



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

THE DIRECTOR

July 7, 2015

The Honorable Thad Cochran  
Chairman  
Committee on Appropriations  
U.S. Senate  
Washington, D.C. 20510

Dear Mr. Chairman:

On June 18, 2015, the Appropriations Committee considered the fiscal year (FY) 2016 Homeland Security Appropriations bill. The Administration supports investments in strengthening Federal cybersecurity, expanding alternatives to immigration detention, and building a consolidated Department of Homeland Security (DHS) headquarters at the St. Elizabeths campus. However, we have a number of serious concerns about this legislation, which would underfund important investments and includes highly problematic ideological riders. I would like to take this opportunity to share some of these concerns with you.

The Homeland Security Appropriations bill is the seventh appropriations bill being considered in the Senate under the congressional Republicans' 2016 budget framework, which would lock in sequestration funding levels for FY 2016. Sequestration was never intended to take effect: rather, it was supposed to threaten such drastic cuts to both defense and non-defense funding that policymakers would be motivated to come to the table and reduce the deficit through smart, balanced reforms. The Republicans' 2016 budget framework would bring base discretionary funding for both non-defense and defense to the lowest levels in a decade, adjusted for inflation. Compared to the President's Budget, the cuts would result in tens of thousands of the Nation's most vulnerable children losing access to Head Start, millions fewer workers receiving job training and employment services, and drastic cuts to scientific research awards and grants, along with other impacts that would hurt the economy, the middle class, and Americans working hard to reach the middle class.

As this bill demonstrates, sequestration funding levels would also put our national security at unnecessary risk, not only through pressures on defense spending, but also through pressures on State, USAID, Homeland Security, and other non-defense programs that help keep us safe. More broadly, the strength of our economy and the security of our Nation are linked. That is why the President has been clear that he is not willing to lock in sequestration going forward, nor will he accept fixes to defense without also fixing non-defense.

The President's Budget would reverse sequestration and replace the savings with commonsense spending and tax reforms. It brings middle-class economics into the 21<sup>st</sup> Century and makes the critical investments needed to support our national security and accelerate and sustain economic growth in the long run, including research, education, training, and infrastructure. As the Administration has repeatedly made clear, the President's senior advisors

would recommend that he veto any legislation that implements the current Republican budget framework, which blocks the investments we need for our economy to compete in the future.

The inadequate overall funding levels in the Republicans' 2016 budget framework, along with misplaced priorities, cause a number of problems with the Committee-reported bill specifically. Overall, according to the Committee, the bill reduces funding by about \$1 billion below the President's Budget. At these levels, the bill makes dangerous tradeoffs that would weaken Federal disaster response, limit national preparedness for future threats and hazards, and damage our border security.

The bill proposes a \$1 billion reduction to disaster relief funding balances, which would degrade the Federal Emergency Management Agency's (FEMA) capacity to support disaster readiness and response to emergency events. FEMA responded to over 50 major disasters and emergencies in 2014 alone. Reductions of the magnitude proposed in the Committee-reported bill go against a long-standing bipartisan agreement to protect FEMA's budget for disaster readiness and emergency response. Moreover, this action only increases the likelihood of needing future supplemental appropriations to respond to unanticipated hazards, which could result in serious delays of critical assistance for future incidents. The Committee makes the reduction in part to provide over \$600 million in unrequested funding for a ninth National Security Cutter for the U.S. Coast Guard (USCG), an unnecessary acquisition. Funding for the USCG fleet and capital needs should be consistent with planned acquisitions including offshore patrol cutters and the icebreaker.

Furthermore, while the Administration appreciates the Committee's support for technology and infrastructure investments along the U.S. border, the bill does not provide for the robust investment in inspection technology at ports of entry proposed in the President's Budget. This funding would allow the U.S. Customs and Border Protection (CBP) to recapitalize its aging Non-Intrusive Inspection equipment to inspect cargo more efficiently and effectively at land, air, and sea ports across the Nation. In FY 2014, CBP conducted over 7.2 million non-intrusive inspection examinations, but as systems age beyond their useful life and become non-viable for operational use, more manual inspections will be needed to maintain the required level of security for the same level of commerce. When compared to a physical search, the use of non-intrusive inspection equipment speeds the passage of cargo across our borders by 112 minutes, saving approximately 13 million man hours in FY 2014 alone. This is a critical investment at a time when the safe, efficient movement of goods is increasingly important.

Lastly, the bill does not incorporate the Administration's proposed restructuring of FEMA's grant programs, instead maintaining the current stove-piped structure of multiple and duplicative stand-alone programs. The President's proposed National Preparedness Grant Program would consolidate and coordinate multiple streams of funding for State and local communities. Enabling stronger efficiencies in this program support State and community resilience by allowing them to better protect against, respond to, and recover from all types of disasters and emergencies, including natural disasters, disease pandemics, chemical spills and other manmade hazards, terrorist attacks, and cyber-attacks. It is more important than ever that we better target available funds toward building and sustaining capabilities that address the types of high consequence events that pose the greatest risk to our security. Consolidating programs

will reduce the tendency for duplicative investments and redundant administrative efforts, which further burden grantees with overlapping grant management requirements undertaken to award, execute, and monitor various overlapping sources of funding. Instead, the Committee bill continues to embrace a grant framework that limits development of coordinated national preparedness.

Unfortunately, under sequestration levels, even the inadequate funding levels provided by the bill would require larger cuts in other appropriations bills. Taking into account this Committee-reported bill and the eight other bills that have been marked up so far, the Republican budget framework would require cuts of roughly 14 percent compared to the President's Budget for the rest of the non-defense discretionary accounts.

The bill also includes highly problematic ideological riders. For instance, the bill includes an objectionable provision that prohibits the use of any funds to implement, administer, carry-out, or enforce the Federal Flood Risk Management Standard specified in Executive Order 13690. This prohibition would undermine national preparedness for flooding and anticipated sea level rise.

The Administration believes that the Congress should consider appropriations bills free of ideological provisions. The inclusion of these provisions threatens to undermine an orderly appropriations process.

We look forward to working with the Congress to reverse sequestration for defense and non-defense priorities, and offset the cost with commonsense spending and tax expenditure cuts, as Members of Congress from both parties have urged.

Sincerely,

A handwritten signature in blue ink, appearing to read "Shaun Donovan".

Shaun Donovan  
Director

Identical Letter Sent to The Honorable Barbara Mikulski