

DEPARTMENT OF HOMELAND SECURITY

Since 2001, the Administration:

- Created the Department of Homeland Security (DHS) by merging 22 separate agencies into a cohesive department with a primary mission of protecting the homeland;
- Provided \$11 billion in DHS to support State and local preparedness through 2004;
- Leveraged detection technology and deployed additional personnel to enhance border and transportation security—increasing spending by nearly \$9 billion;
- Protected the Nation's aviation system by deploying a well-trained screener workforce and state-of-the-art screening equipment; and
- Secured \$5.6 billion as part of the President's Project BioShield to buy cutting-edge drugs, vaccines, and other medical supplies for biodefense.

The President's Budget:

- Provides \$3.6 billion more than in 2004 for DHS programs—a doubling of funding since 2001;
- Targets first-responder grants to high-threat areas facing greatest risk; and
- Improves biosurveillance by expanding air monitoring for biological agents in high-threat cities and high-value targets such as stadiums and transit systems.

Department of Homeland Security

Tom Ridge, Secretary

www.dhs.gov 202-282-8000

Number of Employees in 2004: 183,000

2005 Discretionary Budget Authority:
\$33.8 billion

Key Components: Five Directorates: Border and Transportation Security, Emergency Preparedness and Response, Information Analysis and Infrastructure Protection, Science and Technology, and Management; Three mission agencies: Coast Guard, U.S. Citizenship and Immigration Services, and U.S. Secret Service.



Secretary Ridge at the launch of the US VISIT entry-exit program that will collect and match information on selected visitors to our country.

OVERVIEW



President Bush signs the first appropriations bill for the Department of Homeland Security.

The primary mission of the Department of Homeland Security (DHS) is to secure the homeland and protect it against conventional and unconventional attacks in the United States. DHS also leads response efforts to natural disasters, administers our Nation's immigration system, ensures the safety of America's waterways, and helps stop illegal drugs from crossing our borders. Effectively performing these functions requires coordination and a focused effort across all levels of government and throughout our country.

DHS confronts many challenging transitions in the coming year. It will pursue its crucial mission of ensuring that our country is

protected and prepared by pushing resources from the backrooms to the front lines, coordinating government efforts, and allocating resources to meet the greatest vulnerabilities. Simultaneously, DHS will work to implement a next-generation human resources system for the entire Department—serving as a model for the Federal Government. The Department will also continue the difficult task of merging nearly two dozen disparate agencies and programs into an effective, efficient organization that minimizes unnecessary redundancy and promotes accountability.

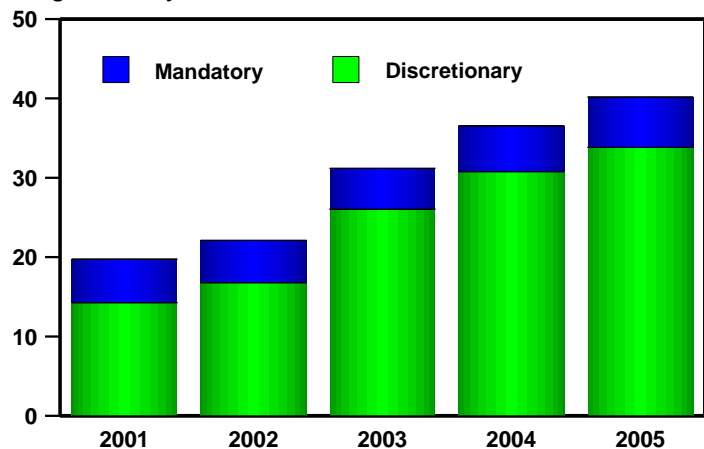
In 2005, the President's Budget builds on the significant investments to date to enhance homeland security while sustaining the Department's many important activities unrelated to terrorism. The 2005 Budget provides a \$3.6 billion increase for the Department over the 2004 enacted level—including Project BioShield. Further, the Budget substantially increases funding for DHS over 2003—the year that the Department was created—and continues the dramatic growth for agencies that are now part of DHS. The President's 2005 request is \$9.0 billion (29 percent) over the 2003 level and \$20.4 billion (103 percent) over the 2001 level.

Highlights for 2005 include:

- Over \$890 million, a 20-percent increase, to support aviation security and other transportation security activities, including funds to improve integration of explosive detection system equipment into individual airports' baggage processing to increase security effectiveness and promote greater efficiency;
- Nearly \$450 million in new funding to maintain and enhance border security activities, including the expansion of the Container Security Initiative to pre-screen cargo containers in high-risk areas and improvements in DHS' Detention and Removal Program;

DHS Total Funding

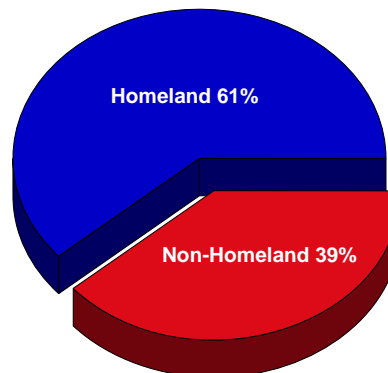
Budget authority in billions



Note: DHS was created in 2003. 2001 and 2002 data are for comparison purposes based on budgets from the incoming 22 components. Data excludes supplemental funding.

