

DHS HEADQUARTERS REFORM AND IMPROVEMENT ACT
OF 2015

OCTOBER 20, 2015.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. McCAUL, from the Committee on Homeland Security,
submitted the following

R E P O R T

[To accompany H.R. 3572]

[Including cost estimate of the Congressional Budget Office]

The Committee on Homeland Security, to whom was referred the bill (H.R. 3572) to amend the Homeland Security Act of 2002 to reform, streamline, and make improvements to the Department of Homeland Security and support the Department's efforts to implement better policy, planning, management, and performance, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

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The amendment is as follows:
Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “DHS Headquarters Reform and Improvement Act of 2015”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is the following:

Sec. 1. Short title; table of contents.

TITLE I—DEPARTMENT OF HOMELAND SECURITY HEADQUARTERS REAUTHORIZATION

Sec. 101. Definitions.
Sec. 102. Headquarters components.
Sec. 103. Chief Privacy Officer.
Sec. 104. Office of Policy.
Sec. 105. Quadrennial homeland security review.
Sec. 106. Future years homeland security program.
Sec. 107. Management and execution.
Sec. 108. Chief Financial Officer.
Sec. 109. Chief Procurement Officer.
Sec. 110. Chief Information Officer.
Sec. 111. Chief Human Capital Officer.
Sec. 112. Chief Security Officer.
Sec. 113. Cost savings and efficiency reviews.
Sec. 114. Field efficiencies plan.
Sec. 115. Resources to respond to operational surges.
Sec. 116. Department of Homeland Security rotation program.

TITLE II—DHS ACQUISITION ACCOUNTABILITY AND EFFICIENCY

Sec. 201. Definitions.
Sec. 202. Prohibition on additional authorization of appropriations.

Subtitle A—Acquisition Authorities

Sec. 211. Acquisition authorities for Under Secretary for Management.
Sec. 212. Acquisition authorities for Chief Financial Officer.
Sec. 213. Acquisition authorities for Chief Information Officer.
Sec. 214. Requirements to ensure greater accountability for acquisition programs.

Subtitle B—Acquisition Program Management Discipline

Sec. 221. Acquisition Review Board.
Sec. 222. Requirements to reduce duplication in acquisition programs.
Sec. 223. Government Accountability Office review of Board and of requirements to reduce duplication in acquisition programs.
Sec. 224. Excluded Party List System waivers.
Sec. 225. Inspector General oversight of suspension and debarment.

Subtitle C—Acquisition Program Management Accountability and Transparency

Sec. 231. Congressional notification and other requirements for major acquisition program breach.
Sec. 232. Multiyear acquisition strategy.
Sec. 233. Acquisition reports.
Sec. 234. Government Accountability Office review of multiyear acquisition strategy.
Sec. 235. Office of Inspector General report.

TITLE I—DEPARTMENT OF HOMELAND SECURITY HEADQUARTERS REAUTHORIZATION

SEC. 101. DEFINITIONS.

Section 2 of the Homeland Security Act of 2002 is amended—

(1) by redesignating paragraphs (13) through (18) as paragraphs (15) through (20);

(2) by redesignating paragraphs (9) through (12) as paragraphs (10) through (13);

(3) by inserting after paragraph (8) the following:

“(9) The term ‘homeland security enterprise’ means relevant governmental and nongovernmental entities involved in homeland security, including Federal, State, local, and tribal government officials, private sector representatives, academics, and other policy experts.”; and

(4) by inserting after paragraph (13), as so redesignated, the following:

“(14) The term ‘management integration and transformation’—

“(A) means the development of consistent and consolidated functions for information technology, financial management, acquisition management, and human capital management; and

“(B) includes governing processes and procedures, management systems, personnel activities, budget and resource planning, training, real estate management, and provision of security, as they relate to functions cited in subparagraph (A).”.

SEC. 102. HEADQUARTERS COMPONENTS.

(a) IN GENERAL.—Section 102 of the Homeland Security Act of 2002 (6 U.S.C. 112) is amended—

(1) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking “through the Office of State and Local Coordination (established under section 801)” and inserting “through the Office of Partnership and Engagement”;

(B) in paragraph (2), by striking “and” after the semicolon at the end;

(C) in paragraph (3), by striking the period and inserting “; and”; and

(D) by adding at the end the following:

“(4) entering into agreements with governments of other countries, in consultation with the Secretary of State, and international nongovernmental organizations in order to achieve the missions of the Department.”; and

(2) by adding at the end the following:

“(h) HEADQUARTERS.—

“(1) COMPONENTS.—The Department Headquarters shall include the following:

“(A) The Office of the Secretary.

“(B) The Office of the Deputy Secretary.

“(C) The Executive Secretariat.

“(D) The Management Directorate, including the Office of the Chief Financial Officer.

“(E) The Office of Policy.

“(F) The Office of General Counsel.

“(G) The Office of the Chief Privacy Officer.

“(H) The Office of Civil Rights and Civil Liberties.

“(I) The Office of Operations and Coordination and Planning.

“(J) The Office of Intelligence and Analysis.

“(K) The Office of Legislative Affairs.

“(L) The Office of Public Affairs.

“(2) FUNCTIONS.—The Secretary, through the Headquarters, shall—

“(A) establish the Department’s overall strategy for successfully completing its mission;

“(B) establish initiatives that improve performance Department-wide;

“(C) establish mechanisms to ensure that components of the Department comply with Headquarters policies and fully implement the Secretary’s strategies and initiatives and require the head of each component of the Department and component chief officers to comply with such policies and implement such strategies and initiatives;

“(D) establish annual operational and management objectives to determine the Department’s performance;

“(E) ensure that the Department successfully meets operational and management performance objectives through conducting oversight of component agencies;

“(F) ensure that the strategies, priorities, investments, and workforce of Department agencies align with Department objectives;

“(G) establish and implement policies related to Department ethics and compliance standards;

“(H) manage and encourage shared services across Department components;

“(I) lead and coordinate interaction with Congress and other external organizations; and

“(J) carry out other such functions as the Secretary determines are appropriate.”.

(b) ABOLISHMENT OF DIRECTOR OF SHARED SERVICES.—

(1) ABOLISHMENT.—The position of Director of Shared Services is abolished.

(2) CONFORMING AMENDMENT.—Section 475 of the Homeland Security Act of 2002 (6 U.S.C. 295), and the item relating to such section in the table of contents in section 1(b) of such Act, are repealed.

(c) ABOLISHMENT OF THE OFFICE OF COUNTERNARCOTICS ENFORCEMENT.—

(1) ABOLISHMENT.—The Office of Counternarcotics Enforcement is abolished.

(2) CONFORMING AMENDMENTS.—The Homeland Security Act of 2002 is amended—

(A) by repealing section 878 (6 U.S.C. 112), and the item relating to that section in the table of contents in section 1(b) of such Act; and

(B) in subparagraph (B) of section 843(b)(1) (6 U.S.C. 413(b)(1)), by striking “by—” and all that follows through the end of that subparagraph and inserting “by the Secretary; and”.

SEC. 103. CHIEF PRIVACY OFFICER.

(a) IN GENERAL.—Section 222 of the Homeland Security Act of 2002 (6 U.S.C. 142) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1)—

(i) by inserting “to be the Chief Privacy Officer of the Department,” after “in the Department.”; and

(ii) by striking “, to assume” and inserting “and who shall have”;

(B) by amending paragraph (6) to read as follows:

“(6) preparing a report to Congress on an annual basis on—

“(A) activities of the Department that affect privacy, including complaints of privacy violations, implementation of section 554 of title 5, United States Code (popularly known as the Privacy Act of 1974), internal controls, and other matters; and

“(B) the number of new technology programs implemented in the Department each fiscal year, the number of those programs that the Chief Privacy Officer has evaluated to ensure that privacy protections are considered and implemented, the number of those programs that effectively implemented privacy protections into new technology programs, and an explanation of why any new programs did not effectively implement privacy protections.”;

(3) by redesignating subsections (b) through (e) as subsections (c) through (f); and

(4) by inserting after subsection (a) the following:

“(b) ADDITIONAL RESPONSIBILITIES.—In addition to the responsibilities under subsection (a), the Chief Privacy Officer shall—

“(1) develop guidance to assist components of the Department in developing privacy policies and practices;

“(2) establish a mechanism to ensure such components are in compliance with Federal, regulatory, statutory, and the Department’s privacy requirements, mandates, directives, and policy;

“(3) work with the Chief Information Officer of the Department to identify methods for managing and overseeing the Department’s records, management policies, and procedures;

“(4) work with components and offices of the Department to ensure that information sharing activities incorporate privacy protections;

“(5) serve as the Department’s central office for managing and processing requests related to section 552 of title 5, United States Code, popularly known as the Freedom of Information Act;

“(6) develop public guidance on procedures to be followed when making requests for information under section 552 of title 5, United States Code;

“(7) oversee the management and processing of requests for information under section 552 of title 5, United States Code, within Department Headquarters and relevant Department component offices;

“(8) identify and eliminate unnecessary and duplicative actions taken by the Department in the course of processing requests for information under section 552 of title 5, United States Code; and

“(9) carry out such other responsibilities as the Secretary determines are appropriate, consistent with this section.”; and

(5) by adding at the end the following:

“(g) REASSIGNMENT OF FUNCTIONS.—The Secretary may reassign the functions related to managing and processing requests for information under section 552 of title 5, United States Code, to another officer within the Department, consistent with requirements of that section.”.

SEC. 104. OFFICE OF POLICY.

(a) IN GENERAL.—The Homeland Security Act of 2002 (6 U.S.C. 101 et seq.) is amended by—

(1) redesignating section 601 as section 890B, and transferring that section to appear immediately after section 890A; and

(2) striking the heading for title VI and inserting the following:

“TITLE VI—POLICY AND PLANNING

“SEC. 601. OFFICE OF POLICY.

“(a) ESTABLISHMENT OF OFFICE.—There shall be in the Department an Office of Policy. The Office of Policy shall be headed by an Under Secretary for Policy, who shall be appointed by the President, by and with the advice and consent of the Senate.

“(b) MISSION.—The mission of the Office of Policy is to lead, conduct, and coordinate Department-wide policy, strategic planning, and relationships with organizations or persons that are not part of the Department.

“(c) COMPONENTS OF OFFICE.—The Office of Policy shall include the following components:

- “(1) The Office of Partnership and Engagement under section 602.
- “(2) The Office of International Affairs under section 603.
- “(3) The Office of Policy Implementation under section 604.
- “(4) The Office of Strategy and Planning under section 605.

“(d) RESPONSIBILITIES OF THE UNDER SECRETARY.—Subject to the direction and control of the Secretary, the Under Secretary for Policy shall—

- “(1) serve as the principal policy advisor to the Secretary;
- “(2) coordinate with the Under Secretary for Management and the General Counsel of the Department to ensure that development of the Department’s budget is compatible with the priorities, strategic plans, and policies established by the Secretary, including those priorities identified through the Quadrennial Homeland Security Review required under section 707;
- “(3) incorporate relevant feedback from, and oversee and coordinate relationships with, organizations and other persons that are not part of the Department to ensure effective communication of outside stakeholders’ perspectives to components of the Department;
- “(4) establish a process to ensure that organizations and other persons that are not part of the Department can communicate with Department components without compromising adherence by the officials of such components to the Department’s ethics and policies;
- “(5) manage and coordinate the Department’s international engagement activities;
- “(6) advise, inform, and assist the Secretary on the impact of the Department’s policy, processes, and actions on State, local, tribal, and territorial governments;
- “(7) oversee the Department’s engagement and development of partnerships with nonprofit organizations and academic institutions;
- “(8) administer the Homeland Security Advisory Council and make studies available to the Committee on Homeland Security of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate on an annual basis; and
- “(9) carry out such other responsibilities as the Secretary determines are appropriate, consistent with this section.

“(e) COORDINATION BY DEPARTMENT COMPONENTS.—

“(1) IN GENERAL.—To ensure consistency with the Secretary’s policy priorities, the head of each component of the Department shall coordinate with the Office of Policy, as appropriate, in establishing new policies or strategic planning guidance.

“(2) INTERNATIONAL ACTIVITIES.—

“(A) FOREIGN NEGOTIATIONS.—Each component of the Department shall coordinate with the Under Secretary for Policy plans and efforts of the component before pursuing negotiations with foreign governments, to ensure consistency with the Department’s policy priorities.

“(B) NOTICE OF INTERNATIONAL TRAVEL BY SENIOR OFFICERS.—Each component of the Department shall notify the Under Secretary for Policy of the international travel of senior officers of the Department.

“(f) ASSIGNMENT OF PERSONNEL.—The Secretary shall assign to the Office of Policy permanent staff and, as appropriate and consistent with sections 506(c)(2), 821, and 888(d), other appropriate personnel detailed from other components of the Department to carry out the responsibilities under this section.

“(g) DEPUTY UNDER SECRETARY FOR POLICY.—

“(1) IN GENERAL.—The Secretary may—

“(A) establish within the Department of Homeland Security a position, to be called the Deputy Under Secretary for Policy, to support the Under Secretary for Policy in carrying out the Under Secretary’s responsibilities; and

“(B) appoint a career employee to such position.

“(2) LIMITATION ON ESTABLISHMENT OF DEPUTY UNDER SECRETARY POSITIONS.—A Deputy Under Secretary position (or any substantially similar position) within the Department of Homeland Security may not be established except for the position provided for by paragraph (1) unless the Secretary of Homeland Security receives prior authorization from Congress.

“(3) DEFINITIONS.—For purposes of paragraph (1)—

“(A) the term ‘career employee’ means any employee (as that term is defined in section 2105 of title 5, United States Code), but does not include a political appointee; and

“(B) the term ‘political appointee’ means any employee who occupies a position which has been excepted from the competitive service by reason of its confidential, policy-determining, policy-making, or policy-advocating character.

“SEC. 602. OFFICE OF PARTNERSHIP AND ENGAGEMENT.

“(a) **IN GENERAL.**—There shall be in the Office of Policy an Office of Partnership and Engagement.

“(b) **HEAD OF OFFICE.**—The Secretary shall appoint an Assistant Secretary for Partnership and Engagement to serve as the head of the Office.

“(c) **RESPONSIBILITIES.**—The Assistant Secretary for Partnership and Engagement shall—

“(1) lead the coordination of Department-wide policies relating to the role of State and local law enforcement in preventing, preparing for, protecting against, and responding to natural disasters, acts of terrorism, and other man-made disasters within the United States;

“(2) serve as a liaison between State, local, and tribal law enforcement agencies and the Department, including through consultation with such agencies regarding Department programs that may impact such agencies;

“(3) coordinate with the Office of Intelligence and Analysis to certify the intelligence and information sharing requirements of State, local, and tribal law enforcement agencies are being addressed;

“(4) work with the Administrator to ensure that law enforcement and terrorism-focused grants to State, local, and tribal government agencies, including grants under sections 2003 and 2004, the Commercial Equipment Direct Assistance Program, and other grants administered by the Department to support fusion centers and law enforcement-oriented programs, are appropriately focused on terrorism prevention activities;

“(5) coordinate with the Science and Technology Directorate, the Federal Emergency Management Agency, the Department of Justice, the National Institute of Justice, law enforcement organizations, and other appropriate entities to support the development, promulgation, and updating, as necessary, of national voluntary consensus standards for training and personal protective equipment to be used in a tactical environment by law enforcement officers;

“(6) create and foster strategic communications with the private sector to enhance the primary mission of the Department to protect the American homeland;

“(7) advise the Secretary on the impact of the Department’s policies, regulations, processes, and actions on the private sector;

“(8) interface with other relevant Federal agencies with homeland security missions to assess the impact of these agencies’ actions on the private sector;

“(9) create and manage private sector advisory councils composed of representatives of industries and associations designated by the Secretary to—

“(A) advise the Secretary on private sector products, applications, and solutions as they relate to homeland security challenges;

“(B) advise the Secretary on homeland security policies, regulations, processes, and actions that affect the participating industries and associations; and

“(C) advise the Secretary on private sector preparedness issues, including effective methods for—

“(i) promoting voluntary preparedness standards to the private sector; and

“(ii) assisting the private sector in adopting voluntary preparedness standards;

“(10) promote existing public-private partnerships and developing new public-private partnerships to provide for collaboration and mutual support to address homeland security challenges;

“(11) assist in the development and promotion of private sector best practices to secure critical infrastructure;

“(12) provide information to the private sector regarding voluntary preparedness standards and the business justification for preparedness and promoting to the private sector the adoption of voluntary preparedness standards;

“(13) coordinate industry efforts, with respect to functions of the Department of Homeland Security, to identify private sector resources and capabilities that could be effective in supplementing Federal, State, and local government agency efforts to prevent or respond to a terrorist attack;

“(14) coordinate with the Commissioner of Customs and Border Protection and the appropriate senior official of the Department of Commerce on issues related to the travel and tourism industries;

“(15) coordinate the activities of the Department relating to State and local government;

“(16) assess, and advocate for, the resources needed by State and local governments to implement the national strategy for combating terrorism;

“(17) provide State and local governments with regular information, research, and technical support to assist local efforts at securing the homeland;

“(18) develop a process for receiving meaningful input from State and local governments to assist the development of the national strategy for combating terrorism and other homeland security activities; and

“(19) perform such other functions as are established by law or delegated to such Assistant Secretary by the Under Secretary for Policy.

“SEC. 603. OFFICE OF INTERNATIONAL AFFAIRS.

“(a) IN GENERAL.—There shall be in the Office of Policy an Office of International Affairs.

“(b) HEAD OF OFFICE.—The Secretary shall appoint an Assistant Secretary for International Affairs to serve as the head of the Office and as the chief diplomatic officer of the Department.

“(c) FUNCTIONS.—

“(1) IN GENERAL.—The Assistant Secretary for International Affairs shall—

“(A) coordinate international activities within the Department, including activities carried out by the components of the Department, in consultation with other Federal officials with responsibility for counterterrorism and homeland security matters;

“(B) advise, inform, and assist the Secretary with respect to the development and implementation of Departmental policy priorities, including strategic priorities for the deployment of assets, including personnel, outside the United States;

“(C) develop, in consultation with the Under Secretary for Management, guidance for selecting, assigning, training, and monitoring overseas deployments of Department personnel, including minimum standards for predeployment training;

“(D) develop and update, in coordination with all components of the Department engaged in international activities, a strategic plan for the international activities of the Department, establish a process for managing its implementation, and establish mechanisms to monitor the alignment between assets, including personnel, deployed by the Department outside the United States and the plan required by this subparagraph;

“(E) develop and distribute guidance on Department policy priorities for overseas activities to personnel deployed overseas, that, at a minimum, sets forth the regional and national priorities being advanced by their deployment, and establish mechanisms to foster better coordination of Department personnel, programs, and activities deployed outside the United States;

“(F) maintain awareness regarding the international travel of senior officers of the Department and their intent to pursue negotiations with foreign government officials, and review resulting draft agreements;

“(G) develop, in consultation with the components of the Department, including, as appropriate, with the Under Secretary for the Science and Technology Directorate, programs to support the overseas programs conducted by the Department, including training, technical assistance, and equipment to ensure that Department personnel deployed abroad have proper resources and receive adequate and timely support;

“(H) conduct the exchange of homeland security information, in consultation with the Under Secretary of the Office of Intelligence and Analysis, and best practices relating to homeland security with foreign nations that, in the determination of the Secretary, reciprocate the sharing of such information in a substantially similar manner;

“(I) submit information to the Under Secretary for Policy for oversight purposes, including preparation of the quadrennial homeland security review and on the status of overseas activities, including training and technical assistance and information exchange activities and the Department’s resources dedicated to these activities;

“(J) promote, when appropriate, and oversee the exchange of education, training, and information with nations friendly to the United States in order to share best practices relating to homeland security; and

“(K) perform such other functions as are established by law or delegated by the Under Secretary for Policy.

“(2) INVENTORY OF ASSETS DEPLOYED ABROAD.—For each fiscal year, the Assistant Secretary for International Affairs, in coordination with the Under Secretary for Management, shall provide to the Committee on Homeland Security of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate with the annual budget request for the Department, an annual accounting of all assets of the Department, including personnel, deployed outside the United States on behalf of the Department.

“(3) STANDARDIZED FRAMEWORK FOR COST DATA.—The Assistant Secretary for International Affairs shall utilize a standardized framework to collect and maintain comparable cost data for all assets of the Department, including personnel, deployed outside the United States to prepare the annual accounting required by paragraph (2).

“(4) EXCLUSIONS.—This subsection does not apply to international activities related to the protective mission of the United States Secret Service, or to the Coast Guard when operating under the direct authority of the Secretary of Defense or the Secretary of the Navy.

“SEC. 604. OFFICE OF POLICY IMPLEMENTATION.

“(a) IN GENERAL.—There shall be in the Office of Policy an Office of Policy Implementation.

“(b) HEAD OF OFFICE.—The Secretary shall appoint a Director of the Office of Policy Implementation to serve as the head of the Office.

“(c) RESPONSIBILITIES.—The Director of the Office of Policy Implementation shall lead, conduct, coordinate, and provide overall direction and supervision of Department-wide policy development for the programs, offices, and activities of the Department, in consultation with relevant officials of the Department, to ensure quality, consistency, and integration across the Department, as appropriate.

“SEC. 605. OFFICE OF STRATEGY AND PLANNING.

“(a) IN GENERAL.—There shall be in the Office of Policy of the Department an Office of Strategy and Planning.

“(b) HEAD OF OFFICE.—The Secretary shall appoint a Director of the Office of Strategy and Planning who shall serve as the head of the Office.

“(c) RESPONSIBILITIES.—The Director of the Office of Strategy and Planning shall—

“(1) lead and conduct long-term Department-wide strategic planning, including the Quadrennial Homeland Security Review and planning guidance for the Department, and translate the Department’s statutory responsibilities, strategic plans, and long-term goals into risk-based policies and procedures that improve operational effectiveness; and

“(2) develop strategies to address unconventional threats to the homeland.”.

(b) CLERICAL AMENDMENT.—The table of contents in section 1(b) of such Act is amended—

(1) by striking the items relating to title VI and inserting the following:

“TITLE VI—POLICY AND PLANNING

“Sec. 601. Office of Policy.

“Sec. 602. Office of Partnership and Engagement.

“Sec. 603. Office of International Affairs.

“Sec. 604. Office of Policy Implementation.

“Sec. 605. Office of Strategy and Planning.”.

(2) by inserting after the item relating to section 890A the following:

“Sec. 890B. Treatment of charitable trusts for members of the Armed Forces of the United States and other governmental organizations.”.

(c) APPOINTMENT OF UNDER SECRETARY FOR POLICY; CONTINUATION OF SERVICE OF ASSISTANT SECRETARY.—

(1) TIME OF APPOINTMENT.—The President may appoint an Under Secretary for Policy under section 601 of the Homeland Security Act of 2002, as amended by this Act, only on or after January 20, 2017.

(2) HEAD OF OFFICE PENDING APPOINTMENT.—The individual serving as the Assistant Secretary for Policy of the Department of Homeland Security on the date of the enactment of this Act, or their successor, may continue to serve as an Assistant Secretary and as the head of the Office of Policy established by such section, until the date on which the Under Secretary for Policy is appointed under such section in accordance with paragraph (1).

(d) APPOINTMENT OF ASSISTANT SECRETARY FOR INTERNATIONAL AFFAIRS; ABOLISHMENT OF EXISTING OFFICE.—

- (1) TIME OF APPOINTMENT.—The Secretary of Homeland Security may appoint an Assistant Secretary for International Affairs under section 602 of the Homeland Security Act of 2002, as amended by this Act, only on or after January 20, 2017.
- (2) HEAD OF OFFICE PENDING APPOINTMENT.—The individual serving as the Assistant Secretary for International Affairs of the Department of Homeland Security on the date of the enactment of this Act, or their successor, may continue to serve as a Deputy Assistant Secretary and as the head of the Office of International Affairs established by such section, until the date the Under Secretary for Policy is appointed under such section in accordance with paragraph (1).
- (3) ABOLISHMENT OF EXISTING OFFICE.—
- (A) IN GENERAL.—The Office of International Affairs within the Office of the Secretary is abolished.
- (B) TRANSFER OF ASSETS AND PERSONNEL.—The assets and personnel associated with such Office are transferred to the head of the Office of International Affairs provided for by section 603 of the Homeland Security Act of 2002, as amended by this Act.
- (C) CONFORMING AMENDMENT.—Section 879 of the Homeland Security Act of 2002 (6 U.S.C. 459), and the item relating to such section in section 1(b) of such Act, are repealed.
- (e) ABOLISHMENT OF OFFICE FOR STATE AND LOCAL LAW ENFORCEMENT.—
- (1) IN GENERAL.—The Office for State and Local Law Enforcement of the Department of Homeland Security is abolished.
- (2) TRANSFER OF FUNCTIONS, ASSETS, AND PERSONNEL.—The functions authorized to be performed by such office immediately before the enactment of this Act, and the assets and personnel associated with such functions, are transferred to the head of the Office of Partnership and Engagement provided for by section 602 of the Homeland Security Act of 2002, as amended by this Act.
- (3) CONFORMING AMENDMENT.—Subsection (b) of section 2006 of the Homeland Security Act of 2002 (6 U.S.C. 607) is repealed.
- (f) ABOLISHMENT OF OFFICE FOR STATE AND LOCAL GOVERNMENT COORDINATION.—
- (1) IN GENERAL.—The Office for State and Local Government Coordination of the Department of Homeland Security is abolished.
- (2) TRANSFER OF FUNCTIONS AND ASSETS.—The functions authorized to be performed by such office immediately before the enactment of this Act, and the assets and personnel associated with such functions, are transferred to the head of Office of Partnership and Engagement provided for by section 602 of the Homeland Security Act of 2002, as amended by this Act.
- (3) CONFORMING AMENDMENTS.—Section 801 of the Homeland Security Act of 2002 (6 U.S.C. 631), and the item relating to that section in the table of contents in section 1(b) of such Act, are repealed.
- (g) ABOLISHMENT OF SPECIAL ASSISTANT TO THE SECRETARY.—
- (1) IN GENERAL.—The Special Assistant to the Secretary authorized by section 102(f) of the Homeland Security Act of 2002, as in effect immediately before the enactment of this Act (6 U.S.C. 112(f)), is abolished.
- (2) TRANSFER OF FUNCTIONS AND ASSETS.—The functions authorized to be performed by such Special Assistant to the Secretary immediately before the enactment of this Act, and the assets and personnel associated with such functions, are transferred to the head of the Office of Partnership and Engagement provided for by section 602 of the Homeland Security Act of 2002, as amended by this Act.
- (3) CONFORMING AMENDMENT.—Section 102(f) of the Homeland Security Act of 2002 (6 U.S.C. 112(f)) is repealed.
- (h) CONFORMING AMENDMENTS RELATING TO ASSISTANT SECRETARIES.—Section 103(a) of the Homeland Security Act of 2002 (6 U.S.C. 113(a)) is amended—
- (1) in paragraph (1), by striking subparagraph (I) and redesignating subparagraph (J) as subparagraph (I); and
- (2) by amending paragraph (2) to read as follows:
- “(2) ASSISTANT SECRETARIES.—
- “(A) ADVICE AND CONSENT APPOINTMENTS.—The Department shall have the following Assistant Secretaries appointed by the President, by and with the advice and consent of the Senate:
- “(i) The Assistant Secretary, U.S. Immigration and Customs Enforcement.
- “(ii) The Assistant Secretary, Transportation Security Administration.

“(B) OTHER PRESIDENTIAL APPOINTMENTS.—The Department shall have the following Assistant Secretaries appointed by the President:

“(i) The Assistant Secretary, Infrastructure Protection.

“(ii) The Assistant Secretary, Office of Public Affairs.

“(iii) The Assistant Secretary, Office of Legislative Affairs.

“(C) SECRETARIAL APPOINTMENTS.—The Department shall have the following Assistant Secretaries appointed by the Secretary:

“(i) The Assistant Secretary, Office of Cybersecurity and Communications.

“(ii) The Assistant Secretary for International Affairs under section 602.

“(iii) The Assistant Secretary for Partnership and Engagement under section 603.

“(D) LIMITATION ON CREATION OF POSITIONS.—No Assistant Secretary position may be created in addition to the positions provided for by this section unless such position is authorized by a statute enacted after the date of the enactment of the DHS Headquarters Reform and Improvement Act of 2015.”.

(i) HOMELAND SECURITY ADVISORY COUNCIL.—Section 102(b) of the Homeland Security Act of 2002 (6 U.S.C. 112(b)) is amended by striking “and” after the semicolon at the end of paragraph (2), striking the period at the end of paragraph (3) and inserting “; and”, and adding at the end the following:

“(4) shall establish a Homeland Security Advisory Council to provide advice and recommendations on homeland-security-related matters.”.

(j) PROHIBITION ON NEW OFFICES.—No new office may be created to perform functions transferred by this section, other than as provided in section 601 of the Homeland Security Act of 2002, as amended by this Act, unless the Secretary of Homeland Security receives prior authorization from Congress permitting such change.

(k) DEFINITIONS.—In this section each of the terms “functions”, “assets”, and “personnel” has the meaning that term has under section 2 of the Homeland Security Act of 2002 (6 U.S.C. 101).

(l) DUPLICATION REVIEW.—The Secretary of Homeland Security shall—

(1) within 1 year after the date of the enactment of this Act, complete a review of the international affairs offices, functions, and responsibilities of the components of the Department of Homeland Security, to identify and eliminate areas of unnecessary duplication; and

(2) within 30 days after the completion of such review, provide the results of the review to the Committee on Homeland Security of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate.

SEC. 105. QUADRENNIAL HOMELAND SECURITY REVIEW.

Section 707 of the Homeland Security Act of 2002 (6 U.S.C. 347) is amended—

(1) in subsection (a)—

(A) by amending paragraph (1) to read as follows:

“(1) REVIEW REQUIRED.—In fiscal year 2017, and every 4 years thereafter, the Secretary shall conduct a review of the homeland security of the Nation (in this section referred to as a ‘quadrennial homeland security review’). Such review shall be conducted so that it is completed, and the report under subsection (c) is issued, by no later than December 31, 2017, and by December 31 of every fourth year thereafter.”; and

(B) in paragraph (3) by striking “The Secretary shall conduct each quadrennial homeland security review under this subsection in consultation with” and inserting “In order to ensure that each quadrennial homeland security review conducted under this section is coordinated with the quadrennial defense review conducted by the Secretary of Defense under section 118 of title 10, United States Code, and any other major strategic review relating to diplomacy, intelligence, or other national security issues, the Secretary shall conduct and obtain information and feedback from entities of the homeland security enterprise through”;

(2) in subsection (b)—

(A) in paragraph (5), by striking “and” after the semicolon at the end;

(B) in paragraph (6), by striking the period and inserting “; and”; and

(C) by adding after paragraph (6) the following:

“(7) leverage analytical tools and resources developed as part of the quadrennial homeland security review to support the Department’s ongoing programs and missions.”;

(3) in subsection (c)(2)—

(A) by striking “and” after the semicolon at the end of subparagraph (H);

(B) by redesignating subparagraph (I) as subparagraph (L); and
 (C) by inserting after subparagraph (H) the following:

“(I) a description of how the conclusions under the quadrennial homeland security review will inform efforts to develop capabilities and build capacity of States, local governments, Indian tribes, and private entities, and of individuals, families, and communities;

“(J) as appropriate, proposed changes to the authorities, organization, governance structure, or business processes (including acquisition processes) of the Department in order to better fulfill responsibilities of the Department;

“(K) where appropriate, a classified annex, including materials prepared pursuant to section 306 of title 5, relating to the preparation of an agency strategic plan, to satisfy, in whole or in part, the reporting requirements of this paragraph; and”.

SEC. 106. FUTURE YEARS HOMELAND SECURITY PROGRAM.

Section 874 of the Homeland Security Act of 2002 (6 U.S.C. 454) is amended—

(1) by amending subsection (a) to read as follows:

“(a) **IN GENERAL.**—Not later than the 30 days following the date of each fiscal year on which the budget of the President is submitted to Congress under section 1105(a) of title 31, United States Code, the Secretary shall submit to the Committee on Homeland Security of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate a Future Years Homeland Security Program that provides detailed estimates of the projected expenditures and corresponding requests for appropriations included in that budget. The Future Years Homeland Security Program shall cover the fiscal year for which the budget is submitted and the 4 succeeding fiscal years.”; and

(2) by adding at the end the following:

“(d) **CONSISTENCY OF BUDGET REQUEST WITH ESTIMATES.**—For each fiscal year, the Secretary shall ensure that the projected amounts specified in program and budget information for the Department submitted to Congress in support of the President’s budget request are consistent with the estimated expenditures and proposed appropriations necessary to support the programs, projects, and activities of the Department included in the budget pursuant to section 1105(a)(5) of title 31, United States Code.

“(e) **EXPLANATION OF ALIGNMENT WITH STRATEGIES AND PLANS.**—Together with the detailed estimates of the projected expenditures and corresponding requests for appropriations submitted for the Future Years Homeland Security Program, the Secretary shall provide an explanation of how those estimates and requests align with the homeland security strategies and plans developed and updated as appropriate by the Secretary. Such explanation shall include an evaluation of the organization, organizational structure, governance structure, and business processes (including acquisition processes) of the Department, to ensure that the Department is able to meet its responsibilities.

“(f) **PROJECTION OF ACQUISITION ESTIMATES.**—Each Future Years Homeland Security Program shall project—

“(1) acquisition estimates for a period of 5 fiscal years, with specified estimates for each fiscal year, for major acquisition programs by the Department and each component therein, including modernization and sustainment expenses; and

“(2) estimated annual deployment schedules for major acquisition programs over the 5-fiscal-year period.

“(g) **CONTINGENCY AMOUNTS.**—Nothing in this section shall be construed as prohibiting the inclusion in the Future Years Homeland Security Program of amounts for management contingencies, subject to the requirements of subsection (b).

“(h) **CLASSIFIED OR SENSITIVE ANNEX.**—The Secretary may include with each submission under this section a classified or sensitive annex containing any information required to be submitted under this section that is restricted from public disclosure in accordance with Federal law, including information that is determined to be Sensitive Security Information under section 537 of the Department of Homeland Security Appropriations Act, 2006 (6 U.S.C. 114) to Congress in a classified or sensitive annex.

“(i) **AVAILABILITY OF INFORMATION TO THE PUBLIC.**—The Secretary shall make available to the public in electronic form the information required to be submitted to Congress under this section, other than information described in subsection (h).”.

