



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 21, 2003
(Senate)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 2555 – Department of Homeland Security Appropriations Bill, FY 2004

(Sponsors: Stevens (R), Alaska; Byrd (D), West Virginia)

The Administration supports Senate passage of the FY 2004 Department of Homeland Security Appropriations Bill, as reported by the Senate Committee. The first Homeland Security Appropriations Bill largely tracks the Administration's request and builds on the legislation creating the Department in strengthening the Nation's capacity to protect our homeland. The Administration appreciates the Committee's strong support for key homeland security initiatives. The Administration also greatly appreciates that the Committee has generally refrained from earmarking funds.

While this bill exceeds the President's request by more than \$1 billion, the Administration applauds the Committee for reporting this important bill in a timely manner and looks forward to working with the Congress to ensure that the FY 2004 appropriations bills ultimately fit within the top line funding level agreed to by both the Administration and the Congress. The President supports a discretionary spending total of \$784.7 billion, along with advance appropriations of \$23.2 billion for FY 2005 – in accordance with his Budget and the FY 2004 Congressional Budget Resolution. Only within such a fiscal environment can we encourage increased economic growth and a return to a balanced budget. The Administration looks forward to working with the Congress to ensure that its priorities are met within that overall total.

Additional Administration views regarding the Committee's version of the bill are:

First Responder Grant Coordination

The Administration appreciates the Committee's strong support for the Office for Domestic Preparedness. The committee mark represents over a 1,500 percent increase in this program's funding from pre-September 11 levels, and brings total assistance for first responders' terrorism preparedness to \$8.8 billion since that date. Coordination and unified responsibility for first responder programs is essential to the efficiency and effectiveness of the Nation's preparedness goals. In particular, it is imperative that funds reserved for firefighter assistance contribute to homeland security preparedness and be integrated with State preparedness plans.

Disaster Relief Fund

The Administration appreciates the Committee's funding of the Disaster Relief Fund at the requested level. Funding of this program based on the five-year obligation level is important to ensure that the Department is able to respond properly to unforeseen emergencies and natural disasters.

New Homeland Security Directorates

The Administration appreciates the Committee's strong support for new programs in the Department. In particular, the Senate has provided support for key intelligence and infrastructure protection initiatives within the Informational Analysis and Infrastructure Protection directorate, and for the many innovative scientific and technological programs in the Science and Technology directorate.

Managerial Flexibility

The President has proposed to improve coordination across the Department by simplifying its account structure. In some areas the Committee has not adopted the Administration's proposed approach, potentially inhibiting essential coordination by retaining "stovepipes." For example, the Committee reduced and reallocated the request for departmental operations funding to independent accounts within each of the five major directorates.

Section 604 of the bill limits non-reimbursable details within the Department to 30 days. This provision unnecessarily constrains the Secretary's ability coordinate the staff of his Department and prevents the Secretary from making necessary temporary staff reassignments to best meet emerging terrorist threats by hampering it with bureaucratic processes.

Constitutional Concerns

The Administration objects to a number of provisions in the bill that would purport to require Committee approval before Executive Branch execution. The Administration will interpret these provisions to require only notification of Congress, since any other interpretation would contradict the Supreme Court ruling in *INS v. Chadha*. The Administration has not yet had ample time to review the entire Committee bill and will address any potential additional constitutional issues raised by this bill as the bill is examined thoroughly.

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