- Roughly \$490 million in additional funding for the Coast Guard, about a nine-percent increase, including upgrading its port security efforts and implementing the Maritime Transportation Security Act;
- \$3.6 billion to support first-responder grants and assistance with better targeting to high-threat areas facing the greatest risk and vulnerability;
- The availability of an additional \$2.5 billion for Project BioShield, an initiative that encourages the development and purchase of necessary medical countermeasures against weapons of mass destruction, compared with \$0.9 billion in 2004; and
- Over \$130 million to implement the new DHS human resources system that is mission-centered, fair, and flexible by rewarding top performers and ensuring that the Department can manage and deploy its resources to best address homeland security threats.

Ensuring Support for Homeland and Non-Homeland Activities



Note: Excludes BioShield funding.

REALIZING THE VISION FOR THE DEPARTMENT

In 2003, we have seen a dramatic change in the Federal Government's approach to protecting our Nation. With the largest reorganization effort in more than 50 years, the Administration has accomplished the President's goal of creating a single department with the primary mission of protecting the American people.

Within its First Year, the Department of Homeland Security:

- Quickly established a headquarters operation to lead DHS, manage change, develop policy, merge and use resources most effectively across all 22 component agencies;
- Launched Operation Liberty Shield in anticipation of the U.S. led military campaign in Iraq—the first comprehensive, national plan to increase protections of America's citizens and infrastructure;
- Established the Homeland Security Command Center, a national 24-7 watch operation; and
- Completed transition of the 22 component agencies into the Department in the largest Federal reorganization since World War II.

Working with the Congress, the Administration successfully reorganized 22 separate programs and agencies into a unified department with four mission-focused organizations, as well as the Coast Guard, U.S. Secret Service, and the U.S. Citizenship and Immigration Services. The Department established a headquarters operation and successfully began operations on March 1, 2003—bringing together the legacy agencies and programs that now make up DHS.

Much has been done but more remains to realize the President's vision to improve homeland security by realigning missions, eliminating duplication, and reorganizing current activities to better use resources. The Department is aggressively pursuing this vision.

Organizing to Enhance Mission Focus

We're meeting our goals by reorganizing to better mobilize the people and resources of the Department to make America more secure.

Secretary Tom Ridge
September 2003

Bringing many of our homeland security agencies together under one roof was just the first critical step to establish a more focused and coordinated Federal homeland protection strategy. The next step is ensuring that the roles and missions of each organization are clear and that the Department's organizational structure is optimized for the long term.



Federal Air Marshals in training.

To this end, in December 2003 DHS moved the Federal Air Marshal Service (FAMS) into the U.S. Immigration and Customs Enforcement (ICE). Working as part of ICE offers the FAMS multiple investigative resources, such as broader training opportunities, additional access to intelligence, and improved coordination with other law enforcement agencies. In addition, the Federal Air Marshals will receive supplementary training and have opportunities to rotate into land-based agent assignments, further refining their law enforcement skills.

In September 2003, DHS established a new U.S. Customs and Border Protection (CBP) inspection officer position to interact with the traveling public and facilitate the entry of legitimate goods at the Nation's ports-of-entry. Previously, there were three different government officers performing three different inspection duties on the frontline. The new CBP inspection officer will be trained to carry out the functions previously performed by the three distinct inspectional workforces. By combining the resources, skills, and best practices of the separate workforces into a single position, DHS can maximize efficiency and focus on their priority mission of preventing terrorists and terrorist weapons from entering the country.

The Department is also consolidating State and local assistance and preparedness programs into a one-stop shop. This will help coordinate similar efforts at the Federal, State, and local levels, and ease the interactions of States and localities with the providers of Federal assistance.

In 2005, the Department will continue to take steps to unify the defense of our homeland. This requires coordinating and integrating Federal, State, tribal, local, and private-sector homeland security functions to create synergy and new capabilities at the regional and local levels, close to the action. The Department will create a regional field structure that will unify the existing regional structures of DHS components, and harmonize Federal, State, tribal, local, and private-sector homeland security resources, building on the strengths that come from each partner working together.

The DHS regional structure will provide a unified voice to coordinate interagency homeland security activity at all levels of government. Within DHS, the new regional structure will facilitate

harmonization of effort and tools to target risks, threats, and vulnerabilities and take appropriate action. The regional structure will also improve the ability of DHS components to work together. In the future, the Information Analysis and Infrastructure Protection Directorate will be able to provide intelligence to an ICE aircraft, which then locates a suspect vessel, and hands off to a Coast Guard cutter to intercept and seize. Each component will fill roles best suited to their skill sets and capabilities, in a unified effort with a common operating picture and using the same or compatible operating procedures, communications, and tactics.

Reforming Human Capital

In creating the new Department, the Homeland Security Act provided an historic opportunity to design a modern human resources management system that is mission-centered, fair, effective, and flexible. DHS launched an ambitious, collaborative effort last year that may be used as a model for future Government reform. The collaboration involved input from managerial and non-managerial employees at all levels, employee unions, academia, and Government service reform experts. This endeavor will culminate with the publication later this spring of final regulations establishing the system. The 2005 Budget specifically provides additional resources that will be used for training supervisory personnel to administer a performance-based pay system and to create the information technology framework for the new system. There will be a phased rollout of the new system scheduled to begin later this year. Full adoption will be completed in calendar year 2005.