SEC. 107. MANAGEMENT AND EXECUTION.

Section 701 of the Homeland Security Act of 2002 (6 U.S.C. 341) is amended by striking subsections (a) and (b) and inserting the following:

“(a) IN GENERAL.—Subject to the direction and control of the Secretary, the Under Secretary for Management shall serve as the following:

“(1) The Chief Management Officer for all matters related to the management and administration of the Department in support of homeland security operations and programs. With regard to the management functions for which the Under Secretary has responsibility by law or by direction of the Secretary, the Under Secretary for Management takes precedence in the Department after the Secretary and the Deputy Secretary of Homeland Security.

“(2) The senior official with the authority to administer, implement, and direct management integration and transformation across functional disciplines of the Department, including—

“(A) information technology, financial management, acquisition management, and human capital management of the Department to improve program efficiency and effectiveness;

“(B) ensure compliance with laws, rules, regulations, and the Department’s policies;

“(C) conduct regular oversight; and

“(D) prevent unnecessary duplication of programs in the Department.

“(b) RESPONSIBILITIES.—In addition to responsibilities designated by the Secretary or otherwise established by law, the Under Secretary for Management shall be responsible for performing, or delegating responsibility for performing, the following activities of the Department:

“(1) Development of the budget, management of appropriations, expenditures of funds, accounting, and finance.

“(2) Acquisition and procurement activities under section 701(d).

“(3) Human resources and personnel.

“(4) Information technology and communication systems, in consultation with the Under Secretary for Intelligence and Analysis, as appropriate.

“(5) Facilities, property, equipment, and other material resources.

“(6) Real property and personal property.

“(7) Security for personnel, information technology and communications systems, facilities, property, equipment, and other material resources.

“(8) Strategic management planning, annual performance planning, and identification and tracking of performance measures relating to the responsibilities of the Department, including such responsibilities under section 306 of title 5, United States Code.

“(9) Oversight of grants and other assistance management programs to ensure proper administration.

“(10) Management integration and transformation within each functional management discipline of the Department, including information technology, financial management, acquisition management, and human capital management, and the transition process, to ensure an efficient and orderly consolidation of functions and personnel in the Department and transition, including the—

“(A) development of coordinated data sources and connectivity of information systems to the greatest extent practical to enhance program visibility and transparency;

“(B) development of standardized, automated, and real-time management information to uniformly manage and oversee programs, and make informed decisions to improve the efficiency of the Department;

“(C) development of effective program management and regular oversight mechanisms, including clear roles and processes for program governance, sharing of best practices, and access to timely, reliable, and analyzed data on all acquisitions and investments;

“(D) implementation of mechanisms to promote accountability for management integration among Department and component chief officers;

“(E) integration of financial management systems within and across the Department to ensure financial transparency, support daily operational and financial decisionmaking, and maintain consecutive unqualified opinions for all financial statements, including the responsibility to review, approve, and oversee the planning, design, acquisition, deployment, operation, maintenance, and modernization of business systems;

“(F) integration of human resource management systems within and across the Department to track and record information (including attrition rates, knowledge, skills, and abilities critical for workforce planning, identifying current and future human capital needs, including recruitment efforts and improving employee morale), including the responsibility to review, approve, and oversee the planning, design, acquisition, deployment, operation, maintenance, and modernization of business systems;

“(G) development of a management integration strategy for the Department and its components to be submitted annually with the President’s budget to ensure that management of the Department is strengthened in the areas of human capital, acquisition, information technology, and financial management, which shall include—

“(i) short- and long-term objectives to effectively guide implementation of interoperable business systems solutions;

“(ii) issuance of guidance and action plans with dates, specific actions, and costs for implementing management integration and transformation of common functional disciplines across the Department and its components;

“(iii) specific operational and tactical goals, activities, and timelines needed to accomplish the integration effort;

“(iv) performance measures to monitor and validate corrective measures;

“(v) efforts to identify resources needed to achieve key actions and outcomes;

“(vi) other issues impeding management integration;

“(vii) reporting to the Government Accountability Office twice annually to demonstrate measurable, sustainable progress made in implementing the Department’s corrective action plans and achieving key outcomes, including regarding—

“(I) leadership commitment;

“(II) capacity building; and

“(III) continuous monitoring to address Government Accountability Office designations of programs at high risk for waste, fraud, and abuse, including with respect to strengthening management functions;

“(viii) review and approve any major update to the Department’s strategy related to management integration and transformation across functional disciplines and lines of business, including any business systems modernization plans to maximize benefits and minimize costs for the Department; and

“(ix) before December 1 of each year in which a Presidential election is held, the development of a transition and succession plan to guide the transition of Department functions to a new Presidential administration, and making such plan available to the next Secretary and Under Secretary for Management and to the homeland security congressional committees.

“(H) Oversight, including the conduct of internal audits and management analyses, of the programs and activities of the Department. Such supervision includes establishing oversight procedures to ensure a full and effective review of the efforts by Department components to implement policies and procedures of the Department for management integration and transformation.

“(I) Any other management duties that the Secretary may designate.”

SEC. 108. CHIEF FINANCIAL OFFICER.

Section 702 of the Homeland Security Act of 2002 (6 U.S.C. 341) is amended by redesignating subsections (b) and (c) as subsections (c) and (d), respectively, and by inserting after subsection (a) the following:

“(b) RESPONSIBILITIES.—Notwithstanding sections 901 and 1122 of title 31, United States Code, the Chief Financial Officer, in consultation with the Under Secretary for Management and the Under Secretary for Intelligence and Analysis, as appropriate, shall—

“(1) lead cost-estimating practices for the Department, including the development of the Department’s policy on cost estimating and approval of life cycle cost estimates;

“(2) oversee coordination with the Office of Policy on the Department’s long-term strategic planning to ensure that the development of the Department’s budget is compatible with the priorities, strategic plans, and policies established by the Secretary;

“(3) develop and oversee the Department’s financial management policy;

“(4) provide guidance for and over financial system modernization efforts throughout the Department;

“(5) establish effective internal controls over financial reporting systems and processes throughout the Department;

“(6) lead assessments of internal controls related to the Department’s financial management systems and review financial processes to ensure that internal controls are designed properly and operate effectively;

“(7) lead the Department’s efforts related to financial oversight, including identifying ways to streamline and standardize business processes;

“(8) lead and provide guidance on performance-based budgeting practices for the Department to ensure that the Department and its components are meeting missions and goals;

“(9) ensure that Department components’ senior financial officers certify that their major acquisition programs have adequate resources to execute their programs through the 5-year future years homeland security program period, so that the Department’s funding requirements for major acquisition programs match expected resources;

“(10) ensure that components identify and report all expected costs of acquisition programs to the Chief Financial Officer of the Department;

“(11) oversee Department budget formulation and execution;

“(12) fully implement a common accounting structure to be used across the entire Department by fiscal year 2019; and

“(13) track, approve, oversee, and make public information on expenditures by components of the Department for conferences, as appropriate, including by requiring each component of the Department to—

“(A) report to the Inspector General of the Department the expenditures by the component for each conference hosted or attended by Department employees for which the total expenditures of the Department exceed \$20,000, within 15 days after the date of the conference; and

“(B) with respect to such expenditures, provide to the Inspector General—

“(i) the information described in subsections (a), (b), and (c) of section

739 of Public Law 113–235; and

“(ii) documentation of such expenditures.”.

SEC. 109. CHIEF PROCUREMENT OFFICER.

(a) IN GENERAL.—Title VII of the Homeland Security Act of 2002 (6 U.S.C. 341 et seq.) is further amended by adding at the end the following:

“SEC. 708. CHIEF PROCUREMENT OFFICER.

“(a) IN GENERAL.—There is a Chief Procurement Officer of the Department, who shall report directly to the Under Secretary for Management. The Chief Procurement Officer is the senior procurement executive for purposes of section 1702(c) of title 41 United States Code, and shall perform procurement functions as specified in such section. The Chief Procurement Officer also shall perform other functions and responsibilities set forth in this section and as may be assigned by the Under Secretary for Management.

“(b) RESPONSIBILITIES.—The Chief Procurement Officer shall—

“(1) exercise leadership and authority to the extent delegated by the Under Secretary for Management over the Department’s procurement function;

“(2) issue procurement policies, and shall serve as a senior business advisor to agency officials on acquisition-related matters, including policy and workforce matters, as determined by the Under Secretary for Management;

“(3) account for the integrity, performance, and oversight of Department procurement and contracting functions and be responsible for ensuring that a procurement’s contracting strategy and plans are consistent with the intent and direction of the Acquisition Review Board;

“(4) serve as the Department’s main liaison to industry on procurement-related issues;

“(5) oversee a centralized certification and training program, in consultation with the Under Secretary for Management, for the entire Department acquisition workforce while using, to the greatest extent practicable, best practices and acquisition training opportunities already in existence within the Federal Government, the private sector, or universities and colleges, as appropriate, and including training on how best to identify actions that warrant referrals for suspension or debarment;

“(6) delegate or retain contracting authority, as appropriate;

“(7) provide input on the periodic performance reviews of each head of contracting activity of the Department;

“(8) collect baseline data and use such data to establish performance measures on the impact of strategic sourcing initiatives on the private sector, including, in particular, small businesses;

“(9) ensure that a fair proportion (as defined pursuant to the Small Business Act (15 U.S.C. 631 et seq.)) of Federal contract and subcontract dollars are awarded to small businesses, maximize opportunities for small business partici-

pation, and ensure, to the extent practicable, small businesses that achieve qualified vendor status for security-related technologies are provided an opportunity to compete for contracts for such technology; and

“(10) conduct oversight of implementation of administrative agreements to resolve suspension or debarment proceedings and, upon request, provide information to the Committee on Homeland Security of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate about the effectiveness of such agreements at improving contractor responsibility.

“(c) HEAD OF CONTRACTING ACTIVITY DEFINED.—In this section the term ‘head of contracting activity’ means each official responsible for the creation, management, and oversight of a team of procurement professionals properly trained, certified, and warranted to accomplish the acquisition of products and services on behalf of the designated components, offices, and organizations of the Department, and as authorized, other government entities.”.

(b) CLERICAL AMENDMENT.—The table of contents in section 1(b) of such Act is further amended by adding at the end of the items relating to such title the following:

“Sec. 708. Chief Procurement Officer.”.

SEC. 110. CHIEF INFORMATION OFFICER.

(a) IN GENERAL.—Section 703 of the Homeland Security Act of 2002 (6 U.S.C. 343) is amended—

(1) in subsection (a), by adding at the end the following: “In addition to the functions under section 3506(a)(2) of title 44, United States Code, the Chief Information Officer shall perform the functions set forth in this section and such other functions as may be assigned by the Secretary.”;

(2) by redesignating subsection (b) as subsection (e); and

(3) by inserting after subsection (a) the following:

“(b) RESPONSIBILITIES.—In addition to the functions under section 3506 of title 44, United States Code, the Chief Information Officer, in consultation with the Under Secretary for Management, shall—

“(1) advise and assist the Secretary, heads of the components of the Department, and other senior officers in carrying out the responsibilities of the Department for all activities relating to the budgets, programs, and operations of the information technology functions of the Department;

“(2) to the extent delegated by the Secretary—

“(A) exercise leadership and authority over Department information technology management; and

“(B) establish the information technology priorities, policies, processes, standards, guidelines, and procedures of the Department to ensure interoperability and standardization of information technology;

“(3) serve as the lead technical authority for information technology programs;

“(4) maintain a consolidated inventory of the Department’s mission critical and mission essential information systems, and develop and maintain contingency plans for responding to a disruption in the operation of any of those information systems;

“(5) maintain the security, visibility, reliability, integrity, and availability of data and information technology of the Department including the security of the Homeland Security Data Network;

“(6) in coordination with relevant officials of the Department, ensure that the Department is in compliance with subchapter II of chapter 35 of title 44, United States Code;

“(7) establish policies and procedures to effectively monitor and manage vulnerabilities in the supply chain for purchases of information technology;

“(8) in coordination with relevant officials of the Department, ensure Department compliance with Homeland Security Presidential Directive 12;

“(9) in coordination with relevant officials of the Department, ensure that information technology systems of the Department meet the standards established under the information sharing environment, as defined in section 1016 of the Intelligence Reform and Terrorism Prevention Act of 2004 (6 U.S.C. 485);

“(10) develop measures to monitor the performance of Department components’ use and implementation of information technology systems and consistently monitor such performance to ensure that such systems are used effectively;

“(11) ensure that Department components report to the Chief Information Officer of the Department a complete inventory of information systems and fully adhere to Department guidance related to information technology;

“(12) carry out any other responsibilities delegated by the Secretary consistent with an effective information system management function; and

“(13) carry out authorities over Department information technology consistent with section 113419 of title 40, United States Code.

“(c) STRATEGIC PLANS.—In coordination with the Chief Financial Officer, the Chief Information Officer shall develop an information technology strategic plan every 5 years and report to the Committee on Homeland Security of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate on—

“(1) how the information technology strategic plans developed under this subsection are used to help inform the Department’s budget process;

“(2) how the Department’s budget aligns with priorities specified in the information technology strategic plans;

“(3) in cases in which it is not possible to fund all information technology strategic plan activities for a given fiscal year, the rationale as to why certain activities are not being funded in lieu of higher priorities;

“(4) what decisionmaking process was used to arrive at these priorities and the role of Department components in that process; and

“(5) examine the extent to which unnecessary duplicate information technology within and across the components of the Department has been eliminated.

“(d) SOFTWARE LICENSING.—

“(1) IN GENERAL.—Not later than 180 days after the date of the enactment of the DHS Headquarters Reform and Improvement Act of 2015, and every 2 years thereafter, the Chief Information Officer, in consultation with Department component chief information officers, shall—

“(A) conduct a Department-wide inventory of all existing software licenses held by the Department, including utilized and unutilized licenses;

“(B) assess the needs of the Department and the components of the Department for software licenses for the subsequent 2 fiscal years;

“(C) examine how the Department can achieve the greatest possible economies of scale and cost savings in the procurement of software licenses;

“(D) determine how the use of shared cloud-computing services will impact the needs for software licenses for the subsequent 2 fiscal years; and

“(E) establish plans and estimated costs for eliminating unutilized software licenses for the subsequent 2 fiscal years.

“(2) EXCESS SOFTWARE LICENSING.—

“(A) PLAN TO REDUCE SOFTWARE LICENSES.—If the Chief Information Officer determines through the inventory conducted under paragraph (1) that the number of software licenses held by the Department and the components of the Department exceed the needs of the Department as assessed under paragraph (1), the Secretary, not later than 90 days after the date on which the inventory is completed, shall establish a plan for bringing the number of such software licenses into balance with such needs of the Department.

“(B) PROHIBITION ON PROCUREMENT OF NEW SOFTWARE LICENSES.—

“(i) IN GENERAL.—Except as provided in clause (ii), upon completion of a plan established under paragraph (1), no additional resources may be obligated for the procurement of new software licenses for the Department until such time as the need of the Department exceeds the number of used and unused licenses held by the Department.

“(ii) EXCEPTION.—The Chief Information Officer may authorize the purchase of additional licenses and amend the number of needed licenses as necessary.

“(3) GAO REVIEW.—The Comptroller General of the United States shall review the inventory conducted under paragraph (1)(A) and the plan established under paragraph (2)(A).

“(4) SUBMISSION TO CONGRESS.—The Chief Information Officer shall submit a copy of each inventory conducted under paragraph (1)(A) and each plan established under paragraph (2)(A) to the Committee on Homeland Security of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate.”.

(b) COMPLETION OF FIRST DEFINITION OF CAPABILITIES.—The Chief Information Officer shall complete the first implementation of section 701(c) of the Homeland Security Act of 2002, as amended by this section, by not later than 1 year after the date of the enactment of this Act.

SEC. 111. CHIEF HUMAN CAPITAL OFFICER.

Section 704 of the Homeland Security Act of 2002 (6 U.S.C. 343) is amended to read as follows:

“SEC. 704. CHIEF HUMAN CAPITAL OFFICER.

“(a) **IN GENERAL.**—There is a Chief Human Capital Officer of the Department who shall report directly to the Under Secretary of Management.

“(b) **RESPONSIBILITIES.**—The Chief Human Capital Officer shall—

“(1) develop and implement strategic workforce planning efforts that are consistent with Government-wide leading principles, and that are in line with Department strategic human capital goals and priorities;

“(2) develop performance measures to provide a basis for monitoring and evaluating Department-wide strategic workforce planning efforts;

“(3) develop strategies to recruit, hire, and train the Department workforce;

“(4) work with the component heads to identify methods for managing and overseeing human capital programs and initiatives;

“(5) develop a career path framework, and create opportunities for leader development;

“(6) serve as the Department’s central office for managing employee resources, including training and development opportunities;

“(7) coordinate the Department’s human resource management system;

“(8) conduct efficiency reviews to determine if components are implementing human capital programs and initiatives; and

“(9) identify and eliminate unnecessary and duplicative human capital policies and guidance.

“(c) **COMPONENT STRATEGIES.**—

“(1) **IN GENERAL.**—Each component of the Department shall coordinate with the Chief Human Capital Officer of the Department to develop or maintain its own 5-year workforce strategy that will support the Department’s goals, objectives, performance measures, and determination of the proper balance of Federal employees and private labor resources.

“(2) **STRATEGY REQUIREMENTS.**—The Chief Human Capital Officer shall ensure that, in the development of the strategy required by subsection (c), the head of the component reports to the Chief Human Capital Officer on the human resources considerations associated with creating additional Federal full-time equivalent positions, converting private contractor positions to Federal employee positions, or relying on the private sector for goods and services, including—

“(A) hiring projections, including occupation and grade level, as well as corresponding salaries, benefits, and hiring or retention bonuses;

“(B) the identification of critical skills requirements over the 5-year period, any current or anticipated need for critical skills required at the Department, and the training or other measures required to address such need;

“(C) recruitment of qualified candidates and retention of qualified employees;

“(D) supervisory and management requirements;

“(E) travel and related personnel support costs;

“(F) the anticipated cost and impact on mission performance associated with replacing Federal personnel due to their retirement or other attrition; and

“(G) other appropriate factors.

“(d) **ANNUAL SUBMISSION.**—The Secretary shall provide to the appropriate congressional committees, together with submission of the annual budget justification, information on the progress within the Department of fulfilling the workforce strategies required under subsection (c).”.

SEC. 112. CHIEF SECURITY OFFICER.

(a) **IN GENERAL.**—Title VII of the Homeland Security Act of 2002 (6 U.S.C. 341 et seq.), as amended by section 109(a) of this Act, is further amended by adding at the end the following:

“SEC. 709. CHIEF SECURITY OFFICER.

“(a) **IN GENERAL.**—There is a Chief Security Officer of the Department, who shall report directly to the Under Secretary for Management.

“(b) **RESPONSIBILITIES.**—The Chief Security Officer shall—

“(1) develop and implement the Department’s security policies, programs, and standards;

“(2) identify training and provide education to Department personnel on security-related matters; and

“(3) provide support to Department components on security-related matters.”.

(b) CLERICAL AMENDMENT.—The table of contents in section 1(b) of such Act is further amended by adding at the end of the items relating to such title the following:

“Sec. 709. Chief Security Officer.”.

SEC. 113. COST SAVINGS AND EFFICIENCY REVIEWS.

Not later than 1 year after the date of the enactment of this Act, the Secretary of Homeland Security, acting through the Under Secretary for Management of the Department of Homeland Security, shall submit to the Committee on Homeland Security of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate a report that—

(1) provides a detailed accounting of the management and administrative expenditures and activities of the components of the Department and identifies potential cost savings and efficiencies for those expenditures and activities of each such component;

(2) examines the size, experience level, and geographic distribution of the operational personnel of the Department, including Customs and Border Protection officers, Border Patrol agents, Customs and Border Protection Air and Marine agents, Customs and Border Protection agriculture specialists, Federal Protective Service law enforcement security officers, Immigration and Customs Enforcement agents, Transportation Security Administration officers, Federal air marshals, and members of the Coast Guard; and

(3) makes recommendations for adjustments in the management and administration of the Department that would reduce deficiencies in the Department’s capabilities, reduce costs, and enhance efficiencies.

SEC. 114. FIELD EFFICIENCIES PLAN.

(1) IN GENERAL.—Not later than 270 days after the date of the enactment of this Act, the Secretary of Homeland Security shall submit to the Committee on Homeland Security of the House of Representatives and Committee on Homeland Security and Governmental Affairs of the Senate a field efficiencies plan that—

(A) examines the facilities and administrative and logistics functions of components of the Department of Homeland Security located within designated geographic areas; and

(B) provides specific recommendations and an associated cost-benefit analysis for the consolidation of the facilities and administrative and logistics functions of components of the Department within each designated geographic area.

(2) CONTENTS.—The field efficiencies plan submitted under paragraph (1) shall include the following:

(A) An accounting of leases held by the Department or its components that have expired in the current fiscal year or will be expiring in the next fiscal year, that have begun or been renewed in the current fiscal year, or that the Department or its components plan to sign or renew in the next fiscal year.

(B)(i) An evaluation for each designated geographic area of specific facilities at which components, or operational entities of components, of the Department may be closed or consolidated, including consideration of when leases expire or facilities owned by the Government become available.

(ii) The evaluation shall include consideration of potential consolidation with facilities of other Federal, State, or local entities, including—

- (I) offices;
- (II) warehouses;
- (III) training centers;
- (IV) housing;
- (V) ports, shore facilities, and airfields;
- (VI) laboratories; and
- (VII) other assets as determined by the Secretary.

(iii) The evaluation shall include the potential for the consolidation of administrative and logistics functions, including—

- (I) facility maintenance;
- (II) fleet vehicle services;
- (III) mail handling and shipping and receiving;
- (IV) facility security;
- (V) procurement of goods and services;
- (VI) information technology and telecommunications services and support; and

(VII) additional ways to improve unity of effort and cost savings for field operations and related support activities as determined by the Secretary.

- (C) An implementation plan, including—
- (i) near-term actions that can co-locate, consolidate, or dispose of property within 24 months;
 - (ii) identifying long-term occupancy agreements or leases that cannot be changed without a significant cost to the Government; and
 - (iii) how the Department can ensure it has the capacity, in both personnel and funds, needed to cover up-front costs to achieve consolidation and efficiencies.
- (D) An accounting of any consolidation in the Department or its component's real estate footprint, including the colocation of personnel from different components, offices, and agencies within the Department.

SEC. 115. RESOURCES TO RESPOND TO OPERATIONAL SURGES.

On an annual basis, the Secretary of Homeland Security shall provide to the Committee on Homeland Security of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate information on the circumstances in which the Secretary exercised the authority during the preceding year to reprogram or transfer funds to address unforeseen costs, including the costs associated with operational surges, and information on any circumstances in which limitations on the transfer or reprogramming of funds impacted the Secretary's ability to address such unforeseen costs.

SEC. 116. DEPARTMENT OF HOMELAND SECURITY ROTATION PROGRAM.

(a) ENHANCEMENTS TO THE ROTATION PROGRAM.—Section 844(a) of the Homeland Security Act of 2002 (6 U.S.C. 414(a)) is amended as follows:

- (1) In paragraph (1)—
- (A) by striking “Not later than 180 days after the date of enactment of this section, the” and inserting “The”; and
 - (B) by striking “for employees of the Department” and inserting “for certain personnel within the Department”.
- (2) In paragraph (2)—
- (A) by redesignating subparagraphs (A) through (G) as subparagraphs (C) through (I), and inserting before subparagraph (C), as so redesignated, the following:
 - “(A) seek to foster greater Departmental integration and unity of effort;
 - “(B) seek to help enhance the knowledge, skills, and abilities of participating personnel with respect to the Department's programs, policies, and activities;”;
 - (B) in subparagraph (D), as so redesignated, by striking “middle and senior level”; and
 - (C) in subparagraph (G), as so redesignated, by inserting before “invigorate” the following: “seek to improve morale and retention throughout the Department and”.
- (3) In paragraph (3)(B), by striking clause (iii) and redesignating clauses (iv) through (viii) as clauses (iii) through (vii).
- (4) By redesignating paragraphs (4) and (5) as paragraphs (5) and (6), and inserting after paragraph (3) the following:
- “(4) ADMINISTRATIVE MATTERS.—In carrying out any program established pursuant to this section, the Secretary shall—
- “(A) before selecting employees for participation in such program, disseminate information broadly within the Department about the availability of the program, qualifications for participation in the program, including full-time employment within the employing component or office not less than one year, and the general provisions of the program;
 - “(B) require each candidate for participation in the program to be nominated by the head of the candidate's employing component or office and that the Secretary, or the Secretary's designee, select each employee for the program solely on the basis of relative ability, knowledge, and skills, after fair and open competition that assures that all candidates receive equal opportunity;
 - “(C) ensure that each employee participating in the program shall be entitled to return, within a reasonable period of time after the end of the period of participation, to the position held by the employee, or a corresponding or higher position, in the employee's employing component or office;
 - “(D) require that the rights that would be available to the employee if the employee were detailed from the employing component or office to another

Federal agency or office remain available to the employee during the employee participation in the program; and

“(E) require that, during the period of participation by an employee in the program, performance evaluations for the employee—

“(i) shall be conducted by officials in the employee’s office or component with input from the supervisors of the employee at the component or office in which the employee is placed during that period; and

“(ii) shall be provided the same weight with respect to promotions and other rewards as performance evaluations for service in the employee’s office or component.”.

(b) CONGRESSIONAL NOTIFICATION AND OVERSIGHT.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Homeland Security shall provide information to the Committee on Homeland Security of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate about the status of the homeland security rotation program authorized by section 844 of the Homeland Security Act of 2002, as amended by this section.

TITLE II—DHS ACQUISITION ACCOUNTABILITY AND EFFICIENCY

SEC. 201. DEFINITIONS.

(a) IN GENERAL.—In this title:

(1) SECRETARY.—The term “Secretary” means the Secretary of Homeland Security.

(2) DEPARTMENT.—The term “Department” means the Department of Homeland Security.

(3) CONGRESSIONAL HOMELAND SECURITY COMMITTEES.—The term “congressional homeland security committees” means—

(A) the Committee on Homeland Security of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate; and

(B) the Committee on Appropriations of the House of Representatives and of the Senate.

(b) ADDITIONAL DEFINITIONS.—In this title:

(1) ACQUISITION.—The term “acquisition” has the meaning provided in section 131 of title 41, United States Code.

(2) BEST PRACTICES.—The term “best practices”, with respect to acquisition, means a knowledge-based approach to capability development that includes identifying and validating needs; assessing alternatives to select the most appropriate solution; clearly establishing well-defined requirements; developing realistic cost assessments and schedules; securing stable funding that matches resources to requirements; demonstrating technology, design, and manufacturing maturity; using milestones and exit criteria or specific accomplishments that demonstrate progress; adopting and executing standardized processes with known success across programs; establishing an adequate workforce that is qualified and sufficient to perform necessary functions; and integrating these capabilities into the Department’s mission and business operations.

(c) AMENDMENTS TO DEFINITIONS IN HOMELAND SECURITY ACT OF 2002.—Section 2 of the Homeland Security Act of 2002 is amended—

(1) by striking “In this Act,” and inserting “(a) IN GENERAL.—In this Act,”;

(2) in paragraph (2)—

(A) by inserting “(A)” after “(2)”; and

(B) by adding at the end the following new subparagraph:

“(B) The term ‘congressional homeland security committees’ means—

“(i) the Committee on Homeland Security of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate; and

“(ii) the Committees on Appropriations of the House of Representatives and of the Senate, where appropriate.”; and

(3) by adding at the end the following new subsection:

“(b) ACQUISITION-RELATED DEFINITIONS.—In this Act, the following definitions apply:

“(1) ACQUISITION.—The term ‘acquisition’ has the meaning provided in section 131 of title 41, United States Code.

“(2) ACQUISITION DECISION AUTHORITY.—The term ‘acquisition decision authority’ means the authority, held by the Secretary acting through the Deputy Secretary or Under Secretary for Management—

“(A) to ensure compliance with Federal law, the Federal Acquisition Regulation, and Department acquisition management directives;

“(B) to review (including approving, halting, modifying, or cancelling) an acquisition program through the life cycle of the program;

“(C) to ensure that program managers have the resources necessary to successfully execute an approved acquisition program;

“(D) to ensure good program management of cost, schedule, risk, and system performance of the acquisition, including assessing acquisition program baseline breaches and directing any corrective action for such breaches; and

“(E) to ensure that program managers, on an ongoing basis, monitor cost, schedule, and performance against established baselines and use tools to assess risks to a program at all phases of the life cycle of the program to avoid and mitigate acquisition program baseline breaches.

“(3) ACQUISITION DECISION EVENT.—The term ‘acquisition decision event’, with respect to an investment or acquisition program, means a predetermined point within the acquisition phases of the investment or acquisition program at which the investment or acquisition program will undergo a review prior to commencement of the next phase.

“(4) ACQUISITION DECISION MEMORANDUM.—The term ‘acquisition decision memorandum’, with respect to an acquisition, means the official acquisition decision event record that includes a documented record of decisions, exit criteria, and assigned actions for the acquisition as determined by the person exercising acquisition decision authority for the acquisition.

“(5) ACQUISITION PROGRAM BASELINE.—The term ‘acquisition program baseline’, with respect to an acquisition program, means a summary of the cost, schedule, and performance parameters, expressed in standard, measurable, quantitative terms, which must be met in order to accomplish the goals of the program.

“(6) CAPABILITY DEVELOPMENT PLAN.—The term ‘capability development plan’, with respect to a proposed acquisition, means the document that the Acquisition Review Board approves for the first acquisition decision event related to validating the need of a proposed acquisition.

“(7) COMPONENT ACQUISITION EXECUTIVE.—The term ‘Component Acquisition Executive’ means the senior acquisition official within a component who is designated in writing by the Under Secretary for Management, in consultation with the component head, with authority and responsibility for leading a process and staff to provide acquisition and program management oversight, policy, and guidance to ensure that statutory, regulatory, and higher level policy requirements are fulfilled, including compliance with Federal law, the Federal Acquisition Regulation, and Department acquisition management directives established by the Under Secretary for Management.

“(8) LIFE CYCLE COST.—The term ‘life cycle cost’, with respect to an acquisition program, means all costs associated with research, development, procurement, operation, integrated logistics support, and disposal under the program, including supporting infrastructure that plans, manages, and executes the program over its full life, and costs of common support items incurred as a result of the program.

“(9) MAJOR ACQUISITION PROGRAM.—The term ‘major acquisition program’ means a Department acquisition program that is estimated by the Secretary to require an eventual total expenditure of at least \$300,000,000 (based on fiscal year 2015 constant dollars) over its life cycle cost.”

SEC. 202. PROHIBITION ON ADDITIONAL AUTHORIZATION OF APPROPRIATIONS.

No additional funds are authorized to be appropriated to carry out this title and the amendments made by this title. This title and such amendments shall be carried out using amounts otherwise available for such purposes.

Subtitle A—Acquisition Authorities

SEC. 211. ACQUISITION AUTHORITIES FOR UNDER SECRETARY FOR MANAGEMENT.

Section 701 of the Homeland Security Act of 2002 (6 U.S.C. 341), as amended by section 107 of this Act, is further amended by adding at the end the following:

“(e) ACQUISITION AND RELATED RESPONSIBILITIES.—

“(1) IN GENERAL.—Notwithstanding section 1702(b) of title 41, United States Code, the Under Secretary for Management is the Chief Acquisition Officer of the Department. As Chief Acquisition Officer, the Under Secretary shall have the authority and perform the functions as specified in section 1702(b) of such

title, and perform all other functions and responsibilities delegated by the Secretary or described in this subsection.

“(2) DUTIES AND RESPONSIBILITIES.—In addition to the authority and functions specified in section 1702(b) of title 41, United States Code, the duties and responsibilities of the Under Secretary for Management related to acquisition include the following:

“(A) Advising the Secretary regarding acquisition management activities, taking into account risks of failure to achieve cost, schedule, or performance parameters, to ensure that the Department achieves its mission through the adoption of widely accepted program management best practices and standards.

“(B) Exercising the acquisition decision authority to approve, halt, modify (including the rescission of approvals of program milestones), or cancel major acquisition programs, unless the Under Secretary delegates the authority to a Component Acquisition Executive pursuant to paragraph (3).

“(C) Establishing policies for acquisition that implement an approach that takes into account risks of failure to achieve cost, schedule, or performance parameters that all components of the Department shall comply with, including outlining relevant authorities for program managers to effectively manage acquisition programs.

“(D) Ensuring that each major acquisition program has a Department-approved acquisition program baseline, pursuant to the Department’s acquisition management policy.

“(E) Ensuring that the heads of components and Component Acquisition Executives comply with Federal law, the Federal Acquisition Regulation, and Department acquisition management directives.

“(F) Ensuring that grants and financial assistance are provided only to individuals and organizations that are not suspended or debarred.

“(G) Distributing guidance throughout the Department to ensure that contractors involved in acquisitions, particularly companies that access the Department’s information systems and technologies, adhere to internal cybersecurity policies established by the Department of Homeland Security.

“(3) DELEGATION OF ACQUISITION DECISION AUTHORITY.—

“(A) LEVEL 3 ACQUISITIONS.—The Under Secretary for Management may delegate acquisition decision authority in writing to the relevant Component Acquisition Executive for an acquisition program that has a life cycle cost estimate of less than \$300,000,000.

“(B) LEVEL 2 ACQUISITIONS.—The Under Secretary for Management may delegate acquisition decision authority in writing to the relevant Component Acquisition Executive for a major acquisition program that has a life cycle cost estimate of at least \$300,000,000 but not more than \$1,000,000,000 if all of the following requirements are met:

“(i) The component concerned possesses working policies, processes, and procedures that are consistent with Department-level acquisition policy.

“(ii) The Component Acquisition Executive has adequate, experienced, dedicated program management professional staff commensurate with the size of the delegated portfolio.

“(iii) Each major acquisition program concerned has written documentation showing that it has a Department-approved acquisition program baseline and it is meeting agreed-upon cost, schedule, and performance thresholds.

“(4) EXCLUDED PARTIES LIST SYSTEM CONSULTATION.—The Under Secretary for Management shall require that all Department contracting and procurement officials consult the Excluded Parties List System (or successor system) as maintained by the General Services Administration prior to awarding a contract or grant or entering into other transactions to ascertain whether the selected contractor is excluded from receiving Federal contracts, certain subcontracts, and certain types of Federal financial and nonfinancial assistance and benefits.

