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## OVERVIEW OF THE ADMINISTRATION'S FY 2008 REQUEST FOR HOMELAND SECURITY

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The Bush Administration's fiscal year (FY) 2008 budget request includes \$61.1 billion for homeland security.<sup>1</sup> About \$29.7 billion of this request is allocated to the Department of Homeland Security (DHS). (DHS would also receive some \$17 billion for non-homeland security missions, such as maritime safety.) Another \$17.5 billion would be provided to the Department of Defense (DoD) for its homeland security-related programs and activities. The remaining \$14 billion would be divided between the Departments of Health and Human Services (\$4.4 billion), Justice (\$3.3 billion), Energy (\$1.8 billion), and some two dozen other departments and agencies. This *UPDATE* provides a brief overview of the FY 2008 request for homeland security. Among other things, this analysis finds that:

- The FY 2008 request for homeland security is \$4.7 billion above the level provided for FY 2007.<sup>2</sup> It represents about a 6 percent increase in real (inflation-adjusted) terms (all funding changes noted in this analysis are expressed in real terms).
- Under the administration's request, \$43.6 billion would be provided for non-DoD homeland security activities in FY 2008. This is some \$3.8 billion, or 7 percent, more than was provided for FY 2007.
- The FY 2008 request for homeland security is roughly one-eighth the size of the proposed budget for national defense (exclusive of war costs). Few would suggest that the United States should spend as much money on homeland security as it does on defense, but some might question the relative balance between these two priorities reflected in the administration's budget request. On the other hand, power projection and other capabilities funded through the defense budget can also contribute significantly to countering foreign terrorist organizations and other threats to the US homeland.

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1 The administration defines homeland security as "a concerted national effort to prevent terrorist attacks within the United States, reduce America's vulnerability to terrorism, and minimize the damage and recover from attacks that do occur." Office of Management and Budget (OMB), *2003 Report to Congress on Combating Terrorism* (September 2003), p. 3.

2 The FY 2007 funding level used (here and elsewhere in this *UPDATE*) to calculate the annual change from FY 2007 to FY 2008 excludes funding provided through emergency supplemental appropriations. If this funding was included, the FY 2008 request would represent a \$2.8 billion, or 2.3 percent, increase.

## FUNDING TRENDS

Federal funding for homeland security grew dramatically after the terrorist attacks of September 11, 2001. Under the administration's latest budget plan, overall funding for homeland security provided through annual appropriations (i.e., excluding supplemental appropriations) would be some \$35-40 billion, or roughly 150 percent, higher in FY 2008 than it was in FY 2001, just prior to the terrorist attacks of 9/11. Moreover, even prior to 9/11, funding for homeland security had been increased significantly. Between FY 1995 and FY 2001, funding for homeland security provided in annual appropriations bills was boosted by some 60 percent. In addition to this funding provided through regular, annual appropriations, about \$26 billion in additional funding has been provided for homeland security through various emergency supplemental appropriations enacted since the terrorist attacks of 9/11.

## MAJOR MISSION AREAS

The budget for homeland security can be broken down in a variety of different ways. One way the administration categorizes funding for homeland security is by "National Strategy Mission Area" (see Table 1).<sup>3</sup> Two of these mission areas—Border and Transportation Security, and Protecting Critical Infrastructure and Key Assets—account for two-thirds of the budget for homeland security. In dollar terms, the largest increase included in the FY 2008 request is for Border and Transportation Security activities. In percentage terms, the largest increase is for the Intelligence and Warning mission area. Funding trends in the six main homeland security mission areas are described below.

- **Border and Transportation Security:** This mission area covers a broad range of activities related to preventing the illegal entry of persons and contraband into the United States and safeguarding the country's transportation system. Among other things, it includes inspections (e.g., for immigration, customs and agricultural compliance) and security at ports-of-entry into the United States, border patrols, maritime patrols along the US coast, and aviation security. About 93 percent of the funding for this mission area is provided to DHS. For FY 2008, the administration is requesting \$20.8 billion for border and transportation security, making it the most costly mission area—accounting for 37 percent of the funding in the administration's FY 2008 request for homeland security. The request would provide a \$2.9 billion, or 12 percent, increase from the level provided in FY 2007.<sup>4</sup>
- **Protecting Critical Infrastructure and Key Assets:** Funding in this area pays for a range of activities intended to protect critical elements of the country's infrastructure. The FY 2008 request includes a total of \$19.1 billion for this mission area. This is \$1.2 billion, or 4 percent, more than was provided for in FY 2007. It accounts for about 31 percent of the funding included in the administration's request for homeland security. By far the largest portion of this funding (63 percent) is provided to DoD to help protect US military personnel and bases from terrorist attack. Under the request,

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<sup>3</sup> OMB, *Budget of the United States Government, Fiscal Year 2007, Analytical Perspectives* (Washington, DC: US Government Printing Office, 2006) pp. 19-34.

<sup>4</sup> If the \$1.8 billion for border transportation and security provided through emergency supplemental appropriations is included in the FY 2007 total, the increase included in the FY 2008 request amounts to \$1.1 billion or about 2 percent.

