

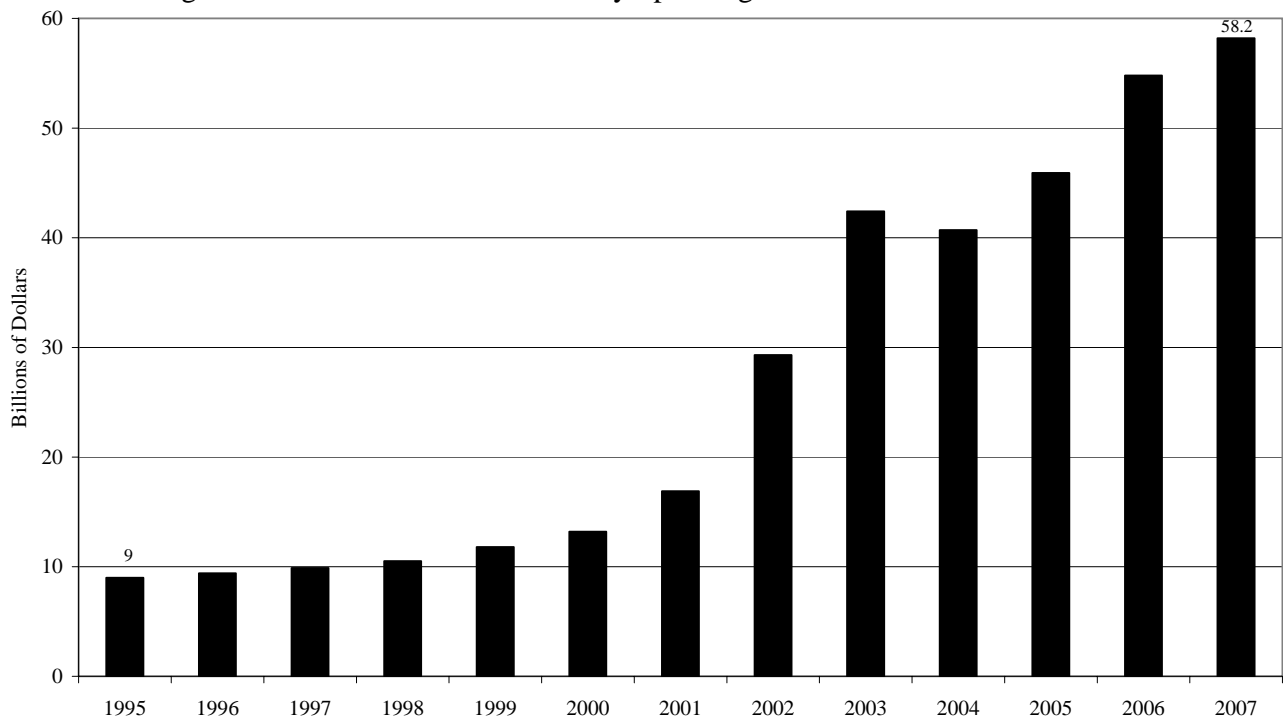
## FACTS AND FIGURES ABOUT HOMELAND SECURITY SPENDING

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International terrorism is perceived as the greatest security challenge America faces today. Since the tragic events of 9/11, policymakers have responded mainly by boosting homeland security funding. I present below some facts and figures about homeland security spending.

