WORKING PAPER

FACTS AND FIGURES ABOUT SEVEN YEARS OF HOMELAND SECURITY SPENDING

By Veronique De Rugy

Mercatus Center
George Mason University

The ideas presented in this research are the author’s and do not represent official positions of the Mercatus Center at George Mason University.
FACT 1: FUNDING FOR HOMELAND SECURITY ACTIVITIES HAS RISEN SUBSTANTIALLY SINCE 2001.

- Funding increased drastically between FY2001 and FY2009 from $16.9 billion to at least $68.5 billion—a 305 percent increase.¹
- Since 9/11, Congress has appropriated nearly $419 billion to protect the United States from terrorism.²
- Total FY2009 homeland security spending will cost each American household roughly $600.³
- While growth slowed somewhat in the last three years, the recently proposed budget increases the homeland security budget for FY2009 by 11.5 percent over FY2008.

FACT 2: THE DEPARTMENT OF HOMELAND SECURITY (DHS) DOES NOT SPEND ALL OF ITS FUNDING ON HOMELAND SECURITY.

- DHS’s activities are not directed strictly toward the protection of the homeland. DHS directs only $35 billion of its $50.5 billion FY2009 budget toward homeland security-related activities.⁴ The remaining $15.5 billion finances non-homeland security activities, such as the Coast Guard’s rescues of foundering yachters and Federal Emergency Management Agency’s Emergency Food and Shelter Program.
- This allocation of money results from how legislators transferred powers to the newly created DHS. Congress incorporated some items not related to homeland security into DHS, possibly because these programs would be less likely targets for cuts if they were part of DHS. Congress also left many homeland security items out of DHS’s jurisdiction, which leads to Fact 3.
FACT 3: DHS IS NOT THE ONLY AGENCY THAT SPENDS HOMELAND SECURITY MONEY.

- Despite the promise that DHS would be the entity with sole responsibility for the government’s efforts against terrorism, DHS is not the only agency responsible for homeland security activities. Overall the government will spend $68.5 billion on homeland security. DHS will spend $35 billion of that, and other programs will spend the remaining $33.5 billion.

- In FY2009, DHS will spend a slightly larger share of homeland security funding than the other combined agencies. In FY2007 and FY2008, however, agencies other than DHS spent the majority of the allocated homeland security funds.

FACT 4: THE WAY IN WHICH HOMELAND SECURITY MONEY IS ALLOCATED JEOPARDIZES PROPER OVERSIGHT.

Splitting the homeland security money between so many departments and programs decreases the ability of DHS and Congress to conduct effective oversight. Congress’s failure to consolidate oversight of the DHS into one committee might be the single greatest obstacle to creating an efficient and effective department.

When Congress incorporated several agencies into DHS at its formation, committee chairs refused to relinquish their jurisdictions over the 22 agencies and activities transferred to DHS and have blocked attempts to reform the system by consolidating oversight powers into one committee.⁶

Not only is this failure to consolidate oversight inefficient and ineffective, but it is also extremely time consuming. Last year alone the leaders of DHS:

- appeared before 86 committees and subcommittees of Congress;
- participated in 206 Congressional hearings;
- attended 2,242 briefings for members of Congress;
- wrote 460 legislatively mandated reports;
- answered 2,630 questions for the record submitted by Congress members after hearings;
- responded to at least 6,500 letters from members; and
- provided 268 departmental witnesses for testimony.⁶
**FACT 5: WHICH AGENCIES GET HOMELAND SECURITY MONEY AND HOW MUCH?**

**TABLE 1: HOMELAND SECURITY FUNDING BY AGENCY**

(Budget Authority in Millions of Dollars)