“(5) RELATIONSHIP TO UNDER SECRETARY FOR SCIENCE AND TECHNOLOGY.—

“(A) IN GENERAL.—Nothing in this subsection shall diminish the authority granted to the Under Secretary for Science and Technology under this Act. The Under Secretary for Management and the Under Secretary for Science and Technology shall cooperate in matters related to the coordination of acquisitions across the Department so that investments of the Directorate of Science and Technology can support current and future requirements of the components.

“(B) OPERATIONAL TESTING AND EVALUATION.—The Under Secretary for Science and Technology shall—

- “(i) ensure, in coordination with relevant component heads, that major acquisition programs—
 - “(I) complete operational testing and evaluation of technologies and systems;
 - “(II) use independent verification and validation of operational test and evaluation implementation and results; and
 - “(III) document whether such programs meet all performance requirements included in their acquisition program baselines;
- “(ii) ensure that such operational testing and evaluation includes all system components and incorporates operators into the testing to ensure that systems perform as intended in the appropriate operational setting; and
- “(iii) determine if testing conducted by other Federal agencies and private entities is relevant and sufficient in determining whether systems perform as intended in the operational setting.”.

SEC. 212. ACQUISITION AUTHORITIES FOR CHIEF FINANCIAL OFFICER.

Section 702 of the Homeland Security Act of 2002 (6 U.S.C. 342), as amended by section 108 of this Act, is further amended by adding at the end of subsection (c)(2) the following new subparagraph:

- “(J) Notwithstanding section 902 of title 31, United States Code, provide leadership over financial management policy and programs for the Department as they relate to the Department’s acquisitions programs, in consultation with the Under Secretary for Management.”.

SEC. 213. ACQUISITION AUTHORITIES FOR CHIEF INFORMATION OFFICER.

Section 703 of the Homeland Security Act of 2002 (6 U.S.C. 343), as amended by section 110(a) of this Act, is further amended by adding at the end the following new subsection:

“(f) ACQUISITION RESPONSIBILITIES.—Notwithstanding section 11315 of title 40, United States Code, the acquisition responsibilities of the Chief Information Officer, in consultation with the Under Secretary for Management, shall include the following:

- “(1) Oversee the management of the Homeland Security Enterprise Architecture and ensure that, before each acquisition decision event, approved information technology acquisitions comply with departmental information technology management processes, technical requirements, and the Homeland Security Enterprise Architecture, and in any case in which information technology acquisitions do not comply with the Department’s management directives, make recommendations to the Acquisition Review Board regarding such noncompliance.
- “(2) Be responsible for providing recommendations to the Acquisition Review Board established in section 836 of this Act on information technology programs, and be responsible for developing information technology acquisition strategic guidance.”.

SEC. 214. REQUIREMENTS TO ENSURE GREATER ACCOUNTABILITY FOR ACQUISITION PROGRAMS.

(a) IN GENERAL.—Title VII of the Homeland Security Act of 2002 (6 U.S.C. 341 et seq.), as amended by sections 109(a) and 112(a) of this Act, is further amended by adding at the end the following:

“SEC. 710. REQUIREMENTS TO ENSURE GREATER ACCOUNTABILITY FOR ACQUISITION PROGRAMS.

“(a) REQUIREMENT TO ESTABLISH MECHANISM.—Within the Management Directorate, the Under Secretary for Management shall establish a mechanism to prioritize improving the accountability, standardization, and transparency of major acquisition programs of the Department in order to increase opportunities for effectiveness and efficiencies and to serve as the central oversight function of all Department acquisition programs.

“(b) RESPONSIBILITIES OF EXECUTIVE DIRECTOR.—The Under Secretary for Management shall designate an Executive Director to oversee the requirement under subsection (a). The Executive Director shall report directly to the Under Secretary and shall carry out the following responsibilities:

- “(1) Monitor the performance of Department acquisition programs regularly between acquisition decision events to identify problems with cost, performance, or schedule that components may need to address to prevent cost overruns, performance issues, or schedule delays.
- “(2) Assist the Chief Acquisition Officer in managing the Department’s acquisition portfolio.
- “(3) Conduct oversight of individual acquisition programs to implement Department acquisition program policy, procedures, and guidance with a priority

on ensuring the data it collects and maintains from its components is accurate and reliable.

“(4) Serve as the focal point and coordinator for the acquisition life cycle review process and as the executive secretariat for the Acquisition Review Board established under section 836 of this Act.

“(5) Advise the persons having acquisition decision authority in making acquisition decisions consistent with all applicable laws and in establishing clear lines of authority, accountability, and responsibility for acquisition decision-making within the Department.

“(6) Engage in the strategic planning and performance evaluation process required under section 306 of title 5, United States Code, and sections 1105(a)(28), 1115, 1116, and 9703 of title 31, United States Code, by supporting the Chief Procurement Officer in developing strategies and specific plans for hiring, training, and professional development in order to rectify any deficiency within the Department’s acquisition workforce.

“(7) Oversee the Component Acquisition Executive structure to ensure it has sufficient capabilities and complies with Department policies.

“(8) Develop standardized certification standards in consultation with the Component Acquisition Executives for all acquisition program managers.

“(9) In the event that a program manager’s certification or actions need review for purposes of promotion or removal, provide input, in consultation with the relevant Component Acquisition Executive, into the relevant program manager’s performance evaluation, and report positive or negative experiences to the relevant certifying authority.

“(10) Provide technical support and assistance to Department acquisitions and acquisition personnel in conjunction with the Chief Procurement Officer.

“(11) Prepare the Department’s Comprehensive Acquisition Status Report, as required by the Department of Homeland Security Appropriations Act, 2013 (division D of Public Law 113–6; 127 Stat. 343) and section 840 of this Act, and make such report available to congressional homeland security committees.

“(12) Prepare the Department’s Quarterly Program Accountability Report as required by section 840 of this Act, and make such report available to the congressional homeland security committees.

“(c) RESPONSIBILITIES OF COMPONENTS.—Each head of a component shall comply with Federal law, the Federal Acquisition Regulation, and Department acquisition management directives established by the Under Secretary for Management. For each major acquisition program, each head of a component shall—

“(1) define baseline requirements and document changes to those requirements, as appropriate;

“(2) establish a complete life cycle cost estimate with supporting documentation, including an acquisition program baseline;

“(3) verify each life cycle cost estimate against independent cost estimates, and reconcile any differences;

“(4) complete a cost-benefit analysis with supporting documentation;

“(5) develop and maintain a schedule that is consistent with scheduling best practices as identified by the Comptroller General of the United States, including, in appropriate cases, an integrated master schedule; and

“(6) ensure that all acquisition program information provided by the component is complete, accurate, timely, and valid.

“SEC. 711. ACQUISITION DOCUMENTATION.

“(a) IN GENERAL.—For each major acquisition program, the Executive Director responsible for the preparation of the Comprehensive Acquisition Status Report, pursuant to paragraph (11) of section 710(b), shall require certain acquisition documentation to be submitted by Department components or offices.

“(b) WAIVER.—The Secretary may waive the requirement for submission under subsection (a) for a program for a fiscal year if either—

“(1) the program has not—

“(A) entered the full rate production phase in the acquisition life cycle;

“(B) had a reasonable cost estimate established; and

“(C) had a system configuration defined fully; or

“(2) the program does not meet the definition of ‘capital asset’, as defined by the Director of the Office of Management and Budget.

“(c) CONGRESSIONAL OVERSIGHT.—At the same time the President’s budget is submitted for a fiscal year under section 1105(a) of title 31, United States Code, the Secretary shall submit to the Committee on Homeland Security of the House of Representatives and Committee on Homeland Security and Governmental Affairs of the Senate information on the exercise of authority under subsection (b) in the prior fis-

cal year that includes the following specific information regarding each program for which a waiver is issued under subsection (b):

“(1) The grounds for granting a waiver for that program.

“(2) The projected cost of that program.

“(3) The proportion of a component’s annual acquisition budget attributed to that program, as available.

“(4) Information on the significance of the program with respect to the component’s operations and execution of its mission.”.

(b) CLERICAL AMENDMENT.—The table of contents in section 1(b) of the Homeland Security Act of 2002 (6 U.S.C. 101 et seq.) is further amended by adding after the item relating to section 709 the following new item:

“Sec. 710. Requirements to ensure greater accountability for acquisition programs.

“Sec. 711. Acquisition documentation.”.

Subtitle B—Acquisition Program Management Discipline

SEC. 221. ACQUISITION REVIEW BOARD.

(a) IN GENERAL.—Subtitle D of title VIII of the Homeland Security Act of 2002 (6 U.S.C. 391 et seq.) is amended by adding at the end the following new section:

“SEC. 836. ACQUISITION REVIEW BOARD.

“(a) IN GENERAL.—The Secretary shall establish an Acquisition Review Board (in this section referred to as the ‘Board’) to strengthen accountability and uniformity within the Department acquisition review process, review major acquisition programs, and review the use of best practices.

“(b) COMPOSITION.—The Deputy Secretary or Under Secretary for Management shall serve as chair of the Board. The Secretary shall also ensure participation by other relevant Department officials, including at least 2 component heads or their designees, as permanent members of the Board.

“(c) MEETINGS.—The Board shall meet every time a major acquisition program needs authorization to proceed from acquisition decision events through the acquisition life cycle and to consider any major acquisition program in breach as necessary. The Board may also be convened for non-major acquisitions that are deemed high-risk by the Executive Director referred to in section 710(b) of this Act. The Board shall also meet regularly for purposes of ensuring all acquisitions processes proceed in a timely fashion to achieve mission readiness.

“(d) RESPONSIBILITIES.—The responsibilities of the Board are as follows:

“(1) Determine whether a proposed acquisition has met the requirements of key phases of the acquisition life cycle framework and is able to proceed to the next phase and eventual full production and deployment.

“(2) Oversee executable business strategy, resources, management, accountability, and alignment to strategic initiatives.

“(3) Support the person with acquisition decision authority for an acquisition in determining the appropriate direction for the acquisition at key acquisition decision events.

“(4) Conduct systematic reviews of acquisitions to ensure that they are progressing in compliance with the approved documents for their current acquisition phase.

“(5) Review the acquisition documents of each major acquisition program, including the acquisition program baseline and documentation reflecting consideration of tradeoffs among cost, schedule, and performance objectives, to ensure the reliability of underlying data.

“(6) Ensure that practices are adopted and implemented to require consideration of trade-offs among cost, schedule, and performance objectives as part of the process for developing requirements for major acquisition programs prior to the initiation of the second acquisition decision event, including, at a minimum, the following practices:

“(A) Department officials responsible for acquisition, budget, and cost estimating functions are provided with the appropriate opportunity to develop estimates and raise cost and schedule matters before performance objectives are established for capabilities when feasible.

“(B) Full consideration of possible trade-offs among cost, schedule, and performance objectives for each alternative is considered.

“(e) ACQUISITION PROGRAM BASELINE REPORT REQUIREMENT.—If the person exercising acquisition decision authority over a major acquisition program approves the program to proceed into the planning phase before it has a Department-approved

acquisition program baseline, then the Under Secretary for Management shall create and approve an acquisition program baseline report on the decision, and the Secretary shall—

“(1) within 7 days after an acquisition decision memorandum is signed, notify in writing the congressional homeland security committees of such decision; and

“(2) within 60 days after the acquisition decision memorandum is signed, submit a report to such committees stating the rationale for the decision and a plan of action to require an acquisition program baseline for the program.

“(f) BEST PRACTICES DEFINED.—In this section, the term ‘best practices’ has the meaning provided in section 4(b) of the DHS Headquarters Reform and Improvement Act of 2015.”.

(b) CLERICAL AMENDMENT.—The table of contents in section 1(b) of the Homeland Security Act of 2002 (6 U.S.C. 101 et seq.) is further amended by adding after the item relating to section 835 the following new item:

“Sec. 836. Acquisition Review Board.”.

SEC. 222. REQUIREMENTS TO REDUCE DUPLICATION IN ACQUISITION PROGRAMS.

(a) IN GENERAL.—Subtitle D of title VIII of the Homeland Security Act of 2002 (6 U.S.C. 391 et seq.) is further amended by adding at the end the following new section:

“SEC. 837. REQUIREMENTS TO REDUCE DUPLICATION IN ACQUISITION PROGRAMS.

“(a) REQUIREMENT TO ESTABLISH POLICIES.—In an effort to reduce unnecessary duplication and inefficiency for all Department investments, including major acquisition programs, the Deputy Secretary, in consultation with the Under Secretary for Management, shall establish Department-wide policies to integrate all phases of the investment life cycle and help the Department identify, validate, and prioritize standards for common component requirements for major acquisition program requirements in order to increase opportunities for effectiveness and efficiencies. The policies shall also include strategic alternatives for developing and facilitating a Department component-driven requirements process that includes oversight of a development test and evaluation capability; identification of priority gaps and overlaps in Department capability needs; and provision of feasible technical alternatives, including innovative commercially available alternatives, to meet capability needs.

“(b) MECHANISMS TO CARRY OUT REQUIREMENT.—The Under Secretary for Management shall coordinate the actions necessary to carry out subsection (a), using such mechanisms as considered necessary by the Secretary to help the Department reduce unnecessary duplication and inefficiency for all Department investments, including major acquisition programs.

“(c) COORDINATION.—In coordinating the actions necessary to carry out subsection (a), the Deputy Secretary shall consult with the Under Secretary for Management, Component Acquisition Executives, and any other Department officials, including the Under Secretary for Science and Technology or his designee, with specific knowledge of Department or component acquisition capabilities to prevent unnecessary duplication of requirements.

“(d) ADVISORS.—The Deputy Secretary, in consultation with the Under Secretary for Management, shall seek and consider input within legal and ethical boundaries from members of Federal, State, local, and tribal governments, nonprofit organizations, and the private sector, as appropriate, on matters within their authority and expertise in carrying out the Department’s mission.

“(e) MEETINGS.—The Deputy Secretary, in consultation with the Under Secretary for Management, shall meet at least quarterly and communicate with components often to ensure that components do not overlap or duplicate spending or priorities on major investments and acquisition programs within their areas of responsibility.

“(f) RESPONSIBILITIES.—In carrying out this section, the responsibilities of the Deputy Secretary, in consultation with the Under Secretary for Management, are as follows:

“(1) To review and validate the requirements documents of major investments and acquisition programs prior to acquisition decision events of the investments or programs.

“(2) To ensure the requirements and scope of a major investment or acquisition program are stable, measurable, achievable, at an acceptable risk level, and match the resources planned to be available.

“(3) Before any entity of the Department issues a solicitation for a new contract, coordinate with other Department entities as appropriate to prevent unnecessary duplication and inefficiency and—

“(A) to implement portfolio reviews to identify common mission requirements and crosscutting opportunities among components to harmonize investments and requirements and prevent overlap and unnecessary duplication among components; and

“(B) to the extent practicable, to standardize equipment purchases, streamline the acquisition process, improve efficiencies, and conduct best practices for strategic sourcing.

“(4) To ensure program managers of major investments and acquisition programs conduct analyses, giving particular attention to factors such as cost, schedule, risk, performance, and operational efficiency in order to determine that programs work as intended within cost and budget expectations.

“(5) To propose schedules for delivery of the operational capability needed to meet each Department investment and major acquisition program.

“(g) BEST PRACTICES DEFINED.—In this section, the term ‘best practices’ has the meaning provided in section 4(b) of the DHS Headquarters Reform and Improvement Act of 2015.”.

(b) CLERICAL AMENDMENT.—The table of contents in section 1(b) of the Homeland Security Act of 2002 (6 U.S.C. 101 et seq.) is further amended by adding after the item relating to section 836 the following new item:

“Sec. 837. Requirements to reduce duplication in acquisition programs.”.

SEC. 223. GOVERNMENT ACCOUNTABILITY OFFICE REVIEW OF BOARD AND OF REQUIREMENTS TO REDUCE DUPLICATION IN ACQUISITION PROGRAMS.

(a) REVIEW REQUIRED.—The Comptroller General of the United States shall conduct a review of the effectiveness of the Acquisition Review Board established under section 836 of the Homeland Security Act of 2002 (as added by section 221) and the requirements to reduce unnecessary duplication in acquisition programs established under section 837 of such Act (as added by section 222) in improving the Department’s acquisition management process.

(b) SCOPE OF REPORT.—The review shall include the following:

(1) An assessment of the effectiveness of the Board in increasing program management oversight, best practices and standards, and discipline among the components of the Department, including in working together and in preventing overlap and unnecessary duplication.

(2) An assessment of the effectiveness of the Board in instilling program management discipline.

(3) A statement of how regularly each major acquisition program is reviewed by the Board, how often the Board stops major acquisition programs from moving forward in the phases of the acquisition life cycle process, and the number of major acquisition programs that have been halted because of problems with operational effectiveness, schedule delays, or cost overruns.

(4) An assessment of the effectiveness of the Board in impacting acquisition decisionmaking within the Department, including the degree to which the Board impacts decisionmaking within other headquarters mechanisms and bodies involved in the administration of acquisition activities.

(c) REPORT REQUIRED.—The Comptroller General shall submit to the congressional homeland security committees a report on the review required by this section not later than 1 year after the date of the enactment of this Act. The report shall be submitted in unclassified form but may include a classified annex.

SEC. 224. EXCLUDED PARTY LIST SYSTEM WAIVERS.

The Secretary of Homeland Security shall provide notification to the congressional homeland security committees within 5 days after the issuance of a waiver by the Secretary of Federal requirements that an agency not engage in business with a contractor in the Excluded Party List System (or successor system) as maintained by the General Services Administration and an explanation for a finding by the Secretary that a compelling reason exists for this action.

SEC. 225. INSPECTOR GENERAL OVERSIGHT OF SUSPENSION AND DEBARMENT.

The Inspector General of the Department of Homeland Security—

(1) may audit decisions about grant and procurement awards to identify instances where a contract or grant was improperly awarded to a suspended or debarred entity and whether corrective actions were taken to prevent recurrence; and

(2) shall review the suspension and debarment program throughout the Department of Homeland Security to assess whether suspension and debarment criteria are consistently applied throughout the Department and whether disparities exist in the application of such criteria, particularly with respect to business size and categories.

Subtitle C—Acquisition Program Management Accountability and Transparency

SEC. 231. CONGRESSIONAL NOTIFICATION AND OTHER REQUIREMENTS FOR MAJOR ACQUISITION PROGRAM BREACH.

(a) IN GENERAL.—Subtitle D of title VIII of the Homeland Security Act of 2002 (6 U.S.C. 391 et seq.) is further amended by adding at the end the following new section:

“SEC. 838. CONGRESSIONAL NOTIFICATION AND OTHER REQUIREMENTS FOR MAJOR ACQUISITION PROGRAM BREACH.

“(a) BREACH DEFINED.—The term ‘breach’, with respect to a major acquisition program, means a failure to meet any cost, schedule, or performance parameter specified in the acquisition program baseline.

“(b) REQUIREMENTS WITHIN DEPARTMENT IF BREACH OCCURS.—

“(1) NOTIFICATIONS.—

“(A) NOTIFICATION OF BREACH.—If a breach occurs in a major acquisition program, the program manager for that program shall notify the head of the component concerned, the Component Acquisition Executive for the program, the Executive Director referred to in section 710(b) of this Act, the Under Secretary for Management, and the Deputy Secretary.

“(B) NOTIFICATION TO SECRETARY.—If a major acquisition program has a breach with a cost overrun greater than 15 percent or a schedule delay greater than 180 days from the costs or schedule set forth in the acquisition program baseline for the program, the Secretary and the Inspector General of the Department shall be notified not later than 5 business days after the breach is identified.

“(2) REMEDIATION PLAN AND ROOT CAUSE ANALYSIS.—

“(A) IN GENERAL.—In the case of a breach with a cost overrun greater than 15 percent or a schedule delay greater than 180 days from the costs or schedule set forth in the acquisition program baseline, a remediation plan and root cause analysis is required, and the Under Secretary for Management or his designee shall establish a date for submission within the Department of a breach remediation plan and root cause analysis in accordance with this subsection.

“(B) REMEDIATION PLAN.—The remediation plan required under this subsection shall be submitted in writing to the head of the component concerned, the Executive Director referred to in section 710(b) of this Act, and the Under Secretary for Management. The plan shall—

“(i) explain the circumstances of the breach;

“(ii) provide prior cost estimating information;

“(iii) propose corrective action to control cost growth, schedule delays, or performance issues;

“(iv) in coordination with Component Acquisition Executive, discuss all options considered, including the estimated impact on cost, schedule, or performance of the program if no changes are made to current requirements, the estimated cost of the program if requirements are modified, and the extent to which funding from other programs will need to be reduced to cover the cost growth of the program; and

“(v) explain the rationale for why the proposed corrective action is recommended.

“(C) ROOT CAUSE ANALYSIS.—The root cause analysis required under this subsection shall determine the underlying cause or causes of shortcomings in cost, schedule, or performance of the program, including the role, if any, of the following:

“(i) Unrealistic performance expectations.

“(ii) Unrealistic baseline estimates for cost or schedule or changes in program requirements.

“(iii) Immature technologies or excessive manufacturing or integration risk.

“(iv) Unanticipated design, engineering, manufacturing, or technology integration issues arising during program performance.

“(v) Changes in procurement quantities.

“(vi) Inadequate program funding or changes in planned out-year funding from 1 5-year funding plan to the next 5-year funding plan as outlined in the Future Years Homeland Security Program required under section 874 of this Act.

“(vii) Legislative, legal, or regulatory changes.

“(viii) Inadequate program management personnel, including lack of training, credentials, certifications, or use of best practices.

“(3) CORRECTION OF BREACH.—The Under Secretary for Management or his designee shall establish a date for submission within the Department of a program of corrective action that ensures that 1 of the following actions has occurred:

“(A) The breach has been corrected and the program is again in compliance with the original acquisition program baseline parameters.

“(B) A revised acquisition program baseline has been approved.

“(C) The program has been halted or cancelled.

“(c) REQUIREMENTS RELATING TO CONGRESSIONAL NOTIFICATION IF BREACH OCCURS.—

“(1) NOTIFICATION TO CONGRESS.—If a notification is made under subsection (b)(1)(B) for a breach in a major acquisition program with a cost overrun greater than 15 percent or a schedule delay greater than 180 days from the costs or schedule set forth in the acquisition program baseline, or with an anticipated failure for any key performance threshold or parameter specified in the acquisition program baseline, the Under Secretary for Management shall notify the congressional homeland security committees of the breach in the next quarterly Comprehensive Acquisition Status Report after the Under Secretary for Management receives the notification from the program manager under subsection (b)(1)(B).

“(2) SUBSTANTIAL VARIANCES IN COSTS OR SCHEDULE.—If a likely cost overrun is greater than 20 percent or a likely delay is greater than 12 months from the costs and schedule set forth in the acquisition program baseline for a major acquisition program, the Under Secretary for Management shall include in the notification required in (c)(1) a written certification, with supporting explanation, that—

“(A) the acquisition is essential to the accomplishment of the Department’s mission;

“(B) there are no alternatives to such capability or asset that will provide equal or greater capability in both a more cost-effective and timely manner;

“(C) the new acquisition schedule and estimates for total acquisition cost are reasonable; and

“(D) the management structure for the acquisition program is adequate to manage and control performance, cost, and schedule.

“(3) SUBMISSIONS TO CONGRESS.—Not later than 30 calendar days after submission to such committees of a breach notification under paragraph (1) of this section for a major acquisition program, the Under Secretary for Management shall submit to such committees the following:

“(A) A copy of the remediation plan and the root cause analysis prepared under subsection (b)(2) for the program.

“(B) A statement describing the corrective action or actions that have occurred pursuant to subsection (b)(3) for the program, with a justification for the action or actions.

“(d) ADDITIONAL ACTIONS IF BREACH OCCURS.—

“(1) PROHIBITION ON OBLIGATION OF FUNDS.—During the 90-day period following submission under subsection (c)(3) of a remediation plan, root cause analysis, and statement of corrective actions with respect to a major acquisition program, the Under Secretary for Management shall submit a certification described in paragraph (2) of this subsection to the congressional homeland security committees. If the Under Secretary for Management does not submit such certification by the end of such 90-day period, then funds appropriated to the major acquisition program shall not be obligated until the Under Secretary for Management submits such certification.

“(2) CERTIFICATION.—For purposes of paragraph (1), the certification described in this paragraph is a certification that—

“(A) the Department has adjusted or restructured the program in a manner that addresses the root cause or causes of the cost growth in the program; and

“(B) the Department has conducted a thorough review of the breached program’s acquisition decision event approvals and the current acquisition decision event approval for the breached program has been adjusted as necessary to account for the restructured program.”.

(b) CLERICAL AMENDMENT.—The table of contents in section 1(b) of the Homeland Security Act of 2002 (6 U.S.C. 101 et seq.) is further amended by adding after the item relating to section 837 the following new item:

“Sec. 838. Congressional notification and other requirements for major acquisition program breach.”.

SEC. 232. MULTIYEAR ACQUISITION STRATEGY.

(a) IN GENERAL.—

(1) AMENDMENT.—Subtitle D of title VIII of the Homeland Security Act of 2002 (6 U.S.C. 391 et seq.) is further amended by adding at the end the following new section:

“SEC. 839. MULTIYEAR ACQUISITION STRATEGY.

“(a) MULTIYEAR ACQUISITION STRATEGY REQUIRED.—Not later than 1 year after the date of the enactment of this section, the Secretary shall submit to the appropriate homeland security committees a multiyear acquisition strategy to guide the overall direction of the acquisitions of the Department while allowing flexibility to deal with ever-changing threats and risks and to help industry better understand, plan, and align resources to meet the future acquisition needs of the Department. The strategy shall be updated and included in each Future Years Homeland Security Program required under section 874 of this Act.

“(b) CONSULTATION.—In developing the strategy, the Secretary shall consult with others as the Secretary deems appropriate, including headquarters, components, employees in the field, and when appropriate, individuals from industry and the academic community.

“(c) FORM OF STRATEGY.—The report shall be submitted in unclassified form but may include a classified annex for any sensitive or classified information if necessary. The Department also shall publish the plan in an unclassified format that is publicly available.

“(d) CONTENTS OF STRATEGY.—The strategy shall include the following:

“(1) PRIORITIZED LIST.—A systematic and integrated prioritized list developed by the Under Secretary for Management or his designee in coordination with all of the Component Acquisition Executives of Department major acquisition programs that Department and component acquisition investments seek to address, that includes the expected security and economic benefit of the program or system and an analysis of how the security and economic benefit derived from the program or system will be measured.

“(2) INVENTORY.—A plan to develop a reliable Department-wide inventory of investments and real property assets to help the Department plan, budget, schedule, and acquire upgrades of its systems and equipment and plan for the acquisition and management of future systems and equipment.

“(3) FUNDING GAPS.—A plan to address funding gaps between funding requirements for major acquisition programs and known available resources including, to the maximum extent practicable, ways of leveraging best practices to identify and eliminate overpayment for items to prevent wasteful purchasing, achieve the greatest level of efficiency and cost savings by rationalizing purchases, aligning pricing for similar items, and utilizing purchase timing and economies of scale.

“(4) IDENTIFICATION OF CAPABILITIES.—An identification of test, evaluation, modeling, and simulation capabilities that will be required to support the acquisition of the technologies to meet the needs of the plan and ways to leverage to the greatest extent possible the emerging technology trends and research and development trends within the public and private sectors and an identification of ways to ensure that the appropriate technology is acquired and integrated into the Department’s operating doctrine and procured in ways that improve mission performance.

“(5) FOCUS ON FLEXIBLE SOLUTIONS.—An assessment of ways the Department can improve its ability to test and acquire innovative solutions to allow needed incentives and protections for appropriate risk-taking in order to meet its acquisition needs with resiliency, agility, and responsiveness to assure the Nation’s homeland security and facilitate trade.

“(6) FOCUS ON INCENTIVES TO SAVE TAXPAYER DOLLARS.—An assessment of ways the Department can develop incentives for program managers and senior Department acquisition officials to prevent cost overruns, avoid schedule delays, and achieve cost savings in major acquisition programs.

“(7) FOCUS ON ADDRESSING DELAYS AND BID PROTESTS.—An assessment of ways the Department can improve the acquisition process to minimize cost overruns in requirements development, procurement announcements, requests for proposals, evaluation of proposals, protests of decisions and awards and through the use of best practices as defined in section 4(b) of the DHS Headquarters Reform and Improvement Act of 2015 and lessons learned by the Department and other Federal agencies.

“(8) FOCUS ON IMPROVING OUTREACH.—An identification and assessment of ways to increase opportunities for communication and collaboration with industry, small and disadvantaged businesses, intra-government entities, university centers of excellence, accredited certification and standards development organizations, and national laboratories to ensure that the Department understands the market for technologies, products, and innovation that is available to meet its mission needs to inform the requirements-setting process and before engaging in an acquisition, including—

“(A) methods designed especially to engage small and disadvantaged businesses and a cost-benefit analysis of the tradeoffs that small and disadvantaged businesses provide, barriers to entry for small and disadvantaged businesses, and unique requirements for small and disadvantaged businesses; and

“(B) within the Department Vendor Communication Plan and Market Research Guide, instructions for interaction by program managers with such entities to prevent misinterpretation of acquisition regulations and to permit freedom within legal and ethical boundaries for program managers to interact with such businesses with transparency.

“(9) COMPETITION.—A plan regarding competition as described in subsection (e).

“(10) ACQUISITION WORKFORCE.—A plan regarding the Department acquisition workforce as described in subsection (f).

“(11) FEASIBILITY OF WORKFORCE DEVELOPMENT FUND PILOT PROGRAM.—An assessment of the feasibility of conducting a pilot program to establish an acquisition workforce development fund as described in subsection (g).

“(e) COMPETITION PLAN.—The strategy shall also include a plan (referred to in subsection (d)(9)) that shall address actions to ensure competition, or the option of competition, for major acquisition programs. The plan may include assessments of the following measures in appropriate cases if such measures are cost effective:

“(1) Competitive prototyping.

“(2) Dual-sourcing.

“(3) Unbundling of contracts.

“(4) Funding of next-generation prototype systems or subsystems.

“(5) Use of modular, open architectures to enable competition for upgrades.

“(6) Acquisition of complete technical data packages.

“(7) Periodic competitions for subsystem upgrades.

“(8) Licensing of additional suppliers, including small businesses.

“(9) Periodic system or program reviews to address long-term competitive effects of program decisions.

“(f) ACQUISITION WORKFORCE PLAN.—

“(1) ACQUISITION WORKFORCE.—The strategy shall also include a plan (referred to in subsection (d)(10)) to address Department acquisition workforce accountability and talent management that identifies the acquisition workforce needs of each component performing acquisition functions and develops options for filling those needs with qualified individuals, including a cost-benefit analysis of contracting for acquisition assistance.

“(2) ADDITIONAL MATTERS COVERED.—The acquisition workforce plan shall address ways to—

“(A) improve the recruitment, hiring, training, and retention of Department acquisition workforce personnel, including contracting officer’s representatives, in order to retain highly qualified individuals that have experience in the acquisition life cycle, complex procurements, and management of large programs;

“(B) empower program managers to have the authority to manage their programs in an accountable and transparent manner as they work with the acquisition workforce;

“(C) prevent duplication within Department acquisition workforce training and certification requirements through leveraging already-existing training within the Federal Government, academic community, or private industry;

“(D) achieve integration and consistency with Government-wide training and accreditation standards, acquisition training tools, and training facilities;

“(E) designate the acquisition positions that will be necessary to support the Department acquisition requirements, including in the fields of—

“(i) program management;

“(ii) systems engineering;

“(iii) procurement, including contracting;

“(iv) test and evaluation;

“(v) life cycle logistics;

“(vi) cost estimating and program financial management; and

“(vii) additional disciplines appropriate to Department mission needs;

“(F) strengthen the performance of contracting officer’s representatives (as defined in subpart 1.602–2 and subpart 2.101 of the Federal Acquisition Regulation), including by—

“(i) assessing the extent to which contracting officer’s representatives are certified and receive training that is appropriate;

“(ii) determining what training is most effective with respect to the type and complexity of assignment; and

“(iii) implementing actions to improve training based on such assessment; and

“(G) identify ways to increase training for relevant investigators and auditors to examine fraud in major acquisition programs, including identifying opportunities to leverage existing Government and private sector resources in coordination with the Inspector General of the Department.

“(g) FEASIBILITY OF WORKFORCE DEVELOPMENT FUND PILOT PROGRAM.—The strategy shall also include an assessment (referred to in subsection (d)(11)) of the feasibility of conducting a pilot program to establish a Homeland Security Acquisition Workforce Development Fund (in this subsection referred to as the ‘Fund’) to ensure the Department acquisition workforce has the capacity, in both personnel and skills, needed to properly perform its mission and ensure that the Department receives the best value for the expenditure of public resources. The assessment shall address the following:

“(1) Ways to fund the Fund, including the use of direct appropriations, or the credit, transfer, or deposit of unobligated or unused funds from Department components into the Fund to remain available for obligation in the fiscal year for which credited, transferred, or deposited and to remain available for successive fiscal years.

“(2) Ways to reward the Department acquisition workforce and program managers for good program management in controlling cost growth, limiting schedule delays, and ensuring operational effectiveness through providing a percentage of the savings or general acquisition bonuses.

“(3) Guidance for the administration of the Fund that includes provisions to do the following:

“(A) Describe the costs and benefits associated with the use of direct appropriations or credit, transfer, or deposit of unobligated or unused funds to finance the Fund.

“(B) Describe the manner and timing for applications for amounts in the Fund to be submitted.

“(C) Explain the evaluation criteria to be used for approving or prioritizing applications for amounts in the Fund in any fiscal year.

“(D) Explain the mechanism to report to Congress on the implementation of the Fund on an ongoing basis.

“(E) Detail measurable performance metrics to determine if the Fund is meeting the objective to improve the acquisition workforce and to achieve cost savings in acquisition management.”.

(2) CLERICAL AMENDMENT.—The table of contents in section 1(b) of the Homeland Security Act of 2002 (6 U.S.C. 101 et seq.) is further amended by adding after the item relating to section 838 the following new item:

“Sec. 839. Multiyear acquisition strategy.”.

