

THE FACTORS CONTRIBUTING TO AGENCY-LEVEL BUDGETARY PATTERNS  
IN THE DEPARTMENT OF HOMELAND SECURITY (DHS)

by

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## **DEDICATION**

To Courtney  
for everything.

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## LIST OF ABBREVIATIONS

Agency Priority Goals.....	APG
American Recovery and Reinvestment Act.....	ARRA
American Shield Initiative .....	ASI
Analysis and Operations .....	A&O
Automated Targeting Systems.....	ATS
Budget Authority .....	BA
Budget-in-Brief .....	BIB
Chief Operating Officer .....	COO
Comprehensive Immigration Reform .....	CIR
Congressional Research Service .....	CRS
Container Security Initiative .....	CSI
Continuing Resolutions.....	CR
Criminal Alien Program.....	CAP
Cross Agency Priority .....	CAP
Customs-Trade Partnership Against Terrorism .....	C-TPAT
Department of Homeland Security .....	DHS
Department of Justice .....	DOJ
Departmental Operations .....	OPS
Domestic Nuclear Detection Office.....	DNDO
Drug Enforcement Administration .....	DEA
Enforcement and Removal Operations .....	ERO
Executive Office of Immigration Review.....	EOIR
Federal Bureau of Investigation.....	FBI
Federal Emergency Management Agency .....	FEMA
Federal Law Enforcement Training Center .....	FLETC
Federal Protective Service .....	FPS
FEMA: Grant Programs.....	FEMAG
Fiscal Year .....	FY
Full-time Equivalents.....	FTE
General Services Administration .....	GSA
Government Accountability Office.....	GAO
Government Performance and Results Act.....	GPRA
Government Performance and Results Act, Modernization Act .....	GPRAMA
Gross Domestic Product .....	GDP
High-Priority Performance Goals .....	HPPG
Homeland Security Act.....	HSA

Homeland Security Investigations .....	HSI
Immigration and Naturalization Service .....	INS
Integrated Surveillance Intelligence System .....	ISIS
Intensive Supervision Appearance Program .....	ISAP
National Protection and Programs Directorate .....	NPPD
Office of Field Operations .....	OFO
Office of Health Affairs .....	OHA
Office of Management and Budget .....	OMB
Office of the Inspector General .....	OIG
Performance Assessment Rating Tool .....	PART
Performance Improvement Officer .....	PIO
Planning, Programming, and Budgeting System .....	PPBS
Ports of Entry .....	POEs
Punctuated Equilibrium .....	PE
Questions for the Record .....	QFR
Science & Technology Directorate .....	S&T
Secure Border Initiative .....	SBI
Transportation Security Administration .....	TSA
U.S. Border Patrol .....	USBP
U.S. Citizenship & Immigration Services .....	USCIS
U.S. Coast Guard .....	USCG
U.S. Customs and Border Protection .....	CBP
U.S. Immigration and Customs Enforcement .....	ICE
U.S. Secret Service .....	USSS
US Environmental Protection Agency .....	EPA
Western Hemisphere Travel Initiative .....	WHTI
Zero-based Budgeting .....	ZBB

## **ABSTRACT**

### **THE FACTORS CONTRIBUTING TO AGENCY-LEVEL BUDGETARY PATTERNS IN THE DEPARTMENT OF HOMELAND SECURITY (DHS)**

Patrick McCreesh, Ph.D.

George Mason University, 2016

Dissertation Director: Dr. Siona Listokin

Much of the research on federal budgeting focuses on the full budget, budget functions, or departmental budgets. Agency-level budgeting remains a gap in the literature on federal budgeting even though much of the budgeting process happens at the agency level. This unique study explores what factors contribute to agency-level budget authority within the agencies of the Department of Homeland Security (DHS) and comments on the implications of these findings for the broader literature. While incrementalism remains the dominant theory of budgeting, incrementalism cannot explain the agency-level budget authority in DHS over the first ten years of the Department. Instead, this study highlights alternative hypotheses including the concept of Punctuated Equilibrium. The unique mixed-methods study applies many of the theories and techniques from past budget research to an agency-level analysis by: 1) quantitatively comparing budget authority across all agencies in DHS and 2) presenting two case studies to understand the agency budgeting process in more depth. The findings suggest that while many of the mechanisms

of incrementalism apply at the agency-level, Punctuated Equilibrium provides a stronger explanation for the volatility in budgetary outcomes across DHS agencies. The key finding of this study is that significant shifts in funding, even at the agency level, are driven by macro-political actors (the president and Congressional leaders), supporting the theory of Punctuated Equilibrium.

## **CHAPTER 1: BUDGETING AND THE DEPARTMENT OF HOMELAND SECURITY**

The American federal budget remains the central governing document that defines the policy and programmatic direction for the country. Albert C. Hyde notes that, “Budgeting is, and always has been, the single most important decision-making process in governmental organizations.”<sup>1</sup> A nation’s budget is not just a statement of expenditures; it is a statement of values and a plan for the future. Congress signals the priorities it has established for the nation through the budget authority it gives to each department and agency. The budget authority is an important point of analysis for determining policy priorities and winners and losers in the political process, as it signals what Congress (and in turn the citizenry) is willing to spend on varying priorities.

Equally important is the process by which a nation develops a budget. This study contributes to the long literature around federal budgeting by exploring the factors that contribute to budgeting outcomes at the agency level. This would have been a simplistic question in the days before The Budget and Accounting Act of 1921, when agency leaders and Congressional committees negotiated a bureau’s budget. However, in the decades since the legislation, the process has evolved into a complicated dialogue involving multiple layers of the Executive Branch (the president, the departments, and the

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<sup>1</sup> Hyde, Albert C. 1992. *Government Budgeting: Theory, Process, and Politics*. Pacific Grove, CA: Brooks/Cole Publishing Company, p. 1.

agencies) interacting with the institutions of Congress (the House, Senate, their respective committees, and individual members), under the watchful eye of a robust set of interest groups. The budgeting process has become so complex as to effectively obfuscate how the government develops the federal budget.

This study attempts to untangle the complicated budget process by exploring what factors contribute to the budgeting outcomes in the Department of Homeland Security (DHS) agencies over the Department's first decade in existence (FY03-FY13). This research builds on decades of budgeting literature and advances the discussion by focusing on how the theories, trends, and analyses of the political interactions embedded in budgeting apply on an agency level. Moreover, this multi-agency study with mixed methods technique provides a first of its kind exploration of the budgeting outcomes in DHS and the findings likely have broader implications for budgeting in other departments. The key findings suggest that although there is a vibrant dialogue between congressional committees and agencies that significant changes in funding are driven (even the agency level) by the macropolitical trends of the White House and Congress. However, before attempting to understand how agencies were funded and why, this study starts at the birth of the Department.

### **The Creation of the Department of Homeland Security**

On September 10, 2001, President Bush was in Jacksonville, Florida discussing his planned overhaul of the education system with his top priority, "to make sure every



child gets a good education in America.”<sup>2</sup> The following day, he was reading to a classroom of students when he heard the news that a plane had struck the World Trade Center. The president’s priority for an overhaul of the education system shifted instantly to an overhaul of another system, our homeland security apparatus.

Congress created the Department of Homeland Security in the days following 9/11 as the largest government transformation since the National Security Act of 1947. Its creation is a classic case of a “policy window” opening and the government responding with legislative action.<sup>3</sup> Long before the 9/11 attacks, leaders such as Senator Joseph Lieberman sought a cleaner alignment of agencies around homeland security. The attacks of 9/11 created the opportunity for Lieberman and others to combine 22 agencies and more than 200,000 federal employees (155,000 civilians and 54,000 military personnel in the U.S. Coast Guard) into a single department (GAO 2003, 10).

The initial coordination of activities occurred in the week after 9/11 when President Bush created the Office of Homeland Security (OHS) in the White House, with Governor Tom Ridge as the director. The White House initially resisted Congressional calls for a new department, but gave way to the idea as Congressional support for the Department seemed impossible to reverse.<sup>4</sup> As Conley notes, an office in the Executive

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<sup>2</sup> “President Visits Elementary School in Jacksonville, Florida.” *The White House*. As accessed electronically on September 12, 2015 at:

<http://georgewbush-whitehouse.archives.gov/news/releases/2001/09/20010910-14.html>.

<sup>3</sup> Kingdon, John. 2003. *Agendas, Alternatives, and Public Policies*. New York: Longman.; Moynihan, Donald. 2005. Homeland Security and the U.S. Public Management Policy Agenda. *Governance: An International Journal of Policy, Administration and Institutions* 18(2): 171-96.

<sup>4</sup> Conley, Richard S. 2002. The War on Terrorism and Homeland Security: Presidential and Congressional Challenges. Paper presented at the Conference Assessing the Presidency of George W Bush at Midpoint: Political, Ethical, and Historical Considerations, November 22-23, Gulfport, MS.

Office of the President can provide a strong coordinating role, but lacks budget authority. Governor Ridge was struggling to elicit behavior change from the codified departments without budget authority.<sup>5</sup> A consolidated department can gain budget authority, but also loses some autonomy with greater oversight from Congress. While the president favored a closer and weaker organization, Congress feared an organization that lacked accountability and thus pursued the creation of a new department.

In June of 2002, the White House drafted a plan for a Department of Homeland Security “by largely transforming and realigning the current confusing patchwork of government activities into a single department whose primary mission is to protect our homeland.”<sup>6</sup> The president’s proposal became the core of House legislation and ultimately the Homeland Security Act (HSA), signed on November 25, 2002. The Department was initially organized around four operational directorates mandated in the HSA: Science & Technology, Information Analysis and Infrastructure Protection, Border & Transportation Security, and Emergency Preparedness and Response.<sup>7</sup>

The 22 agencies combined into DHS were pulled from the departments of: Agriculture, Justice, Defense, Energy, Health and Human Services, Transportation, and Treasury.<sup>8</sup> Almost every agency went through some sort of transformation as part of its inclusion in DHS. There were four different types of outcomes in the creation of DHS:

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<sup>5</sup> Moynihan, Donald. 2005. Homeland Security and the U.S. Public Management Policy Agenda. *Governance: An International Journal of Policy, Administration and Institutions* 18(2): 171-96.

<sup>6</sup> Bush, George W. 2002. The Department of Homeland Security. Presidential Proposal dated June 2002 accessed electronically on November 11, 2014 at <http://www.dhs.gov/xlibrary/assets/book.pdf>.

<sup>7</sup> Department of Homeland Security (DHS). 2003. “Original Organization Chart, March 2003.” Department of Homeland Security as accessed electronically on November 11, 2014 at: <http://www.dhs.gov/xlibrary/assets/dhs-org-chart-2003.pdf>.

<sup>8</sup> See Appendix A for complete listing of agencies and their originating agencies.

- Existing agencies became a part of DHS with very few changes (e.g., U.S. Secret Service)
- Existing agencies became a part of DHS with new responsibilities (e.g., Transportation Security Administration)
- New agencies were created with a new mission space (e.g., the National Protection and Programs Directorate)
- New agencies were created from elements of existing agencies (e.g., Customs and Border Protection, Immigration and Customs Enforcement)

These agencies were organized into three functional directorates (Information Analysis and Infrastructure Protection; Border & Transportation Security; and Emergency Preparedness & Response) with two supporting directorates (Management and Science & Technology), and a series of supporting offices at Headquarters.<sup>9</sup>

In 2005, Secretary Chertoff conducted his “Second Stage Review” to determine the effectiveness of the Department’s consolidation. As a result of the review, he announced a “Six-Point Agenda” that refocused the Department’s mission and created new directorates within the Department, including directorates of Policy, Operations, and Preparedness, as well as the centralized Office of Intelligence and Analysis.<sup>10</sup> Following the challenges of Hurricane Katrina, the Department reorganized again to have seven agencies report directly to the Secretary of DHS:

- Customs and Border Protection (CBP)
- Federal Emergency Management Agency (FEMA)
- Immigration and Customs Enforcement (ICE)
- The Transportation Security Administration (TSA)
- The United States Coast Guard (USCG)
- The United States Secret Service (USSS)
- U.S. Citizenship & Immigration Services (USCIS)

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<sup>9</sup> Appendix B includes a historical organizational chart for DHS.

<sup>10</sup> Department of Homeland Security (DHS). 2005. “Department Six-point Agenda.” Department of Homeland Security as accessed electronically on November 11, 2014 at: <http://www.dhs.gov/departmentsix-point-agenda>.

Chertoff organized other responsibilities into three directorates (Management, Science & Technology, and National Protection and Programs) and a series of offices (such as Intelligence and Analysis, Domestic Nuclear Detection Office, and Federal Law Enforcement Training Center).<sup>11</sup> This approach effectively ended the functional directorates. One senior official in ICE noted that this change did not create greater oversight, but rather empowered the agencies to operate more independently from headquarters, making the Department more of a holding company for the agencies. One senior official in CBP described that the Second Stage Review “institutionalized the bureaucracy” in such a way as to make it difficult for agencies to work together.<sup>12</sup>

### **Funding the Department of Homeland Security**

The Department’s creation came with hurried activity to develop a budget. According to former Office of Management and Budget (OMB) Executive David Haun, the initial DHS budget was created by consolidating the budgets of the agencies as they came to the Department, along with a proportional amount of departmental overhead from the agency’s existing department.<sup>13</sup> The departmental overhead was combined to create the DHS management directorate.

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<sup>11</sup> Appendix C includes a 2015 organizational chart for DHS.

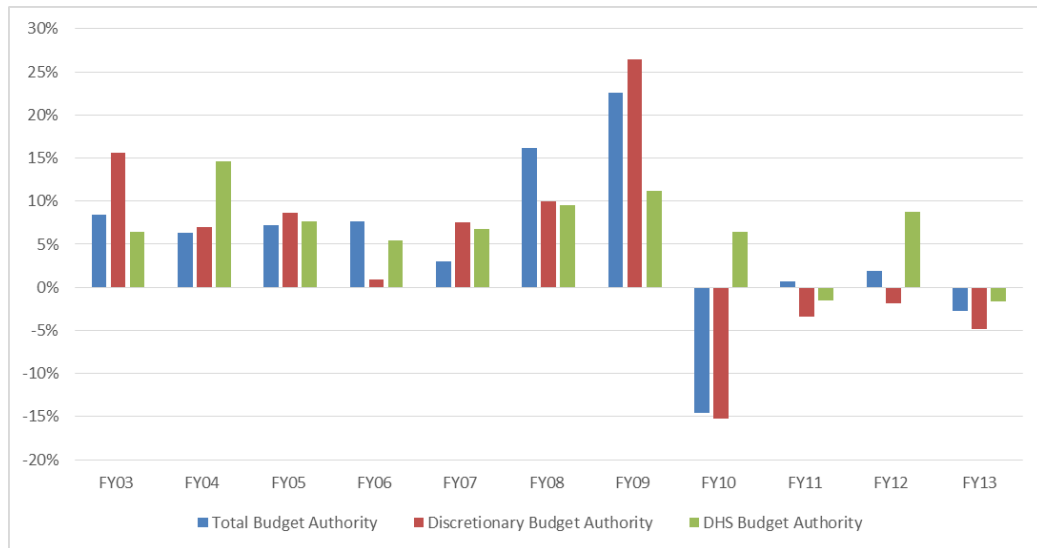
<sup>12</sup> At the time of the Second Stage Review, the DHS Office of the Inspector General (OIG) had been asked to review how CBP and ICE were interacting and determine the best way for the agencies to more effectively leverage resources. The OIG recommended that the two agencies be combined, although the Secretary had already finished his decision-making process and had decided to split the Border & Transportation Security Directorate. The OIG report: “An Assessment of the Proposal to Merge Customs and Border Protection with Immigration and Customs Enforcement.” Department of Homeland Security – Office of Inspector General. OIG-06-04. November 2005. As accessed electronically on September 12, 2015 at: [https://www.oig.dhs.gov/assets/Mgmt/OIG\\_06-04\\_Nov05.pdf](https://www.oig.dhs.gov/assets/Mgmt/OIG_06-04_Nov05.pdf).

<sup>13</sup> Interview with David Haun, Former Deputy Associate Director for Transportation, Homeland, and Justice for the Office of Management and Budget, conducted in-person on August 18, 2015.

While the initial exercise was to combine existing budgets, the Department soon received an avalanche of funding. The overall federal funding change between FY01 and FY02 was only 8 percent in the category of homeland security, but there were significant funding increases in homeland security functions of departments that were not yet captured as homeland security. Hobjin notes that in the six years prior to the 9/11 attacks, the U.S. spent only 0.1 percent of Gross Domestic Product (GDP) on counterterrorism and homeland security activities, but that by 2003 the U.S. had tripled the proportion of GDP spent on homeland security (0.33 percent of GDP).<sup>14</sup> Today, the Department of Homeland Security represents about the same percent of GDP. Over the first ten years of the Department, the overall changes in the Department's budget authority regularly mimicked the trends in overall budget authority, with exceptions in recent years (Figure 1). In FY10 and FY12, DHS received increases in budget authority despite the government-wide reduction in budget authority. In total, the Department has more than doubled in budgetary size from FY02's original budget of \$29 billion to FY13 budget of \$59 billion.

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<sup>14</sup> Hobjin, Bart. "What will Homeland Security Cost?" Federal Reserve Bank of New York - Domestic Research Function. May 17, 2002. As Accessed Electronically on December 2, 2013 at: [http://www.diw.de/documents/dokumentenarchiv/17/39097/diw\\_ws\\_consequences200206\\_hobijn.pdf](http://www.diw.de/documents/dokumentenarchiv/17/39097/diw_ws_consequences200206_hobijn.pdf).



**Figure 1: Year-over-Year Change in Budget Authority, FY03 – FY13**

Each transformation in departmental structure resulted in a different approach to funding the Department. In FY03, there were 15 separately funded offices or agencies in the original DHS appropriations bill; in FY13 there were 16 separate funding streams. However, the composition of these streams shifted over time. Eight agencies remained a constant across the entire existence of the Department (Table 1).

**Table 1: Change in Budget Authority FY02-FY13 for Large Agencies  
(in thousands)**

Agency	FY02 Budget Authority	FY13 Budget Authority	Percent Change FY02-FY13
Customs and Border Protection (CBP)	5,057,000	11,736,990	132%
Federal Emergency Management Agency (FEMA)	4,556,000	11,865,196	160%
Immigration and Customs Enforcement (ICE)	2,394,000	5,627,660	135%
National Protection and Programs Directorate	129,000	2,638,634	1945%
The Transportation Security Administration (TSA)	1,242,000	7,193,757	479%
The United States Coast Guard (USCG)	5,179,000	9,972,425	93%
U.S. Citizenship & Immigration Services (USCIS)	1,567,000	3,378,348	116%
The United States Secret Service (USSS)	1,117,000	1,808,313	62%

Each of these 8 agencies is sizeable, with budget authority over \$1 billion a year. Over the last 10 years, these agencies have grown dramatically as 6 out of 8 agencies outpacing the growth of the Department as a whole. The core of the research question in this study is to explore the growth in these agencies and try to understand what factors contribute to significant growth in the budget authority of all the agencies of DHS.

### **Research Question**

In the years since the creation of DHS, academic research has focused on the politics of creation, and specifically on the human capital authority and personnel reforms embedded in the original Homeland Security Act.<sup>15</sup> Included in these changes were: independence from OPM on hiring when there is a clear need, performance bonuses for senior staff, buyout authority for early retirements, and a Chief Human Capital Officer in

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<sup>15</sup> Moynihan 2005; Ryan, Richard W. 2003. The Department of Homeland Security Challenges the Federal Civil Service System: Personnel Lessons from a Department's Emergence. *Public Administration and Management* 8(3): 101-15.; Brook, Douglas A. and King, Cynthia L. 2007. "Civil Service Reform as National Security: The Homeland Security Act of 2002." *Public Administration Review* 67 (3): 399-407.

each agency. Brook and King highlight the complexity of the personnel issues yielded in the creation of the Department: “The merger of 22 agencies posed large integration challenges in personnel management. The entities merged into DHS consisted of 17 different unions, 77 existing collective bargaining agreements, 22 human resources servicing offices, and eight payroll systems.”<sup>16</sup>

However, no studies to date have leveraged the Department as a ten-year case study in budgeting. The purpose of this study is to explore the process of DHS budgeting over the last 10 years that led to large increases for individual agencies, even in years when the overall federal budget was relatively constant (Figure 1 and Table 1). The question explored in this study is: *What factors determine the significant shifts in budget authority for agencies within the Department of Homeland Security over its first decade of existence?*

This is not a study of the process of building a new department or government reorganization. Nor does this study re-hash the managerial and accounting challenges DHS has experienced in the last 10 years. The Government Accountability Office (GAO) and DHS Office of the Inspector General (OIG) have explored these topics in detail and have provided a myriad of possible solutions. Instead, this study focuses specifically on the interactions between the executive and Congress that led to the budgeting outcomes of DHS agencies. Because this study focuses on the Department of Homeland Security, the findings are not necessarily applicable to all departments in the

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<sup>16</sup> Brook and King, 401.



federal government, but at the core of the study is a question about agency-budgeting that relates to organizations across the federal government.

The study contributes to the growing literature of agency-level budgeting and provides instructive findings on how agencies receive budget authority. Most importantly, this study highlights the importance of macropolitical trends in budgetary outcomes at the agency level. This study contains three unique elements. First, the study focuses on budget authority at the agency level. Many studies of budgeting focus on the full budget, the discretionary budget, or budget functions. Some studies analyze departmental funding, but budgets emerge from programs and agencies and Congress funds programs and agencies. Therefore, this study applies theories of budgeting at the agency level and determines whether the patterns defined in the literature for broader categories apply at the agency level. This study applies the lessons of theory that have been traditionally applied to these higher levels of the budget (department, function, discretionary), to determine whether the trends hold at the agency level.

Second, this is a multi-agency study with comparative analysis across agencies. There has been some work conducted on agency-level budgeting, but it tends to focus on a single agency. This study not only explores agency-level budgeting, but does so in a comparative way by quantitatively assessing agency-level budgeting across a series of agencies in the same department. This study is the first analysis of budgeting across a set of agencies all under the same departmental leadership, which allows for the exploration of agency volatility with a little more consistency in the political ranks. Likewise, the

database leveraged in this analysis is a unique database of DHS data created specifically for this study.

Third, this study effectively ties the quantitative budget findings to case studies that explore the process to understand why agencies received a certain level of funding. The approach employed here starts with the quantitative outcomes of the budgeting process, the budget authority for each agency, and compares the outcomes across the DHS agencies. Additionally, the study also goes a level deeper to explore exactly why some of the outlier agencies receive significant shifts in funding. This study takes a systematic approach to exploring two agencies in two different years to understand why the agencies received the funding highlighted in the quantitative analysis.

Collectively, these three unique elements make this study a powerful exploration of agency-level budgeting. The findings of this study demonstrate that many of the theoretical concepts explored at the level of the full budget do apply at the agency-level and, in some cases, the findings are more convincing at the agency-level. Of course, the findings of this study only apply to the Department of Homeland Security, but the findings here have broad applicability in two ways. First, this approach does yield significant findings on why Congress provides agencies certain funding levels. In this way, the study is a proof of concept for agency-level budget analysis that could be applied to other agencies in the federal government. Second, while the findings are based on DHS, the lessons likely apply across the government and provide insight to the actors in the budgetary process of DHS and beyond.

The study unfolds as follows. The next chapter explores the literature around agency-level budgeting and uses the theories of budgeting to develop a set of eight testable hypotheses. Chapter 3 describes a mixed methods approach to test these hypotheses using a database of information about DHS budgeting and case studies of two agencies. The fourth chapter presents the quantitative findings from the DHS database and describes how the findings impact the hypotheses. The next two chapters present the two case studies on agencies in DHS including a study of ICE in FY07 (Chapter 5) and a study of CBP in FY09 (Chapter 6). The final chapter triangulates the findings across the methods to present a conclusion about budgeting in DHS.

## **CHAPTER 2: PERSPECTIVES ON BUDGETING AND POSSIBLE HYPOTHESES**

In 1940, V.O. Key challenged the political science community to develop a theory of budgeting. He proclaimed that, “On the most significant aspect of public budgeting, i.e., the allocation of expenditures among different purposes so as to achieve the greatest return, American budgetary literature is singularly arid.”<sup>17</sup> Key posed a challenge to budget theorists, “On what basis shall it be decided to allocate x dollars to activity A instead of activity B?”<sup>18</sup> Key’s direct question lacks a simple answer. Instead, it kicked off a 75-year dialogue that continues to evolve.

The story of U.S. budgeting is complex and ever-changing, and so is the robust set of literature about budgeting. The literature on the budgeting process follows the historical arc of budgetary reform. The decisions of the past and battles for control between the executive and Congress define the formulation of theory. There is no single unifying theory that accurately explains how budgeting works in the federal government. The complete set of literature provides possible explanations for both how the budget is developed and the outcomes of the budgeting process. This chapter does not attempt to outline this rich history described above, but rather elucidate the elements critical to the study of agency budgeting.

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<sup>17</sup> Key, V. O. 1940. “The Lack of a Budgetary Theory.” *The American Political Science Review* 34 (6), p. 1137.

<sup>18</sup> *Ibid.*, p. 1138.

This chapter describes five perspectives on federal budgeting and the possible explanatory mechanisms associated with each perspective: Pluralism, Economic, Incrementalism, Punctuated Equilibrium, and Performance-Based budgeting. In reality, the budgeting process is not covered by any one perspective, but is a complicated quilt borrowing pieces from each theory. The purpose of this chapter is to identify the possible variables from the literature that might explain the budgeting process and outcomes for DHS agencies. In each of the perspectives, the variables are presented through a series of hypotheses to be tested empirically in the remainder of the study. The hypotheses developed in this section are not mutually exclusive, but rather overlapping lenses that each illuminate a critical topic for exploration within the DHS agencies.

### **Pluralist Perspective**

The pluralist perspective is one of the first attempts at a unifying theory to explain policy-making in a democratic society. Pluralism describes the interaction among groups within society including the electorate, representatives, special interests, corporations, and academia.<sup>19</sup> The explanatory aspects of pluralism assess the system of policy-making and the groups within the system to determine how the process is impacted by the participants.<sup>20</sup>

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<sup>19</sup> Bentley, Arthur F. 1908, 1967. *The Process of Government*. Cambridge, MA: Harvard University Press.; Weber, Max. 1964. *The Theory of Social and Economic Organization*. Trans. by A. M. Henderson and Talcott Parsons. New York: The Free Press.

<sup>20</sup> Adams, Gordon. 1981. *The Iron Triangle: The Politics of Defense Contracting*. New York: Council on Economic Priorities.; Kingdon, John. 2003. *Agendas, Alternatives, and Public Policies*. New York: Longman.

The perspective can be summarized by four elements – “segmented policy making,” “the multiplicity of actors,” “coalition building,” and “incremental outcomes.”<sup>21</sup> Governmental branches are separated in distinct, but overlapping roles develop and as these branches develop policy, there are many groups with an interest in the process. These groups will make their interest known and seek to affect the outcome. Both within the government and interest groups, coalitions will form around issue areas. As these coalitions form, each will yield on some aspect of their own interest, which creates a compromise position. The resulting outcome will likely be a moderate or incremental shift in policy.

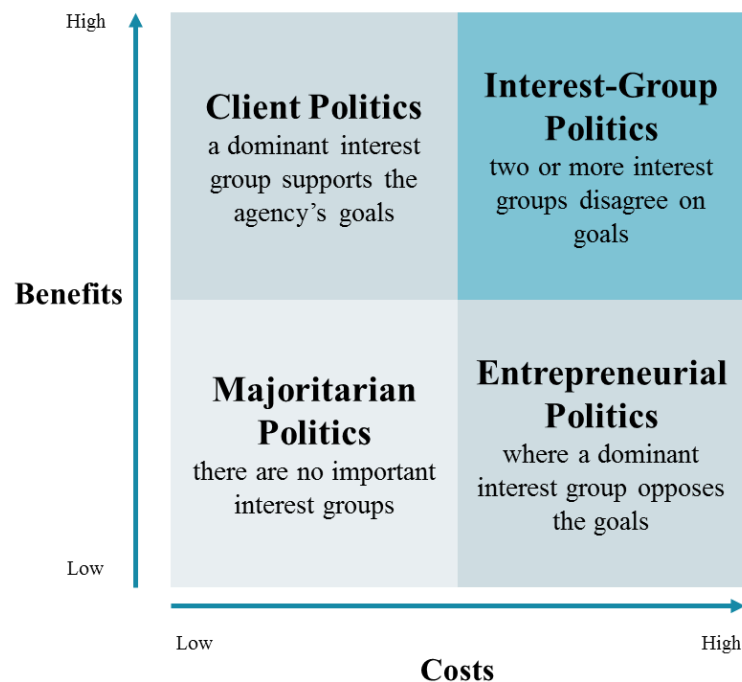
One construction of the pluralist perspective is the Iron Triangle that describes the interactions between Congressional committees and subcommittees, the bureaucracy, and interest groups.<sup>22</sup> In this model, there is an exchange between each of the participants with each of the other parties. Interest groups provide electoral support to Congressional members in exchange for favorable legislation and funding, or oversight of the bureaucracy that supports their interest. Congress provides the bureaucracy funding and authorization, while requesting information in order to develop appropriate spending levels and oversight. When Congress receives interest group support and guides the bureaucracy in a particular direction, then the interest groups receive favorable regulation from the bureaucracy in exchange for their support of Congress.

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<sup>21</sup> Conlan, Timothy J.; Posner, Paul; and Beam, David R. 2014. *Pathways of Power: The Dynamics of National Policymaking*. Washington, DC: Georgetown University Press.

<sup>22</sup> Adams.

A different construction of pluralism focuses on the support each agency garners from the different interests.<sup>23</sup> In this construct, agencies (as actors) can be broken into four different types, and agency support (or in this case funding) can be a result of the level of interest in the agency. In this way, the agency funding is impacted by the type of political interest in the agency:



**Figure 2: Wilson's View of Interest Group Support for Agencies<sup>24</sup>**

<sup>23</sup> Wilson, James Q. 1991. *Bureaucracy: What Government Agencies Do And Why They Do It*. Basic Books.

<sup>24</sup> Wilson, p. 76-78.

More recently, data-driven studies support Wilson's construct by demonstrating which of these groups is most likely to win in a policy process. Programs supported by economic elites (one type of client) and interest groups receive a greater and more "durable" policy impact than majoritarian or entrepreneurial politics.<sup>25</sup> Likewise, the DHS agencies can be split into these quadrants to determine whether they receive more or less funding from Congress. It is possible, as Lowi argued, that the most controversial issues in DHS, such as immigration, receive the most funding because political alignment to interest groups makes it difficult for anyone to say 'no'.<sup>26</sup>

The pluralist perspective brings three important elements to the exploration of DHS budgeting. First, pluralism provides an emphasis on the roles and responsibilities of the government entities involved in the budgeting process and the separation of powers inherent in the process. While Key did not offer a unifying theory of budgeting, he acknowledged the importance of understanding the relationships between the key actors. Key noted that, "Each spending agency has its clientele, which it marshals for battle before budgetary and appropriating agencies."<sup>27</sup>

Second, pluralism introduces non-governmental actors into the budgeting process as critical players that can determine the budget outcomes. Third, pluralism offers two mechanisms for explaining the interaction between the governmental parties and the non-

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<sup>25</sup> Gilens, Martin and Page, Benjamin I. 2014. "Testing Theories of American Politics: Elites, Interest Groups, and Average Citizens." *Perspectives on Politics* 12(3): 564-581.; Hacker, Jacob S. and Pierson, Paul. 2014. "After the 'Master Theory': Downs, Schattschneider, and the Rebirth of Policy-Focused Analysis." *Perspectives on Politics* 12(3): 643-662.

<sup>26</sup> Ingram, Helen and Schneider, Anne Larason. 1997. *Policy Design for Democracy*. Lawrence, KS: University Press of Kansas, p. 22.

<sup>27</sup> Key, p. 1143.



governmental interests (Iron Triangle and Wilson's Model). The pluralist perspective reveals a budgeting outcome that is a product of the complex negotiation between Congress, the executive, and special interests.

One of the signals of this negotiation is whether the agencies receive the money they request for the programs they request. Another signal might be the impact that increased interactions between the executive and Congress have on the overall budget authority. The first hypothesis from the pluralist perspective is:

*H<sub>1</sub>: A higher level of interaction between the DHS agency and Congress (through both formal and informal communications) is associated with the agency receiving a significant increase in budgetary authority.*

This hypothesis could have two possible mechanisms. First, when the agency and the Congress increase dialogue, there could be better trust between the two entities.

Conversely, increased communication could be a product of increased Congressional oversight. In either case, the agency's funding might increase because of a stronger understanding of the agency's needs. The second aspect of the mechanism might be the agency's branch-to-branch lobbying, if the agency is lobbying Congress effectively for its budget request.

In addition to the intra-governmental interactions, there could be signals of an attempt by special interests to influence either the executive or Congress. These lobbying efforts can be observed either through attempts to influence Congress through hearings or attempts to influence the executive or Congress through campaign contributions. The core of the pluralist model is that strong interests will win in negotiations over the budget. As such, this perspective leads to a second hypothesis that:

*H<sub>2</sub>: An increase in interest group support (public attention or campaign donations) for a DHS agency is associated with a significant increase in budgetary authority.*

As Conlan, Posner, and Beam explain, “For most of our history, federal budgeting was exhibit A of the pluralist pathway in action.”<sup>28</sup> However, the pluralist model has been broken in recent years as compromise gave way to discord and crisis, and the incremental outcomes of the past have been challenged by sudden peaks and valleys in the budget. Therefore, there must be other theories or elements of theories that can augment the pluralist perspective.

### **Economic Perspective**

The economic perspective emerged as a counter to the pluralist approach in the middle of the Twentieth Century. Instead of accepting the pluralist notion that all actors in the policy discourse come together to collaborate toward solutions with a set of common beliefs, those from the economic school argue that each actor is rational and driven by his own goals, motivations, and incentives.<sup>29</sup> In this way, it is not the interests of groups driving the battle for resources, as pluralists argue, but rather individual actors playing out a rational game in which each will always choose his own best option. The economic perspective has focused heavily on four different sets of behavior: 1) rational

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<sup>28</sup> Conlan, Posner, and Beam, p. 111.

<sup>29</sup> Downs, Anthony. 1957. *An Economic Theory of Democracy*. New York: Harper.; Tullock, Gordon. 1967. *Toward a Mathematics of Politics*. Ann Arbor: University of Michigan Press.; Buchanan, James M. 1984. “Romance Out of Politics.” in *The Theory of Public Choice-II* ed. by James M. Buchanan and Robert D. Tollison. Ann Arbor: The University of Michigan Press.; Buchanan, James M. and Tullock, Gordon. 2004. *The Calculus of Consent*. New York: Liberty Fund, Inc.

voting; 2) aggregation of preferences; 3) aggregation of information; and 4) institutional analysis.<sup>30</sup>

In the budgetary process, the economic perspective provides useful context for understanding the goals, motivations, and incentives for individual actors within the budgetary process. Academic research has explored the goals, motivations, and incentives of many actors within the budgetary process including bureaucrats,<sup>31</sup> Congress members,<sup>32</sup> and interest groups.<sup>33</sup> There is no overarching takeaway from the approach except to say that the drivers for these individuals will drive policy outcomes.

In terms of theoretical value, the economic perspective remains unable to address one major challenge – that the approach is tautological, or self-validating. For example, an economic analysis of DHS budgeting might conclude that such outcomes developed simply because they were in the best interests of all the actors in the negotiation. Another possible explanation would be that the outcomes emerged because those with the most power in the process wanted the outcomes that emerged. Neither of these claims can be tested because researchers lack the ability to know either the “best” outcomes in advance of a policy discussion, or whether an outcome is a “win” or “loss.” Therefore, much of

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<sup>30</sup> Miller, Gary J. 1997. “The Impact of Economics on Contemporary Political Science.” *Journal of Economic Literature* 35 (3): 1173-1204.

<sup>31</sup> Niskanen, William. 1968. “The Peculiar Economics of Bureaucracy.” *The American Economic Review* 58: 293-305.; Weingast, Barry R. 1984. “The Congressional-Bureaucratic System: A Principal-Agent Perspective (With Applications to the SEC).” *Public Choice* 44: 147-191.

<sup>32</sup> Fenno, Richard F., Jr. 1973. *Congressmen in Committees*. Boston: Little, Brown.; Mayhew, David R. 1974. *Congress: The Electoral Connection*. New Haven: Yale University Press.; Sinclair, Barbara. 1983. “Purposive Behavior in the U.S. Congress: A Review Essay.” *Legislative Studies Quarterly* 8 (February):117-31.

<sup>33</sup> Olson, Mancur. 1965. *The Logic of Collective Action: Public Goods and the Theory of Groups*. Cambridge: Harvard U. Press.; Grossman, Gene and Helpman, Elhanan. 2002. *Special Interest Politics*. Cambridge: MIT Press.; Ansolabehere, Steven, John de Figueiredo, and James Snyder. 2003. “Why is There so Little Money in U.S. Politics?” *Journal of Economic Perspectives* 17(1): 105-130.

the research leveraging the economic perspective fails to provide a holistic explanation for policy outcomes.

Despite the weaknesses in the overarching theory, there are useful elements and concepts in the economic perspective that could explain the DHS budget patterns. First, there is the principal-agent model. Similar to the Iron Triangle, the principal-agent model is a construct for explaining the interactions between two parties. This type of relationship can develop, “Whenever one individual depends on the action of another...”<sup>34</sup> In the public sector, the principal-agent model describes situations where an official (principal) depends on another individual or entity (agent) to conduct work in support of his mission, goals, or objectives. In many cases, government officials can be both the agent of one relationship and the principal in another relationship. For example, the Secretary of Homeland Security is both the Principal of his own department, relying on the DHS agencies to implement his direction, and the Agent for the president, implementing the president’s agenda.

Moreover, a leader of a department “may have many agents”<sup>35</sup> and may have many principals.<sup>36</sup> Continuing with the Secretary of DHS example, the same secretary is an agent not only of the president, but also of Congress that provides direction and oversight in the same manner as the president. This construct helps support the analysis

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<sup>34</sup> Pratt, John W. and Zeckhauser, Richard J. 1991. “Principals and Agents: An Overview.” In *Principals and Agents: The Structure of Business* Edited by John W. Pratt and Richard J. Zeckhauser. Boston: Harvard Business School Press, p. 2.

<sup>35</sup> Arrow, Kenneth J. 1991. “The Economics of Agency.” In *Principals and Agents: The Structure of Business* Edited by John W. Pratt and Richard J. Zeckhauser. Boston: Harvard Business School Press, p. 37.

