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Strengthening Strategic Planning and Management at DHS

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RAND Office of External Affairs

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The RAND Corporation

Strengthening Strategic Planning and Management at DHS²

**Before the Committee on Homeland Security
Subcommittee on Oversight and Management Efficiency
United States House of Representatives**

April 26, 2013

Congress has given the Department of Homeland Security (DHS) a complex set of five missions to meet the evolving challenges faced by our country³:

- Prevent terrorism and enhance security
- Secure and manage borders
- Enforce and administer immigration laws
- Safeguard and secure cyberspace
- Ensure resilience to disasters

The recent Government Accountability Organization (GAO) report on government fragmentation, overlap, and duplication is the latest critique to question the Department's effectiveness and efficiency in implementing these missions.⁴ The report cites inefficiencies and waste across a range of DHS activities, such as airline passenger and baggage screening, border security, and preparedness grant programs.

Though troubling in a period where budgets are lean, the waste in programs like these is a symptom of a larger problem at DHS. DHS programs too frequently lack strategic guidance, do

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² This testimony is available for free download at <http://www.rand.org/pubs/testimonies/CT387.html>.

³ These missions were most clearly outlined in two DHS documents: the Quadrennial Homeland Security Review (released in 2010) and the Department of Homeland Security Strategic Plan Fiscal Years 2012–2016 (released in 2012).

⁴ GAO (2013). *2013 Annual Report: Actions Needed to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits*, U.S. Government Accountability Office, Washington, D.C.

not result from implementation that reflects choices and priorities to achieve desired outcomes, and suffer inadequate evaluation.⁵

Strengthening the Department's strategic planning and program management is essential if DHS is to implement effective, integrated solutions that enable the nation's desired capabilities across the five DHS missions. DHS programs should be supported with early and thorough strategic planning that outlines desired outcomes. Resources should be directed toward activities that most effectively and efficiently achieve these desired outcomes. Programs should be subjected to evaluation to ensure progress is made toward those outcomes or to guide adjustments to the program.

While the Department has established goals to put processes in place to implement the required strategic planning and management capabilities, success depends on Congress and DHS working together to

- implement greater transparency for strategic planning, program implementation, and evaluation efforts conducted by and for the Department
- develop a stable, well-resourced cadre of personnel within DHS to conduct analysis and support decisionmaking
- streamline Congressional oversight of the Department's activities.

A brief review of the DHS's progress in its first ten years and challenges ahead provide insight into why these steps are critical and what is involved in completing them.

Confronting Future Homeland Security Challenges

On March 1, 2003, 22 independent agencies joined together to form the Department of Homeland Security as the newest cabinet-level agency.⁶ Now, ten years later and in the wake of last week's tragedies in Boston, it is prudent to assess the status of Department and consider what the most pressing steps should be to continue the Department's progress.

⁵ As an example, consider observations about DHS acquisition management provided by Jeffrey Drezner and Andrew Morral in *Reducing the Cost and Risk of Major Acquisitions at the Department of Homeland Security* (2013), PE-105, RAND Corporation, Santa Monica, CA.

⁶ Secretary Janet Napolitano (2013, February 26). *The Evolution and Future of Homeland Security*, Third Annual Address on the State of Homeland Security, Washington, D.C.

Arguably the Department's most notable organizational accomplishment has been developing the ability to respond as a unified, coordinated organization, as exemplified in the response to Hurricane Sandy. In October and November of 2012, DHS⁷

- coordinated emergency plans with partners at all levels of government
- deployed close to 10,000 personnel from across FEMA, the Transportation Security Administration, United States Citizenship and Immigration Services, Coast Guard, Secret Service, Customs and Border Protection, Immigration and Customs Enforcement, and DHS Headquarters
- kept private-sector partners connected and informed through the National Business Emergency Operations Center daily calls
- distributed more than \$700 million to the more than 400,000 disaster survivors from Connecticut, New York, and New Jersey who applied for individual assistance support.