### Fact 1: Funding for homeland security activities has risen substantially since 2001.

Figure 1. Trend in Homeland Security Spending Between FY1995 and FY2007



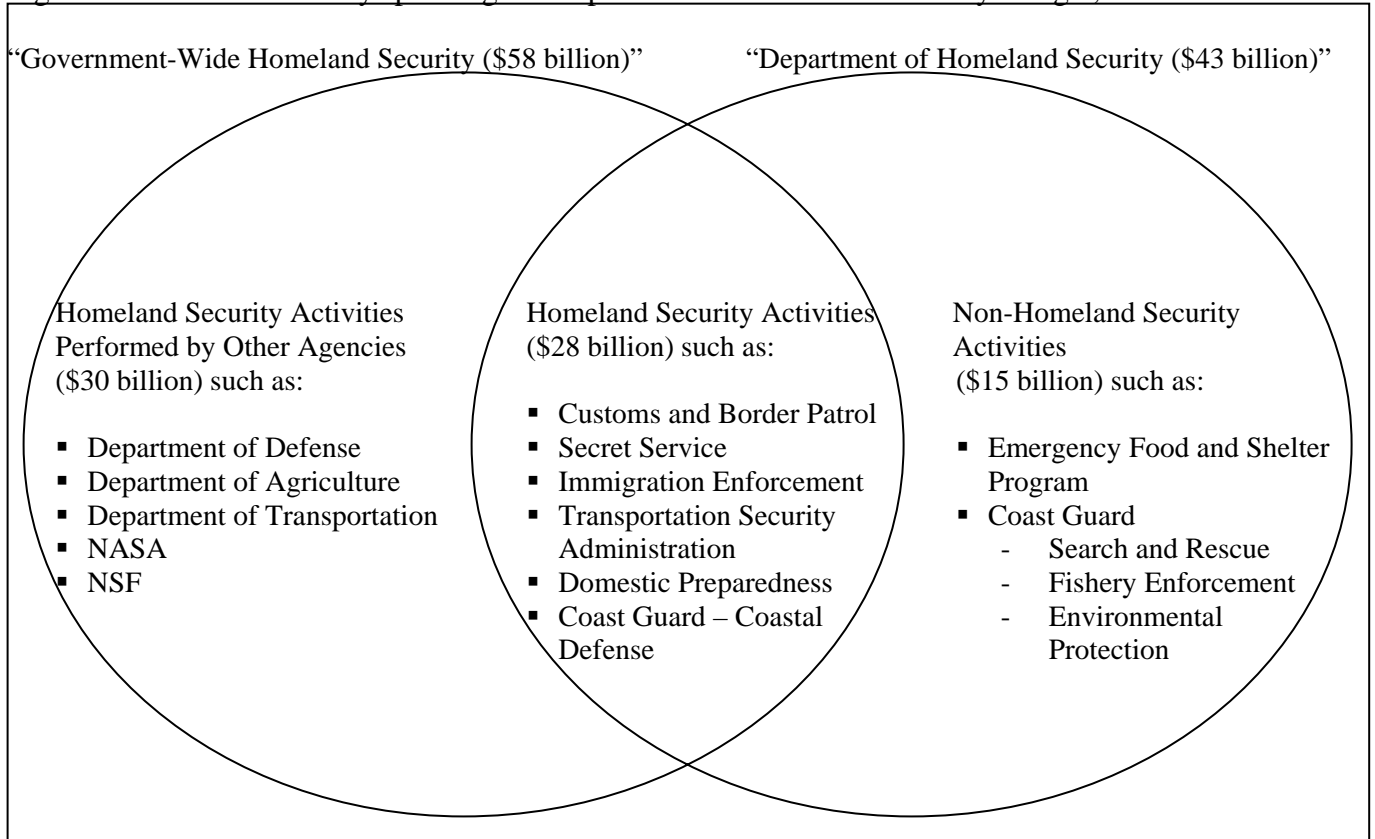
Sources: Budget of the U.S. Government, Fiscal Year 2007, Table S-5 and Office of Management and Budget, "Securing the homeland, Strengthening the Nation."  
Note: Levels for FY 1995 through 1997 are estimated, as OMB did not collect data on these activities prior to FY 1998.

- Funding increased drastically between FY2001 and FY2007, from \$16.9 billion to at least \$58.2 billion—a 246 percent increase.<sup>1</sup>
- Since 9/11, Congress has appropriated nearly \$271.5 billion to protect the United States homeland from terrorism.
- Total FY2007 homeland security spending will cost roughly \$545 per American household.<sup>2</sup>

- Homeland security spending growth has not slowed in recent years. In February, President George W. Bush requested that the overall homeland security budget for FY2007 increase by 8 percent over FY2006.