SECURING THE NATION'S BORDERS, PORTS, AND TRANSPORTATION SYSTEMS

Securing our border and transportation systems continues to be an enormous challenge. Ports-of-entry into the United States stretch across 7,500 miles of land border between the United States and Mexico and Canada, 95,000 miles of shoreline and navigable rivers, and an exclusive economic zone of 3.4 million square miles. Each year more than 500 million people, 130 million motor vehicles, 2.5 million railcars, and 5.7 million cargo containers must be processed at the border. Conditions and venues vary considerably, from air and sea ports-of-entry in metropolitan New York City with dozens of employees to a two-person land entry point in North Dakota.

Deploying Effective Screening Methods for Goods and People

In order to secure our borders while also maintaining their openness to trade and travel, DHS must leverage technology to establish an effective, layered, risk-based security program. The use of advance information about people and cargo bound for the United States is the cornerstone of our strategy for managing risk. DHS is building upon programs that use advance information to identify high-risk shipments and travelers before they reach our shores in order to focus inspection efforts, and facilitate throughput of legitimate cargo and travelers. It is imperative that dangerous people and materials be detected and intercepted before they reach our shores.

For example, the Container Security Initiative (CSI) focuses on pre-screening cargo before it reaches our shores. The first phase of CSI focused on implementing the program at the top 20



Inspectors drill into the bottom of a seaport container after discovering an anomaly through an X-ray.

foreign ports, which ship approximately two-thirds of the containers to the United States. Foreign governments from these 20 ports have already agreed to implement CSI, including the governments of Thailand and China.

As CSI has evolved, CBP has developed Phase II to expand the program to additional ports based on volume, location and strategic concerns. Strong support from countries on the European, Asian, and African continents ensure that CSI Phase II will continue to expand in those areas. Göteborg, Sweden was the first Phase II CSI port to be implemented in Europe, while CSI Phase II expansion ports in Asia will soon include the two major ports of Kelang and Tanjung Pelepas, Malaysia. Very recently, the governments of Sri Lanka and South Africa also joined CSI. This Budget continues support for both Phase I and Phase II, as well as Phase III of CSI, which will focus on capacity building at higher risk ports-of-entry.

Also essential to cargo security are partnerships with some of the biggest American importers as part of the Customs Trade Partnership Against Terrorism (C-TPAT), which began in November 2001. These partnerships improve security along the entire supply chain, from the factory floor, to foreign vendors, to land borders and seaports. To date, nearly 3,000 importers, 600 carriers, and 1,000 brokers and freight forwarders are participating in C-TPAT. This surpasses the Department's original goal of participation of the top 1,000 importers.

As well as continuing development for secure trade programs, the Budget also supports improvements for the National Targeting Center and multiple targeting systems that focus on people and/or goods. These systems use information from diverse sources to provide automated risk assessments for arriving international air passengers, shipments of goods to our country, and land border passenger traffic.

Another such effort is the United States Visitor and Immigrant Status Indicator Technology program (US VISIT), an automated entry-exit system. The first phases of US VISIT are being deployed at airports and seaports. US VISIT will expedite the arrival and departure of legitimate travelers, while making it more difficult for those intending to do us harm to enter our Nation. The system will be capable of scanning travel documents and taking fingerprints and pictures of foreign nationals, which then could be checked against databases to determine whether the individual should be detained or questioned concerning possible terrorist or criminal involvement. The Budget provides \$340 million in 2005—continuing the commitment to deploy US VISIT at land border crossings and strengthening security through identity verification of visitors. Through 2005, over \$1 billion will be used to support this initiative.

DHS will work to better leverage the existing targeting and screening programs, including US VISIT, Computer Assisted Passenger Pre-screening Systems II, and the Transportation Worker Identification Credentialing Initiative, to enhance development and deployment of new technologies in this area.

Securing the Nation's Ports

With 95 percent of all U.S. overseas trade passing through the Nation's 361 ports, port security is a top priority of DHS. The 2005 Budget provides a total of \$1.9 billion to ensure the security of ports, including \$1.7 billion for Coast Guard port, waterway, and coastal



The 2005 Budget supports 13 Coast Guard Maritime Safety and Security Teams, maritime SWAT units specially trained to prevent and respond to port security incidents.

security activities, over \$160 million for CBP container security programs, and nearly \$50 million for port security grants through the Office for Domestic Preparedness. Funding for the Coast Guard includes a \$100 million initiative to implement the Maritime Transportation Security Act, which sets security standards for certain vessels and port facilities in the United States and around the world.

Securing Aircraft from Terrorism

Our infrastructure to protect aircraft passengers, crews, and cargo from terrorist acts has never been stronger than it is today. The Transportation Security Administration (TSA) workforce, comprised of tens of thousands of professional screeners, has been deployed at the 429 commercial airports across the Nation. The more than 7,000 new screening devices currently in use ensure that the latest technology is helping to keep dangerous weapons off aircraft. Federal Air Marshals are protecting tens of thousands of air passengers in aircraft cabins each day. DHS has also trained hundreds of pilots as flight deck officers to provide a last line of defense in the cockpit. Enhanced intelligence and tracking efforts throughout DHS are keeping high-risk passengers off aircraft and out of the country.

Because aviation continues to be an attractive terrorist target, we must continue to strengthen our aviation security system. The 2005 Budget provides nearly \$5.3 billion for TSA, an increase of nearly \$900 million over last year. The additional funds will be used to continue to improve the quality and efficiency of screening operations through a combination of additional screener training, stronger management controls of screener performance, and technology automation. The Budget also provides \$400 million to continue deploying more efficient baggage screening solutions at our Nation's busiest airports to improve security while increasing operational efficiency. Another \$25 million is provided to train pilots as flight deck officers.