(b) CONFORMING AMENDMENT TO FUTURE YEARS HOMELAND SECURITY PROGRAM.—Section 874(b) of the Homeland Security Act of 2002 (6 U.S.C. 454(b)) is amended—

(1) by striking “and” at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting “; and”; and

(3) by adding at the end the following new paragraph:

“(4) include the multiyear acquisition strategy required under section 839 of this Act.”.

SEC. 233. ACQUISITION REPORTS.

(a) **IN GENERAL.**—Subtitle D of title VIII of the Homeland Security Act of 2002 (6 U.S.C. 391 et seq.) is further amended by adding at the end the following new section:

“SEC. 840. ACQUISITION REPORTS.

“(a) COMPREHENSIVE ACQUISITION STATUS REPORT.—

“(1) IN GENERAL.—The Under Secretary for Management each year shall submit to the congressional homeland security committees, at the same time as the President’s budget is submitted for a fiscal year under section 1105(a) of title 31, United States Code, a comprehensive acquisition status report. The report shall include the following:

“(A) The information required under the heading ‘Office of the Under Secretary for Management’ under title I of division D of the Consolidated Appropriations Act, 2012 (Public Law 112–74) (as required under the Department of Homeland Security Appropriations Act, 2013 (Public Law 113–6)).

“(B) A listing of programs that have been cancelled, modified, paused, or referred to the Under Secretary for Management or Deputy Secretary for additional oversight or action by the Board, Department Office of Inspector General, or the Comptroller General.

“(C) A listing of established Executive Steering Committees, which provide governance of a program or related set of programs and lower-tiered oversight, and support between acquisition decision events and component reviews, including the mission and membership for each.

“(2) INFORMATION FOR MAJOR ACQUISITION PROGRAMS.—For each major acquisition program, the report shall include the following:

“(A) A narrative description, including current gaps and shortfalls, the capabilities to be fielded, and the number of planned increments or units.

“(B) Acquisition Review Board (or other board designated to review the acquisition) status of each acquisition, including the current acquisition phase, the date of the last review, and a listing of the required documents that have been reviewed with the dates reviewed or approved.

“(C) The most current, approved acquisition program baseline (including project schedules and events).

“(D) A comparison of the original acquisition program baseline, the current acquisition program baseline, and the current estimate.

“(E) Whether or not an independent verification and validation has been implemented, with an explanation for the decision and a summary of any findings.

“(F) A rating of cost risk, schedule risk, and technical risk associated with the program (including narrative descriptions and mitigation actions).

“(G) Contract status (including earned value management data as applicable).

“(H) A lifecycle cost of the acquisition, and time basis for the estimate.

“(3) UPDATES.—The Under Secretary shall submit quarterly updates to such report not later than 45 days after the completion of each quarter.

“(b) QUARTERLY PROGRAM ACCOUNTABILITY REPORT.—The Under Secretary for Management shall prepare a quarterly program accountability report to meet the Department’s mandate to perform program health assessments and improve program execution and governance. The report shall be submitted to the congressional homeland security committees.”.

(b) **CLERICAL AMENDMENT.—**The table of contents in section 1(b) of the Homeland Security Act of 2002 (6 U.S.C. 101 et seq.) is further amended by adding after the item relating to section 839 the following new item:

“Sec. 840. Acquisition reports.”.

SEC. 234. GOVERNMENT ACCOUNTABILITY OFFICE REVIEW OF MULTIYEAR ACQUISITION STRATEGY.

(a) **REVIEW REQUIRED.—**After submission to Congress of the first multiyear acquisition strategy (pursuant to section 839 of the Homeland Security Act of 2002) after the date of the enactment of this Act, the Comptroller General of the United States shall conduct a review of the plan within 180 days to analyze the viability of the plan’s effectiveness in the following:

(1) Complying with the requirements in section 839 of the Homeland Security Act of 2002, as added by section 232 of this Act.

(2) Establishing clear connections between Department objectives and acquisition priorities.

(3) Demonstrating that Department acquisition policy reflects program management best practices and standards.

(4) Ensuring competition or the option of competition for major acquisition programs.

(5) Considering potential cost savings through using already-existing technologies when developing acquisition program requirements.

(6) Preventing duplication within Department acquisition workforce training requirements through leveraging already-existing training within the Federal Government, academic community, or private industry.

(7) Providing incentives for program managers to reduce acquisition and procurement costs through the use of best practices and disciplined program management.

(8) Maximizing small business utilization in acquisitions by, to the maximum extent practicable, ensuring strategic sourcing vehicles seek to increase participation by small businesses, including small and disadvantaged business.

(9) Assessing the feasibility of conducting a pilot program to establish a Homeland Security Acquisition Workforce Development Fund.

(b) **REPORT REQUIRED.**—The Comptroller General shall submit to the congressional homeland security committees a report on the review required by this section. The report shall be submitted in unclassified form but may include a classified annex.

SEC. 235. OFFICE OF INSPECTOR GENERAL REPORT.

(a) **REVIEW REQUIRED.**—No later than 2 years following the submission of the report submitted by the Comptroller General of the United States as required by section 234, the Department's Inspector General shall conduct a review of whether the Department has complied with the multiyear acquisition strategy (pursuant to section 839 of the Homeland Security Act of 2002) and adhered to the strategies set forth in the plan. The review shall also consider whether the Department has complied with the requirements to provide the Acquisition Review Board with a capability development plan for each major acquisition program.

(b) **REPORT REQUIRED.**—The Inspector General shall submit to the congressional homeland security committees a report of the review required by this section. The report shall be submitted in unclassified form but may include a classified annex.

PURPOSE AND SUMMARY

H.R. 3572 seeks to reform and improve key management functions in the Department of Homeland Security's (DHS or Department) headquarters, streamline DHS's Office of Policy by consolidating three existing offices and eliminating five Assistant Secretary positions, mandates specific efficiency reviews, provides stronger overall Congressional direction, and seeks to strengthen the Department's role in effectively overseeing major acquisition programs. In addition, this bill provides guidance to ensure that DHS's structure and focus are directly linked to securing the homeland.

BACKGROUND AND NEED FOR LEGISLATION

It is important for the Department to receive clear direction from Congress to ensure that it effectively and efficiently carries out its mission of securing the homeland. However, DHS has not received robust Congressional authorization since the Homeland Security Act of 2002 established the Department, which has allowed DHS to create, organize, reorganize, and expand the scope of several offices and programs without Congressional approval for doing so. For example, the Homeland Security Act of 2002 originally authorized a Special Assistant to the Secretary for the Private Sector but the Department used that authorization to create an Assistant Secretary for that role and moved the position to the Office of Policy without Congressional approval. As such, to ensure that DHS does not create future Assistant Secretary positions without explicit Congressional approval, the bill specifies the Assistant Secretaries authorized for the Department.

Further, DHS headquarters has an array of offices that should be streamlined and refocused to avoid a top-heavy bureaucracy. Specifically, DHS currently has three offices responsible for coordinating outreach with external stakeholders, each led by its own Assistant Secretary. This bill consolidates these offices into one office responsible for external outreach and engagement and places that one office within the Office of Policy to more closely align external engagement with policymaking. It also eliminates two Assistant Secretary positions in order to achieve a leaner and more effective department.

DHS has experienced serious management challenges from its inception. Since 2003, GAO has identified DHS's consolidation of 22 agencies into one department, and the Department's subsequent challenges with its management functions, as an item for inclusion in GAO's biennial *High-Risk Update*, detailing areas of federal government operations particularly vulnerable to waste, fraud, abuse, or mismanagement. In the latest *Update* (GAO-15-290), GAO noted that DHS's management challenges continue and recommends actions needed to mitigate the risks posed by management weaknesses to the Department's missions. Additionally, the DHS Office of Inspector General (OIG) reports annually on major management challenges facing the Department. In November 2014, the OIG identified challenges in DHS's management of acquisition programs. Most of DHS's major acquisition programs continue to cost more than expected, take longer to deploy than planned, or deliver less capability than promised. Despite having an acquisition policy that reflects best practices, DHS has routinely approved major acquisition programs to move forward without appropriate internal oversight. GAO reports issued as H.R. 3572's acquisition-reform provisions began to move through the Homeland Security Committee (GAO-15-171SP; GAO-15-292) call for enhanced management accountability, improved oversight, and better reporting to Congress. This bill provides the necessary authority for key personnel and mechanisms within the Department to effectively manage major acquisition programs, and enhances Congressional oversight of this spending.

Additionally, this legislation enhances the responsibilities of key management officials and, in a number of instances, requires them to ensure appropriate execution of a particular activity. In these instances, the provision intends that the official devotes the greatest effort possible to ensure an activity's completion to the extent that it is within his or her control. This can include, but is not limited to, establishing policies, internal controls, and processes to ensure that a bill requirement is met. Finally, the bill requires the Department to complete various plans outlining strategies related to the Department's international activities, the Quadrennial Homeland Security Review, information technology, human capital, and multiyear acquisition strategy. The Committee intends for the Department to coordinate between those strategic plans to ensure that they inform one another.

HEARINGS

No hearings were specifically held on H.R. 3572. However, the Committee has held several relevant oversight hearings, listed below.

On March 1, 2012, the Subcommittee on Oversight and Management Efficiency held a hearing entitled “Building One DHS: Why Can’t Management Information Be Integrated?” The Subcommittee received testimony from The Honorable Rafael Borrás, Under Secretary for Management, U.S. Department of Homeland Security; Mr. David Maurer, Director, Homeland Security and Justice, U.S. Government Accountability Office; and Mr. Charles Edwards, Acting Inspector General, U.S. Department of Homeland Security.

On March 8, 2012, the Subcommittee on Oversight and Management Efficiency held a hearing entitled “Eliminating Waste, Fraud, Abuse, and Duplication in the Department of Homeland Security.” The Subcommittee received testimony from The Honorable James Gilmore III, Former Governor of Virginia and Chairman of the Congressional Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction; Ms. Cathleen Berrick, Managing Director, Homeland Security and Justice, U.S. Government Accountability Office; Mr. Charles Edwards, Acting Inspector General, U.S. Department of Homeland Security; and Mr. Scott Lilly, Senior Fellow, Center for American Progress.

On March 22, 2012, the Subcommittee on Oversight and Management Efficiency held a hearing entitled “Building One DHS: Why Is Employee Morale Low?” The Subcommittee received testimony from Admiral Thad Allen (Ret.), Senior Vice President, Booz Allen Hamilton; Ms. Catherine Emerson, Chief Human Capital Officer, U.S. Department of Homeland Security; Mr. David Maurer, Director, Homeland Security and Justice, U.S. Government Accountability Office; Mr. Max Stier, President and CEO, The Partnership for Public Service; and Dr. Jeff T.H. Pon, Chief Human Resources Officer, Society for Human Resource Management.

On September 20, 2012, the Committee on Homeland Security held a hearing entitled “The Department of Homeland Security: An Assessment of the Department and a Roadmap for Its Future.” The Committee received testimony from The Honorable Richard Skinner, Former Inspector General, U.S. Department of Homeland Security; The Honorable Stewart A. Baker, Former Assistant Secretary for Policy, U.S. Department of Homeland Security; Mr. Frank J. Cilluffo, Former Principal Advisor to Governor Tom Ridge, White House Office of Homeland Security; and Mr. David Maurer, Director, Homeland Security and Justice, U.S. Government Accountability Office.

On September 21, 2012, the Subcommittee on Oversight and Management Efficiency held a hearing entitled “DHS Acquisition Management Challenges: Solutions for Saving Taxpayer Dollars” The Subcommittee received testimony from Mr. John Hutton, Director, Acquisition and Sourcing Management, U.S. Government Accountability Office; Dr. Nick Nayak, Chief Procurement Office, U.S. Department of Homeland Security; Mr. Mark Borkowski, Assistant Commissioner, Office of Technology Innovation and Acquisition, Customs and Border Protection, U.S. Department of Homeland Security; and Ms. Karen Shelton Waters, Assistant Administrator, Office of Acquisition, Transportation Security Administration, U.S. Department of Homeland Security.

On February 15, 2013, the Subcommittee on Oversight and Management Efficiency held a hearing entitled “Assessing DHS 10

Years Later: How Wisely is DHS Spending Taxpayer Dollars?” The Subcommittee received testimony from The Honorable James Gilmore III, President, Free Congress Foundation; Mr. Rick “Ozzie” Nelson, Vice President for Business Development, Cross Match Technologies; Mr. Shawn Reese, Analyst, Emergency Management and Homeland Security Policy, Congressional Research Service; and Ms. Cathleen Berrick, Managing Director, Homeland Security and Justice, U.S. Government Accountability Office.

On April 26, 2013, the Subcommittee on Oversight and Management Efficiency held a hearing entitled “Cutting DHS Duplication and Wasteful Spending: Implementing Private Sector Best Practices and Watchdog Recommendations.” The Subcommittee received testimony from Ms. Cathleen Berrick, Managing Director, Homeland Security and Justice, U.S. Government Accountability Office; Ms. Anne Richards, Assistant Inspector General for Audits, Office of Inspector General, U.S. Department of Homeland Security; Mr. Paul G. Stern, Ph.D., Board Director, Business Executives for National Security; Mr. Craig Killough, Vice President, Organization Markets, Project Management Institute; and Dr. Henry H. Willis, Director, RAND Homeland Security and Defense Center, The RAND Corporation.

On September 19, 2013, the Subcommittee on Oversight and Management Efficiency held a hearing entitled “DHS Acquisition Practices: Improving Outcomes for Taxpayers Using Defense and Private Sector Lessons Learned.” The Subcommittee received testimony from The Honorable Rafael Borrás, Under Secretary for Management, U.S. Department of Homeland Security; Ms. Michele Mackin, Director, Acquisition and Sourcing Management, U.S. Government Accountability Office; and Ms. Anne Richards, Assistant Inspector General for Audits, Office of Inspector General, U.S. Department of Homeland Security.

On November 15, 2013, the Subcommittee on Oversight and Management Efficiency held a hearing entitled “DHS Financial Management: Investigating DHS’s Stewardship of Taxpayer Dollars.” The Subcommittee received testimony from Mr. Chip Fulghum, Acting Chief Financial Officer, U.S. Department of Homeland Security; Mr. Asif Khan, Director, Financial Management and Assurance, U.S. Government Accountability Office; and Ms. Anne Richards, Assistant Inspector General for Audits, Office of Inspector General, U.S. Department of Homeland Security.

On February 26, 2014, the Committee on Homeland Security held a hearing entitled “The Secretary’s Vision for the Future-Challenges and Priorities.” The Committee received testimony from The Honorable Jeh Johnson, Secretary, U.S. Department of Homeland Security.

On May 7, 2014, the Committee on Homeland Security held a hearing entitled “Preventing Waste, Fraud, Abuse and Mismanagement in Homeland Security- A GAO High-Risk List Review.” The Committee received testimony from The Honorable Alejandro Mayorkas, Deputy Secretary, U.S. Department of Homeland Security; The Honorable Gene L. Dodaro, Comptroller General of the United States, U.S. Government Accountability Office; and The Honorable John Roth, Inspector General, U.S. Department of Homeland Security.

On June 20, 2014, the Subcommittee on Oversight and Management Efficiency held a hearing entitled “Stakeholder Perspectives on Priorities for the Quadrennial Homeland Security Review.” The Subcommittee received testimony from Mr. Stewart A. Baker, Former Assistant Secretary for Policy, U.S. Department of Homeland Security; Mr. Frank J. Cilluffo, Associate Vice President and Director, Homeland Security Policy Institute, The George Washington University; Dr. Henry H. Willis, Director, RAND Homeland Security and Defense Center, The RAND Corporation; and The Honorable Elaine Duke, Former Under Secretary for Management, U.S. Department of Homeland Security.

On February 26, 2015, the Subcommittee on Oversight and Management Efficiency held a hearing entitled “Assessing DHS’s Performance: Watchdog Recommendations to Improve Homeland Security.” The Subcommittee received testimony from The Honorable John Roth, Inspector General, U.S. Department of Homeland Security; Ms. Rebecca Gambler, Director, Homeland Security and Justice, U.S. Government Accountability Office; and Dr. Daniel M. Gerstein, Senior Policy Researcher, The RAND Corporation.

On April 22, 2015, the Subcommittee on Oversight and Management Efficiency held a hearing entitled “Acquisition Oversight: How Effectively is DHS Safeguarding Taxpayer Dollars?” The Subcommittee received testimony from Ms. Michele Mackin, Director, Acquisition and Sourcing Management, U.S. Government Accountability Office; The Honorable Chip Fulghum, Acting Deputy Undersecretary for Management and Chief Financial Officer, U.S. Department of Homeland Security; and Dr. Cedric Sims, Partner, Evermay Consulting Group.

On September 18, 2015, the Subcommittee on Oversight and Management Efficiency held a hearing entitled “Making DHS More Efficient: Industry Recommendations to Improve Homeland Security.” The Subcommittee received testimony from Mr. Marc A. Pearl, President and Chief Executive Officer, Homeland Security and Defense Business Counsel; Mr. Harry Totonis, Board Director, Business Executives for National Security; and Ms. Elaine Duke, Principal, Elaine Duke & Associates, LLC.

COMMITTEE CONSIDERATION

The Committee met on September 30, 2015, to consider H.R. 3572, and ordered the measure to be reported to the House with a favorable recommendation, as amended, by voice vote. The Committee took the following actions:

The following amendments were offered:

An en bloc amendment offered by MR. THOMPSON of Mississippi (#1); was AGREED TO by voice vote.

Consisting of the following amendments:

At the end of title I (page 65, after line 13) insert a new section entitled “Sec. 115. Resources to Respond to Operational Surges.”;

Page 49, strike “and” at line 7, strike the period at line 16 and insert “; and”, and after line 16 insert the following: (10) conduct oversight of implementation of administrative agreements to resolve suspension or debarment proceedings and, upon request, provide information to the Committee on Homeland Security of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate about the effectiveness of such agreements at improving contractor responsibility.

An en bloc amendment offered by MR. PERRY (#2); was AGREED TO by voice vote.

Consisting of the following amendments:

Page 46, line 24, strike “and” the second place it appears.

Page 47, line 3, strike the periods and the closing quotation marks and insert “; and”.

Page 47, after line 3, insert a new paragraph 13 relating to the track, approve, oversee, and make public information on expenditures by components of the Department for conferences, as appropriate, including by requiring each component of the Department.;

Page 75, line 21, before “Nothing” insert the following: “(A) In General.-”.

Page 76, line 5, before the closing quotation marks insert a new subparagraph entitled “(B) Operational Testing and Evaluation.”

An amendment offered by MR. HURD (#3); was AGREED TO by voice vote.

Page 14, after line 21, insert a new subsection entitled “(g) Deputy Under Secretary for Policy.”

An en bloc amendment offered by MR. PAYNE (#4); was AGREED TO by voice vote.

Consisting of the following amendments:

Page 49, line 4, before “establish” insert “use such data to”.

Page 117, after line 6, insert the following (and make appropriate conforming changes): “(8) Maximizing small business utilization in acquisitions by, to the maximum extent practicable, ensuring strategic sourcing vehicles seek to increase participation by small businesses, including small and disadvantaged business.

An en bloc amendment MRS. WATSON COLEMAN (#5); was AGREED TO by voice vote.

Consisting of the following amendments:

Page 6, line 12, before the semicolon insert “and require the head of each component of the Department and component chief officers to comply with such policies and implement such strategies and initiatives”.

Page 65, after line 13, insert a new section entitled “Sec. 113. Department of Homeland Security Rotation Program.”; was AGREED TO, by voice vote.

An amendment offered by MR. LOUDERMILK (#6); was AGREED TO by voice vote.

Page 7, after line 17, insert a new subsection entitled “(c) Abolishment of the Office of Counternarcotics Enforcement.”

An en bloc amendment offered by MRS. WATSON COLEMAN (#7); was AGREED TO by voice vote.

Consisting of the following amendments:

Page 68, strike “and” after the semicolon at line 17, strike the period at line 22 and insert “; and”, and after line 22 insert the following: “(E) to ensure that program managers, on an ongoing basis, monitor cost, schedule, and performance against established baselines and use tools to assess risks to a program at all phases of the life cycle of the program to avoid and mitigate acquisition program baseline breaches.

Page 77, line 25, strike “new section”.

Page 82, strike the closing quotation marks and following period at line 3, and after line 3 insert a new section entitled “Sec. 711. Acquisition Documentation.”

Page 81, after line 10, insert the following (and redesignate the subsequent quoted paragraphs accordingly): “(1) define baseline requirements and document changes to those requirements, as appropriate;

Page 84, line 9, before the comma insert “and documentation reflecting consideration of tradeoffs among cost, schedule, and performance objectives”.

Page 90, line 21, strike “Department” and insert “Board”.

Page 91, line 2, strike “Department” and insert “Board”.

Page 91, after line 11, insert the following: (4) An assessment of the effectiveness of Board in impacting acquisition decision-making within the Department, including the degree to which the Board impacts decision-making within other head-

quarters mechanisms and bodies involved in the administration of acquisition activities.

An en bloc amendment offered by MR. THOMPSON of Mississippi (#8); was AGREED TO by voice vote.

Consisting of the following amendments:

An amendment listed on the roster by Ms. Jackson Lee;

Page 19, line 17, strike "functions" and insert "activities".

Page 19, line 18, strike "functions" and insert "activities".

Beginning at page 19, strike line 23 and all that follows through page 20, line 2, and insert the following: "(B) advise, inform, and assist the Secretary with respect to the development and implementation of Departmental policy priorities, including strategic priorities for the deployment of assets, including personnel, outside the United States;

Page 20, beginning at line 14, strike "monitor the ability of the Department's components to comply with such a process" and insert "establish mechanisms to monitor the alignment between assets, including personnel, deployed by the Department outside the United States and the plan required by this subparagraph".

Page 20, beginning at line 18, strike "functions" and insert "activities".

Page 20, line 21, before the semicolon insert ", and establish mechanisms to foster better coordination of Department personnel, programs, and activities deployed outside the United States".

Page 22, after line 22, insert a new subsection entitled "(3) Standardized Framework For Cost Data."

An amendment listed on the roster by Ms. Jackson Lee;

Page 31, line 11, before the period insert ", unless the Secretary of Homeland Security receives prior authorization from Congress permitting such change".

Page 59, line 4, strike "contractors to Federal employees" and insert "contractor positions to Federal employee positions".

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the recorded votes on the motion to report legislation and amendments thereto.

No recorded votes were requested during consideration of H.R. 3572.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee has held oversight hearings and made findings that are reflected in this report.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee finds that H.R. 3572, the DHS Headquarters Reform and Improvement Act of 2015, would result in no new or increased budget authority, entitlement authority, or tax expenditures or revenues.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

The Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 19, 2015.

Hon. MICHAEL MCCAUL,
*Chairman, Committee on Homeland Security,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3572, the DHS Headquarters Reform and Improvement Act of 2015.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Mark Grabowicz.

Sincerely,

Keith Hall.

Enclosure.

H.R. 3572—DHS Headquarters Reform and Improvement Act of 2015

H.R. 3572 would reorganize certain offices in the headquarters of the Department of Homeland Security (DHS). The bill would direct the department to improve the accountability, transparency, and efficiency of its major acquisition programs and would specify procedures for DHS to follow if it fails to meet timelines or other performance parameters for those programs. In addition, H.R. 3572 would require DHS to prepare a comprehensive report each year on the status of its acquisition program and would direct the Government Accountability Office (GAO) and the DHS Inspector General to review and report on certain issues related to departmental acquisition policies.

Based on information from DHS and the cost of similar activities, CBO estimates that the reorganization and new administrative procedures as well as additional reviews and reports by GAO and DHS required by H.R. 3572 would cost about \$2 million in 2016 and less than \$500,000 annually thereafter; such spending would be subject to the availability of appropriated funds. CBO expects that DHS will continue to seek to improve its efficiency in acquiring goods and services under current law; we have no basis for estimating any savings in procurement costs that might occur as a result of the bill's directives to the department.

Enacting the legislation would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. CBO estimates that enacting H.R. 3572 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2026.

H.R. 3572 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Mark Grabowicz. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, H.R. 3572 contains the following general per-

formance goals and objectives, including outcome related goals and objectives authorized.

The purpose of H.R. 3572, Department of Homeland Security Headquarters Reform and Improvement Act of 2015 is to provide guidance to the Department of Homeland Security regarding its headquarters functions and authorities.

DUPLICATIVE FEDERAL PROGRAMS

Pursuant to clause 3(c) of rule XIII, the Committee finds that H.R. 3572 does not contain any provision that establishes or reauthorizes a program known to be duplicative of another Federal program.

CONGRESSIONAL EARMARKS, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

In compliance with rule XXI of the Rules of the House of Representatives, this bill, as reported, contains no congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of the rule XXI.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

PREEMPTION CLARIFICATION

In compliance with section 423 of the Congressional Budget Act of 1974, requiring the report of any Committee on a bill or joint resolution to include a statement on the extent to which the bill or joint resolution is intended to preempt State, local, or Tribal law, the Committee finds that H.R. 3572 does not preempt any State, local, or Tribal law.

DISCLOSURE OF DIRECTED RULE MAKINGS

The Committee estimates that H.R. 3572 would require no directed rule makings.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short Title; Table of Contents.

This section provides that bill may be cited as the “DHS Headquarters Reform and Improvement Act of 2015”, and provides a table of contents for the remainder of the bill.

TITLE I-DEPARTMENT OF HOMELAND SECURITY HEADQUARTERS
REAUTHORIZATION

Title I authorizes DHS headquarters, streamlines the Office of Policy, and outlines specific responsibilities for the management chiefs in the Department, among other things.

Sec. 101. Definitions.

Section 101 amends section 2 of the Homeland Security Act of 2002 to include definitions on “homeland security enterprise” and “management integration and transformation.”

Sec. 102. Headquarters Components.

Section 102 amends section 102 of the Homeland Security Act of 2002 (6 U.S.C. 112) to allow the Secretary to enter into agreements with the governments of foreign nations, in consultation with the Secretary of State, and international nongovernmental organizations. Section 102 also clarifies and streamlines the offices that constitute “DHS Headquarters” and better outlines their respective responsibilities. In particular, this section codifies the Management Directorate and the Office of Policy, among other offices. This section also outlines the Secretary’s functions as they are executed through the Department’s headquarters, which include establishing DHS’s overall strategy, setting and overseeing performance at the Department, and holding component and agency leaders accountable for implementing Department-wide policies and initiatives, among other things. Section 102 also abolishes the position of the Director of Shared Services and the Office of Counternarcotics Enforcement.

Sec. 103. Chief Privacy Officer.

Section 103(a) amends section 222 of the Homeland Security Act of 2002 (6 U.S.C. 142) by requiring the Chief Privacy Officer to prepare an annual report to Congress on the Department’s activities related to privacy, including privacy violation complaints. This section requires that the annual report include the number of new technology programs implemented in the Department each fiscal year. Of these programs, the report must also include the number of programs for which the Chief Privacy Officer has ensured that privacy protections were considered. Section 103(a) also requires the report to include the number of those programs that effectively implemented privacy protections into new technology programs and, if they were not implemented, an explanation for why not. Such report is already produced annually and the Committee does not intend for this to be an additional report but rather adds to the existing report requirements.

Section 103(b) establishes additional responsibilities for the Chief Privacy Officer to include, among other things, developing guidance to assist components in developing privacy-related policies, establishing a mechanism to ensure components are in compliance with privacy policies and laws, and serving as the Department's central office for managing and processing Freedom of Information Act (FOIA) requests. Section 103(b) also allows the Secretary to reassign the functions related to FOIA to another official within the Department, if necessary.

Sec. 104. Office of Policy.

Sec. 104(a). Office of Policy Establishment, Roles, and Responsibilities.

Sec. 104(a) amends the Homeland Security Act of 2002 (6 U.S.C. 101 et seq.) by inserting: "TITLE VI—POLICY AND PLANNING" and including the following requirements for the Office of Policy:

"SEC. 601. OFFICE OF POLICY."

"SEC. 601(a). ESTABLISHMENT OF OFFICE."

Section 601(a) establishes an Office of Policy within DHS that will be led by an Under Secretary for Policy. The Under Secretary will be appointed by the President and confirmed by the Senate. This elevates the head of the office from an Assistant Secretary to an Under Secretary.

"SEC. 601(b). MISSION."

Section 601(b) states that the mission of the Office of Policy is to lead, conduct, and coordinate DHS's policy, strategic planning efforts, and relationships with external parties.

"SEC. 601(c). COMPONENTS OF OFFICE."

Section 601(c) establishes four offices within the Office of Policy. In effect, this section and the related subsequent sections reorganize the Office of Policy in order to consolidate small offices and eliminate unnecessary Assistant Secretary positions. Section 601(c) outlines the following offices within the Office of Policy: the Office of Partnership and Engagement, the Office of International Affairs, the Office of Policy Implementation, and the Office of Strategy and Planning.

"SEC. 601(d). RESPONSIBILITIES OF THE UNDER SECRETARY."

Section 601(d) establishes nine responsibilities of the Under Secretary for Policy, which include, serving as the principal policy advisor to the Secretary, overseeing and coordinating relationships with outside stakeholders, and managing and coordinating DHS's international activities, among other things.

"SEC. 601(e). COORDINATION BY DEPARTMENT COMPONENTS."

Section 601(e) mandates that the head of each component coordinate with the Office of Policy when establishing new policies or strategic planning guidance. Each component is required to inform the Under Secretary for Policy of any plans to negotiate with foreign governments. Section 601(e) also requires that each compo-

ment notify the Under Secretary for Policy of international travel by senior officers.

“SEC. 601(f). ASSIGNMENT OF PERSONNEL.”

Section 601(f) authorizes the Secretary to assign permanent staff and other appropriate personnel to the Office of Policy to carry out the functions identified in section 601. This office currently exists, even though it is not statutorily authorized.

“SEC. 601(g). DEPUTY UNDER SECRETARY FOR POLICY.”

Section 601(g) authorizes the Secretary to establish a Deputy Under Secretary for Policy that will be filled by a career employee. This section also places a limitation on the establishment of additional Deputy Under Secretary positions, unless the Secretary receives prior authorization from Congress.

“SEC. 602. OFFICE OF PARTNERSHIP AND ENGAGEMENT.”

“SEC. 602(a) IN GENERAL.”

Section 602(a) establishes the Office of Partnership and Engagement within the Office of Policy.

“SEC. 602(b). HEAD OF OFFICE.”

Section 602(b) establishes that the Office of Partnership and Engagement will be led by an Assistant Secretary who will be appointed by the Secretary. This section prohibits the Secretary from appointing numerous Assistant Secretaries to conduct outreach with different stakeholder groups. As such, it eliminates three Assistant Secretary positions.

“SEC. 602(c). RESPONSIBILITIES.”

Section 602(c) establishes 19 responsibilities for the Assistant Secretary for Partnership and Engagement related to coordination with three types of the Department’s external stakeholders: (1) state, local, and tribal law enforcement agencies; (2) private sector organizations; and (3) state and local governments. In effect, this section consolidates three currently existing offices—the Office of Intergovernmental Affairs, the Private Sector Office, and the Office of State and Local Law Enforcement. Among other things, section 602(c) requires that the Assistant Secretary for Partnership and Engagement serve as a liaison between State, local, and tribal law enforcement agencies and DHS, advise the Secretary on the impact of the Department’s policies on the private sector, and coordinate the activities of the Department with State and local governments.

“SEC. 603. OFFICE OF INTERNATIONAL AFFAIRS.”

“SEC. 603(a). IN GENERAL.”

Section 603(a) establishes the Office of International Affairs within the Office of Policy.

“SEC. 603(b). HEAD OF OFFICE”

Section 603(b) establishes that the Office of International Affairs will be led by an Assistant Secretary, appointed by the Secretary.

The Assistant Secretary for International Affairs shall serve as the Department's Chief Diplomatic Officer.

“SEC. 603(c). FUNCTIONS.”

Section 603(c) establishes 11 responsibilities for the Assistant Secretary for International Affairs, which includes, among other things, coordinating international activities within the Department, advising the Secretary on the Department's international strategic priorities for overseas deployment, and developing guidance on the Department's policy priorities for overseas activities. This section also requires the Assistant Secretary for International Affairs to develop and update a strategic plan for DHS's international activities and establish mechanisms to monitor the alignment between assets deployed outside the United States. Section 603(c) also requires the Assistant Secretary to use a standardized framework to collect and maintain cost data for all assets deployed and to provide an inventory of assets deployed abroad each fiscal year to the House and Senate homeland security committees as part of DHS's annual budget request. Section 603(c) excludes the U.S. Secret Service and the Coast Guard from the requirements under this section when they are operating under the direct authority of the Secretary of Defense or the Secretary of the Navy.

“SEC. 604. OFFICE OF POLICY IMPLEMENTATION.”

“SEC. 604(a) IN GENERAL.”

Section 604(a) establishes the Office of Policy Implementation within the Office of Policy.

“SEC. 604(b) HEAD OF OFFICE.”

Section 604(b) establishes that the Office of Policy Implementation will be led by a Director who will be appointed by the Secretary.

“SEC. 604(c) RESPONSIBILITIES.”

Section 604(c) requires the Director of the Office of Policy Implementation to lead, conduct, coordinate, and provide overall direction of policy development in the Department.

“SEC. 605. OFFICE OF STRATEGY AND PLANNING.”

“SEC. 605(a) IN GENERAL.”

Section 605(a) establishes the Office of Strategy and Planning in the Office of Policy.

“SEC. 605(b) HEAD OF OFFICE.”

Section 605(b) establishes that the Office of Strategy and Planning will be led by a Director who will be appointed by the Secretary.

“SEC. 605(c) RESPONSIBILITIES.”

Section 605(c) requires the Director of the Office of Strategy and Planning to lead and conduct long-term strategic planning for the Department and develop strategies to address unconventional threats to the homeland.

Sec. 104(b). Clerical Amendment.

Section 104(b) amends the table of contents by including Sections 601-605 described above and modifying Section 890.

Sec. 104(c). Appointment of Under Secretary for Policy; Continuation of Service of Assistant Secretary.

Section 104(c) allows the next President to appoint an Under Secretary for Policy on or after January 20, 2017. Section 104(c) allows for the individual serving as the Assistant Secretary for Policy at DHS, on the date of the enactment of this Act, to serve in that capacity until a new Under Secretary for Policy is appointed and confirmed.

Sec. 104(d). Appointment of Assistant Secretary for International Affairs; Abolishment of Existing Office.