<sup>36</sup> Zegart, Amy. 2010. “Agency Design and Development.” In *Oxford Handbook on American Bureaucracy* Edited by Robert F. Durant. New York: Oxford Union Press, 207-230.

of DHS budget outcomes, since it suggests an analysis not only of the groups within the institutions (and beyond), but also some of the individuals within the process. This yields the following hypothesis:

*H<sub>3</sub>: Support from powerful individuals (Congressional Committee members) for a DHS agency is associated with a significant increase in budgetary authority.*

The second element of the economic perspective of interest is the concept of the budget-maximizing bureaucrat. In this construct, economists leverage a utility function for the bureaucrat that includes: “salary, perquisites of the office, public reputation, power, patronage, ease of managing the bureau, and ease of making changes.”<sup>37</sup> This utility function reveals a bureaucrat’s primary incentive to expand his budgetary pie. For Niskanen, the bureaucrat’s goal to maximize his budget has two negative side effects. He spends the money he has been allocated just to get more money, but he also spends time and resources justifying these expenditures and seeking more revenue. Even if one does not agree with Niskanen’s characterization of the bureaucratic actor, it is true that the incentive structure for a bureaucrat leads to some inefficient behavior, and understanding the bureaucrat’s incentives should be part of a model for understanding DHS’s budgetary patterns. The question for this study is not whether or not the bureaucrats seek an increased budget, but rather whether this request impacts the overall budget authority for the agency.

The challenge with Niskanen’s argument, and the challenge for isolating a hypothesis, is determining exactly *who* maximizes the budget. While Niskanen credits

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<sup>37</sup> Niskanen 1968, p. 293-294.

the bureaucrat with making the maximized request, he may be giving too much credit to the bureaucrats of the federal government. The complicated budget development process includes many submission processes through agency leadership, departmental leadership, and White House staff (OMB) who are all levels of political appointees, before going to Congress. Therefore, bureaucrats alone are unable to maximize their budget and must be supported (explicitly or implicitly) by political leaders. For these reasons, a hypothesis created here is a proximate statement of bureaucratic intentions, but is separated from their power to act. This perspective yields the following possible hypothesis:

*H4: A higher year-over-year budget request from a DHS agency is associated with a significant increase in budgetary authority.*

Information asymmetry is the third interesting element of the economic perspective. The concept simply suggests that certain individuals have more information in political negotiation than others. As suggested in the Iron Triangle, a principal-agent model, or even in the case of budget-maximizing bureaucrat, there is information that the bureaucracy possesses that is important to the Congressional budgeting process and, likewise, Congress masks information about its true motivations when providing funds or oversight to the bureaucracy.<sup>38</sup> While this asymmetry is difficult to assess, it can provide a strong explanation for why certain budgetary decisions are made. There is no separate hypothesis to test the concept of information asymmetry, but it may serve as an intervening variable in the two previous hypotheses.

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<sup>38</sup> Laffont, Jean-Jacques and Martimort, David. 2002. *The Theory of Incentives: The Principal-Agent Model*. Princeton, NJ: Princeton University Press.; Weingast, Barry R. 1984. "The Congressional-Bureaucratic System: A Principal-Agent Perspective (With Applications to the SEC)." *Public Choice* 44: 147-191.; Zegart.

Fourth, the economic perspective provides a lifecycle approach to analyzing agencies that takes an almost biological view of a single bureau (or agency) and its trajectory. Downs describes how many agencies are “born.” In the case of DHS, the Department and all of the agencies were “deliberately created almost out of nothing by one or more groups in society in order to carry out a specific function for which they perceive(d) a need.”<sup>39</sup> Downs goes on to explain how agencies first seek autonomy within their new space, followed by a period of strong growth in the early years of agency. When the growth has slowed, the agency should move into a period of stasis or at least incremental growth. Downs even describes how an agency may die. While none of the agencies examined in the first decade of DHS have died, the approach supports the idea that funding may vary over the lifespan of the agency because the agency needs different levels of support as it grows, which yields the hypothesis:

*H<sub>5</sub>: New DHS agencies receive higher year-over-year increases in budget authority during the first three years of the agency’s existence.*

The economic perspective provides some useful elements for consideration when assessing the budgets of DHS agencies. Starting in the 1960s, the economic perspective was used as the backdrop for a series of attempted policy shifts in the budgeting processes. Each of these programs was designed to bring objective and rational decision-making to the budgeting process. First, President Johnson attempted to build on the success of budgetary tradeoff practices at the Pentagon and bring a rational decision-making process to all of federal budgeting through the Planning, Programming, and

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<sup>39</sup> Downs, Anthony. 1957. *An Economic Theory of Democracy*. New York: Harper, p. 5.

Budgeting System (PPBS) initiative. Second, President Carter tried to bring Zero-based Budgeting (ZBB) to the federal government, where again, bureaucrats and Congress were to build the budget from the ground-up with rational tradeoffs between budgetary “packages.” Neither of these initiatives succeeded in driving a sustainable change in budgeting processes or outcomes.

While the economic perspective does not replace pluralism, it does augment pluralism with the idea that individual and institutional goals, motivations, and incentives matter when assessing policy outcomes. This study will attempt to include this element in the assessment of budgetary patterns to determine whether the goals, motivations, and incentives of bureaucrats, Congress members, or interest groups impacted the outcomes for DHS agencies.

### **Incremental Perspective**

Incrementalism is a theory of budgeting, and policy-making more broadly, that is an offshoot of pluralism and, in some ways, a reaction to the economic perspective.

Incrementalism grew out of the bounded rationality school of decision-making. In the economic perspective, theorists claim that individuals can demonstrate perfect rationality in decision-making by comparing each possible option against alternatives. The theory of bounded rationality emerged as a counter to perfect rationality and its advocates argue that humans simply cannot calculate the tradeoffs demanded of perfect rationality.

Instead, those who embrace bounded rationality propose that individuals base decisions



on a limited set of alternatives,<sup>40</sup> including the current policy and small shifts in this policy. These incremental shifts became the core of the incremental approach to policy-making.

Budgeting is a natural field for the application of incrementalism, as it presents a quantifiable outcome against which scholars can test the attainment of incremental outcomes. As LeLoup elucidates, there are at least two definitions of incrementalism – incrementalism as a process and incrementalism as an outcome.<sup>41</sup> The outcome element of incrementalism is clear; there should be an incremental shift in budget authority year-over-year. While there is much disagreement about what constitutes an incremental shift compared to a non-incremental shift in budgetary outcomes, the outcome is measurable.<sup>42</sup>

Most of the early work on incrementalism remained theoretical. Davis and Dempster joined forces with Wildavsky to develop a strong empirical study supporting incrementalism. They reviewed the budgets of fifty-six non-defense agencies in the government between 1947 and 1963. Using both the agency budget request and the appropriations funding, they found that “the budgetary process of the United States government is equivalent to a set of temporally stable linear decision rules.”<sup>43</sup> In short, they confirmed the outcome of incrementalism. However, the study has two major flaws.

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<sup>40</sup> Simon, Herbert. 1972. "Theories of Bounded Rationality," Chapter 8 in C. B. McGuire and R. Radner, eds., *Decision and Organization*, Amsterdam: North-Holland Publishing Company.; Lindblom, Charles E. 1959. "The Science of "Muddling Through"." *Public Administration Review* 19(2): 79-88.

<sup>41</sup> LeLoup, Lance T. 1978. "The Myth of Incrementalism: Analytical Choices in Budgetary Theory." *Polity* 10 (4): 488-509.

<sup>42</sup> Davis, Otto A., M. A. H. Dempster, and Aaron Wildavsky. 1966. "A Theory of the Budgetary Process." *American Political Science Review* 60: 529-47.; Fenno 1966; Bailey, John J., and Robert J. O'Connor. 1975. "Operationalizing Incrementalism: Measuring the Muddles." *Public Administration Review* 35 (1):60-66.; Padgett, John F. 1980. "Bounded Rationality in Budgetary Research." *American Political Science Review* 74 (2): 354-72.

<sup>43</sup> Davis, Dempster, and Wildavsky 1966, p. 537.

First, the study was so limited in scope as to represent merely 27 percent of the total non-defense budget. The limited sample makes it difficult to extrapolate the findings to the entire federal government. Second, the authors removed a number of cases that they considered to be outliers. In total, 55 significant shifts in the budget were removed on the logic that they represented major policy shifts and not budgetary decisions. The theory's inability to account for these shifts emerges as a major weakness in its applicability.

Another challenge emerged from their study – the definitional problem of incrementalism. There is no clear quantitative definition as to what constitutes an incremental outcome (e.g., how much of a change is beyond incremental?). Building on his own work and the work of Richard Fenno, Wildavsky claims that a 30 percent year-over-year change in budget authority (in either direction) represents a non-incremental shift. Fenno was more conservative with his own data, calling for a 20 percent threshold for defining incremental change.<sup>44</sup>

Bailey and O'Connor suggest that perhaps there are gradations of incrementalism. Using the same data as Wildavsky and Fenno, Bailey and O'Connor find that year-over-year changes in budget authority are regularly greater than 10 percent and less than half of increases in federal expenditures are modified by less than 10 percent. Instead, they propose a three-tier gradation that includes incremental change (0-10 percent change), intermediate change (11-30 percent change), and non-incremental change (over 30 percent change).<sup>45</sup> James True reviews the budgetary authority for the entire budget

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<sup>44</sup> Bailey, John J., and Robert J. O'Connor. 1975. "Operationalizing Incrementalism: Measuring the Muddles." *Public Administration Review* 35 (1):60-66.

<sup>45</sup> Bailey and O'Connor, 1975, p. 65.

between FY1947 and FY1999 to find a period of “nonincrementalism,” which he defines as an increase of more than 20 percent or a decrease of more than 15 percent.<sup>46</sup> This study adopts True’s definition of incrementalism for purposes of testing the concept in a quantitative way, as it represents the longest longitudinal study of the topic, to date.

The mechanisms of incrementalism that explain the budgeting process are slightly more complicated. As a subset of pluralism, those who advocate incrementalism claim that policy develops based on a dialogue between the different interests and that the resulting shift in policy is incremental. However, incrementalism brings in some of the “interest-based” strategy that comes from the economic perspective. In the incremental approach, participants in the process work from a limited number of alternatives and a limited amount of information, including last year’s budgetary outcome. Wildavsky claims that “each participant may ordinarily assume that he need consider only his preferences and those of his powerful opponents.”<sup>47</sup> In this way, incrementalism suggests a process of budgeting based on “strategies” for each actor in the process.<sup>48</sup>

Wildavsky continued to refine his definition of incrementalism throughout his life; in the revised version of *The New Politics of the Budgetary Process*, Caiden and Wildavsky present a series of attributes inherent to the incremental process.<sup>49</sup> These attributes are listed below in Table 2. The attributes still represent two overarching

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<sup>46</sup> True, James L. 2000. “Avalanches and Incrementalism Making Policy and Budgets in the United States.” *The American Review of Public Administration* 30 (1): 3-18.

<sup>47</sup> Wildavsky, Aaron. 1961. “Political Implications of Budgetary Reform.” *Public Administration Review* 21 (4): p. 184

<sup>48</sup> Wildavsky, Aaron. 1964. *The Politics of the Budgetary Process*. Boston: Little, Brown.

<sup>49</sup> Caiden, Naomi and Aaron Wildavsky. 2004. *The new politics of the Budgetary Process*. New York: Pearson Longman.

concepts: 1) this year's budget is based on last year's budget, and 2) there is a complex process of negotiations through which the budget is developed. This second concept remains the most valuable part of incrementalism. Wildavsky and Caiden, much like Wildavsky's 1964 *The Politics of the Budgetary Process*, provide a complete view of the strategy associated with the budgeting process and the roles of each individual within the process.

**Table 2: Attributes of Incremental Budgeting<sup>50</sup>**

Budgeting is linked to base and fair shares
Budgeting is consensual
Budgeting is historical
Budgeting is fragmented
Budgeting is simplified
Budgeting is social
Budgeting is "satisficing"
Budgeting is treated as if it were nonprogrammatic
Budgeting is repetitive
Budgeting is sequential

The incremental perspective provides an important differentiation to the study of DHS budgeting – there is a difference between budgeting process and budgeting outcomes. Furthermore, while the outcomes are easily quantifiable, the internal process of budgeting described in Table 2 is much more difficult to capture. The outcomes of the DHS budgeting process can be captured through annual budget authority and it can be

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<sup>50</sup> Ibid., p. 46-49.

determined whether DHS budgets follow an incremental path based on any of the metrics for incremental referenced above. There is no specific hypothesis for incremental outcomes, as the evidence shows that incrementalism does not explain the dramatic shifts in budget authority across the agencies (demonstrated in Chapter 4), but the mechanisms of incrementalism will be explored through the other hypotheses. A study cannot easily capture the incremental *process* outlined by Wildavsky of a strategic dialogue between participants. It implies a game with multiple moves by each player. In this way, H<sub>1</sub> and H<sub>2</sub> developed in the pluralist perspective represent the best way to test the processes of incrementalism.

### **Punctuated Equilibrium (PE) Perspective**

Since the 1960s, incrementalism has dominated the theoretical landscape of budgeting. Incrementalism simply answers Key's question of how to allocate resources – look at last year and add. During the 1960s and 1970s, incrementalism and the economic approach to budgeting came head-to-head. Wildavsky claimed victory at the end of the seventies, stating that “Traditional budgeting makes calculations easy precisely because it is not comprehensive.”<sup>51</sup> However, critics fired back that the emphasis of big picture thinking that developed out of the failed efforts of PPBS and ZBB were worthwhile. Quoting Lewis Carroll, Adams notes that advocates of incrementalism are too often like the iconic Alice:

"Would you tell me, please, which way I ought to go from here?"  
"That depends a good deal on where you want to get to," said the Cat.  
"I don't much care where. . ." said Alice.

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<sup>51</sup> Wildavsky, Aaron. 1978. “A Budget for All Seasons? Why the Traditional Budget Lasts.” *Budgeting and Governing*. Edited by Brendon Swelow. New Brunswick: Transaction Publishers. 2001, p. 16.

"Then it doesn't matter which way you go," said the Cat."<sup>52</sup>

The challenge to incrementalism during the 80s and 90s was that budgeting should be more strategic and more comprehensive. Another theory that seems to capture the challenges of more strategic budgeting as well as the outcomes of budgeting emerged – punctuated equilibrium.

A series of studies countered the incremental argument with budget authority data from 1947 through 1995.<sup>53</sup> These studies collectively demonstrate that long-term growth in the federal budget does not mean there is equal or even incremental growth year-over-year in the total federal budget or in smaller subsets of the budget (sub function or agency). True describes periods of extreme growth or decline as “avalanches” of funding. Moreover, True explains how these avalanches can build on each other year-over-year that can lead to periods of extreme growth within agencies.

Building on this empirical data, True developed punctuated equilibrium as a comprehensive counter to the incremental perspective. The theory claims that the budget is stable most of the time with incremental growth, but that there are periods of large-scale change that “punctuate” this equilibrium. Advocates of punctuated equilibrium claim that incrementalism fails to effectively explain the avalanches in funding by calling these periods anomalies and discounting these cases in empirical studies.

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<sup>52</sup> Adams, Bruce. 1979. “The Limitations of Muddling Through: Does Anyone in Washington Really Think Anymore?” *Public Administration Review* 39 (6): 548.

<sup>53</sup> Jones, B. D., True, J. L., & Baumgartner, F. R. 1997. “Does Incrementalism Stem from Political Consensus or from Institutional Gridlock?” *American Journal of Political Science* 41: 1319-1339; Jones, B. D., Baumgartner, F. R., & True, J. L. 1998. “Policy Punctuations: U.S. Budget Authority, 1947-1995.” *Journal of Politics* 60: 1-33; True 2000.

True provides a strong explanation of the mechanism in punctuated equilibrium by exploring the differences between the period of stable growth and the avalanches. He argues that the periods of incremental growth exist when the budgeting is run by “policy subsystems” (Congressional committees / subcommittees and executive agencies). The avalanches in spending come when the “macropolitical actors” (the full Congress and the public President) take an interest in budgeting outcomes. True argues that there is greater variance at the agency-level and that there should be some interest from macropolitical actors in the periods where there is a non-incremental increase in funding.

The PE perspective supports the significant funding (or punctuations) associated with crises since 2000, including the response to 9/11, Hurricane Katrina, and the 2008 financial crisis. In all these cases, the macropolitical actors deeply engaged in budgeting and the result is significant budgetary increase. Many of these budgetary increases focus on specific policy areas, meaning that the outcome of significant change may not be at the aggregate budgetary level, but rather the agency and program levels.

True’s explanation yields a new hypothesis for how the budgeting process works:

*H<sub>6</sub>: An increase in attention from macropolitical actors is associated with significant increases (non-incremental) in budget authority.*

While macropolitical interest is a difficult metric, this study will attempt to assess the level of interest through the artifacts of these actors including speeches, registered testimony, and media coverage. These public records will serve to recreate the narrative around DHS agencies that demonstrate a non-incremental change in their budgets.

The theory of punctuated equilibrium provides a strong alternative to the incremental perspective. However, PE theorists struggle to explain the recent budget

reductions. The political tool of sequestration has not been effectively addressed within the theory of punctuated equilibrium. Specifically, PE does not explain why macropolitical actors have been unable to develop a significant approach to decreasing the budget. Instead, they employed incremental cuts to discretionary funding as a way to claim action without making decisions. The critical increases in spending are more regular and are the core focus of this study. Punctuated Equilibrium is a better theory for explaining these matters.

### **Performance-Based Perspective**

Performance budgeting emerged in the 90s as an extension of the economic school of budgeting. If economics is about getting the most out of limited resources, then the performance-based perspective became a way to drive toward strategic budgeting that would yield maximum results in a short of cost-benefit model. Congress sought to institutionalize strategic thinking about performance by requiring certain elements of the strategic process across executive agencies. The Government Performance and Results Act (GPRA) of 1993 required agencies to develop long-term strategies and consistent performance reporting as part of the budget process. Building off of the previous attempts to develop objective and rational, decisions-making, GPRA focused on standardizing the planning and budgeting approach for all agencies. The first provision called on each agency to develop a mission statement and a five-year strategic plan that linked to the overarching mission statement. The goals associated with the strategic plan were to be results-oriented and measurable. The second key element of GPRA demanded each agency produce performance targets each year against metrics associated



with the goals in the five-year strategic plan. The third provision required agencies to measure their performance against these targets. While the law was primarily focused on management within the agencies, the annual reports on performance were to be provided by OMB to Congress via the President's budget submission. In this way, the strategy and performance of the agencies were to be linked to the budget.

Congress designed GPRA based on the lessons learned from the past attempts to bring performance data into the budget process. Instead of just focusing on analytics for analytics sake, the law called for strategy to define performance. This "top-down approach" became the hallmark of GPRA based on concepts introduced by Kamlet and Mowery in 1980, and was designed to "link planning and goal setting processes with the congressional budget process."<sup>54</sup> The goal of GPRA was to bring data into budget decisions to assess budget-generated outcomes. As Joyce writes, "While its ultimate stated goal was the use of performance data in the budget process, its main legacy has been to increase the supply of performance data."<sup>55</sup>

The last three presidential administrations used this increased information to create budget justifications and review programs. The Clinton administration expanded the goals of GPRA and combined them with the broader administration goal of "Re-inventing Government." Under President Bush, the President's Management Agenda focused on the use of data to drive improved performance. The administration used the

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<sup>54</sup> Posner, Paul. 1997. "Performance Budgeting: Past Initiatives for GPRA Implementation." GAO Report – GAO/AIMD-97-46. March 1997. Accessed electronically on December 9, 2013 at: <http://www.gao.gov/products/AIMD-97-46>, p. 9.

<sup>55</sup> Joyce, Philip G. 2011. "The Obama Administration and PBB: Building on the Legacy of Performance-Induced Budgeting?" *Public Administration Review* 71 (3): p. 358.

annual performance report as one input for managing departments, but also developed the Performance Assessment Rating Tool (PART) as a way to monitor individual programs. Both concepts were scored on a 0 to 100 scale and presented the findings through a red-yellow-green visual rating of performance for the organization or the program. The Obama administration scrapped the PART process and introduced the High-Priority Performance Goals (HPPG), which were meant to drive performance across agencies.

The next major change in performance-based budgeting came in 2010 with the GPRA Modernization Act (GPRAMA). This bill focused on institutionalizing many of the elements left open in the original GPRA. First, the law defines the types of measures to be developed by the executive branch and at what level – Cross Agency Priority (CAP) goals and Agency Priority Goals (APGs). Second, GPRAMA requires specific positions across federal government agencies, including a Chief Operating Officer (COO), a Performance Improvement Officer (PIO), and a goal leader for each CAP. Third, the law prescribes how the measures will be monitored within the executive (Performance Improvement Council) and within the agency (Quarterly Performance Reviews). Fourth, GPRAMA requires the executive to report performance through the use of Performance.gov, so that all CAP and APGs can be clearly viewed by the public.<sup>56</sup>

Early reports from GAO show that the administration has developed and is developing both CAPs and APGs. However, GAO suggests that executive agencies still struggle through modernized GPRA to: “ensure performance information is useful and

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<sup>56</sup> Mihm, J. Christopher. 2013. “Managing for Results: Executive Branch Should More Fully Implement the GPRA Modernization Act to Address Pressing Governance Challenges.” Government Accountability Office – GAO-13-518. June 2013. Accessed Electronically on December 9, 2013 at: <http://www.gao.gov/products/GAO-13-518>.

used by managers,” “align daily operations with agency results,” and create performance information that informs Congressional decision-making.<sup>57</sup> The result of GPRA and GPRAMA was not necessarily the creation of performance budgeting, but what Joyce describes as “performance-informed budgeting.”

The Executive has done its part in this regime by creating information to inform the President’s budget, Budget Resolutions, and, ultimately, budget authority. However, this information remains useless until Congress leverages the data to drive budgetary decisions. As Pfiffner succinctly notes, “One of the lessons learned from the experience with PPBS was that rational executive branch analyses will not be effective unless they are taken seriously as decision making premises by the Congress.”<sup>58</sup> Nearly 50 years past the PPBS system, the realization GPRAMA faces the same hurdle. This study will include the performance-based perspective with the hypothesis:

*H7: An increase in performance across agency-established key metrics in previous years is associated with a significant increase in budgetary authority.*

The mechanism being tested in this perspective is whether performance data supports budgetary decision-making. The challenge with this hypothesis is that successful performance can lead to two divergent budgetary outcomes. High performance can be rewarded with additional funding or slightly punished by cutting back resources with an understanding that the agency can create efficiencies or “do more with less.” This paradox of performance makes it difficult for any study to create conclusive

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<sup>57</sup> Ibid.

<sup>58</sup> Pfiffner, James P. 1980. “Budgeting and the ‘People’s Reform.’” *Public Administration Review* 40 (2): p. 194.

statements about performance metrics and budgeting. The only way to explore the performance issue is to combine the performance data with contextual information about the agency, including media coverage and congressional hearings, to determine whether the performance data was a part of the budgetary dialogue. Collectively, these data points should help measure the success of performance-based budgeting.

### **Where does the Literature Lead?**

This brief overview of the literature around federal budgeting demonstrates how different perspectives address the budgeting process and its outcomes. Some take an explanatory approach and argue that the process is simply adding a little on to last year's budget (incrementalism). Others claim that the process should start over each year to conduct an exercise and determine which budgetary items are the most rational for the nation (economic perspective). Some proclaim that limited budgetary dollars should go to those agencies providing the most effective output or outcomes for the country (performance). Still others offer that the budget is really just a large scale negotiation involving all the actors in the public domain (pluralism/incrementalism) or that it is simply the engagement from the most important actors (PE perspective) that will determine budgetary outcomes.

To a certain degree, all of these perspectives offer important elements to the explanation of what happens in the budgetary process. These perspectives have been translated into eight testable hypotheses that will be used in the remaining chapters as the core questions surrounding the DHS budget. Each of these hypotheses can be tested exclusive of the others; however, the more powerful story will likely emerge by

combining these hypotheses as overlapping lenses to form a 360° view of the budgeting process. The next chapter will describe the methodology used to test the hypotheses.

**Table 3: Collected Hypotheses by Perspective**

Perspective	Hypotheses
Pluralist Perspective	<p>H<sub>1</sub>: A higher level of interaction between the DHS agency and Congress (through both formal and informal communications) is associated with the agency receiving a significant increase in budgetary authority.</p> <p>H<sub>2</sub>: An increase in interest group support (public attention or campaign donations) for a DHS agency is associated with a significant increase in budgetary authority.</p>
Economic Perspective	<p>H<sub>3</sub>: Support from powerful individuals (Congressional Committee members) for a DHS agency is associated with a significant increase in budgetary authority.</p> <p>H<sub>4</sub>: A higher year-over-year budget request from a DHS agency is associated with a significant increase in budgetary authority.</p> <p>H<sub>5</sub>: New DHS agencies receive higher year-over-year increases in budget authority during the first three years of the agency's existence.</p>
Punctuated Equilibrium (PE) Perspective	<p>H<sub>6</sub>: An increase in attention from macropolitical actors is associated with significant increases (non-incremental) in budget authority.</p>
Performance-Based Perspective	<p>H<sub>7</sub>: An increase in performance across agency-established key metrics in previous years is associated with a significant increase in budgetary authority.</p>

Currently, there are two noticeable weaknesses in the literature around agency-level budgeting. First, few studies focus on agency-level outcomes. Even in the incremental and punctuated equilibrium camps where data is studied across time, the lowest level of analysis is often at the “sub-function” level of budgetary data. This level represents the Department-level from an organizational perspective, but not the agencies within the department.

One recent exception is a study conducted by Balint and Conant on the Environmental Protection Agency (EPA).<sup>59</sup> This study leads the field of agency-level budgeting due to its methodology and will be discussed more in Chapter 3. However, even Balint and Conant do not offer a perfect comparison for a DHS study. While the EPA is an agency, it operates more as a department (from an organizational perspective) since the head of the agency reports directly to the president. As addressed in Chapter 1, DHS is more of a holding company for many agencies, which is a model that the federal government has adopted for many other departments (Defense, Housing and Urban Development, and Health and Human Services).

Second, since few studies explore agency-level budgeting, few studies of budgetary outcomes explore the interaction between the agency and Congress. Studies from the economic perspective often look at the drivers of congressional members or of bureaucrats, but rarely the interactions between the two. There are understandable reasons for this exclusion in the literature. It is hard. The complicated process developed around the budget has made it difficult to discern what requests are coming from the agency and what is coming from the administration. However, this dialogue between the Congress and the agency may hold the key to understanding agency-level budgeting and, more importantly for this study, explaining the results of agency budgeting in DHS.

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<sup>59</sup> Balint, P.J, and J.K. Conant. 2013. The Environmental Protection Agency's Budget from 1970 to 2010: A Lifecycle Analysis. *Public Budgeting & Finance* 33(4): 22-42.

This study addresses the weaknesses in the literature by applying many of the theories and techniques developed on federal budgeting to the agency budgeting process. This chapter has outlined how budgeting theories commonly tested within federal budgeting can be applied at the agency level. The next chapter will describe the process of testing these hypotheses and variables using techniques often applied to studies of the budgeting process.

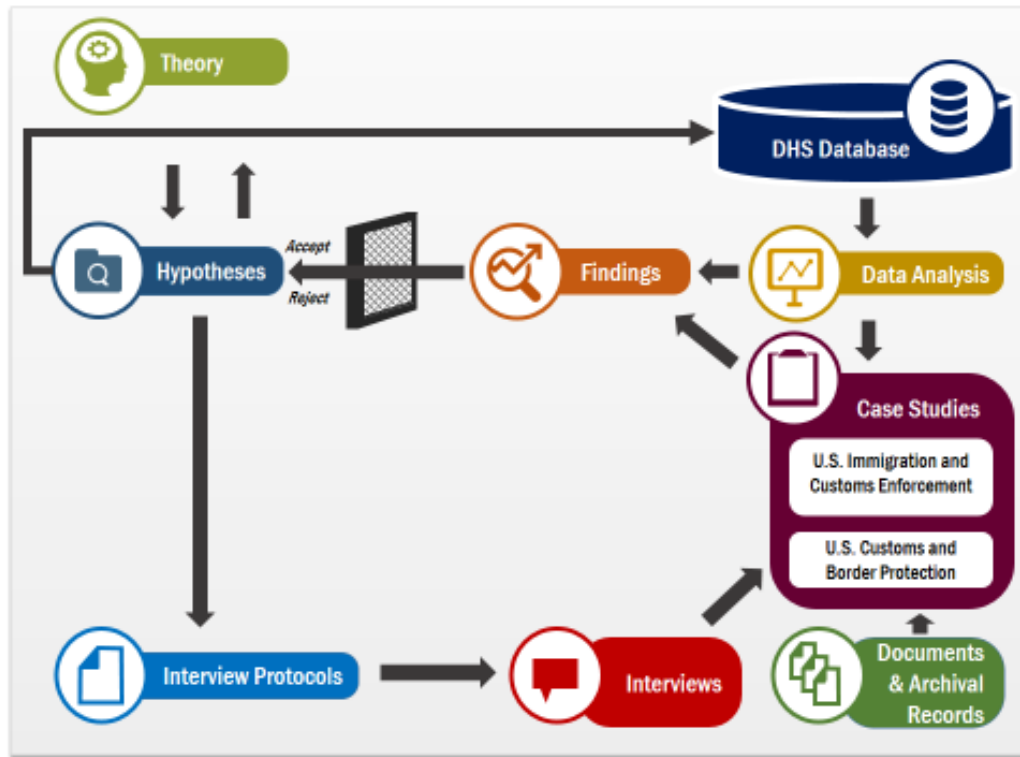
### **CHAPTER 3: METHODOLOGY – A MIXED METHOD APPROACH**

This study employs a mixed methods approach to determine what factors contribute to the budget authority set by Congress for DHS over the first ten years of existence. Since the budget is a quantitative exercise, the process generates artifacts that contain a broad range of quantitative measures to consider in the analysis. However, the budget is also a negotiation between people, which requires a deeper understanding of how the relationships between the actors impact the final outcome. This study covers both of these perspectives by using quantitative approaches to explore the outcomes of the budget process and case studies with qualitative document review and interviews to explore the internal workings of the process.

In particular, the study leverages recent work conducted on agency budgeting. In a study of the Environmental Protection Agency (EPA), Balint and Conant present a three-pronged approach to budget analysis. First, they test the budget outcomes for the agency over time against prevailing theories. Second, they use the same budgetary outcomes to develop a regression model to determine what factors are associated with budgetary outcomes. Third, they explore specific case studies to determine whether non-quantifiable factors contribute to the budgetary outcomes. This study follows a similar trajectory of using three approaches to test a set of hypotheses defined by theory – database development, data analysis, and case studies.



The full approach is outlined in Figure 3, below. The approach begins with theories of budgeting and lessons learned from past research, which yields a set of possible hypotheses (described in Chapter 2). The broad set of variables defined across the hypotheses demands both quantitative and qualitative data. Therefore, this study employs a database developed to link DHS budget data with many of the variables that might impact budget outcomes. The database allows for the testing of hypotheses through a set of statistical analysis. In order to test the remaining hypotheses, the study employs a set of case studies. The database and data analysis support the selection of case studies and two cases were selected based on the data in database – Immigration and Customs Enforcement (ICE) in 2007 and Customs and Border Protection (CBP) in 2009. The hypotheses defined the research questions for the case studies, drove the document review process, and yielded the core interview questions for the protocols. Collectively, the data analysis and case studies yield a set of findings that support the acceptance or rejection of each hypothesis.



**Figure 3: Methodology Overview**

The data analysis and the case studies triangulate to answer the question of what factors *determine the budget authority for agencies* in DHS. The following sections outline the methodologies employed for the database creation, the data analysis, and the case studies.

### **Database Construction**

A database supports a strong quantitative understanding of the budgetary trends in DHS and the possible factors contributing to the trends by bringing together all the data on the unit of analysis in a single place. The database includes a line of data for each agency in DHS for each year of the Department's existence from FY02 through FY13 (192 observations). Each line contains a series of variables specific to the agency (e.g., year of creation), a set of variables specific to the year of the budget authority (e.g.,

president's party), and a set of variables specific to the agency in the year of the budget authority (e.g., the number of FTEs).

The database anchors to the dependent variable of budget authority for each DHS agency in each year since the creation of DHS. Empirical studies on budgetary outcomes tend to focus on two types of data – budget authorities and budget expenditures (or outlays). Budget authority is the amount of money newly authorized by Congress for spending (obligation and outlay) for each the agencies and programs to spend for that year and future years until adjusted again. Outlays represent the dollars actually spent by each agency and program in the federal government. Proponents of incrementalism and advocates of PE often focus on budget authority to make the case for theory.<sup>60</sup>

Budget authority is a strong variable because it captures the upper bound of what Congress is willing to spend on priorities. It is a limited metric because it only offers the Congressional view of priorities and does not account for the bureaucracy's role in distributing funds. For the purposes of this study, the budgetary authority represents the key variable for analysis. More specifically, the dependent variable throughout the study is the change in budgetary authority from year-to-year. There are 172 observations of agencies with a budget authority and 157 observations for a change in budget authority. The number of observations reduces because not all agencies existed at the beginning of the Department and no agency demonstrated a change in budget authority until FY03, when the Department had been in existence for one full year.

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<sup>60</sup> Davis, Dempster, and Wildavsky 1966; Jones, Baumgartner, and True 1997, 1998; True 2000.

The database includes DHS budget requests and budget authorizations for FY02 through FY13.<sup>61</sup> The dataset contains budget requests and complete budget authorizations for the Department as presented in the annual DHS Budget-in-Brief document that is submitted to Congress along with the President's Budget.<sup>62</sup> The Budget-in-Brief highlights the request for the current year, the authorization for the previous two years, performance metrics for the previous year, and a detailed justification for the current year's request. In the database, the budget request comes from the year of the request, while the final budget authority comes from the request two years later. For example, the FY13 Budget-in-Brief includes the budget request for FY13 and the final budget authority for FY11. This was done because often the prior year's budget authority may still change, based on supplemental funding requests. Budget authority data is available from FY02 through FY13, while budget request data is only available from FY04 through FY13.<sup>63</sup>

The database includes other data points from the Budget-in-Brief documents, including the number of Full-time Equivalents (FTEs) in the agency, the type of money (salaries, discretionary fees, mandatory fees), and the date the agency was created. The database also includes a number of variables that were calculated from the data collected from the Budgets-in-Brief, including the portion of the budget that goes to salaries, the

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<sup>61</sup> The complete set of data from all years is included in Appendix D. There was no formal budget request submitted for FY03.

<sup>62</sup> For the remainder of the study, the terms "budget request" and "request" will be used to represent the President's request on behalf of the agency, as the researcher did not have access to the budget requests from the agencies to DHS or the DHS request to OMB. All information on budget requests is simply presented from the President's Budget presented to Congress.

<sup>63</sup> The full set of DHS Budget-in-Brief sources are included in Appendix E.

total amount of funding from fees, the year-over-year change in the budget, as well as the year-over-year change in budget request. For comparison, the database includes the overall budget authority and discretionary budget authority from Office of Management and Budget (OMB) historical tables for each year represented in the database.<sup>64</sup>

Additionally, the database contains year-dependent economic and political variables that are consistent across the agencies for each year. The national GDP represents the economic conditions of the country, by including total change in national GDP for the calendar year in which the budget was passed. For example, the FY02 starts in 2001, therefore the variable calculates the change for calendar year GDP in 2001 compared to 2000. This is not a perfect proxy for the economic conditions, but it is a relatively strong metric and mirrors the past work of Balint and Conant.

Political variables include the percentage of seats in the House of Representatives held by Democrats, whether the White House was held by a Democrat, whether the Congress was divided (House and Senate held by different parties), and whether the government was divided (Congress and White House held by different parties). All variables represent the political situation in the year when the budget should have been passed, not the year of the budget authority. For example, the congressional variables represent the composition of Congress in FY06 for the FY07 Appropriation, since it would have been passed in FY06. Additionally, the database includes the date the DHS

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<sup>64</sup> “Budget Authority by Function and Subfunction: 1976-2018.” Office of Management and Budget. As Accessed Electronically on December 2, 2013 at: <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2014/assets/hist05z1.xls>.

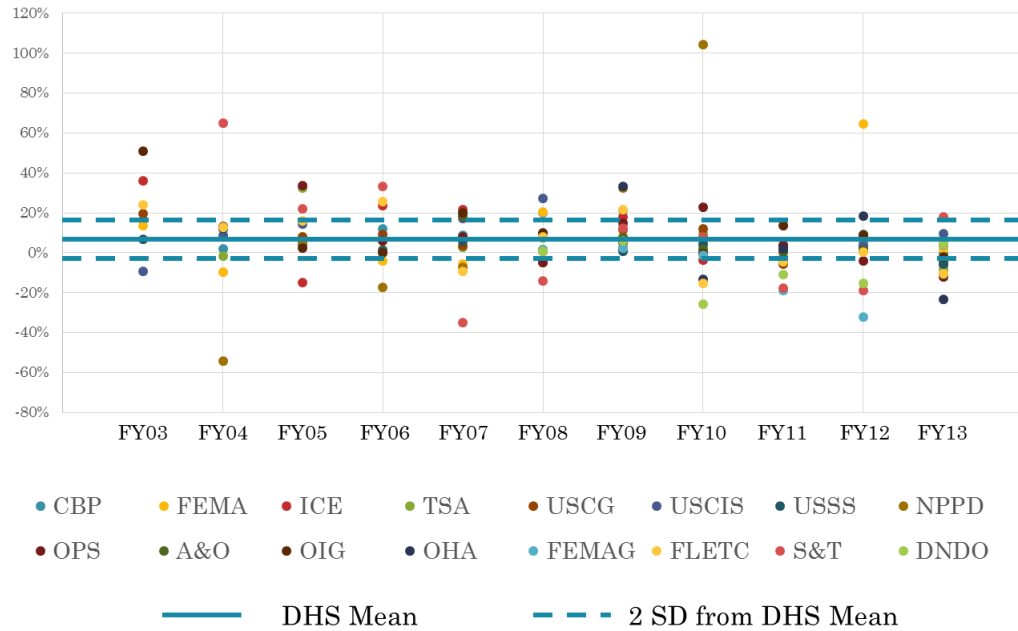
Appropriations Bill was passed for the year of the budget authorization from the legislative history, as maintained by the Library of Congress.

The database also includes a measure of general interest in the agency, based on the level of media attention received. This variable represents a count of all articles mentioning the agency in *The New York Times*, *The Wall Street Journal*, and *The Washington Post* for the fiscal year prior to the year of budget authority. For example, in FY02 for the U.S. Secret Service, the variable represents the number of times that the agency was mentioned in the three big daily newspapers from October 1, 2000 through September 30, 2001. The reason for this data collection method is that any information influencing the budget for FY02 would have surfaced in the media prior to the vote to fund the agency (e.g., presumably the end of the fiscal year, although not always constant).

Last, the database includes a series of budgetary classifications developed by the researcher. The database includes two classifications for incrementalism. The first uses the “low threshold” for incrementalism of an increase or decrease in the budget of 10 percent in either direction. The low threshold for incrementalism includes 68 observations of significant change (out of 157 observations). The second classification of incrementalism uses True’s classification of incrementalism that includes an increase of more than 20 percent in funding or a decrease of more than 15 percent. The higher classification includes 37 observations of significant change (out of 157 total observations). There is also a classification for “big” agencies, defined as all agencies

with an annual budget authority of greater than \$1 billion, which represents 96 observations out of the total of 192 observations.