DHS implemented a substantially improved air cargo security and screening program last year, and the Budget provides another \$85 million to continue program deployment and screening technology research. The 2005 Budget also provides another \$61 million to accelerate development of more effective technologies to counter the threat of portable anti-aircraft missiles.

Improving Detention and Removal Capabilities

Effective detention and removal of illegal aliens present in the United States is critical to improved enforcement of our immigration laws. The fugitive population of illegal aliens ordered removed from the country, but who have not departed now numbers approximately 400,000. Critical improvements in detention and removal capabilities are needed to address this problem and to enhance the integrity of the immigration system.

As a result of the positive rating in the Program Assessment Rating Tool (PART) conducted for the 2005 Budget, the Budget supports an increase of over \$100 million for the Detention and Removal Program. This includes an additional \$50 million to expand the program to apprehend alien fugitives

Each Layer of Aircraft Security has been Strengthened



and \$30 million to increase efforts to ensure that aliens convicted of crimes in the United States are deported directly from correctional institutions after their time is served. This will prevent their release into our communities.

Alternatives to conventional detention methods are also essential to improving performance in this area. Non-criminal aliens—particularly asylum seekers—are provided alternative custody arrangements. Lower and less costly supervision requirements are used which still ensure the alien's appearance at immigration proceedings. Initial pilot efforts of this program have been successful and the Budget requests \$11 million in additional funding to expand them. This will allow DHS to focus its resources on more dangerous criminals.

The Administration is also committed to stronger workplace enforcement in support of the President's temporary worker program announced on January 7, 2004. Therefore, the 2005 Budget includes an additional \$23 million to more than double the number of worksite investigations currently performed by ICE—providing an additional 200 investigators.

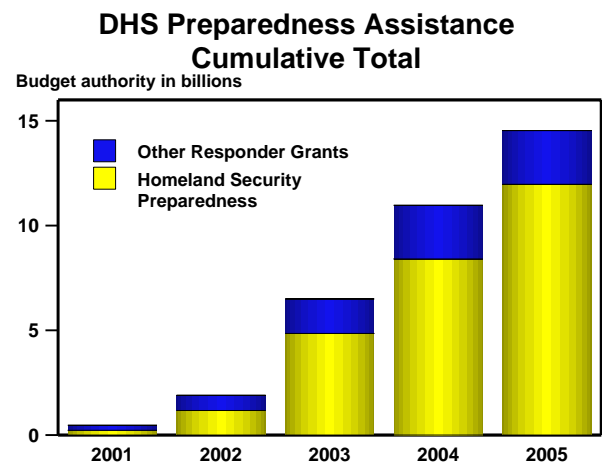
PREPARING AND RESPONDING TO NATIONAL EMERGENCIES

An effective response to a major terrorist incident—as well as a natural disaster—rests on being well prepared. DHS is working to better prepare and coordinate the Nation's capabilities to improve the speed and efficiency of our response. The Budget supports critical preparedness, response, and recovery efforts at all levels of government.

Since homeland security is a national challenge, not just a Federal one, State, local, regional, and tribal governments are vital to fighting terrorism and safeguarding our homeland. From 2001 through 2004, DHS has provided \$11 billion for State and local first responders, including \$8.4 billion focused on homeland security needs. When combined with related grants in DHS, and the Departments of Health and Human Services (HHS) and Justice, including non-homeland security programs, State and local assistance has totaled nearly \$16 billion since 2001.

This funding has allowed unprecedented investments in critical equipment, hundreds of coordinated exercises, training for over 500,000 responders, and development of a homeland security strategy for States and major cities. These funds have also enabled the dramatic expansion of Citizen Corps initiatives, enabling community-based volunteers to support front-line responders. Yet a major challenge for the Department is to ensure that such grant funds are used effectively and targeted to leverage State and local resources to meet terrorist threats. States and localities will continue to have the primary responsibility for maintaining their public safety operations. Federal assistance should not supplant this funding, but rather emphasize preparedness for and response to those major incidents that exceed State and local capabilities.

To that end, DHS is developing national domestic preparedness goals that will establish measurable targets that encompass readiness for various hazards, including terrorist attacks and major disasters. As a part of this effort, DHS is developing a comprehensive training program utilizing lessons



TOPOFF: Testing America's Readiness

In May 2003 DHS led the Nation's TOPOFF exercises in the Seattle and Chicago metropolitan areas—allowing Federal, State, and local “top officials” and response agencies to test their preparedness for extreme, mass-casualty events. Protection against terrorism requires that organizations at every level of government and in the private sector work together in partnership to prepare for events, deal with their consequences, and improve our response. The Seattle and Chicago exercises enabled agencies to practice different courses of action, gain and maintain situational awareness, and deploy appropriate resources—all in real time. The President's Budget includes funding for the next TOPOFF exercise in 2005.



learned from TOPOFF exercises that will support basic terrorism preparedness for all first responders, and a national exercise program to better target, coordinate, and distribute lessons learned from preparedness exercises.