Section 104(d) allows the Secretary to appoint an Assistant Secretary for International Affairs on or after January 20, 2017. Section 104(d) also allows for the individual serving as the Assistant Secretary for International Affairs at DHS, on the date of the enactment of this Act, to serve as the Deputy Assistant Secretary and head of the Office of International Affairs. In effect, this demotes the current head of the office until the appointment of the next Assistant Secretary. Section 104(d) also abolishes the Office of International Affairs within the Office of the Secretary and transfers those assets and personnel to the Office of International Affairs within the Office of Policy.

Secs. 104(e)—104(g). Abolishment of Office for State and Local Law Enforcement. Abolishment of Office for State and Local Government Coordination. Abolishment of Special Assistant to the Secretary.

Sections 104(e) through 104(g) abolish three offices: (1) the Office of State and Local Law Enforcement, (2) the Office of State and Local Government Coordination, and (3) the Special Assistant to the Secretary, or the Private Sector Office, as it is currently called. The functions these offices are authorized to perform, along with the associated assets and personnel, are transferred to the Office of Policy's Office of Partnership and Engagement.

Sec. 104(h). Conforming Amendments Related to Assistant Secretaries.

Section 104(h) amends section 103(a) of the Homeland Security Act of 2002 (6 U.S.C. 113(a)) to list, by appointment type, the total number of Assistant Secretaries that the Department is authorized to have. Specifically, Section 104(h) allows for the following Assistant Secretaries, by appointment type:

- Presidentially appointed and Senate confirmed:
 - Assistant Secretary for U.S. Immigration and Customs Enforcement (ICE)
 - Assistant Secretary for the Transportation Security Administration (TSA)
- Presidentially appointed:

- Assistant Secretary for Infrastructure Protection
- Assistant Secretary for Office of Public Affairs
- Assistant Secretary for Legislative Affairs
- Secretarially appointed:
 - Assistant Secretary for the Office of Cybersecurity and Communications
 - Assistant Secretary for International Affairs
 - Assistant Secretary for Partnership and Engagement

Section 104(h) prohibits the creation of any other Assistant Secretaries unless authorized by a statute enacted after this Act is enacted. As a result, this section removes the Secretary's authority to appoint Assistant Secretaries without Congressional authorization.

Sec. 104(i). Homeland Security Advisory Council.

Section 104(i) amends section 102(b) of the Homeland Security Act of 2002 (6 U.S.C. 112(b)) to authorize a Homeland Security Advisory Council within the Department to provide advice and recommendations to the Secretary on homeland security-related matters. The Homeland Security Advisory Council is already in existence.

Sec. 104(j). Prohibition on New Offices.

Section 104(j) prohibits the creation of any additional office(s) to carry out the functions that have been transferred from offices abolished in Section 104, unless the Secretary receives prior authorization from Congress.

Sec. 104(k). Definitions.

Section 104(k) defines "functions", "assets", and "personnel" based on section 2 of the Homeland Security Act of 2002 (6 U.S.C. 101).

Sec. 104(l). Duplication Review.

Section 104(l) requires the Secretary of Homeland Security to complete a review of the Department's international affairs offices, functions, and responsibilities of DHS components to identify and eliminate areas of unnecessary duplication within 1 year after the enactment of this Act. Section 104(l) also requires that DHS provide the results of that review to the House and Senate homeland security committees within 30 days of the report's completion.

Sec. 105. Quadrennial Homeland Security Review.

Section 105 amends section 707 of the Homeland Security Act of 2002 (6 U.S.C. 347) to require the Secretary to conduct a Quadrennial Homeland Security Review (QHSR), every 4 years, beginning in fiscal year 2017. DHS is required to consult the wider homeland security enterprise, as defined in section 101, to ensure that the QHSR is coordinated with other relevant major strategic reviews, such as the Quadrennial Defense Review, within the Federal government. Section 105 also requires the QHSR to include an examination of how the tools and resources developed during the QHSR review can be used to support DHS missions and programs; a description of how the conclusions will inform efforts to develop capabilities and capacity of the homeland security enterprise; and pro-

posed changes, as appropriate, to the authorities, organization, governance structure, and/or business practices, of the Department.

Sec. 106. Future Years Homeland Security Program.

Section 106 amends section 874 of the Homeland Security Act of 2002 (6 U.S.C. 454) to require the Secretary to submit an annual Future Years Homeland Security Program (FYHSP) to the House and Senate homeland security committees that covers the current fiscal year and the 4 succeeding fiscal years. This submission must provide detailed estimates for the projected expenditures and the corresponding requests for appropriations included in that budget. The Secretary must ensure that the projected amounts in the FYHSP are consistent with the estimated expenditures and proposed appropriations necessary to support the Department's activities, and is required to explain how the FYHSP aligns with DHS's strategies and plans. This explanation must include an evaluation of DHS, its organizational and governance structure, and its business processes, including those related to acquisitions.

Section 106 also requires that the FYHSP include specific acquisition estimates, including modernization and sustainment expenses, for each of the next 5 fiscal years for major acquisition programs by DHS and each component. The FYHSP must also include estimated annual deployment schedules for major acquisition programs over the 5 fiscal year period.

Nothing in section 106 prohibits the inclusion of amounts for management contingencies in the FYHSP. While DHS is permitted to submit a classified or sensitive annex, if necessary, section 106 requires that the FYHSP, minus any information in such annex, be made available online to the public.

Sec. 107. Management and Execution.

Section 107 amends section 701 of the Homeland Security Act of 2002 (6 U.S.C. 341) by requiring the Under Secretary for Management (USM) to serve as DHS's Chief Management Officer, who will be responsible for the management and administration of DHS operations and programs. Section 107 outlines 10 responsibilities for the USM, which include responsibility for acquisition and financial management, the budget, human resources, information technology, and real property, among other things.

Sec. 108. Chief Financial Officer.

Section 108 amends section 702 of the Homeland Security Act of 2002 (6 U.S.C. 341) by including 13 responsibilities for the Chief Financial Officer. This section authorizes the Chief Financial Officer to be responsible for developing and overseeing the Department's financial management policy and leading and providing guidance on performance-based budgeting practices. Other responsibilities include, but are not limited to, providing guidance for and over system modernization efforts, overseeing budget formulation and execution, and long-term strategic planning. Section 108 also requires the Chief Financial Officer to track, approve, oversee, and make available to the public information on conference expenditures by component and report to the DHS OIG expenditures that exceed a certain amount. This requirement codifies the rec-

ommendations from an OIG report issued on August 10, 2015 (OIG-15-121-MA). DHS agreed with the OIG's recommendations and, in July 2015, stated that the Chief Financial Officer was taking steps to improve the Department's overall compliance with conference expense reporting requirements.

Sec. 109. Chief Procurement Officer.

Section 109 amends title VII of the Homeland Security Act of 2002 (6 U.S.C. 341 et seq.) by authorizing the position of the Chief Procurement Officer for the Department. This section includes 10 responsibilities for the Chief Procurement Officer. The Chief Procurement Officer shall exercise leadership and authority of the procurement functions of the Department. Section 109 requires the Chief Procurement Officer to issue procurement policies, serve as the main liaison to industry on procurement-related issues, oversee a centralized certification and training program for the Department's acquisition workforce, collect baseline data, and use that data to establish specific performance measures for the Department's strategic-sourcing efforts, specifically the inclusion of small businesses. This provision reflects December 2012 guidance issued by the Office of Management and Budget, directing Federal agencies, to the maximum extent practicable, to increase participation by small businesses in strategic sourcing opportunities and a key recommendation from a January 2014 GAO report (GAO-14-126). The Chief Procurement Officer is also required to conduct oversight of the Department's implementation of administrative agreements to resolve suspension and debarment proceedings. The Chief Procurement Officer is required to provide, upon request, information on the effectiveness of administrative agreements at improving contractor responsibility to the House and Senate homeland security committees. This provision will allow the committees to increase its knowledge with regard the effectiveness of such agreements. Section 109 also defines the term, "Head of Contracting Activity."

Sec. 110. Chief Information Officer.

Section 110 amends section 703 of the Homeland Security Act of 2002 (6 U.S.C. 343) by outlining additional functions of the Chief Information Officer in addition to the duties already outlined in the Homeland Security Act of 2002. Specifically, this section adds 13 responsibilities for the Chief Information Officer, including the responsibility for establishing and managing information technology standards, policies, and processes of the Department; maintaining a consolidated inventory of mission critical information systems; establishing policies and procedures to effectively monitor and manage information technology supply chain vulnerabilities; and developing measures to monitor the performance, use, and implementation of information technology systems, among others.

Section 110 also requires the Chief Information Officer to develop an information technology strategic plan every 5 years to be reported to the House and Senate homeland security committees. Among other items, this plan should include budget alignment priorities. Further, the Committee intends for the Department to coordinate among its various strategic plans—specifically those related to human resources and the multiyear acquisition strategy—to en-

sure that they inform one another. This will help ensure that the Secretary has a cohesive strategy for addressing specific elements of the Department's management and operations.

This section requires the Chief Information Officer to conduct a Department-wide inventory of all existing software licenses while assessing the Department's software license needs and establishing plans to streamline efforts and eliminate underutilized software licenses. Section 110 additionally requires the GAO to review such software license inventory and plans. Section 110 also limits the procurement of new software licenses for the Department, with exception. The Chief Information Officer is required to submit a copy of the conducted inventory and established plans to the House and Senate homeland security committees. This is intended to provide more accurate and complete information to relevant congressional committees for the purposes of enhanced oversight. This section also reinforces the Chief Information Officer's responsibility to improve information technology management by implementing recent legislation known as the Federal Information Technology Acquisition Reform Act (FITARA).

Sec. 111. Chief Human Capital Officer.

Section 111 amends section 704 of the Homeland Security Act of 2002 (6 U.S.C. 343) by requiring the Chief Human Capital Officer to report directly to the USM. This section also lays out nine responsibilities of the Chief Human Capital Officer, including, but not limited to: Developing and implementing strategic workforce planning efforts and performance measures; developing strategies for recruitment and training efforts and a career path framework; and serving as the Department's central office for managing employee resources.

Section 111 also requires Department components, in coordination with the Chief Human Capital Officer, to develop and maintain their own workforce strategy to support the Department's goals. The Human Capital Officer is required to ensure that component strategies include reporting on the human resource considerations associated with creating additional federal full-time positions, converting private contractor positions to Federal employee positions, and relying on the private sector. This section requires that the strategy include: hiring projections, identification of critical skills requirements, and supervisory and management requirements, among others. Section 111 also requires the Secretary to include information on the progress of workforce strategies described above with the annual budget justification to the appropriate congressional committees. As mentioned earlier, the Committee intends for the Department to coordinate among its various strategic plans to ensure that they inform one another.

Sec. 112. Chief Security Officer.

Section 112 amends title VII of the Homeland Security Act of 2002 (6 U.S.C. 341 et seq.) to authorize the position of the Chief Security Officer, who shall report directly to the USM. This section outlines three responsibilities of the Chief Security Officer, which include developing and implementing security policies, programs, and standards; identifying training and providing education on se-

curity-related matters; and providing support to Department components on security-related matters.

In addition, section 112 of the bill refers to the Chief Information Officer's responsibilities for ensuring Department compliance, in coordination with relevant officials, with Homeland Security Presidential Directive 12. The Committee recognizes that the Chief Information Officer has responsibility for the local access and information technology issues related to compliance with the directive, but not for the HSPD 12 compliant identification cards themselves.

Sec. 113. Cost Savings and Efficiency Reviews.

Section 113 requires the Secretary, through the USM, to submit to the House and Senate homeland security committees a report that provides: (1) an accounting of the management and administrative expenditures and activities of the components; (2) an examination of the size, experience level, and footprint of operational personnel; and (3) recommendations to reduce deficiencies and enhance efficiencies in the management and administration of the Department. In particular, this section is intended to determine how DHS could more efficiently and effectively manage its activities and workforce. The Committee expects the Secretary to use the information identified in such review to make the Department more efficient and reduce waste and unnecessary duplication.

Sec. 114. Field Efficiencies Plan.

Section 114 requires the Secretary to submit to the House and Senate homeland security committees a field efficiencies plan that examines the facilities and administrative functions of components within specified geographic regions and provides recommendations and a cost-benefit analysis for consolidation efforts. This section requires that the field efficiencies plan include: (1) an accounting of leases held by the Department or components; (2) an evaluation of consolidation efforts of facilities and services in specified geographic regions; (3) an implementation plan; and (4) an accounting of any completed consolidation in the Department, including in regards to components, among other things. The Committee expects the Secretary to use the information in such plan to better consolidate the real property footprint of the Department and eliminate unnecessary property. If such plan is implemented effectively, the Department could realize significant cost savings and improved operational efficiencies.

Sec. 115. Resources to Respond to Operational Surges.

Section 115 requires the Secretary to submit to the House and Senate homeland security committees information on circumstances in which the Secretary transferred or reprogrammed funds to respond to operational surges. The Secretary is also required to provide information on the costs associated with those operational surges and any circumstances where the Secretary's ability to address unforeseen costs was affected due to limitations on the transfer or reprogramming of those funds. In addition, the Secretary will provide budget data for component agencies responding to operational surges that indicates how such activities are funded.

Sec. 116. Department of Homeland Security Rotation Program.

Section 116 amends Section 844(a) of the Homeland Security Act of 2002 to provide enhancements to and reinvigorate the DHS rotation program. Section 116(a) calls for a greater integration of unity of effort and makes adjustments to the program to help foster better morale and address retention challenges. This section requires the Secretary to broadly disseminate information regarding the program throughout the Department, ensure that employees participating in the program can return to their former positions, and ensure that participating employees will retain the rights provided by their home component or agency throughout the duration of their rotation. Additionally, the requirements included in section 116 regarding the Department's Homeland Security Rotation Program should not be interpreted to cause a gap in employment for the detailed employee. Rather, that section is intended to provide protections for detailed employees. Further, the term "full-time employment" used in section 113 is in reference to permanent, full-time employees and should not be interpreted to include temporary, term-appointed employees. Section 116(b) requires the Secretary to provide to the House and Senate homeland security committees information regarding the status of the program. The Committee believes that establishing this program could advance DHS Secretary Johnson's "Unity of Effort" initiative, insofar as personnel with a commitment to the DHS mission would gain a better understanding about the activities of other components within the Department.

TITLE II-DHS ACQUISITION ACCOUNTABILITY AND EFFICIENCY

Title II authorizes DHS's acquisition authorities, codifies its existing policy and relevant offices, and improves the transparency and accountability of the Department's management of major acquisition programs.

Sec. 201. Definitions.

Section 201 provides definitions for this title as they relate to the Department's management of acquisition programs and also amends Section 2 of the Homeland Security Act by including a definition of "congressional homeland security committees" and nine specific acquisition definitions, such as "acquisition review board," "acquisition decision authority," and "major acquisition program." Additionally, this section defines the responsibilities of the acquisition decision authority as having the authority to, among other things, review an acquisition program throughout its life cycle and ensure that program managers consistently monitor cost, schedule, and performance against established baselines to manage risk, in keeping with the findings of a substantial body of reports by GAO and DHS OIG on DHS acquisition management.

Sec. 202. Prohibition on Additional Authorization of Appropriations.

Section 202 prohibits any additional funds to be appropriated to carry out the requirements in this title.

SUBTITLE A—ACQUISITION AUTHORITIES

Sec. 211. Acquisition Authorities for Under Secretary for Management.

Section 211 amends Section 701 of the Homeland Security Act of 2002 (6 U.S.C. 341) by including acquisition responsibilities for the USM. Section 211 authorizes the USM to be the Chief Acquisition Officer of the Department and exercise the authority to approve, halt, modify, or cancel major acquisition programs. It also requires each major acquisition program to have a Department-approved acquisition program baseline to document that it is meeting agreed-upon cost, schedule, and performance thresholds.

Section 211 also authorizes the USM to delegate acquisition decision authority, or the authority to review (including approve, halt, modify, or cancel) an acquisition program, to relevant Component Acquisition Executives for acquisition programs that have estimated total life cycle costs of less than \$300 million. This section also allows the USM to delegate that authority to relevant Component Acquisition Executives for acquisition programs with estimated total life cycle costs of between \$300 million to \$1 billion so long as the program has the necessary processes, staff, and documentation that are consistent with the Department's acquisition policy. Although such delegation is permitted for programs that meet these criteria, the Committee expects the USM to conduct rigorous oversight of major acquisition programs. If programs do not meet all of the criteria, the USM shall not delegate acquisition decision authority to the Component Acquisition Executive.

Section 211 also requires that the Under Secretary for Science and Technology (S&T) ensure that major acquisition programs complete operational testing and evaluation and that such testing includes all system components and operators in testing. Section 211 also requires that the USM ensure component heads comply with federal law, Federal Acquisition Regulation, and the Department's acquisition directives.

Sec. 212. Acquisition authorities for Chief Financial Officer.

Section 212 amends section 702 of the Homeland Security Act of 2002 (6 U.S.C. 342) to authorize the Chief Financial Officer to provide leadership over financial management policy and programs for DHS as they relate to DHS acquisition programs in consultation with the USM.

Sec. 213. Acquisition Authorities for Chief Information Officer.

Section 213 amends section 703 of the Homeland Security Act of 2002 (6 U.S.C. 343) by authorizing the Chief Information Officer to oversee the management of the Homeland Security Enterprise Architecture, provide recommendations to the Acquisition Review Board (ARB) on information technology programs, and develop information technology acquisition strategic guidance.

Sec. 214. Requirements to Ensure Greater Accountability for Acquisition Programs.

Section 214 amends title VII of the Homeland Security Act of 2002 (6 U.S.C. 341 et seq.) by authorizing the USM to establish a

mechanism to prioritize improving the accountability, standardization, and transparency of major acquisition programs in order to increase effectiveness and efficiency. This section codifies the responsibilities of an existing office within DHS called the Program Accountability and Risk Management Office (PARM) and, as such, does not create a new office within DHS. Section 214 provides specific guidance of objectives that DHS must meet while allowing DHS the flexibility to make adjustments to the structure as necessary.

Section 214 authorizes the USM to appoint an Executive Director to oversee PARM's role in monitoring the performance of DHS acquisition programs, overseeing the Component Acquisition Executive structure, and developing certification standards in consultation with Component Acquisition Executives for all acquisition program managers. Section 214 also authorizes PARM to prepare and make available to Congress the DHS Comprehensive Acquisition Status Report and Quarterly Program Accountability Report. This section requires components to follow federal law, the Federal Acquisition Regulation, and DHS acquisition management directives, and, among other things ensure that each major acquisition program defines baseline requirements and document changes to those requirements, as appropriate.

Section 214 also allows the Secretary, in limited circumstances, to waive certain requirements of acquisition documents that components are required to submit to the Executive Director. Specifically, the Secretary may waive acquisition documentation requirements if the program has not yet: (1) Entered full rate production, (2) established a reasonable cost estimate, or (3) defined the system configuration. Additionally, the requirement may be waived if the program is not a capital asset. Section 214 requires the Secretary to submit to the House and Senate homeland security committees information in cases when the Secretary has exercised the authority to waive these acquisition documentation requirements. GAO analysis conducted as a follow-up to a March 2015 report (GAO-15-292) showed that the Department's Master Acquisition Oversight List prepared after the report included 97 DHS acquisition programs with life-cycle costs each initially estimated at \$300 million or more. Among these major acquisitions, GAO found that since May 2013, the Department's Chief Acquisition Officer has waived 25 of these 97 programs from requirements to produce or update acquisition-related documentation, in some cases apparently contravening program guidance from the Office of Management and Budget. The Committee notes that, on April 20, 2015, the Department's Acting Chief Acquisition Officer terminated these waivers and provided needed clarity on the reporting requirements for DHS acquisition programs. To ensure effective program management and transparency at DHS, H.R. 3572 codifies a narrow set of authorities to waive program-reporting requirements that are parallel to those at the Department of Defense.

Further, section 214 authorizes the USM to establish a mechanism to prioritize the accountability, standardization, and transparency of major acquisition programs at DHS. This section also authorizes that mechanism, which, in practice, is known as the PARM division, to oversee the Component Acquisition Executive

structure to ensure it has sufficient capabilities and complies with Department policies. This provision does not require the Component Acquisition Executives to report to PARM, but requires PARM to conduct oversight of their acquisition activities.

SUBTITLE B—ACQUISITION PROGRAM MANAGEMENT
DISCIPLINE

Sec. 221. Acquisition Review Board.

Section 221 amends title VIII of the Homeland Security Act of 2002 (6 U.S.C. 391 et seq.) to codify the ARB, which currently exists within DHS. Overall, Section 221 includes provisions to strengthen accountability and uniformity within the DHS acquisition review process. Specifically, this section authorizes the Deputy Secretary or the USM to serve as the ARB chair and, to ensure component buy-in, requires that at least two Component heads or their designees permanently serve on the ARB. Section 221 also requires the ARB to meet each time a major acquisition program needs approval to move from one acquisition phase to another, which ensures that programs do not move forward without appropriate oversight. Section 221 seeks to prevent delays in the acquisition process by requiring the ARB to meet regularly. The requirements in this section are also consistent with the Department's Deputies Management Action Group, which was created to better unify decision making at DHS.

Section 221 also outlines six responsibilities for the ARB. These responsibilities include, among other things, conducting systematic reviews of acquisitions; reviewing the acquisition documents of each major acquisition program, including the acquisition program baseline and documentation reflecting tradeoffs among cost, schedule, and performance; and reviewing the cost, schedule, and performance objectives of major acquisitions. This section also requires the Secretary to notify Congressional homeland security committees within 7 days of any decisions to allow a major acquisition program to move to the next acquisition phase before the program has an approved acquisition program baseline and provide a report to Congress within 60 days justifying such decisions including a plan to require an acquisition program baseline for the program.

Sec. 222. Requirements to Reduce Duplication in Acquisition Programs.

Section 222 amends subtitle D of title VIII of the Homeland Security Act of 2002 (6 U.S.C. 391 et seq.) to require the Deputy Secretary, along with the USM, to establish policies to reduce unnecessary duplication and inefficiency of the Department's investments and major acquisition programs. In particular, section 222 authorizes the USM to develop policies that integrate all the phases of the investment life cycle, from concept to deployment through disposal or decommissioning. Further, section 222 seeks to ensure DHS components do not create unnecessary duplicative acquisition programs.

Section 222 codifies the current mechanism used to carry out these requirements—the Joint Requirements Council—but does not specifically codify the name. As a result, this section does not cre-

ate a new office in DHS, since the Joint Requirements Council is the current entity within DHS with these responsibilities. Section 222 requires the Deputy Secretary and the USM to meet at least quarterly with components to ensure that they are not overlapping or duplicating activities or investments. It also specifies five responsibilities for the Deputy Secretary, which include among other things, ensuring that the requirements and scope of major investments or acquisition programs are achievable and that investments are coordinated to avoid unnecessary duplication and inefficiency. These requirements are consistent with the Department's efforts to unify acquisition priorities across components, including the Deputies Management Action Group.

Sec. 223. Government Accountability Office Review of Board and of Requirements to Reduce Duplication in Acquisition Programs.

Section 223 requires that, within 1 year of the Act's enactment, GAO shall provide a report to the House and Senate homeland security committees on the ARB's effectiveness and efforts to reduce unnecessary duplication in acquisition programs. This section requires that GAO review the ARB's effectiveness of: (1) oversight of major acquisition programs; (2) instilling program management discipline; (3) regularly reviewing each major acquisition program; and (4) impacting acquisition decision making.

Sec. 224. Excluded Party List System Waivers.

Section 224 requires that the Secretary notify the House and Senate homeland security committees within 5 days when it waives requirements for engaging in business with contractors listed in the Excluded Party List System and an explanation for waiving those requirements. This additional layer of congressional scrutiny should bring greater accountability to DHS's contracting process.

Sec. 225. Inspector General Oversight of Suspension and Debarment.

Section 225 allows the DHS Inspector General to audit grant and procurement award decisions to ensure entities that are suspended or debarred from receiving Federal funds are not improperly receiving those awards. This section also requires that the Inspector General review the Department's suspension and debarment program to assess whether criteria are being consistently applied throughout the Department.

SUBTITLE C—ACQUISITION PROGRAM MANAGEMENT
ACCOUNTABILITY AND TRANSPARENCY

Sec. 231. Congressional Notification and Other Requirements for Major Acquisition Program Breach.

Section 231 amends title VIII of the Homeland Security Act of 2002 to require two forms of reporting for major acquisition programs that experience a breach, defined as a failure to meet any cost, schedule, or performance parameter specified in the acquisition program baseline (APB). The Committee does not intend for breach notifications to become a paperwork exercise or for program

managers to contort their program to prevent their supervisors from reporting a breach to the Congress. The breach notification's rationale is to increase the transparency of programs that are not meeting their APBs and require more discipline in managing a program's cost, schedule, and performance objectives.

First, section 231 requires in the case of a breach in a major acquisition program, the program manager for that program must notify the head of the Component concerned, the Component Acquisition Executive for the program, Executive Director, the USM, and the Deputy Secretary. In the case of a breach with a cost overrun greater than 20 percent or a schedule delay greater than 12 months from the costs or schedule set forth in the APB, the Secretary and the Inspector General must be notified no later than five business days after the actual breach is identified.

Furthermore, in the case of a breach with a cost overrun greater than 15 percent or a schedule delay greater than 180 days from the costs or schedule set forth in the APB, section 231 requires DHS to develop a remediation plan and root cause analysis. The Committee encourages DHS to conduct such analysis for all major acquisition programs in breach if appropriate and if resources are available. The USM has the responsibility to establish a date for submission within DHS of the breach remediation plan and root cause analysis. The USM also has the responsibility to establish a date for submission within DHS of a program of corrective action that ensures that one of the following has occurred: (1) The breach has been corrected and the program is again in compliance with the original APB; (2) a revised APB has been approved; or (3) the program has been halted or canceled. The Committee believes that DHS should keep the original program baseline parameters on file in order to help assess the development of each program and ensure knowledge transfer in the case of personnel attrition or changes.

Section 231 requires notification to the congressional homeland security committees for major acquisition programs that experience a breach with a cost overrun greater than 15 percent or a schedule delay greater than 180 days from the costs or schedule set forth in the APB. The USM will submit this notification in the next quarterly Comprehensive Acquisition Status Report. In the event that a major acquisition program is likely to experience a cost overrun greater than 20 percent or a likely delay greater than 12 months from the costs and schedule set forth in the APB, the USM shall include in the notification to such committees a written certification that the acquisition is essential to the accomplishment of the Department's mission; there are no alternatives to such capability or asset that will provide equal or greater capability in both a more cost-effective and timely manner; the new acquisition schedule and estimates for total acquisition costs are reasonable; and the management structure for the acquisition program is adequate to manage and control performance, cost and schedule.

Additionally, no later than 30 calendar days after the USM submits the breach notification within the Comprehensive Acquisition Status Report, the USM shall submit to such committees a copy of the remediation plan and root cause analysis prepared for the

major acquisition program and a statement describing the corrective action with a justification for the action.

Sec. 232. Multiyear acquisition strategy.

Section 232 amends title VIII of the Homeland Security Act of 2002 (6 U.S.C. 391 et seq.) by requiring DHS to develop a Multiyear Acquisition Strategy within 1 year of the Act's enactment. The strategy is to guide the direction of the Department's acquisitions while allowing flexibility to deal with ever-changing threats and risks and to help industry better understand, plan, and align resources to meet the future acquisition needs of DHS. The Secretary is required to update the Multiyear Acquisition Strategy each fiscal year and include it in an unclassified format in each Future Years Homeland Security Program. Section 232 requires the strategy to include, among other things, a prioritized list of acquisition investments and a plan to address known funding gaps between acquisition requirements and resources. The strategy should also include a plan to assess the feasibility of a pilot program to establish a department acquisition workforce development fund to identify ways to incentivize program managers to control cost growth, limit schedule delays, and ensure operational effectiveness. As mentioned earlier, the Committee intends for the Department to coordinate among its various strategic plans to ensure that they inform one another.

Sec. 233. Acquisition Reports.

Section 233 amends subtitle D of title VIII of the Homeland Security Act of 2002 (6 U.S.C. 391 et seq.) to require the USM to submit to the House and Senate homeland security committees the Comprehensive Acquisition Status Report that includes information on major acquisition programs. This should include an acquisition plan, the status of ARB meetings on the program, and the most current acquisition program baseline, among other things. Section 233 also requires the USM to prepare the Quarterly Program Accountability Report. Both the Comprehensive Acquisition Status Report and the Quarterly Program Accountability Report are currently provided only to the appropriations committees.

Sec. 234. Government Accountability Office Review of Multiyear Acquisition Strategy.

Section 234 requires the GAO to assess the effectiveness of the Department's first Multiyear Acquisition Strategy within 180 days of its submission to Congress. Specifically, GAO is to review the plan's effectiveness in complying with, among other things, establishing clear connections between Department objectives and acquisition priorities; considering potential cost savings through using existing technologies; and maximizing opportunities for small business in acquisitions.

Sec. 235. Office of Inspector General Report.

Section 235 requires that DHS's Inspector General conduct a review no later than 2 years following the submission of the Multiyear Acquisition Strategy report to Congress to determine whether DHS has complied with the strategy and with the require-

- Sec. 836. *Acquisition Review Board.*
 Sec. 837. *Requirements to reduce duplication in acquisition programs.*
 Sec. 838. *Congressional notification and other requirements for major acquisition program breach.*
 Sec. 839. *Multiyear acquisition strategy.*
 Sec. 840. *Acquisition reports.*

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Subtitle H—Miscellaneous Provisions

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[Sec. 878. Counternarcotics officer.]

[Sec. 879. Office of International Affairs.]

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Sec. 890B. *Treatment of charitable trusts for members of the Armed Forces of the United States and other governmental organizations.*

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SEC. 2. DEFINITIONS.

[In this Act,] (a) *IN GENERAL.*—*In this Act, the following definitions apply:*

(1) Each of the terms “American homeland” and “homeland” means the United States.

(2)(A) The term “appropriate congressional committee” means any committee of the House of Representatives or the Senate having legislative or oversight jurisdiction under the Rules of the House of Representatives or the Senate, respectively, over the matter concerned.

(B) *The term “congressional homeland security committees” means—*

(i) the Committee on Homeland Security of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate; and

(ii) the Committees on Appropriations of the House of Representatives and of the Senate, where appropriate.

(3) The term “assets” includes contracts, facilities, property, records, unobligated or unexpended balances of appropriations, and other funds or resources (other than personnel).

(4) The term “critical infrastructure” has the meaning given that term in section 1016(e) of Public Law 107–56 (42 U.S.C. 5195c(e)).

(5) The term “Department” means the Department of Homeland Security.

(6) The term “emergency response providers” includes Federal, State, and local governmental and nongovernmental emergency public safety, fire, law enforcement, emergency response, emergency medical (including hospital emergency facilities), and related personnel, agencies, and authorities.

(7) The term “executive agency” means an executive agency and a military department, as defined, respectively, in sections 105 and 102 of title 5, United States Code.

(8) The term “functions” includes authorities, powers, rights, privileges, immunities, programs, projects, activities, duties, and responsibilities.

(9) *The term “homeland security enterprise” means relevant governmental and nongovernmental entities involved in homeland security, including Federal, State, local, and tribal govern-*

ment officials, private sector representatives, academics, and other policy experts.

[(9)] (10) The term “intelligence component of the Department” means any element or entity of the Department that collects, gathers, processes, analyzes, produces, or disseminates intelligence information within the scope of the information sharing environment, including homeland security information, terrorism information, and weapons of mass destruction information, or national intelligence, as defined under section 3(5) of the National Security Act of 1947 (50 U.S.C. 401a(5)), except—

(A) the United States Secret Service; and

(B) the Coast Guard, when operating under the direct authority of the Secretary of Defense or Secretary of the Navy pursuant to section 3 of title 14, United States Code, except that nothing in this paragraph shall affect or diminish the authority and responsibilities of the Commandant of the Coast Guard to command or control the Coast Guard as an armed force or the authority of the Director of National Intelligence with respect to the Coast Guard as an element of the intelligence community (as defined under section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

[(10)] (11) The term “key resources” means publicly or privately controlled resources essential to the minimal operations of the economy and government.

[(11)] (12) The term “local government” means—

(A) a county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments (regardless of whether the council of governments is incorporated as a nonprofit corporation under State law), regional or interstate government entity, or agency or instrumentality of a local government;

(B) an Indian tribe or authorized tribal organization, or in Alaska a Native village or Alaska Regional Native Corporation; and

(C) a rural community, unincorporated town or village, or other public entity.

[(12)] (13) The term “major disaster” has the meaning given in section 102(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122).

(14) *The term “management integration and transformation”—*

(A) means the development of consistent and consolidated functions for information technology, financial management, acquisition management, and human capital management; and

(B) includes governing processes and procedures, management systems, personnel activities, budget and resource planning, training, real estate management, and provision of security, as they relate to functions cited in subparagraph (A).

[(13)] (15) The term “personnel” means officers and employees.

[(14)] (16) The term “Secretary” means the Secretary of Homeland Security.

[(15)] (17) The term “State” means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any possession of the United States.

[(16)] (18) The term “terrorism” means any activity that—

(A) involves an act that—

(i) is dangerous to human life or potentially destructive of critical infrastructure or key resources; and

(ii) is a violation of the criminal laws of the United States or of any State or other subdivision of the United States; and

(B) appears to be intended—

(i) to intimidate or coerce a civilian population;

(ii) to influence the policy of a government by intimidation or coercion; or

(iii) to affect the conduct of a government by mass destruction, assassination, or kidnapping.

[(17)] (19)(A) The term “United States”, when used in a geographic sense, means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, any possession of the United States, and any waters within the jurisdiction of the United States.

(B) Nothing in this paragraph or any other provision of this Act shall be construed to modify the definition of “United States” for the purposes of the Immigration and Nationality Act or any other immigration or nationality law.

[(18)] (20) The term “voluntary preparedness standards” means a common set of criteria for preparedness, disaster management, emergency management, and business continuity programs, such as the American National Standards Institute’s National Fire Protection Association Standard on Disaster/Emergency Management and Business Continuity Programs (ANSI/NFPA 1600).

