e) | 9/23/03                        | 9/24/03<br>417-8<br>(f)    | 9/24/03<br>vv<br>(g) | 10/1/03           |

**Note:** vv = voice vote.

<sup>a</sup> House Appropriations Subcommittee for Homeland Security held a closed markup on June 12, 2003.

<sup>b</sup> H.R. 2555 was introduced, approved, and reported (H.Rept. 108-169) by the House Committee on Appropriations on June 17, 2003.

<sup>c</sup> The House passed H.Res. 293, the rule for the floor consideration of H.R. 2555, on June 24, 2003; see *Congressional Record*, Daily Edition, p. H5734-5742. The House approved the rule by a vote of 220 to 197, roll call no. 302, p. H5734. Subsequently on June 24, the House amended and passed H.R. 2555; see *Congressional Record*, Daily Edition, June 24, 2003, p. H5734-95. The House approved the bill by a vote of 425 to 2, roll call no. 310, p. H5795.

<sup>d</sup> The Senate Committee on Appropriations amended and reported H.R. 2555 (S.Rept. 108-86) on July 10, 2003.

<sup>e</sup> The Senate amended and passed H.R. 2555; see *Congressional Record*, Daily Edition, July 21, 2003, p. S9623-9629; July 22, p. S9672-9697; July 23, p. S9748-9788; July 24, S9830-9887. The Senate approved the bill by a vote of 93 to 1, roll call no. 306, p. S9886.

<sup>f</sup> The House approved the H.R. 2555 conference report (H.Rept. 108-280); see *Congressional Record*, Daily Edition, September 24, 2003, p. H8793-8802. House approval was by a vote of 417-8, roll call no. 515, p. H8802.

<sup>g</sup> The Senate approved the H.R. 2555 conference report; see *Congressional Record*, Daily Edition, September 24, 2003, p. S11891-11897, by voice vote.

**Note on Most Recent Data.** In this report, data are based on the H.R. 2555 conference report, H.Rept. 108-280. Since the conference report shows only the President's request and the conference agreement for FY2004, this report supplements that data with amounts from the September 23, 2003 unofficial staff table of the House Committee on Appropriations, which includes estimates for the FY2004 House and Senate actions as well as estimated FY2003 amounts. Amounts from committee reports on FY2004 DHS appropriations (H.Rept. 108-169, S.Rept. 108-86) were not used in this report because each of those reports used different account arrangements.

Also, since FY2003 appropriations were enacted prior to the establishment of DHS, funding will likely be subject to a series of adjustments beyond the end of the 2003 fiscal year. In most cases, data represent net DHS funding for specific programs and activities, after incorporating current and forward funding, supplemental appropriations, and advance appropriations. However, all data are subject to additional scorekeeping decisions that can alter account totals for each fiscal year, and as a result, affect the subtotals in various tables shown below.

**302(a) and 302(b) Allocation Ceilings.** The maximum budget authority for annual DHS appropriations is determined through a two-stage congressional budget process. In the first stage, the Congress agrees to overall spending totals in the annual concurrent resolution on the budget. Subsequently, these amounts are allocated among the various 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 the discretionary totals available to the House and Senate Committees on Appropriations for enactment in annual appropriations. For FY2004, the Congress agreed to the budget resolution, H.Con.Res. 95 and its conference report, H.Rept. 108-71, on April 11, 2003. The resolution provides for an FY2004 discretionary total of \$784.5 billion. For procedural information, see CRS Report 98-721, *Introduction to the Federal Budget Process*.

In the second stage of the process, the appropriations committees allocate the 302(a) discretionary funds among their subcommittees for each of the 13 annual 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 can and often do get adjusted during the year as the various appropriations bills progress toward final enactment. The initial 302(b) discretionary allocations for the FY2004 appropriations bills were agreed to by the House and Senate Committees on Appropriations on June 17, 2003, as shown in **Table 2**. Comparable amounts for FY2003 and the President's FY2004 budget are also shown. Both the 302(a) and the 302(b) allocations regularly become contested issues in their own right.

**Table 2. FY2004 302(b) Discretionary Allocations for DHS**

(budget authority in billions of dollars)

| FY2003 comparable | FY2004 request comparable | FY2004 House allocation | FY2004 Senate allocation | FY2004 enacted comparable |
|-------------------|---------------------------|-------------------------|--------------------------|---------------------------|
| \$28.9            | \$28.4                    | \$29.4                  | \$28.5                   | \$29.4                    |

**Source:** The FY2004 House allocation is based on **H.Rept. 108-228**, July 22, 2003. The FY2004 Senate allocation is based on **S.Rept. 108-103**, July 16, 2003. Comparable amounts from the FY2003 enacted, FY2004 request, and FY2004 enacted are based on the September 23, 2003 unofficial table of the House Committee on Appropriations.