The database includes a fourth classification developed by the researcher based on the concept of abnormal returns in the stock markets. Abnormal returns in the stock market are calculated as the difference between the actual return of a stock and the expected return based on the index for that stock. In the case of this study, the expected return was calculated as the average increase in the DHS total budget for the ten-year period observed. The abnormal result was calculated as two standard deviations away from that mean and contains 63 observations out of the total of 157 observations. Figure 4 below displays the abnormal results compared to both the DHS Mean and the 2 Standard Deviations from the mean each year.



**Figure 4: Plot of Abnormal DHS Outcomes, FY 03-FY13**

Collectively, the database contains 42 variables for each agency in the each year.

Additionally, the database includes dummy variables for each year and each agency to allow researchers to easily hold the agency or year constant in analysis. A full data dictionary for the database is presented in Appendix F and the full database can be made available to all interested parties.

### Data Analysis

The database presents a rich data source for exploring the hypotheses through quantitative analysis. In particular, data analysis support three hypotheses using three different methods of analysis. The first analysis reviews the role of incrementalism in the budgeting outcomes. Although not a formal hypothesis, the study will confirm that



incrementalism lacks the explanatory value needed for the case of DHS by testing how many of the DHS agencies experience non-incremental changes in the first decade of the Department. The study tests incrementalism using methodologies employed by Davis, Dempster, and Wildavsky, and Baumgartner, Jones, and True. The analysis employs a simple view of descriptive statistics to determine the percentage of agency budgetary increases that were over the threshold for an incremental change. As described in Chapter 2, the threshold for incrementalism is an increase of more than 20 percent or a decrease of more than 15 percent.

Second, this study presents correlation analysis designed to test the impact of variables in three other hypotheses –  $H_4$  (budget request),  $H_5$  (new agency), and  $H_6$  (macropolitical attention). In each case, the independent variable is a quantifiable variable that is either a continuous variable or a binary variable. The test for the budget request compares the change in budget request to the change in budget authority. The lifecycle effect of a new agency is tested with a binary variable that represents whether the agency was in its first three years of existence at the time of change in budget authority.

Macropolitical attention is represented in the database by media attention. In particular, the correlation tested here is the relationship between the increase in media attention in the year prior to the budget authority and the increase in budget authority. Any result for this correlation would be limited in determining whether there is a relationship between macropolitical actors and the budget because media attention is simply a quantifiable proxy for macropolitical attention. Media outlets often have their

own reasons for covering or not covering a story, which cannot be quantitatively addressed. For this reason, macropolitical attention will be addressed in the case studies to triangulate the findings from the correlation analysis.

While the correlation analysis focuses on these three hypotheses, the analysis is also an exploratory technique to determine whether there are any correlations between other variables and the dependent variable (percent change in budget authority). Plainly stated, the study explores correlations between all variables in the database and budget authority to determine if there are any alternative hypotheses not yet considered in the research that might be grounded in the data.

The third set of quantitative analysis presented in this study is a series of regression models. The models test the association between the change in budget authority and the variables described in Chapter 2. The dependent variable for each model is the annual change in budget authority. While this is the core dependent variable, the regression analysis explores multiple ways to represent this variable across a series of tests. Most tests use a continuous variable of percent change in budget authority as the dependent variable. However, the tests also explore using the change in dollars to determine whether there is a simple way to display the results.

Each of the regression models include up to ten independent variables that could provide explanatory value to the model. The core of the regression models include a set of variables tested by Balint and Conant, who found five variables with explanatory value. This study leverages four of their explanatory variables (Table 4).

**Table 4: Explanatory Variables included from Balint and Conant's Model**

Independent Variable	Definition
Change in GDP	Rate of growth or decline in gross domestic product (GDP)
Party of President	A dummy variable capturing whether the president was a Democrat or Republican (Democrat = 1)
House Composition	Democrats in the House as a percent of total membership
Nondefense spending	The percent change in year-over-year federal nondefense spending

Balint and Conant also include a measure of public opinion, which is difficult to capture for DHS. In their study, Balint and Conant have direct data on the EPA because surveys have tested attitudes toward the EPA since its creation. Public opinion surveys tend to be less precise for DHS. Surveys tend to test attitudes toward Homeland Security at the macro-level, such as attitudes toward the government's handling of homeland security or feelings of safety amongst the American public. Moreover, since the study is looking at the agency-level, these types of survey questions do not allow for the delineation of findings for each agency. As an alternative, the DHS regression models leverage a measure of issue salience specific to the agency, using the level of media attention. Specifically, the variable is the change in media attention year-over-year for the agency.

The regression models include political measures about the division of power within the Congress and between the Congress and the Executive. The models also test whether the bureaucratic mechanisms of budgeting impact the outcomes like the budget-maximizing bureaucrat and the performance-driven budgeting construct. In order to test

the budget-maximizing bureaucrat approach, the model will include the year-over-year change in the budget request for the agency. The models also test whether the lifecycle effect noted by Balint and Conant can be measured across the agencies by including a measure of agency “newness” described above.

**Table 5: New Explanatory Variables Added to the DHS Models**

Variable	Definition
Issue salience	Number of mentions for agency in <i>The New York Times</i> , <i>The Wall Street Journal</i> , and <i>The Washington Post</i> in the year
Divided government	Binary variable to represent whether one chamber is of a different party than the president
Split Congress	Binary variable for whether both chambers are the same party
Budget request	Percent change in the budget request for the agency
New agency	Binary variable to represent whether an agency is in the first three years of existence

As Balint and Conant note, most variables need to have a one-year lag to accurately represent a budgeting process in which the budget is developed nearly a year before it is enacted. In their test of EPA data, Balint and Conant found there was only one variable that produced a statistically significant relationship with the dependent variable – nondefense spending. The EPA’s budget is a subset of nondefense spending, which suggests that the budget for EPA is impacted by the macro-budgeting trends. While a similar finding may explain DHS budgeting patterns, the models for this study have both more agencies than the Balint and Conant study and more variables to test. Balint and

Conant explain that a weakness in their model is the “relatively small number of observations (n = 38: the years from 1973 to 2010, inclusive).”<sup>65</sup> The DHS models contain up to 176 observations that represent the change in budget authority for each agency in the Department since its inception. However, Balint and Conant have a better longitudinal study that moves past the early years of the agency, when there might be greater volatility in the budget.

While the majority of the regressions are simple linear regressions modeled after Balint and Conant’s approach, the study includes a series of binary logistic regressions to test the non-incremental or abnormal outcome compared to the expected outcomes. Additionally, a few models include just a subset of observations. In one set of tests, the models limit the dependent variable to only the “big” agencies in the Department, defined as those agencies with an annual budget over \$1 billion. Collectively, these models provide a complete exploration of the possible explanatory value of the variables in the database. There are certainly limitations to regression analysis across a set of diverse hypotheses. Most importantly, it is difficult to separate and test the hypotheses independent of each other. This study attempts to separate the hypotheses with unique variables, but acknowledges that spurious relationships may emerge that have little to no causal link. Therefore, case studies are necessary to attempt to develop a causal link and triangulate the findings from the quantitative analysis. The full findings of the data analysis are presented in Chapter 4.

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<sup>65</sup> Balint and Conant, p. 31.

## Case Studies

The majority of research on the federal budget focuses on the quantitative outcomes of the budgeting process. When a process yields such a large amount of quantitative data, it is easy to understand why so much research focuses on the outcomes as the signal of the decision-making process. However, quantitative analysis cannot find all the signals in the budgetary process, nor can it answer the research question posed in this study. As Wildavsky proposes, “A combination of interviews, case studies, and direct observation should enable the researcher to determine what these signals are, to construct propositions accounting for the agencies budgetary position, and to generally recreate the environment out of which these choices come.”<sup>66</sup> Balint and Conant found this challenge in their study of the EPA and augmented their quantitative analysis with case studies of specific years.

This study attempts to understand the signals of budgeting through two case studies of specific agencies in specific years. This study leverages the strengths of case study analysis using a design that Blatter and Haverland call “Congruence Analysis.” Through this design, the study compares “the descriptive and explanatory merits of different theories” by collecting data around a series of hypotheses generated from theory.<sup>67</sup> The resulting data provides, “A set of confirmations and/or contradictions for each theory,” which is exactly the objective for this study of DHS.<sup>68</sup>

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<sup>66</sup> Wildavsky 1961, p. 187.

<sup>67</sup> Blatter, Joachim, and Markus Haverland. 2012. *Designing Case Studies: Explanatory Approaches in Small-N Research*. UK: Palgrave Macmillan, p. 27.

<sup>68</sup> Ibid., p. 28.

Three common weaknesses of case studies are: 1) the lack of rigor, 2) the length of exploration, and 3) the lack of control, as contained in a true experiment. These concerns are addressed in this study by developing a rigorous approach to the cases that is focused on a variety of data sources for each of the cases. While there is a variety of data sources, the goal is to maintain consistency in sources across the two cases. By employing what Yin calls “comparative structures” in the two cases, this should minimize the potential risk of two cases that head in wildly different directions.<sup>69</sup> These structures remain parallel across the case selection, data gathering process, the analytical process, and in the presentation of the findings.

The two case studies were selected based on a variety of variables using the database described above. The selection process was based on: the size of the agency, the percent of the budget that is appropriated (compared to fees), the agency’s budgetary trend, and the mission space. There are eight DHS agencies that consistently had an average budget authority over \$1 billion during the period explored in the study (Table 6). The figure below presents the average size of budget authority, percent of the budget that is fee-funded, and the increase in the total budget authority over the period of the study, which serves as a measure of volatility in the agency’s budget.

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<sup>69</sup> Yin, Robert. 2008. *Case Study Research: Design and Methods*, 4<sup>th</sup> Ed. Washington, DC: Sage, p. 176.

**Table 6: Case Study Selection Criteria**

Agencies	Average Budget Authority FY02-FY13 (000s)	Percent Fee Funded (FY13)	Increase in BA FY02-FY13	Years of BA Abnormality
Customs and Border Protection (CBP)	8,748,786	16%	133%	2
Federal Emergency Management Agency (FEMA)	6,426,003	32%	155%	5
Immigration and Customs Enforcement (ICE)	4,599,660	8%	150%	6
National Protection and Programs Directorate (NPPD)	1,584,304	49%	1858%	7
The Transportation Security Administration (TSA)	6,102,339	32%	533%	3
The United States Coast Guard (USCG)	8,531,956	17%	101%	3
U.S. Citizenship & Immigration Services (USCIS)	2,368,951	97%	96%	2
The United States Secret Service (USSS)	1,531,144	14%	71%	1

The Secret Service is relatively small and was eliminated from consideration based on size. TSA and NPPD were both new agencies in the creation of DHS and both experienced massive budgetary increases over the first ten years. Both also have a third or more of their budget covered by fees, which are addressed outside of the annual budgeting process. For this reason, these two were eliminated from consideration. USCIS is primarily funded by user fees, as those applying for an immigration benefit in the U.S. pay USCIS for the service. Therefore, demand drives the budget of USCIS. Likewise, FEMA's annual budget is mostly driven by the need for response resources based on expected and actual natural disasters. For this reason, both are removed from consideration. The three remaining agencies are CBP, ICE, and the Coast Guard.

While CBP and the Coast Guard have similar budgetary sizes, ICE and CBP share a similar mission – the legal entry of goods and people into the U.S. For this reason, ICE



and CBP will represent the two case studies. There is some benefit to the consistent mission, as it means the agencies will have similar macropolitical factors, similar oversight committees in Congress, and similar stakeholders in the public; which should allow for the differences in the budgeting process to emerge. Moreover, these two agencies provide two different types of budgetary trends. ICE has had regular significant changes in its budget over the first ten years, whereas CBP has only abnormal budgets (compared to the rest of DHS) on two occasions. Additionally, interviews suggest that the two agencies have disparity in the maturity of their budgetary operations. Senior leaders in ICE, CBP, and in OMB all describe CBP as a strong institution with effective budgetary processes and ICE with relatively weak budgetary processes. Therefore, the study can observe whether differences in institutional strength impact budgetary outcomes.

The next question for case selection is what year to explore for each of the cases. The years for exploration were decided based on the years where there were abnormal results for the agencies. This methodological decision is based on the desire to effectively test those hypotheses dependent on interaction between Congress and the White House ( $H_6$  and  $H_7$ ). It is understood that this decision will necessarily negate the testing of incremental outcomes in the case studies, since this hypothesis will be effectively ignored through the selection process. Figure 4 shows all the years of abnormal outcomes compared to the rest of DHS for the eight big agencies. The period of FY07 to FY09 is of particular interest because both agencies have abnormal results in these years when there is the same administration developing the budget even though

FY09 is on the edge of a presidential transition. Therefore, the two case studies are drawn from years when each agency has an abnormal result: ICE in FY07 and CBP in FY09.

The two case studies attempt to collect a variety of evidence to reveal the story of the two agencies. Yin highlights six types of evidence that supports an effective case study – documentation, archival records, interviews, direct observations, participant-observation, and physical artifacts.<sup>70</sup> His first three types of evidence are historically based and are more appropriate for these cases. Both cases employ document reviews, archival records, and interviews. The document review includes DHS and agency strategic plans, DHS and agency budgetary requests, appropriations language, and a media analysis. The comparison of the DHS documents to the appropriations language supports an understanding of hypotheses – H<sub>1</sub>, H<sub>4</sub>, and H<sub>6</sub>. The DHS documents also provide an understanding of both expected performance and actual performance, which supports an assessment of H<sub>7</sub>.

The media analysis is a comprehensive review of the articles about the agency in the year prior to the budget authority. The database includes a variable for the number of articles about the agency. In the case studies, each of the articles is assessed along two different attributes – topic and sentiment. The topic is quantified as the number of articles that focus on a particular topic. For example, ICE is split into two mission areas, so it is important to understand how many articles are about each of the mission areas. More importantly, it is important to understand how many articles are specifically about

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<sup>70</sup> Ibid., p. 102.

ICE programs in one of these two areas. The topic analysis allows for a comparison of media attention to the budget outcomes. The sentiment analysis divides all of the articles into one of three areas: positive, neutral, or negative. In order for an article to be labeled as either positive or negative, it must specifically critique or highlight the work of the agency, not the policy outcomes. For example, a negative article on immigration issues that mentions ICE or CBP is not labeled as a negative article. Instead, the article must directly note something negative about the agency. The collective media analysis supports the assessment of hypotheses that include public attention – H<sub>2</sub> and H<sub>6</sub>.

The archival record review includes a complete review of Presidential Statements, Congressional Testimony and Hearings, GAO Reports, Congressional Research Service (CRS) reports and Congressional Budget Office (CBO) Analyses about the agency in the year prior to the budget authority. For the two cases selected, archival records for ICE and CBP were explored from FY06 and FY08, respectively. These records help elucidate the interaction between the administration and the legislature that is critical to understand H<sub>1</sub> and H<sub>6</sub>. Moreover, when the documents reveal a difference between the administration's budget submission and the Congressional appropriation, there should be signals to the change that are revealed in the archival records.

Interviews augment the document and archival reviews to fill in the gaps for the story.<sup>71</sup> Interviews are consistent across the two cases and highlight the interaction between the administration and Congress (H<sub>1</sub> and H<sub>6</sub>). The first set of interviews is with

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<sup>71</sup> The complete interview plan and protocol were presented to the George Mason University Institutional Review Board (IRB), which determined that the study does not constitute Human Subjects Research.

DHS veterans who provide an understanding of the Department-wide factors that impact the budget patterns for DHS agencies, such as departmental priorities, political pressures, and departmental processes. This group includes DHS veterans from different agencies and staff from the Office of Management and Budget (OMB). The next set of interviews focuses on the agencies in question, including veterans of these agencies who served in critical roles with respect to the budget. In addition to the interaction between the two branches, the interviews help assess Hypothesis 7 about the role of performance data in the process.<sup>72</sup>

After the data is culled from all three sources in the case study (documents, archival records, and interviews), the cases are presented here separately (Chapters 5 and 6) and then compared to each other (Chapter 7). As Blatter and Haverland note, "...the findings of [congruence analysis] studies can only be generalized to a relatively small population."<sup>73</sup> Therefore, the findings of these case studies do not suggest that all budget actors or agencies behave in a certain way. Instead, these representative case studies will simply validate that there are certain trends within the agencies of DHS when there is a period of significant increase in budget authority.

### **Mixed Methods Review**

The methodology presented here represents an ambitious approach to understand the factors that determine budgeting outcomes for the agencies in the Department of Homeland Security in the first decade of existence. Each of these agencies has their own

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<sup>72</sup> The full protocol for the interviews is contained in Appendix G.

<sup>73</sup> Blatter and Haverland, p. 31.

systems and culture that contribute to the budgeting approach and the way funds are used within the agency. As Yin notes, “Mixed methods research forces the methods to share the same research questions, to collect complementary data, and to conduct counterpart analyses.”<sup>74</sup> As described in each methodological approach above, these methods assess the same set of hypotheses developed from the literature using complementary data to answer the same question. The goal of this study is to understand some of the factors that contribute to budgeting outcomes through a mixed methods approach.

While these hypotheses have been developed to be alternative explanations of the budgeting patterns in DHS, they are not completely independent hypotheses. Data can support multiple hypotheses. The quantitative data analysis and case studies collectively triangulate the diverse data to determine whether there is an abundance of evidence for each hypothesis. Table 7 demonstrates how each of the methods supports the examination of each hypothesis.

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<sup>74</sup> Yin, p. 63.

**Table 7: Tests of Literature-Informed Hypotheses**

Hypotheses	Data Analysis	Case Studies
H <sub>1</sub> : A higher level of interaction between the DHS agency and Congress (through both formal and informal communications) is associated with the agency receiving a significant increase in budgetary authority.		✓
H <sub>2</sub> : An increase in interest group influence (public attention or campaign donations) for a DHS agency is associated with a significant increase in budgetary authority.		✓
H <sub>3</sub> : Support from powerful individuals (Congressional Committee members) for a DHS agency is associated with a significant increase in budgetary authority.		✓
H <sub>4</sub> : A higher year-over-year budget request from a DHS agency is associated with a significant increase in budgetary authority.	✓	✓
H <sub>5</sub> : New DHS agencies receive higher year-over-year increases in budget authority during the first three years of the agency's existence.	✓	✓
H <sub>6</sub> : An increase in attention from the macropolitical actors is associated with significant increases (non-incremental) in budget authority.	✓	✓
H <sub>7</sub> : An increase in performance across agency-established key metrics in previous years is associated with a significant increase in budgetary authority.		✓

With the methodology laid out in this chapter, the next chapter will start to present the quantitative findings from the analysis. The following two chapters will present the case studies (Chapters 5 and 6) and Chapter 7 will return to Table 7 and explain how the findings from each method support the acceptance or rejection of each hypothesis.

## **CHAPTER 4: QUANTITATIVE ANALYSIS OF HYPOTHESES**

A mixed methods approach requires the use of multiple perspectives in order to understand the full story of budgeting at DHS. This chapter presents one perspective from the quantitative data that agencies use to request an appropriation and the appropriators' response – the budget authority received by the agency. The request and the appropriation are two critical numbers in the budgeting process, but there are many other quantifiable factors including staffing levels, types of funding, and media attention that impact budgetary outcomes. The purpose of this chapter is to explore the database described in Chapter 3 and determine whether quantifiable associations can be drawn that support or reject the hypotheses. In particular, this chapter explores three hypotheses:

- H<sub>4</sub>: A higher year-over-year budget request from a DHS agency is associated with a significant increase in budgetary authority.
- H<sub>5</sub>: New DHS agencies receive higher year-over-year increases in budget authority during the first three years of the agency's existence.
- H<sub>6</sub>: An increase in attention from the macropolitical actors is associated with significant increases (non-incremental) in budget authority.

The remainder of this chapter presents three different types of quantitative analyses. The first test explores whether incrementalism can explain the change in budget authority.

The second analysis presents correlations between variables that might support the other three hypotheses. The third analysis describes the predictive power of the variables identified in the correlations.

## **Incrementalism**

The first analysis is an exploration of incrementalism and DHS. Incremental theorists claim that budgeting outcomes are relatively stable year-over-year with just incremental changes. Certainly, if one explores the overall federal budget this theory seems to hold. Between FY1947 and FY2012, the size of the federal budget has grown by more than 100 times in value from \$35 billion to \$3.5 trillion (Figure 5). Despite the large increase at the aggregate level, the total federal budget rarely has the kind of leaps or falls beyond incrementalism. In fact, this only happened four times, with three large-scale changes in the years immediately following World War II (FY1947, FY1949, and FY1952) and once in the seventies (FY1975). Even in the wake of the 2008 global financial crisis, the leap in spending was only 18 percent between FY09 over FY08. There have recently been slight changes in the overall budgeting trend that seems to climb steadily upward year-after-year.

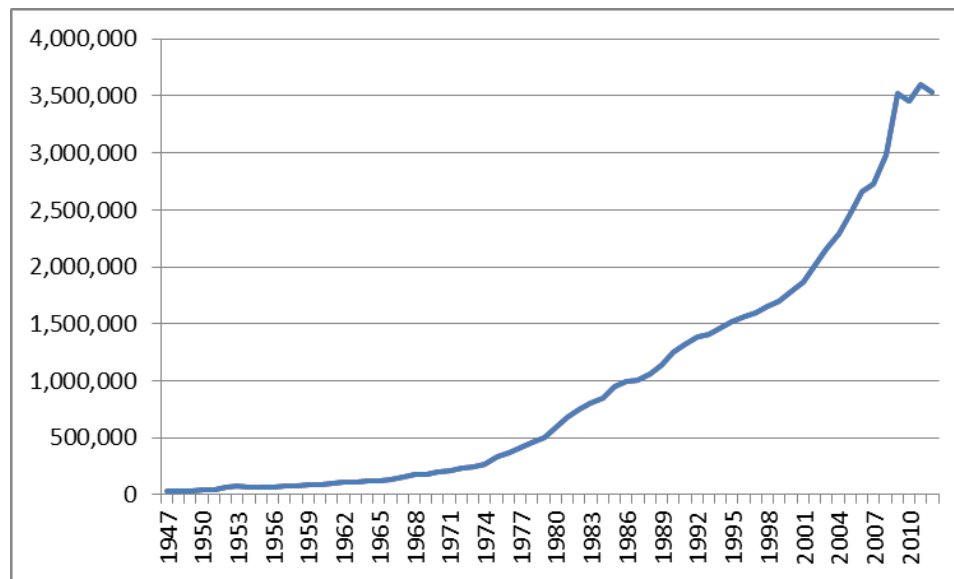
However, as one gets deeper into the departmental and agency budgets, the trend is less consistent. Jones, Baumgartner, and True first questioned whether this outcome holds at the departmental level and Balint and Conant likewise tested the theory for the individual agency, the Environmental Protection Agency (EPA), finding volatility in the budget authority for the agency across its first forty years.<sup>75</sup> While they establish no formal metric for incrementalism, they do offer that while there are “only two values more than two standard deviations from the mean, there are six other years in which the annual change is 15 percent or greater, either positive or negative.”<sup>76</sup>

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<sup>75</sup> Balint and Conant, p. 28.

<sup>76</sup> Ibid., p. 28-29.





**Figure 5: Total Outlays of the Federal Government, FY1947 - FY2012<sup>77</sup>**

At the departmental level, the DHS budget authority has more than doubled since its creation in FY02 (\$29 billion to \$60 billion), while the overall federal budget authority has increased by 71 percent in the same period. The significant increase certainly suggests that homeland security was a top priority in these past ten years, but that is an unsurprising finding. The Department experienced some fluctuations in funding over the 10-year period, but overall, the Department received between a 5 percent and 15 percent increase each year except FY11, when sequestration cuts were implemented. DHS did not received any significant fluctuations since its inception.

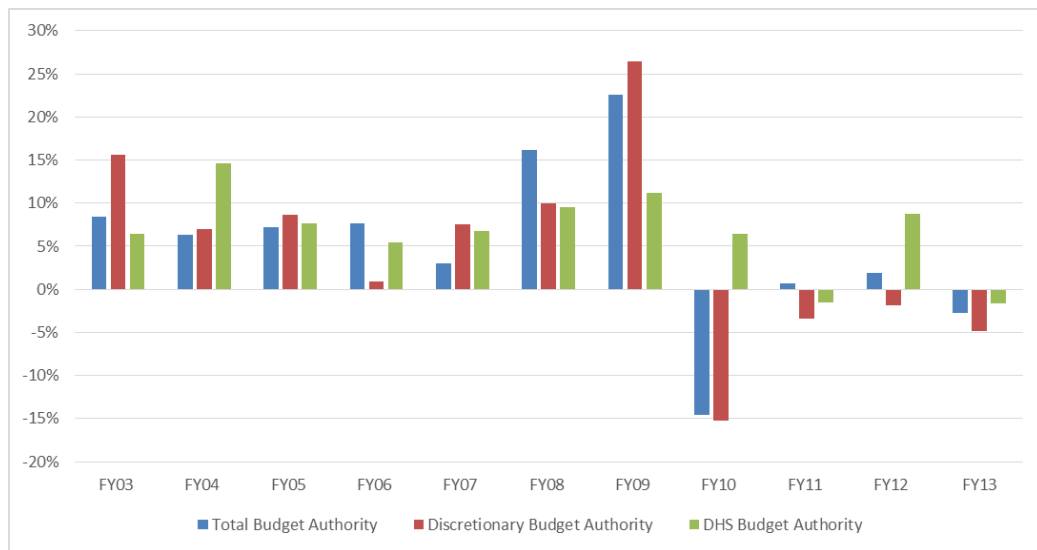
Expanding on the approach leveraged by Balint and Conant, this study examines the variance in year-over-year budget authority change for the 16 key agencies of DHS.

<sup>77</sup> "Summary of Receipts, Outlays, and Surpluses or Deficits: 1789-2018." Office of Management and Budget. As Accessed Electronically on December 2, 2013 at: <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2014/assets/hist01z1.xls>.

Since the first ten years of the Department was a period of creation and re-creation, not all of these agencies received budgets in the first few years. In total, this study tests 157 observations of change in budget authority. As described in Chapter 3, the test for incrementalism is established at the highest threshold in recent literature – True’s metric describing a non-incremental change as a 20 percent increase in budget authority or a 15 percent decrease in budget authority. Using this threshold, there are 37 observations of agencies receiving a non-incremental shift in funding representing 24 percent of cases. Conversely, this means that 76 percent of cases receive an incremental shift in funding.

However, these findings alone are not enough to reject the hypothesis. There are three alternative explanations for the findings. First, the easy retort is that the new department would experience significant increases in budget authority. The lifecycle theory, presented by Anthony Downs, claims that a governmental organization is like a biological organism growing in maturity each year. The lifecycle theory does carry weight in the case of DHS. The best way to test the claim is to compare the Department to a baseline such as discretionary spending. In the ten-year period explored in this study, the budget authority of the Department more than doubled. In fact, the overall budget authority increased by 105 percent compared to a 71 percent increase for the full budget authority and 63 percent for discretionary spending budget authority. Year-to-year, there appears to be less connection between discretionary budget authority and DHS budget authority than would be expected. There are years when DHS receives a lower increase than overall discretionary spending (like FY09 with the financial crisis) and there are

years where DHS outpaces discretionary spending as a whole (like FY04 as the Department got settled).



**Figure 6: Year-over-Year Change in Budget Authority, FY03 – FY13**

The new department receives greater increases than the rest of the federal government (DHS budget authority compared to discretionary budget authority), which does suggest there is some sort of lifecycle effect with the new department. However, this is precisely why this study of agency budgeting is so important. Within this ten-year period, there is no doubt that homeland security was a critical topic of conversation in the national zeitgeist and, therefore, aside from lifecycle theory, it would be expected that the Department would receive more funding. The key question for this study is why some agencies within the Department would receive different levels of funding compared to other agencies operating in the same overall national context. Therefore, this study

creates a mild natural experiment in which these agencies can be compared to each other to determine what factors determine budgetary outcomes below the departmental level.

Second, one might argue that even if the departmental outcome is essentially a constant across all agencies, there are still new agencies within the Department impacted by a lifecycle effect. This critique is fair. It is true that there are five agencies that receive budgets for the first time during the period examined (NPPD, OHA, OPS, S&T and TSA). Below, Table 8 displays the full set of agencies with the year-over-year change in budget authority for each agency between FY03 and FY13. As described above, there are 37 observations that are greater than 20 percent increase (highlighted in green) or less than 15 percent decrease (highlighted in orange). Additionally, there are two observations that mathematically round to 20 percent, but are lower than a 20 percent increase. These two observations are not counted as incremental changes (highlighted in yellow). The five agencies with first-time budgets are highlighted in red and are treated as outliers. Once this group is removed from the count, there are still 32 observations of non-incremental outcomes, which is 20 percent of all observations.

**Table 8: Year-over-Year Change in Budget Authority by Agency, FY03 – FY13**

	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
A&O					18%	2%	8%	2%	0%	1%	-11%
CBP	16%	2%	6%	12%	9%	20%	21%	3%	-3%	5%	0%
DNDO						1%	6%	-26%	-11%	-15%	4%
FEMA	14%	-10%	8%	-4%	-5%	21%	8%	4%	14%	65%	2%
FEMAG						2%	3%	-1%	-19%	-32%	4%
FLETC	24%	13%	16%	26%	-9%	8%	22%	-15%	-4%	0%	-10%
ICE	36%	12%	-15%	24%	21%	8%	18%	-4%	1%	3%	-6%
NPPD	1858%	-54%	6%	-17%	-7%	-5%	33%	104%	-4%	8%	4%
OHA						1094%	33%	-13%	2%	18%	-23%
OIG	51%	13%	2%	0%	20%	10%	5%	-1%	14%	9%	-2%
OPS		1693%	34%	6%	8%	-5%	15%	23%	4%	-4%	-12%
S&T	514%	65%	22%	33%	-35%	-14%	12%	8%	-18%	-19%	18%
TSA	274%	-2%	33%	2%	3%	8%	3%	9%	0%	2%	-8%
USCG	20%	13%	8%	9%	3%	1%	12%	12%	-6%	2%	-4%
USCIS	-9%	9%	15%	6%	17%	27%	2%	0%	4%	3%	10%
USSS	7%	12%	4%	1%	6%	10%	1%	4%	3%	9%	-6%

Rounding Error
Non-incremental (High)
Non-incremental (low)
Outliers

Third, an alternative view might offer that the inclusion of small agencies in the data increases the volatility. There is an attempt in control for this impact by using the percent change as the variable instead of raw dollars. However, the claim still might be valid. Therefore, the same test was run with only the “big” agencies – all agencies over \$1 billion in average budget authority. In this view of the data, the set reduces to 88 observations with 14 instances of non-incremental outcomes (16 percent). Even when the two new agencies are removed from the data again (12 instances of non-incremental outcomes), 14 percent of observations result in non-incremental outcomes. In either view of the data, fewer than 90 percent of instances result in an incremental outcome.

**Table 9: Year-over-Year Change in Budget Authority by Agency  
FY03 – FY13 (Big Agencies)**

	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
CBP	16%	2%	6%	12%	9%	20%	21%	3%	-3%	5%	0%
FEMA	14%	-10%	8%	-4%	-5%	21%	8%	4%	14%	65%	2%
ICE	36%	12%	-15%	24%	21%	8%	18%	-4%	1%	3%	-6%
NPPD	1858%	-54%	6%	-17%	-7%	-5%	33%	104%	-4%	8%	4%
TSA	274%	-2%	33%	2%	3%	8%	3%	9%	0%	2%	-8%
USCG	20%	13%	8%	9%	3%	1%	12%	12%	-6%	2%	-4%
USCIS	-9%	9%	15%	6%	17%	27%	2%	0%	4%	3%	10%
USSS	7%	12%	4%	1%	6%	10%	1%	4%	3%	9%	-6%

Rounding Error

Non-incremental (High)

Non-incremental (low)

Outliers

Even including the three concerns described above, it is difficult to find a scenario that supports incrementalism as an explanatory theory for DHS agency-level outcomes.

There is simply too much volatility in the budget authority of the DHS agencies to accept incremental outcomes as an explanation for the departmental agencies.

An analysis of incrementalism includes a cautionary tale of metric definition. The test for incrementalism was based on the definition of incrementalism developed by True (20 percent increase or 15 percent decrease). However, this study could have easily used the simplistic metric of research in the 1960s, which defined non-incremental outcomes as a 10 percent increase or decrease. This measure would have produced far more cases of non-incremental outcomes – 71 cases representing 45 percent of all observations. A study of incremental outcomes is not only sensitive in terms of percentage changes, but also in raw dollars. In the case of the full federal budget, a 1 percent change in the budget represents over \$35 billion. For DHS, a 1 percent change is more than \$600 million. One could argue that, given the sheer size of the budget, the term *incremental* may not apply as each percentage point is a significant financial decision.

If the outcomes are not incremental, either the Punctuated Equilibrium theory (H<sub>6</sub>) or Downs lifecycle model (H<sub>5</sub>) might provide alternative explanations. Unfortunately, neither of these theories can be completely validated in a quantitative analysis, as the data represents such a short period of time. The data present some support for the PE theory, because it shows there are non-incremental outcomes; however, these data do not show the periods of incremental growth that would be expected in a PE model. Both hypotheses will be tested more fully in the subsequent quantitative sections and H<sub>6</sub> will be reviewed in the case studies.

### **Relationships between Variables**

Since incrementalism is an unconvincing explanation for changes in budget authority, the next step in the quantitative journey explores the relationship between some of the variables in the full database and the change in budget authority. The database includes more than 42 variables including agency, political, and economic variables. The data discovery phase has two elements to it: 1) testing the three hypotheses that can be explained by the data and 2) determining whether there might be any other variables that offer an explanation for the change in budget authority. In the first part, the three hypotheses tested include: H<sub>4</sub> (budget request), H<sub>5</sub> (new agency), and H<sub>6</sub> (macropolitical attention). All three of these are tested with a quantified independent variable against the dependent variable.

### **Budget Requests**

One key input in the final budget is the budget request submitted by the president and his administration. The budget request represents a long process of deliberations

within the administration between the White House/OMB and the departments, the departments and the agencies, and the agencies with their own programs. At each step in the process the two parties each put forth a set of objectives that may or may not align to the interests of the other entity. In DHS, the process works as follows. The White House and OMB provide the Department of Homeland Security with an overall budget target and set of priorities. The Department, and specifically the Chief Financial Officer, then parse this target among the agencies including both the White House priorities and now the departmental priorities. The agencies then work with their own programs to hit the established targets while attempting to meet the priorities of the White House, the Department, and any agency goals established by the agency director.

The theory of the budget-maximizing bureaucrat suggests that each step in this process, the bureaucrats involved will attempt to protect their own interests by seeking more budget. The process of “padding” the budget happens for two reasons. First, the bureaucrat does not think he will actually get the full funding, so he adds a cushion to make sure he does. Second, theorists claim that he wants to expand his own piece of the bureaucratic pie, as it is the only real authority he controls.

The total change in requests for the Department and each of the agencies are presented below in Table 10. The data starts at FY05, as this was the first time the Department was able to develop a full budget request in accordance with the process described above. Prior to this point, the budgets were mostly developed by the DHS front office with little input from the agencies. These submissions hardly represent the



agency's real request as each has been filtered through the process described above, but it does demonstrate what was requested by the executive branch for each of the agencies.

**Table 10: Percent Change in Budget Request Compared to Previous Year's Budget Authority for DHS by Agency, FY05-FY13**

	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
DHS TOTAL	11%	6%	5%	7%	6%	4%	0%	3%	-2%
A&O			18%	5%	10%	9%	4%	6%	-5%
CBP	3%	6%	10%	31%	18%	2%	-3%	5%	2%
DNDO				17%	16%	-29%	-20%	-3%	13%
FEMA	4%	6%	10%	27%	19%	11%	5%	-12%	-8%
FEMAG				-46%	-47%	-8%	-4%	14%	27%
FLETC	2%	1%	-13%	4%	0%	-13%	-2%	2%	-5%
ICE	9%	40%	21%	7%	12%	-3%	2%	0%	-6%
NPPD	310%	-29%	5%	11%	43%	65%	-3%	10%	0%
OHA				1089%	36%	-12%	55%	15%	1%
OIG	2%	1%	17%	0%	-7%	12%	14%	11%	2%
OPS	3%	26%	21%	13%	31%	37%	57%	13%	1%
S&T	14%	23%	-33%	-17%	5%	4%	1%	42%	24%
TSA	16%	-8%	2%	1%	4%	11%	7%	6%	-3%
USCG	7%	8%	2%	3%	8%	3%	-7%	1%	-4%
USCIS	10%	4%	5%	16%	-5%	0%	-2%	-3%	-2%
USSS	2%	1%	5%	8%	1%	4%	6%	11%	-3%

Non-incremental (High)

Non-incremental (low)

The table above displays that the Department always requested an incremental increase in budget. In fact, the aggregated departmental budget request rose above 10 percent in only one year. However, in 29 cases, agencies submitted a request to Congress that would be considered a non-incremental request (22 percent of all submissions). Over this period, Congress gave the same set of agencies a non-incremental budget authority 28 times, suggesting there is some connection between the request and the final budget authority.

The connection between these two numbers is fairly strong. There is a .95 positive correlation between the change in request compared to the previous year's budget authority and the change in the current year's budget authority (the dependent variable). As a data point in favor of the budget-maximizing bureaucrat theory, it seems that agencies in DHS that seek larger budgets have received larger budgets. However, it is difficult to know whether the agencies or the political leadership in DHS or the White House control the final request. Moreover, the Appropriations Committee itself can send signals to the agencies that a higher request might be funded, if submitted. It is clear that somewhere along the way career bureaucrats were involved in the development of the higher budget request, but it is difficult to know whether bureaucrats or political leaders drove the increase.

Moreover, increased funding does not always come from an increased budget request. Table 11 below shows the percent of budget requests funded for each agency in the Department.