(b) *ACQUISITION-RELATED DEFINITIONS.—In this Act, the following definitions apply:*

(1) *ACQUISITION.—The term “acquisition” has the meaning provided in section 131 of title 41, United States Code.*

(2) *ACQUISITION DECISION AUTHORITY.—The term “acquisition decision authority” means the authority, held by the Secretary acting through the Deputy Secretary or Under Secretary for Management—*

(A) *to ensure compliance with Federal law, the Federal Acquisition Regulation, and Department acquisition management directives;*

(B) *to review (including approving, halting, modifying, or cancelling) an acquisition program through the life cycle of the program;*

(C) to ensure that program managers have the resources necessary to successfully execute an approved acquisition program;

(D) to ensure good program management of cost, schedule, risk, and system performance of the acquisition, including assessing acquisition program baseline breaches and directing any corrective action for such breaches; and

(E) to ensure that program managers, on an ongoing basis, monitor cost, schedule, and performance against established baselines and use tools to assess risks to a program at all phases of the life cycle of the program to avoid and mitigate acquisition program baseline breaches.

(3) ACQUISITION DECISION EVENT.—The term “acquisition decision event”, with respect to an investment or acquisition program, means a predetermined point within the acquisition phases of the investment or acquisition program at which the investment or acquisition program will undergo a review prior to commencement of the next phase.

(4) ACQUISITION DECISION MEMORANDUM.—The term “acquisition decision memorandum”, with respect to an acquisition, means the official acquisition decision event record that includes a documented record of decisions, exit criteria, and assigned actions for the acquisition as determined by the person exercising acquisition authority for the acquisition.

(5) ACQUISITION PROGRAM BASELINE.—The term “acquisition program baseline”, with respect to an acquisition program, means a summary of the cost, schedule, and performance parameters, expressed in standard, measurable, quantitative terms, which must be met in order to accomplish the goals of the program.

(6) CAPABILITY DEVELOPMENT PLAN.—The term “capability development plan”, with respect to a proposed acquisition, means the document that the Acquisition Review Board approves for the first acquisition decision event related to validating the need of a proposed acquisition.

(7) COMPONENT ACQUISITION EXECUTIVE.—The term “Component Acquisition Executive” means the senior acquisition official within a component who is designated in writing by the Under Secretary for Management, in consultation with the component head, with authority and responsibility for leading a process and staff to provide acquisition and program management oversight, policy, and guidance to ensure that statutory, regulatory, and higher level policy requirements are fulfilled, including compliance with Federal law, the Federal Acquisition Regulation, and Department acquisition management directives established by the Under Secretary for Management.

(8) LIFE CYCLE COST.—The term “life cycle cost”, with respect to an acquisition program, means all costs associated with research, development, procurement, operation, integrated logistics support, and disposal under the program, including supporting infrastructure that plans, manages, and executes the program over its full life, and costs of common support items incurred as a result of the program.

(9) *MAJOR ACQUISITION PROGRAM.*—The term “major acquisition program” means a Department acquisition program that is estimated by the Secretary to require an eventual total expenditure of at least \$300,000,000 (based on fiscal year 2015 constant dollars) over its life cycle cost.

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TITLE I—DEPARTMENT OF HOMELAND SECURITY

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SEC. 102. SECRETARY; FUNCTIONS.

(a) SECRETARY.—

(1) *IN GENERAL.*—There is a Secretary of Homeland Security, appointed by the President, by and with the advice and consent of the Senate.

(2) *HEAD OF DEPARTMENT.*—The Secretary is the head of the Department and shall have direction, authority, and control over it.

(3) *FUNCTIONS VESTED IN SECRETARY.*—All functions of all officers, employees, and organizational units of the Department are vested in the Secretary.

(b) FUNCTIONS.—The Secretary—

(1) except as otherwise provided by this Act, may delegate any of the Secretary’s functions to any officer, employee, or organizational unit of the Department;

(2) shall have the authority to make contracts, grants, and cooperative agreements, and to enter into agreements with other executive agencies, as may be necessary and proper to carry out the Secretary’s responsibilities under this Act or otherwise provided by law; **[and]**

(3) shall take reasonable steps to ensure that information systems and databases of the Department are compatible with each other and with appropriate databases of other Departments**[.]**; and

(4) shall establish a Homeland Security Advisory Council to provide advice and recommendations on homeland-security-related matters.

(c) *COORDINATION WITH NON-FEDERAL ENTITIES.*—With respect to homeland security, the Secretary shall coordinate **[through the Office of State and Local Coordination (established under section 801)]** *through the Office of Partnership and Engagement* (including the provision of training and equipment) with State and local government personnel, agencies, and authorities, with the private sector, and with other entities, including by—

(1) coordinating with State and local government personnel, agencies, and authorities, and with the private sector, to ensure adequate planning, equipment, training, and exercise activities;

(2) coordinating and, as appropriate, consolidating, the Federal Government’s communications and systems of communications relating to homeland security with State and local gov-

ernment personnel, agencies, and authorities, the private sector, other entities, and the public; **and**

(3) distributing or, as appropriate, coordinating the distribution of, warnings and information to State and local government personnel, agencies, and authorities and to the public~~and~~; *and*

(4) *entering into agreements with governments of other countries, in consultation with the Secretary of State, and international nongovernmental organizations in order to achieve the missions of the Department.*

(d) MEETINGS OF NATIONAL SECURITY COUNCIL.—The Secretary may, subject to the direction of the President, attend and participate in meetings of the National Security Council.

(e) ISSUANCE OF REGULATIONS.—The issuance of regulations by the Secretary shall be governed by the provisions of chapter 5 of title 5, United States Code, except as specifically provided in this Act, in laws granting regulatory authorities that are transferred by this Act, and in laws enacted after the date of enactment of this Act.

(f) SPECIAL ASSISTANT TO THE SECRETARY.—The Secretary shall appoint a Special Assistant to the Secretary who shall be responsible for—

(1) creating and fostering strategic communications with the private sector to enhance the primary mission of the Department to protect the American homeland;

(2) advising the Secretary on the impact of the Department's policies, regulations, processes, and actions on the private sector;

(3) interfacing with other relevant Federal agencies with homeland security missions to assess the impact of these agencies' actions on the private sector;

(4) creating and managing private sector advisory councils composed of representatives of industries and associations designated by the Secretary to—

(A) advise the Secretary on private sector products, applications, and solutions as they relate to homeland security challenges;

(B) advise the Secretary on homeland security policies, regulations, processes, and actions that affect the participating industries and associations; and

(C) advise the Secretary on private sector preparedness issues, including effective methods for—

(i) promoting voluntary preparedness standards to the private sector; and

(ii) assisting the private sector in adopting voluntary preparedness standards;

(5) working with Federal laboratories, federally funded research and development centers, other federally funded organizations, academia, and the private sector to develop innovative approaches to address homeland security challenges to produce and deploy the best available technologies for homeland security missions;

(6) promoting existing public-private partnerships and developing new public-private partnerships to provide for collabo-

ration and mutual support to address homeland security challenges;

【(7) assisting in the development and promotion of private sector best practices to secure critical infrastructure;

【(8) providing information to the private sector regarding voluntary preparedness standards and the business justification for preparedness and promoting to the private sector the adoption of voluntary preparedness standards;

【(9) coordinating industry efforts, with respect to functions of the Department of Homeland Security, to identify private sector resources and capabilities that could be effective in supplementing Federal, State, and local government agency efforts to prevent or respond to a terrorist attack;

【(10) coordinating with the Directorate of Border and Transportation Security and the Assistant Secretary for Trade Development of the Department of Commerce on issues related to the travel and tourism industries; and

【(11) consulting with the Office of State and Local Government Coordination and Preparedness on all matters of concern to the private sector, including the tourism industry.】

(g) STANDARDS POLICY.—All standards activities of the Department shall be conducted in accordance with section 12(d) of the National Technology Transfer Advancement Act of 1995 (15 U.S.C. 272 note) and Office of Management and Budget Circular A-119.

(h) HEADQUARTERS.—

(1) COMPONENTS.—*The Department Headquarters shall include the following:*

(A) *The Office of the Secretary.*

(B) *The Office of the Deputy Secretary.*

(C) *The Executive Secretariat.*

(D) *The Management Directorate, including the Office of the Chief Financial Officer.*

(E) *The Office of Policy.*

(F) *The Office of General Counsel.*

(G) *The Office of the Chief Privacy Officer.*

(H) *The Office of Civil Rights and Civil Liberties.*

(I) *The Office of Operations and Coordination and Planning.*

(J) *The Office of Intelligence and Analysis.*

(K) *The Office of Legislative Affairs.*

(L) *The Office of Public Affairs.*

(2) FUNCTIONS.—*The Secretary, through the Headquarters, shall—*

(A) *establish the Department's overall strategy for successfully completing its mission;*

(B) *establish initiatives that improve performance Department-wide;*

(C) *establish mechanisms to ensure that components of the Department comply with Headquarters policies and fully implement the Secretary's strategies and initiatives and require the head of each component of the Department and component chief officers to comply with such policies and implement such strategies and initiatives;*

(D) establish annual operational and management objectives to determine the Department's performance;

(E) ensure that the Department successfully meets operational and management performance objectives through conducting oversight of component agencies;

(F) ensure that the strategies, priorities, investments, and workforce of Department agencies align with Department objectives;

(G) establish and implement policies related to Department ethics and compliance standards;

(H) manage and encourage shared services across Department components;

(I) lead and coordinate interaction with Congress and other external organizations; and

(J) carry out other such functions as the Secretary determines are appropriate.

SEC. 103. OTHER OFFICERS.

(a) DEPUTY SECRETARY; UNDER SECRETARIES.—(1) IN GENERAL.—Except as provided under paragraph (2), there are the following officers, appointed by the President, by and with the advice and consent of the Senate:

(A) A Deputy Secretary of Homeland Security, who shall be the Secretary's first assistant for purposes of subchapter III of chapter 33 of title 5, United States Code.

(B) An Under Secretary for Science and Technology.

(C) An Under Secretary for Border and Transportation Security.

(D) An Administrator of the Federal Emergency Management Agency.

(E) A Director of the Bureau of Citizenship and Immigration Services.

(F) An Under Secretary for Management.

(G) A Director of the Office of Counternarcotics Enforcement.

(H) An Under Secretary responsible for overseeing critical infrastructure protection, cybersecurity, and other related programs of the Department.

[(I) Not more than 12 Assistant Secretaries.]

[(J) (I) A General Counsel, who shall be the chief legal officer of the Department.

[(2) ASSISTANT SECRETARIES.—If any of the Assistant Secretaries referred to under paragraph (1)(I) is designated to be the Assistant Secretary for Health Affairs, the Assistant Secretary for Legislative Affairs, or the Assistant Secretary for Public Affairs, that Assistant Secretary shall be appointed by the President without the advice and consent of the Senate.]

(2) ASSISTANT SECRETARIES.—

(A) ADVICE AND CONSENT APPOINTMENTS.—*The Department shall have the following Assistant Secretaries appointed by the President, by and with the advice and consent of the Senate:*

(i) The Assistant Secretary, U.S. Immigration and Customs Enforcement.

(ii) The Assistant Secretary, Transportation Security Administration.

(B) *OTHER PRESIDENTIAL APPOINTMENTS.*—The Department shall have the following Assistant Secretaries appointed by the President:

- (i) *The Assistant Secretary, Infrastructure Protection.*
- (ii) *The Assistant Secretary, Office of Public Affairs.*
- (iii) *The Assistant Secretary, Office of Legislative Affairs.*

(C) *SECRETARIAL APPOINTMENTS.*—The Department shall have the following Assistant Secretaries appointed by the Secretary:

- (i) *The Assistant Secretary, Office of Cybersecurity and Communications.*
- (ii) *The Assistant Secretary for International Affairs under section 602.*
- (iii) *The Assistant Secretary for Partnership and Engagement under section 603.*

(D) *LIMITATION ON CREATION OF POSITIONS.*—No Assistant Secretary position may be created in addition to the positions provided for by this section unless such position is authorized by a statute enacted after the date of the enactment of the DHS Headquarters Reform and Improvement Act of 2015.

(b) *INSPECTOR GENERAL.*—There shall be in the Department an Office of Inspector General and an Inspector General at the head of such office, as provided in the Inspector General Act of 1978 (5 U.S.C. App.).

(c) *COMMANDANT OF THE COAST GUARD.*—To assist the Secretary in the performance of the Secretary's functions, there is a Commandant of the Coast Guard, who shall be appointed as provided in section 44 of title 14, United States Code, and who shall report directly to the Secretary. In addition to such duties as may be provided in this Act and as assigned to the Commandant by the Secretary, the duties of the Commandant shall include those required by section 2 of title 14, United States Code.

(d) *OTHER OFFICERS.*—To assist the Secretary in the performance of the Secretary's functions, there are the following officers, appointed by the President:

- (1) A Director of the Secret Service.
- (2) A Chief Information Officer.
- (3) An Officer for Civil Rights and Civil Liberties.
- (4) A Director for Domestic Nuclear Detection.

(f) *PERFORMANCE OF SPECIFIC FUNCTIONS.*—Subject to the provisions of this Act, every officer of the Department shall perform the functions specified by law for the official's office or prescribed by the Secretary.

(e) *CHIEF FINANCIAL OFFICER.*—There shall be in the Department a Chief Financial Officer, as provided in chapter 9 of title 31, United States Code.

TITLE II—INFORMATION ANALYSIS AND INFRASTRUCTURE PROTECTION

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Subtitle C—Information Security

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SEC. 222. PRIVACY OFFICER.

(a) APPOINTMENT AND RESPONSIBILITIES.—The Secretary shall appoint a senior official in the Department, *to be the Chief Privacy Officer of the Department*, who shall report directly to the Secretary **【, to assume】** *and who shall have primary responsibility for privacy policy, including—*

(1) assuring that the use of technologies sustain, and do not erode, privacy protections relating to the use, collection, and disclosure of personal information;

(2) assuring that personal information contained in Privacy Act systems of records is handled in full compliance with fair information practices as set out in the Privacy Act of 1974;

(3) evaluating legislative and regulatory proposals involving collection, use, and disclosure of personal information by the Federal Government;

(4) conducting a privacy impact assessment of proposed rules of the Department or that of the Department on the privacy of personal information, including the type of personal information collected and the number of people affected;

(5) coordinating with the Officer for Civil Rights and Civil Liberties to ensure that—

(A) programs, policies, and procedures involving civil rights, civil liberties, and privacy considerations are addressed in an integrated and comprehensive manner; and

(B) Congress receives appropriate reports on such programs, policies, and procedures; and

【(6) preparing a report to Congress on an annual basis on activities of the Department that affect privacy, including complaints of privacy violations, implementation of the Privacy Act of 1974, internal controls, and other matters.】

(6) *preparing a report to Congress on an annual basis on—*

(A) *activities of the Department that affect privacy, including complaints of privacy violations, implementation of section 554 of title 5, United States Code (popularly known as the Privacy Act of 1974), internal controls, and other matters; and*

(B) *the number of new technology programs implemented in the Department each fiscal year, the number of those programs that the Chief Privacy Officer has evaluated to ensure that privacy protections are considered and implemented, the number of those programs that effectively implemented privacy protections into new technology programs, and an explanation of why any new programs did not effectively implement privacy protections.*

(b) ADDITIONAL RESPONSIBILITIES.—*In addition to the responsibilities under subsection (a), the Chief Privacy Officer shall—*

(1) *develop guidance to assist components of the Department in developing privacy policies and practices;*

(2) *establish a mechanism to ensure such components are in compliance with Federal, regulatory, statutory, and the Department's privacy requirements, mandates, directives, and policy;*

(3) *work with the Chief Information Officer of the Department to identify methods for managing and overseeing the Department's records, management policies, and procedures;*

(4) *work with components and offices of the Department to ensure that information sharing activities incorporate privacy protections;*

(5) *serve as the Department's central office for managing and processing requests related to section 552 of title 5, United States Code, popularly known as the Freedom of Information Act;*

(6) *develop public guidance on procedures to be followed when making requests for information under section 552 of title 5, United States Code;*

(7) *oversee the management and processing of requests for information under section 552 of title 5, United States Code, within Department Headquarters and relevant Department component offices;*

(8) *identify and eliminate unnecessary and duplicative actions taken by the Department in the course of processing requests for information under section 552 of title 5, United States Code; and*

(9) *carry out such other responsibilities as the Secretary determines are appropriate, consistent with this section.*

[(b)] (c) AUTHORITY TO INVESTIGATE.—

(1) **IN GENERAL.**—The senior official appointed under subsection (a) may—

(A) have access to all records, reports, audits, reviews, documents, papers, recommendations, and other materials available to the Department that relate to programs and operations with respect to the responsibilities of the senior official under this section;

(B) make such investigations and reports relating to the administration of the programs and operations of the Department as are, in the senior official's judgment, necessary or desirable;

(C) subject to the approval of the Secretary, require by subpoena the production, by any person other than a Federal agency, of all information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence necessary to performance of the responsibilities of the senior official under this section; and

(D) administer to or take from any person an oath, affirmation, or affidavit, whenever necessary to performance of the responsibilities of the senior official under this section.

(2) **ENFORCEMENT OF SUBPOENAS.**—Any subpoena issued under paragraph (1)(C) shall, in the case of contumacy or refusal to obey, be enforceable by order of any appropriate United States district court.

(3) **EFFECT OF OATHS.**—Any oath, affirmation, or affidavit administered or taken under paragraph (1)(D) by or before an employee of the Privacy Office designated for that purpose by

the senior official appointed under subsection (a) shall have the same force and effect as if administered or taken by or before an officer having a seal of office.

[(c)] (d) SUPERVISION AND COORDINATION.—

(1) IN GENERAL.—The senior official appointed under subsection (a) shall—

(A) report to, and be under the general supervision of, the Secretary; and

(B) coordinate activities with the Inspector General of the Department in order to avoid duplication of effort.

(2) COORDINATION WITH THE INSPECTOR GENERAL.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the senior official appointed under subsection (a) may investigate any matter relating to possible violations or abuse concerning the administration of any program or operation of the Department relevant to the purposes under this section.

(B) COORDINATION.—

(i) REFERRAL.—Before initiating any investigation described under subparagraph (A), the senior official shall refer the matter and all related complaints, allegations, and information to the Inspector General of the Department.

(ii) DETERMINATIONS AND NOTIFICATIONS BY THE INSPECTOR GENERAL.—

(I) IN GENERAL.—Not later than 30 days after the receipt of a matter referred under clause (i), the Inspector General shall—

(aa) make a determination regarding whether the Inspector General intends to initiate an audit or investigation of the matter referred under clause (i); and

(bb) notify the senior official of that determination.

(II) INVESTIGATION NOT INITIATED.—If the Inspector General notifies the senior official under subclause (I)(bb) that the Inspector General intended to initiate an audit or investigation, but does not initiate that audit or investigation within 90 days after providing that notification, the Inspector General shall further notify the senior official that an audit or investigation was not initiated. The further notification under this subclause shall be made not later than 3 days after the end of that 90-day period.

(iii) INVESTIGATION BY SENIOR OFFICIAL.—The senior official may investigate a matter referred under clause (i) if—

(I) the Inspector General notifies the senior official under clause (ii)(I)(bb) that the Inspector General does not intend to initiate an audit or investigation relating to that matter; or

(II) the Inspector General provides a further notification under clause (ii)(II) relating to that matter.

(iv) PRIVACY TRAINING.—Any employee of the Office of Inspector General who audits or investigates any matter referred under clause (i) shall be required to receive adequate training on privacy laws, rules, and regulations, to be provided by an entity approved by the Inspector General in consultation with the senior official appointed under subsection (a).

[(d)] (e) NOTIFICATION TO CONGRESS ON REMOVAL.—If the Secretary removes the senior official appointed under subsection (a) or transfers that senior official to another position or location within the Department, the Secretary shall—

(1) promptly submit a written notification of the removal or transfer to Houses of Congress; and

(2) include in any such notification the reasons for the removal or transfer.

[(e)] (f) REPORTS BY SENIOR OFFICIAL TO CONGRESS.—The senior official appointed under subsection (a) shall—

(1) submit reports directly to the Congress regarding performance of the responsibilities of the senior official under this section, without any prior comment or amendment by the Secretary, Deputy Secretary, or any other officer or employee of the Department or the Office of Management and Budget; and

(2) inform the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Homeland Security of the House of Representatives not later than—

(A) 30 days after the Secretary disapproves the senior official’s request for a subpoena under subsection (b)(1)(C) or the Secretary substantively modifies the requested subpoena; or

(B) 45 days after the senior official’s request for a subpoena under subsection (b)(1)(C), if that subpoena has not either been approved or disapproved by the Secretary.

(g) REASSIGNMENT OF FUNCTIONS.—*The Secretary may reassign the functions related to managing and processing requests for information under section 552 of title 5, United States Code, to another officer within the Department, consistent with requirements of that section.*

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TITLE IV—DIRECTORATE OF BORDER AND TRANSPORTATION SECURITY

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Subtitle F—General Immigration Provisions

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[SEC. 475. DIRECTOR OF SHARED SERVICES.

[(a) IN GENERAL.—Within the Office of Deputy Secretary, there shall be a Director of Shared Services.

[(b) FUNCTIONS.—The Director of Shared Services shall be responsible for the coordination of resources for the Bureau of Border Security and the Bureau of Citizenship and Immigration Services, including—

[(1) information resources management, including computer databases and information technology;

[(2) records and file management; and

[(3) forms management.]

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[TITLE VI—TREATMENT OF CHARITABLE TRUSTS FOR MEMBERS OF THE ARMED FORCES OF THE UNITED STATES AND OTHER GOVERNMENTAL ORGANIZATIONS]

TITLE VI—POLICY AND PLANNING

SEC. 601. OFFICE OF POLICY.

(a) ESTABLISHMENT OF OFFICE.—There shall be in the Department an Office of Policy. The Office of Policy shall be headed by an Under Secretary for Policy, who shall be appointed by the President, by and with the advice and consent of the Senate.

(b) MISSION.—The mission of the Office of Policy is to lead, conduct, and coordinate Department-wide policy, strategic planning, and relationships with organizations or persons that are not part of the Department.

(c) COMPONENTS OF OFFICE.—The Office of Policy shall include the following components:

(1) The Office of Partnership and Engagement under section 602.

(2) The Office of International Affairs under section 603.

(3) The Office of Policy Implementation under section 604.

(4) The Office of Strategy and Planning under section 605.

(d) RESPONSIBILITIES OF THE UNDER SECRETARY.—Subject to the direction and control of the Secretary, the Under Secretary for Policy shall—

(1) serve as the principal policy advisor to the Secretary;

(2) coordinate with the Under Secretary for Management and the General Counsel of the Department to ensure that development of the Department's budget is compatible with the priorities, strategic plans, and policies established by the Secretary, including those priorities identified through the Quadrennial Homeland Security Review required under section 707;

(3) incorporate relevant feedback from, and oversee and coordinate relationships with, organizations and other persons that are not part of the Department to ensure effective commu-

nication of outside stakeholders' perspectives to components of the Department;

(4) establish a process to ensure that organizations and other persons that are not part of the Department can communicate with Department components without compromising adherence by the officials of such components to the Department's ethics and policies;

(5) manage and coordinate the Department's international engagement activities;

(6) advise, inform, and assist the Secretary on the impact of the Department's policy, processes, and actions on State, local, tribal, and territorial governments;

(7) oversee the Department's engagement and development of partnerships with nonprofit organizations and academic institutions;

(8) administer the Homeland Security Advisory Council and make studies available to the Committee on Homeland Security of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate on an annual basis; and

(9) carry out such other responsibilities as the Secretary determines are appropriate, consistent with this section.

(e) COORDINATION BY DEPARTMENT COMPONENTS.—

(1) *IN GENERAL.*—To ensure consistency with the Secretary's policy priorities, the head of each component of the Department shall coordinate with the Office of Policy, as appropriate, in establishing new policies or strategic planning guidance.

(2) *INTERNATIONAL ACTIVITIES.*—

(A) *FOREIGN NEGOTIATIONS.*—Each component of the Department shall coordinate with the Under Secretary for Policy plans and efforts of the component before pursuing negotiations with foreign governments, to ensure consistency with the Department's policy priorities.

(B) *NOTICE OF INTERNATIONAL TRAVEL BY SENIOR OFFICERS.*—Each component of the Department shall notify the Under Secretary for Policy of the international travel of senior officers of the Department.

(f) *ASSIGNMENT OF PERSONNEL.*—The Secretary shall assign to the Office of Policy permanent staff and, as appropriate and consistent with sections 506(c)(2), 821, and 888(d), other appropriate personnel detailed from other components of the Department to carry out the responsibilities under this section.

(g) *DEPUTY UNDER SECRETARY FOR POLICY.*—

(1) *IN GENERAL.*—The Secretary may—

(A) establish within the Department of Homeland Security a position, to be called the Deputy Under Secretary for Policy, to support the Under Secretary for Policy in carrying out the Under Secretary's responsibilities; and

(B) appoint a career employee to such position.

(2) *LIMITATION ON ESTABLISHMENT OF DEPUTY UNDER SECRETARY POSITIONS.*—A Deputy Under Secretary position (or any substantially similar position) within the Department of Homeland Security may not be established except for the position pro-

vided for by paragraph (1) unless the Secretary of Homeland Security receives prior authorization from Congress.

(3) **DEFINITIONS.**—For purposes of paragraph (1)—

(A) the term “career employee” means any employee (as that term is defined in section 2105 of title 5, United States Code), but does not include a political appointee; and

(B) the term “political appointee” means any employee who occupies a position which has been excepted from the competitive service by reason of its confidential, policy-determining, policy-making, or policy-advocating character.

SEC. 602. OFFICE OF PARTNERSHIP AND ENGAGEMENT.

(a) **IN GENERAL.**—There shall be in the Office of Policy an Office of Partnership and Engagement.

(b) **HEAD OF OFFICE.**—The Secretary shall appoint an Assistant Secretary for Partnership and Engagement to serve as the head of the Office.

(c) **RESPONSIBILITIES.**—The Assistant Secretary for Partnership and Engagement shall—

(1) lead the coordination of Department-wide policies relating to the role of State and local law enforcement in preventing, preparing for, protecting against, and responding to natural disasters, acts of terrorism, and other man-made disasters within the United States;

(2) serve as a liaison between State, local, and tribal law enforcement agencies and the Department, including through consultation with such agencies regarding Department programs that may impact such agencies;

(3) coordinate with the Office of Intelligence and Analysis to certify the intelligence and information sharing requirements of State, local, and tribal law enforcement agencies are being addressed;

(4) work with the Administrator to ensure that law enforcement and terrorism-focused grants to State, local, and tribal government agencies, including grants under sections 2003 and 2004, the Commercial Equipment Direct Assistance Program, and other grants administered by the Department to support fusion centers and law enforcement-oriented programs, are appropriately focused on terrorism prevention activities;

(5) coordinate with the Science and Technology Directorate, the Federal Emergency Management Agency, the Department of Justice, the National Institute of Justice, law enforcement organizations, and other appropriate entities to support the development, promulgation, and updating, as necessary, of national voluntary consensus standards for training and personal protective equipment to be used in a tactical environment by law enforcement officers;

(6) create and foster strategic communications with the private sector to enhance the primary mission of the Department to protect the American homeland;

(7) advise the Secretary on the impact of the Department’s policies, regulations, processes, and actions on the private sector;

(8) interface with other relevant Federal agencies with homeland security missions to assess the impact of these agencies' actions on the private sector;

(9) create and manage private sector advisory councils composed of representatives of industries and associations designated by the Secretary to—

(A) advise the Secretary on private sector products, applications, and solutions as they relate to homeland security challenges;

(B) advise the Secretary on homeland security policies, regulations, processes, and actions that affect the participating industries and associations; and

(C) advise the Secretary on private sector preparedness issues, including effective methods for—

(i) promoting voluntary preparedness standards to the private sector; and

(ii) assisting the private sector in adopting voluntary preparedness standards;

(10) promote existing public-private partnerships and developing new public-private partnerships to provide for collaboration and mutual support to address homeland security challenges;

(11) assist in the development and promotion of private sector best practices to secure critical infrastructure;

(12) provide information to the private sector regarding voluntary preparedness standards and the business justification for preparedness and promoting to the private sector the adoption of voluntary preparedness standards;

(13) coordinate industry efforts, with respect to functions of the Department of Homeland Security, to identify private sector resources and capabilities that could be effective in supplementing Federal, State, and local government agency efforts to prevent or respond to a terrorist attack;

(14) coordinate with the Commissioner of Customs and Border Protection and the appropriate senior official of the Department of Commerce on issues related to the travel and tourism industries;

(15) coordinate the activities of the Department relating to State and local government;

(16) assess, and advocate for, the resources needed by State and local governments to implement the national strategy for combating terrorism;

(17) provide State and local governments with regular information, research, and technical support to assist local efforts at securing the homeland;

(18) develop a process for receiving meaningful input from State and local governments to assist the development of the national strategy for combating terrorism and other homeland security activities; and

(19) perform such other functions as are established by law or delegated to such Assistant Secretary by the Under Secretary for Policy.

SEC. 603. OFFICE OF INTERNATIONAL AFFAIRS.

(a) *IN GENERAL.*—There shall be in the Office of Policy an Office of International Affairs.

(b) *HEAD OF OFFICE.*—The Secretary shall appoint an Assistant Secretary for International Affairs to serve as the head of the Office and as the chief diplomatic officer of the Department.

(c) *FUNCTIONS.*—

(1) *IN GENERAL.*—The Assistant Secretary for International Affairs shall—

(A) coordinate international activities within the Department, including activities carried out by the components of the Department, in consultation with other Federal officials with responsibility for counterterrorism and homeland security matters;

(B) advise, inform, and assist the Secretary with respect to the development and implementation of Departmental policy priorities, including strategic priorities for the deployment of assets, including personnel, outside the United States;

(C) develop, in consultation with the Under Secretary for Management, guidance for selecting, assigning, training, and monitoring overseas deployments of Department personnel, including minimum standards for predeployment training;

(D) develop and update, in coordination with all components of the Department engaged in international activities, a strategic plan for the international activities of the Department, establish a process for managing its implementation, and establish mechanisms to monitor the alignment between assets, including personnel, deployed by the Department outside the United States and the plan required by this subparagraph;

(E) develop and distribute guidance on Department policy priorities for overseas activities to personnel deployed overseas, that, at a minimum, sets forth the regional and national priorities being advanced by their deployment, and establish mechanisms to foster better coordination of Department personnel, programs, and activities deployed outside the United States;

(F) maintain awareness regarding the international travel of senior officers of the Department and their intent to pursue negotiations with foreign government officials, and review resulting draft agreements;

(G) develop, in consultation with the components of the Department, including, as appropriate, with the Under Secretary for the Science and Technology Directorate, programs to support the overseas programs conducted by the Department, including training, technical assistance, and equipment to ensure that Department personnel deployed abroad have proper resources and receive adequate and timely support;

(H) conduct the exchange of homeland security information, in consultation with the Under Secretary of the Office of Intelligence and Analysis, and best practices relating to

homeland security with foreign nations that, in the determination of the Secretary, reciprocate the sharing of such information in a substantially similar manner;

(I) submit information to the Under Secretary for Policy for oversight purposes, including preparation of the quadrennial homeland security review and on the status of overseas activities, including training and technical assistance and information exchange activities and the Department's resources dedicated to these activities;

(J) promote, when appropriate, and oversee the exchange of education, training, and information with nations friendly to the United States in order to share best practices relating to homeland security; and

(K) perform such other functions as are established by law or delegated by the Under Secretary for Policy.

(2) **INVENTORY OF ASSETS DEPLOYED ABROAD.**—For each fiscal year, the Assistant Secretary for International Affairs, in coordination with the Under Secretary for Management, shall provide to the Committee on Homeland Security of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate with the annual budget request for the Department, an annual accounting of all assets of the Department, including personnel, deployed outside the United States on behalf of the Department.

(3) **STANDARDIZED FRAMEWORK FOR COST DATA.**—The Assistant Secretary for International Affairs shall utilize a standardized framework to collect and maintain comparable cost data for all assets of the Department, including personnel, deployed outside the United States to prepare the annual accounting required by paragraph (2).

(4) **EXCLUSIONS** This subsection does not apply to international activities related to the protective mission of the United States Secret Service, or to the Coast Guard when operating under the direct authority of the Secretary of Defense or the Secretary of the Navy.

SEC. 604. OFFICE OF POLICY IMPLEMENTATION.

(a) **IN GENERAL.**—There shall be in the Office of Policy an Office of Policy Implementation.

(b) **HEAD OF OFFICE.**—The Secretary shall appoint a Director of the Office of Policy Implementation to serve as the head of the Office.

(c) **RESPONSIBILITIES.**—The Director of the Office of Policy Implementation shall lead, conduct, coordinate, and provide overall direction and supervision of Department-wide policy development for the programs, offices, and activities of the Department, in consultation with relevant officials of the Department, to ensure quality, consistency, and integration across the Department, as appropriate.

SEC. 605. OFFICE OF STRATEGY AND PLANNING.

(a) **IN GENERAL.**—There shall be in the Office of Policy of the Department an Office of Strategy and Planning.

(b) **HEAD OF OFFICE.**—The Secretary shall appoint a Director of the Office of Strategy and Planning who shall serve as the head of the Office.

(c) *RESPONSIBILITIES.*—*The Director of the Office of Strategy and Planning shall—*

(1) *lead and conduct long-term Department-wide strategic planning, including the Quadrennial Homeland Security Review and planning guidance for the Department, and translate the Department’s statutory responsibilities, strategic plans, and long-term goals into risk-based policies and procedures that improve operational effectiveness; and*

(2) *develop strategies to address unconventional threats to the homeland.*

TITLE VII—MANAGEMENT

SEC. 701. UNDER SECRETARY FOR MANAGEMENT.

[(a) **IN GENERAL.**—The Under Secretary for Management shall serve as the Chief Management Officer and principal advisor to the Secretary on matters related to the management of the Department, including management integration and transformation in support of homeland security operations and programs. The Secretary, acting through the Under Secretary for Management, shall be responsible for the management and administration of the Department, including the following:

[(1) The budget, appropriations, expenditures of funds, accounting, and finance.

[(2) Procurement.

[(3) Human resources and personnel.

[(4) Information technology and communications systems, including policies and directives to achieve and maintain interoperable communications among the components of the Department.

[(5) Facilities, property, equipment, and other material resources.

[(6) Security for personnel, information technology and communications systems, facilities, property, equipment, and other material resources.

[(7) Strategic management planning and annual performance planning and identification and tracking of performance measures relating to the responsibilities of the Department.

[(8) Grants and other assistance management programs.