The Department's integrated response capabilities provide a foundation for keeping the nation safe and secure, but the strategic environment within which the Department is operating remains filled with complex challenges. For example,

- Hurricane Sandy reminded us that old assumptions about where and how frequently natural disasters occur may no longer be valid, and indeed place critical infrastructure at risk.
- As Congress debates immigration reform, the Department may find itself overhauling border security operations, workplace enforcement, and administration of visa policies.
- The more we learn about cyber threats to financial networks, control system software, and intellectual property, the more it becomes evident that we need new strategy, doctrine, and standards for securing cyberspace.
- Revelations about the motivations behind the terrorist attacks in Boston underscore the importance of countering the variety of threats from home-grown radicalization, transnational crime, and terrorism networks.
- While the global community reacts to nuclear ambitions of Iran and North Korea, at home we must consider how to protect the country from nuclear terrorism in a period of possible expanded proliferation.

⁷ For more details, refer to *Hurricane Sandy: Timeline*, available online at <http://www.fema.gov/hurricane-sandy-timeline> as of April 21, 2013.

When the challenges are great and resources limited, good strategic planning is critically important. Three factors make assessing the risks from these many sources difficult and strategic planning all the more essential to DHS's ability to fulfill its multiple missions.

- 1. The threats themselves are poorly understood.** Consider for example, how much will the sea level rise? How might nuclear terrorism occur? Or, what are the threats to the United States in the cyber domain and what are their associated risks? The variety and ambiguity of threats to consider requires careful scoping of scenarios and data-driven analysis to define and assess the range of conditions the Department must be prepared to address.⁸
- 2. The consequences of these threats and means to mitigate or prevent them affect the nation in many ways.** For example, hurricanes Katrina and Rita killed people and destroyed property. Levees can reduce both of these risks. But, levees also exacerbate poor sediment management and thus can harm unprotected farmland and fisheries in nearby areas.⁹ Furthermore, failure to build community resilience can deepen and prolong the economic disruptions that follow disasters.¹⁰ Solutions must balance efforts to address each of these outcomes.
- 3. Solutions require multiple capabilities and thus integrated planning among multiple DHS component agencies.** The desired capabilities to protect the nation against a diversity of threats do not reside in any single organization within DHS. Thus, choices must be made about how to allocate resources across DHS to most effectively solve problems of national concern.

Overcoming these challenges to implement solutions to complex threats requires setting priorities about which threats are most concerning, which outcomes are most important, and how resources can be best used to implement the desired balance across both threats and outcomes. For example, preventing illegal migration requires choices among expenditures on fences and barriers; air, sea, and land surveillance; security at ports of entry; workplace enforcement; and administering immigration and visa policies. These choices will certainly lead to shifting of

⁸ For further discussion refer to Treverton, Gregory F. (2009). *Addressing "Complexities" in Homeland Security*. Center for Asymmetric Threat Studies, The Swedish National Defence College, Elanders, Vällingby.

⁹ A description of how these issues were managed in Louisiana is available in the *Louisiana's 2012 Coastal Master Plan*, produced by the Louisiana Coastal Protection and Restoration Authority, Baton Rouge, LA.

¹⁰ For more discussion see Chandra A., J. Acosta, S. Stern, L. Uscher-Pines, M. V. Williams, D. Yeung, J. Garnett, L.S. Meredith (2011). *Building Community Resilience to Disasters: A Way Forward to Enhance National Security*, TR-915-DHHS, RAND Corporation, Santa Monica, CA.

resources among component agencies. In doing so, DHS will simultaneously have to ensure that these resource choices do not unduly harm other enduring missions, such as helping communities recover from floods or other disasters, collecting duties on imports, or protecting the President of the United States.¹¹

Too frequently, important decisions at DHS are not made with the benefit of rigorous analysis. For example, a GAO review of 71 DHS major acquisition programs documented that 88 percent proceeded past acquisition review of the DHS Investment Review Board without the documented planning analyses required by DHS Policy.¹²

In summary, meeting complex security challenges in the future requires more than just unified action from DHS. For the Department to continue its growth it must complement the proven ability to respond as a unified organization with the ability to develop integrated plans that set priorities, direct resources to programs and activities to achieve outcomes consistent with these priorities, and conduct evaluations to ensure these outcomes are realized.

Keys to Implementing Integrated Strategic Planning at DHS

DHS currently has efforts underway that are consistent with the goal of developing capabilities to integrate Department-wide strategic planning into decisionmaking about priorities and budgets. Among these are both the implementation of the Integrated Investment Life Cycle Model (known as the IILCM) to improve management of acquisition across the Department as well as the ongoing analysis to support the Department's second Quadrennial Homeland Security Review, due to Congress on December 31, 2013. While these initiatives point the Department in the right direction, success is not assured unless DHS addresses three related issues:

- Increasing transparency surrounding strategic planning and analysis
- Strengthening internal analytic capabilities to support strategic planning
- Simplifying congressional oversight

¹¹ For a discussion of identifying objectives and performance measures refer to Willis H. H., J. B. Predd, P. K. Davis, W. Brown (2010). *Measuring the Effectiveness of Border Security Between Ports-of-Entry*, TR-837-DHS, RAND Corporation, Santa Monica, CA.