**Table 11: Percent of Budget Request Fulfilled for each DHS Agency, FY05-FY13**

	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
DHS TOTAL	96%	99%	101%	102%	104%	102%	98%	106%	100%
A&O			100%	97%	98%	93%	96%	95%	94%
CBP	102%	106%	99%	91%	103%	101%	101%	99%	98%
DNDO			90%	86%	91%	105%	112%	87%	92%
FEMA	104%	90%	86%	95%	91%	94%	108%	187%	111%
FEMAG				188%	192%	108%	84%	59%	82%
FLETC	113%	125%	104%	104%	121%	98%	97%	98%	94%
ICE	78%	89%	100%	101%	105%	100%	99%	103%	100%
NPPD	26%	116%	88%	86%	92%	124%	99%	99%	105%
OHA				100%	98%	99%	66%	103%	76%
OIG	100%	99%	103%	110%	113%	89%	100%	98%	96%
OPS	130%	84%	89%	84%	88%	89%	66%	85%	87%
S&T	107%	109%	97%	104%	107%	104%	81%	57%	96%
TSA	115%	111%	100%	106%	98%	98%	94%	97%	94%
USCG	101%	101%	102%	98%	103%	108%	101%	101%	100%
USCIS	104%	102%	112%	110%	107%	100%	106%	106%	112%
USSS	102%	100%	101%	101%	100%	100%	97%	99%	98%

Over 110% of Request

Below 90% of Request

Overall, the Department received roughly what it requested between FY05 and FY13. Sometimes, the Department received a little more than requested and other times it received a little less than requested. Within the Department, the agencies seem to break into three groups. One set of agencies seem to consistently receive less funding than requested and these agencies are headquarters entities (OPS, S&T, DNDO, and OHA). There is another set of agencies that receive funding increases sometimes and decreases sometimes that might be described as political footballs including ICE and FEMA-Grants Division. There is a third set of agencies that seem to get what they request, give or take a few percent, including CBP, Coast Guard, and Secret Service.<sup>78</sup>

<sup>78</sup> Note: USCIS is primarily fee-funded and therefore is not included in this third group.

In interviews, one senior official from CBP offered two plausible explanations. First, the official explained that these three entities all had fairly sophisticated administrative offices. Coast Guard (1790) and Secret Service (1865) are two of the oldest agencies in the federal government and certainly the oldest in DHS. Moreover, both had been operating within larger departments before coming to DHS. Coast Guard under the Defense Department budgeting process, which brought both rigidity and rigor, while the Secret Service followed the Treasury's approach. Customs and Border Protection was a new agency, but it borrowed heavily from the existing U.S. Customs Service (founded in 1789), which like the Secret Service, was under the Department of the Treasury. In fact, even most of the administrative staff for CBP came from the customs service. This maturity yielded both strong internal processes and possibly more trust from Congress.

The senior official also explained how these three agencies were effective in making their case to Congress. In particular, he noted that the Secret Service "had it easy." The agents had a natural and direct connection to senior leaders in the Executive and Congress through their protective functions. It allowed the agents to regularly remind leadership of the importance of their role. Moreover, if Congress requested a reduction in Secret Service, the agents could immediately make the White House feel the impact of the cuts by reducing executive protection. This personalized connection made it less likely that the Secret Service would ever be cut.

Collectively, this suggests that a higher budget request alone is not enough to yield a higher budget authority. The direct correlation is strong, but perhaps the

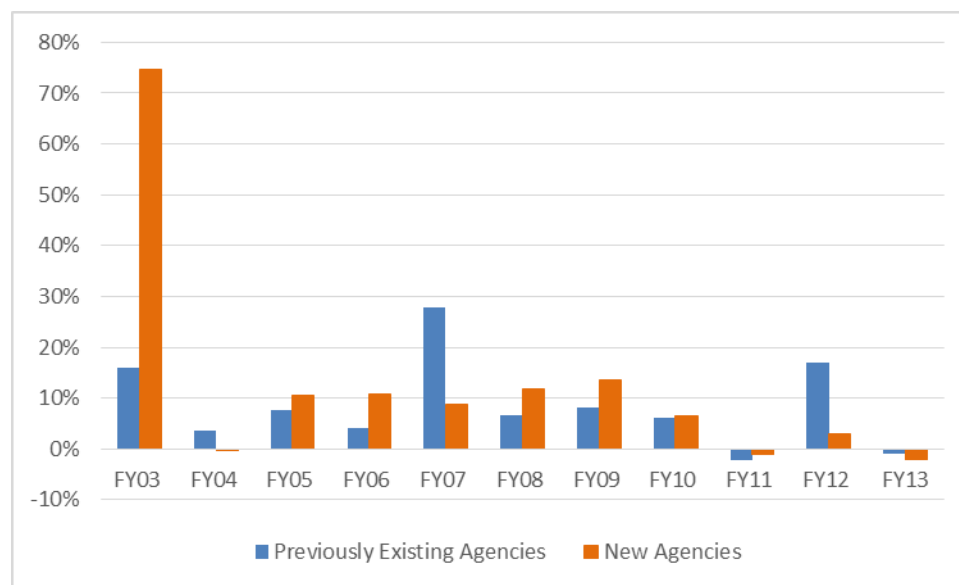
fulfillment rate of the budget request shows which agencies are most successful in the budgeting process. The percent of budget request fulfillment provided the possible mechanism to explain why the budget request alone does not drive the outcome. After all, the request is a political process from the executive branch to the legislative branch. The request can be accepted, rejected, or modified by Congress. The data presented above suggests there are times when Congress accepts the request and other times when it is modified. Based on this quantitative data, H<sub>4</sub> (A higher year-over-year budget request from a DHS agency is associated with a significant increase in budgetary authority), can be neither rejected nor confirmed. The case studies will need to provide more information to support a conclusion.

### **Age of Agency**

A second key variable that could impact the change in budget authority is the agency “newness,” or how recently an agency was established. Downs argues there is a maturity curve for government agencies that mirrors biological maturity. Along this curve, it might be expected that the least mature organizations (like a newborn) might need the most attention. For the purposes of this study, the attention is measured in budget authority. Balint and Conant call the early period “the start-up phase” and for the EPA, they label this period as the first 5 years. They argue that the first five years of the agency budget should spike with a relative plateau in all other years.

The Department of Homeland Security is not yet old enough to definitively determine whether there is a lifecycle effect, but there are some signs that the expected plateau has yet to come to the Department’s agencies. There are 11 agencies in this study

that were created concurrently to the Department, or close enough to be considered a new agency, and 5 agencies that are new to the Department, but have a lasting history (as described in Chapter 1). While the Department as a whole lacked a significant spike in its first year, the new agencies did have a massive spike in funding. Over the first ten years of the Department, the new agencies received a 213 percent increase in funding. The pre-existing agencies were not without their own increase, as the funding for these agencies more than doubled (130 percent increase).



**Figure 7: Year-over-Year Change in Budget Authority for New Agencies and Previously Existing Agencies, FY03-FY13**

As demonstrated in Figure 7, the new agencies received more than a 75 percent increase in budget authority from the first year of the Department to the second year (FY03). While there is a significant leveling of funds in in the next year, the new agencies go on

to receive a greater than 10 percent increase in funding in four of the next five years (FY05-FY09). There are a few periods in which the existing agencies receive a greater increase in funding than the new agencies. The spike in 2007 is driven by increases to the budgets of ICE and USCIS ahead of comprehensive immigration reform and the spike in 2012 is driven by FEMA funding to support disaster relief. Despite the visual connection between the increases in spending and new agencies, there is no statistical correlation between agency newness and an increase in budget authority. The two variables are positively correlated, but it is not a strong correlation at only .109.

In order to fully explore the hypothesis of the agency lifecycle, the agencies were also parsed by the average change in budget authority to determine whether there was any connection between a new agency and significant increases in funding. Additionally, this variable of average change in budget authority is presented in Table 12 below for the new agencies and the existing agencies across three time periods – the first year of existence, the first three years, and the first five years. The correlation between newness and increased spending is strongest in year 1, which is not surprising, with a .34 positive correlation. The correlation steadily drops at the three-year mark (.297) and even more by the fifth year of existence (.195).

**Table 12: Average Change in Budget Authority for  
New Agencies and Previously Existing Agencies, FY03-FY13**

	Average Change in Budget Authority	Average Change in Budget Request	Correlation with Change in BA
<b>All Years</b>	40%	6%	
New Agency	57%	6%	0.109
Previously Existing	5%	6%	
<b>First Year</b>			0.343
New Agency	411%	N/A	
Previously Existing	25%	6%	
<b>First 3 Years</b>			0.297
New Agency	206%	18%	
Previously Existing	13%	6%	
<b>First 5 Years</b>			0.195
New Agency	114%	9%	
Previously Existing	14%	6%	

However, the comparison of change in budget authority for the new agencies and the pre-existing agencies paints a slightly different picture. In the first year of DHS budgeting, a new agency received a 411 percent increase in funding compared to a 25 percent increase for an existing agency. The numbers decline for both new and existing agencies over time, but in aggregate it reveals a large increases for new agencies (114 percent increase in funding) compared to an existing agency (an average of 14 percent) over the first five years. There is also a large gap between the change in budget authority enacted for the new agencies (114 percent) and the change in request (9 percent), which slightly reflects the lack of a request in the first year for the new agencies and also reflects the high request fulfillment or over fulfillment in the early years of the agency.



Balint and Conant find in their study of the EPA that there is volatility in the EPA budget not just in the first five years, but even further into the next 35 years. They conclude that the lifecycle effect does not drive EPA budgeting, but that rather the EPA budget was driven by other factors, including politics. While there is a difference between new agencies and existing agencies in DHS, the average increase in budget authority is so high for all agencies, that it appears that the lifecycle effect does not work for DHS, either. In fact, in the full ten-year period of this study, there are spikes where the existing agencies get more funding than new agencies (Figure 7). Therefore, there is little evidence to support H<sub>5</sub> (new DHS agencies receive higher year-over-year increases in budget authority during the first three years of the agency's existence) and the hypothesis is rejected.

### **Macropolitical Attention**

The third hypothesis to be tested in this quantitative analysis is H<sub>6</sub>, which focuses on whether the increase in macropolitical attention is associated with an increase in budgeting. True defines macropolitical attention as attention from the president and Congress. Macropolitical attention is extremely difficult to quantify for two reasons. First, despite an executive structure that is hierarchical and quite large, political figures tend to work in issues and not agencies. It is very rare that issues align directly to agencies, as many issues now stretch across multiple agencies. President Obama famously joked in his 2011 State of the Union address that there are three agencies just responsible for salmon. Therefore, it is difficult to connect the attention for an issue with attention for an agency. Second, there is the challenge of defining attention. What does

it mean for a president or congressional member to give attention to an issue or agency? Is it the number of speeches, hearings, or calendar appointments on the topic? These difficult challenges cannot be addressed in this study.

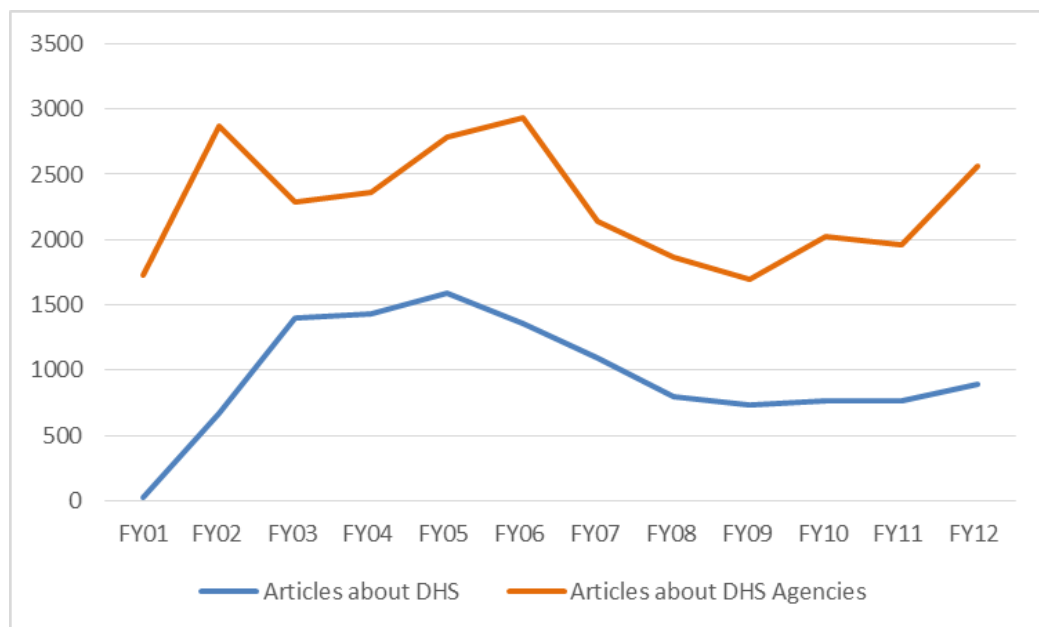
This study employs a proxy for macropolitical attention in the form of media attention. While this proxy is imperfect, it does help resolve some of the challenges mentioned above. Often times, the media is more effective than political speeches in defining how issues relate to agencies. For example, in a 2005 story highlighting President Bush's plan for Comprehensive Immigration Reform (CIR), it was *The New York Times* article and not the presidential press release that described the Department of Homeland Security and Immigration and Customs Enforcement's role in the process.<sup>79</sup> The use of media also creates a quantifiable proxy for each agency as the number of mentions for the agency in media. In this study, the "macropolitical attention" is captured by the number of major media mentions, defined as *The New York Times*, *The Wall Street Journal*, and/or *The Washington Post*.

Figure 8 below presents the full set of articles about the "Department of Homeland Security" for each fiscal year and presents the collected articles for all the agencies similarly calculated by counting the number of mentions for each agency by their formal name. The number of articles for DHS and for its agencies varies because the Department is often referred to without the agencies and likewise the agencies are regularly discussed without the Department. There are two interesting trends. First, the

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<sup>79</sup> Bumiller, Elizabeth and Lipton, Eric. "Bush Renews Push for Immigrant-worker Plan." *The New York Times*. October 19, 2005, A17.

media outlets mention the individual agencies more than the Department. Second, the total number of articles spiked for both the Department (FY06) and the individual agencies (FY07) relatively early in the Department's life. The spike in FY06 and FY07 is mostly driven by the attention that the Department, and in particular FEMA, received in the days following Hurricane Katrina. The number of news articles for FEMA alone increased from 252 articles in FY05 to 632 articles in FY06 (a 150 percent increase). The article count increased again in FY07 to 838 articles (another 32 percent increase) before leveling back to 282 articles in FY09.



**Figure 8: Media Attention for DHS and the DHS Agencies as Measured in Article Counts from Major Media Sources, FY01 - FY12**

The decline in FY08 through FY09 is most likely a reflection of the dying Katrina conversation and the rise of the economic crisis that moved attention away from Homeland Security matters to the economy.

The question for this study is not the trends in media, but rather the impact of these trends on the budget authority. In particular, the correlation tested here is the relationship between the percentage increase in media attention in *the year prior* to the budget authority and the increase in budget authority. Therefore, the media attention is placed on a one-year lag to determine whether there is a strong impact on the budget authority. The initial correlation analysis reveals an extremely strong positive correlation between the increase in media attention for each agency and the increase in budget authority for that agency at the level of .896.

However, a scatter plot of the two variables shows that there was one extreme outlier. It was the TSA in FY02. The agency was created in the post-911 rush to federalize airport screening and had a single article about the agency before the end of FY01. The new agency received 402 articles in FY02 yielding a percentage increase of 402 percent, which skews the findings. This outlier was removed from the database and the correlation between media attention and budget authority, still positive, was much lower in strength at .132. From this analysis, it appears as though there is not a strong correlation between media attention and budget authority. While this finding is somewhat conclusive, given that the variable was a proxy for marcopolitical attention, it has little bearing on  $H_6$  (increased attention is associated with increased budget authority). This hypothesis requires a fuller exploration in the case studies.

### Additional Variable Analysis

In addition to these specific variables, this study reviews a complete correlation matrix for all the variables in the database to determine any hidden correlations in the data. Table 13 presents the complete set of variables tested in the correlations against the dependent variable of budget authority. As already noted, there is a strong correlation between the percent change in the agency's request and the budget authority (.951). As noted above, this might be connected to a strong fulfillment rate for budget requests. However, that variable was tested separately and there is not a strong correlation between fulfillment and an increase in budget authority (.221).

**Table 13: Correlations between Key Variables and Percent Change in Budget Authority across All Agencies for All Years**

Variable	Correlation
Percent change in request compared to previous year's enacted budget authority	.951*
Percent change in the agency's FTEs	.842*
First year of an agency's existence	.343*
Percent of the request fulfilled	.221*
Percent change in media attention for the agency	.132
Percent change in all discretionary spending	.122
Percent change in GDP	.013
Percent of the House of Representatives comprised of Democrats	-.031
Percent of the budget that is comprised of fees	-.097
Percent change in non-defense discretionary spending	-.142
Democratic president in the White House	-.171

\* - Significant at the 0.01 level

There is a strong correlation between the change in FTEs in the agency and the change in budget authority (.842), which makes sense given that the majority of funding for the Department goes to personnel costs. However, there may also be a slight message embedded in this correlation. It is possible that agency programs requesting funds for personnel receive a greater increase in budget authority than agencies requesting capital funding or funds for equipment. This would make sense if the budget is simply a political exercise, as appropriators might be more likely to fund programs that yield jobs rather than programs that simply purchase items. There is another finding about the construction of the budget related to the percent of the budget that comes from fees (-.097). There is a slight negative correlation between the percent of the budget comprised of fees and budget authority, meaning that agencies that receive more funding from fees are less likely to receive an increase in budget authority.

The economic variables that Balint and Conant used in their regression show low levels of correlation in this data set. The correlation between change in GDP and change in budget authority is barely present (.013). Moreover, the macro changes in the budget also have a minimal impact on the budget authority for DHS agencies. Neither the percent change in discretionary spending (.122) nor the percent change in non-defense discretionary spending (-.142) have a strong correlation with the change in budget authority.<sup>80</sup> Collectively, these variables suggest that economic factors have little to do

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<sup>80</sup> The shift from a positive to a correlation is driven by changes in Discretionary Nondefense Funding in FY06, FY10, and FY11 when there were reductions to Discretionary Nondefense Funding while DHS

with the change in budget authority for DHS. Instead, it might be political factors that drive changes in budget authority. However, the primary political variables – percent of House comprised of Democrats (-.031) and a Democratic president (-.171) – lack a strong correlation with the change in budget authority.

### **Regression Analysis**

The third set of quantitative analysis presented in this study is a series of regression models to determine whether any of the hypotheses demonstrated a strong enough association as to have predictive power. The regression models follow from the correlation tests above and leverage only the variables with significant correlations. The strongest correlation is between the percent change in budget request compared to the previous year's authorization and the percent change in budget authority. Likewise, the regression analysis (summarized in Table 14) demonstrates that there is strong association between the two variables (consistently at the .001 level of significance). The relationship is consistent across a set of regressions with the percent change in budget authority as the dependent variable. The association is roughly a 1 percent increase in the budget request associated with a .1 percent change in budget authority. When the two variables are presented alone in a regression, there is a R-square of .905. This result holds through a series of regressions, even when all agencies and all years are included as dummy variables (regression 7).

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funding still received increases. In particular, the sequestration cuts of FY10 created a significant gap as Discretionary Nondefense Funding dropped by 31 percent while DHS budget authority increased by 6 percent.

**Table 14: Summary of Regressions using the DHS Database<sup>81</sup>**

	1	2	3	4	5	6	7
<b>Observations</b>	145	145	145	145	145	97	145
<b>Ind. Variables</b>							
Percent change in request compared to previous year's enacted budget authority	1.22***	1.22***	1.22***	1.22***	1.22***	.479***	1.24***
Percent of the budget that is comprised of fees		.143	.145	.147	.145	.055	1.17**
Percent change in non-defense discretionary spending			1.01 e <sup>-10</sup>	-7.43 e <sup>-10</sup>	1.47 e <sup>-10</sup>	1.16 e <sup>-10</sup>	-2.11 e <sup>-10</sup>
Percent change in GDP				-1.38			
Percent of the House of Representatives comprised of Democrats					-.154		
Percent change in media attention for the agency						.020*	
Dummy Variables for Year and Agency							Included
Constant	-.048	-.074	-.128	.168	-.064	-.051	.046
<b>Significance</b>							
R <sup>2</sup>	.905	.905	.905	.906	.905	.231	.923
Adjusted R <sup>2</sup>	.904	.904	.903	.903	.902	.198	.906

\* - Significant at the 0.10 level      \*\* - Significant at the 0.05 level      \*\*\* - Significant at the 0.01 level

This base model is enhanced with the addition of two variables, neither of which shows a strong association – percent of budget comprised of fees and percent change in non-defense discretionary spending. The percent of the budget comprised of fees shows some association, but is not statistically significant and causes the constant to drop. This makes sense given that agencies with a high percentage of the budget covered by fees (such as USCIS) are less likely to receive significant appropriations. The change in non-defense discretionary spending serves as a strong proxy for swings in the overall federal budget. By including the variable it holds that factor constant, but does not provide a statistically significant association with agency change in budget authority.

<sup>81</sup> Full regression output in Appendix H.



Three other variables were tested, but did not ultimately prove useful – change in GDP, percent of House comprised of Democrats, and percent change in media attention. The first two variables do not enhance the model value (R-squared) or produce statistically significant results. The change in media attention does produce a statistically significant result, but it decreases the number of observations (since the change in media is not available for all agencies in all years) and, therefore, R-squared drops to a very low level (.231). Collectively, these regressions affirm what was discovered in the correlation analysis hypothesis testing above that the strongest association in the database is between the change in budget request and the change in budget authority.

### **Quantitative Analysis Conclusions**

This chapter sought to quantitatively test a sub-set of the hypotheses in the study. There are two concrete findings in this analysis. First, budget authority for agencies within DHS across the first ten years is not a case of incrementalism, as there is simply too much volatility in the budget authority. Second, budget request is a major driver of changes in budget authority. The more money an agency requests, the more likely the agency will have a shift in budget authority (H<sub>4</sub>). Together, these findings suggest that the Executive Branch's request for non-incremental adjustments for DHS are funded nearly in full by Congress. This finding holds across both correlation and regression analysis. The other hypotheses tested in this chapter yield inconclusive results. Because there is risk that this is a spurious correlation the case studies were developed to help establish a causal link. The case studies should allow for the triangulation of the finding and determine whether these results are credible.

There is also some support for a lifecycle effect ( $H_5$ ), as new agencies certainly receive significantly more funding in the first year. However, the impact wanes quickly by the third year and even more by the fifth year. The last hypothesis tested here was the role of macropolitical actors using the proxy of media attention ( $H_6$ ). There is no global impact of this variable across DHS, but this hypothesis warrants further exploration in the case studies.

## **CHAPTER 5: CASE STUDY #1 – IMMIGRATION AND CUSTOMS ENFORCEMENT IN FY07**

Immigration and Customs Enforcement (ICE) was developed in the days following 9/11 as part of the Homeland Security Act and was officially started on March 1, 2003. ICE combines elements of two long-standing agencies: the Immigration and Naturalization Service (INS) and the U.S. Customs Service. The agency is divided into the enforcement of immigration law in the United States and the global enforcement of criminal customs laws. Collectively, the agency has a workforce near 20,000 employees around the world and an annual budget around \$5.3 billion.

The agency includes two divisions. Enforcement and Removal Operations (ERO) is the part of ICE from INS and is responsible for the detention and removal of illegal immigrants from the country. This ICE function became known as “interior enforcement” compared to Customs and Border Protection’s (CBP) border enforcement. The concept of interior enforcement was based on an INS distinction elucidated in a 1999 strategy document called the Interior Enforcement Strategy.<sup>82</sup> While there has never been a clear line to divide the responsibilities of the two agencies, the operating model places

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<sup>82</sup> Stana, Richard M. “Challenges to Implementing the Immigration Interior Enforcement Strategy.” GAO Testimony before Congress on April 10, 2003. GAO-03-660T. As accessed electronically on September 5, 2015 at: <http://www.gao.gov/assets/110/109859.pdf>. Greene, Joseph R. “Statement before the U.S. House of Representatives Committee of the Judiciary Subcommittee on Immigration and Claims.” June 19, 2002. As accessed electronically on September 5, 2015 at: <http://www.uscis.gov/sites/default/files/files/testimony/JGreene61902.pdf>.

the line at about 10 miles from the border – with CBP maintaining responsibility for immigration law within 10 miles of the border and ICE taking over beyond 10 miles. As such, ICE is charged with removing the estimated 11 million illegal immigrants currently residing in the U.S., which includes: identifying the individuals, making an arrest, detaining the individuals, and removing them from the country. This challenge was acknowledged as an impossible task before ICE was established due to the lack of information on so many aliens in the country.<sup>83</sup>

The second division of ICE includes the customs investigatory wing from the U.S. Customs Service, which was rebranded as the Homeland Security Investigations (HSI). Whereas CBP has responsibility for the movement of people and goods at the border and ports of entry, HSI takes responsibility for illegal activities anywhere except the border, which includes the investigation of domestic and international activities such as human trafficking, financial crimes, commercial fraud and intellectual property theft, narcotics smuggling, and transnational gang activity. Today, HSI is the second largest investigatory unit in the federal government, behind the Federal Bureau of Investigation (FBI).

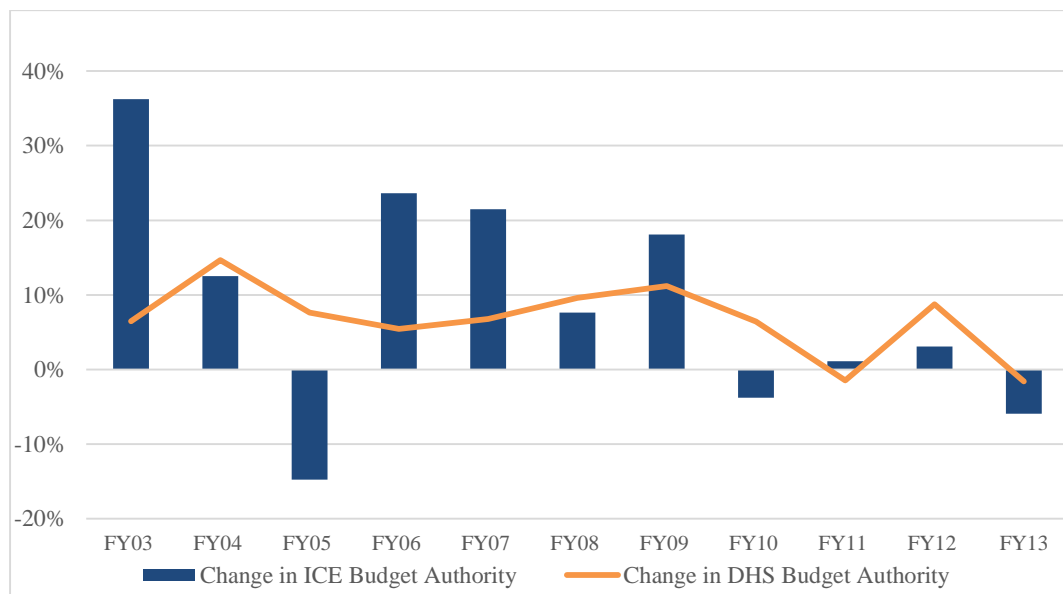
In FY02, the estimated ICE budget was \$2.3 billion and the first independently funded ICE budget was \$3.2 billion in FY03. Over the first ten years of existence, the ICE budget outpaced the increase in both total discretionary spending and DHS budget authority. The ICE budget increased by 150 percent over the ten-year period between

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<sup>83</sup> “INS Cannot Locate Many Aliens Because It Lacks Reliable Address Information.” GAO Report GAO-03-188. November 2002. As accessed electronically on September 5, 2015 at: <http://www.gao.gov/assets/240/236397.pdf>.

FY02 and FY12, while discretionary spending increased by 71 percent and DHS total funding increased by 105 percent. The increase demonstrates that the agency had significant growth and likely experienced periods of non-incremental growth.

In fact, ICE had two periods of significant growth over the first decade of DHS. The first was in FY06 and FY07. In this period, ICE budget authority increased by 23.6 percent and 21.5 percent in back-to-back years. The increase in FY06 followed a significant decrease in FY05 of 14.8 percent. Arguably, the increase in FY06 could have been a response to the significant reduction in FY05.



**Figure 9: ICE Change in Budget Authority Compared to the DHS Change in Budget Authority, FY03-FY13**

From the early days of the Department, it became clear that the budgeting process was going to be a challenge for ICE. There were institutional and political hurdles that would continually challenge the agency. The institutional hurdles centered on the budgetary and managerial practices of INS. According to former OMB Deputy Associate Director for Transportation, Homeland, and Justice, David Haun, when DHS was created, the budgets for most agencies were simply pulled from their pre-existing budgets. In the former INS, the enforcement section could be offset by the revenue generating benefits process that was moved to the newly minted U.S. Citizenship and Immigration Services (USCIS). According to Haun, there was likely a long history of INS moving funds across the INS accounts to cover budgetary challenges within the enforcement division.<sup>84</sup> These challenges followed the enforcement division to ICE without the revenue to cover the programs.<sup>85</sup> A series of audits on the FY04 budget demonstrated an inability of the agency to manage its accounts, including an audit by KPMG stating:

The auditors' report concluded that weaknesses in controls at ICE might have allowed ICE to violate the Antideficiency Act or might have prevented management from knowing if ICE had violated the Antideficiency Act. As a result, we were unable to rely on ICE'S processes or financial data to determine its compliance with the Act.<sup>86</sup>

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<sup>84</sup> Interview with David Haun in-person on August 18, 2015.

<sup>85</sup> "INS Contracting Weaknesses Need Attention from the Department of Homeland Security." GAO Report - GAO-03-799. July 2003. As accessed electronically on September 5, 2015 at: <http://www.gao.gov/assets/240/239118.pdf>. "Independent Review of the U.S. Immigration and Customs Enforcement (ICE) Reporting of FY 2004 Drug Control Funds." Department of Homeland Security – Office of Inspector General. OIG-05-15. March 2005. As accessed electronically on September 5, 2015 at: [https://www.oig.dhs.gov/assets/Mgmt/OIG\\_05-15\\_Mar05.pdf](https://www.oig.dhs.gov/assets/Mgmt/OIG_05-15_Mar05.pdf).

<sup>86</sup> "Audit of ICE's Budgetary Status and Other Areas of Concern." Department of Homeland Security – Office of Inspector General. OIG-05-32. August 2005. As accessed electronically on September 5, 2015 at: [https://www.oig.dhs.gov/assets/Mgmt/OIG\\_05-32\\_Aug05.pdf](https://www.oig.dhs.gov/assets/Mgmt/OIG_05-32_Aug05.pdf), p. 1.

One DHS senior official noted that ICE adopted the INS managerial processes, including a decentralized approach to management that allowed the field offices to operate as independent entities. Each of the 24 fields offices, this official argues, operated as individual fiefdoms under INS and simply adopted the operating model under ICE.<sup>87</sup>

A different senior official who worked within ICE claims that the initial institutional challenges quickly gave way to political challenges. This official argues that ICE's budget quickly became a referendum on immigration policy. Instead of a normal development of agency needs, the official argues that:

What organizations normally do did not apply to ICE. Normally, an agency would take guidance from OMB and the Department, and then develop a budget based on its needs. Instead, ICE would take its guidance directly from the White House and Congress. We would provide narratives to support the administration's pre-determined idea and then push on Congress, who may not like the administration's idea. No one liked what we proposed. Republicans always wanted more for enforcement and Democrats always complained it was too much.<sup>88</sup>

Three senior officials noted that they rarely saw the same political challenges for HSI.

They argue that the law enforcement mission of HSI was simply easier for legislators to support.<sup>89</sup>

From a programmatic perspective, the early days of ICE focused on maintaining the work of the old INS and the Customs Service, while sorting out the other programs in

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<sup>87</sup> CBP Senior Official who was a political appointee from the Bush administration serving in the front office of CBP was interviewed in person on August 10, 2015.

<sup>88</sup> Interview with Senior ICE Official conducted via telephone on August 13, 2015.

<sup>89</sup> Two interviews were conducted with ICE officials who wished to remain anonymous: senior official from ICE serving during the period of the study was interviewed via telephone on August 13, 2015; and a program manager from ICE was interviewed on August 14, 2015. Since both individuals served within the last ten years, they all asked to remain anonymous and will be referred to as "senior officials" throughout the chapter.

the agency. In its original inception, ICE included other smaller functions of DHS that were later aligned to different parts of the Department. One function was the Air and Marine Operations Center, which is designed to provide a central support center for the Department's aerial and marine border enforcement. The program was reassigned from ICE to CBP. Likewise, ICE originally had responsibility for the Federal Protective Service (FPS) that provides protective services to all federal buildings and properties maintained by the General Services Administration (GSA). The program was transferred to the National Protection and Programs Directorate (NPPD) in 2009. Additionally, ICE had responsibility for the Federal Air Marshals for a year until the program was re-aligned to the Transportation Security Administration (TSA).

### **FY07 Budget**

The FY07 ICE budget presents a fascinating case of an agency that receives a significant increase in funding without the introduction of significant programmatic changes. Fiscal year 2007 was the fifth year of ICE's existence as a newly formed agency. This would be the last year of the agency's "start-up" period. Throughout its existence, the agency did not develop robust new programs to address immigration and customs, but rather advocated for the expansion of existing programs. In FY07, ICE asks for more of the same and gets the funding. ICE requests a 21 percent increase in budget authority over the previous year and gets a 21 percent increase. This increase comes on top of a 24 percent increase in FY06. The FY07 increase is a significant increase compared to the DHS average (7 percent), the DHS increase in FY07 (5 percent) and compared to the increase in total discretionary spending in FY07 (7.5 percent). ICE's



increase was an outlier compared to the rest of the Department residing more than two standard deviations away from the Department's norm.

The FY07 budget was developed by the Executive Branch in 2005 against the backdrop of President Bush's second administration and a renewed push for immigration reform. National conversations renewed around revisions to the immigration system in January 2004, when President Bush proposed a temporary worker program<sup>90</sup> and used his State of the Union to champion immigration reform. He proposed a "temporary-worker program [to] preserve the citizenship path for those who respect the law while bringing millions of hard-working men and women out from the shadows of American life."<sup>91</sup> Bush campaigned on such legislation through the remainder of 2004 and Democratic members of Congress took up the measure by introducing a guest worker program in both the House and the Senate, but the bill did not advance.

In 2005, the guest worker approach received bi-partisan support in both the House and the Senate. The original Democratic sponsors of the legislation in each house (Rep. Luis Gutierrez and Sen. Edward Kennedy) were joined by Arizona Republicans Sen. John McCain and Representatives Jeff Flake and Jim Kolbe. The 2005 bi-partisan legislation led to the Senate passage of a guest worker program in 2006, which included a path to citizenship. This bill was never pursued by the House. Instead, the House passed a conservative-led effort to strengthen enforcement along the Southwest Border and make

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<sup>90</sup> Bush, George W. "President Bush Proposes New Temporary Worker Program." The White House. January 7, 2004. As accessed electronically on September 5, 2015 at: <http://georgewbush-whitehouse.archives.gov/news/releases/2004/01/20040107-3.html>.

<sup>91</sup> Bush, George W. "Address before a Joint Session of the Congress on the State of the Union." The White House. January 20, 2004. As accessed electronically on September 5, 2015 at: <http://georgewbush-whitehouse.archives.gov/news/releases/2004/01/20040120-7.html>.

it a federal felony to live illegally in the United States. The bi-partisan guest worker program did not make it to the House floor for a vote, and the Senate did not address the House legislation.

Behind this legislative failure, the administration was trying to lay the ground work for broader reform. The administration was attempting to build a case that enforcement was improving and Congress supported the approach. Stronger immigration enforcement had always been described as a necessary precursor to immigration reform, but the emphasis had been on the border. The Bush Administration went a step further to show Congress that the administration was also strengthening interior enforcement. In the FY05 budget, the administration requested \$226 million in additional funding for a set of 12 programs to support immigration enforcement, which was a 10 percent increase in funding for salaries and expenses.<sup>92</sup> Congress responded to the request with 31 percent additional funding for salaries and expenses.<sup>93</sup> ICE experienced a similar trend in FY06, when the agency requested a 3 percent increase in salaries and expenses<sup>94</sup> and Congress provided a 21 percent increase in funding for salaries and expenses.<sup>95</sup> While the overall fulfillment rate for ICE was low in FY05 and FY06 (as demonstrated in Chapter 4), this was mostly due to the re-alignment of programs mentioned above (FPS and AMOC).

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<sup>92</sup> “Budget-in-Brief, FY2005.” Department of Homeland Security. As accessed electronically on September 5, 2015 at: [http://www.dhs.gov/xlibrary/assets/FY\\_2005\\_BIB\\_4.pdf](http://www.dhs.gov/xlibrary/assets/FY_2005_BIB_4.pdf), p. 24.

<sup>93</sup> “Budget-in-Brief, FY2007.” Department of Homeland Security. As accessed electronically on September 5, 2015 at: [http://www.dhs.gov/xlibrary/assets/Budget\\_BIB-FY2007.pdf](http://www.dhs.gov/xlibrary/assets/Budget_BIB-FY2007.pdf), p. 33.

<sup>94</sup> “Budget-in-Brief, FY2006.” Department of Homeland Security. As accessed electronically on September 5, 2015 at: [http://www.dhs.gov/xlibrary/assets/Budget\\_BIB-FY2006.pdf](http://www.dhs.gov/xlibrary/assets/Budget_BIB-FY2006.pdf), p. 32.

<sup>95</sup> “Budget-in-Brief, FY2008.” Department of Homeland Security. As accessed electronically on September 5, 2015 at: [http://www.dhs.gov/xlibrary/assets/budget\\_bib-fy2008.pdf](http://www.dhs.gov/xlibrary/assets/budget_bib-fy2008.pdf), p. 37.

The core programs for ICE not only received the fully requested amount, but were increased by Congress.

In early 2006, the administration submitted a FY07 budget request for DHS that was centered on immigration enforcement. In the opening to the budget request, the Department presents key accomplishments from 2006 leading with border security programs and enforcement success (arrests of 1,600 gang member and reduction of immigration backlog) to emphasize the impact the administration was having on enforcement.<sup>96</sup>

The budget for ICE in FY07 echoed the trend of the previous two years and requested a 14 percent increase for personnel. The entire set of funding increases were tied to the President's agenda to improve security along the Southwest border:

In support of the Secure Border Initiative, significant funding for additional detention space, removal and legal costs, and interior enforcement is provided to achieve operational control over the Nation's borders, as well as substantially deter illegal crossings along the southwestern border.<sup>97</sup>

The tie to the Secure Border Initiative is a direct tie to another administration priority that was part of the immigration reform agenda. In 2006, Secretary Chertoff was simultaneously re-launching the Secure Border Initiative (SBI) under Customs and Border Protection.<sup>98</sup> There is an interesting paradox here. ICE's mission is focused on interior enforcement, yet the need for resources is driven by a border enforcement program run by CBP.

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<sup>96</sup> DHS Budget-in-Brief, FY2007, p. 2.

<sup>97</sup> DHS Budget-in-Brief, FY2007, p. 33.

<sup>98</sup> This program is discussed at length in Chapter 6 as part of the Customs and Border Protection case study.