## Highlights

This report describes the President's proposal for FY2004 appropriations for DHS programs, as submitted to the Congress February 3, 2003, and the congressional response to that proposal. It compares the FY2004 amounts enacted through P.L. 109-90 with the House- and Senate-passed amounts for FY2004. In addition, it includes the President's FY2004 request and current estimates of the FY2003 amounts for programs and activities that were transferred to DHS after its establishment on January 24, 2003, nearly 4 months after the start of FY2003. The report tracks legislative action and congressional issues related to the FY2004 DHS appropriations bill, with particular attention paid to discretionary programs. However, the report does not follow specific funding issues related to mandatory DHS programs — such as retirement pay — nor does it systematically follow any legislation related to the authorization or amendment of DHS programs.

The Department of Homeland Security Appropriations Act, 2004, is unique in that it is the first ever appropriations for the new federal department. There was a potential for being contentious because of the serious nature of the activities funded, as well as organizational problems that may occur with the establishment of any large organization. This bill provides all of the discretionary funds for DHS. Unlike many



other appropriations, no related agencies are funded in this bill. Of the 13 annual appropriations bills, the DHS bill is estimated to be the fifth largest source of discretionary funds, accounting for approximately 3.4% of the estimated \$751.8 billion total (prior to the FY2003 Wartime Supplemental, P.L. 108-11) for all federal discretionary budget authority, as reported in *Budget of the United States Government Fiscal Year 2004*, Table S-8.

## **Appropriations for the Department of Homeland Security**

The Homeland Security Act of 2002 (P.L. 107-296) transferred the functions, relevant funding, and most of the personnel of 22 agencies and offices to the new Department of Homeland Security (DHS) created by the Act. The DHS was organized in four major directorates: Border and Transportation Security; Emergency Preparedness and Response; Science and Technology; and Information Analysis and Infrastructure Protection.

The final bill included appropriations of \$5.6 billion for biodefense countermeasures, sometimes referred to as Project Bioshield, to remain available until September 30, 2013. However, the bill limits the availability of these funds for obligation, so that no more than \$3.4 billion may be obligated during the next 4 years, and no more than \$890 million may be obligated in FY2004. By enacting the House provision, the FY2004 DHS bill appropriates \$5.6 billion for the entire 10-year period, but only \$890 million of that is counted under FY2004 scorekeeping conventions. This specific funding arrangement for Project Bioshield follows Section 404 provisions of H.Con.Res. 95, the FY2004 budget resolution.

**Table 3** is a summary table, comparing appropriations for FY2003, the amounts requested for FY2004, recommended for FY2004 by separate House and Senate actions, and amounts approved by conferees resolving the differences between the 2 bills, and which were enacted as P.L. 108-90.

**Table 3. Department of Homeland Security:  
Summary of Appropriations**

(\$ in millions)