**Fact 2: Homeland security spending takes place in a universe that is not conducive to proper oversight.**

Figure 2: Homeland security spending vs. Department of Homeland Security Budget, FY2007

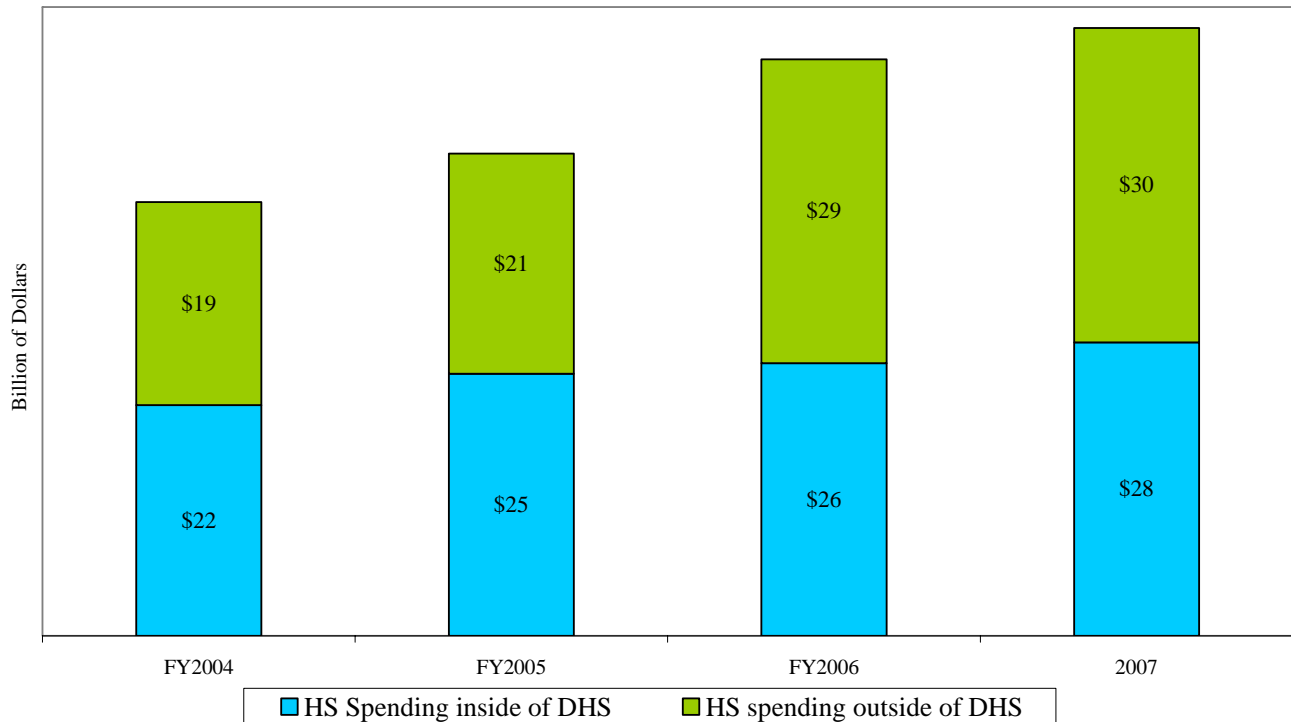


Sources: Budget of the U.S. Government, FY 2007; Department of Homeland Security Budget in Brief, FY 2007.

- Its name notwithstanding, DHS’s activities are not strictly directed at the protection of the homeland. Out of its \$43 billion FY2007 budget, DHS directs only \$28 billion toward homeland security-related activities. The remaining \$15 billion finances non-homeland security activities such as the Coast Guard’s role in rescuing foundering yachters and FEMA’s Emergency Food and Shelter Program.