More specifically, the agency requested increases across the immigration enforcement life cycle, or the process to identify, arrest, detain, process, and remove illegal aliens. Additionally, the agency requested some funds for supporting functions that had been highlighted in the 2005 OIG reports (audits and procurement). In fact, the entire FY07 budget request for DHS was centered on the issues of immigration. Table 15 below shows the set of programs for which ICE requested additional funds with alignment to this process:

**Table 15: ICE’s FY07 Budget Request for Key Initiatives (Increases)<sup>99</sup>**

ICE FY07 Initiative	Funding	Immigration Life Cycle
Custody Operations (detention)	292.6 m	Detain
Transportation and Removal	94.1 m	Remove
Legal Proceedings	38.5 m	Process
Fugitive Operations	60 m	Identify/Arrest
Compliance	10 m	Identify/Arrest
Worksite Enforcement	41 m	Identify/Arrest
State and Local Law Enforcement Support	4.3 m	Identify/Arrest
Law Enforcement Training	4 m	Support
Internal Controls/Financial Audit	1 m	Support
Procurement	3.6 m	Support

Absent from this request were any new funds for the customs mission. The administration’s request was highly focused on what the ICE senior official called, “the political football” of immigration.

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<sup>99</sup> Ibid., p. 33-35.

This connection was not lost on the House Appropriations Homeland Security Subcommittee that explored ICE's budget concurrent to CBP's budget in a hearing on April 6, 2006 regarding the Secure Border Initiative (SBI).<sup>100</sup> In the hearing, the ICE Director Julie Myers addressed the ICE budget alongside Greg Giddens, the Executive Director of SBI, and Deborah Spero, the Acting CBP Commissioner, the agency responsible for SBI. Chairman Hal Rogers opened the session with his views on SBI, noting that DHS had increased border spending year-over-year, but there had not been an increase in the results and wanted to know how SBI would be different: "When presented with questions like this, we apply a simple formula: No plan equals no money. We are serious when we request a plan. Without it, you are simply planning to fail. I believe in planning your work and working your plan."<sup>101</sup> The majority of the hearing focused on the challenges with SBI.

ICE resources were connected to SBI in three ways: detention facilities, alternatives to detention, and fugitive operations. First, there was a connection to the ability of ICE to get individuals identified through SBI into detention facilities. Greg Giddens complimented ICE on their success and requested more beds to support the SBI program, "I just would like to say that there are key items in that for SBI, such as detention beds, which ICE has worked tremendous effort on reducing cycle times of beds."<sup>102</sup>

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<sup>100</sup> Note: The Senate's hearing on DHS appropriations was on February 28, 2006 and did not focus on ICE funding. The complete hearing report is available electronically at: <http://www.gpo.gov/fdsys/pkg/CHRG-109shrg26479/pdf/CHRG-109shrg26479.pdf>.

<sup>101</sup> "Department of Homeland Security Appropriations for 2007: Hearings before a Subcommittee of the Committee on Appropriations." U.S. House, 109<sup>th</sup> Congress, 2<sup>nd</sup> Session. April 6, 2006, p. 2-3.

<sup>102</sup> Ibid., p. 4-5

Detention beds became a source of contention later in the hearing, when Congressman Rogers wanted to understand the bed capacity:

Mr. ROGERS. But the bed space that we have is a drop in the bucket compared to the number of people that you stop. Correct?

Mr. GIDDENS. Well, we would be happy to bring some of the metrics that have been updated since the Secretary-

Mr. ROGERS. I don't want a long answer. The answer is yes. You don't have the bed space to hold the people you arrest by a long shot, right?

Mr. GIDDENS. Currently, bed space is not limiting us, except for the issue of the families. We are taking-<sup>103</sup>

Rogers assumes in his statements that ICE needs more beds to accomplish its mission.

Director Myers had to interject in order to clarify the challenge of bed space as a through-put challenge, not a challenge of capacity:

Ms. MYERS. And if I may, Chairman, then for the other than Mexicans along the Southwest border, we are using expedited removal, which allows us to return them out of the country. We are now averaging 22 days, versus if we put them in the traditional section 240, proceedings where they go in front of a court that averages 89 days. And we are also looking at additional procedures that allow us to really short-circuit the removal process, such as stipulated removal.<sup>104</sup>

Despite this clarification, Chairman Rogers went on to suggest that ICE needed additional bed space capacity. He then moved onto the issue of alternatives to detention, which are programs that allow illegal aliens to be monitored by ICE without formal detention:

Mr. ROGERS. And most aliens released on their own recognizance do not appear for the hearings to which they are cited. Is that right or wrong?

Ms. MYERS. If they are released on their own recognizance, that is correct. We do have a problem with absconders in the interior. We have done several things to try to address it. We have the alternative detention

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<sup>103</sup> Ibid., p. 80

<sup>104</sup> Ibid., p. 80.

Mr. ROGERS. I wanted to ask you about that. Most of the aliens released on their own recognizance do not show up when they are supposed to. Right?

Ms. MYERS. We do have a problem with absconding, yes, sir.

Mr. ROGERS. And once they do not show up, they are called "absconders," right?

Ms. MYERS. Yes, sir.

Mr. ROGERS. And that changes their status. Those are then people that you have to pursue in your organization and try to arrest, right?

Ms. MYERS. That is correct.<sup>105</sup>

With an understanding of why it is important to monitor the individuals, Rogers continued to get into the specifics of the program that is called the Intensive Supervision Appearance Program (ISAP):

Mr. ROGERS. Well, the Intensive Supervision Appearance Program - ISAP, I guess you call it.

Ms. MYERS. Yes.

Mr. ROGERS. I am told that in 2005, you had 2,400 participants. And the average cost per day of that program is \$22. Is that right?

Ms. MYERS. Yes, sir.

Mr. ROGERS. And that is compared to, I am told, \$95 a day if you jail them.

Ms. MYERS. That is right, sir.

Mr. ROGERS. So it is a bargain.

Ms. MYERS. We think it is great for those individuals who we believe will have a high likelihood of then showing up. Obviously, there are some individuals who are not amenable to a call-in program.

We screen these folks very carefully. But I do think it is a great program. That is why the President's budget is asking for more money, and we are looking to see how we can expand it more successfully.

Mr. ROGERS. And those people in that ISAP program, you said 94 percent of them show up when they are supposed to.

Ms. MYERS. That is right. That has been the success so far in ISAP.

Mr. ROGERS. As compared to about 34 percent for other people.

Ms. MYERS. That is correct.

Mr. ROGERS. So it is a good program.

Ms. MYERS. We do think it is a good program, and like I said-

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<sup>105</sup> Ibid., p. 81.

Mr. ROGERS. Why aren't you doing more of it?

Ms. MYERS. Well, sir, right now, Chairman, we are evaluating why it has been successful and how we can expand it.

Mr. ROGERS. It has been going on-what?-2 years, 3 years?

Ms. MYERS. It has been going on a little less than 2 years. We are about halfway through our contract, and so we-

Mr. ROGERS. It seems to me like it is time to quit evaluating and start doing.<sup>106</sup>

The third set of ICE resources discussed in the hearing was the Fugitive Operations Program. As noted by Rogers above, when someone becomes an absconder from ICE, these absconders become ICE “fugitives.” The Fugitive Operations Program is designed to locate and arrest these individual who have already been ordered to leave the country by an immigration judge. The program is operated in teams that go out and locate the individuals. In terms of law enforcement, the Fugitive Operations Program is the most intensive program that ICE operates and one senior official called it the “tip of the spear” for enforcement.

Rogers asked more questions about Fugitive Operations program and similar to the discussion around ISAP, he wonders why there is no expansion of the program. Myers discussed an administrative desire to focus more on the Criminal Alien Program (CAP), designed to remove known criminals from the country rather than just those known as fugitives. Rogers ended his questioning of ICE with a strong statement that both the Fugitive Operations Program and the ISAP program should receive more funding. In July, Secretary Chertoff had a hearing with the Homeland Security

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<sup>106</sup> Ibid., p. 82



Subcommittee focused on a piece of a supplemental appropriation for FY06 in which the administration requested \$20 million for additional Fugitive Operations teams.<sup>107</sup>

Only one other question in the hearing was directed toward ICE on a different topic. Congressman Price asks Director Myers what would be the impact of the President's proposed Temporary Worker Program on the agency and Myers supported the administration's proposal:

Ms. MYERS. In terms of a temporary worker program and its effect on enforcement, first in terms of the work the agents would do, I think it would be very helpful to have a temporary worker program, and that it would bring a number of the illegal aliens out of the shadows. Those individuals who are here to work would come to be registered. Those who are here to commit crimes, to cause harm to our country, we could continue to prioritize our efforts on them. So I think that would be very helpful.

There would, obviously, be some vulnerability. We have been looking towards what sort of vulnerabilities would a temporary worker program produce. For example, just yesterday, we announced an interagency task force with the Department of Justice on document and benefit fraud to really target those individuals who create false documents and produce them by the masses, so that there are individuals who are not eligible for the Temporary Worker Program, but say that they are, and fraudulently get in to cause harm to our country.

With respect to the effect that a temporary worker program would have on detention and removal, it would depend, to some extent, on the particular program that Congress would enact, who would be eligible. At this point, it looks like not all 11 million illegal aliens in this country would be eligible for that program, so there would be some smaller category that would not be eligible that we could target our efforts on.

In addition, even those who might be eligible could commit a crime. Then their status could be affected. And so we would need the 28,000 beds to deal with them.<sup>108</sup>

In the conclusion of this comment, Director Myers created a subtle reminder of a request made by the administration in the FY07 budget which noted a request for:

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<sup>107</sup> Ibid., 337.

<sup>108</sup> Ibid., p.66-67

Over \$400 million for an additional 6,700 detention beds and associated staffing and other expenses. This would bring the total number of beds to 27,500 in 2007. A key element of SBI is replacing a “catch and release” protocol for captured aliens with a “catch and return” process, requiring a substantial expansion of bed space. In addition, new bed space will be used to return criminal aliens upon release from State and local prisons, and address the problem of alien absconders defying orders of removal.<sup>109</sup>

Similar to the subcommittee’s hearing, the Congressional Research Service analysis of the appropriation bill focuses on the SBI program: “According to the President’s budget, several of the requested increases are part of the SBI, including funds for detention beds (\$364. million), worksite enforcement (\$41.7 million), and fugitive operations (\$64.7 million).”<sup>110</sup> The report noted potential concerns with the integration and expansion of SBI in the CBP section of the analysis. However, in the ICE section of the report, CRS simply noted the needs that ICE would have as a result of SBI. Again, the investigatory mission was given little attention except as it related to the immigration mission. CRS noted “concerns have been raised that not enough resources have been focused on investigating civil violations of immigration law and that ICE resources have been focused on terrorism and the types of investigations performed by the former Customs Service.”<sup>111</sup>

The CRS report highlighted that key HSI programs should also be immigration-related: “The \$1,457 million requested in the President’s budget for the OI<sup>112</sup> domestic

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<sup>109</sup> DHS Budget-in-Brief, FY2007, p. 8.

<sup>110</sup> Lake, Jennifer E, Nunez-Neto, Blas, et al. “Homeland Security Department: FY2007 Appropriations.” Congressional Research Service. July 5, 2006. **RL33428**. As accessed electronically on September 4, 2015 at: <https://www.fas.org/sgp/crs/homesecc/RL33428.pdf>, p. 40.

<sup>111</sup> Lake et al., p. 38.

<sup>112</sup> Homeland Security Investigations was called the Office of Investigation (OI) during the Bush Administration.

operations included increases in the base funding for two groups responsible for immigration enforcement, the Compliance Enforcement Unit and Worksite Enforcement.”<sup>113</sup> The Compliance Enforcement Unit had come under fire in 2005 from a DHS OIG report that claimed the program, “result[s] in a minimal impact in reducing the number of [visa] overstays in the United States.”<sup>114</sup>

### **Results of the FY07 Budget Authority**

In FY07, the majority of the appropriations were held up due to the mid-term elections in November of 2006. Only two bills were passed before the election, the Defense Appropriations Bill (passed on September 29, 2006) and the Homeland Security Bill (passed on October 4, 2006). All other appropriations bills were passed through a series of Continuing Resolutions (CR) with the full-year CR finally passed on February 15, 2007 after the Democrats regained control of the House in the mid-term elections.

The FY07 Homeland Security Appropriation included authority to spend up to \$4.7 billion for ICE. Two line items were based on fee collection: 1) the Federal Protective Service (FPS), which was a shared service with other agencies who paid ICE for the service of protection, and 2) fee collection accounts including the Student Exchange Visitor Program fees, the immigration inspection user fees, and the breached bond account. The only other contingency in the appropriation was \$30 million for construction that had to be approved by the Appropriations Committee. This was never approved. The legislative language itself has very few directions to the agency, but does

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<sup>113</sup> Lake et al., p. 38.

<sup>114</sup> “Review of the Immigration and Customs Enforcement’s Compliance Enforcement Unit.” Department of Homeland Security Office of the Inspector General. September 2005. **OIG-05-50**. As accessed electronically on September 6, 2015 at: [https://www.oig.dhs.gov/assets/Mgmt/OIG\\_05-50\\_Sep05.pdf](https://www.oig.dhs.gov/assets/Mgmt/OIG_05-50_Sep05.pdf).

include a managerial line item that restricts the amount of overtime to \$35,000 a person per year. Additionally, there is a line item for a critical investigatory program - \$102,000 to promote public awareness of the ICE child pornography tipline.<sup>115</sup>

Instead, it is the committee reports that include the more specific instructions on how Congress expects the agency to use the funds. Both reports were heavily focused on the immigration mission. The two committee reports yielded relatively similar overall budgetary proposals with very different types of direction. As Table 16 shows, both committees recommended roughly \$4.6 in total funding, with the FPS funding treated as a separate line item. The budgetary difference were in salaries and expenses, where the House<sup>116</sup> recommended \$110 million more than the Senate<sup>117</sup>, and in construction, where the Senate recommended \$75 million more in construction funding. The differences in direction were wider. The House focused on broad direction linked specifically to the SBI program, whereas the Senate focused on very specific, and often location-specific, direction that carried through to the Conference Report.

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<sup>115</sup> “Homeland Security Appropriations Act, 2007.” 109<sup>th</sup> Congress, 2<sup>nd</sup> Session. **H.R. 5441 ENR**. As accessed electronically on September 6, 2015 at: <http://www.gpo.gov/fdsys/pkg/BILLS-109hr5441enr/pdf/BILLS-109hr5441enr.pdf>, p. 7.

<sup>116</sup> “Department of Homeland Security Appropriations Bill, 2007.” U.S. House, 109<sup>th</sup> Congress, 2<sup>nd</sup> Session. May 22, 2006. **H. Rept. 109-476**. As accessed electronically on September 5, 2015 at: <http://www.gpo.gov/fdsys/pkg/CRPT-109hrpt476/pdf/CRPT-109hrpt476.pdf>, p. 35-45.

<sup>117</sup> “Department of Homeland Security Appropriations Bill, 2007.” U.S. Senate, 109<sup>th</sup> Congress, 2<sup>nd</sup> Session. June 29, 2006. **S. Rept. 109-273**. As accessed electronically on September 5, 2015 at: <http://www.gpo.gov/fdsys/pkg/CRPT-109srpt273/pdf/CRPT-109srpt273.pdf>, p. 31-39.

**Table 16: ICE FY07 Request vs. Committee Reports by Program**  
(in millions)<sup>118</sup>

	2006 Enacted	ICE Request	House Report	Senate Report	Conf. Report	Diff Conf- Request
<b>Total</b>	<b>3,882</b>	<b>4,696</b>	<b>4,644</b>	<b>4,629</b>	<b>4,727</b>	<b>31</b>
<b>Salaries and Expenses</b>	<b>3,077</b>	<b>3,902</b>	<b>3,850</b>	<b>3,740</b>	<b>3,887</b>	<b>-15</b>
<i><b>Detention and Removal Operations</b></i>	<i><b>1,359</b></i>	<i><b>2,076</b></i>	<i><b>1,916</b></i>	<i><b>1,833</b></i>	<i><b>1,984</b></i>	<i><b>-92</b></i>
Custody Operations	1,003	1,432	1,291	1,236	1,382	-50
Transportation and Removal Program	133	317	273	308	238	-79
Fugitive Operations	101	173	199	146	183	10
Criminal Alien Program	93	110	105	101	137	27
Alternatives to Detention	28	42	46	41	44	2
<i><b>Homeland Security Investigations</b></i>	<i><b>1,284</b></i>	<i><b>1,561</b></i>	<i><b>1,423</b></i>	<i><b>1,388</b></i>	<i><b>1,390</b></i>	<i><b>-171</b></i>
Domestic Operations	1,183	1,456	1,317	1,285	1,285	-171
International Operations	100	104	105	102	104	0
<b>Intelligence</b>	50	58	51	51	51	-7
<b>Headquarters, Management and Administration</b>	122	-	131	145	140	-
<b>Headquarters, Information Technology</b>	131	-	134	134	134	-
<b>Legal Proceedings</b>	128	206	187	187	187	-19
<b>Non-Labor</b>	<b>552</b>	<b>542</b>	<b>542</b>	<b>637</b>	<b>587</b>	<b>45</b>
Federal Protective Service (FPS)	487	516	516	516	516	0
Automation	39	-	0	20	15	-
Construction	26	26	26	101	56	30
<b>Fee Collection</b>	<b>253</b>	<b>252</b>	<b>252</b>	<b>252</b>	<b>252</b>	<b>0</b>
Immigration Inspection User Fees	100	108	-	108	108	0
Student and Exchange Visitor Program	87	90	-	90	90	0
Breached Bond Detention Fund	66	54	-	54	54	0

The Conference Report adjudicates the differences between the House and Senate on the large line-item of salaries and expenses. Although the gap was not huge, the conferees did not split the difference, but rather added to the House total (the higher of the two).<sup>119</sup>

The report also makes some very specific requests for expenditures that tie back to the hearing on the bill. First, the report calls on ICE to use \$76 million to establish 23 additional fugitive operations teams, which were addressed in the hearings by Chairman Rogers. ICE received \$10 million beyond its initial request for this program. Second, the

<sup>118</sup> The table was created using the three committee reports cited in this section: H. Rept. 109-476, S. Rept. 109-273, and H. Rept. 109-699.

<sup>119</sup> “Making Appropriations for the Department of Homeland Security for the Fiscal Year Ending September 30, 2007, and for Other Purposes.” U.S. House, 109<sup>th</sup> Congress, 2<sup>nd</sup> Session. September 28, 2006. **H. Rept. 109-699**. As accessed electronically on September 5, 2015 at: <http://www.gpo.gov/fdsys/pkg/CRPT-109hrpt699/pdf/CRPT-109hrpt699.pdf>, p. 132-136.

Conference Report calls on ICE to maintain a certain number of detention beds: “When these new resources are combined with fiscal year 2006 supplemental funding, ICE will sustain an average bed space capacity of 27,500, as proposed by the President.”<sup>120</sup> This number was offered by DHS in its budget request and while the budget requested for the Custody Operations program was not fully funded (underfunded by \$50 million), the Conferees requested ICE maintain the level of beds requested. Additionally, the final legislation included a slight increase for the Alternative to Detention program of \$44 million over the original request of \$42 million.

The conferees also call on ICE to spend \$26 million on construction and specifically earmark \$6.4 million for the construction of a 250-person detention dormitory at the Krome facility outside of Miami, FL. The report also calls for an additional \$5 million in maintenance for the same Krome facility. Additionally, the report calls for \$9 million to be spent on the Port Isabel detention facility in Texas. These construction requirements come from the Senate report. The Conferees also request a set of reports to the Appropriations Committee to support the oversight of implementation including: a quarterly report on detention and removals; a report on the bonds paid by detainees; a detailed expenditure plan for the 287(g) program; and a specific report on the costs of establishing sub-field offices at separate sites in Colorado Springs, CO and Greeley, CO. Again, this location-specific report for Colorado comes from the Senate Report language.

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<sup>120</sup> Ibid., p. 132

## Case Analysis

The ICE story above is a case of an agency that requested a 21 percent increase in funding and received that significant increase in funding (21 percent increase). This section reviews how each of the hypotheses of this study might explain this outcome.

*H<sub>1</sub>: A higher level of interaction between the DHS agency and Congress (through both formal and informal communications) is associated with the agency receiving a significant increase in budgetary authority.*

There is little evidence for this hypothesis. Three senior officials described a continued effort to keep Congressional staff in the loop for funding plans and requests. However, the value of these meetings cannot be confirmed with Congressional staff and they cannot be quantified. Moreover, this interaction cannot be compared to the dialogue between other agencies and the same congressional staff. Therefore, this hypothesis can neither be confirmed nor rejected.

*H<sub>2</sub>: An increase in interest group influence (public attention or campaign donations) for a DHS agency is associated with a significant increase in budgetary authority.*

There is some evidence to support this hypothesis, but the evidence is not conclusive. The primary evidence of interest group influence in the case study comes from interviews and a review of lobbying expenses by private detention companies. ICE spends a great deal of money on detention beds and most of this detention space is provided by external vendors and localities who are paid by ICE for the use of their space. As noted in the FY07 Homeland Security Subcommittee hearing, ICE operated only 18 percent of its own facilities during the time of this appropriation:

Mr. WAMP. I am told that a lot of your law enforcement officials are doing jobs other than law enforcement. I am just wondering if you are trying to contract out, use local government, private sector? Is there any way you

can to keep your law enforcement officials on this job, which is obviously about to overtake us, just on the law enforcement side of this, a la Judge Carter's question.

Ms. MYERS. Well, we contract with over 400 State and local facilities throughout the country. We also have several large contracts. In fact, only 18 percent of our work is not contracted on the detention and removal side. We are definitely looking creatively. We have worked very creatively, for example, on the family unit that we are hoping to open sometime in May.<sup>121</sup>

As a 2009 DHS OIG Report notes, during FY07, ICE spent more than \$800 million on detention.<sup>122</sup> Meredith Kolodner highlighted that this number could grow to more than \$1 billion with the expansion of detention space proposed in the President's budget. Moreover, she noted the current strength of the private detention companies in the immigration detention business. She found that two companies held the majority of the contracts – Corrections Corporation of America (CCA) and the GEO Group (formerly the Wackenhut Corrections Corporation) – who ran 8 of the 16 privately run facilities. Together the two companies made more than \$125 million (as of 2006) in revenue from immigration detention (\$95 million for CCA and \$30 million for GEO).<sup>123</sup>

Given the size of the immigration program and other federal revenue for detention, it is not surprising that both CCA and GEO established lobbying PACs. In fact, in the 2006 midterm elections, the two companies spent more than half-a-million dollars on lobbying programs (\$323,593 for CCA and \$189,245 for GEO).<sup>124</sup> More

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<sup>121</sup> April 6, 2006 Congressional Hearing, p. 75.

<sup>122</sup> "Immigration and Custom Enforcement Detention Bedspace Management." Department of Homeland Security Office of the Inspector General. April 2009. **OIG-09-52**. As accessed electronically on September 6, 2015 at: [https://www.oig.dhs.gov/assets/Mgmt/OIG\\_09-52\\_Apr09.pdf](https://www.oig.dhs.gov/assets/Mgmt/OIG_09-52_Apr09.pdf), p. 2.

<sup>123</sup> Kolodner, Meredith. "Immigration Enforcement to Benefit Detention Companies." *The New York Times*. July 19, 2006, C1.

<sup>124</sup> "Corrections Corp of America." Center for Responsive Politics - OpenSecrets.org. As accessed electronically on September 6, 2015 at: <https://www.opensecrets.org/pacs/lookup2.php?strID=C00366468&cycle=2006>.



specifically, the two companies provided \$29,000 in donations to members of the House Appropriations Subcommittee for Homeland Security (\$13,000 for CCA and \$16,000 for GEO) and the highest recipient from each company was the committee's chair, Hal Rogers, receiving \$5,000 from CCA and \$10,000 from GEO.<sup>125</sup> This data does not mean that these two companies convinced Hal Rogers to support detention space of 27,500 beds. After all, the administration did request that number of beds be funded in FY07. However, it might explain why Congress placed a requirement in the Conference Report chaired by Congressman Rogers requiring that ICE maintain 27,500 beds.

While there is some strong support that interest groups played a role in the prioritization of resources toward detention, this evidence does not suggest that interest groups had a strong role in increasing the overall budget authority. Therefore, this hypothesis is rejected for the ICE case.

*H<sub>3</sub>: Support from powerful individuals (Congressional Committee members) for a DHS agency is associated with a significant increase in budgetary authority.*

There is no direct connection between powerful congressional figures and the appropriations result in the FY07 bill. However, there are signals that certain members played a role in pushing for certain funding lines. For example, there are three specific locations described in the Conference Report to which Congress direct ICE to spend

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"GEO Group Summary." Center for Responsive Politics - OpenSecrets.org. As accessed electronically on September 6, 2015 at: <https://www.opensecrets.org/pacs/lookup2.php?cycle=2006&strID=C00382150>.

<sup>125</sup> "Corrections Corp of America – Contributions to Federal Candidates, 2006." Center for Responsive Politics - OpenSecrets.org. As accessed electronically on September 6, 2015 at: <https://www.opensecrets.org/pacs/pacgot.php?cycle=2006&cmte=C00366468>.

"GEO Group – Contributions to Federal Candidates, 2006." Center for Responsive Politics - OpenSecrets.org. As accessed electronically on September 6, 2015 at: <https://www.opensecrets.org/pacs/pacgot.php?cmte=C00382150&cycle=2006>.

certain funding – Colorado, Texas, and Florida. All three locations has congressional members involved in the Homeland Security Appropriations process with Senators Allard (R-CO) and Hutchinson (R-TX) serving on the Senate Appropriations Committee and Representative Crenshaw (FL-4) serving on the House Appropriations Homeland Security Subcommittee.

According to one senior official, local politics is a big part of ICE budgeting and the Congressional relationship with ICE. For example, the official recalls a request from long-time Appropriations Committee Mary Landrieu to use the dwindling Alexandria International Airport in Louisiana as a new hub for ICE removals to the Central and South America. The facility exists today and is supported by more than 200 ICE and contract employees. In a separate conversation, a long-time ICE officer who was not in a senior leadership position described one of the local challenges with detention. This officer described a series of experiences in Florida, where ICE partners with local authorities to purchase detention space. These agreements with the local governments can be mutually beneficial; as the local government can receive additional revenue from unused space and ICE can purchase detention space at a relatively low rate. However, the local governments also come to depend on the revenue. The agent described a situation in which he was unable to transfer individuals into the local facility due to a lack of arrests and he received a personal phone call from the Congressman asking him to find a way to transfer individuals into the facility.

These vignettes alone are not enough to accept the hypothesis, but given the connection between the localized funding and Congressional Members on the committees, the hypothesis cannot be rejected.

*H<sub>4</sub>: A higher year-over-year budget request from a DHS agency is associated with a significant increase in budgetary authority.*

Originally, this hypothesis was developed out of the concept of a budget-maximizing bureaucrat. However, in the case of ICE in FY07, it seems that the drive for a higher budget authority may have been a political and not a bureaucratic objective. Similar to the findings in Chapter 4, there is a high correlation between ICE's funding request and the agency's enacted budget authority. Moreover, ICE requested additional funding in FY07 after receiving an unrequested increase in the previous two years. This suggests that perhaps the administration had undervalued the agency in its budgetary request and was simply catching up to the Congressional willingness-to-pay. Alternatively, there is significant evidence that the increase in the ICE budget request was part of a concerted political effort by the administration to improve immigration enforcement as part of the Secure Border Initiative. Based on the way the hypothesis is developed, H<sub>4</sub> is accepted. However, there is no reason to believe that this was bureaucratic positioning, as will be described below in H<sub>6</sub>.

*H<sub>6</sub>: An increase in attention from the macropolitical actors is associated with significant increases (non-incremental) in budget authority.*

The macropolitical attention focused on ICE and the issue of immigration was undoubtedly at a peak in 2006, as the FY07 appropriation was being established. President Bush's emphasis on a new immigration reform bill coming out of the 2004

election made immigration a top priority for the White House in 2006. In fact, the White House had 24 addresses or press releases on immigration in 2006 between the first of the year and the passage of the appropriations bill.<sup>126</sup> Concurrently, there were legislative battles over the Secure Fence Act, which was the only part of Bush's plan passed by Congress.

Media attention, likewise, demonstrates the increase in macropolitical attention on the topic of immigration and ICE. The number of articles in *The New York Times*, *The Wall Street Journal*, and *The Washington Post* that mentioned "Immigration and Customs Enforcement" increased from 227 in FY06 for ICE from 143 in FY04 – a 59 percent increase (Figure 10). Likewise, the number of articles grew for CBP during the same time. The number of articles specifically mentioning CBP increased from 137 articles in FY04 to 191 articles in FY06 (a 39 percent increase). To further show the trend, 21 of the articles in FY06 mentioned both agencies (9 percent of ICE articles).

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<sup>126</sup> "Immigration Reform News Archive." *The White House*. As accessed electronically on September 6, 2015 at: <http://georgewbush.whitehouse.archives.gov/infocus/immigration/archive.html>.



**Figure 10: Change in Budget Authority and Number of Media Articles over Time, FY03-FY13**

Moreover, the sentiment and content analysis demonstrate the increased attention specifically on immigration topics. In sentiment analysis, articles are labeled as positive or negative if the article is positive or negative about the agency. Many articles about immigration read as negative articles because the article describes a bad situation for an immigrant with a provocative headline. However, in the majority of these articles, the media does not critique ICE as an agency, but rather explores the nature of immigration policy. These articles are accurately described as “neutral.”

There are 13 positive articles (6 percent of all articles) on the agency and they all were related to mission areas covered by HSI (Child pornography arrests, Pirated DVDs,

Worksite enforcement of hiring illegal aliens).<sup>127</sup> The Director of ICE, Julie Myers, even got into the conversation with her own piece on positive piece on worksite enforcement, citing her agency's success:

Already this fiscal year, ICE has arrested more than 382 people on criminal charges in work-site enforcement cases and apprehended another 2,100 on immigration violations. In fiscal 2002, the last full year of the INS, the total number of criminal arrests in work-site enforcement cases was a mere 25, while the total arrests for immigration violations numbered 485.<sup>128</sup>

On the other hand, the immigration programs received mostly negative attention. In FY06, there were 49 negative articles on ICE, and 18 of these articles specifically discussed immigration programs including: the deportation of a pregnant woman,<sup>129</sup> attempts to impersonate occupational safety inspectors to catch aliens,<sup>130</sup> and the failed detention system.<sup>131</sup> Many of the other negative articles center on the appointment of Julie Myers, who many thought was too inexperienced for the job,<sup>132</sup> failed integration of CBP and ICE,<sup>133</sup> and shortcomings at the Department level that cite ICE as an example.<sup>134</sup> Many of the articles that were neutral focused on the shifting winds of

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<sup>127</sup> Representative articles: Ruethling, Gretchen. "27 Charged in International Online Child Pornography Ring." *The New York Times*. March 16, 2006, A18; "Pirated DVD Seller Faces U.S. Charges." *The New York Times*. October 4, 2005, C2; Rich, Eric. "Immigration Enforcement's Shift in Workplace; Case of Md. Restaurateurs Reflects Use of Criminal Investigations, Rather Than Fines, Against Employers." *The Washington Post*. April 16, 2006, C1.

<sup>128</sup> Myers, Julie. "Cracking Down on Borders And Bosses." *The Washington Post*. July 8, 2006, A15.

<sup>129</sup> Bernstein, Nina. "Protests Brew Over Attempt To Deport Pregnant Woman." *The Washington Post*. February 15, 2006, B5.

<sup>130</sup> Greenhouse, Steven. "U.S. Officials Defend Ploys To Catch Immigrants." *The New York Times*. February 11, 2006, A8.

<sup>131</sup> Hsu, Spencer S. "Backlog At Borders, Cracks in The System; With Detention Sites Full, More Immigrants Avoid Deportation." *The Washington Post*. May 14, 2006, A1.

<sup>132</sup> Krugman, Paul. "The Crony Fairy." *The New York Times*. April 28, 2006, A23.

<sup>133</sup> Barr, Stephen. "Some Insights into the Pitfalls of Making a Bureaucracy." *The Washington Post*. November 15, 2006, B2.

<sup>134</sup> Eggen, Dan. "Homeland Security Is Faulted in Audit; Inspector General Points to FEMA, Cites Mismanagement Among Problems." *The Washington Post*. December 29, 2005, A1.

immigration policy. In particular, the three media outlets provided a number of human interest stories about immigrants in the U.S.

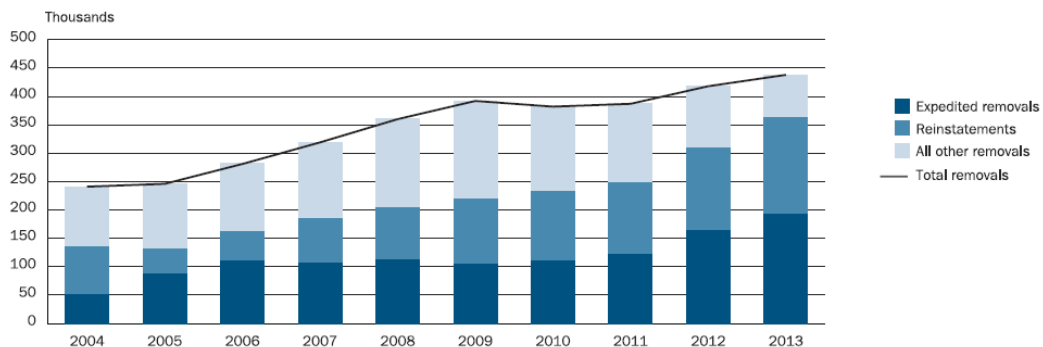
Collectively, the evidence for increased macropolitical attention on the issue of immigration and specifically on ICE is quite strong. The evidence suggests that  $H_6$  cannot be rejected and, in fact, might be the primary cause of the significant increase in budget authority for the agency.

*H<sub>7</sub>: An increase in performance across agency-established key metrics in previous years is associated with a significant increase in budgetary authority.*

ICE performance measures present a potentially confusing picture of the agency's performance over time, which makes it difficult to assess the impact of  $H_7$  in the ICE case. There are three key measures on which ICE was measured in 2006. The first was the length of time that aliens were in custody. This was a measure of efficiency for the agency and, as Greg Giddens noted in the 2006 hearing, ICE was getting more efficient at its throughput. The second key measure was the number of beds occupied on a daily basis. As already addressed, this is a slightly skewed metric, as the agency has been required to maintain a certain number of detention beds. These two measures can work against each other, as ICE's need to maintain beds and avoid an anti-deficiency concern with respect to Custody Operations expenditures can cause ICE to decrease efficiency (e.g., hold individuals longer) in order to meet the metric established by Congress.

The third, and perhaps most important performance measure, is the number of removals that ICE makes of individuals illegally present in the country. As Figure 11 below demonstrates, ICE steadily increased the number of annual removals for the three years prior to FY07 (and even beyond). However, this metric still presents some

challenges for appropriators and outside observers. First, the source of removals has led to some concern over time. As noted in the Office of Immigration Statistics image presented below, there are different types of removals. There are: 1) expedited removals, who are individuals returned to their country of origin without a full hearing because they have identified along the border and have been in the U.S. fewer than 2 years; 2) reinstatements, who are individuals removed based on a prior order of removal; and 3) other removals, who include those individuals removed from the country because they were found to be removable by an immigration judge and receive an order of removal. While all of these count as removals, there is a varying degree of effort across these three types. In the years leading to FY07, ICE increased expedited removals significantly, which are a relatively easy form of removal and may not require additional resources to support.



**Figure 11: Immigration Removals over Time, FY04-FY13<sup>135</sup>**

<sup>135</sup> Image copied in full from: Simanski, John F. "Immigration Enforcement Actions: 2013." Department of Homeland Security - The Office of Immigration Statistics. As accessed electronically on September 6, 2015 at: [http://www.dhs.gov/sites/default/files/publications/ois\\_enforcement\\_ar\\_2013.pdf](http://www.dhs.gov/sites/default/files/publications/ois_enforcement_ar_2013.pdf), p. 6.



Second, the metric is not clearly delineated between individuals and removals. As the following exchange between Director Myers and Congressman Wamp demonstrates, the numbers presented by ICE represent the number of activities (removals) and not the number of individuals removed:

Mr. CARTER. Secretary Myers, you being a Baylor girl, I am going to start with you. A couple of things you said. When I hear lawyers talking fast, I try to listen real closely. 170,000 removals last year?

Ms. MYERS. Yes, sir. That is the total for ICE, ICE being responsible for the enforcement. The total for DHS was a little over 200,000-206,000.

Mr. CARTER. So we are talking about an estimated 12 million illegal aliens that we cannot find in the United States? 170,000, you are not telling me that 170,000 crossings took place that you caught individually. How many people did you remove multiple times, there has got to be some multiples in there. Otherwise, if you are talking about 200,000 crossings, about the total DHS identification of just your agency dealt with 170,000 people who came into this country illegally last year?

Ms. MYERS. No. I am sorry, Congressman. The 170,000 removals that ICE was responsible for did not necessarily mean that those removals were the result of someone crossing into the country last year. Some of the removals were individuals that-

Mr. CARTER. That is what I wanted to make clear.

Ms. MYERS. Sorry, Congressman.

Mr. CARTER. That is what I wanted to get clear. This is not 170,000 people that crossed our border illegally last year that you got rid of.

Ms. MYERS. That is correct. That is 170,000 individuals that were here illegally in this country, whether or not they came across last year or five years ago, ICE was able to remove through detention and removal.<sup>136</sup>

Third, as hinted at in the exchange above, ICE lacks control over the full scope of the removal process. The Department of Justice (DOJ) controls the Executive Office of Immigration Review (EOIR) that manages the immigration judges. These individuals determine whether an alien is amenable to removal (assuming no prior violations that

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<sup>136</sup> April 6, 2006 Congressional Hearing, p. 71.

would support automatic removal). Additionally, ICE lacks control over entry into the country, so there is no clear sense of what is the correct number of removals on an annual basis. With an estimated 12 million illegal individuals in the country, should ICE remove all 12 million in a year or some subset? There is some connection between ICE's increased funding and an increase in performance, so it is difficult to reject H<sub>7</sub>. However, given the weaknesses noted in the understanding of performance within ICE and the concerns noted in the performance metrics, it is not clear that solid performance is being rewarded. Therefore, it is also difficult to accept the hypothesis in this case.

## **Conclusion**

In FY07, Immigration and Customs Enforcement received a significant increase in funding. The ICE case is a case of increased macropolitical attention for the issue of immigration and securing the border. The administration and the agency effectively tied ICE's budget request to the broader administration goals for immigration reform and made a strong case for funding the ICE programs to support the Secure Border Initiative. While certainly the budgetary request was a strong driver of the outcomes, without the overt macropolitical attention on the topic of immigration enforcement, it is unclear the request would have been created or fully funded. The issue of immigration certainly has a number of interest groups that drive both policy and spending. Perhaps the most powerful congressmen were able to direct some funding toward their district and perhaps the financially rich private detention companies can drive some funding toward their detention facilities. However, even then, these groups can only slightly impact prioritization of resources toward their interests. The real driver for the overall increase

in budget authority is the attention paid to the issue of immigration by the Bush administration.