The 2005 Budget requests \$3.6 billion in the Office for Domestic Preparedness to continue these enhancements and achieve national preparedness goals—including a doubling of the Urban Area Security Initiative, providing \$1.4 billion for terrorism preparedness in “high-threat” urban areas. This increase is made possible by reducing dependence on arbitrary formulas, enabling the Department to reinvigorate its commitment to providing homeland security funds based on terrorism risks, threats, and vulnerabilities. DHS will also continue grants for law enforcement terrorism prevention efforts, and direct grants to improve fire departments' response to terrorism and other major incidents.

Enhancing Public Health Response

The 2005 Budget continues implementation of the President's Project BioShield initiative that allows the Federal Government to buy critically needed vaccines and medications for biodefense as soon as experts agree that they are safe and effective enough to be added to the Strategic National Stockpile. The program seeks to encourage the development of necessary medical countermeasures against a chemical, biological, radiological, or nuclear attack. BioShield is a shared responsibility, joining the threat assessment capabilities of DHS with the medical expertise of HHS. Last year in response to the President's call, Congress provided \$5.6 billion in multi-year funding for Project

Project BioShield

Project BioShield will give our scientific leaders greater authority and more flexibility in decisions that may affect our national security. Our labs will be able to hire the right experts, to buy the right equipment and to speed the construction of the right facilities to accelerate urgently needed discoveries.

President George W. Bush
June 2003

BioShield. For 2005, \$2.5 billion will be made available for BioShield, compared with \$0.9 billion in 2004. The Administration is moving forward in purchasing the most important countermeasures. High on the list are next-generation vaccines for both smallpox and anthrax.

DHS has also been working to fully incorporate public health programs transferred to the Department from HHS. For example, DHS' ability to respond to disasters is enhanced by the integration of the National Disaster Medical System (NDMS). NDMS is responsible for managing and coordinating the Federal medical response to major emergencies and federally declared disasters. Additionally, DHS is taking the lead role in planning for response to a major medical disaster. For 2005, the Budget includes \$20 million for planning and exercises associated with medical surge capabilities.

The 2005 Budget transfers the Strategic National Stockpile to HHS where it will be better aligned with HHS' medical expertise. The stockpile contains drugs, vaccines, and other medical supplies and equipment that can be delivered to anyplace in the country within 12 hours. As a result of the transfer, \$400 million is moved to HHS to maintain the stockpile and strengthen its future capacity with new and needed medical products as soon as they become available. (For more information, see the Department of Health and Human Services chapter.)

IMPROVING INFORMATION ANALYSIS AND INFRASTRUCTURE PROTECTION

As a result of the Homeland Security Act of 2002, the responsibility for coordinating the protection of the Nation's critical infrastructure rests with the DHS' Information Analysis and Infrastructure Protection (IAIP) Directorate. IAIP coordinates infrastructure protection activities across Federal agencies and directs resources and efforts to reduce the vulnerability of our Nation's infrastructure to terrorism. The 2005 Budget includes \$864 million for IAIP activities, a seven-fold increase in funding from pre-September 11th levels.

Protecting Critical Infrastructure

Since its establishment in February 2003, IAIP has sought to implement the *President's National Strategy for the Protection of Critical Infrastructures and Key Assets* and the *National Strategy to Secure Cyberspace*. Critical infrastructure includes: banking and finance, energy, chemical sites, transportation, telecommunications, Government facilities, dams, national monuments and icons.

In 2004, IAIP is focusing on identifying key assets, determining vulnerabilities, performing risk analysis, and implementing protective measures. Most critical infrastructures are not federally owned or operated, requiring cooperation from all levels of government and private industry for effective protection. Therefore, IAIP works with State homeland security advisors, owners and operators of critical infrastructures, public safety personnel and other Federal agencies.

In 2005, IAIP will continue to identify and map critical assets. IAIP teams will conduct site visits to assist operators and owners in identifying and reducing vulnerabilities. IAIP personnel will also continue to recommend measures to protect critical assets better against a terrorist attack. For example, in 2003 IAIP developed a comprehensive vulnerability assessment methodology that has been distributed across the petroleum industry.

Cybersecurity is another key element of infrastructure protection. The consequences of a cyber attack could cascade across multiple infrastructures and the resulting disruption could damage our economy as well as imperil public safety. The 2005 Budget increases funding for IAIP's National Cyber Security Division (NCSA)—which was established to improve security across the Federal Government and work with industry to secure the Nation's major networks. NCSA will deliver a 30-minute

investigative response time to cyber threats and improve coordination of warning and response information.

Enhancing Intelligence Sharing

IAIP serves as the lead intelligence arm in DHS. On a daily basis IAIP compiles and synthesizes terrorist-threat information into briefings and analyses for the Secretary and DHS leadership. IAIP also leads DHS efforts in

sharing relevant information and recommended protective actions with State, local, and private entities. As part of its anti-terrorism mission, DHS will continue to be a partner in the Terrorism Threat Integration Center, a joint-effort aimed at reducing the potential of intelligence gaps. In addition, IAIP will also be a partner in the Terrorist Screening Center (TSC). The TSC, established in December 2003, will maintain a single, consolidated watchlist of terrorist suspects to be shared with Federal, State, local, and private entities in accordance with applicable law.

Our responsibility at the Department of Homeland Security is equally clear... we must create new ways to share information and intelligence both vertically, between governments, and horizontally, across agencies and jurisdictions.