**Fact 3: For the last two years, the largest share of homeland security spending has taken place outside of the Department of Homeland Security (DHS).**

Figure 3. Homeland Security Spending: Outside vs. Inside of DHS



Source: Budget of the United States, FY2007 Table S-5 and previous years.  
 Note: Excludes \$107 million in supplemental in 2004 and \$16M in 2005 for Project BioShield.

- Moreover, much homeland security spending takes place outside of DHS. Out of the \$58.2 billion directed to homeland security activities in FY2007, \$30 billion will be spent by departments other than DHS.

**Fact 4: In FY2007, 85 percent of homeland security spending will go to three departments.**

Table 1. Homeland Security Funding by Department: Budget Authority

Departments	FY2007 Request (billions of \$)	Department's Share of Total Homeland Security Funding (%)
Defense	16.7	28.7
Health and Human Services	4.6	7.8
Justice	3.3	5.6
Homeland Security	27.8	47.7
Other Departments and Agencies	5.8	10.2
<b>Total HS Funding outside of DHS</b>	<b>58.2</b>	<b>100</b>

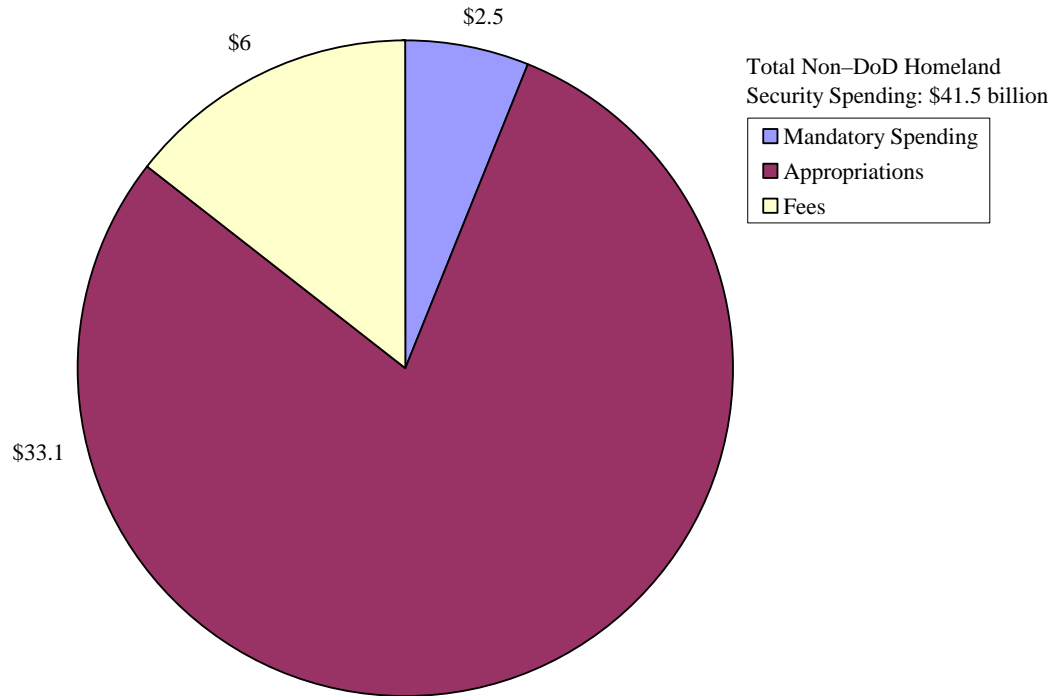
Source: Budget of the United States Government, FY2007, Table S-5.

- Almost 29 percent of homeland security spending is for the Department of Defense (DoD).