| Operational component  | FY2003<br>Enacted | FY2004<br>Request | FY2004<br>House | FY2004<br>Senate | FY2004<br>Conf. |
|--|-------------------|-------------------|-----------------|------------------|-----------------|
| <b>Title I: Departmental Management and Operations</b>                         |                   |                   |                 |                  |                 |
| <b>Subtotal: Title I</b>   | <b>300</b>        | <b>558</b>        | <b>486</b>      | <b>494</b>       | <b>455</b>      |
| <b>Title II: Security, Enforcement, and Investigations</b>                     |                   |                   |                 |                  |                 |
| <i>Office of the Undersecretary for B&amp;TS</i>                               | —                 | —                 | —               | 9                | 8               |
| <i>Visitor &amp; Immigrant Status Indicator project</i>                        | —                 | —                 | —               | 380              | 330             |
| <i>Customs and Border Protection</i>   | 5,237             | 5,647             | 5,081           | 4,900            | 4,928           |
| <i>Immigration and Customs Enforcement</i>                                     | 2,444             | 2,487             | 2,997           | 2,888            | 3,425           |
| <i>Transportation Security Administration</i>                                  | 5,414             | 2,742             | 3,082           | 3,326            | 2,522           |
| <i>U.S. Coast Guard</i>  | 6,254             | 6,655             | 6,681           | 6,815            | 6,776           |
| <i>U.S. Secret Service</i>   | 1,049             | 1,124             | 1,152           | 1,118            | 1,141           |
| <b>Subtotal: Title II</b>  | <b>20,398</b>     | <b>18,655</b>     | <b>18,994</b>   | <b>19,437</b>    | <b>19,129</b>   |
| <b>Title III: Preparedness and Recovery</b>                                    |                   |                   |                 |                  |                 |
| <i>Office of Domestic Preparedness</i>   | 3,236             | 3,558             | 3,513           | 3,638            | 4,037           |
| <i>Counter-terrorism fund</i>  | 160               | 40                | 20              | 20               | 10              |
| <i>Emergency Preparedness and Response</i>                                     | 3,373             | 4,352             | 5,110           | 3,603            | 4,402           |
| <b>Subtotal: Title III (current year, net)</b>                                 | <b>6,769</b>      | <b>7,950</b>      | <b>8,643</b>    | <b>7,261</b>     | <b>8,449</b>    |
| <b>Title IV: Research and Development, Training, Assessments, and Services</b> |                   |                   |                 |                  |                 |
| <i>Citizenship and Immigration Services</i>                                    | 695               | 235               | 249             | 229              | 236             |
| <i>Inform. analysis &amp; infrastructure protection</i>                        | 185               | 829               | 776             | 834              | 839             |
| <i>Federal Law Enforcement Training Center</i>                                 | 170               | 146               | 169             | 201              | 193             |
| <i>Science and technology</i>  | 552               | 803               | 900             | 871              | 918             |
| <b>Subtotal: Title IV</b>  | <b>1,602</b>      | <b>2,013</b>      | <b>2,094</b>    | <b>2,135</b>     | <b>2,186</b>    |
| Amount in this bill, for any year  | 29,069            | 33,880            | 34,919          | 29,326           | 34,919          |
| Scorekeeping adj. (rescissions; airline relief)                                | 695               | 215               | 215             | 215              | 215             |
| (advance appropriations)   | —                 | -4,703            | -4,703          | —                | -4,703          |
| <b>Total, Dept. of Homeland Security</b>                                       | <b>29,764</b>     | <b>29,392</b>     | <b>30,431</b>   | <b>29,541</b>    | <b>30,431</b>   |
| <i>discretionary (current year, this bill)</i>                                 | <i>28,875</i>     | <i>28,372</i>     | <i>29,411</i>   | <i>28,521</i>    | <i>29,411</i>   |
| <i>mandatory</i>   | <i>889</i>        | <i>1,020</i>      | <i>1,020</i>    | <i>1,020</i>     | <i>1,020</i>    |
| <i>Section 302(b) allocation</i>   | —                 | —                 | 29,411          | 28,521           | 29,412          |
| <i>difference, bill and allocation</i>   | —                 | —                 | 0               | 0                | 0               |

**Note:** Rounding may affect totals. Amounts for FY2004 do not include a 0.59% across-the-board reduction called for by conferees on H.R. 2673 (Consolidated Appropriations for FY2004), to which the House has agreed, and which awaits Senate action (see page 10).

**Source:** H. Rept. 108-169; S. Rept. 108-86; H. Rept. 108-280 (Conference report).

## Title I: Departmental Management and Operations

Title I covers the general administrative expenses of the new Department of Homeland Security. Individual agencies transferred to DHS are shown in separate titles. **Table 4** shows appropriations for FY2003, and funding requested for FY2004, recommended by each House, and approved in the enacted bill.

**Table 4. Departmental Management and Operations**  
(\$ in millions)

| Operational component                                  | FY2003<br>Enacted | FY2004<br>Request | FY2004<br>House | FY2004<br>Senate | FY2004<br>Conf. |
|--|-------------------|-------------------|-----------------|------------------|-----------------|
| <b>Title I: Departmental Management and Operations</b> |                   |                   |                 |                  |                 |
| <i>Operations (salaries and expenses)</i>              | 195               | 294               | 221             | 251              | 212             |
| <i>Department and technological investments</i>        | 63                | 206               | 206             | 185              | 185             |
| <i>Office of the Inspector General (net)</i>           | 42                | 58                | 58              | 58               | 58              |
| <b>Subtotal: Title I</b>                               | <b>300</b>        | <b>558</b>        | <b>485</b>      | <b>494</b>       | <b>455</b>      |

**Note:** Rounding may affect totals. Amounts for FY2004 do not include a 0.59% across-the-board reduction called for by conferees on H.R. 2673 (Consolidated Appropriations for FY2004), to which the House has agreed, and which awaits Senate action (see page 10).