Secretary Tom Ridge
October 2003

Enhancing Public Warning

Currently, information is disseminated through the Homeland Security Advisory System and other public and private sector warning systems. IAIP has issued over 50 advisories and information bulletins covering physical and cyber threats. DHS has been studying ways to better coordinate these multiple systems so that notification occurs at the Federal, State, or regional level in a matter of minutes. While some warning systems in place are based on older technologies, such as television and radio, modern technologies such as personal digital assistance equipment and cell phones have not been integrated into our public warning efforts. DHS is determining which systems could be effectively used to improve public warning. The 2005 Budget provides funds to enhance existing systems and to continue linking different systems to better target warning information towards persons at risk as quickly as possible.

ADVANCING AND HARNESSING SCIENCE AND TECHNOLOGY

New technologies to detect and counter potential chemical, biological, radiological, nuclear, and cyber threats and attacks, as well as analyze threats and share information, are critical to help prevent and minimize the damage from future terrorist attacks. With over \$1 billion requested, the 2005 Budget almost doubles the 2003 budget of the Science and Technology Directorate.

Improving Biosurveillance

In 2005, the Administration will launch a biosurveillance initiative that will bring together information across the Federal Government to improve surveillance and its capability to identify a bioterrorist attack. Within DHS, IAIP and the Science and Technology (S&T) Directorate will expand monitoring and improve analysis tools that are used to detect and respond appropriately to possible attacks.

A component of this initiative is the expansion of BioWatch, which currently protects many large U.S. cities by continually monitoring the air for biological agents that could be released by terrorists.

The 2005 Budget provides an additional \$47 million to expand BioWatch by adding scores of sensors in the top threat cities and at high-value targets such as stadiums and transit systems to increase the chances of detecting the release of biological pathogens. The Budget also includes \$31 million in new resources to develop the next-generation of biological sensors.

In addition, IAIP will collect and analyze data from many Federal agencies—not only DHS, but also HHS and the U.S. Department of Agriculture. In conjunction with the expansion of BioWatch, the 2005 Budget provides \$11 million to enable IAIP to integrate, in real-time, biosurveillance data collected from sensors throughout the country and fuse this data with information from health and agricultural surveillance and other terrorist-threat information from the law enforcement and intelligence communities. This will enhance homeland security decision-making and the Federal response in the event of an attack by minimizing the gap between the time the event occurs and the time when Federal, State and local response protocols are implemented.

Another element of the biosurveillance initiative, funded within the S&T Directorate, is the research and development of next-generation biological sensors and the development of a model to enable better synthesis of biological incident data when assessing the extent of an actual attack.

Investing in Research and Development Priorities to Create Revolutionary Capabilities

As a component of the S&T Directorate, the Homeland Security Advanced Research Projects Agency engages existing capabilities to identify and develop revolutionary technologies and satisfy DHS's operational needs for advanced technology. Additionally, it works to solicit proposals and seeks to engage our Nation's research and development communities, including academia, not-for-profit organizations, and industry in the fight against terrorism. S&T has separate

program areas dedicated to addressing each major category of weapons of mass destruction, such as chemical, biological, radiological, nuclear, and high-explosives.

Homeland Security Centers of Excellence

The first Homeland Security Center of Excellence was recently established at the University of Southern California, known as the Homeland Security Center for Risk and Economic Analysis of Terrorism Events. The new center will study the targets and methods of terrorism, with emphasis on protecting the Nation's critical infrastructure systems, such as electrical power, transportation and telecommunications. It will also develop tools for planning responses to emergencies, to minimize the threat to human lives, and reduce the economic impact in the event of an attack.

SUPPORTING ADDITIONAL RESPONSIBILITIES

Though its primary mission is to protect the Nation from terrorism, DHS' responsibilities are diverse. The ships that interdict threats to our homeland are also used to help mariners when they are in distress and protect our marine resources from polluters. Our Nation's immigration system must be administered to ensure that those who legally come to this country are welcomed. And while we must be prepared to respond to terrorist attacks, we are more often called upon to respond to natural disasters.

Maintaining Effective Maritime Search and Rescue and Upgrading Key Assets

The Coast Guard has maintained its commitment to the accomplishment of the full range of its missions, including traditional missions such as search and rescue, aids to navigation, fisheries enforcement and environmental protection. Over 50 percent of Coast Guard's 2005 budget funding is dedicated to these traditional missions. Building on the 2005 PART of the search and rescue program, the Budget continues support for Coast Guard's initiative to increase staff for search and rescue boat stations. Funding is also provided for "Rescue 21," the modernized maritime 911 system to enable Coast Guard to receive and respond to calls for help.

The 2005 Budget also continues support for the Deepwater acquisition program, through which Coast Guard is modernizing and replacing its ships, aircraft, and communications systems. The Budget includes \$678 million for Deepwater in 2005. As new assets are delivered during this long-term acquisition, Coast Guard's capacity to fulfill its homeland security and traditional missions will increase.

The Coast Guard's work to protect the homeland extends beyond port security. Over 1,100 Coast Guard men and women served in the Persian Gulf and the Mediterranean in Operation Iraqi Freedom, representing the service's largest overseas deployment in support of military operations since the Vietnam War. Closer to home, Coast Guard cooperates with CBP and ICE to prevent illegal drugs and undocumented migrants from reaching U.S. shores.



The Coast Guard is recognized worldwide as a leader in search and rescue.