[(9) The management integration and transformation process, as well as the transition process, to ensure an efficient and orderly consolidation of functions and personnel in the Department and transition, including—

[(A) the development of a management integration strategy for the Department, and

[(B) before December 1 of any year in which a Presidential election is held, the development of a transition and succession plan, to be made available to the incoming Secretary and Under Secretary for Management, to guide the transition of management functions to a new Administration.

[(10) The conduct of internal audits and management analyses of the programs and activities of the Department.

[(11) Any other management duties that the Secretary may designate.

[(b) IMMIGRATION.—

[(1) IN GENERAL.—In addition to the responsibilities described in subsection (a), the Under Secretary for Management shall be responsible for the following:

[(A) Maintenance of all immigration statistical information of the Bureau of Border Security and the Bureau of Citizenship and Immigration Services. Such statistical information shall include information and statistics of the type contained in the publication entitled “Statistical Yearbook of the Immigration and Naturalization Service” prepared by the Immigration and Naturalization Service (as in effect immediately before the date on which the transfer of functions specified under section 441 takes effect), including region-by-region statistics on the aggregate number of applications and petitions filed by an alien (or filed on behalf of an alien) and denied by such bureau, and the reasons for such denials, disaggregated by category of denial and application or petition type.

[(B) Establishment of standards of reliability and validity for immigration statistics collected by such bureaus.

[(2) TRANSFER OF FUNCTIONS.—In accordance with title XV, there shall be transferred to the Under Secretary for Management all functions performed immediately before such transfer occurs by the Statistics Branch of the Office of Policy and Planning of the Immigration and Naturalization Service with respect to the following programs:

[(A) The Border Patrol program.

[(B) The detention and removal program.

[(C) The intelligence program.

[(D) The investigations program.

[(E) The inspections program.

[(F) Adjudication of immigrant visa petitions.

[(G) Adjudication of naturalization petitions.

[(H) Adjudication of asylum and refugee applications.

[(I) Adjudications performed at service centers.

[(J) All other adjudications performed by the Immigration and Naturalization Service.]

(a) *IN GENERAL.*—*Subject to the direction and control of the Secretary, the Under Secretary for Management shall serve as the following:*

(1) *The Chief Management Officer for all matters related to the management and administration of the Department in support of homeland security operations and programs. With regard to the management functions for which the Under Secretary has responsibility by law or by direction of the Secretary, the Under Secretary for Management takes precedence in the Department after the Secretary and the Deputy Secretary of Homeland Security.*

(2) *The senior official with the authority to administer, implement, and direct management integration and transformation across functional disciplines of the Department, including—*

(A) *information technology, financial management, acquisition management, and human capital management of the Department to improve program efficiency and effectiveness;*

(B) *ensure compliance with laws, rules, regulations, and the Department's policies;*

(C) *conduct regular oversight; and*

(D) *prevent unnecessary duplication of programs in the Department.*

(b) *RESPONSIBILITIES.—In addition to responsibilities designated by the Secretary or otherwise established by law, the Under Secretary for Management shall be responsible for performing, or delegating responsibility for performing, the following activities of the Department:*

(1) *Development of the budget, management of appropriations, expenditures of funds, accounting, and finance.*

(2) *Acquisition and procurement activities under section 701(d).*

(3) *Human resources and personnel.*

(4) *Information technology and communication systems, in consultation with the Under Secretary for Intelligence and Analysis, as appropriate.*

(5) *Facilities, property, equipment, and other material resources.*

(6) *Real property and personal property.*

(7) *Security for personnel, information technology and communications systems, facilities, property, equipment, and other material resources.*

(8) *Strategic management planning, annual performance planning, and identification and tracking of performance measures relating to the responsibilities of the Department, including such responsibilities under section 306 of title 5, United States Code.*

(9) *Oversight of grants and other assistance management programs to ensure proper administration.*

(10) *Management integration and transformation within each functional management discipline of the Department, including information technology, financial management, acquisition management, and human capital management, and the transition process, to ensure an efficient and orderly consolidation of functions and personnel in the Department and transition, including the—*

(A) *development of coordinated data sources and connectivity of information systems to the greatest extent practical to enhance program visibility and transparency;*

(B) *development of standardized, automated, and real-time management information to uniformly manage and oversee programs, and make informed decisions to improve the efficiency of the Department;*

(C) *development of effective program management and regular oversight mechanisms, including clear roles and processes for program governance, sharing of best practices, and access to timely, reliable, and analyzed data on all acquisitions and investments;*

(D) implementation of mechanisms to promote accountability for management integration among Department and component chief officers;

(E) integration of financial management systems within and across the Department to ensure financial transparency, support daily operational and financial decision-making, and maintain consecutive unqualified opinions for all financial statements, including the responsibility to review, approve, and oversee the planning, design, acquisition, deployment, operation, maintenance, and modernization of business systems;

(F) integration of human resource management systems within and across the Department to track and record information (including attrition rates, knowledge, skills, and abilities critical for workforce planning, identifying current and future human capital needs, including recruitment efforts and improving employee morale), including the responsibility to review, approve, and oversee the planning, design, acquisition, deployment, operation, maintenance, and modernization of business systems;

(G) development of a management integration strategy for the Department and its components to be submitted annually with the President's budget to ensure that management of the Department is strengthened in the areas of human capital, acquisition, information technology, and financial management, which shall include—

(i) short- and long-term objectives to effectively guide implementation of interoperable business systems solutions;

(ii) issuance of guidance and action plans with dates, specific actions, and costs for implementing management integration and transformation of common functional disciplines across the Department and its components;

(iii) specific operational and tactical goals, activities, and timelines needed to accomplish the integration effort;

(iv) performance measures to monitor and validate corrective measures;

(v) efforts to identify resources needed to achieve key actions and outcomes;

(vi) other issues impeding management integration;

(vii) reporting to the Government Accountability Office twice annually to demonstrate measurable, sustainable progress made in implementing the Department's corrective action plans and achieving key outcomes, including regarding—

(I) leadership commitment;

(II) capacity building; and

(III) continuous monitoring to address Government Accountability Office designations of programs at high risk for waste, fraud, and abuse, including with respect to strengthening management functions;

(viii) review and approve any major update to the Department's strategy related to management integration and transformation across functional disciplines and lines of business, including any business systems modernization plans to maximize benefits and minimize costs for the Department; and

(ix) before December 1 of each year in which a Presidential election is held, the development of a transition and succession plan to guide the transition of Department functions to a new Presidential administration, and making such plan available to the next Secretary and Under Secretary for Management and to the homeland security congressional committees.

(H) Oversight, including the conduct of internal audits and management analyses, of the programs and activities of the Department. Such supervision includes establishing oversight procedures to ensure a full and effective review of the efforts by Department components to implement policies and procedures of the Department for management integration and transformation.

(I) Any other management duties that the Secretary may designate.

(c) APPOINTMENT AND EVALUATION.—The Under Secretary for Management shall—

(1) be appointed by the President, by and with the advice and consent of the Senate, from among persons who have—

(A) extensive executive level leadership and management experience in the public or private sector;

(B) strong leadership skills;

(C) a demonstrated ability to manage large and complex organizations; and

(D) a proven record in achieving positive operational results;

(2) enter into an annual performance agreement with the Secretary that shall set forth measurable individual and organizational goals; and

(3) be subject to an annual performance evaluation by the Secretary, who shall determine as part of each such evaluation whether the Under Secretary for Management has made satisfactory progress toward achieving the goals set out in the performance agreement required under paragraph (2).

(d) INTEROPERABLE COMMUNICATIONS DEFINED.—In this section, the term “interoperable communications” has the meaning given that term in section 7303(g) of the Intelligence Reform and Terrorism Prevention Act of 2004 (6 U.S.C. 194(g)).

(e) ACQUISITION AND RELATED RESPONSIBILITIES.—

(1) IN GENERAL.—Notwithstanding section 1702(b) of title 41, United States Code, the Under Secretary for Management is the Chief Acquisition Officer of the Department. As Chief Acquisition Officer, the Under Secretary shall have the authority and perform the functions as specified in section 1702(b) of such title, and perform all other functions and responsibilities delegated by the Secretary or described in this subsection.

(2) *DUTIES AND RESPONSIBILITIES.*—*In addition to the authority and functions specified in section 1702(b) of title 41, United States Code, the duties and responsibilities of the Under Secretary for Management related to acquisition include the following:*

(A) *Advising the Secretary regarding acquisition management activities, taking into account risks of failure to achieve cost, schedule, or performance parameters, to ensure that the Department achieves its mission through the adoption of widely accepted program management best practices and standards.*

(B) *Exercising the acquisition decision authority to approve, halt, modify (including the rescission of approvals of program milestones), or cancel major acquisition programs, unless the Under Secretary delegates the authority to a Component Acquisition Executive pursuant to paragraph (3).*

(C) *Establishing policies for acquisition that implement an approach that takes into account risks of failure to achieve cost, schedule, or performance parameters that all components of the Department shall comply with, including outlining relevant authorities for program managers to effectively manage acquisition programs.*

(D) *Ensuring that each major acquisition program has a Department-approved acquisition program baseline, pursuant to the Department's acquisition management policy.*

(E) *Ensuring that the heads of components and Component Acquisition Executives comply with Federal law, the Federal Acquisition Regulation, and Department acquisition management directives.*

(F) *Ensuring that grants and financial assistance are provided only to individuals and organizations that are not suspended or debarred.*

(G) *Distributing guidance throughout the Department to ensure that contractors involved in acquisitions, particularly companies that access the Department's information systems and technologies, adhere to internal cybersecurity policies established by the Department of Homeland Security.*

(3) *DELEGATION OF ACQUISITION DECISION AUTHORITY.*—

(A) *LEVEL 3 ACQUISITIONS.*—*The Under Secretary for Management may delegate acquisition decision authority in writing to the relevant Component Acquisition Executive for an acquisition program that has a life cycle cost estimate of less than \$300,000,000.*

(B) *LEVEL 2 ACQUISITIONS.*—*The Under Secretary for Management may delegate acquisition decision authority in writing to the relevant Component Acquisition Executive for a major acquisition program that has a life cycle cost estimate of at least \$300,000,000 but not more than \$1,000,000,000 if all of the following requirements are met:*

(i) *The component concerned possesses working policies, processes, and procedures that are consistent with Department-level acquisition policy.*

(ii) *The Component Acquisition Executive has adequate, experienced, dedicated program management professional staff commensurate with the size of the delegated portfolio.*

(iii) *Each major acquisition program concerned has written documentation showing that it has a Department-approved acquisition program baseline and it is meeting agreed-upon cost, schedule, and performance thresholds.*

(4) **EXCLUDED PARTIES LIST SYSTEM CONSULTATION.**—*The Under Secretary for Management shall require that all Department contracting and procurement officials consult the Excluded Parties List System (or successor system) as maintained by the General Services Administration prior to awarding a contract or grant or entering into other transactions to ascertain whether the selected contractor is excluded from receiving Federal contracts, certain subcontracts, and certain types of Federal financial and nonfinancial assistance and benefits.*

(5) **RELATIONSHIP TO UNDER SECRETARY FOR SCIENCE AND TECHNOLOGY.**—

(A) **IN GENERAL.**—*Nothing in this subsection shall diminish the authority granted to the Under Secretary for Science and Technology under this Act. The Under Secretary for Management and the Under Secretary for Science and Technology shall cooperate in matters related to the coordination of acquisitions across the Department so that investments of the Directorate of Science and Technology can support current and future requirements of the components.*

(B) **OPERATIONAL TESTING AND EVALUATION.**—*The Under Secretary for Science and Technology shall—*

(i) *ensure, in coordination with relevant component heads, that major acquisition programs—*

(I) *complete operational testing and evaluation of technologies and systems;*

(II) *use independent verification and validation of operational test and evaluation implementation and results; and*

(III) *document whether such programs meet all performance requirements included in their acquisition program baselines;*

(ii) *ensure that such operational testing and evaluation includes all system components and incorporates operators into the testing to ensure that systems perform as intended in the appropriate operational setting; and*

(iii) *determine if testing conducted by other Federal agencies and private entities is relevant and sufficient in determining whether systems perform as intended in the operational setting.*

SEC. 702. CHIEF FINANCIAL OFFICER.

(a) **In General.**—*The Chief Financial Officer shall perform functions as specified in chapter 9 of title 31, United States Code, and, with respect to all such functions and other responsibilities that*

may be assigned to the Chief Financial Officer from time to time, shall also report to the Under Secretary for Management.

(b) *RESPONSIBILITIES.*—*Notwithstanding sections 901 and 1122 of title 31, United States Code, the Chief Financial Officer, in consultation with the Under Secretary for Management and the Under Secretary for Intelligence and Analysis, as appropriate, shall—*

(1) *lead cost-estimating practices for the Department, including the development of the Department's policy on cost estimating and approval of life cycle cost estimates;*

(2) *oversee coordination with the Office of Policy on the Department's long-term strategic planning to ensure that the development of the Department's budget is compatible with the priorities, strategic plans, and policies established by the Secretary;*

(3) *develop and oversee the Department's financial management policy;*

(4) *provide guidance for and over financial system modernization efforts throughout the Department;*

(5) *establish effective internal controls over financial reporting systems and processes throughout the Department;*

(6) *lead assessments of internal controls related to the Department's financial management systems and review financial processes to ensure that internal controls are designed properly and operate effectively;*

(7) *lead the Department's efforts related to financial oversight, including identifying ways to streamline and standardize business processes;*

(8) *lead and provide guidance on performance-based budgeting practices for the Department to ensure that the Department and its components are meeting missions and goals;*

(9) *ensure that Department components' senior financial officers certify that their major acquisition programs have adequate resources to execute their programs through the 5-year future years homeland security program period, so that the Department's funding requirements for major acquisition programs match expected resources;*

(10) *ensure that components identify and report all expected costs of acquisition programs to the Chief Financial Officer of the Department;*

(11) *oversee Department budget formulation and execution;*

(12) *fully implement a common accounting structure to be used across the entire Department by fiscal year 2019; and*

(13) *track, approve, oversee, and make public information on expenditures by components of the Department for conferences, as appropriate, including by requiring each component of the Department to—*

(A) *report to the Inspector General of the Department the expenditures by the component for each conference hosted or attended by Department employees for which the total expenditures of the Department exceed \$20,000, within 15 days after the date of the conference; and*

(B) *with respect to such expenditures, provide to the Inspector General—*

(i) the information described in subsections (a), (b), and (c) of section 739 of Public Law 113–235; and
 (ii) documentation of such expenditures.

[(b)] (c) PROGRAM ANALYSIS AND EVALUATION FUNCTION.—

(1) ESTABLISHMENT OF OFFICE OF PROGRAM ANALYSIS AND EVALUATION.—Not later than 90 days after the date of enactment of this subsection, the Secretary shall establish an Office of Program Analysis and Evaluation within the Department (in this section referred to as the “Office”).

(2) RESPONSIBILITIES.—The Office shall perform the following functions:

(A) Analyze and evaluate plans, programs, and budgets of the Department in relation to United States homeland security objectives, projected threats, vulnerability assessments, estimated costs, resource constraints, and the most recent homeland security strategy developed pursuant to section 874(b)(2).

(B) Develop and perform analyses and evaluations of alternative plans, programs, personnel levels, and budget submissions for the Department in relation to United States homeland security objectives, projected threats, vulnerability assessments, estimated costs, resource constraints, and the most recent homeland security strategy developed pursuant to section 874(b)(2).

(C) Establish policies for, and oversee the integration of, the planning, programming, and budgeting system of the Department.

(D) Review and ensure that the Department meets performance-based budget requirements established by the Office of Management and Budget.

(E) Provide guidance for, and oversee the development of, the Future Years Homeland Security Program of the Department, as specified under section 874.

(F) Ensure that the costs of Department programs, including classified programs, are presented accurately and completely.

(G) Oversee the preparation of the annual performance plan for the Department and the program and performance section of the annual report on program performance for the Department, consistent with sections 1115 and 1116, respectively, of title 31, United States Code.

(H) Provide leadership in developing and promoting improved analytical tools and methods for analyzing homeland security planning and the allocation of resources.

(I) Any other responsibilities delegated by the Secretary consistent with an effective program analysis and evaluation function.

(J) *Notwithstanding section 902 of title 31, United States Code, provide leadership over financial management policy and programs for the Department as they relate to the Department’s acquisitions programs, in consultation with the Under Secretary for Management.*

(3) **DIRECTOR OF PROGRAM ANALYSIS AND EVALUATION.**—There shall be a Director of Program Analysis and Evaluation, who—

(A) shall be a principal staff assistant to the Chief Financial Officer of the Department for program analysis and evaluation; and

(B) shall report to an official no lower than the Chief Financial Officer.

(4) **REORGANIZATION.**—

(A) **IN GENERAL.**—The Secretary may allocate or reallocate the functions of the Office, or discontinue the Office, in accordance with section 872(a).

(B) **EXEMPTION FROM LIMITATIONS.**—Section 872(b) shall not apply to any action by the Secretary under this paragraph.

[(c)] (d) NOTIFICATION REGARDING TRANSFER OR REPROGRAMMING OF FUNDS.—In any case in which appropriations available to the Department or any officer of the Department are transferred or reprogrammed and notice of such transfer or reprogramming is submitted to the Congress (including any officer, office, or Committee of the Congress), the Chief Financial Officer of the Department shall simultaneously submit such notice to the Select Committee on Homeland Security (or any successor to the jurisdiction of that committee) and the Committee on Government Reform of the House of Representatives, and to the Committee on Governmental Affairs of the Senate.

SEC. 703. CHIEF INFORMATION OFFICER.

(a) **IN GENERAL.**—The Chief Information Officer shall report to the Secretary, or to another official of the Department, as the Secretary may direct. *In addition to the functions under section 3506(a)(2) of title 44, United States Code, the Chief Information Officer shall perform the functions set forth in this section and such other functions as may be assigned by the Secretary.*

(b) **RESPONSIBILITIES.**—*In addition to the functions under section 3506 of title 44, United States Code, the Chief Information Officer, in consultation with the Under Secretary for Management, shall—*

(1) *advise and assist the Secretary, heads of the components of the Department, and other senior officers in carrying out the responsibilities of the Department for all activities relating to the budgets, programs, and operations of the information technology functions of the Department;*

(2) *to the extent delegated by the Secretary—*

(A) *exercise leadership and authority over Department information technology management; and*

(B) *establish the information technology priorities, policies, processes, standards, guidelines, and procedures of the Department to ensure interoperability and standardization of information technology;*

(3) *serve as the lead technical authority for information technology programs;*

(4) *maintain a consolidated inventory of the Department's mission critical and mission essential information systems, and develop and maintain contingency plans for responding to a disruption in the operation of any of those information systems;*

(5) maintain the security, visibility, reliability, integrity, and availability of data and information technology of the Department including the security of the Homeland Security Data Network;

(6) in coordination with relevant officials of the Department, ensure that the Department is in compliance with subchapter II of chapter 35 of title 44, United States Code;

(7) establish policies and procedures to effectively monitor and manage vulnerabilities in the supply chain for purchases of information technology;

(8) in coordination with relevant officials of the Department, ensure Department compliance with Homeland Security Presidential Directive 12;

(9) in coordination with relevant officials of the Department, ensure that information technology systems of the Department meet the standards established under the information sharing environment, as defined in section 1016 of the Intelligence Reform and Terrorism Prevention Act of 2004 (6 U.S.C. 485);

(10) develop measures to monitor the performance of Department components' use and implementation of information technology systems and consistently monitor such performance to ensure that such systems are used effectively;

(11) ensure that Department components report to the Chief Information Officer of the Department a complete inventory of information systems and fully adhere to Department guidance related to information technology;

(12) carry out any other responsibilities delegated by the Secretary consistent with an effective information system management function; and

(13) carry out authorities over Department information technology consistent with section 113419 of title 40, United States Code.

(c) **STRATEGIC PLANS.**—In coordination with the Chief Financial Officer, the Chief Information Officer shall develop an information technology strategic plan every 5 years and report to the Committee on Homeland Security of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate on—

(1) how the information technology strategic plans developed under this subsection are used to help inform the Department's budget process;

(2) how the Department's budget aligns with priorities specified in the information technology strategic plans;

(3) in cases in which it is not possible to fund all information technology strategic plan activities for a given fiscal year, the rationale as to why certain activities are not being funded in lieu of higher priorities;

(4) what decisionmaking process was used to arrive at these priorities and the role of Department components in that process; and

(5) examine the extent to which unnecessary duplicate information technology within and across the components of the Department has been eliminated.

(d) **SOFTWARE LICENSING.**—

(1) *IN GENERAL.*—Not later than 180 days after the date of the enactment of the DHS Headquarters Reform and Improvement Act of 2015, and every 2 years thereafter, the Chief Information Officer, in consultation with Department component chief information officers, shall—

(A) conduct a Department-wide inventory of all existing software licenses held by the Department, including utilized and unutilized licenses;

(B) assess the needs of the Department and the components of the Department for software licenses for the subsequent 2 fiscal years;

(C) examine how the Department can achieve the greatest possible economies of scale and cost savings in the procurement of software licenses;

(D) determine how the use of shared cloud-computing services will impact the needs for software licenses for the subsequent 2 fiscal years; and

(E) establish plans and estimated costs for eliminating unutilized software licenses for the subsequent 2 fiscal years.

(2) *EXCESS SOFTWARE LICENSING.*—

(A) *PLAN TO REDUCE SOFTWARE LICENSES.*—If the Chief Information Officer determines through the inventory conducted under paragraph (1) that the number of software licenses held by the Department and the components of the Department exceed the needs of the Department as assessed under paragraph (1), the Secretary, not later than 90 days after the date on which the inventory is completed, shall establish a plan for bringing the number of such software licenses into balance with such needs of the Department.

(B) *PROHIBITION ON PROCUREMENT OF NEW SOFTWARE LICENSES.*—

(i) *IN GENERAL.*—Except as provided in clause (ii), upon completion of a plan established under paragraph (1), no additional resources may be obligated for the procurement of new software licenses for the Department until such time as the need of the Department exceeds the number of used and unused licenses held by the Department.

(ii) *EXCEPTION.*—The Chief Information Officer may authorize the purchase of additional licenses and amend the number of needed licenses as necessary.

(3) *GAO REVIEW.*—The Comptroller General of the United States shall review the inventory conducted under paragraph (1)(A) and the plan established under paragraph (2)(A).

(4) *SUBMISSION TO CONGRESS.*—The Chief Information Officer shall submit a copy of each inventory conducted under paragraph (1)(A) and each plan established under paragraph (2)(A) to the Committee on Homeland Security of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate.

[(b)] (e) *GEOSPATIAL INFORMATION FUNCTIONS.*—

(1) *DEFINITIONS.*—As used in this subsection:

(A) GEOSPATIAL INFORMATION.—The term “geospatial information” means graphical or digital data depicting natural or manmade physical features, phenomena, or boundaries of the earth and any information related thereto, including surveys, maps, charts, remote sensing data, and images.

(B) GEOSPATIAL TECHNOLOGY.—The term “geospatial technology” means any technology utilized by analysts, specialists, surveyors, photogrammetrists, hydrographers, geodesists, cartographers, architects, or engineers for the collection, storage, retrieval, or dissemination of geospatial information, including—

- (i) global satellite surveillance systems;
- (ii) global position systems;
- (iii) geographic information systems;
- (iv) mapping equipment;
- (v) geocoding technology; and
- (vi) remote sensing devices.

(2) OFFICE OF GEOSPATIAL MANAGEMENT.—

(A) ESTABLISHMENT.—The Office of Geospatial Management is established within the Office of the Chief Information Officer.

(B) GEOSPATIAL INFORMATION OFFICER.—

(i) APPOINTMENT.—The Office of Geospatial Management shall be administered by the Geospatial Information Officer, who shall be appointed by the Secretary and serve under the direction of the Chief Information Officer.

(ii) FUNCTIONS.—The Geospatial Information Officer shall assist the Chief Information Officer in carrying out all functions under this section and in coordinating the geospatial information needs of the Department.

(C) COORDINATION OF GEOSPATIAL INFORMATION.—The Chief Information Officer shall establish and carry out a program to provide for the efficient use of geospatial information, which shall include—

(i) providing such geospatial information as may be necessary to implement the critical infrastructure protection programs;

(ii) providing leadership and coordination in meeting the geospatial information requirements of those responsible for planning, prevention, mitigation, assessment and response to emergencies, critical infrastructure protection, and other functions of the Department; and

(iii) coordinating with users of geospatial information within the Department to assure interoperability and prevent unnecessary duplication.

(D) RESPONSIBILITIES.—In carrying out this subsection, the responsibilities of the Chief Information Officer shall include—

(i) coordinating the geospatial information needs and activities of the Department;

(ii) implementing standards, as adopted by the Director of the Office of Management and Budget under the processes established under section 216 of the E-Government Act of 2002 (44 U.S.C. 3501 note), to facilitate the interoperability of geospatial information pertaining to homeland security among all users of such information within—

- (I) the Department;
- (II) State and local government; and
- (III) the private sector;

(iii) coordinating with the Federal Geographic Data Committee and carrying out the responsibilities of the Department pursuant to Office of Management and Budget Circular A-16 and Executive Order 12906; and

(iv) making recommendations to the Secretary and the Executive Director of the Office for State and Local Government Coordination and Preparedness on awarding grants to—

- (I) fund the creation of geospatial data; and
- (II) execute information sharing agreements regarding geospatial data with State, local, and tribal governments.

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this subsection for each fiscal year.

(f) *ACQUISITION RESPONSIBILITIES.*—*Notwithstanding section 11315 of title 40, United States Code, the acquisition responsibilities of the Chief Information Officer, in consultation with the Under Secretary for Management, shall include the following:*

(1) *Oversee the management of the Homeland Security Enterprise Architecture and ensure that, before each acquisition decision event, approved information technology acquisitions comply with departmental information technology management processes, technical requirements, and the Homeland Security Enterprise Architecture, and in any case in which information technology acquisitions do not comply with the Department's management directives, make recommendations to the Acquisition Review Board regarding such noncompliance.*

(2) *Be responsible for providing recommendations to the Acquisition Review Board established in section 836 of this Act on information technology programs, and be responsible for developing information technology acquisition strategic guidance.*

[SEC. 704. CHIEF HUMAN CAPITAL OFFICER.

[The Chief Human Capital Officer shall report to the Secretary, or to another official of the Department, as the Secretary may direct and shall ensure that all employees of the Department are informed of their rights and remedies under chapters 12 and 23 of title 5, United States Code, by—

[(1) participating in the 2302(c) Certification Program of the Office of Special Counsel;

[(2) achieving certification from the Office of Special Counsel of the Department's compliance with section 2302(c) of title 5, United States Code; and

[(3) informing Congress of such certification not later than 24 months after the date of enactment of this Act.]

SEC. 704. CHIEF HUMAN CAPITAL OFFICER.

(a) *IN GENERAL.*—There is a Chief Human Capital Officer of the Department who shall report directly to the Under Secretary of Management.

(b) *RESPONSIBILITIES.*—The Chief Human Capital Officer shall—

(1) develop and implement strategic workforce planning efforts that are consistent with Government-wide leading principles, and that are in line with Department strategic human capital goals and priorities;

(2) develop performance measures to provide a basis for monitoring and evaluating Department-wide strategic workforce planning efforts;

(3) develop strategies to recruit, hire, and train the Department workforce;

(4) work with the component heads to identify methods for managing and overseeing human capital programs and initiatives;

(5) develop a career path framework, and create opportunities for leader development;

(6) serve as the Department's central office for managing employee resources, including training and development opportunities;

(7) coordinate the Department's human resource management system;

(8) conduct efficiency reviews to determine if components are implementing human capital programs and initiatives; and

(9) identify and eliminate unnecessary and duplicative human capital policies and guidance.

(c) *COMPONENT STRATEGIES.*—

(1) *IN GENERAL.*—Each component of the Department shall coordinate with the Chief Human Capital Officer of the Department to develop or maintain its own 5-year workforce strategy that will support the Department's goals, objectives, performance measures, and determination of the proper balance of Federal employees and private labor resources.

(2) *STRATEGY REQUIREMENTS.*—The Chief Human Capital Officer shall ensure that, in the development of the strategy required by subsection (c), the head of the component reports to the Chief Human Capital Officer on the human resources considerations associated with creating additional Federal full-time equivalent positions, converting private contractor positions to Federal employee positions, or relying on the private sector for goods and services, including—

(A) hiring projections, including occupation and grade level, as well as corresponding salaries, benefits, and hiring or retention bonuses;

(B) the identification of critical skills requirements over the 5-year period, any current or anticipated need for critical skills required at the Department, and the training or other measures required to address such need;

(C) recruitment of qualified candidates and retention of qualified employees;

- (D) supervisory and management requirements;
- (E) travel and related personnel support costs;
- (F) the anticipated cost and impact on mission performance associated with replacing Federal personnel due to their retirement or other attrition; and
- (G) other appropriate factors.

(d) ANNUAL SUBMISSION.—*The Secretary shall provide to the appropriate congressional committees, together with submission of the annual budget justification, information on the progress within the Department of fulfilling the workforce strategies required under subsection (c).*

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SEC. 707. QUADRENNIAL HOMELAND SECURITY REVIEW.

(a) REQUIREMENT.—

[(1) QUADRENNIAL REVIEWS REQUIRED.—In fiscal year 2009, and every 4 years thereafter, the Secretary shall conduct a review of the homeland security of the Nation (in this section referred to as a “quadrennial homeland security review”).]

(1) REVIEW REQUIRED.—*In fiscal year 2017, and every 4 years thereafter, the Secretary shall conduct a review of the homeland security of the Nation (in this section referred to as a “quadrennial homeland security review”). Such review shall be conducted so that it is completed, and the report under subsection (c) is issued, by no later than December 31, 2017, and by December 31 of every fourth year thereafter.*

(2) SCOPE OF REVIEWS.—Each quadrennial homeland security review shall be a comprehensive examination of the homeland security strategy of the Nation, including recommendations regarding the long-term strategy and priorities of the Nation for homeland security and guidance on the programs, assets, capabilities, budget, policies, and authorities of the Department.

(3) CONSULTATION.—[The Secretary shall conduct each quadrennial homeland security review under this subsection in consultation with] *In order to ensure that each quadrennial homeland security review conducted under this section is coordinated with the quadrennial defense review conducted by the Secretary of Defense under section 118 of title 10, United States Code, and any other major strategic review relating to diplomacy, intelligence, or other national security issues, the Secretary shall conduct and obtain information and feedback from entities of the homeland security enterprise through—*

(A) the heads of other Federal agencies, including the Attorney General, the Secretary of State, the Secretary of Defense, the Secretary of Health and Human Services, the Secretary of the Treasury, the Secretary of Agriculture, and the Director of National Intelligence;

(B) key officials of the Department; and

(C) other relevant governmental and nongovernmental entities, including State, local, and tribal government officials, members of Congress, private sector representatives, academics, and other policy experts.

(4) RELATIONSHIP WITH FUTURE YEARS HOMELAND SECURITY PROGRAM.—The Secretary shall ensure that each review con-

ducted under this section is coordinated with the Future Years Homeland Security Program required under section 874.

(b) CONTENTS OF REVIEW.—In each quadrennial homeland security review, the Secretary shall—

(1) delineate and update, as appropriate, the national homeland security strategy, consistent with appropriate national and Department strategies, strategic plans, and Homeland Security Presidential Directives, including the National Strategy for Homeland Security, the National Response Plan, and the Department Security Strategic Plan;

(2) outline and prioritize the full range of the critical homeland security mission areas of the Nation;

(3) describe the interagency cooperation, preparedness of Federal response assets, infrastructure, budget plan, and other elements of the homeland security program and policies of the Nation associated with the national homeland security strategy, required to execute successfully the full range of missions called for in the national homeland security strategy described in paragraph (1) and the homeland security mission areas outlined under paragraph (2);

(4) identify the budget plan required to provide sufficient resources to successfully execute the full range of missions called for in the national homeland security strategy described in paragraph (1) and the homeland security mission areas outlined under paragraph (2);

(5) include an assessment of the organizational alignment of the Department with the national homeland security strategy referred to in paragraph (1) and the homeland security mission areas outlined under paragraph (2); **[and]**

(6) review and assess the effectiveness of the mechanisms of the Department for executing the process of turning the requirements developed in the quadrennial homeland security review into an acquisition strategy and expenditure plan within the Department**[.]**; *and*

(7) *leverage analytical tools and resources developed as part of the quadrennial homeland security review to support the Department's ongoing programs and missions.*

(c) REPORTING.—

(1) IN GENERAL.—Not later than December 31 of the year in which a quadrennial homeland security review is conducted, the Secretary shall submit to Congress a report regarding that quadrennial homeland security review.

(2) CONTENTS OF REPORT.—Each report submitted under paragraph (1) shall include—

(A) the results of the quadrennial homeland security review;

(B) a description of the threats to the assumed or defined national homeland security interests of the Nation that were examined for the purposes of that review;

(C) the national homeland security strategy, including a prioritized list of the critical homeland security missions of the Nation;

(D) a description of the interagency cooperation, preparedness of Federal response assets, infrastructure, budg-

et plan, and other elements of the homeland security program and policies of the Nation associated with the national homeland security strategy, required to execute successfully the full range of missions called for in the applicable national homeland security strategy referred to in subsection (b)(1) and the homeland security mission areas outlined under subsection (b)(2);

(E) an assessment of the organizational alignment of the Department with the applicable national homeland security strategy referred to in subsection (b)(1) and the homeland security mission areas outlined under subsection (b)(2), including the Department's organizational structure, management systems, budget and accounting systems, human resources systems, procurement systems, and physical and technical infrastructure;

(F) a discussion of the status of cooperation among Federal agencies in the effort to promote national homeland security;

(G) a discussion of the status of cooperation between the Federal Government and State, local, and tribal governments in preventing terrorist attacks and preparing for emergency response to threats to national homeland security;

(H) an explanation of any underlying assumptions used in conducting the review; **[and]**

(I) a description of how the conclusions under the quadrennial homeland security review will inform efforts to develop capabilities and build capacity of States, local governments, Indian tribes, and private entities, and of individuals, families, and communities;

(J) as appropriate, proposed changes to the authorities, organization, governance structure, or business processes (including acquisition processes) of the Department in order to better fulfill responsibilities of the Department;

(K) where appropriate, a classified annex, including materials prepared pursuant to section 306 of title 5, relating to the preparation of an agency strategic plan, to satisfy, in whole or in part, the reporting requirements of this paragraph; and

[(I)] *(L) any other matter the Secretary considers appropriate.*

(3) **PUBLIC AVAILABILITY.**—The Secretary shall, consistent with the protection of national security and other sensitive matters, make each report submitted under paragraph (1) publicly available on the Internet website of the Department.