**Source:** H. Rept. 108-169; S. Rept. 108-86; H. Rept. 108-280 (Conference report).

## Title II: Security, Enforcement, and Investigations

Title II funds Security, Enforcement, and Investigations, administered primarily by the Directorate for Border and Transportation Security. This Directorate, along with, the U.S. Coast Guard, are responsible for the first line of defense against terrorism, as well as for securing and managing the nation's borders. Included in this responsibility are the inspection, investigative and enforcement operations of the former Immigration and Naturalization Service (INS), which had been responsible for managing and coordinating entry into the U.S.

The Customs function, previously the responsibility of the Department of the Treasury's U.S. Customs Service, is also under the Directorate. The Customs function administered by DHS, together with the U.S. Coast Guard, are expected to effectively secure commercial traffic entering the nation's ports. The Directorate includes a planning office and a training activity to assist state and local entities with homeland security objectives. The Directorate also assumes responsibility for inspecting and monitoring plants and animals entering the U.S. to minimize the risk that noxious pests and diseases will be introduced into the country.

**Table 5** shows funding for Title II, which includes the Directorate under the functional title of Security, Enforcement, and Investigations. The table compares funding of Title II activities for FY2003 with amounts requested for FY2004, as well as amounts recommended by House and Senate actions, and approved by conferees in the bill ultimately enacted and signed by the President.

**Table 5. Security, Enforcement, and Investigations**  
(\$ in millions)

| Operational component                                      | FY2003<br>Enacted | FY2004<br>Request | FY2004<br>House | FY2004<br>Senate | FY2004<br>Conf. |
|--|-------------------|-------------------|-----------------|------------------|-----------------|
| <b>Title II: Security, Enforcement, and Investigations</b> |                   |                   |                 |                  |                 |
| <i>Office of the Under Secretary for B&amp;TS</i>          | —                 | —                 | —               | 9                | 8               |
| <i>Visitor &amp; Immigrant Status Indicator project</i>    | —                 | —                 | —               | 380              | 330             |
| <b>Customs &amp; Border Protection (net)</b>               | <b>5,237</b>      | <b>5,647</b>      | <b>5,081</b>    | <b>4,900</b>     | <b>4,928</b>    |
| – Salaries and expenses; construction                      | 4,804             | 5,647             | 4,587           | 4,369            | 4,487           |
| – Automation modernization                                 | 433               | 494               | 494             | 531              | 441             |
| – Fee accounts (offsetting collections)                    | (-817)            | (-821)            | (-821)          | (-845)           | (-845)          |
| <b>Immigration &amp; Customs Enforcement (net)</b>         | <b>2,444</b>      | <b>2,487</b>      | <b>2,997</b>    | <b>2,888</b>     | <b>3,425</b>    |
| – Salaries and expenses; construction                      | 1,855             | 2,063             | 2,030           | 2,207            | 2,178           |
| – – rescission from S&E                                    | —                 | —                 | —               | —                | -54             |
| – Federal Air Marshals                                     | —                 | —                 | —               | —                | 626             |
| – Federal Protective Services                              | 408               | 424               | 424             | 424              | 424             |
| – Automation & infrastructure modernization                | —                 | —                 | 368             | —                | 40              |
| – Air and marine interdiction                              | 181               | —                 | 175             | 257              | 210             |
| – Fee accounts (offsetting collections)                    | (-355)            | (-297)            | (-297)          | (-273)           | (-273)          |
| <b>Transportation Security Administration (net)</b>        | <b>5,414</b>      | <b>2,742</b>      | <b>3,082</b>    | <b>3,326</b>     | <b>2,522</b>    |
| – Aviation security (total funding)                        | 4,486             | 3,617             | 3,659           | 4,524            | 3,733           |
| – Emerg. Wartime Supplement (P.L. 108-11)                  | 645               | —                 | —               | —                | —               |
| – Grants to airlines (one-time appropriation)              | 2,396             | —                 | —               | —                | —               |
| – Offsetting collections (estimated)                       | -2,650            | -2,070            | -2,070          | -2,070           | -2,070          |
| – Reimburse. from DOT, FAA, fac. & equip.                  | -143              | —                 | —               | —                | —               |
| – Federal Air Marshals                                     | —                 | 620               | 635             | —                | —               |
| – Maritime and land security                               | 263               | 86                | 232             | 295              | 263             |
| – Research & development; intelligence                     | 109               | 89                | 140             | 144              | 169             |
| – Administration   | 307               | 421               | 487             | 433              | 427             |
| <b>U.S. Coast Guard</b>                                    | <b>6,254</b>      | <b>6,655</b>      | <b>6,681</b>    | <b>6,815</b>     | <b>6,776</b>    |
| – Operating expenses                                       | 4,503             | 4,838             | 4,704           | 4,648            | 4,642           |
| – Environmental compliance & restoration                   | 17                | —                 | 17              | 17               | 17              |
| – Reserve training   | 86                | —                 | 94              | 95               | 96              |
| – Acquisition, construction, & improvements                | 720               | 797               | 805             | 1,035            | 967             |
| – Alteration of bridges                                    | 17                | —                 | 20              | —                | 19              |
| – Research, development, tests, & evaluation               | 22                | —                 | 22              | —                | 15              |
| – Retired pay (mandatory, entitlement)                     | 889               | 1,020             | 1,020           | 1,020            | 1,020           |
| <b>U.S. Secret Service</b>                                 | <b>1,049</b>      | <b>1,124</b>      | <b>1,152</b>    | <b>1,118</b>     | <b>1,141</b>    |
| <b>Subtotal: Title II</b>                                  | <b>20,398</b>     | <b>18,655</b>     | <b>18,994</b>   | <b>19,437</b>    | <b>19,129</b>   |