- The Department of Health and Human Services (HHS) receives a large amount of homeland security spending, largely for vaccines and other bioterrorism preparedness.
- The Department of Homeland Security receives 47.8 percent of total homeland security funding

**Fact 5: In FY 2007, the funding for homeland security activities comes from three different sources.**

Figure 4: Sources of Funding for Non-Department of Defense Homeland Security Spending (i.e. Domestic Spending) in FY2007 (in billions)



Source: Budget of the United States, Table S-5, FY 2007 and Department of Homeland Security Budget in Brief FY2007 ([http://www.dhs.gov/xlibrary/assets/Budget\\_BIB-FY2007.pdf](http://www.dhs.gov/xlibrary/assets/Budget_BIB-FY2007.pdf)).

- Eighty percent of non-DoD homeland security spending will come from appropriations.
- Six percent of non-DoD homeland security spending is mandatory spending.
- Fourteen percent is expected to come from user fees, such as airport taxes.

**Fact 6: DHS's budget has grown significantly since its 2002 creation.**

Table 2: Total FY2007 Budget by Organization in the Department of Homeland Security

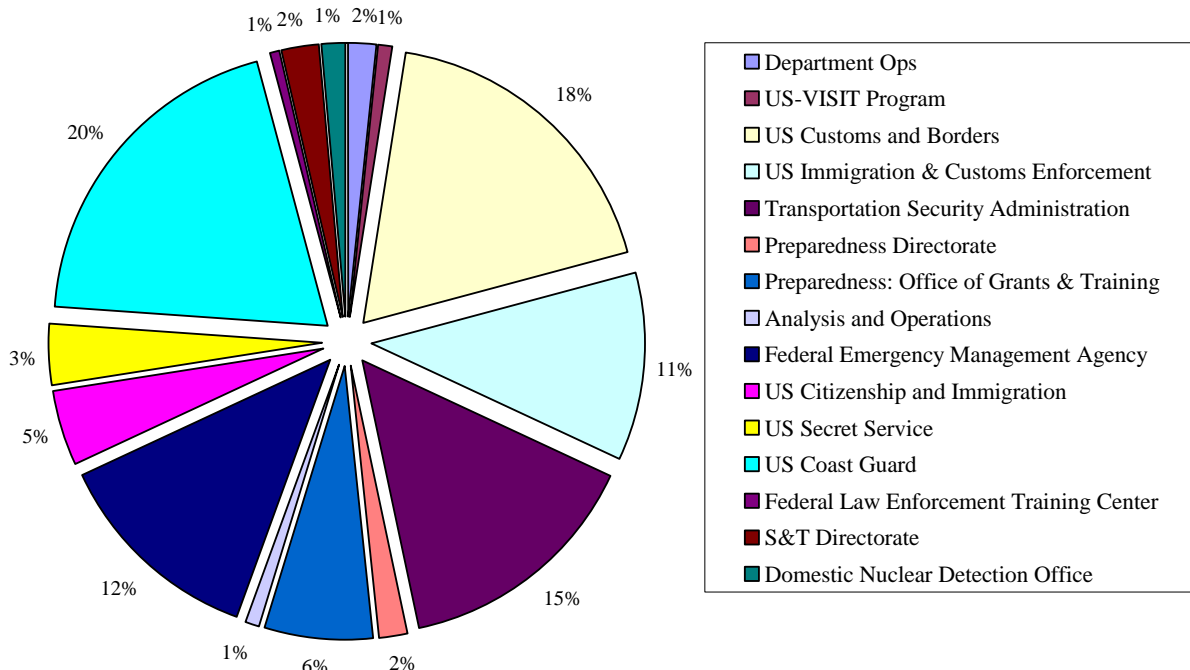
Organizations within DHS	FY2007 President's Budget (thousands of \$)
Departmental Operations	674,791
Office of Screening Coordination and Operations	3,960
Office of the Inspector general	96,185
US-VISIT Program	399,494
U.S. Customs and Borders Protection	7,846,681
U.S. Immigration & Customs Enforcement	4,696,932
Transportation Security Administration	6,299,462
Preparedness Directorate	669,980
Preparedness: Office of Grants & Training	2,750,009
Analysis and Operations	298,663
Federal Emergency Management Agency	5,326,882
U.S. Citizenship & Immigration Services	1,985,990
U.S. Secret Service	1,465,103
U.S. Coast Guard	8,422,075
Federal Law Enforcement Training Center	244,556
S&T Directorate	1,002,271
Domestic Nuclear Detection Office	535,788
<b>Total</b>	<b>42,718,822</b>

Source: Homeland Security, Budget-in-Brief FY2007 [http://www.dhs.gov/xlibrary/assets/Budget\\_BIB-FY2007.pdf](http://www.dhs.gov/xlibrary/assets/Budget_BIB-FY2007.pdf).