Providing Quality Services to the Nation's Immigrants

The Administration is committed to maintaining America's cherished identity as a Nation of immigrants. Within DHS, the U.S. Citizenship and Immigration Service (CIS) has improved the administration of immigration benefits to the more than seven million annual applicants. The mission of CIS is to provide information and benefits in a timely, accurate, consistent, courteous, and professional manner while ensuring national security and preventing ineligible individuals from receiving benefits.

The President has proposed a new temporary worker program to match willing foreign workers with willing U.S. employers when no Americans can be found to fill the jobs. The Administration will work with the Congress to achieve these goals. As outlined by the President on January 7, 2004, the Administration is committed to achieving significant immigration reform that:

- protects the homeland by controlling the borders;
- serves America's economy by matching a willing worker with a willing employer;
- promotes compassion for unprotected workers;
- provides incentives for temporary workers to return to their home countries and families; and
- protects the rights of legal immigrants while not unfairly rewarding those who came here unlawfully or hope to do so.

For more information on the President's proposal, see the White House website at www.whitehouse.gov.

Reducing the Application Backlog

The 2005 Budget proposes an increase of \$60 million for backlog reduction as part of the President's multi-year initiative to reduce the backlog of applications and ensure a six-month processing standard for all applications. By 2006, the Department will achieve the President's six-month processing goal by eliminating the application backlog. In addition to its focus on the backlog, CIS will work over the coming year to transform the application process with its emphasis on service. DHS will also establish clear performance milestones, actively monitor progress, and ensure integrity by establishing comprehensive quality assurance measures.

Over the last year, CIS has continued the focus on quality improvements and expanded national security checks, such as performing background name checks on all applications before approval. Although the checks have initially meant longer processing times, enhanced security will help ensure that only eligible applicants are approved. In addition, CIS began implementing significant information technology improvements including electronic filing (E-Filing) for certain immigration applications.

Securing the Immigration System

In September 2003, Secretary of State Powell and Secretary Ridge signed an agreement under which Department of State and DHS employees will work together to process visa applications. The agreement established the framework to improve cooperation in creating and maintaining an effective and efficient visa process that secures our Nation's borders from external threats while maintaining open borders for legitimate travel to the United States. Both Departments will work to ensure that the policies for issuing visas to visitors are consistent with national security and foreign policy interests. DHS employees are now stationed in the Kingdom of Saudi Arabia to work with State Department Consular Officers in screening visa applications. In 2004, the Department will establish a plan for furthering its role at selected posts overseas.

Providing a Place to Turn

In spite of efforts underway to improve immigration services, applicants continue to wait in limbo for months and, in some cases, years. Because applicants need an advocate when something goes wrong in the process, the Homeland Security Act established the Office of Citizenship and Immigration Services Ombudsman to aid immigrants throughout the application process. In 2004, the Ombudsman's office will work in assisting individuals and employers to resolve problems with CIS, identify areas where individuals and employers have problems dealing with CIS, and, to the extent practicable, propose changes in the administrative practices of the CIS to resolve or mitigate problems. The Ombudsman will assist in meeting the Administration's goals of changing the character of CIS to be more welcoming to new immigrants and their families, improving CIS customer service and performance, and reducing unacceptable processing times for services.

Providing Assistance in Times of Need

When a major disaster strikes, assistance is necessary to meet the emergency needs of families and individuals, and to help pay for the rebuilding and repair of critical community infrastructure. DHS has continued to assist States in response and recovery after a disaster. In 2003, there were 62 major disasters and 19 emergencies, in addition to the continued response to previous disasters. This included recovery of the Space Shuttle *Columbia*, response to the Northeast blackouts, and relief



Listening to those in need.

from Hurricane Isabel and the California wildfires. The 2005 Budget provides \$2.9 billion for disaster relief—a level consistent with the average non-terrorist disaster costs over the past five years. This includes over \$2 billion in new funds, which is over \$300 million more than the 2004 appropriation, as well as money expected to remain available from prior years.

The Department continues to work towards protecting people and property from damage due to disasters. The Pre-disaster Mitigation program, which helps to minimize the devastation caused by natural disasters, will continue to support well-designed mitigation projects through a competitive grant process. Additionally, DHS is working to replace and modernize the Nation's Flood Insurance Rate Maps.

Ensuring Protection of Our Leaders

The U.S. Secret Service plays a unique and critical role in DHS by protecting the President, the Vice President, their families, candidates campaigning for the offices of President and Vice President, visiting heads of state, and other designated individuals. It also provides security for the White House, the Vice President's residence, foreign missions and other buildings within the Washington, D.C. area, and designs, plans, and implements security for designated events of national significance. In addition, the Secret Service protects our Nation's currency and financial system integrity through its investigation of counterfeiting, electronic crimes, and identity theft. The 2005 Budget supports the Secret Service in accomplishing these core missions by providing \$1.2 billion for the organization.



The U.S. Secret Service protects the President and our Nation's leaders.

PERFORMANCE EVALUATION OF SELECT PROGRAMS











The Budget continues to focus on improving program performance. Nine of DHS' programs were assessed using the Program Assessment Rating Tool (PART), which evaluated each programs' design and purpose, strategic planning efforts, how well they are managed, and whether they are generating positive results for taxpayers. Below are some of the highlights and recommendations from the PART evaluations. For further details on DHS' performance assessments, see the White House budget website at www.whitehouse.gov/omb/budget.