## **CHAPTER 6: CASE STUDY #2 – CUSTOMS AND BORDER PROTECTION IN FY09**

Customs and Border Protection (CBP) was formed in the days following the passage of the Homeland Security Act and officially launched on March 1, 2003. The organization brings together parts of two of the nation's oldest agencies. CBP includes elements of the U.S. Customs Service, which was created by the first Congress, and at the time of the DHS stand-up was a part of the Treasury Department. Additionally, the agency includes parts of the Immigration and Naturalization Service (INS), which was initially established following the Civil War, and was housed in the Department of Justice at the time of 9/11. The combined CBP now has more than 60,000 employees, including 42,000 sworn officers and a budget over \$13 billion a year.

The new agency has two primary responsibilities represented by the organizational structure. The Office of Field Operations (OFO), a part of the former Customs Service, focuses on the inspection of people and goods coming into the country at the ports of entry including air, sea, and land ports. The second part is the U.S. Border Patrol (USBP), which was a part of INS in the Department of Justice. The Border Patrol has responsibility for monitoring the border between the ports of entry. While the immigration mission has received the majority of attention, the Border Patrol's mission encompasses the interdiction of people and goods moving across the border. Their

mission includes the monitoring of more than 8,000 miles of territory along the northern and southwest borders.

According to three former senior officials, the initial CBP budget was created by adding a small set of new programs to the level required to continue current operations. The staff used an incremental approach to add a set of strategic programs tied to high priorities. One official described the new DHS as lacking institutional structure to control the agencies, which led to agencies working directly with congressional staff to develop budgetary proposals with little or no input from the Department. For the CBP leadership, most of whom came from Treasury, this was a welcome change. One senior official described how the Treasury Department maintained a very tight control over the budget using an illustrative situation from the 1980s:

During the Reagan administration, a senior staffer in Treasury comes down and says if anyone goes to the Hill with your [budget] ideas, you will be fired immediately. There was one Treasury program manager who was on the Hill meeting with congressional staff on the Approps Committee and the senior staffer from Treasury comes in. The Hill staff, who wanted the briefing, snuck the program manager out of the room. It was like Spy vs. Spy to get your program funded.<sup>137</sup>

Another official described how Treasury Secretary Paul O'Neill required any agency requesting a new program to make a 1 percent cut in their base budget in order to propose a new program. If the new program still required an increase in funding, then it would be

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<sup>137</sup> A set of four interviews were conducted with CBP officials who wished to remain anonymous: a senior official from CBP serving during the period of the study was interviewed via telephone on August 6, 2015; a senior official from CBP serving during the period of the study was interviewed in person on August 10, 2015; another senior official from CBP serving during the period of the study was interviewed via telephone on August 19, 2015; and a program manager from CBP was interviewed on August 14, 2015. Since all individuals served within the last ten years, they all asked to remain anonymous and will be referred to as "senior officials" throughout the chapter.

considered by the Secretary. In short, Treasury had centralized decision-making in the department, which left the agencies with little individual autonomy.

By comparison, the new DHS was eager to show its responsiveness to the homeland security mission and leadership included programs in the departmental budget that successfully described the nexus to national security. In January 2002, President Bush unveiled the details of the Secure and Smart Border Action Plan, a set of 30 goals for a more secure border that continues to support the movement of goods and people.<sup>138</sup> CBP supported the goals of the plan by proposing a set of programs to support the national security mission of the new department. Officials note there was a conscious effort to connect the early programs of the agency to priorities for the Congressional appropriators. There were three strong programs established early in the agency to focus Congressional attention on CBP. The Container Security Initiative (CSI) placed CBP and ICE agents overseas to inspect containers before they came to the U.S. The Automated Targeting Systems (ATS) was a digital network of systems to check individuals and cargo as each enters the country and assign a risk score to the person or item to prompt additional screening. Third, the Customs-Trade Partnership Against Terrorism (C-TPAT) was developed to help companies focus on the security of their supply chain. Each of these programs received multiple years of funding as the core of the new homeland security mission.

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<sup>138</sup> “Specifics of Secure and Smart Border Action Plan.” Press Release. *The White House*. January 7, 2002. As accessed electronically on September 3, 2015 at: <http://georgewbush-whitehouse.archives.gov/news/releases/2002/01/20020107.html>.

Officials interviewed claim that the experienced leadership team recognized an opportunity to increase the size and responsibilities of CBP by focusing on programs that would improve security. Senior officials claim there were two leadership-based reasons that CBP was able to meet the quick demands of the Department for new homeland security-focused programs. First, CBP had an experienced bureaucratic leader at the helm in Robert Bonner. He had previously served as the Administrator of the Drug Enforcement Administration (DEA) under George H. W. Bush and was the Commissioner of the Customs Service when DHS was created. Second, the leadership team for the new agency came almost exclusively from the Customs Service, sharing both a similar view of the mission and a similar leadership style. Within the first three years of the Department, the relatively young CBP grew by more than 25 percent in terms of budget and headcount.<sup>139</sup> The increase made the agency a formidable and respected force within the Department.

### **FY09 Budget**

The FY09 budget is an interesting case study because it is a budget year removed from the “start-up years” when CBP receives a significant increase in funding. The agency received a 21 percent increase in budget authority in FY09 after receiving a 20 percent increase in FY08. There was increased funding across non-discretionary agencies in FY09 due to the introduction of supplemental funds to aid the economic recovery. Even with these increases, CBP’s increase was an outlier compared to the rest

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<sup>139</sup> Based on the DHS Database as developed in this study and detailed in Chapter 3.

of the Department, lying more than two standard deviations away from the Department's norm.

When the FY09 budgeting process began in early 2007, the Department had evolved beyond its early focus on defining homeland security programs. As described in Chapter 1, Secretary Chertoff initiated an organizational overhaul to bring strategy and fiscal discipline to the Department. As part of this strategic push, CBP evolved away from a focus on national security programs to a focus on immigration and border security.

The strategy for CBP in 2007 was mostly defined by the Administration's longstanding interest in immigration reform. During the 2004 presidential election, George W. Bush laid out a plan for immigration reform that rested on five principles:

- Protecting the Homeland by Controlling Our Borders
- Serve America's Economy by Matching a Willing Worker with a Willing Employer
- Promoting Compassion
- Providing Incentives for Return to Home Country
- Protecting the Rights of Legal Immigrants<sup>140</sup>

In this statement, and in subsequent statements, the President would lead with border security as a necessary pre-condition for the development of new legalization programs.

The policy evolved into a concept known as the "three-legged stool" of immigration reform: 1) a secure border, 2) an agricultural worker's program and 3) a path to

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<sup>140</sup> "Fact Sheet: Fair and Secure Immigration Reform." Press Release. *The White House*. January 7, 2004. As accessed electronically on September 3, 2015 at: <http://georgewbush-whitehouse.archives.gov/news/releases/2004/01/20040107-1.html>.



legalization.<sup>141</sup> The idea behind the analogy was that no one leg could stand without the other two – all three policies needed to be pursued at the same time.

In the days following President Bush's re-election, the analogy of the stool devolved into a set of steps. In May 2006, the President addressed the nation from the Oval Office and called on Congress to pass a comprehensive approach focused on border security, employer enforcement, a temporary worker program, a path to citizenship, and a better path for future immigrants. Pleading with Congress, he argued that, "An immigration reform bill needs to be comprehensive, because all elements of this problem must be addressed together, or none of them will be solved at all."<sup>142</sup>

The Republican-controlled Congress (both houses) argued that security along the border must come before anything else. As such, the Secure Fence Act of 2006 was signed on October 26, 2006. The legislation directed CBP to build 700 miles of fencing along the southwest border to curb illegal immigration with supplemental funding of more than \$1.2 billion. In his statement on the signing, President Bush noted all the efforts undertaken to improve the border:

Since I took office we have more than doubled funding for border security -- from \$4.6 billion in 2001 to \$10.4 billion this year. We've increased the number of Border Patrol agents from about 9,000 to more than 12,000, and by the end of 2008, we will have doubled the number of Border Patrol agents during my presidency.<sup>143</sup>

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<sup>141</sup> Described in an interview with former OMB Official David Haun on August 18, 2015 and defined in an article by Mazzoli, Romano L and Simpson, Alan K. "Enacting Immigration Reform, Again." on September 15, 2006. As accessed electronically on September 3, 2015 at:

<http://www.washingtonpost.com/wp-dyn/content/article/2006/09/14/AR2006091401179.html>

<sup>142</sup> "President Bush Addresses the Nation on Immigration Reform." Press Release. *The White House*. May 15, 2006. As accessed electronically on September 4, 2015 at: <http://georgewbush-whitehouse.archives.gov/news/releases/2006/05/20060515-8.html>.

<sup>143</sup> "President Bush Signs Secure Fence Act." Press Release. *The White House*. October 26, 2006. As accessed electronically on September 3, 2015 at: <http://georgewbush-whitehouse.archives.gov/news/releases/2006/10/20061026.html>.

Consistent with the strategy he defined in early 2006, the president reminded Congress that the secure border needed to be supported with a path for legal immigration, “We must reduce pressure on our border by creating a temporary worker plan. Willing workers ought to be matched with willing employers to do jobs Americans are not doing for a temporary -- on a temporary basis.”

In 2007, the debate over a Comprehensive Immigration Reform bill raged on the Hill and the now well-known Gang of 12 emerged to develop a bi-partisan solution to immigration reform. The President supported the effort with more than 20 official appearances on the topic and the release of 14 “fact sheets” from the White House to demonstrate progress on border enforcement.<sup>144</sup> By June of 2007, the Senate had already rejected the Gang of 12’s plan and in August, the President presented a comprehensive set of actions that his administration would take in order to curb illegal immigration and support legal paths to citizenship. The President’s plan included an increase in Border Patrol agents, the use of more technology to monitor the border (including unmanned aerial vehicles), and a program to check passports at all land ports of entry along the border. This program became the Western Hemisphere Travel Initiative (WHTI).<sup>145</sup>

In early 2008, CBP presented its budget for FY09 echoing the priorities of the President’s August 2007 statement. The budget was a clear extension of the White House priorities around immigration reform. CBP presented three major requests for

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<sup>144</sup> “Immigration Reform News Archive.” *The White House*. As accessed electronically on September 3, 2015 at: <http://georgewbush-whitehouse.archives.gov/infocus/immigration/archive.html>.

<sup>145</sup> “Fact Sheet: Improving Border Security and Immigration Within Existing Law.” Press Release. *The White House*. August 10, 2007. As accessed electronically on September 3, 2015 at: <http://georgewbush-whitehouse.archives.gov/news/releases/2007/08/20070810.html>.

increased funding: \$442.2 million for more USBP agents along the border, \$775 million in additional funding for the Secure Border Initiative (SBI), and \$106.9 funding to support WHTI. Each of these programs was introduced in a different way and was received differently by a Congress now completely controlled by Democrats. The majority of congressional questioning of CBP's budget centered on the two funding programs – SBI and WHTI.

### **Funding for more USBP Agents**

In the FY09 budget request, CBP requested an additional \$442.4 million with the following justification:

Resources are requested to hire, train and equip 2,200 new Border Patrol Agents (\$362.5 million). The purpose of this initiative is two-fold: (1) add 500 new Border Patrol Agents to stay on course for meeting the President's goal of 6,000 new Border Patrol Agents by the end of the 1st quarter of fiscal year 2009 (total equals 18,319); and (2) provide an additional 1,700 agents to reach 20,019 by the end of the fiscal year. Resources are also proposed for 441 operational/mission support personnel (\$32.2 million), relocation (\$25.6 million), and training (\$22.1 million).<sup>146</sup>

This request was such a high priority that it was listed as the top priority for the *Secretary's* prepared statement for a hearing on the budget with the Senate Appropriations Committee.<sup>147</sup> This line item received little attention, even though it was the single largest increase request from CBP. In fact, the only questions around the request were whether there was enough funding for agents and whether the National

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<sup>146</sup> "Budget-in-Brief, FY2009." Department of Homeland Security. As accessed electronically on September 3, 2015 at: [http://www.dhs.gov/xlibrary/assets/budget\\_bib-fy2009.pdf](http://www.dhs.gov/xlibrary/assets/budget_bib-fy2009.pdf), p. 28.

<sup>147</sup> "Department of Homeland Security Appropriations for Fiscal Year 2009: Hearings before a Subcommittee of the Committee on Appropriations." U.S. Senate, 110<sup>th</sup> Congress, 2<sup>nd</sup> Session. March 4, 2008. **S. HRG. 110-429**. As accessed electronically on September 3, 2015 at: <http://www.gpo.gov/fdsys/pkg/CHRG-110shrg41254/pdf/CHRG-110shrg41254.pdf>, p. 18.

Guard (deployed to the border early in 2006) needed any additional resources. Senator Ben Nelson provided one overarching comment on the need for additional agents along the border, noting:

Securing our borders has become one of the most important things to the people of our country, because they recognize that it's not simply about protecting our borders from people who want to come across for a better opportunity of life, but it also has been open to those who would come across to do harm, whether it's the meth scourge that we see today, or the drug dealers coming across the border, or passing their drugs across the border, or whether it's the criminals or members of gangs that come across for their own purposes.<sup>148</sup>

The Congressional Research Service (CRS) review of the budget request suggested that Congress may want to question CBP on its ability to retain staff. CRS wrote, “A potential issue for Congress may involve whether incentives should be offered to help DHS recruit additional agents or keep existing agents from leaving the agency; in FY07 the USBP experienced a 10% attrition rate.”<sup>149</sup> The House Appropriations Committee did submit a set of Questions for the Record (QFR) around the topic of CBP attrition, but did not address the questions in the open hearing. These questions focused on the cost of training an agent (\$37,590 per agent) and why agents were leaving. The agency presented an exit survey citing the lack of law enforcement retirement benefits (71 percent), unsatisfactory working conditions (71 percent), and better pay/benefits (64 percent), as the top three reasons for leaving.<sup>150</sup>

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<sup>148</sup> Ibid., p. 5.

<sup>149</sup> Lake, Jennifer E, Nunez-Neto, Blas, et al. “Homeland Security Department: FY2009 Appropriations.” Congressional Research Service. May 6, 2008. **RL34482**. As accessed electronically on September 4, 2015 at: <http://trac.syr.edu/immigration/library/P2717.pdf>, p. 23.

<sup>150</sup> “Department of Homeland Security Appropriations for 2009: Hearings before a Subcommittee of the Committee on Appropriations.” U.S. House, 110<sup>th</sup> Congress, 2<sup>nd</sup> Session. **H. HRG43-032**. March 6, 2008.

## Funding for SBI

The Secure Border Initiative is part of an effort to create force multipliers for the Border Patrol with an electronic surveillance system. Elements of the program have been in existence since the 1990s when the Border Patrol developed remote video surveillance (RVS) sites across the border. Later, a program called Integrated Surveillance Intelligence System (ISIS):

...attempted to ensure seamless coverage of the border by combining the feeds from multiple color, thermal, and infrared cameras mounted on different structures into one remote-controlled system with information generated by sensors (including seismic, magnetic, and thermal detectors).<sup>151</sup>

In FY05, the Bush administration rolled ISIS into the American Shield Initiative (ASI). Congress had serious questions about the program and in FY06, appropriators withdrew funding from the program noting that DHS had not, “resolved fundamental questions about scope and architecture, and possibly its relation to overall, nationwide border domain security and awareness.”<sup>152</sup>

Despite these concerns, the program was reconstituted in 2006 under Secretary Chertoff as the Secure Border Initiative to include a major technology component, called *SBI<sub>net</sub>*. The technology was to create a so-called “virtual fence” along the southwest border that would be a network of sensors, cameras, and outposts to monitor the border.

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As accessed electronically on September 4, 2015 at: <http://www.gpo.gov/fdsys/pkg/CHRG-110hhrg43032/pdf/CHRG-110hhrg43032.pdf>, p. 345-346.

<sup>151</sup> Haddal, Chad C. “Border Security: The Role of the U.S. Border Patrol.” Congressional Research Service. August 11, 2010. **RL32562**. As accessed electronically on September 4, 2015 at: <https://www.fas.org/sgp/crs/homesecc/RL32562.pdf>, p. 8.

<sup>152</sup> “Making Appropriations for the Department of Homeland Security for the Fiscal Year Ending September 30, 2006 and for Other Purposes.” U.S. House, 109<sup>th</sup> Congress, 1<sup>st</sup> Session. **H. Rept. 109-241**. As accessed electronically on September 4, 2015 at: <http://www.gpo.gov/fdsys/pkg/CRPT-109hrpt241/pdf/CRPT-109hrpt241.pdf>, p. 44.

The central element of *SBI<sub>net</sub>* was a contract awarded to the Boeing Company to define, test, implement, and integrate a set of technologies to create the virtual fence. GAO noted that, “in March 2008, the *SBI<sub>net</sub>* System Program Office had reduced its commitment to deploying a to-be-determined set of technology capabilities to three out of nine sectors along the Southwest border by 2011 and to only two locations in one of nine sectors by the end of 2008.”<sup>153</sup>

In the FY09 budget, CBP requested an additional \$775 million specifically for *SBI<sub>net</sub>* to address the following:

Total *SBI<sub>net</sub>* resources are requested to continue efforts to develop and deploy a technology and tactical infrastructure border security system solution. Additional segments of technology and tactical infrastructure are required to secure the border. Along with the *SBI<sub>net</sub>* solution, the *SBI<sub>net</sub>* team will focus on providing the Common Operating Picture (COP) to southwest border sectors, providing agents with more information to make sound tactical, operational and strategic decisions rapidly, as well as exchange operational and tactical information with supporting commands and interagency organizations.<sup>154</sup>

In its FY09 DHS budget review, CRS highlighted three issues challenging *SBI<sub>net</sub>*: schedule, USBP involvement in technology development, and CBP’s access to land along the border. The first challenge was the ability of *SBI<sub>net</sub>* to meet the schedule. Secretary Chertoff attempted to address this issue in his opening statement to the Senate Appropriations Committee on March 4, 2008:

Now, what is the report on *SBI<sub>net</sub>*? Last summer, we were disappointed in the performance of some of the individual equipment items which Boeing

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<sup>153</sup> “Secure Border Initiative: DHS Needs to Address Significant Risks in Delivering Key Technology Investment.” GAO Report **GAO-08-1086**. September 2008. As accessed electronically on September 4, 2015 at: <http://www.gao.gov/assets/290/281239.pdf>, p. 3.

<sup>154</sup> DHS Budget-in-Brief, FY2009, p. 29.

had laid down at the border, and which Boeing had attempted to integrate at the border.

I had what I would describe as a candid and unvarnished conversation with the CEO of Boeing, in which I explained that I was unhappy with what they had produced for us, and in which I made it very clear to him that I was not wedded to this particular approach, because we were pursuing other approaches as well.

To his credit, he changed the team that was working on the program, and a lot of progress was made by the end of last year in correcting virtually all of the technical problems that had arisen at the P28 prototype site. Accordingly, we conditionally accepted the P28 lay down, and we then began to work with it operationally as a precondition to final acceptance, which occurred in the last couple of weeks.<sup>155</sup>

Both the House and Senate Appropriations Committees expressed concern over the scheduling delays with *SBI<sub>net</sub>*. The Senate did not ask the Secretary any direct questions, but did submit a QFR around the acquisition process at DHS and whether *SBI<sub>net</sub>* was example of a weak process: “Given longstanding concerns about the Department’s Investment Review Process and issues with major acquisitions such as Deepwater and *SBI<sub>net</sub>*, what have you done to ensure that Department’s acquisitions stay within cost, on schedule, and perform as intended?”<sup>156</sup> Additionally, the House Appropriations Subcommittee for Homeland Security asked CBP to provide a detailed cost breakdown and schedule for *SBI<sub>net</sub>* as a follow-up to its hearing. CBP provided the information including a cost and roll-out schedule (as known) for each sector.<sup>157</sup>

The second major challenge that CRS noted around *SBI<sub>net</sub>* was the Border Patrol’s involvement in technology development. CRS cited the lack of Border Patrol

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<sup>155</sup> S. HRG. 110-429, p. 11-12.

<sup>156</sup> Ibid., p. 57.

<sup>157</sup> H. HRG. 43-032, p. 354-358.

involvement as the reason for the delays in schedule and underperformance. The House Appropriations Homeland Security Subcommittee picked up on this concern in its questioning. At the time of the hearing, the only functioning site for *SBI<sub>net</sub>* was a pilot site known as P-28. At P-28, CBP and Boeing were jointly piloting new technologies to use along the border. Chairman Price asked the Commissioner, Ralph Basham, to explain the success of the location. Chairman Price asked, “My basic question is: How do you rate the benefit that the Border Patrol has derived from P-28, and what more are you looking for?”<sup>158</sup> Commissioner Basham handed the question over to his Deputy Chief of the Border Patrol Ronald Colburn, who oversaw the program:

We go to the field to our tactical commanders and those on the ground that are setting the requirement and telling us what they believe they need and what our vision is to SBI, to Greg [program manager] and to Boeing and to those who are involved in the acquisitions of the technology or the assistance of design for a fence.<sup>159</sup>

Despite the reassurance from Colburn, Chairman Price made sure to re-affirm the concern in his closing remarks, when he noted that:

...Commissioner, I know you are trying very hard to learn the lessons of P-28. I assume that it is your intention to be certain that Border Patrol agents and the Border Patrol organization are involved at the outset and throughout the process to ensure that your requirements are fully met in developing the common operating picture and the ultimate *SBI<sub>net</sub>* solution.<sup>160</sup>

The third challenge that CRS highlighted was the ability of CBP to gain land rights to some of the land along the border that CBP required to implement the program. The House Appropriations Homeland Security Subcommittee conducted a hearing with

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<sup>158</sup> Ibid., p. 156.

<sup>159</sup> Ibid., p. 156-157.

<sup>160</sup> Ibid., p. 170.



interested parties from along the border to hear their perspective. On February 14, 2008, the subcommittee met with four residents from along the Texas-Mexico border to determine how successful CBP had been in meeting with local officials. The panel of speakers included the Mayor of Eagle Pass, a small town along the border; the Sheriff of Hudspeth County, also along the border; and three farmers from along the border.

All five of the speakers highlighted different concerns for the *SBI*net program, including:

- Challenges on local law enforcement
- Lack of coordination with local government
- Concerns that vegetation will play on the fence and concerns that impact fence will have on flooding, irrigation programs
- Economic issue and humanitarian<sup>161</sup>

The largest overarching concern was the lack of outreach from CBP to the local communities that might be impacted by illegal immigration and the federal government's solutions. Chairman Price picked up on these concerns in the subcommittee's hearing with CBP two months later in his introductory statement:

Mr. Basham, let me begin with a question about border infrastructure and, in particular, the fence construction that you referenced and the kinds of requirements in executing that construction that are contained in our 2008 appropriations bill. Section 564 of that bill requires the Secretary of Homeland Security to consult with key stakeholders in carrying out the requirement to construct re-enforced fencing along the southwest border. Specifically, by law, the Secretary "shall consult with the Secretary of the Interior, the Secretary of Agriculture, states, local governments, Indian tribes, and property owners in the United States to minimize the impact on

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<sup>161</sup> "Department of Homeland Security Appropriations for 2009: Hearings before a Subcommittee of the Committee on Appropriations." U.S. House, 110<sup>th</sup> Congress, 2<sup>nd</sup> Session. **H. HRG42-401**. February 14, 2008. As accessed electronically on September 4, 2015 at: <http://www.gpo.gov/fdsys/pkg/CHRG-110hhrg42401/pdf/CHRG-110hhrg42401.pdf>, p. 93-196.

the environment, culture, commerce, and quality of life for the communities and residents located near sites at which such fencing is to be constructed.<sup>162</sup>

Aside from this initial statement, there was very little dialogue about the need for CBP to work with local officials and residents.

### **Funding for WHTI**

The Western Hemisphere Travel Initiative (WHTI) started as a commitment from President Bush to require the use of documents denoting citizenship (including passports) at all ports of entry for all passengers, even citizens. Prior to the initiative, citizens could verbally claim citizenship and/or show driver's license to cross the border. The program turned into a Congressional Mandate in 2007 and was slated for completion in FY09 with the rollout of passport checks at the land ports of entry. To support the rollout, CBP requested:

An increase of \$106.9 million is requested in support of the WHTI implementation to complete infrastructure improvements at the top 39 Land Ports Of Entry covering 95 percent of the land border arrivals. Funding would support an additional 89 CBP officers (\$9.9 million) and equipment and contract services (\$97.0 million). In FY 2008, CBP received \$225 million to develop the primary vehicle application, install hardware and make the necessary lane modifications to implement WHTI at 13 high volume ports, accounting for about 68 percent of all vehicle passenger traffic at U.S. land border ports of entry. The FY 2009 increment would pay for the completion of infrastructure improvements of the non-Radio Frequency Identification (RFID) POEs and pays for program management and support of the previously installed POEs.<sup>163</sup>

The Congressional Research Service highlighted concerns about staffing levels to support the rollout of the program. Neither the Senate nor the House asked many questions about this request. WHTI was a Congressional mandate and the only two questions from both

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<sup>162</sup> H. HRG 43-032, p. 138.

<sup>163</sup> DHS Budget-in-Brief, FY2009, page 29.

the House and Senate Homeland Security Subcommittees were confirmations of the deadline to rollout the program by June 1, 2009; which were answered in the affirmative.

Most of the questions on WHTI were localized. Senators from the Border States expressed concern over increased processing times at the ports of entry. In particular, Senator Murray (D-WA) expressed concern over the staffing levels ahead of the 2010 Olympics in nearby Vancouver.<sup>164</sup> There was also an interesting exchange between Senator Leahy and Secretary Chertoff around staffing levels in Vermont. A GAO Report from November 2007 noted that inspections at the ports of entry required significantly more staffing. The report noted:

Responding to language in a conference report for its fiscal year 2007 appropriation, CBP has developed a staffing model to estimate staffing needs. The model is based on several assumptions, such as whether overtime is considered as part of CBP's staffing at ports of entry, CBP's model estimates that CBP may need up to several thousand more officers and agricultural specialists to operate its ports of entry.<sup>165</sup>

In his opening remarks, Senator Leahy picked up on the report and focused on the impact for his state:

I know the GAO report says that the Custom and Border Protection staffing allocation needs up to several thousand additional CBP officers. Of course, the budget that Secretary Chertoff is backing allows for only 234 additional officers at land borders, and 295 for radiation monitoring. We have, I saw in Vermont, where they say we need 60, Assistant Commissioner Thomas Winkowski said that, 'Well, we get eight. We won't get the 60, but we'll get 8.' Of course, we haven't even gotten those.'<sup>166</sup>

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<sup>164</sup> S. HRG. 110-429, p. 132.

<sup>165</sup> "Despite Progress, Weaknesses in Traveler Inspections Exist at Our Nation's Ports of Entry." GAO Report **GAO-08-219**. November 2007. <http://www.gao.gov/new.items/d08219.pdf>, page 7.

<sup>166</sup> S. HRG. 110-429, p. 6.

Later in the session, Senator Leahy directly questioned the Secretary about his commitment to resources in Vermont:

Senator LEAHY. Any chance we might get any by the—anywhere between one—or anywhere between none and the 60 that’s been requested?

Secretary CHERTOFF. I will certainly—I’ll get back you specifically with respect to Vermont. I can tell you that in fiscal year 2007, we budgeted and we received money for 1,131 additional CBP officers. This fiscal year, we got money for 679 additional ones, and we’re asking for 539 next year. So that would get us up to about 2,300.

Senator LEAHY. Yeah. Well, that’s all well and good, but——

Secretary CHERTOFF. That’s all——

Senator LEAHY [continuing]. What about Vermont?

Secretary CHERTOFF. Right. I will get back to you specifically——

Senator LEAHY. We’ve been promised—we need 60. We’ve been promised eight. We’ve gotten none.

Secretary CHERTOFF. I’ll find out exactly what the plan for Vermont is.<sup>167</sup>

The hearing record includes the follow-up information that show Vermont was then slated to receive a total of 22 CBP positions in FY08 and 6 CBP positions under the FY09 budget.

### **Results of the FY09 Budget Authority**

The full slate of FY09 appropriations bills were not passed in time for the start of the Fiscal Year on October 1, 2008. With the Presidential election in full swing, the Democratically-controlled House and Senate had an incentive to hold the budget process until after the election to see if they would have a democratic White House. After the election, the congressional leadership had an incentive to hold the bills until January

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<sup>167</sup> Ibid., p. 41.

when President Obama would take office. In fact, the FY09 Appropriations legislation was signed into law on March 6, 2009, a full 156 days after the start of the fiscal year. However, the Homeland Security funding was attached to the Consolidated Security and Disaster Relief Appropriations Bill that was passed on the last day of FY08, September 30, 2008.

The Homeland Security Appropriations included \$11.25 billion for Customs and Border Protection, which was both a 21 percent change over the previous year and 3 percent more than the agency requested. In addition, the agency later received \$680 million in emergency funding from American Recovery and Reinvestment Act (ARRA). The appropriations language for FY09 presents the budget in three basic categories: 1) salaries and expenses, 2) automation modernization, and 3) border security fencing, infrastructure, and technology. The appropriations language lacks direct guidance on how to spend the funding, highlighting only a few specific programs. For example, Congress denotes a specific amount of funding within the salaries and expenses line item to fund the Air and Marine Operations, Project SeaHawk, and to fund the 2010 Olympics Coordination Center.<sup>168</sup>

Instead, one must look to the committee reports to find more specific guidance on how Congress intends the agency obligate the funding. In particular, the House Committee report provides a recommended level of funding and a detailed breakdown on how CBP should use the funds. The House Committee Report breaks down the salaries

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<sup>168</sup> “Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009.” 110<sup>th</sup> Congress, 2<sup>nd</sup> Session. **H.R. 2638 ENR**. As accessed electronically on September 4, 2015 at: <http://www.gpo.gov/fdsys/pkg/BILLS-110hr2638enr/pdf/BILLS-110hr2638enr.pdf>, p. 81-85.

and expenses category into much greater detail and outlines how the increase in funding should be allocated. The committee report recommends more than \$200 million in additional funding for personnel at the ports of entry.<sup>169</sup> The House Committee report also includes line items for some of the early CBP programs that were lauded by Congress, including the Container Security Initiative (CSI), the Customs Trade Partnership Against Terrorism (C-TPAT), and the Automated Targeting Systems (ATS). The Senate Committee Report similarly provided an additional \$200 million in funding for salaries and expenses, but without the detailed guidance of the House report.<sup>170</sup>

From a programmatic perspective, Table 17 below presents the request and authorization for each program. The Border Security and Control between the Ports of Entry (POEs) is where the additional Border Patrol Agents were requested and this line received less than it requested by \$43 million (less than 1 percent).

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<sup>169</sup> “Department of Homeland Security Appropriations Bill, 2009.” U.S. House, 110<sup>th</sup> Congress, 2<sup>nd</sup> Session. September 18, 2008. **H. Rept. 110-862**. As accessed electronically on September 4, 2015 at: <http://www.gpo.gov/fdsys/pkg/CRPT-110hrpt862/pdf/CRPT-110hrpt862.pdf>, p. 29.

<sup>170</sup> “Department of Homeland Security Appropriations Bill, 2009.” U.S. Senate, 110<sup>th</sup> Congress, 2<sup>nd</sup> Session. June 23, 2008. **S. Rept. 110-396**. As accessed electronically on September 4, 2015 at: <http://www.gpo.gov/fdsys/pkg/CRPT-110srpt396/pdf/CRPT-110srpt396.pdf>, p. 22-23.

**Table 17: CBP FY09 Requested vs. Enacted Budget Authority by Program  
(in thousands)<sup>171</sup>**

	Requested	Enacted	Change
Headquarters Management and Administration	\$ 1,266,651	\$ 1,275,849	\$ 9,198
Border Security Inspections and Trade Facilitation at POE's	\$ 2,273,104	\$ 2,595,128	\$ 322,024
Border Security and Control Between POE's	\$ 3,515,320	\$ 3,471,420	\$ (43,900)
Air and Marine Operations – Combined	\$ 782,279	\$ 794,679	\$ 12,400
Automation Modernization	\$ 511,334	\$ 511,334	\$ -
Construction	\$ 363,501	\$ 403,201	\$ 39,700
Border Security Fencing, Infrastructure, and Technology	\$ 775,000	\$ 775,000	\$ -
Customs Unclaimed Goods	\$ 5,897	\$ 5,897	\$ -
Mandatory	\$ 1,441,088	\$ 1,441,088	\$ -
Small Airports	\$ 7,057	\$ 7,057	\$ -
American Recovery and Reinvestment Act (ARRA)		\$ 680,000	\$ 680,000
Supplemental Funding		\$ 51,200	\$ 51,200

The Secure Border Initiative received exactly the funding requested, but also received some additional oversight from the Appropriations Committee. The Appropriations Bill language included specific instructions that \$400 million was to be held by the agency until CBP could return to the Appropriations Committee with a plan for spending on *SBI*net.<sup>172</sup> The major increase in funding over the request came for personnel at the ports of entry in support of the WHTI program. The WHTI program, which received so much attention from Senator Leahy, received an increase of \$322 million; a 14 percent increase over the agency's request.

<sup>171</sup> Table created from data available in both the FY09 request and the FY11 report of the enacted budget: 1) DHS Budget-in-Brief, FY2009, p. 27 and 2) "Budget-in-Brief, FY2011." Department of Homeland Security. As accessed electronically on September 3, 2015 at:

[http://www.dhs.gov/xlibrary/assets/budget\\_bib\\_fy2011.pdf](http://www.dhs.gov/xlibrary/assets/budget_bib_fy2011.pdf), p. 55.

<sup>172</sup> H.R. 2638, p. 82.

## Case Analysis

The CBP story above is a case of an agency that received a significant increase in funding (21 percent increase) and even received more funding than it requested. The question for this section is whether any of the hypotheses of this study can explain this outcome. The following section will take a systematic look at the evidence for each hypothesis and determine whether there is conclusive support for any hypothesis.

*H<sub>1</sub>: A higher level of interaction between the DHS agency and Congress (through both formal and informal communications) is associated with the agency receiving a significant increase in budgetary authority.*

There is little evidence for this hypothesis. It was noted in three of four interviews that CBP spends a significant amount of time working with the Appropriations Committee staff members to inform them of CBP operations and explain the agency's request.

However, there is no evidence to suggest that CBP's interaction is any greater than other agencies within DHS. Moreover, there is no way to quantify this influence for CBP.

Therefore, this hypothesis is neither accepted nor rejected.

*H<sub>2</sub>: An increase in interest group influence (public attention or campaign donations) for a DHS agency is associated with a significant increase in budgetary authority.*

The primary evidence of interest group influence in this case study comes from the localities to be impacted by the Secure Border Initiative. While there is no funding outcome that could have addressed the request of the localities for more involvement in the SBI process, the Appropriations committee did respond with additional oversight of the SBI program. The request for a full SBI plan for CBP to receive the bulk of its funding is one way that Appropriators can monitor the concern of interest groups.



A second major interest group in the SBI program was the Boeing Company with a more than \$1 billion contract associated with *SBI<sub>net</sub>*. It is difficult to completely calculate the influence of the Boeing Company on the appropriations process for three reasons. First, public disclosures of lobbying for the Boeing Company will only represent the filings of the company and not any third party entities. Second, Boeing was not the only company to gain from the *SBI<sub>net</sub>* contract, as it included a bevy of subcontractors who all had something to gain from the contract. Third, Boeing has a wide variety of appropriations interests and lobbying can be difficult to connect to a single programmatic objective.

However, there is a marketed increase in lobbying from the Boeing Company in 2008 that may be associated with attempts to ensure the *SBI<sub>net</sub>* contract received full funding despite the critiques of the program. The Center for Responsive Politics and the Open Secrets initiative reveal that the Boeing Company significantly increased its lobbying efforts in 2008 from \$10.6 million in 2007 to \$17.7 million in 2008.<sup>173</sup> Disclosure reports for each quarter of the year described the Homeland Security FY09 Appropriations Bill as one of the items on Boeing's agenda. Moreover, there are 7 disclosures reports across the year specifically associated with border security that total more than \$354,000 in lobbying expenditures.<sup>174</sup> This was a significant increase from the

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<sup>173</sup> "The Boeing Company." OpenSecrets.org. As accessed electronically on September 3, 2015 at: <https://www.opensecrets.org/lobby/clientsum.php?id=D000000100&year=2008>.

<sup>174</sup> "Homeland Security Issues – Lobbying Disclosures for Boeing Company." OpenSecrets.org. As accessed electronically on September 3, 2015 at: [https://www.opensecrets.org/lobby/clientissues\\_spec.php?id=D000000100&year=2008&spec=HOM](https://www.opensecrets.org/lobby/clientissues_spec.php?id=D000000100&year=2008&spec=HOM).

\$120,000 Boeing spent on lobbying for the “Strategic Border Initiative” in 2007.<sup>175</sup>

Boeing’s contract with the government had already brought the company more than \$67 million in revenue and the company certainly had an interest in preserving the funds for SBI. In the end, the program received the full funding it requested of \$775 million, which certainly would have been the outcome desired by Boeing, despite many unanswered questions about the program from Congress Members, GAO, and CRS.

Overall, the evidence for this hypothesis suggests that this hypothesis cannot be rejected.

There some evidence that supports acceptance of the hypothesis, but it is not conclusive evidence.

*H<sub>3</sub>: Support from powerful individuals (Congressional Committee members) for a DHS agency is associated with a significant increase in budgetary authority.*

Fenno and others have conducted detailed studies on the impact of seniority on appropriations and legislation. In this case, there is no quantifiable evidence to support the hypothesis. There are very few data points in the CBP appropriation that point directly to the interests of individual members of Congress. The two exceptions might be the 2010 Olympics (Senator Murray) and funding for personnel at the border (Senator Leahy).

Both of the Senators ask overt questions about the budget’s impact on their interests in the Senate Appropriations Subcommittee Hearing with Secretary Chertoff and both program receive direct funding in the appropriations process. The appropriations

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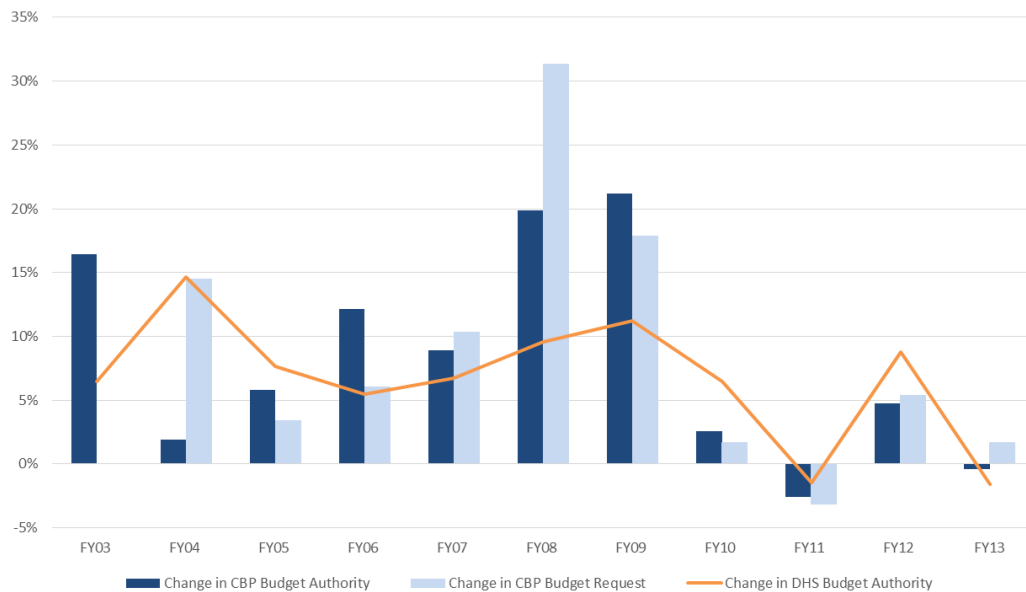
<sup>175</sup> “Lobbying Report – Disclosure Statement.” August 30, 2007. Wexler & Walker Public Policy Association. As accessed electronically on September 3, 2015 at: <http://soprweb.senate.gov/index.cfm?event=getFilingDetails&filingID=165F0886-F286-4392-BB17-86527CBB8D12&filingTypeID=5>.

language addresses Senator Murray's concern with \$4.5 million highlighted for the 2010 Olympics Coordination Center. Senator Leahy's concern about staff in Vermont was addressed in two ways. First, in the QFR response, the Department committed more resources to Vermont in FY08 ahead of the Senator's concern. Second, the agency received an additional \$322 million to address staffing concerns at the POEs.