- DHS's budget grew from \$31.2 billion in FY2003 to a requested \$42.7 billion in FY2007.<sup>3</sup> This represents a 40 percent increase since the department was created in November 2002.<sup>4</sup>

**Fact 7: The Transportation Security Administration (TSA), U.S. Coast Guard, Federal Emergency Management Agency (FEMA), and U.S. Custom and Borders together account for 65 percent of DHS’s funding.**

Figure 5: FY2007 Percent of Total DHS Budget by Organization



Source: Author's Calculations based on Table 2 on this document with data from Department of Homeland Security Budget in Brief FY 2007, p. 17. [http://www.dhs.gov/xlibrary/assets/Budget\\_BIB-FY2007.pdf](http://www.dhs.gov/xlibrary/assets/Budget_BIB-FY2007.pdf)

- The TSA is getting 15 percent of the DHS funding. Attacks in the style of 9/11 could be prevented with simple cockpit barricades, which the airline industry has now installed at relatively low costs.<sup>5</sup> This means that the next biggest airline risk is a terrorist bringing explosives onto a plane to take it down. Yet very expensive checked-bag screening does not necessarily reduce the probability of the destruction of airplanes, since neither carry-on bags nor air freight are systematically checked for explosives, and terrorists have revealed a propensity to engage in suicidal behavior.
- After Katrina, the budget of the U.S. Coast Guard increased significantly. Twenty percent of DHS’s budget will be going to the U.S. Coast Guard in FY2007. Half of it will be funding non-homeland security activities. In addition, \$1 billion in Coast Guard procurement to replace its aging float has been requested.
- FEMA is getting a large boost in funding in spite of its failure to handle the aftermath of Katrina.
- The FY2007 president’s budget requested that 18 percent of DHS’s funding go to U.S. Custom and Borders. Also, the president requested to increase the number of border patrol agents by 1,500—a 40 percent increase since the 9/11 attacks.

**Fact 8: The absence of any further attacks on American soil does not necessarily mean the country's security has significantly improved.**

It could mean that we simply have not been attacked. Unfortunately, many studies have shown that a substantial portion of new homeland security spending is being used for politically motivated items—outlays that are unlikely to have any impact on terrorism. And five years after the 9/11 attacks on the World Trade Center and the Pentagon, homeland security contains as much pork barrel spending as any program in Congress. For instance, homeland security grants are distributed to states and spent on pet projects that have nothing to do with homeland security. State officials are fighting over who will get the biggest share of the money, regardless of whether they have a legitimate claim over these funds, while Congress is mainly interested in fighting yesterday's battles.

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<sup>1</sup> Author's calculation based on *The Budget of the United States Government, Fiscal year 2007*, Table S-5, (Washington: Government printing Office, February 2006) and Office of Management and Budget, "Securing the homeland, Strengthening the Nation" [http://www.whitehouse.gov/homeland/homeland\\_security\\_book.pdf](http://www.whitehouse.gov/homeland/homeland_security_book.pdf)

<sup>2</sup> Ibid. and Current Population Survey, March 2003.

<sup>3</sup> *The Budget of the United States Government, Fiscal year 2007*, p. 144.

<sup>4</sup> It should be noted that total outlays for the 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.

<sup>5</sup> 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), p. 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 Lott (2004), "Pilots Still Unarmed." Yet, it still seems that a very cost effective measure.