<table>
<thead>
<tr>
<th>DEPARTMENTS</th>
<th>FY2009</th>
<th>DEPARTMENT’S SHARE OF TOTAL HS FUNDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>$691</td>
<td>1.0%</td>
</tr>
<tr>
<td>Commerce</td>
<td>$264</td>
<td>0.4%</td>
</tr>
<tr>
<td>Defense-Military</td>
<td>$17,600</td>
<td>26.1%</td>
</tr>
<tr>
<td>Energy</td>
<td>$1,944</td>
<td>2.9%</td>
</tr>
<tr>
<td>Health and Human Services</td>
<td>$4,456</td>
<td>6.6%</td>
</tr>
<tr>
<td>Homeland Security</td>
<td>$34,992</td>
<td>51.9%</td>
</tr>
<tr>
<td>Justice</td>
<td>$3,794</td>
<td>5.6%</td>
</tr>
<tr>
<td>State</td>
<td>$2,465</td>
<td>3.7%</td>
</tr>
<tr>
<td>Transportation</td>
<td>$221</td>
<td>0.3%</td>
</tr>
<tr>
<td>Treasury</td>
<td>$126</td>
<td>0.2%</td>
</tr>
<tr>
<td>Veterans Affairs</td>
<td>$348</td>
<td>0.5%</td>
</tr>
<tr>
<td>Environmental Protection Agency</td>
<td>$171</td>
<td>0.3%</td>
</tr>
<tr>
<td>General Service Administration</td>
<td>$119</td>
<td>0.2%</td>
</tr>
<tr>
<td>NASA</td>
<td>$204</td>
<td>0.3%</td>
</tr>
<tr>
<td>National Science Foundation</td>
<td>$379</td>
<td>0.6%</td>
</tr>
<tr>
<td>Social Security Administration</td>
<td>$221</td>
<td>0.3%</td>
</tr>
<tr>
<td>Intel. Community Management</td>
<td>$13</td>
<td>0.0%</td>
</tr>
<tr>
<td>Nuclear Regulatory Commission</td>
<td>$73</td>
<td>0.1%</td>
</tr>
<tr>
<td>Smithsonian Institution</td>
<td>$97</td>
<td>0.1%</td>
</tr>
<tr>
<td>Other Agencies</td>
<td>$253</td>
<td>0.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$67,476</strong></td>
<td>100.0%</td>
</tr>
</tbody>
</table>

*Source: Budget of the United States, FY2009, Table 5-4.*
FACT 6: IN FY2009, THREE DIFFERENT SOURCES WILL PROVIDE THE FUNDING FOR HOMELAND SECURITY ACTIVITIES.

1. Appropriations will provide over 80 percent of non–Department of Defense (DoD) homeland security spending.
2. Mandatory spending will supply 6 percent of non-DoD homeland security spending.
3. User fees, such as airport taxes, should contribute 10 percent of non-DoD homeland security spending.

Airline security fees are designed to help pay for increased security costs. For instance, the September 11 Security Fee is imposed on passengers of domestic and foreign air carriers for air transportation that originates at airports in the United States. The fee, which is collected at the time the ticket is bought, is $2.50 per enplanement and is imposed on not more than two enplanements per one-way trip.8

If we add aviation taxes on top of the fees, the price tag is rather high for consumers. For example, a $100 non-stop roundtrip ticket includes approximately $26 (26 percent) in taxes and fees. Put differently, the airlines receive approximately $74 and the government gets $26.9

But it will get worse. The FY2009 budget proposes a temporary, four-year surcharge in the passenger security fee of $0.50 per enplanement with a maximum increase of $1.00 per one-way trip to accelerate the deployment of optimal checked baggage screening systems and address the need to recapitalize existing equipment deployed immediately after September 11, 2001.10

FIGURE 4: SOURCES OF FUNDING FOR NON DEFENSE HOMELAND SECURITY (I.E., DOMESTIC SPENDING) IN FY2009 (IN BILLIONS OF DOLLARS)

Source: Budget of the United States, Tables-4, FY2009

FACT 7: THE DEPARTMENT OF HOMELAND SECURITY JUST KEEPS GETTING BIGGER.

Since its creation:
- DHS’s budget grew from $31.2 billion in FY2003 to a requested $50.5 billion in FY2009,11 a 61.8 percent increase.8
  To put things in perspective, when the Department of Energy (a relatively young department) started, its budget grew by 19.2 percent in the first five years of its inception.12
- The number of employees working for DHS has increased by roughly 30 percent. DHS now has 232,809 employees.13

Compared to FY2008:
- FY2009 gross discretionary funding increased by $2.9 billion, or 8 percent.14
- Estimated mandatory funding increases $559.3 million, or 6 percent, in FY2009.15
FACT 8: WHERE DOES THE MONEY GO INSIDE OF DHS?

- The Transportation Security Administration (TSA) gets $7.1 billion, or 14 percent, of DHS’s total funding. Even though TSA is supposed to protect every type of public transportation, almost 80 percent of its budget is going to airline security and TSA has increased by more than 175 percent the number of personnel trained in techniques to identify potentially high-risk passengers in airports.\(^6\)

- Nineteen percent of DHS’s budget goes to the U.S. Coast Guard, which received a substantial budget increase after Hurricane Katrina. Much of the funding is for the Coast Guard’s high-profile Deepwater recapitalization program.\(^7\) Nonetheless, although DHS provides the Coast Guard’s entire budget, half of those funds go to non-homeland security related activities.