It is difficult to tie these line items to the seniority or rank of the two Senators. It is true that both Senators resided in the majority at the time of the legislation. Moreover, Senator Leahy had already been in office for more than 32 years, making him a senior figure in both the committee and the Senate (although he was third ranking in the subcommittee). While there is not enough evidence to reject the hypothesis that this influence matters, there is no sign that it has a *significant* impact on the increase in budget authority, as the data points offered here are quite small. Therefore,  $H_3$  can be rejected in this case.

*H<sub>4</sub>: A higher year-over-year budget request from a DHS agency is associated with a significant increase in budgetary authority.*

This hypothesis is designed to capture whether a bureaucratic drive for increased funding has an influence on the budget. There is some relatively strong evidence to support the hypothesis. First, the agency did receive an increase in funding associated with an increased request. Figure 12 below demonstrates that CBP had a steady increase in funding from FY04 through FY09 that was associated with steadily increasing budget authority over the same time period. Moreover, in FY09 the agency actually received more than it officially requested.



**Figure 12: Change in CBP Budget Request and Budget Authority Compared to DHS Budget Authority, FY03-FY13**

Second, while the agency received more than it requested, it does appear that the agency *wanted* additional funding. The primary increase in funding came for personnel at the POEs. A GAO report from 2007 notes that CBP had developed a staffing model that showed a need for significantly more staff at the POEs<sup>176</sup> and the administration requested only 89 additional staff.<sup>177</sup> Moreover, Senator Leahy describes a conversation with the Assistant Commission for Field Operations, Tom Winkowski, who described the need for more staff at the POEs.<sup>178</sup> One of two things may have happened. Either the administration prioritized its DHS request and decided to reduce the agency’s request for

<sup>176</sup> GAO-08-219, p. 3.

<sup>177</sup> DHS Budget-in-Brief, FY2009, p. 29.

<sup>178</sup> S. HRG. 110-429, p. 6.

additional staff at the POEs, or the agency knew that the Senate would increase the funding for the personnel and decided to request funding for other programs instead. There was no evidence in interviews that would support one conclusion over the other. In either scenario,  $H_4$  is rejected because CBP's 8 percent increase in request was outpaced by a higher authorization than requested.

*H<sub>6</sub>: An increase in attention from the macropolitical actors is associated with significant increases (non-incremental) in budget authority.*

The CBP case in FY09 is a case of a non-incremental increase in budget authority and there does appear to be significant macropolitical attention on the agency. As described above, President Bush set immigration reform as a major priority for his second administration making border security a necessary part of the program. As such, the increased attention on border security programs that began in 2005 continued through the 2007 development of the CBP budget (in the heart of the immigration reform debate) and the 2008 appropriations debate for FY09. The attention is punctuated by the Secretary's emphasis on border security in his testimony before the Senate and the attention from the appropriations subcommittee on the border security programs. While the subcommittee is not considered a set of macropolitical actors, the Secretary certainly is and his testimony suggests the administration's emphasis on border security and CBP programs.

Another measure of macropolitical attention comes from the mass media. As shown in Chapter 4, there is little correlation between media attention and the change in budget authority. However, a more detailed review of the media around a single agency reveals that media attention supports the macropolitical priorities established through the budgeting process. In FY08, the year in which the debate occurred over the FY09

budget, there were a total of 154 articles in *The New York Times*, *The Wall Street Journal*, and *The Washington Post* that discuss “Customs and Border Protection.” None of these articles were overtly positive about the agency, but 11 of the articles (10 percent) were directly negative. These articles described a range of challenges, including personnel issues,<sup>179</sup> shortcomings in border security,<sup>180</sup> and concerns about travelers’ rights.<sup>181</sup>

Most articles were neutral on the agency, but focused on the broader issues while rarely naming the actual programs. More than 35 percent of articles discussed the movement of people across the border and some even mentioned the new delays at the POEs, but no articles mentioned WHTI. Likewise, border security was the topic of 21 percent of articles including a series of articles about “the fence,” the program SBI was only mentioned once by name. However, the articles by-and-large support the topics that we addressed by President Bush (border security) and Congress (SBI and WHTI), suggesting that there was enough macropolitical involvement to support H<sub>6</sub>.

*H<sub>7</sub>: An increase in performance across agency-established key metrics in previous years is associated with a significant increase in budgetary authority.*

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<sup>179</sup> The following articles discuss personnel issues: Archibold, Randal C. and Becker, Andrew. “Border Agents, Lured by the Other Side.” *The New York Times* May 27, 2008, A1; Blumenthal, Ralph. “Faults Seen At Agency That Patrols U.S. Borders.” *The New York Times* November 6, 2007, A18; Hsu, Spencer S. “Border Security Falls Short In Audit; GAO Criticizes Staffing, Training.” *The Washington Post* November 6, 2007, A12.

<sup>180</sup> The following articles discuss shortcomings in border security: “US Watch – Washington: Report Outlines Weaknesses in Port Security Program.” *Wall Street Journal* May 27, 2008, A2; O’Harrow, Robert. “Radiation Detectors for Border Are Delayed Again.” *The Washington Post* November 20, 2007, A1; Hsu, Spencer S. “Frequent U.S. Visits By TB Patient Noted; DHS Official Acknowledges Errors.” *The Washington Post* December 13, 2007, A2.

<sup>181</sup> The following articles discuss concerns over for travelers: Nakashima, Ellen. “Travelers’ Laptops May Be Detained At Border; No Suspicion Required Under DHS Policies.” *The Washington Post* August 1, 2008, A1; Barr, Stephen. “Americans Are Less Pleased With U.S. Services.” *The Washington Post* December 17, 2007, D1.

Performance measures have played an interesting role in the recent budgeting history of the Border Patrol. Prior to 9/11 the Border Patrol deployed primarily deterrence-focused techniques along the border. As described in Chapter 1, the philosophy was that border agents between the ports essentially deter individuals from making what is already a treacherous attempt to cross the border. However, with the rise of the CIR movement in 2007, the story changed. Suddenly, the agency was called upon to “shutdown” the border. However, this notion of a closed border presents one of the greatest challenges in using performance measures to drive appropriations.

It presents two simple questions that are very difficult to answer: 1) how many people cross the border each year and b) what does it look like to have a closed border? While there have been many estimates of the total population crossing the border, the first question is impossible to know. In fact, the Border Patrol is perhaps a clear example of how performance is ignored in the budgeting process. According to one senior CBP official, “There is no way to know how many people are being missed.” David Haun, formerly of OMB, argues that “If an agency is buying a deterrence effect, that is different, the agency needs to determine how little can be done to maintain the effect,” but when it is an absolute goal as established in the case of the border, “there is no way of knowing the effect.”

Instead, Congress and the administration have agreed on Border Patrol Apprehensions as the key metric to determine success of the Border Patrol. In FY00, the Border Patrol seized more than 1.6 million individuals trying to cross the border. This number has two critical flaws as a metric. First, as the Migration Policy Institute notes,

this counts actions taken the by Border Patrol and not the number of individuals.<sup>182</sup>

Second, this is not a metric of success, as there is no way of knowing how many individuals cross the border without apprehension. Estimates calculated by *The Washington Times* and other sources using GAO data suggest that more than 60 percent of crossings are not addressed by CBP.<sup>183</sup>

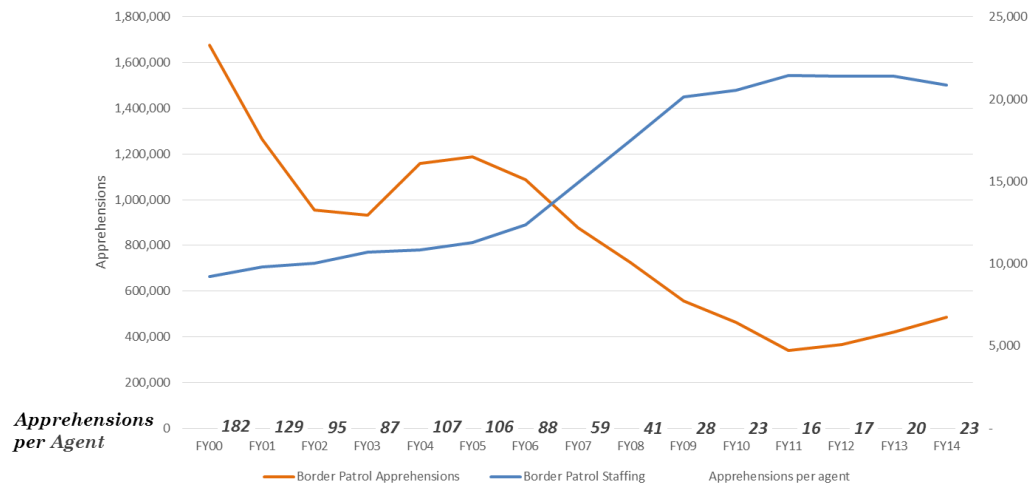
In fact, the notion of success has been somewhat perverted in the metrics of CBP. This key metric of apprehensions was lauded in 2007 as part of the FY09 budget request. The request document noted the steep decline across a number of CBP's SW border sectors. The statistics were true; there was a decline in the number of apprehensions, but it is impossible to know whether the decline is due to effective monitoring by CBP or other factors, such as an improving Mexican economy. Figure 13 below shows the change in apprehensions and personnel overtime. There has been a strong correlation between the increase in Border Patrol personnel (blue) and the decline in apprehensions (orange). Another view of the data would be apprehensions per agent (presented along the bottom). In FY07, each agent made 59 apprehensions per year or a little over one apprehension a week. In FY09, funding levels allowed for increased staffing again, which led to 28 apprehensions per agent or roughly one apprehension every 13 days.

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<sup>182</sup> "US-Mexico Border." Migration Policy Institute. June 1, 2006. As accessed electronically on September 4, 2015 at: <http://www.migrationpolicy.org/article/us-mexico-border#2>.

<sup>183</sup> Dinan, Stephen. "Interceptions of Immigrants Stubbornly Low." *The Washington Times*. January 9, 2013. As accessed electronically on September 4, 2015 at: <http://www.washingtontimes.com/news/2013/jan/9/interceptions-immigrants-stubbornly-low/?page=all>; <http://www.gao.gov/assets/660/650730.pdf>; and "What would it take to secure the U.S.-Mexico border?" *The Week*. March 16, 2013. As accessed electronically on September 4, 2015 at: <http://theweek.com/articles/466628/what-take-secure-usmexico-border>.





**Figure 13: U.S. Border Patrol Apprehensions and Staffing, FY00-FY14<sup>184</sup>**

While there is no “smoking gun” that Congress ignores performance measures when it comes to CBP, the interviews and quantitative data suggest performance measures were not a determinant factor in the agency’s budget authority. Therefore,  $H_7$  is rejected in this case study.

## Conclusion

CBP received a significant increase in funding for FY09, which seems most directly connected with the macropolitical trend around immigration reform. While there is some minor support for hypotheses that measure the role of interest groups and powerful politicians, these factors do not yield the significant shift in funding that CBP

<sup>184</sup> Apprehension data from Customs and Border Protection: “United States Border Patrol, Total Illegal Alien Apprehensions.” As accessed electronically on September 4, 2015 at: [http://www.cbp.gov/sites/default/files/documents/BP%20Total%20Monthly%20Apps%20by%20Sector%20and%20Area%2C%20FY2000-FY2014\\_0.pdf](http://www.cbp.gov/sites/default/files/documents/BP%20Total%20Monthly%20Apps%20by%20Sector%20and%20Area%2C%20FY2000-FY2014_0.pdf). U.S. Border Patrol staffing levels from Customs and Border Protection: “United States Border Patrol, Border Patrol Agent Staffing by Fiscal Year.” September 20, 2014. As accessed electronically on September 4, 2015 at: [http://www.cbp.gov/sites/default/files/documents/BP%20Staffing%20FY1992-FY2014\\_0.pdf](http://www.cbp.gov/sites/default/files/documents/BP%20Staffing%20FY1992-FY2014_0.pdf).

received. Additionally, there is certainly a connection between CBP's increased budgetary request and the increase in budget authority. However, it appears that the request is not associated with a budget-maximizing bureaucrat hypothesis, but is rather part of the macropolitical trends developed in H<sub>6</sub> (e.g., the agency's increase was driven more by macropolitical trends). Therefore, the case of increased funding for CBP in FY09 appears to be a case of increased macropolitical attention leading to significantly increased budget authority.

## **CHAPTER 7: FINDINGS, CONCLUSIONS, AND IMPLICATIONS**

This study explores how budgetary theory explains the outcomes of the agencies within the Department of Homeland Security during the Department's first 10 years of existence. Previous chapters outlined the literature and identified seven testable hypotheses, as well as a unique mixed methods approach to test each hypothesis. Chapter 4 presents how quantitative analysis on a first-of-its-kind data set supports some of the hypotheses and chapters 5 and 6 describe two in-depth case studies that explore the same hypotheses. Uniquely, this study has presented these findings at the agency level using multiple agencies and drawing insights from the quantitative analysis with supporting evidence from case studies. The purpose of this chapter is summarize the findings from previous sections and draw conclusions on how this study impacts the literature, and perhaps the budgeting process within agencies.

### **Findings**

The seven hypotheses were drawn directly from the literature to represent the major theories of budgeting and each of the previous analytical chapters have summarized the impacts of the findings for that analysis. This section will now triangulate the data across the three analyses to draw conclusions on the hypotheses. Table 18 below summarizes these findings by showing for each analysis how much the evidence supports the hypothesis using a five point scale – reject, no evidence, minimal

support, support, or strong support. Then, a conclusion is presented by looking at the strength of the findings in each analysis. A conclusion was made about each of the hypotheses - Accept, Reject, or Not Enough Evidence. Across the hypotheses there were three hypotheses with enough evidence to either reject or accept the hypothesis, and four hypotheses that lacked enough evidence to make a conclusion.

**Table 18: Summary of Findings Across Methods**

Hypotheses	Quantitative Analysis	Case 1 – ICE	Case 2 – CBP	Conclusion
H <sub>1</sub> : A higher level of interaction between the DHS agency and Congress (through both formal and informal communications) is associated with the agency receiving a significant increase in budgetary authority.	No Evidence	Minimal Support	Minimal Support	Not Enough Evidence
H <sub>2</sub> : An increase in interest group influence (public attention or campaign donations) for a DHS agency is associated with a significant increase in budgetary authority.	No Evidence	Minimal Support	Minimal Support	Not Enough Evidence
H <sub>3</sub> : Support from powerful individuals (Congressional Committee members) for a DHS agency is associated with a significant increase in budgetary authority.	No Evidence	Support	Support	Not Enough Evidence
H <sub>4</sub> : A higher year-over-year budget request from a DHS agency is associated with a significant increase in budgetary authority.	Strong Support	Strong Support	Strong Support	Accept
H <sub>5</sub> : New DHS agencies receive higher year-over-year increases in budget authority during the first three years of the agency's existence.	Support	Minimal Support	Support	Not Enough Evidence
H <sub>6</sub> : An increase in attention from the macropolitical actors is associated with significant increases (non-incremental) in budget authority.	Minimal Support	Strong Support	Strong Support	Accept
H <sub>7</sub> : An increase in performance across agency-established key metrics in previous years is associated with a significant increase in budgetary authority.	No Evidence	Reject	Reject	Reject

### Hypotheses Lacking Evidence

The four hypotheses without enough evidence have different reasons for falling into this category. The level of interaction between the agency and Congress is something that the study hoped to reveal through interviews in the case studies. There is some support that the agencies with the most direct access to the appropriators, such as

the Secret Service, are the most effective at getting their funding. One interviewee noted that their proximity to power makes it easy for them to show the impact of programmatic changes, which results in strong funding. However, there is really no comparative metric across the agencies. While the number of hearings might be a sign of increased interaction, the number of hearings in general is too few by agency to really suggest any sort of significant difference among agencies. Additionally, this study lacked the access to agency budget officials and Congressional Appropriations committee staff that would have made for a more robust analysis of the hypothesis.

The strongest finding to support H<sub>1</sub> would be an understanding of the informal communications between the agencies and the congressional staff. All interviewees agree that decisions for funding are made in these conversations, but there is very little record of these interactions and there is not a comparative metric for these interactions across agencies. An approach for future research might be to look at the schedules of agency executives to understand how much time they spend working with congressional staff. Even with this data, it would be difficult to directly link interactions to funding.

The second hypothesis lacking strong evidence is the interaction between interest groups and budget authority. There is some slight evidence in the case studies to show that interest groups, such as contractors, can drive budget authority with donations to appropriators. There are two challenges with these findings. First, there will never be a direct connection between lobbying and funding for programs. Although groups like OpenSecrets.org work to draw the connection, it is still somewhat speculative. Second, the question remains whether these interactions result in *significant* changes in funding.

In the two cases explored here, the connection between lobbying and budget authority results in marginal changes to existing programs.

It is not to say that programs like SBI are small. At \$775 million a year, this is a significant investment for the country, but as a percentage of total agency or departmental funding, it is a relatively small number. The same is true of earmarks. Open Secrets data suggests that the FY10 budget for the federal government included more than \$37 billion in earmarks for companies and organizations across industries. While this is a large number, it represents roughly 3 percent of discretionary spending in the same year.<sup>185</sup> Arguably, the impact of lobbying only supports funding decisions at the margins of each agency, and even at the margins of the overall budget.

The next hypotheses, H<sub>3</sub>, attempts to capture whether support from powerful Congress members yields significant increases in funding. Admittedly, there is likely a correlation between H<sub>2</sub> and H<sub>3</sub>; however, the two hypotheses were explored separately. There were certainly some signals in both case studies that this relationship matters. For example, Senator Leahy's request for more agents in Vermont led to more agents for border security and Senator Landrieu's request for ICE to use the Alexandria airport resulted in saving a facility on the edge of closure. However, like H<sub>2</sub>, these interactions seem to rarely lead to significant changes in budget authority. In the case of DHS, both special interest requests and powerful congressional influence seem to result in marginal shifts in funding. Both topics warrant further research. This study's emphasis on DHS

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<sup>185</sup> "111<sup>th</sup> Congress Earmarks." Center for Responsive Politics – OpenSecrets.org. As accessed electronically on September 12, 2015 at: <https://www.opensecrets.org/earmarks/index.php?type=B&cycle=2009>.

kept the document review focused on the Appropriations Subcommittees for DHS. However, a more inclusive study would require an exploration of hearings across the subcommittees to determine the requests that congressional actors make across the different departments.

H<sub>1</sub>, H<sub>2</sub>, and H<sub>3</sub> all present a similar challenge, in that they capture the “strategy” that Caiden and Wildavsky highlight as the core of the incremental process. The strategy, or game, happening behind the scenes is unknown to most of us and requires in-depth analysis into the signals that are available for the public to see. However, most of this game is meant to be private and take advantage of that privacy for the actors to create their own influence. This intentional lack of transparency obfuscates the budgeting process for those of us on the outside looking to study the inside workings. Even in the interviews for this study with senior leaders, there seems to be a dispersion of accountability for the interactions from the executive to Congress that makes it difficult to determine who actually spoke with congressional staff.

The last hypothesis with incomplete evidence is H<sub>5</sub> that describes the impact of “newness” on budget authority. The quantitative data does show some support for this hypothesis, but there is not a strong correlation between newness and a significant shift in budget authority. In their study, Balint and Conant look at the lifecycle of an agency (EPA) that has been in existence for more than 40 years; the agencies are only 10 years old in this study. There is an advantage to this time period because all agencies are under the same appropriations construct for the full period of time, however, there has not been enough time to truly test the lifecycle theory suggested by Downs.

There is also some evidence that the mechanism that matters in the lifecycle approach is not the age of the agency, but institutional strength. Many of the agencies in DHS have long histories, such as the Secret Service and the Coast Guard. Other agencies are newly formed, but from existing agencies where strong institutions previously existed – such as the U.S. Customs Service. One senior official noted that although CBP and ICE were created at the same time, CBP had an advantage because it took the leadership from the Customs Service. The official described that CBP leadership was highly advanced with a centralized leadership structure compared to ICE that took the leadership from INS, which had historically operated in a more decentralized manner. In a new department, the official argued, the agencies with centralized leadership are going to succeed. This suggests that future studies of the Downs lifecycle approach need to focus equally on the age of the organization and on the leadership of the institution.

### **Rejected Hypothesis**

Performance-based budgeting is a hypothesis that is completely rejected in this study. Despite the deep history of analytical support to inform budgets (PPBS) and multiple laws to create a more strategic and performance-driven culture in budgeting (GPRA and Modernized GPRA), there is no evidence that performance mattered in the case of DHS agencies. While there is minimal quantitative evidence in the database, each of these case studies present quantitative data that show the Department's challenge with performance data. In the case of CBP, the SBI program was continually funded without strong results, and in ICE, detention beds were funded without knowing if that was the true need.



Moreover, in both cases, and in DHS as a whole, there is the challenge of performance interpretation. It is clear in the case of both CBP and ICE that appropriators do not know what they are “purchasing” in terms of performance. Whether it is apprehensions along the border or removals from the country, there is no right amount, and it is clear from congressional testimony that Congress members do not know how to assess the performance. As former OMB executive David Haun noted, the challenge is complicated in DHS where so many agencies purchase deterrence. He uses the example of the Federal Air Marshals to make his point, but it equally applies to the Border Patrol:

When we stated the Federal Air Marshals program, FAMS, it was ‘let’s put a Marshal on every plane coming in and out of DC.’ Then nothing happened and it became, ‘Maybe we don’t need one on each plane.’ It is the deterrence effect. How much do we need to buy just to ensure that the deterrence exists? And putting our finger on that number is nearly impossible.<sup>186</sup>

In the case of the immigration agencies, the parallel is how high does the likelihood of identification at the border or removal within the country have to be to keep people from illegally immigrating? There is no evidence that this question is even asked during the budgeting process, let alone effectively answered. Future research could attempt to address this challenge in more depth by doing a deeper analysis across a set of departments to determine whether there is a connection between funding and performance in a more transactional agency, such as the Veterans Health Administration (VHA) or the Centers for Medicare and Medicaid Services (CMS).

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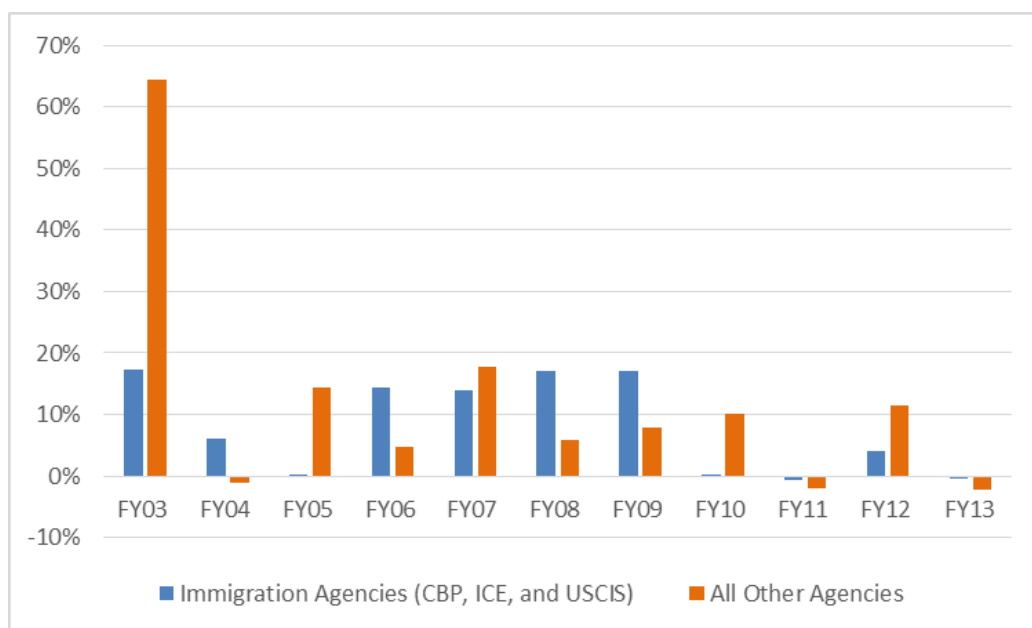
<sup>186</sup> Interview with David Haun, former Deputy Associate Director for Transportation, Homeland, and Justice for the Office of Management and Budget, conducted in-person on August 18, 2015.

**Accepted Hypotheses**

Two hypotheses receive enough supporting evidence from this study to suggest these hypotheses adequately explain the budget authority for each of the agencies in DHS. The first is H<sub>4</sub>, which is about the budget request. There was an extremely high fulfillment rate for budget requests for DHS agencies in the first 10 years. There are exceptions to this finding, as a few agencies consistently receive less funding than requested – DNDO, NPPD, OHA, OPS, and S&T. All five of these agencies are considered part of DHS headquarters and interviews with agency leaders and former OMB Executive David Haun described a systematic desire to avoid heavy funding for headquarters entities. Moreover, these entities do not represent a large part of the overall budget of DHS. Over the ten year period examined here, these agencies represent 7 percent of the total budget authority provided to DHS agencies.

Moreover, the quantitative analysis reveals a very strong correlation between the change in budget request over previous year's funding and the increase in budget authority (.95). This makes sense. The budget request unto itself does not yield a higher increase in the overall budget authority, but it represents the "wish list" of the administration and the agency. If an agency cannot get a new program or an increase for an existing program into the budget request, it is much less likely that the agency will receive a higher budget authority. There are exceptions to this rule, but by-and-large, a request is the proximate cause of an increase. It is unclear from this study is whether the increase in budget request is based on the anticipated reaction of Congress or simply based on the needs of the agency.

The second hypothesis with strong support is the role of macropolitical attention in significant budgetary increases (H<sub>6</sub>). It was difficult to find a strong quantitative metric for macropolitical attention that would work across all the agencies. However, the quantitative findings demonstrate that despite the fact that the Department as a whole had relatively incremental growth over the first 10 years, many of the agencies had significant increases in funding. In order to understand this phenomenon, the two case studies were selected as examples of the significant increase in budget authority. In both of these cases, there is significant macropolitical attention on the budgets. In the 2004 election, President Bush described his desire to pass comprehensive immigration reform and over the remainder of his presidency, this goal created a great deal of attention on the immigration elements of DHS (CBP, ICE, and USCIS). In particular, the discussion centered on the need to have strong enforcement before some of the new benefits that the president proposed (a guest worker's program and a path to citizenship).



**Figure 14: Change in Budget Authority for Immigration Agencies and All Other Agencies, FY03-FY13**

Figure 14 above shows how this macropolitical attention on immigration impacted the immigration budgets. In the first three years of independent DHS budgets, the non-immigration agencies received significant increases twice (FY03 and FY04). Then, in FY05, the immigration agencies received the first of four consecutive significant increases in budget authority, while the remainder of the agencies received a significant increase only once. Additionally, both cases show a strong emphasis in the administration's budget request on immigration enforcement. As the Obama Administration took over in FY09, the de-emphasis on immigration enforcement took hold and the significant increase in budget authority for immigration agencies subsided.

In their work on punctuated equilibrium, Jones, Baumgartner, and True, define three epochs of federal budgeting that emerge across the history of budgeting. Similarly,

this study suggests there might be three ages in the first decade of DHS budgeting; each representing a mission area to which the macropolitical actors pay particularly close attention. The first is the time of the stand-up, when macropolitical actors focus on the creation of the Department. The second age is the period of “response” in the days following Katrina, when the Department focused on the emergency response mission. The third age would be the age of immigration, in which the macropolitical actors focus on the mission of border security and immigration enforcement. This concept deserves more attention and, perhaps, a study of the trends among mission areas in DHS budgeting.

The findings presented here support both hypotheses independently, but there is likely a mechanism that connects the two. While  $H_4$  was established as a proxy for the theory of the budget-maximizing bureaucrat, the mechanism of that theory seems unlikely given the support for  $H_6$ . More directly, it does not seem likely that bureaucrats are driving the increase in agency budgets if there is macropolitical attention on the issue. Instead, it seems likely that the significant increase in budget request is part of the macropolitical attention on the issue. As one senior CBP official noted, “In the early days of the Department we were scrambling to find or develop programs that would link the agency to the national security mission and later the president just made border security the priority.” The shift in priority took the budget request out of the hands of the bureaucrats and made it a macropolitical request.

## Conclusions

The original question of this study was, “*What factors determine the significant shifts in budget authority for agencies within the Department of Homeland Security over its first decade of existence?*” This study reveals that the primary factor is political interactions between the executive and the Congress. This finding affirms the perspective of Fenno, Hyde, Schick, Wildavsky and many other budgetary scholars, that budgeting process is first and foremost a political exercise. However, the political process is complicated, involving many different layers. Prior to the Budget and Accounting Act of 1921, agencies did negotiate directly with Congress and that policy subsystem still exists, but on top of it exists a macropolitical layer that includes the President (including his offices and OMB) and the full Congress. The political factors that contribute to the budget authority for DHS seem to happen at both levels.

The dominant explanatory theory in the literature for political interactions is incrementalism; however, the evidence for incrementalism in the case of DHS agencies is complicated. As noted in previous chapters, incrementalism does not explain the budgetary outcomes for DHS agencies, as only 70 percent of changes in budget authority are incremental in a reasonable definition of the concept (less than 20 percent increase or greater than 15 percent decrease). There is too much volatility in DHS agency-level budgeting to accept incremental outcomes. However, there is plenty of evidence to suggest the mechanisms of incrementalism have a role to play in DHS agency-level budgeting. As described in the above, the idea of budgeting as a strategic game is a central component of incremental theories.

There is evidence for this strategic game across DHS and especially in the two cases of ICE and CBP. Moreover, Wildavsky emphasized the critical role of the subcommittees and the agencies as primary actors and negotiators in the budget process, and that is clearly supported by the evidence here. Incremental theorists also emphasize the importance of the agency's request, which is shown to be a crucial element in the DHS budgeting process. There is even strong evidence that these two micropolitical actors make many of the decisions on the marginal shifts of the budget, as suggested by incremental theorists. When this policy subsystem drives the process, the resulting outcome is incremental. However, there is also evidence that these two critical actors lose control of the budget discussion in situations of non-incremental budgetary shifts.

Instead, the theory of Punctuated Equilibrium best explains the case of agency budgeting in DHS. In short, the difference between incremental budgeting and non-incremental budgeting is the shift in political discussions from the policy subsystem to the macropolitical actors. When there was not macropolitical attention, the funding of DHS agencies seems to move along a relatively incremental path. When there was Presidential attention (immigration agencies) or Congressional attention (low-levels of funding for HQ), the attention results in significant shifts in funding. As True notes, most of the budgeting process is explained by "policy subsystems," such as the interaction between the agency and the Congressional committee. However, in the case of DHS, there were *significant* shifts in funding observed that could not be explained by these policy subsystems alone.

There are a couple of additional factors not fully addressed in this study that warrant further exploration. First, there is certainly a political/bureaucratic divide that occurs in the budgeting process. This was demonstrated in the CBP case study by both the GAO report and the behavior of officials in Vermont. The question remains how rampant is the behavior of career staff to attempt to shape the budget in a direction different from their political leadership? Second, there is some evidence that the strength of institutions matter in agency budgeting and more specifically, might impact the rate of budget fulfillment. This factor can be explored by taking the approach employed here beyond DHS to the rich data available for a few of the agencies in the Department that existed before 9/11, such as the Secret Service and the Coast Guard. Third, the type of dollars might also be a factor in how agencies are funded. While there is little evidence in this study that fee-funded activities have a huge impact on funding levels, it does appear that funding associated with personnel might receive special attention from Congress. Again, this finding should be effectively tested with other departments and agencies to determine whether Congress might be more readily willing to fund federal positions that could create direct jobs over the purchase of items that do not clearly create positions.

Future research can address some of these factors by including them in an analysis of DHS. Likewise, as DHS “grows,” this research can be replicated to determine whether some of the factors originally laid out (such as the lifecycle effect) emerge as stronger explanations of the outcomes. The strongest future research around this study will come from the replication of this study in different departments. Some have called



DHS a unique case because few departments have the number of agencies that are in DHS. However, there are other departments that serve as “holding companies” for a set of agencies, including the Department of Health and Human Services, the Department of Justice, the Department of Transportation, and the Department of Veterans Affairs, that could all go through a similar study. In all of these cases, the agencies within these departments would have the advantage of a longer history with potentially richer data for exploration.

Additionally, there are two weaknesses in the study that could be addressed with additional research. The first is that the quantitative analysis presented in Chapter 4, while convincing, do not alone yield conclusions on the importance of budgetary factors. The potential spuriousness in the correlations and in the regressions make this quantitative analysis simply the tip of the iceberg. The study depends on the case studies to draw conclusions. The case studies effectively triangulate the findings from the quantitative analysis, but there are only two case studies. More case studies, along with more quantitative data over time, would more effectively triangulate the quantitative findings. Second, the two cases were selected based on the variation in outcomes. However, the mechanisms for the outcomes are incredibly similar (e.g., macropolitical actors interested in immigration). Therefore, future work must seek greater differentiation in case selection from across the Department.

## **Implications**

The implications of this research are two-fold. First, this study paints a new picture of DHS budgeting that focuses on the political process of budgeting. There was a

great deal of attention paid to the Department's budget process around the ten-year anniversary of DHS, but the conversation was focused on the internal tools of the Department such as accounting approaches and programmatic oversight. This study steps back from these detailed challenges within the agency to look at budgeting outcomes and what leads to these outcomes. Moreover, this study yields a unique dataset that can be developed and matured as the Department continues to mature over time.

Second, this study fills a critical gap in the literature around budgeting at the agency level by offering a multi-agency study and an approach that can be replicated in other agency-based studies. Many studies of budgeting, starting in the 1960s, focused on overall budget authority, discretionary spending, and budgeting "functions" and "sub-functions." However, these funding categories are aggregations of data and do not reflect the appropriations process. Budget authority is still made agency-by-agency and, in some cases, program by program. As the executive and Congress have complicated the budgeting process in the years since the 1921 Budget Act, the processes have made it more difficult for outside observers to understand decision-making at the agency level. Therefore, students of the budget must push past the challenging process and return to research at the agency-level to get past the question of what happened to the critical question of *why* we budget the way we do.