Program	Rating	Explanation	Recommendations
U.S. Immigration and Customs Enforcement: Detention and Removal	Moderately Effective	The program aims to ensure the departure from the U.S. of all removable aliens. The assessment found that the program has struggled to remove subject aliens, but has recently reorganized operations and engaged in significant strategic and performance planning efforts.	The Budget proposes to expand the program's initiatives to improve performance in removing all removable aliens. In 2004, ICE will work to develop cost effectiveness measures for the program.
Coast Guard: Fisheries Law Enforcement	Moderately Effective	The program enforces fisheries laws at sea to help the U.S. reach national goals for living marine resource conservation and management. The assessment found that the program is strong overall, but shows some deficiencies in strategic planning.	In 2004, the Coast Guard will develop long-term goals that demonstrate annual performance improvement in preventing foreign fishing vessel incursion. In addition, the Coast Guard will start a comprehensive evaluation of this program.
U.S. Customs and Border Protection: Border Patrol	Results Not Demonstrated	The program detects and apprehends illegal aliens and smugglers of aliens at or near the land border. The assessment found a need for improving outcome and cost effectiveness based measures.	In 2004, the Border Patrol will work to develop outcome measures, as well as establish timeframes and milestones to measure progress. It will also make certain that managers are held accountable for both performance and budget execution.

Program	Rating	Explanation	Recommendations
U.S. Immigration and Customs Enforcement: Federal Air Marshal Service (FAMS)	Results Not Demonstrated	The FAMS program provides an on-board security presence on U.S. commercial passenger aircraft. The assessment found that the program does not yet have measurable results, but has established a useful set of short and long-term performance measures with targets.	In 2004, the program will conduct an independent evaluation seeking to validate program elements and related performance targets. The 2005 Budget provides stable funding given current uncertainty over needed output performance.
Office for Domestic Preparedness: Assistance to Firefighters Grant Program	Results Not Demonstrated	The program provides fire departments with grants to protect the health and safety of the public and firefighting personnel. The assessment found that the program is unfocused and has not been able to demonstrate its impact on public safety, though the grant administration process is generally well-managed.	In 2004, ODP will strengthen performance measures and place greater emphasis on the unique role of Federal funds, particularly for terrorism preparedness. In addition, \$250 million is shifted to grants for "high-threat" urban areas.

UPDATE ON THE PRESIDENT’S MANAGEMENT AGENDA

The table below provides an update on the Department of Homeland Security’s implementation of the President’s Management Agenda as of December 31, 2003.

	Human Capital	Competitive Sourcing	Financial Performance	E-Government	Budget and Performance Integration
Status					
Progress					

Arrow indicates change in status rating since evaluation as of September 30, 2003.

DHS’ progress ratings reflect the emphasis the Department has placed on implementing the President’s Management Agenda as it stands-up its new organization. Particular progress has been made in the area of competitive sourcing, including the announcement of one of the largest civilian competitive sourcing studies within the Federal Government involving over 1,100 immigration information officers and contact representatives. DHS is also on-track to publish final regulations in the spring of 2004 establishing a new human resources management system. This new system may be used as a model for future Government reform. DHS is moving aggressively toward unifying the legacy financial management systems within the Department. Relating to E-Government, DHS continues to be a managing partner of two initiatives, Disaster Management and SAFECOM. Lastly, the Department is using the Program Planning and Budgeting system to develop linkages between budget and performance measures in formulating the 2005 Budget.

Department of Homeland Security
(In millions of dollars)

	Actual		Estimate	
	2001	2003	2004	2005
Spending				
Discretionary and BioShield Budget Authority:				
Border and Transportation Security	5,864	13,245	13,238	14,496
U.S. Coast Guard	3,816	5,156	5,780	6,250
Emergency Preparedness and Response (gross) ...	2,881	3,520	3,774	5,585
<i>Project BioShield (non-add)</i>			(885)	(2,528)
Science and Technology	110	553	913	1,039
Information Analysis and Infrastructure Protection ..	108	185	834	864
Office for Domestic Preparedness	217	1,961	4,366	3,561
Other Department of Homeland Security	1,256	1,408	1,854	2,036
Total (gross)	14,252	26,028	30,759	33,831
Less Fee-Funded Activities	-258	-2,681	-2,811	-2,988
Less Project BioShield			-885	-2,528
Total (net)	13,994	23,347	27,063	28,315
Total, Discretionary outlays (net)	15,030	27,477	29,219	30,782
Mandatory Spending:				
Total, Mandatory budget authority (gross)	5,492	5,154	5,782	6,336
Less Mandatory receipts and Flood Insurance				
Collections	-5,725	-5,072	-5,263	-5,765
Total, Mandatory budget authority (net)	-233	82	519	571
Total, Mandatory outlays (gross)	5,370	3,950	5,207	6,007
Less Mandatory receipts and Flood Insurance				
Collections	-5,725	-5,072	-5,263	-5,765
Total, Mandatory outlays (net)	-355	-1,122	-56	242
Total, Budget Authority (gross) ¹	19,744	31,182	36,541	40,167
Total, Outlays (net)	14,675	26,355	29,163	31,024
Credit activity				
Direct Loan Disbursements:				
Disaster Assistance	2	—	25	25

¹ 2003 excludes funding provided in P.L. 108-11, the Wartime Supplemental Appropriations Act, 2003; 2004 excludes funding provided in P.L.108-106, the Emergency Supplemental Appropriations Act, 2004.