¹² See *Homeland Security: DHS Requires More Disciplined Investment Management to Help Meet Mission Needs* (2012, September 18). GAO-12-833, Washington, D.C.

Increasing Transparency Surrounding Strategic Planning and Analysis

Arguably the most important way DHS could improve strategic planning is by increasing the transparency that surrounds the supporting analysis done by and for the Department. Naturally, efforts to increase transparency must pay close attention to protecting information that is security sensitive, could reveal information that could favor some firms over others in the government acquisition process, or could risk revealing personally identifiable information. As will be described subsequently, there is a great deal in the way of analysis that can be done within these constraints.

However, adopting a position of greater transparency involves adopting the expectation that analysis will be shared as a rule rather than as an exception. If this goal is adopted, there are several simple actions DHS could take consistently to improve the transparency of its strategic planning, including

- subjecting analysis and analytic methods to independent peer review
- developing procedures for making data sets available for analysis across DHS and within academia
- implementing processes to use analysis within deliberations about strategies, policies, and regulations with partners across federal and local government (such meetings already occur regularly) and also to stakeholders among the private sector and public (which can be done more regularly).

Since greater transparency is key to strengthening strategic planning and analysis, I'll return to this topic later in my testimony to explain its benefits, as well as the myths that prevent more widespread adoption.

Strengthening Internal Analytic Capabilities to Support Strategic Planning

To succeed in conducting strategic planning and implementing the results, DHS must have analytic capabilities within the Department. To provide an integrated view for the Department, analytic capability must exist in support of the Secretary. To support leadership decisionmaking, the capability must have stable resources so that analysis can draw on knowledge of missions, datasets, and the analytic agenda that has developed over the recent past.

Currently, strategic planning and analysis is being conducted across many parts of DHS, with a substantial portion of activity residing within the component agencies. Analytic capability within the components is necessary and appropriate, but is not a substitute for support to the Secretary. Integrated planning at the Department level requires analysis that is independent of the interests of any one component.

Analytic capability in support of the Secretary has historically resided in several places but has never been stable. For example, within the DHS Office of Policy, the Office of Strategy, Planning, Analysis, and Risk has responsibilities for both developing strategic planning processes and conducting analysis decisionmaking by DHS leadership. Yet, another place where analytic capability has existed within DHS is the Division of Program Analysis and Evaluation with the Office of the Chief Financial Officer. Similar complementary capabilities have existed or could be developed within the Management Directorate or Science and Technology Directorate. In all cases, these analytic cells have experienced periods of high turnover or possible reductions in funding when DHS is faced with pressure to direct more effort to operations.

As a result, it is clear that sustained internal analytic capability requires more than Congress ensuring stable and adequate funding. It also requires that DHS create and foster analytic career paths across DHS that allow individuals opportunity for growth. Two strategies could support development of such careers. First, increased transparency of analysis could increase interest among analysts in working on DHS strategic planning. Second, deliberate personnel development strategies could include cross-Department assignments. It would be these assignments that could allow analysts to gain firsthand experiences with missions across the various component agencies that later helps them answer questions posed by DHS leadership and Congress.

Simplifying Congressional Oversight

The purpose of strategic planning is to ensure that DHS uses resources provided by Congress in a way that reflects national priorities. The current oversight structure that DHS must operate within denies the Department a clear voice from Congress about what those priorities should be.

The abundant Congressional oversight of the Department has been widely cited yet remains an obstacle to efficient management. As you know, DHS answers to 108 congressional committees and subcommittees, about four times as many as the departments of State and Justice

combined.¹³ In contrast, the Department of Defense reports to about one-third the number of committees for a budget that is approximately ten times larger than DHS's.¹⁴ This oversight leads to thousands of requests for briefings and hundreds of requests for testimony each year, as well as multiple perspectives on what issues before DHS are the most pressing.¹⁵

The prospect of asking some committees to cede oversight of DHS to other committees raises difficult political questions. However, these discussions are more than justified at this ten-year point in the Department's existence, and could yield potential benefits. Consolidating jurisdiction over the Department into fewer committees would make it easier for the Department to work with Congress to develop priorities and respond quickly and efficiently to oversight requests.