**Note:** Rounding may affect totals. Amounts for FY2004 do not include a 0.59% across-the-board reduction called for by conferees on H.R. 2673 (Consolidated Appropriations for FY2004), to which the House has agreed, and which awaits Senate action (see page 10).

**Source:** H. Rept. 108-169; S. Rept. 108-86; H. Rept. 108-280 (Conference report).

### Title III: Preparedness and Recovery

The DHS Emergency Preparedness and Recovery functions are intended to improve the nation's capability to reduce losses from all disasters, including terrorist attacks. Table 6 includes funds expended during FY2003 for these functions, and compares them to amounts requested for FY2004, recommended by each House, and approved by conferees in the final version ultimately enacted.

**Table 6. Preparedness and Recovery**  
(\$ in millions)

| Operational component                          | FY2003<br>Enacted | FY2004<br>Request | FY2004<br>House | FY2004<br>Senate | FY2004<br>Conf. |
|--|-------------------|-------------------|-----------------|------------------|-----------------|
| <b>Title III: Preparedness and Recovery</b>    |                   |                   |                 |                  |                 |
| <i>Office of Domestic Preparedness</i>         | 3,236             | 3,558             | 3,513           | 3,638            | 4,037           |
| – Basic formula grants (state and local)       | 1,006             | —                 | 1,900           | 1,250            | 1,700           |
| – Emerg. Wartime Supplement. (P.L. 108-11)     | 1,330             | —                 | —               | —                | —               |
| – St. & loc. law enforce., terrorism prevent.  | —                 | 500               | 500             | 500              | 500             |
| – Firefighter assistance grants                | —                 | 500               | —               | 750              | 750             |
| – Hi-threat, hi-density urban areas            | 700               | —                 | 500             | 750              | 725             |
| – Other assistance; national programs          | 200               | 2,558             | 613             | 388              | 362             |
| <i>Counter-terrorism fund</i>                  | 160               | 40                | 20              | 20               | 10              |
| <i>Emergency Preparedness and Response</i>     | 3,373             | 4,352             | 5,110           | 3,603            | 4,402           |
| – Admin; regional operations                   | 798               | 165               | 169             | —                | 171             |
| – Operating expenses                           | —                 | —                 | —               | 827              | —               |
| – Prepare., mitigation, response & recovery    | —                 | 163               | 363             | 150              | 225             |
| – Public health programs                       | 498               | 434               | 484             | —                | 484             |
| – Biodefense countermeasure (current year)     | —                 | 890               | 890             | —                | 890             |
| – (advance appropriations)                     | —                 | (4,703)           | (4,703)         | —                | (4,703)         |
| – – Biodefense countermeas. (10-year total)    | —                 | (5,593)           | (5,593)         | —                | (5,593)         |
| – Grant programs                               | 169               | 300               | 200             | 165              | 180             |
| – Emergency food and shelter                   | 152               | 153               | 153             | 153              | 153             |
| – Firefighter assistance grants                | 745               | —                 | 760             | —                | —               |
| – Disaster relief                              | 776               | 1,956             | 1,800           | 1,956            | 1,800           |
| – National pre-disaster mitigation fund        | —                 | —                 | —               | —                | 150             |
| – Flood map modernization fund                 | 149               | 200               | 200             | 200              | 200             |
| – National flood insurance fund                | 89                | 90                | 91              | 110              | 110             |
| – Disaster assistance direct loan program      | 1                 | 1                 | 1               | 1                | 1               |
| – Cerro Grande Fire claims                     | —                 | —                 | —               | 38               | 38              |
| – Misc. adj.; rescissions; transfers; rounding | -4                | —                 | —               | 3                | —               |
| <b>Subtotal: Title III (current year, net)</b> | <b>6,769</b>      | <b>7,950</b>      | <b>8,643</b>    | <b>7,261</b>     | <b>8,449</b>    |