DoD would receive nearly \$12 billion for infrastructure protection. The FY 2008 request allocates \$3 billion to DHS for infrastructure protection (16 percent of the request for this mission area). This is \$256 million above this year's level. DHS is responsible for cataloguing, prioritizing and directing improvements to a wide range of infrastructure elements, including the country's information infrastructure. The Department of Energy coordinates efforts to protect the country's energy supplies, as well as its nuclear weapons complex. Under the budget request, the Department of Energy would receive \$1.6 billion for infrastructure protection in FY 2008, accounting for about 8 percent of the funding in this mission area. The remaining \$2.5 billion included for infrastructure protection in the request would be allocated among a wide variety of other departments and agencies.

- **Defending Against Catastrophic Threats:** This mission area consists of efforts to research, develop and deploy technologies and medical measures (e.g., vaccines and antidotes) that will improve the country's ability to detect and counter the threat posed by chemical, biological, radiological, and nuclear (CBRN) weapons. These weapons (also referred to as weapons of mass destruction, or WMD) pose a special challenge because of the large number of casualties they are capable of inflicting, and the potential for such weapons to cause widespread panic, even if casualties can be kept relatively low.<sup>5</sup> The FY 2008 request includes a total of \$8.8 billion for this mission area, \$368 million, or 2 percent, more than was provided for FY 2007. Efforts aimed at improving defenses against CBRN account for about 14 percent of the funding included in the administration's request for homeland security. Most of this funding (57 percent) is allocated to the Department of Defense to cover costs associated with researching chemical and biological threats, fielding early detection capabilities, and supporting US Northern Command, the military command responsible for homeland defense. Of the remaining funding, \$1.95 billion is directed to the Department of Health and Human Services for the development of next-generation vaccines and therapeutics, as well as technologies capable of providing earlier detection and characterization CBRN attacks. The request also includes \$1.28 billion for DHS, with most of this funding also directed toward the development of improved countermeasures.
- **Emergency Preparedness and Response:** Federal activities designed to prepare for and mitigate the effects of terrorist attacks make up this mission area. The FY 2008 request includes \$5 billion for emergency preparedness and response. This is \$86 million more than was provided for FY 2007, but about 1 percent *less* in real terms. The mission area accounts for about 8 percent of the total request for homeland security. About \$2.3 billion (46 percent) of the funding included in the request for emergency preparedness and response activities is allocated to the Department of Health and Human Services (DHHS). DHHS is charged with maintaining the supply of vaccines and other countermeasures, and assisting local public health care providers with efforts to improve their response capabilities. DHS accounts for \$1.8 billion (35 percent) of the funding requested for this mission area. DHS

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<sup>5</sup> For a discussion of these threats, see Steven M. Kosiak, *Homeland Security, Terrorism and Weapons of Mass Destruction: A Diagnostic Assessment* (Washington, DC: Center for Strategic and Budgetary Assessments, March 2004).

funding for FY 2008 consists primarily of grant assistance to state and local first responders (e.g., police, fire and rescue personnel).

- **Domestic Counterterrorism:** Funding in this mission area pays for various law enforcement-related efforts to identify, investigate and prosecute terrorists, and to prevent and disrupt terrorist operations directed against the United States. For FY 2008, the administration has requested \$4.9 billion for domestic counterterrorism activities (accounting for about 8 percent of the total request for homeland security). This is \$91 million less than was provided for this year, representing a real decline of 4 percent.<sup>6</sup> Most of the funding (53 percent) requested for this mission area is provided to the Department of Justice, primarily for the FBI. Most of the remaining funding in the request (45 percent) is provided to DHS, largely to cover costs related to immigration and customs enforcement.

**Table 1: Homeland Security Funding by Mission Area  
(in millions of dollars)**

Mission	FY 2006*	FY 2007*	FY 2008 Request	Share of FY 2008 Request
Border and Transportation Security	19,378	21,344	22,404	37%
Protecting Critical Infrastructure	18,795	17,923	19,096	31%
Defending Against Catastrophic Threats	8,696	8,461	8,829	14%
Emergency Preparedness and Response	5,054	4,936	5,022	8%
Domestic Counterterrorism	4,626	5,063	4,889	8%
Intelligence and Warning	449	513	648	1%
Other	119	78	217	0%**
<b>Total</b>	<b>57,117</b>	<b>58,318</b>	<b>61,105</b>	<b>100%</b>

\* Includes funding provided through supplemental appropriations.

\*\* Rounds to less than one percent.

Source: CSBA, based on OMB data.

- **Intelligence and Warning:** This mission area includes intelligence collection and analysis activities, as well as efforts to disseminate effectively information on terrorist threats to federal, state, local and private authorities. Most of the funding in this mission area is provided to the Departments of Homeland Security (60 percent) and Justice (27 percent). Under the administration's request, funding for Intelligence and Warning would

<sup>6</sup> If the \$83 million for domestic counterterrorism provided through emergency supplemental appropriations is included in the FY 2007 total, the FY 2008 request amounts to a \$174 million cut, or a real reduction of 6 percent.

increase by \$148 million, or 27 percent, between FY 2007 and FY 2008.<sup>7</sup> While this is by far the largest increase projected for any of the Homeland Security mission areas, at \$648 million, funding for intelligence and warning activities would remain far below the levels provided in all but one of the other mission areas. On the other hand, this total does not include funding for most foreign intelligence activities, even though some of this intelligence is likely to inform homeland security activities.