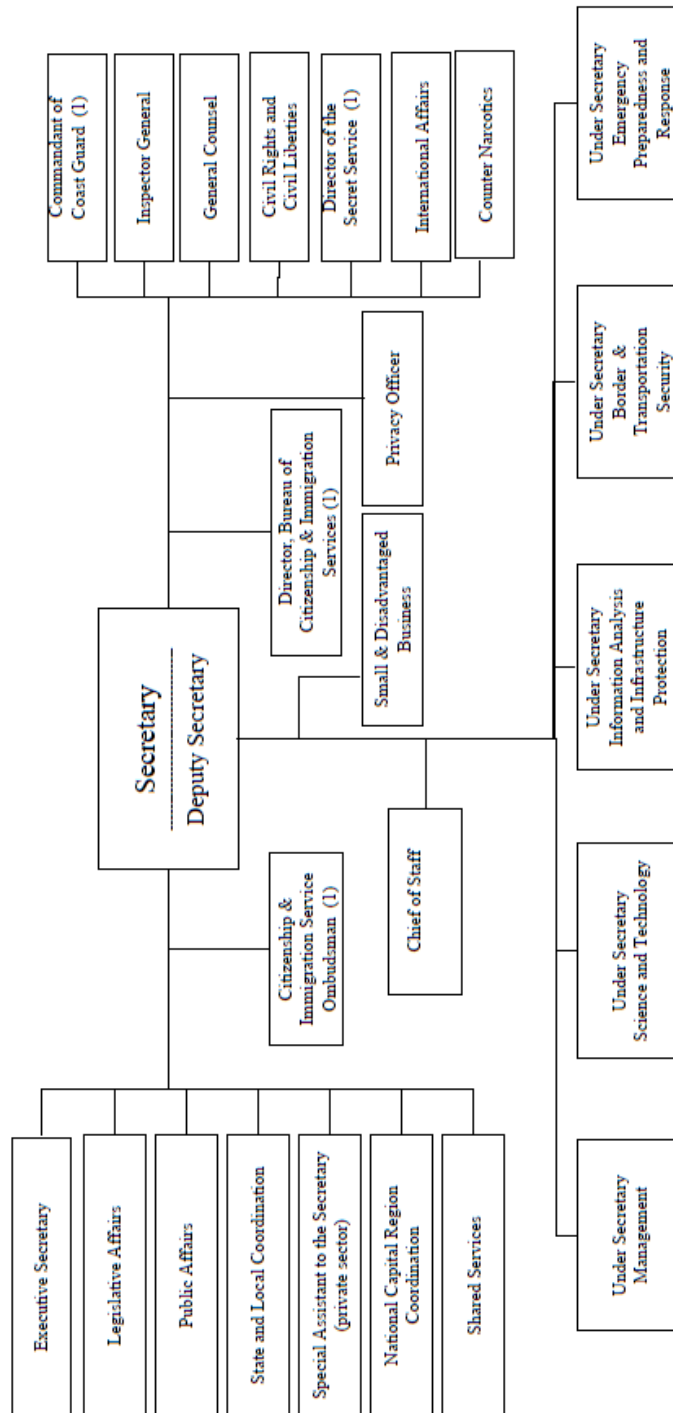
## APPENDICIES

### Appendix A – DHS Agencies Before and After the Department Creation

<u>Prior to DHS Creation</u>	<u>2003</u>
The U.S. Customs Service (Treasury)	<a href="#">U.S. Customs and Border Protection</a> - inspection, border and ports of entry responsibilities <a href="#">U.S. Immigration and Customs Enforcement</a> - customs law enforcement responsibilities
The Immigration and Naturalization Service (Justice)	<a href="#">U.S. Customs and Border Protection</a> - inspection functions and the U.S. Border Patrol <a href="#">U.S. Immigration and Customs Enforcement</a> - immigration law enforcement: detention and removal, intelligence, and investigations <a href="#">U.S. Citizenship and Immigration Services</a> - adjudications and benefits programs
The Federal Protective Service	<a href="#">U.S. Immigration and Customs Enforcement</a> until 2009); currently resides within the National Protection and Programs Directorate
The Transportation Security Administration (Transportation)	<a href="#">Transportation Security Administration</a>
Federal Law Enforcement Training Center (Treasury)	<a href="#">Federal Law Enforcement Training Center</a>
Animal and Plant Health Inspection Service (part) (Agriculture)	<a href="#">U.S. Customs and Border Protection</a> - agricultural imports and entry inspections
Office for Domestic Preparedness (Justice)	Responsibilities distributed within <a href="#">FEMA</a>
The Federal Emergency Management Agency (FEMA)	<a href="#">Federal Emergency Management Agency</a>
Strategic National Stockpile and the National Disaster Medical System (HHS)	Returned to Health and Human Services, July, 2004
Nuclear Incident Response Team (Energy)	Responsibilities distributed within <a href="#">FEMA</a>

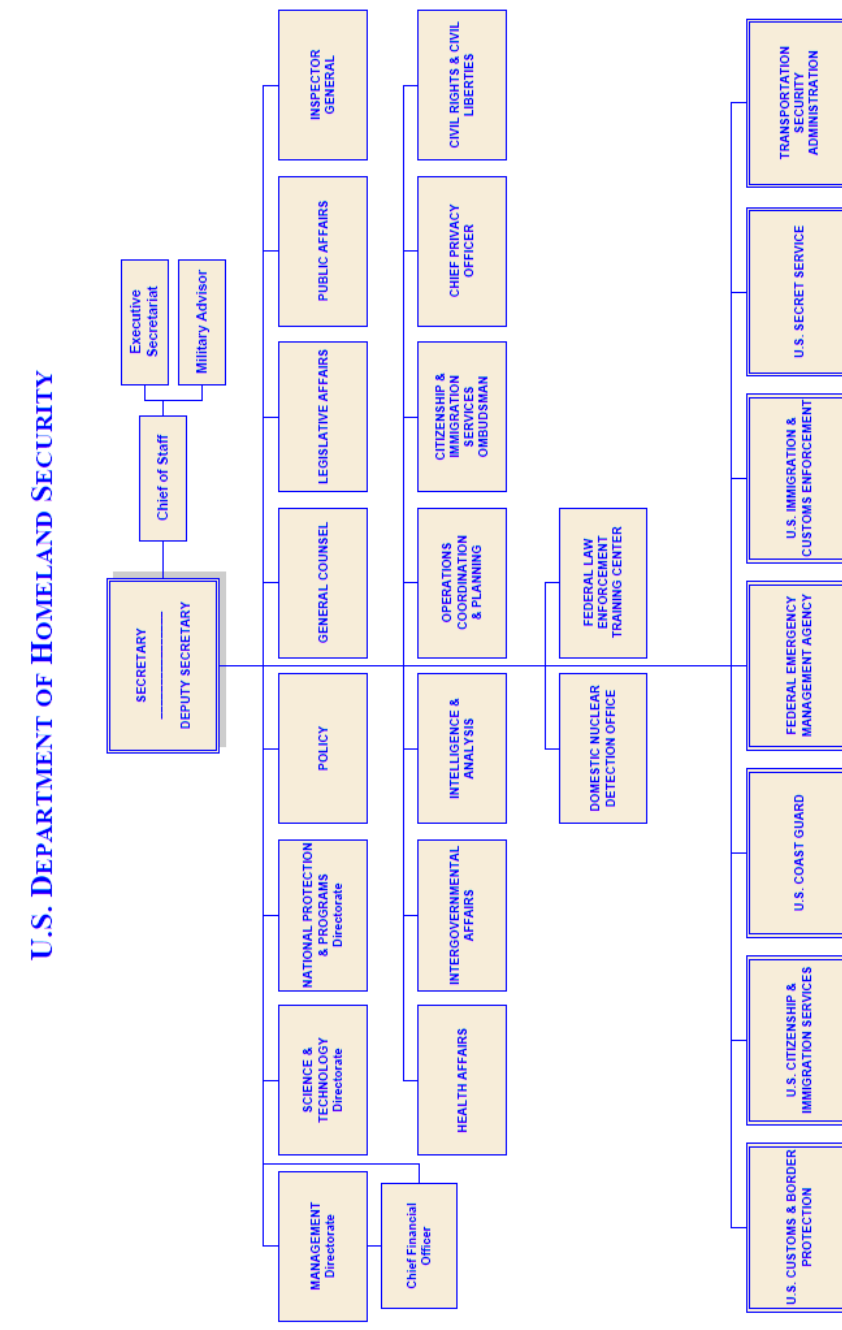
<u>Prior to DHS Creation</u>	<u>2003</u>
Domestic Emergency Support Teams (Justice)	Responsibilities distributed within <a href="#">FEMA</a>
National Domestic Preparedness Office (FBI)	Responsibilities distributed within <a href="#">FEMA</a>
CBRN Countermeasures Programs (Energy)	<a href="#">Science &amp; Technology Directorate</a>
Environmental Measurements Laboratory (Energy)	<a href="#">Science &amp; Technology Directorate</a>
National BW Defense Analysis Center (Defense)	<a href="#">Science &amp; Technology Directorate</a>
Plum Island Animal Disease Center (Agriculture)	<a href="#">Science &amp; Technology Directorate</a>
Federal Computer Incident Response Center (GSA)	<a href="#">US-CERT</a> , Office of Cybersecurity and Communications in the National Protection and Programs Directorate
National Communications System (Defense)	<a href="#">Office of Cybersecurity and Communications</a> in the National Protection and Programs Directorate
National Infrastructure Protection Center (FBI)	Dispersed throughout the Department, including <a href="#">Office of Operations Coordination</a> and <a href="#">Office of Infrastructure Protection</a>
Energy Security and Assurance Program (Energy)	Integrated into the <a href="#">Office of Infrastructure Protection</a>
U.S. Coast Guard	<a href="#">U.S. Coast Guard</a>
U.S. Secret Service	<a href="#">U.S. Secret Service</a>

## Appendix B - 2003 DHS Organization Chart



Source: <https://www.dhs.gov/xlibrary/assets/dhs-org-chart-2003.pdf>

## Appendix C – 2015 DHS Organization Chart



Source: <http://www.dhs.gov/xlibrary/assets/dhs-orgchart.pdf>

## Appendix D – Total Budget Authority and Request by DHS Agency (FY02 –FY13)

### Total DHS Budget Authority by Agency (FY02 –FY13)

(in thousands)	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
Departmental Operations												
Analysis and Operations (A&O)			22,000	394,435	527,257	559,230	603,525	573,983	659,109	809,531	839,292	804,136
Office of the Inspector General (OIG)			-	-	-	252,940	299,663	304,500	327,373	333,030	334,360	338,068
U.S. Customs and Border Protection (CBP)	47,000	5,887,000	71,000	80,318	82,317	82,187	98,685	108,711	114,513	113,874	129,614	141,000
U.S. Immigration and Customs Enforcement (ICE)	5,057,000	3,262,000	3,669,000	5,997,287	6,344,398	7,113,495	7,466,259	9,285,001	11,250,652	11,540,501	11,245,410	11,781,438
Transportation Security Administration (TSA)	1,242,000	4,648,000	4,578,000	4,578,000	6,068,275	6,167,014	6,329,291	6,809,359	6,992,178	7,656,066	5,806,420	5,982,077
U.S. Coast Guard (USCG)	5,179,000	6,196,000	6,994,222	7,558,560	8,265,797	8,554,067	8,631,053	9,624,179	10,789,076	10,195,685	10,195,685	10,222,410
U.S. Secret Service (USSS)	1,117,000	1,193,000	1,334,128	1,385,758	1,399,889	1,399,889	1,485,017	1,629,096	1,640,444	1,710,344	1,755,299	1,914,445
National Protection and Programs Directorate (NPPD)	-	-	-	-	-	-	942,436	896,476	1,188,263	2,429,455	2,331,197	2,525,688
Office of Health Affairs (OHA)	-	-	-	-	-	-	9,917	118,375	157,621	136,850	139,455	166,049
Federal Emergency Management Agency (FEMA)	4,556,000	5,175,000	4,671,782	5,038,256	4,834,744	4,571,716	5,515,178	5,971,159	6,200,618	7,073,862	11,638,525	11,865,196
FEMA: Grant Programs	-	-	-	-	-	-	4,088,500	4,117,800	4,230,858	4,166,200	3,372,741	2,285,403
U.S. Citizenship & Immigration Services (USCIS)	1,567,000	1,422,000	1,549,733	1,775,000	1,887,850	2,216,240	2,822,012	2,876,348	2,870,997	2,985,422	3,078,465	3,378,348
Federal Law Enforcement Training Center (FLETC)	137,000	170,000	191,643	222,357	279,534	253,279	332,986	332,986	282,812	270,832	271,413	243,111
Science & Technology Directorate (S&T)	90,000	553,000	912,751	1,115,450	1,487,075	968,131	830,335	932,587	1,006,471	827,578	673,000	794,227
Domestic Nuclear Detection Office (DNDO)	-	-	-	-	-	-	480,968	484,750	514,191	383,037	341,744	290,000
Legacy Programs												
Border & Transportation Security Under Secretary	9,000	-	-	8,058	9,617	-	-	-	-	-	-	-
Information Analysis & Infrastructure Protection Directorate (IAIP)	129,000	185,000	834,348	887,108	-	-	-	-	-	-	-	-
Office of Domestic Preparedness	260	1,961,000	-	-	-	-	-	-	-	-	-	-
Technology Investments	-	47,000	-	-	-	-	-	-	-	-	-	-
Counter-Terrorism Fund	-	10,000	9,941	8,000	1,980	-	-	-	-	-	-	-
US-VISIT	-	380,000	328,053	340,000	336,000	-	-	-	-	-	-	-
SLQCP	-	-	4,192,120	3,984,846	-	-	-	-	-	-	-	-
Biodefense	-	-	-	-	-	-	-	-	-	-	-	-
Office of Screening Coordination and Operations	-	-	-	-	-	-	-	-	-	-	-	-
Preparedness Directorate	-	-	-	-	-	678,395	-	-	-	-	-	-
Preparedness: Office of Grants & Training	-	-	-	-	-	3,352,437	-	-	-	-	-	-
Mandatory, Fees, and Trust Fund	-	-	-	-	-	-	-	-	-	-	-	-
Discretionary Fees	-	-	5,735,162	6,863,104	7,063,136	7,978,765	9,465,797	9,528,715	10,179,438	9,682,403	10,271,646	11,308,307
Total	29,293,000	31,182,000	35,746,477	38,474,277	40,568,610	43,304,935	47,454,648	52,771,076	56,169,614	55,531,462	60,167,956	59,209,964
Total Less Mandatory, Fees, and Trust Fund (Discretionary)	29,293,000	31,182,000	30,011,315	31,911,173	33,805,474	35,326,170	37,988,851	43,242,361	42,456,615	42,206,179	46,381,144	44,348,575
Source	FY04 BIB, All FY05 BIB, p. 13	FY06 BIB, p. 15	FY07 BIB, p. 17	FY08 BIB, p. 19	FY09 BIB, p. 19	FY10 BIB, p. 21	FY11 BIB, p. 25	FY12 BIB, p. 25	FY13 BIB, p. 6	FY14 BIB, p. 7	FY15 BIB, p. 7	

Note: In Table, BIB stands for Budget-in-Brief with the full citation in Appendix E

**Total DHS Budget Request by Agency (FY02 –FY13)**

(in thousands)	FY04 Request	FY05 Request	FY06 Request	FY07 Request	FY08 Request	FY09 Request	FY10 Request	FY11 Request	FY12 Request	FY13 Request
Departmental Operations	264,000	405,000	664,672	674,791	683,189	752,593	904,673	1,270,821	947,231	812,978
Analysis and Operations (A&O)	-	-	-	298,663	314,681	335,521	357,345	347,930	355,368	321,982
Office of the Inspector General (OIG)	80,000	82,000	83,017	96,185	99,111	101,023	127,874	129,806	144,318	143,664
U.S. Customs and Border Protection (CBP)	6,740,000	6,199,000	6,725,010	7,846,681	10,174,114	10,941,231	11,436,917	11,180,018	11,845,678	11,979,454
U.S. Immigration and Customs Enforcement (ICE)	2,788,000	4,011,000	4,364,270	4,696,932	5,014,500	5,670,085	5,762,800	5,835,187	5,822,576	5,644,061
Transportation Security Administration (TSA)	4,812,000	5,297,000	5,561,792	6,299,462	6,401,178	7,101,828	7,793,576	8,164,780	8,115,259	7,644,585
U.S. Coast Guard (USCG)	6,789,000	7,471,000	8,146,912	8,422,075	8,775,088	9,346,022	9,955,663	10,078,317	10,338,545	9,966,651
U.S. Secret Service (USSS)	1,324,000	1,363,000	1,403,782	1,465,103	1,608,996	1,639,346	1,709,584	1,811,617	1,943,531	1,830,863
National Protection and Programs Directorate (NPPD)	-	-	-	-	1,046,567	1,286,100	1,958,957	2,361,715	2,555,449	2,518,778
Office of Health Affairs (OHA)	-	-	-	-	117,933	161,339	138,000	212,734	160,949	166,458
Federal Emergency Management Agency (FEMA)	5,963,000	4,844,000	5,365,288	5,326,882	5,824,204	6,566,794	6,612,287	6,527,406	6,218,433	10,659,504
FEMA: Grant Programs	-	-	-	-	2,196,000	2,200,000	3,867,000	4,000,590	3,844,663	2,900,212
U.S. Citizenship & Immigration Services (USCIS)	1,799,000	1,711,000	1,854,000	1,985,990	2,568,872	2,689,726	2,867,232	2,812,357	2,906,866	3,005,383
Federal Law Enforcement Training Center (FLETC)	146,000	196,000	223,998	244,556	263,056	274,126	288,812	278,375	276,413	298,324
Science & Technology Directorate (S&T)	803,000	1,039,000	1,368,446	1,002,271	799,100	868,837	968,391	1,018,264	1,176,432	831,472
Domestic Nuclear Detection Office (DNDO)	-	-	-	535,788	561,900	565,800	366,136	305,820	331,738	327,977
<i>Legacy Programs</i>										
Border & Transportation Security Under Secretary	18,100	10,000	10,617	-	-	-	-	-	-	-
Information Analysis & Infrastructure Protection Directorate (IAIP)	829,000	864,000	873,245	-	-	-	-	-	-	-
Office of Domestic Preparedness	3,558,000	3,561,000	-	-	-	-	-	-	-	-
Technology Investments	206,000	226,000	-	-	-	-	-	-	-	-
Counter-Terrorism Fund	40,000	20,000	10,000	-	-	-	-	-	-	-
US-VISIT	-	340,000	-	399,494	-	-	-	-	-	-
SLSCP	-	-	3,564,756	-	-	-	-	-	-	-
Biodefense	-	2,528,000	-	-	-	-	-	-	-	-
Office of Screening Coordination and Operations	-	-	846,913	3960	-	-	-	-	-	-
Preparedness Directorate	-	-	-	669,980	-	-	-	-	-	-
Preparedness: Office of Grants & Training	-	-	-	2,750,009	-	-	-	-	-	-
Mandatory, Fees, and Trust Fund			6,914,575	7,313,245	8,655,207	9,750,732	9,329,275	9,272,171	9,578,910	10,333,516
Discretionary Fees									4,180,357	3,756,720
Total	36,200,000	40,167,000	41,066,718	42,718,822	46,448,489	50,502,371	55,115,227	56,335,737	56,983,449	59,032,346
Total Less: Mandatory, Fees, and Trust Fund (Discretionary)	36,200,000	40,167,000	34,152,143	35,405,577	37,793,282	40,751,639	45,785,952	47,063,566	43,224,182	44,942,110
Source	FY04 BIB, All	FY05 BIB, p. 13	FY06 BIB, p. 15	FY07 BIB, p. 17	FY08 BIB, p. 19	FY09 BIB, p. 19	FY10 BIB, p. 19	FY11 BIB, p. 17	FY12 BIB, p. 21	FY13 BIB, p. 25

Note: In Table, BIB stands for Budget-in-Brief with the full citation in Appendix E



## **Appendix E – Data Sources for DHS Budget Authority and Budget Requests**

“Budget-in-Brief, FY2015.” Department of Homeland Security. Available electronically on November 17, 2014 at:

<http://www.dhs.gov/sites/default/files/publications/FY15BIB.pdf>.

“Budget-in-Brief, FY2014.” Department of Homeland Security. Available electronically on November 11, 2013 at:

<https://www.dhs.gov/sites/default/files/publications/MGMT/FY%202014%20BIB%20-%20FINAL%20-508%20Formatted%20%284%29.pdf>.

“Budget-in-Brief, FY2013.” Department of Homeland Security. Available electronically on November 11, 2013 at: <http://www.dhs.gov/xlibrary/assets/mgmt/dhs-budget-in-brief-fy2013.pdf>.

“Budget-in-Brief, FY2012.” Department of Homeland Security. Available electronically on November 11, 2013 at: <http://www.dhs.gov/xlibrary/assets/budget-bib-fy2012.pdf>.

“Budget-in-Brief, FY2011.” Department of Homeland Security. Available electronically on November 11, 2013 at: [http://www.dhs.gov/xlibrary/assets/budget\\_bib\\_fy2011.pdf](http://www.dhs.gov/xlibrary/assets/budget_bib_fy2011.pdf).

“Budget-in-Brief, FY2010.” Department of Homeland Security. Available electronically on November 11, 2013 at: [http://www.dhs.gov/xlibrary/assets/budget\\_bib\\_fy2010.pdf](http://www.dhs.gov/xlibrary/assets/budget_bib_fy2010.pdf).

“Budget-in-Brief, FY2009.” Department of Homeland Security. Available electronically on November 11, 2013 at: [http://www.dhs.gov/xlibrary/assets/budget\\_bib-fy2009.pdf](http://www.dhs.gov/xlibrary/assets/budget_bib-fy2009.pdf).

“Budget-in-Brief, FY2008.” Department of Homeland Security. Available electronically on November 11, 2013 at: [http://www.dhs.gov/xlibrary/assets/budget\\_bib-fy2008.pdf](http://www.dhs.gov/xlibrary/assets/budget_bib-fy2008.pdf).

“Budget-in-Brief, FY2007.” Department of Homeland Security. Available electronically on November 11, 2013 at: [http://www.dhs.gov/xlibrary/assets/Budget\\_BIB-FY2007.pdf](http://www.dhs.gov/xlibrary/assets/Budget_BIB-FY2007.pdf).

“Budget-in-Brief, FY2006.” Department of Homeland Security. Available electronically on November 11, 2013 at: [http://www.dhs.gov/xlibrary/assets/Budget\\_BIB-FY2006.pdf](http://www.dhs.gov/xlibrary/assets/Budget_BIB-FY2006.pdf).

“Budget-in-Brief, FY2005.” Department of Homeland Security. Available electronically on November 11, 2013 at: [http://www.dhs.gov/xlibrary/assets/FY\\_2005\\_BIB\\_4.pdf](http://www.dhs.gov/xlibrary/assets/FY_2005_BIB_4.pdf).

“Budget-in-Brief, FY2004.” Department of Homeland Security. Available electronically on November 11, 2013 at:

[http://www.dhs.gov/xlibrary/assets/FY\\_2004\\_BUDGET\\_IN\\_BRIEF.pdf](http://www.dhs.gov/xlibrary/assets/FY_2004_BUDGET_IN_BRIEF.pdf).

“Securing the Homeland, Strengthening the Nation, FY2003.” Department of Homeland Security. Available electronically on November 11, 2013 at:

[http://www.dhs.gov/xlibrary/assets/homeland\\_security\\_book.pdf](http://www.dhs.gov/xlibrary/assets/homeland_security_book.pdf).

## Appendix F – Full Data Dictionary

<u>Variables</u>	<u>Name</u>	<u>Defintion</u>	<u>Source</u>
ID	Identification	Sequentially Generated	User Generated
FISCYEAR	Fiscal Year	Year of the budget	DHS Budgets-in-Brief
AGENCY	Agency Name	The name of the agency within DHS	DHS Budgets-in-Brief
ENACT	Enacted Budget Authority	The amount enacted for the agency in the budget authority	DHS Budgets-in-Brief
REQUEST	Requested Budget Authority	The requested budget authority requested by the agency in budget cycle (e.g., two years prior to the current year)	DHS Budgets-in-Brief
DOLCHGE	Dollars change year-over-year	The change in year-over-year budget authority for the agency from the previous fiscal year in dollars	Calculation
PRCCHGE	Percent change in Year-over-Year Budget Authority	The percent change in year-over-year budget authority for the agency from the previous fiscal year	DHS Budgets-in-Brief
PRCCHGEP	Percent change in previous year's Budget Authority	The percent change in year-over-year budget authority for the agency IN the previous fiscal year	Calculation
PRCCHGRE	Percent change in Request compared to previous year authorization	The change in year-over-year budget request for the agency compared to the previous fiscal year's authorization	DHS Budgets-in-Brief
PRCCHGR	Percent change in Year-over-Year Request	The change in year-over-year budget request for the agency from the previous fiscal year	DHS Budgets-in-Brief

<b><u>Variables</u></b>	<b><u>Name</u></b>	<b><u>Defintion</u></b>	<b><u>Source</u></b>
PRCREQ	Percent of request enacted	The percent of the agency request that was enacted	Calculation
SALARY	Portion of the budget that pays for salaries	Portion of the budget that pays for salaries	DHS Budgets-in-Brief
DISCFEES	Discretionary Fees accounts	Amount of money in the budget authority that comes from fees established in the budget authority	DHS Budgets-in-Brief
MANFEES	Mandatory Accounts and Fees	Amount of money in the budget authority that comes from mandatory expenses	DHS Budgets-in-Brief
PERCFEE	Percent of Budget Authority that is comprised of Fees	Percent of Budget Authority that is comprised of Fees	Calculation
FTE	Number of FTEs	The number of FTEs for the year	DHS Budgets-in-Brief (2 years prior, except FY04 and FY03; one year prior)
BAFTE	BA per FTE	The total budget authority divided by the total number of FTEs	DHS Budgets-in-Brief
CHBAFTE	Change in BA per FTE	The year-over-year change in the Budget Authority per FTE	DHS Budgets-in-Brief
TOTDISC	Total discretionary spending	The total discretionary spending for the fiscal year	OMB Historical Tables: Table 5.6— BUDGET AUTHORITY FOR DISCRETIONARY PROGRAMS: 1976–2019

<b><u>Variables</u></b>	<b><u>Name</u></b>	<b><u>Defintion</u></b>	<b><u>Source</u></b>
DISCCH	Change in total discretionary spending	The change in year-over-year discretionary spending	OMB Historical Tables: Table 5.6—BUDGET AUTHORITY FOR DISCRETIONARY PROGRAMS: 1976–2019
DISNODEF	Non-Defense discretionary spending	The total discretionary spending without Defense outlays	OMB Historical Tables: Table 5.6—BUDGET AUTHORITY FOR DISCRETIONARY PROGRAMS: 1976–2019
DNDEFCH	Change in non-defense discretionary spending	The change in year-over-year discretionary spending without Defense outlays	OMB Historical Tables: Table 5.6—BUDGET AUTHORITY FOR DISCRETIONARY PROGRAMS: 1976–2019
DHSEN	DHS Budget Authority Enacted	The amount enacted for DHS in the budget authority	DHS Budgets-in-Brief
DHSENC	Change in DHS Budget Authority	The change in year-over-year DHS budget authority	DHS Budgets-in-Brief
DHSREQ	DHS Budget Authority Requested	The requested budget authority requested by DHS in budget cycle (e.g., two years prior to the current year)	DHS Budgets-in-Brief
DHSPRCR	DHS percent change in Year-over-Year Budget	The percent of the DHS request that was enacted	DHS Budgets-in-Brief
HOUEM	Percent of the House that is held by Democrats	Percent of the House that is held by Democrats in year budget should be passed (e.g., FY02 is 2001 composition)	Congressional Record

<u>Variables</u>	<u>Name</u>	<u>Defintion</u>	<u>Source</u>
PRESDEM	Democratic President	Republican = 0 and Democrat = 1 in the year the budget should have passed	Congressional Record
SPLTCONG	Split Congresss	Congress all the same party = 0; Congress not all the same party = 1	Congressional Record
DIVGOV	Divided Government	If one house varies from President = 1; If President and both houses the same party = 0	Congressional Record
GDPCHNG	Change in year-over-year GDP	The change in GDP for the year in which the fiscal year starts (e.g., FY02 starts in 2001, therefore it is the change for 2001 compared to 2000)	OECD Stat Extracts
APPROPD	Date the HS appropriation was passed	The date the Homeland Security Appropriations Bill was passed	<a href="http://thomas.loc.gov/home/approp/">http://thomas.loc.gov/home/approp/</a>
APPROPDV	Appropriation date variance	Variance from the date the HS Appropriations Bills was passed compared to 10/1 of FY; if CR, date final CR was passed	<a href="http://thomas.loc.gov/home/approp/">http://thomas.loc.gov/home/approp/</a>
AGMEDIA	Media references to the agency by name	Drawn from LexisNexis search of <i>The New York Times</i> , <i>The Washington Post</i> , and <i>The Wall Street Journal</i> for the fiscal year prior to the budget	LexisNexis
AGMEDCH	Change in year-over-year Media references	Using the AgMedia to determine the year-over-year change in media attention	LexisNexis
FIRSTY	First year of the agency	The agency is in its first year of existence = 1; The agency is not in its first year of existence = 0	DHS Budgets-in-Brief

<b><u>Variables</u></b>	<b><u>Name</u></b>	<b><u>Defintion</u></b>	<b><u>Source</u></b>
FIRST3	First three years of the agency	The agency is in one of its first three years of existence = 1; The agency is not in one of its first three years = 0	DHS Budgets-in-Brief
BIGS	Big Agency	Those agencies with over \$1 billion a year in budget authority	Calculation
DHSAB	Abnormal compared to DHS mean	Abnormal result calculated treating the DHS mean year-over-year change as the expected value	Calculation: PRCCHGE - 0.0670805597780451
NONINCL	Nonincremental change - Low threshold	Greater than 10 percent increase or decrease in year-over-year change = 1; null = 0	Calculation
NONINCH	Nonincremental change - High threshold	Greater than 20 percent increase or 15 percent decrease in year-over-year change = 1; null = 0	Calculation
ABDHSRE	Abnormal result compared to DHS mean (excl. 1st Year)	Calculated as two standard deviation or more away from the mean increase in DHS mean; greater than 0.163872649709262 or less than - 0.0297115301531721 =1; else = 0	Calculation

## **Appendix G – Interview Protocol**

### **Open-ended Interview Guide**

Interviews will be unstructured, open-ended, and conversational, and can be expected to vary considerably from one individual to the next. Interview protocols will be broadly defined, and in keeping with the recommendations of the inductive case study approach are expected to evolve as additional data is collected. Not every participant will discuss all the topics below, since the conversation will be guided by the interviewee's interests and preferences.

### **Introduction and Recording Consent**

The purpose of this discussion is to inform my doctoral dissertation on the factors impacting agency-level appropriations. Specifically, I am interested in your role in and observations of the appropriations process at [AGENCY] in your time with [ORGANIZATION]. I have collected a fair amount of data on the appropriation outcomes for [ICE/CBP] and I would like to discuss both your observations and some of the observations I see in the data.

Before we get started, would it be okay for me to record our conversation today for my own records? The interview will only be retained for the period of the study and will only be used by me in order to jog my memory of our conversation. Any direct quotations to be used in the dissertation or publications will be reviewed with you and can be anonymized within the research, if desired.

**RECORDING CONSENT: (After the recorder is started) Please confirm your consent to be recorded for this study. If any direct quotations are used I will share these quotations with you in advance and receive your consent again. If you would like to anonymize these quotations, we can certainly do that.**

### **Position**

Let's start by talking about your different roles within the federal government. In what parts of the government have you served and in what roles?

Now, specifically during [PERIOD OF EXPLORATION] what was your role with [ORGANIZATION]?

And in this role, how did you interact with the appropriations of [DHS/ICE/CBP]? Did you have a role in developing the agency appropriations request, the president's budget, the Congressional Appropriation, or something else?

### **Appropriations Trends for Last Ten Years (EXAMPLES)**



Over your years of experience with the federal budget, what trends have you seen?

What trends did you observe with the appropriations of the Department of Homeland Security (DHS)?

Were you working with DHS in the early days of the Department? (If yes) What did you observe in these early days? What strengths and challenges did you see for the Department in the early days?

How did the process evolve over the time you were working with the Department's appropriations?

### **Agency Specifics [ICE/CBP]**

Now, thinking specifically about the [ICE/CBP] appropriations, what were some of the unique aspects of the agency's appropriations?

Were there any unique elements of the process of working with that [ICE/CBP]?

What were some of the challenges for the agency at the time?

### **Appropriations Development**

As you were thinking about the [ICE/CBP] appropriations, can you describe how started of each appropriations cycle?

How did you use the previous year's appropriations? Did you start with some other baseline?

Did this process vary with different leadership in the [Department, White House, or Congress]?

From your perspective, what were the budgetary goals for the agency each year?

What were your goals for the [ICE/CBP] appropriations? Were these your goals or the goals you were directed to implement? [If the goals of others] How were these goals expressed to you?

[If Congress, OMB, CBO] What were some of the questions that you had about the agency's request?

As you were working with the [ICE/CBP] appropriations, did you ever consider the agency's self-reported performance metrics in your appropriations [development/review]? [If so] What metrics or signals were most important to you?

How did a change in these metrics change your view of the agency's appropriations – did an increase in performance suggest more funding/less funding and did a decrease in performance suggest more funding/less funding?

### **Relationships/Interactions**

Did you have a role in communicating the request to other stakeholders, and if so, who (OMB, the White House, Congress, CBO, the Department, Agencies, the Media)?

What role did the White House play in the [ICE/CBP] appropriations from your perspective?

What role did OMB play in the [ICE/CBP] appropriations from your perspective?

What role did Congress Members play in the [ICE/CBP] appropriations from your perspective? What Members in particular had an interest in the appropriations? Did these individuals have an increased status or stature within Congress?

What role did Congressional Staff play in the [ICE/CBP] appropriations from your perspective?

What role did the Media play in the [ICE/CBP] appropriations from your perspective?

What role did Interest Groups play in the [ICE/CBP] appropriations from your perspective?

### **Wrap up**

Reflecting on all the things discussed, are there any particular points to emphasize as “take away” messages about appropriations for [ICE/CBP]?

Thank you for your time today. I know you have a lot going on and I appreciate you taking the time to meet with me and discuss this important research question.

## Appendix H – Regression Output

### Regression 1

**. reg PRCCHGE PRCCHGRE**

Source	SS	df	MS	Number of obs	=	145
Model	363.90317	1	363.90317	F(1, 143)	=	1359.83
Residual	38.2682006	143	.267609795	Prob > F	=	0.0000
				R-squared	=	0.9048
				Adj R-squared	=	0.9042
Total	402.17137	144	2.79285674	Root MSE	=	.51731

PRCCHGE	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
PRCCHGRE	1.21687	.0329991	36.88	0.000	1.151641	1.282099
_cons	-.0484365	.0436868	-1.11	0.269	-.1347919	.0379189

### Regression 2

**. reg PRCCHGE PRCCHGRE PERCFEE**

Source	SS	df	MS	Number of obs	=	145
Model	364.103075	2	182.051538	F(2, 142)	=	679.08
Residual	38.0682952	142	.268086586	Prob > F	=	0.0000
				R-squared	=	0.9053
				Adj R-squared	=	0.9040
Total	402.17137	144	2.79285674	Root MSE	=	.51777

PRCCHGE	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
PRCCHGRE	1.219418	.0331601	36.77	0.000	1.153867	1.28497
PERCFEE	.1430285	.1656334	0.86	0.389	-.1843974	.4704545
_cons	-.0743051	.0530034	-1.40	0.163	-.1790828	.0304726

### Regression 3

```
. reg PRCCHGE PRCCHGRE PERCFEE DISNODEF
```

Source	SS	df	MS	Number of obs	=	145
Model	364.118413	3	121.372804	F(3, 141)	=	449.73
Residual	38.0529576	141	.269879132	Prob > F	=	0.0000
				R-squared	=	0.9054
				Adj R-squared	=	0.9034
Total	402.17137	144	2.79285674	Root MSE	=	.5195

PRCCHGE	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
PRCCHGRE	1.220158	.0334151	36.52	0.000	1.154099	1.286217
PERCFEE	.1456445	.1665481	0.87	0.383	-.1836098	.4748987
DISNODEF	1.01e-10	4.24e-10	0.24	0.812	-7.38e-10	9.40e-10
_cons	-.1284945	.2334485	-0.55	0.583	-.5900062	.3330171

### Regression 4

```
. . reg PRCCHGE PRCCHGRE PERCFEE DISNODEF GDPCHNG
```

Source	SS	df	MS	Number of obs	=	145
Model	364.243966	4	91.0609915	F(4, 140)	=	336.13
Residual	37.9274045	140	.270910032	Prob > F	=	0.0000
				R-squared	=	0.9057
				Adj R-squared	=	0.9030
Total	402.17137	144	2.79285674	Root MSE	=	.52049

PRCCHGE	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
PRCCHGRE	1.22052	.0334831	36.45	0.000	1.154322	1.286718
PERCFEE	.1474825	.1668878	0.88	0.378	-.1824636	.4774285
DISNODEF	-7.43e-11	4.97e-10	-0.15	0.881	-1.06e-09	9.08e-10
GDPCHNG	-1.384387	2.033557	-0.68	0.497	-5.404838	2.636065
_cons	.0168416	.3166753	0.05	0.958	-.6092426	.6429257

## Regression 5

```
. reg PRCCHGE PRCCHGRE PERCFEE DISNODEF HOUDEM
```

Source	SS	df	MS	Number of obs	=	145
Model	364.12788	4	91.0319701	F(4, 140)	=	335.00
Residual	38.0434899	140	.271739214	Prob > F	=	0.0000
				R-squared	=	0.9054
				Adj R-squared	=	0.9027
Total	402.17137	144	2.79285674	Root MSE	=	.52129

PRCCHGE	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
PRCCHGRE	1.220258	.0335344	36.39	0.000	1.153959	1.286558
PERCFEE	.1452886	.167132	0.87	0.386	-.1851403	.4757175
DISNODEF	1.27e-10	4.47e-10	0.28	0.777	-7.58e-10	1.01e-09
HOUDEM	-.153926	.8246439	-0.19	0.852	-1.784291	1.476439
_cons	-.0644887	.4152804	-0.16	0.877	-.8855203	.7565429

## Regression 6

```
. reg PRCCHGE PRCCHGRE PERCFEE DISNODEF AGMEDCH
```

Source	SS	df	MS	Number of obs	=	97
Model	.388790413	4	.097197603	F(4, 92)	=	6.91
Residual	1.29326897	92	.014057271	Prob > F	=	0.0001
				R-squared	=	0.2311
				Adj R-squared	=	0.1977
Total	1.68205938	96	.017521452	Root MSE	=	.11856

PRCCHGE	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
PRCCHGRE	.4794777	.1028674	4.66	0.000	.2751742	.6837812
PERCFEE	.0557112	.043115	1.29	0.200	-.029919	.1413414
DISNODEF	1.16e-10	1.22e-10	0.94	0.348	-1.28e-10	3.59e-10
AGMEDCH	.020899	.0121719	1.72	0.089	-.0032754	.0450735
_cons	-.0519871	.0677738	-0.77	0.445	-.1865917	.0826175

## Regression 7

```
. reg PRCCHGE PRCCHGRE PERCFEE DISNODEF FY04DUM FY05DUM FY06DUM FY07DUM FY08DUM FY09DUM
> M FY10DUM FY11DUM FY12DUM FY13DUM FEMAD ICED TSAD USCGD USCISD USSSD NPPDD OPSD AOD
> OIGD OHAD FEMAGD FLETCD SCITD DNDOD
```

note: FY04DUM omitted because of collinearity

note: FY09DUM omitted because of collinearity

Source	SS	df	MS	Number of obs	=	145
Model	371.301985	26	14.2808456	F(26, 118)	=	54.59
Residual	30.8693857	118	.261604964	Prob > F	=	0.0000
				R-squared	=	0.9232
				Adj R-squared	=	0.9063
Total	402.17137	144	2.79285674	Root MSE	=	.51147

PRCCHGE	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
PRCCHGRE	1.243495	.0367512	33.84	0.000	1.170717	1.316272
PERCFEE	1.172493	.5856226	2.00	0.048	.0128011	2.332185
DISNODEF	-2.11e-10	5.39e-10	-0.39	0.696	-1.28e-09	8.56e-10
FY04DUM	0	(omitted)				
FY05DUM	-.3956333	.1941345	-2.04	0.044	-.7800724	-.0111942
FY06DUM	-.1207736	.2073312	-0.58	0.561	-.5313458	.2897987
FY07DUM	-.1583334	.2009302	-0.79	0.432	-.55623	.2395632
FY08DUM	-.2564454	.1786223	-1.44	0.154	-.6101662	.0972754
FY09DUM	0	(omitted)				
FY10DUM	-.0922993	.1699957	-0.54	0.588	-.4289371	.2443385
FY11DUM	-.1945212	.1775304	-1.10	0.275	-.5460798	.1570374
FY12DUM	-.1377843	.1738133	-0.79	0.430	-.4819818	.2064133
FY13DUM	-.1354975	.171924	-0.79	0.432	-.4759538	.2049589
FEMAD	-.3340207	.2959285	-1.13	0.261	-.9200396	.2519983
ICED	.0367166	.2289934	0.16	0.873	-.4167527	.490186
TSAD	-.2183523	.2617698	-0.83	0.406	-.7367278	.3000232
USCGD	.0280697	.2289788	0.12	0.903	-.4253707	.4815102
USCISD	-.8547075	.5139251	-1.66	0.099	-1.872419	.1630041
USSSD	.0356015	.2288265	0.16	0.877	-.4175373	.4887403
NPPDD	-.5509175	.2306769	-2.39	0.019	-1.007721	-.0941143
OPSD	.3548544	.248517	1.43	0.156	-.137277	.8469857
AOD	.1533689	.2691301	0.57	0.570	-.3795819	.6863197
OIGD	.20304	.2451437	0.83	0.409	-.2824113	.6884913
OHAD	-.3947774	.2900424	-1.36	0.176	-.9691404	.1795855
FEMAGD	.2679051	.2814872	0.95	0.343	-.2895161	.8253263
FLETCD	.3042487	.2452399	1.24	0.217	-.181393	.7898903
SCITD	.1530465	.2451207	0.62	0.534	-.3323593	.6384523
DNDOD	.1548146	.2814304	0.55	0.583	-.4024942	.7121233
_cons	.0462405	.4024329	0.11	0.909	-.7506862	.8431672

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