**Note:** Rounding may affect totals. Amounts for FY2004 do not include a 0.59% across-the-board reduction called for by conferees on H.R. 2673 (Consolidated Appropriations for FY2004), to which the House has agreed, and which awaits Senate action (see page 10).

**Source:** H. Rept. 108-169; S. Rept. 108-86; H. Rept. 108-280 (Conference report).

DHS promotes the effectiveness of emergency responders; supports the Nuclear Incident Response Team through standards, training exercises, and provision of funds to named federal agencies; provides the federal response by managing, directing, overseeing, and coordinating specified federal resources; aid recovery efforts; builds an intergovernmental national incident management system to guide responses; consolidate existing federal response plans into a single plan; and develops programs for interoperative communications for emergency responders.

Among other activities, the EPR incorporates all activities formerly administered by the Federal Emergency Management Agency (FEMA), with the exception of terrorism preparedness, which was transferred to the DHS Border and Transportation Security Directorate.

#### **Title IV: Research and Development, Training, Assessments, and Services**

Other activities funded through Title IV of DHS appropriations include: the Bureau of Citizenship and Immigration Services; Information Analysis and Infrastructure Protection; Federal Law Enforcement Training Center; and Science and Technology. Table 7 shows amounts provided for these functions in FY2003, together with amounts requested for FY2004, recommended by House and Senate actions, and approved by conferees as they completed action preparatory to final passage for the President's signature.

**Table 7. Research and Development, Training, Assessments, and Services**  
(\$ in millions)

| Operational component  | FY2003<br>Enacted | FY2004<br>Request | FY2004<br>House | FY2004<br>Senate | FY2004<br>Conf. |
|--|-------------------|-------------------|-----------------|------------------|-----------------|
| <b>Title IV: Research and Development, Training, Assessments, and Services</b> |                   |                   |                 |                  |                 |
| <i>Citizenship and Immigration Services</i>                                    | 695               | 235               | 249             | 229              | 236             |
| – (fee accounts)   | (1,427)           | (1,564)           | (1,564)         | (1,564)          | (1,564)         |
| – (subtotal; Citizenship & Immigration Serv.)                                  | (2,122)           | (1,799)           | (1,813)         | (1,793)          | (1,800)         |
| <i>Inform. analysis &amp; infrastructure protection</i>                        | 185               | 829               | 776             | 834              | 839             |
| <i>Federal Law Enforcement Training Center</i>                                 | 170               | 146               | 169             | 201              | 193             |
| <i>Science and technology</i>  | 552               | 803               | 900             | 871              | 918             |
| <b>Subtotal: Title IV</b>  | <b>1,602</b>      | <b>2,013</b>      | <b>2,094</b>    | <b>2,135</b>     | <b>2,186</b>    |

**Note:** Rounding may affect totals. Amounts for FY2004 do not include a 0.59% across-the-board reduction called for by conferees on H.R. 2673 (Consolidated Appropriations for FY2004), to which the House has agreed, and which awaits Senate action (see page 10).

**Source:** H. Rept. 108-169; S. Rept. 108-86; H. Rept. 108-280 (Conference report).

## Related Legislation

Several proposals related to DHS appropriations were considered during the 1<sup>st</sup> Session of the 108<sup>th</sup> Congress, including the FY2004 Consolidated Appropriations Act, the FY2004 budget resolution, FY2003 emergency wartime supplemental appropriations, and most regular FY2003 appropriations. The law establishing DHS itself was enacted during the 2<sup>nd</sup> Session of the 107<sup>th</sup> Congress.

### **Consolidated Appropriations Act, 2004, H.R. 2673**

The Consolidated Appropriations Act, 2004, H.R. 2673, would combine seven regular FY2004 appropriations bills into a single act and require an “across-the-board” reduction to various FY2004 appropriations, including those for DHS. In an effort to meet the overall spending limitations requested by the President, the conference version of H.R. 2673 includes two reductions in discretionary appropriations — one for defense, the other for non-defense appropriations. These reductions are required under Division H, “Miscellaneous Appropriations and Offsets,” Section 168.