#### THE BIG FIVE

Another way to break down federal funding for homeland security is by department and agency. Five departments account for \$56.7 billion, or 93 percent, of the \$61.1 billion requested by the administration for homeland security in FY 2008. This section provides a brief description of homeland security-related funding in the administration's request for these five departments (see Table 2).

- **Homeland Security:** The administration's FY 2008 request includes some \$46.7 billion for DHS. As noted earlier, this includes \$29.7 billion for homeland security-related missions and \$17 billion for other activities, such as maritime safety and immigration services. Altogether, DHS accounts for 49 percent of the overall budget request for homeland security. And two mission areas—Border and Transportation Security, and Emergency Preparedness and Response—accounts for 70 percent of homeland security-related funding in the FY 2008 request for DHS.
- **Defense:** The administration has proposed a defense budget of \$506 billion for FY 2008, including \$483 billion for DoD (excluding funding for military operations). Of this total, \$17.5 billion is for homeland security. Thus, DoD accounts for about 29 percent of the overall request for homeland security. Some 68 percent of this funding is allocated to infrastructure protection—specifically, protecting military bases, other facilities and personnel from terrorist attacks. Most of the remaining (29 percent) is for defending against catastrophic threats. DoD's FY 2008 request for homeland security-related missions represents 3 percent increase from FY 2007.
- **Health and Human Services:** The proposed FY 2008 budget for homeland security activities includes about \$4.4 billion for the Department of Health and Human Services. Most of the Department's funding for homeland security is directed towards Emergency Preparedness and Response (e.g., maintaining vaccine stockpiles and assisting local health providers prepare for CBRN attacks) and Defending Against Catastrophic Threats (e.g., developing new vaccines for biological weapons). These two mission areas account for, respectively, 52 percent and 44 percent of the homeland security funding included in the Department of Health and Human Services' FY 2008 request. The request is \$111 million above the level provided for FY 2007, representing essentially a flat budget in real terms.
- **Justice:** The Department of Justice's proposed FY 2008 budget for homeland security activities is about \$3.3 billion. This is \$242 million, or 5

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<sup>7</sup> If the \$13 million for intelligence and warning provided through emergency supplemental appropriations is included in the FY 2007 total, the funding included in the FY 2008 request amounts to a \$135 million, or 23 percent increase.

percent, more than was provided for FY 2007. The FBI accounts for some 60 percent of the Justice Department’s homeland security funding, and most of the Department’s projected increase for FY 2008. Most of this increase is directed towards improving the FBI’s domestic counterterrorism capabilities.

- **Energy:** The administration’s FY 2008 request includes \$1.8 billion for homeland security-related funding in the Department of Energy. This is \$137 million, or 6 percent, more than was provided this year. Protecting Critical Infrastructure and Key Assets—including nuclear weapons facilities and nuclear power plants, as well as natural gas, oil and other energy-related activities—accounts for 88 percent of the homeland security funding included in department’s FY 2008 request.

**Table 2: FY 2008 Request for Homeland Security, by Agency (in millions of dollars)**

Department/Agency	Funding	Share
Homeland Security	29,667	49%
Defense	17,481	29%
Health and Human Services	4,424	7%
Justice	3,331	5%
Energy	1,834	3%
State	1,406	2%
Agriculture	719	1%
National Science Foundation	375	1%
Veterans Affairs	270	0%*
Transportation	200	0%*
NASA	194	0%*
Social Security	218	0%*
Other	988	2%
<b>Total</b>	<b>61,105</b>	<b>100%</b>

\*Rounds to less than one percent.  
Source: OMB.

**CONCLUSION**

Estimating how much needs to be spent on homeland security in order to effectively protect the United States from terrorist attacks is an extremely difficult task—far beyond the scope of this brief overview of the administration’s funding request for FY 2008. Given the enormous challenges related to homeland security that the United States faces, it is possible that substantially more funding may be needed than has been proposed by the administration. Conversely, in some areas, there may be significant limitations as to how much—realistically—providing additional funding can do to improve US homeland security.

Another important question—also beyond the scope of this *UPDATE*—is whether the administration’s current defense plan strikes the proper balance between funding for homeland security and national defense. Altogether, the administration’s FY 2008 request for homeland security is roughly one-eighth the size of its proposed budget for national defense (exclusive of funding for military operations). Few would suggest that the United States should spend as much money on homeland security as it does on national defense, but some might question the relative balance between these two priorities reflected in the administration’s budget request. On the other hand, power projection and other capabilities funded through the defense budget can also contribute significantly to countering foreign terrorist organizations and other threats to the US homeland.

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