How Greater Transparency Will Improve DHS Strategic Planning

GAO and the National Academies are two among many organizations that have identified possible areas where DHS suffers fragmentation or inefficiency. Often, the critiques stem from incomplete or missing analysis. In turn, these critiques lead to additional oversight and requests, and requests for information from Congress. When responses to these requests do not meet the satisfaction of Congress, the result is erosion of confidence in the management of DHS programs. This, in turn, prompts additional reviews and the cycle of criticism, requests, and unmet expectations continues. Increased transparency can help DHS break this cycle.

When analysis is made available, the analysis promotes more complete deliberations about what the facts are and the subsequent use of those facts in decisionmaking. When analysis is subjected to review, its quality improves because data, assumptions, and logic are evaluated under a wider set of considerations. When data and analysis are open to deliberations, the result can be new ideas and innovative approaches to solving problems—a natural result when more people are aware of problems and have access to facts and figures concerning those problems.

Despite the promise of transparency, in practice implementation is stunted by two myths.

¹³ Alicia Caldwell (2011, May 17). *DHS Most Overseen Department*, Associated Press.

¹⁴ Jessica Zuckerman (2012, September 10). *Politics Over Security: Homeland Security Congressional Oversight In Dire Need of Reform*, Heritage Foundation.

¹⁵ Bipartisan Policy Center (2011). *Tenth Anniversary Report Card: The Status of the 9/11 Commission Recommendations*, Washington, D.C.

Myth #1: “Transparency of DHS analysis will compromise security or privacy”

Certainly concerns about security and privacy warrant careful attention. However, other organizations within the national security and intelligence community have developed procedures and policies that allow for transparency of highly classified material. The Military Operations Research Society was established to provide defense analysts an opportunity to share and discuss classified work. The National Academy of Sciences, the JASON advisory group, the Defense Science Board, and RAND Corporation have found that significant analysis of national security topics can be conducted outside of restrictions of classification. And, when security concerns dictate greater limitations, organizations like these have successfully implemented peer-review processes for classified studies.

Furthermore, even when specific estimates are classified, often the methodology, assumptions, and other general features of the problem can be discussed and debated in unclassified settings. In some cases, data can be made available in ways that limit the risk of disclosure of sensitive or personally identifiable information, so that others across and outside of the Department have the opportunity to study the problems that DHS is trying to solve. In this realm, it is critical that research adheres strictly to policies and procedures to protect sensitive information and the rights of human subjects in a research setting. However, approaches used in topics related to the study of education, social security, and health care all provide potential analogies.

These steps could bring the combined resources of our nation’s universities to bear on Homeland Security planning challenges. Beyond adding some of the best minds in the nation to the cadre of analysts working on these issues within DHS, increased dissemination of planning analyses is likely to foster a new generation of students with the knowledge and skills needed to enter the DHS workforce and offer important new innovations to its strategic plans and other analytic products.

Myth #2: “Government can’t test new ideas under a microscope”

The origin of this myth rests in the belief that the combination of public interest, vested interests, and costs of complying with requests for oversight together lead policymakers to be conservative about exploring new policy ideas and proposals (and thus not innovate) unless they are provided a shelter from the perceived penalties of this type of review. Agencies claim that increased transparency would remove this shelter, and this inhibits innovation.

In practice, there is some truth to these concerns. However, consider the alternative: purported innovation without the benefit of fresh ideas and constructive criticism of new proposals. Transparency can engender both fresh ideas and constructive criticism, and new ideas that are born from such a process are arguably better positioned to weather critiques. Thus, DHS would be better served by increased transparency.

Summary

Clearly, DHS's first decade was one marked with challenges, mistakes, and growth. The challenges to the nation that the Department is responsible for addressing in the near future are strikingly complex. Moreover, as the recent GAO report on fragmentation and duplication indicates, the Department has plenty of room to continue maturing as an organization. If DHS is to step up to these challenges, both the Department and Congress should work together to institute a new approach to greater use of integrated strategic planning that incorporates strengthening the Department's internal analytic capabilities, greater transparency surrounding analysis and the data supporting it, and (to the extent possible) simplified Congressional oversight of DHS.