The House approved the H.R. 2673 conference report on December 8, 2003, by a vote of 242 to 176 (Roll Call no. 676). In the Senate, a cloture motion to end debate on the conference report is scheduled for January 20, 2004. For a guide to the provisions of H.R. 2673, see CRS Report RS21684, *FY2004 Appropriations Act: Reference Guide*.

The *defense reduction* requires a rescission of \$1.8 billion from unobligated balances that remain available from the FY2001 anti-terrorism supplemental, P.L. 107-38; the FY2002 anti-terrorism supplemental, P.L. 107-117; and unobligated balances from any appropriations for the Department of Defense.

The *non-defense reduction* requires a decrease of 0.59% from most domestic discretionary appropriations found in H.R. 2673, as well as from certain FY2004 appropriations enacted separately and advance appropriations for FY2004 enacted in previous years. This reduction would yield an estimated \$2.8 billion (see *Congressional Record*, Daily Edition, December 12, 2003, p. H12812; also see CRS Report RS21684, *FY2004 Consolidated Appropriations: Reference Guide*). For such eligible appropriations, the 0.59% reduction is to be applied to “each discretionary account and each item of budget authority” and to each program, project, and activity within each such account or item. FY2004 supplemental appropriation acts and discretionary amounts from FY2004 Defense and Military Construction Appropriations Acts are excluded from the non-defense reduction, as are advance appropriations for FY2005 or later that would be enacted through H.R. 2673. Although the exact percentage of the non-defense reduction procedure is specified, the actual application and reductions for each account or line item would be determined by the Office of Management and Budget (OMB) and the individual agencies. Within 30 days of enactment of the bill, OMB would be required to report the account and amount of each rescission.

*The FY2004 appropriations data in this report are based on the stated funding levels, unadjusted by the application of the proposed reduction procedures, as the exact reduction for each project or activity is not yet known.*

## **FY2004 Budget Resolution, H.Con.Res. 95/S.Con.Res. 23**

The concurrent resolution on the budget sets forth the congressional budget for FY2004. The resolution proposes federal budget levels for FY2004 through FY2013; the maximum for total discretionary spending is specified within the context of the budget resolution. As agreed to in conference, the resolution sets an FY2004 limit of \$784.5 billion in discretionary spending, compared to \$840.6 billion enacted for FY2003, according to the conference report (H.Rept. 108-71, p. 42). Typically, budget resolutions also specify the budget reconciliation process for the modification of mandatory spending limits and tax cut legislation, and set spending targets for functional categories of the budget. Report language usually provides an outline of the funding assumptions made for selected programs that might be used to reach the spending targets. Actual FY2004 discretionary appropriations for specific departments, agencies, and programs, however, are determined only through the enactment of appropriations bills.

H.Con.Res. 95 (H.Rept. 108-37) was passed by the House on March 21, 2003 (roll call no. 82, 215-212). S.Con.Res. 23 (without written report) was passed by the Senate on March 26, 2002 (roll call no. 108, 56-44), before being substituted as an amendment to H.Con.Res. 95. The conference report for H.Con.Res. 95, H.Rept. 108-71, was agreed to on April 11, 2003, by the House (roll call no. 141, 216-211) and by the Senate (roll call no. 34, 51-50). For additional information, see CRS Report RL31784, *The Budget for Fiscal Year 2004*.

## **FY2003 Wartime Supplemental, P.L. 108-11 (H.R. 1559)**

Following the enactment into law on February 20, 2003, of final FY2003 omnibus appropriations, the Congress agreed to additional FY2003 appropriations to meet various special wartime needs. From the total of \$79 billion enacted, \$3.9 billion was designated for DHS, according to the news release of the House Committee on Appropriations of April 12, 2003. The House passed H.R. 1559 (H.Rept. 108-55) on April 3, 2003 (roll call no. 108, 414-12). The Senate amended and passed H.R. 1559 in lieu of S. 762 (S.Rept. 108-33, agreed to by the Senate April 3 by roll call no. 125, 93-0). The conference report, H.Rept. 108-76, was agreed to by the House and the Senate on April 12, and signed into law by the President on April 16, 2003, as P.L. 108-11, the Emergency Wartime Supplemental Appropriations Act, 2003. For additional information, see CRS Report RL31829, *Supplemental Appropriations FY2003: Iraq Conflict, Afghanistan, Global War on Terrorism, and Homeland Security*.