- In spite of its failures in handling the aftermath of Hurricane Katrina, the Federal Emergency Management Agency received a large boost in funding. In February 2006—six months before Katrina hit and devastated the Gulf Coast—FEMA was to receive 1 percent of DHS’s budget.\(^8\) It now receives 13 percent. In addition, FEMA will receive some of the $2.2 billion handled through the Office of Grant Programs at DHS for FEMA grants for state and local programs, emergency management, and assistance to firefighters.\(^9\)

- The FY2009 budget requested an 18 percent increase in DHS’s funding of the U.S. Customs and Border Protection (CBP), from $9.3 billion in FY2008 to $10.9 billion in FY2009. CBP also received $1.5 billion in emergency funding.\(^10\) However little of CBP’s work involves fighting terrorism. Most of the budget increase will go to hiring border agents, who mostly prevent illegal immigrants and drugs from entering the United States.\(^11\)

- In FY2009, President Bush’s budget request would cut total grants for states, cities, and local first-responders to $2.2 billion, down from $4.1 billion in FY2008.\(^12\) However, according to Congress, the requests for less grant funding are almost certainly moot. Representatives on both sides of the aisle have already vowed to oppose any cuts even though states and local governments have already received large amount of funding from the federal government to build their response capacity.\(^13\) Preparedness and emergency response grants have totaled $27 billion since 2001.

---

**FIGURE 5: DHS TOTAL BUDGET AUTHORITY BY COMPONENTS**

![Figure 5: DHS Total Budget Authority by Components](image)

Source: Department of Homeland Security, Budget in Brief FY2009, p.17
FACT 9: DHS MAKES NO ATTEMPT TO MEASURE THE PERFORMANCE OF ITS PROGRAMS.

Like most agencies, DHS measures its success in terms of output rather than outcome. For instance, with homeland security grants to the states, DHS will point out the amount of funding that the federal government sent to the various states. It does not attempt to measure the return on these dollars.

But even when DHS reports results, it does it in a way that does not tell us much about the effectiveness of a given program. Here are two examples.

1. TSA will receive $7.1 billion this year, most of which it will spend on screeners at all US airports. However, the probability of attacks in the style of 9/11 dropped close to zero in the few months after the attacks when airlines installed—at relatively low cost—simple cockpit barricades. In theory then, another 9/11 type of attack cannot happen. Since September 2001, however, screening every bag of every airline passenger to prevent another 9/11 type of attack will cost taxpayers over $34 billion by the end of FY2009. Furthermore, screening checked bags does not necessarily reduce the probability of the destruction of airplanes since screeners do not systematically check carry-on bags, air freight, or people for explosives.

2. This year CBP officers processed over 422.9 million individuals at the ports and found 209,000 aliens to be inadmissible. As this number represents 0.05 percent of all the people being processed, it means that the cost of stopping one person at the border is enormous. While the cost might be worth it, DHS makes no attempt to measure the performance of this program and determine whether it is giving Americans an efficient use of their homeland security dollars.

FACT 10: THE ABSENCE OF ANY FURTHER ATTACKS ON AMERICAN SOIL DOES NOT NECESSARILY MEAN THAT THE COUNTRY’S SECURITY HAS SIGNIFICANTLY IMPROVED.

It could just mean that we have not been attacked. Unfortunately, many studies have shown that the government is using a substantial portion of new homeland security spending for politically motivated items that are unlikely to have any effect on terrorism. Six years after the 9/11 attacks, homeland security contains as much pork barrel spending as any program in Congress. Both Congress and the states spend homeland security grants on pet projects that have nothing to do with homeland security. As state officials fight over who will get the biggest share of the money and Congress fights yesterday’s battles, who is planning for tomorrow?

ENDNOTES
1. Author’s calculation based on The Budget of the United States Government, Fiscal Year 2009, Table S-4, (Washington: Government printing...

2. Ibid.


5. For a list of all the agencies within DHS, see http://www.dhs.gov/xabout/structure/.


11. It should be noted that total outlays for DHS was roughly $66 billion because of a sudden increase in mandatory spending. For instance, mandatory flood insurance fund for FY2006 ended up being $17.5 billion, a 1,236 percent increase from its FY2005 level.


15. Ibid.


17. Integrated Deepwater System is a multi-year acquisition program to modernize and recapitalize the Coast Guard’s equipment which has been wearing out fast since 9/11.


20. Ibid.

21. Ibid.

22. Ibid.


24. For a complete explanation of the cost effectiveness of reinforced cockpit doors in airplanes, see Bruce Schneier, Beyond Fear: Thinking Sensibly about Security in an Uncertain World, (New York: Copernicus Books, 2003), 46. Other experts have raised the fact that some engineering constraints in the wall and the hinges where the doors are hanged might reduce the effectiveness of these doors. See John Lott, “Pilots Still Unarmed,” New York Post, January 6, 2004. Yet, it still seems that a very cost effective measure.