## **FY2003 Omnibus Appropriations, P.L. 108-7 (H.J.Res. 2)**

FY2003 funding for DHS activities was enacted prior to the transfer of any activity from another federal agency to DHS. Of the 13 annual appropriations for FY2003, eight included funding for programs or activities that were to be transferred to DHS during FY2003. These include the following:



- Agriculture;
- Commerce, Justice, and State;
- Defense;
- Energy and Water Development;
- Labor, Health and Human Services, and Education;
- Transportation;
- Treasury, Postal Service, Executive Office of the President, and General Government; and
- Veterans Affairs and Housing and Urban Development.

FY2003 Defense Appropriations were enacted separately, as P.L. 107-248 (October 23, 2002); the remaining seven bills were combined into an omnibus bill, H.J.Res. 2. The conference report on the omnibus, H.Rept. 108-10, was passed on February 13, 2003, by the House (roll call no. 32, 338-83) and by the Senate (roll call no. 34, 76-20), and signed into law by the President on February 20, 2003, as P.L. 108-7, the Consolidated Appropriations Resolution, 2003. For information on the FY2003 defense appropriations, see CRS Report RL31305, *Authorization and Appropriations for FY2003: Defense*. For a guide to the omnibus bill, see CRS Report RS21433, *FY2003 Consolidated Appropriations Resolution: Reference Guide*.

## **Department of Homeland Security, P.L. 107-296 (H.R. 5005)**

On June 6, 2002, the President called for the creation of a Department of Homeland Security to direct or coordinate federal activities related to domestic defense against terrorism. The proposal would have combined 22 activities from other federal agencies. Subsequently, Congress modified and enacted legislation; the establishment of DHS became effective January 24, 2003 (60 days after enactment). Overall, 30 programs and other activities are transferred from other agencies.

The President submitted the DHS proposal to Congress on June 18, 2002; it was introduced as H.R. 5005 on June 24, 2002, by request, and referred to 12 Committees plus the new House Select Committee on Homeland Security. The bill was amended and reported, H.Rept. 107-609, Part I, by the House Select Committee on Homeland Security July 24, 2002, and passed the House July 26, 2002, by a vote of 295 to 132 (roll call no. 367). A Senate bill to create a DHS, S. 2452, S.Rept. 107-175, was reported by the Senate Committee Governmental Affairs on June 24, 2002; a revised version of S. 2452 was ordered reported July 25, 2002. H.R. 5005 was amended and passed the Senate on November 19, 2002, by a vote of 90 to 9 (roll call no. 249). The House agreed to the Senate amendment by unanimous consent on November 22. H.R. 5005 — the Homeland Security Act of 2002 — was signed into law by the President November 25, 2002, as P.L. 107-296. For additional information, see CRS Report RL31493, *Homeland Security — Department Organization and Management: Legislative Phase*, and CRS Report RL31751, *Homeland Security — Department Organization and Management: Implementation Phase*.

## World Wide Web Sites

Web sites specific to homeland security include the following:

### **House Select Committee on Homeland Security**

[<http://hsc.house.gov/>]

### **Congressional Research Service (CRS) Issues on Homeland Security**

[<http://www.crs.gov/products/browse/is-homelandsecurity.shtml>]

### **Department of Homeland Security (DHS)**

[<http://www.dhs.gov/dhspublic/>]

[<http://www.dhs.gov/dhspublic/display?theme=12>]

### **White House**

[<http://www.whitehouse.gov/homeland/>]

[<http://www.whitehouse.gov/news/releases/2003/10/20031001-7.html>]

Web sites showing general budget and appropriations information include:

### **House Committees**

[<http://www.house.gov/appropriations/>]

[<http://www.house.gov/budget/>]

### **Senate Committees**

[<http://www.senate.gov/~appropriations/>]

[<http://www.senate.gov/~budget/>]

### **Congressional Budget Office (CBO)**

[<http://www.cbo.gov>]

### **Congressional Research Service (CRS)**

[<http://www.crs.gov/products/appropriations/apppage.shtml>]

### **General Accounting Office (GAO)**

[<http://www.gao.gov/>]

### **Government Printing Office (GPO)**

[<http://w3.access.gpo.gov/usbudget/index.html>]

### **Office of Management & Budget (OMB)**

[<http://www.whitehouse.gov/omb/budget/index.html>]

[<http://www.whitehouse.gov/omb/legislative/sap/index.html>]

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