(d) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 708. CHIEF PROCUREMENT OFFICER.

(a) IN GENERAL.—*There is a Chief Procurement Officer of the Department, who shall report directly to the Under Secretary for Management. The Chief Procurement Officer is the senior procurement executive for purposes of section 1702(c) of title 41 United States Code, and shall perform procurement functions as specified in such*

section. The Chief Procurement Officer also shall perform other functions and responsibilities set forth in this section and as may be assigned by the Under Secretary for Management.

(b) **RESPONSIBILITIES.**—The Chief Procurement Officer shall—

(1) exercise leadership and authority to the extent delegated by the Under Secretary for Management over the Department's procurement function;

(2) issue procurement policies, and shall serve as a senior business advisor to agency officials on acquisition-related matters, including policy and workforce matters, as determined by the Under Secretary for Management;

(3) account for the integrity, performance, and oversight of Department procurement and contracting functions and be responsible for ensuring that a procurement's contracting strategy and plans are consistent with the intent and direction of the Acquisition Review Board;

(4) serve as the Department's main liaison to industry on procurement-related issues;

(5) oversee a centralized certification and training program, in consultation with the Under Secretary for Management, for the entire Department acquisition workforce while using, to the greatest extent practicable, best practices and acquisition training opportunities already in existence within the Federal Government, the private sector, or universities and colleges, as appropriate, and including training on how best to identify actions that warrant referrals for suspension or debarment;

(6) delegate or retain contracting authority, as appropriate;

(7) provide input on the periodic performance reviews of each head of contracting activity of the Department;

(8) collect baseline data and use such data to establish performance measures on the impact of strategic sourcing initiatives on the private sector, including, in particular, small businesses;

(9) ensure that a fair proportion (as defined pursuant to the Small Business Act (15 U.S.C. 631 et seq.)) of Federal contract and subcontract dollars are awarded to small businesses, maximize opportunities for small business participation, and ensure, to the extent practicable, small businesses that achieve qualified vendor status for security-related technologies are provided an opportunity to compete for contracts for such technology; and

(10) conduct oversight of implementation of administrative agreements to resolve suspension or debarment proceedings and, upon request, provide information to the Committee on Homeland Security of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate about the effectiveness of such agreements at improving contractor responsibility.

(c) **HEAD OF CONTRACTING ACTIVITY DEFINED.**—In this section the term "head of contracting activity" means each official responsible for the creation, management, and oversight of a team of procurement professionals properly trained, certified, and warranted to accomplish the acquisition of products and services on behalf of the designated components, offices, and organizations of the Department, and as authorized, other government entities.

SEC. 709. CHIEF SECURITY OFFICER.

(a) *IN GENERAL.*—There is a Chief Security Officer of the Department, who shall report directly to the Under Secretary for Management.

(b) *RESPONSIBILITIES.*—The Chief Security Officer shall—

- (1) develop and implement the Department's security policies, programs, and standards;
- (2) identify training and provide education to Department personnel on security-related matters; and
- (3) provide support to Department components on security-related matters.

SEC. 710. REQUIREMENTS TO ENSURE GREATER ACCOUNTABILITY FOR ACQUISITION PROGRAMS.

(a) *REQUIREMENT TO ESTABLISH MECHANISM.*—Within the Management Directorate, the Under Secretary for Management shall establish a mechanism to prioritize improving the accountability, standardization, and transparency of major acquisition programs of the Department in order to increase opportunities for effectiveness and efficiencies and to serve as the central oversight function of all Department acquisition programs.

(b) *RESPONSIBILITIES OF EXECUTIVE DIRECTOR.*—The Under Secretary for Management shall designate an Executive Director to oversee the requirement under subsection (a). The Executive Director shall report directly to the Under Secretary and shall carry out the following responsibilities:

- (1) Monitor the performance of Department acquisition programs regularly between acquisition decision events to identify problems with cost, performance, or schedule that components may need to address to prevent cost overruns, performance issues, or schedule delays.
- (2) Assist the Chief Acquisition Officer in managing the Department's acquisition portfolio.
- (3) Conduct oversight of individual acquisition programs to implement Department acquisition program policy, procedures, and guidance with a priority on ensuring the data it collects and maintains from its components is accurate and reliable.
- (4) Serve as the focal point and coordinator for the acquisition life cycle review process and as the executive secretariat for the Acquisition Review Board established under section 836 of this Act.
- (5) Advise the persons having acquisition decision authority in making acquisition decisions consistent with all applicable laws and in establishing clear lines of authority, accountability, and responsibility for acquisition decisionmaking within the Department.
- (6) Engage in the strategic planning and performance evaluation process required under section 306 of title 5, United States Code, and sections 1105(a)(28), 1115, 1116, and 9703 of title 31, United States Code, by supporting the Chief Procurement Officer in developing strategies and specific plans for hiring, training, and professional development in order to rectify any deficiency within the Department's acquisition workforce.

(7) *Oversee the Component Acquisition Executive structure to ensure it has sufficient capabilities and complies with Department policies.*

(8) *Develop standardized certification standards in consultation with the Component Acquisition Executives for all acquisition program managers.*

(9) *In the event that a program manager's certification or actions need review for purposes of promotion or removal, provide input, in consultation with the relevant Component Acquisition Executive, into the relevant program manager's performance evaluation, and report positive or negative experiences to the relevant certifying authority.*

(10) *Provide technical support and assistance to Department acquisitions and acquisition personnel in conjunction with the Chief Procurement Officer.*

(11) *Prepare the Department's Comprehensive Acquisition Status Report, as required by the Department of Homeland Security Appropriations Act, 2013 (division D of Public Law 113-6; 127 Stat. 343) and section 840 of this Act, and make such report available to congressional homeland security committees.*

(12) *Prepare the Department's Quarterly Program Accountability Report as required by section 840 of this Act, and make such report available to the congressional homeland security committees.*

(c) **RESPONSIBILITIES OF COMPONENTS.**—*Each head of a component shall comply with Federal law, the Federal Acquisition Regulation, and Department acquisition management directives established by the Under Secretary for Management. For each major acquisition program, each head of a component shall—*

(1) *define baseline requirements and document changes to those requirements, as appropriate;*

(2) *establish a complete life cycle cost estimate with supporting documentation, including an acquisition program baseline;*

(3) *verify each life cycle cost estimate against independent cost estimates, and reconcile any differences;*

(4) *complete a cost-benefit analysis with supporting documentation;*

(5) *develop and maintain a schedule that is consistent with scheduling best practices as identified by the Comptroller General of the United States, including, in appropriate cases, an integrated master schedule; and*

(6) *ensure that all acquisition program information provided by the component is complete, accurate, timely, and valid.*

SEC. 711. ACQUISITION DOCUMENTATION.

(a) **IN GENERAL.**—*For each major acquisition program, the Executive Director responsible for the preparation of the Comprehensive Acquisition Status Report, pursuant to paragraph (11) of section 710(b) shall require certain acquisition documentation to be submitted by Department components or offices.*

(b) **WAIVER.**—*The Secretary may waive the requirement for submission under subsection (a) for a program for a fiscal year if either—*

(1) *the program has not—*

- (A) entered the full rate production phase in the acquisition life cycle;
 - (B) had a reasonable cost estimate established; and
 - (C) had a system configuration defined fully; or
- (2) the program does not meet the definition of “capital asset”, as defined by the Director of the Office of Management and Budget.

(c) CONGRESSIONAL OVERSIGHT.—At the same time the President’s budget is submitted for a fiscal year under section 1105(a) of title 31, United States Code, the Secretary shall submit to the Committee on Homeland Security of the House of Representatives and Committee on Homeland Security and Governmental Affairs of the Senate information on the exercise of authority under subsection (b) in the prior fiscal year that includes the following specific information regarding each program for which a waiver is issued under subsection (b):

- (1) The grounds for granting a waiver for that program.
- (2) The projected cost of that program.
- (3) The proportion of a component’s annual acquisition budget attributed to that program, as available.
- (4) Information on the significance of the program with respect to the component’s operations and execution of its mission.

TITLE VIII—COORDINATION WITH NON-FEDERAL ENTITIES; INSPECTOR GENERAL; UNITED STATES SECRET SERVICE; COAST GUARD; GENERAL PROVISIONS

Subtitle A—Coordination with Non-Federal Entities

[SEC. 801. OFFICE FOR STATE AND LOCAL GOVERNMENT COORDINATION.

[(a) ESTABLISHMENT.—There is established within the Office of the Secretary the Office for State and Local Government Coordination, to oversee and coordinate departmental programs for and relationships with State and local governments.

[(b) RESPONSIBILITIES.—The Office established under subsection (a) shall—

- [(1)** coordinate the activities of the Department relating to State and local government;
- [(2)** assess, and advocate for, the resources needed by State and local government to implement the national strategy for combating terrorism;
- [(3)** provide State and local government with regular information, research, and technical support to assist local efforts at securing the homeland; and
- [(4)** develop a process for receiving meaningful input from State and local government to assist the development of the

national strategy for combating terrorism and other homeland security activities.】

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Subtitle D—Acquisitions

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SEC. 836. ACQUISITION REVIEW BOARD.

(a) *IN GENERAL.*—The Secretary shall establish an Acquisition Review Board (in this section referred to as the “Board”) to strengthen accountability and uniformity within the Department acquisition review process, review major acquisition programs, and review the use of best practices.

(b) *COMPOSITION.*—The Deputy Secretary or Under Secretary for Management shall serve as chair of the Board. The Secretary shall also ensure participation by other relevant Department officials, including at least 2 component heads or their designees, as permanent members of the Board.

(c) *MEETINGS.*—The Board shall meet every time a major acquisition program needs authorization to proceed from acquisition decision events through the acquisition life cycle and to consider any major acquisition program in breach as necessary. The Board may also be convened for non-major acquisitions that are deemed high-risk by the Executive Director referred to in section 710(b) of this Act. The Board shall also meet regularly for purposes of ensuring all acquisitions processes proceed in a timely fashion to achieve mission readiness.

(d) *RESPONSIBILITIES.*—The responsibilities of the Board are as follows:

(1) Determine whether a proposed acquisition has met the requirements of key phases of the acquisition life cycle framework and is able to proceed to the next phase and eventual full production and deployment.

(2) Oversee executable business strategy, resources, management, accountability, and alignment to strategic initiatives.

(3) Support the person with acquisition decision authority for an acquisition in determining the appropriate direction for the acquisition at key acquisition decision events.

(4) Conduct systematic reviews of acquisitions to ensure that they are progressing in compliance with the approved documents for their current acquisition phase.

(5) Review the acquisition documents of each major acquisition program, including the acquisition program baseline and documentation reflecting consideration of tradeoffs among cost, schedule, and performance objectives, to ensure the reliability of underlying data.

(6) Ensure that practices are adopted and implemented to require consideration of trade-offs among cost, schedule, and performance objectives as part of the process for developing requirements for major acquisition programs prior to the initiation of the second acquisition decision event, including, at a minimum, the following practices:

(A) Department officials responsible for acquisition, budget, and cost estimating functions are provided with the appropriate opportunity to develop estimates and raise cost and schedule matters before performance objectives are established for capabilities when feasible.

(B) Full consideration of possible trade-offs among cost, schedule, and performance objectives for each alternative is considered.

(e) **ACQUISITION PROGRAM BASELINE REPORT REQUIREMENT.**—If the person exercising acquisition decision authority over a major acquisition program approves the program to proceed into the planning phase before it has a Department-approved acquisition program baseline, then the Under Secretary for Management shall create and approve an acquisition program baseline report on the decision, and the Secretary shall—

(1) within 7 days after an acquisition decision memorandum is signed, notify in writing the congressional homeland security committees of such decision; and

(2) within 60 days after the acquisition decision memorandum is signed, submit a report to such committees stating the rationale for the decision and a plan of action to require an acquisition program baseline for the program.

(f) **BEST PRACTICES DEFINED.**—In this section, the term “best practices” has the meaning provided in section 4(b) of the DHS Headquarters Reform and Improvement Act of 2015.

SEC. 837. REQUIREMENTS TO REDUCE DUPLICATION IN ACQUISITION PROGRAMS.

(a) **REQUIREMENT TO ESTABLISH POLICIES.**—In an effort to reduce unnecessary duplication and inefficiency for all Department investments, including major acquisition programs, the Deputy Secretary, in consultation with the Under Secretary for Management, shall establish Department-wide policies to integrate all phases of the investment life cycle and help the Department identify, validate, and prioritize standards for common component requirements for major acquisition program requirements in order to increase opportunities for effectiveness and efficiencies. The policies shall also include strategic alternatives for developing and facilitating a Department component-driven requirements process that includes oversight of a development test and evaluation capability; identification of priority gaps and overlaps in Department capability needs; and provision of feasible technical alternatives, including innovative commercially available alternatives, to meet capability needs.

(b) **MECHANISMS TO CARRY OUT REQUIREMENT.**—The Under Secretary for Management shall coordinate the actions necessary to carry out subsection (a), using such mechanisms as considered necessary by the Secretary to help the Department reduce unnecessary duplication and inefficiency for all Department investments, including major acquisition programs.

(c) **COORDINATION.**—In coordinating the actions necessary to carry out subsection (a), the Deputy Secretary shall consult with the Under Secretary for Management, Component Acquisition Executives, and any other Department officials, including the Under Secretary for Science and Technology or his designee, with specific

knowledge of Department or component acquisition capabilities to prevent unnecessary duplication of requirements.

(d) **ADVISORS.**—The Deputy Secretary, in consultation with the Under Secretary for Management, shall seek and consider input within legal and ethical boundaries from members of Federal, State, local, and tribal governments, nonprofit organizations, and the private sector, as appropriate, on matters within their authority and expertise in carrying out the Department’s mission.

(e) **MEETINGS.**—The Deputy Secretary, in consultation with the Under Secretary for Management, shall meet at least quarterly and communicate with components often to ensure that components do not overlap or duplicate spending or priorities on major investments and acquisition programs within their areas of responsibility.

(f) **RESPONSIBILITIES.**—In carrying out this section, the responsibilities of the Deputy Secretary, in consultation with the Under Secretary for Management, are as follows:

(1) To review and validate the requirements documents of major investments and acquisition programs prior to acquisition decision events of the investments or programs.

(2) To ensure the requirements and scope of a major investment or acquisition program are stable, measurable, achievable, at an acceptable risk level, and match the resources planned to be available.

(3) Before any entity of the Department issues a solicitation for a new contract, coordinate with other Department entities as appropriate to prevent unnecessary duplication and inefficiency and—

(A) to implement portfolio reviews to identify common mission requirements and crosscutting opportunities among components to harmonize investments and requirements and prevent overlap and unnecessary duplication among components; and

(B) to the extent practicable, to standardize equipment purchases, streamline the acquisition process, improve efficiencies, and conduct best practices for strategic sourcing.

(4) To ensure program managers of major investments and acquisition programs conduct analyses, giving particular attention to factors such as cost, schedule, risk, performance, and operational efficiency in order to determine that programs work as intended within cost and budget expectations.

(5) To propose schedules for delivery of the operational capability needed to meet each Department investment and major acquisition program.

(g) **BEST PRACTICES DEFINED.**—In this section, the term “best practices” has the meaning provided in section 4(b) of the DHS Headquarters Reform and Improvement Act of 2015.

SEC. 838. CONGRESSIONAL NOTIFICATION AND OTHER REQUIREMENTS FOR MAJOR ACQUISITION PROGRAM BREACH.

(a) **BREACH DEFINED.**—The term “breach”, with respect to a major acquisition program, means a failure to meet any cost, schedule, or performance parameter specified in the acquisition program baseline.

(b) **REQUIREMENTS WITHIN DEPARTMENT IF BREACH OCCURS.**—

(1) **NOTIFICATIONS.**—

(A) *NOTIFICATION OF BREACH.*—If a breach occurs in a major acquisition program, the program manager for that program shall notify the head of the component concerned, the Component Acquisition Executive for the program, the Executive Director referred to in section 710(b) of this Act, the Under Secretary for Management, and the Deputy Secretary.

(B) *NOTIFICATION TO SECRETARY.*—If a major acquisition program has a breach with a cost overrun greater than 15 percent or a schedule delay greater than 180 days from the costs or schedule set forth in the acquisition program baseline for the program, the Secretary and the Inspector General of the Department shall be notified not later than 5 business days after the breach is identified.

(2) *REMEDIATION PLAN AND ROOT CAUSE ANALYSIS.*—

(A) *IN GENERAL.*—In the case of a breach with a cost overrun greater than 15 percent or a schedule delay greater than 180 days from the costs or schedule set forth in the acquisition program baseline, a remediation plan and root cause analysis is required, and the Under Secretary for Management or his designee shall establish a date for submission within the Department of a breach remediation plan and root cause analysis in accordance with this subsection.

(B) *REMEDIATION PLAN.*—The remediation plan required under this subsection shall be submitted in writing to the head of the component concerned, the Executive Director referred to in section 710(b) of this Act, and the Under Secretary for Management. The plan shall—

- (i) explain the circumstances of the breach;
- (ii) provide prior cost estimating information;
- (iii) propose corrective action to control cost growth, schedule delays, or performance issues;
- (iv) in coordination with Component Acquisition Executive, discuss all options considered, including the estimated impact on cost, schedule, or performance of the program if no changes are made to current requirements, the estimated cost of the program if requirements are modified, and the extent to which funding from other programs will need to be reduced to cover the cost growth of the program; and
- (v) explain the rationale for why the proposed corrective action is recommended.

(C) *ROOT CAUSE ANALYSIS.*—The root cause analysis required under this subsection shall determine the underlying cause or causes of shortcomings in cost, schedule, or performance of the program, including the role, if any, of the following:

- (i) Unrealistic performance expectations.
- (ii) Unrealistic baseline estimates for cost or schedule or changes in program requirements.
- (iii) Immature technologies or excessive manufacturing or integration risk.

(iv) *Unanticipated design, engineering, manufacturing, or technology integration issues arising during program performance.*

(v) *Changes in procurement quantities.*

(vi) *Inadequate program funding or changes in planned out-year funding from 1 5-year funding plan to the next 5-year funding plan as outlined in the Future Years Homeland Security Program required under section 874 of this Act.*

(vii) *Legislative, legal, or regulatory changes.*

(viii) *Inadequate program management personnel, including lack of training, credentials, certifications, or use of best practices.*

(3) **CORRECTION OF BREACH.**—*The Under Secretary for Management or his designee shall establish a date for submission within the Department of a program of corrective action that ensures that 1 of the following actions has occurred:*

(A) *The breach has been corrected and the program is again in compliance with the original acquisition program baseline parameters.*

(B) *A revised acquisition program baseline has been approved.*

(C) *The program has been halted or cancelled.*

(c) **REQUIREMENTS RELATING TO CONGRESSIONAL NOTIFICATION IF BREACH OCCURS.**—

(1) **NOTIFICATION TO CONGRESS.**—*If a notification is made under subsection (b)(1)(B) for a breach in a major acquisition program with a cost overrun greater than 15 percent or a schedule delay greater than 180 days from the costs or schedule set forth in the acquisition program baseline, or with an anticipated failure for any key performance threshold or parameter specified in the acquisition program baseline, the Under Secretary for Management shall notify the congressional homeland security committees of the breach in the next quarterly Comprehensive Acquisition Status Report after the Under Secretary for Management receives the notification from the program manager under subsection (b)(1)(B).*

(2) **SUBSTANTIAL VARIANCES IN COSTS OR SCHEDULE.**—*If a likely cost overrun is greater than 20 percent or a likely delay is greater than 12 months from the costs and schedule set forth in the acquisition program baseline for a major acquisition program, the Under Secretary for Management shall include in the notification required in (c)(1) a written certification, with supporting explanation, that—*

(A) *the acquisition is essential to the accomplishment of the Department's mission;*

(B) *there are no alternatives to such capability or asset that will provide equal or greater capability in both a more cost-effective and timely manner;*

(C) *the new acquisition schedule and estimates for total acquisition cost are reasonable; and*

(D) *the management structure for the acquisition program is adequate to manage and control performance, cost, and schedule.*

(3) *SUBMISSIONS TO CONGRESS.*—Not later than 30 calendar days after submission to such committees of a breach notification under paragraph (1) of this section for a major acquisition program, the Under Secretary for Management shall submit to such committees the following:

(A) A copy of the remediation plan and the root cause analysis prepared under subsection (b)(2) for the program.

(B) A statement describing the corrective action or actions that have occurred pursuant to subsection (b)(3) for the program, with a justification for the action or actions.

(d) *ADDITIONAL ACTIONS IF BREACH OCCURS.*—

(1) *PROHIBITION ON OBLIGATION OF FUNDS.*—During the 90-day period following submission under subsection (c)(3) of a remediation plan, root cause analysis, and statement of corrective actions with respect to a major acquisition program, the Under Secretary for Management shall submit a certification described in paragraph (2) of this subsection to the congressional homeland security committees. If the Under Secretary for Management does not submit such certification by the end of such 90-day period, then funds appropriated to the major acquisition program shall not be obligated until the Under Secretary for Management submits such certification.

(2) *CERTIFICATION.*—For purposes of paragraph (1), the certification described in this paragraph is a certification that—

(A) the Department has adjusted or restructured the program in a manner that addresses the root cause or causes of the cost growth in the program; and

(B) the Department has conducted a thorough review of the breached program's acquisition decision event approvals and the current acquisition decision event approval for the breached program has been adjusted as necessary to account for the restructured program.

SEC. 839. MULTIYEAR ACQUISITION STRATEGY.

(a) *MULTIYEAR ACQUISITION STRATEGY REQUIRED.*—Not later than 1 year after the date of the enactment of this section, the Secretary shall submit to the appropriate homeland security committees a multiyear acquisition strategy to guide the overall direction of the acquisitions of the Department while allowing flexibility to deal with ever-changing threats and risks and to help industry better understand, plan, and align resources to meet the future acquisition needs of the Department. The strategy shall be updated and included in each Future Years Homeland Security Program required under section 874 of this Act.

(b) *CONSULTATION.*—In developing the strategy, the Secretary shall consult with others as the Secretary deems appropriate, including headquarters, components, employees in the field, and when appropriate, individuals from industry and the academic community.

(c) *FORM OF STRATEGY.*—The report shall be submitted in unclassified form but may include a classified annex for any sensitive or classified information if necessary. The Department also shall publish the plan in an unclassified format that is publicly available.

(d) *CONTENTS OF STRATEGY.*—The strategy shall include the following:

(1) *PRIORITIZED LIST.*—A systematic and integrated prioritized list developed by the Under Secretary for Management or his designee in coordination with all of the Component Acquisition Executives of Department major acquisition programs that Department and component acquisition investments seek to address, that includes the expected security and economic benefit of the program or system and an analysis of how the security and economic benefit derived from the program or system will be measured.

(2) *INVENTORY.*—A plan to develop a reliable Department-wide inventory of investments and real property assets to help the Department plan, budget, schedule, and acquire upgrades of its systems and equipment and plan for the acquisition and management of future systems and equipment.

(3) *FUNDING GAPS.*—A plan to address funding gaps between funding requirements for major acquisition programs and known available resources including, to the maximum extent practicable, ways of leveraging best practices to identify and eliminate overpayment for items to prevent wasteful purchasing, achieve the greatest level of efficiency and cost savings by rationalizing purchases, aligning pricing for similar items, and utilizing purchase timing and economies of scale.

(4) *IDENTIFICATION OF CAPABILITIES.*—An identification of test, evaluation, modeling, and simulation capabilities that will be required to support the acquisition of the technologies to meet the needs of the plan and ways to leverage to the greatest extent possible the emerging technology trends and research and development trends within the public and private sectors and an identification of ways to ensure that the appropriate technology is acquired and integrated into the Department's operating doctrine and procured in ways that improve mission performance.

(5) *FOCUS ON FLEXIBLE SOLUTIONS.*—An assessment of ways the Department can improve its ability to test and acquire innovative solutions to allow needed incentives and protections for appropriate risk-taking in order to meet its acquisition needs with resiliency, agility, and responsiveness to assure the Nation's homeland security and facilitate trade.

(6) *FOCUS ON INCENTIVES TO SAVE TAXPAYER DOLLARS.*—An assessment of ways the Department can develop incentives for program managers and senior Department acquisition officials to prevent cost overruns, avoid schedule delays, and achieve cost savings in major acquisition programs.

(7) *FOCUS ON ADDRESSING DELAYS AND BID PROTESTS.*—An assessment of ways the Department can improve the acquisition process to minimize cost overruns in requirements development, procurement announcements, requests for proposals, evaluation of proposals, protests of decisions and awards and through the use of best practices as defined in section 4(b) of the DHS Headquarters Reform and Improvement Act of 2015 and lessons learned by the Department and other Federal agencies.

(8) *FOCUS ON IMPROVING OUTREACH.*—An identification and assessment of ways to increase opportunities for communication and collaboration with industry, small and disadvantaged

businesses, intra-government entities, university centers of excellence, accredited certification and standards development organizations, and national laboratories to ensure that the Department understands the market for technologies, products, and innovation that is available to meet its mission needs to inform the requirements-setting process and before engaging in an acquisition, including—

(A) methods designed especially to engage small and disadvantaged businesses and a cost-benefit analysis of the tradeoffs that small and disadvantaged businesses provide, barriers to entry for small and disadvantaged businesses, and unique requirements for small and disadvantaged businesses; and

(B) within the Department Vendor Communication Plan and Market Research Guide, instructions for interaction by program managers with such entities to prevent misinterpretation of acquisition regulations and to permit freedom within legal and ethical boundaries for program managers to interact with such businesses with transparency.

(9) COMPETITION.—A plan regarding competition as described in subsection (e).

(10) ACQUISITION WORKFORCE.—A plan regarding the Department acquisition workforce as described in subsection (f).

(11) FEASIBILITY OF WORKFORCE DEVELOPMENT FUND PILOT PROGRAM.—An assessment of the feasibility of conducting a pilot program to establish an acquisition workforce development fund as described in subsection (g).

(e) COMPETITION PLAN.—The strategy shall also include a plan (referred to in subsection (d)(9)) that shall address actions to ensure competition, or the option of competition, for major acquisition programs. The plan may include assessments of the following measures in appropriate cases if such measures are cost effective:

(1) Competitive prototyping.

(2) Dual-sourcing.

(3) Unbundling of contracts.

(4) Funding of next-generation prototype systems or subsystems.

(5) Use of modular, open architectures to enable competition for upgrades.

(6) Acquisition of complete technical data packages.

(7) Periodic competitions for subsystem upgrades.

(8) Licensing of additional suppliers, including small businesses.

(9) Periodic system or program reviews to address long-term competitive effects of program decisions.

(f) ACQUISITION WORKFORCE PLAN.—

(1) ACQUISITION WORKFORCE.—The strategy shall also include a plan (referred to in subsection (d)(10)) to address Department acquisition workforce accountability and talent management that identifies the acquisition workforce needs of each component performing acquisition functions and develops options for filling those needs with qualified individuals, including a cost-benefit analysis of contracting for acquisition assistance.

(2) *ADDITIONAL MATTERS COVERED.*—*The acquisition workforce plan shall address ways to—*

(A) *improve the recruitment, hiring, training, and retention of Department acquisition workforce personnel, including contracting officer's representatives, in order to retain highly qualified individuals that have experience in the acquisition life cycle, complex procurements, and management of large programs;*

(B) *empower program managers to have the authority to manage their programs in an accountable and transparent manner as they work with the acquisition workforce;*

(C) *prevent duplication within Department acquisition workforce training and certification requirements through leveraging already-existing training within the Federal Government, academic community, or private industry;*

(D) *achieve integration and consistency with Government-wide training and accreditation standards, acquisition training tools, and training facilities;*

(E) *designate the acquisition positions that will be necessary to support the Department acquisition requirements, including in the fields of—*

(i) *program management;*

(ii) *systems engineering;*

(iii) *procurement, including contracting;*

(iv) *test and evaluation;*

(v) *life cycle logistics;*

(vi) *cost estimating and program financial management; and*

(vii) *additional disciplines appropriate to Department mission needs;*

(F) *strengthen the performance of contracting officer's representatives (as defined in subpart 1.602-2 and subpart 2.101 of the Federal Acquisition Regulation), including by—*

(i) *assessing the extent to which contracting officer's representatives are certified and receive training that is appropriate;*

(ii) *determining what training is most effective with respect to the type and complexity of assignment; and*

(iii) *implementing actions to improve training based on such assessment; and*

(G) *identify ways to increase training for relevant investigators and auditors to examine fraud in major acquisition programs, including identifying opportunities to leverage existing Government and private sector resources in coordination with the Inspector General of the Department.*

(g) *FEASIBILITY OF WORKFORCE DEVELOPMENT FUND PILOT PROGRAM.*—*The strategy shall also include an assessment (referred to in subsection (d)(11)) of the feasibility of conducting a pilot program to establish a Homeland Security Acquisition Workforce Development Fund (in this subsection referred to as the "Fund") to ensure the Department acquisition workforce has the capacity, in both personnel and skills, needed to properly perform its mission and ensure*

that the Department receives the best value for the expenditure of public resources. The assessment shall address the following:

(1) Ways to fund the Fund, including the use of direct appropriations, or the credit, transfer, or deposit of unobligated or unused funds from Department components into the Fund to remain available for obligation in the fiscal year for which credited, transferred, or deposited and to remain available for successive fiscal years.

(2) Ways to reward the Department acquisition workforce and program managers for good program management in controlling cost growth, limiting schedule delays, and ensuring operational effectiveness through providing a percentage of the savings or general acquisition bonuses.

(3) Guidance for the administration of the Fund that includes provisions to do the following:

(A) Describe the costs and benefits associated with the use of direct appropriations or credit, transfer, or deposit of unobligated or unused funds to finance the Fund.

(B) Describe the manner and timing for applications for amounts in the Fund to be submitted.

(C) Explain the evaluation criteria to be used for approving or prioritizing applications for amounts in the Fund in any fiscal year.

(D) Explain the mechanism to report to Congress on the implementation of the Fund on an ongoing basis.

(E) Detail measurable performance metrics to determine if the Fund is meeting the objective to improve the acquisition workforce and to achieve cost savings in acquisition management.

SEC. 840. ACQUISITION REPORTS.

(a) **COMPREHENSIVE ACQUISITION STATUS REPORT.**—

(1) **IN GENERAL.**—The Under Secretary for Management each year shall submit to the congressional homeland security committees, at the same time as the President’s budget is submitted for a fiscal year under section 1105(a) of title 31, United States Code, a comprehensive acquisition status report. The report shall include the following:

(A) The information required under the heading “Office of the Under Secretary for Management” under title I of division D of the Consolidated Appropriations Act, 2012 (Public Law 112–74) (as required under the Department of Homeland Security Appropriations Act, 2013 (Public Law 113–6)).

(B) A listing of programs that have been cancelled, modified, paused, or referred to the Under Secretary for Management or Deputy Secretary for additional oversight or action by the Board, Department Office of Inspector General, or the Comptroller General.

(C) A listing of established Executive Steering Committees, which provide governance of a program or related set of programs and lower-tiered oversight, and support between acquisition decision events and component reviews, including the mission and membership for each.

(2) *INFORMATION FOR MAJOR ACQUISITION PROGRAMS.*—For each major acquisition program, the report shall include the following:

(A) A narrative description, including current gaps and shortfalls, the capabilities to be fielded, and the number of planned increments or units.

(B) Acquisition Review Board (or other board designated to review the acquisition) status of each acquisition, including the current acquisition phase, the date of the last review, and a listing of the required documents that have been reviewed with the dates reviewed or approved.

(C) The most current, approved acquisition program baseline (including project schedules and events).

(D) A comparison of the original acquisition program baseline, the current acquisition program baseline, and the current estimate.

(E) Whether or not an independent verification and validation has been implemented, with an explanation for the decision and a summary of any findings.

(F) A rating of cost risk, schedule risk, and technical risk associated with the program (including narrative descriptions and mitigation actions).

(G) Contract status (including earned value management data as applicable).

(H) A lifecycle cost of the acquisition, and time basis for the estimate.

(3) *UPDATES.*—The Under Secretary shall submit quarterly updates to such report not later than 45 days after the completion of each quarter.

(b) *QUARTERLY PROGRAM ACCOUNTABILITY REPORT.*—The Under Secretary for Management shall prepare a quarterly program accountability report to meet the Department’s mandate to perform program health assessments and improve program execution and governance. The report shall be submitted to the congressional homeland security committees.

Subtitle E—Human Resources Management

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SEC. 843. USE OF COUNTERNARCOTICS ENFORCEMENT ACTIVITIES IN CERTAIN EMPLOYEE PERFORMANCE APPRAISALS.

(a) *IN GENERAL.*—Each subdivision of the Department that is a National Drug Control Program Agency shall include as one of the criteria in its performance appraisal system, for each employee directly or indirectly involved in the enforcement of Federal, State, or local narcotics laws, the performance of that employee with respect to the enforcement of Federal, State, or local narcotics laws, relying to the greatest extent practicable on objective performance measures, including—

(1) the contribution of that employee to seizures of narcotics and arrests of violators of Federal, State, or local narcotics laws; and

- (2) the degree to which that employee cooperated with or contributed to the efforts of other employees, either within the Department or other Federal, State, or local agencies, in counternarcotics enforcement.
- (b) DEFINITIONS.—For purposes of this section—
- (1) the term “National Drug Control Program Agency” means—
- (A) a National Drug Control Program Agency, as defined in section 702(7) of the Office of National Drug Control Policy Reauthorization Act of 1998 (as last in effect); and
- (B) any subdivision of the Department that has a significant counternarcotics responsibility, as determined [by—]
- [(i) the counternarcotics officer, appointed under section 878; or
- [(ii) if applicable, the counternarcotics officer’s successor in function (as determined by the Secretary); and] *by the Secretary; and*
- (2) the term “performance appraisal system” means a system under which periodic appraisals of job performance of employees are made, whether under chapter 43 of title 5, United States Code, or otherwise.

SEC. 844. HOMELAND SECURITY ROTATION PROGRAM.

- (a) ESTABLISHMENT.—
- (1) IN GENERAL.—[Not later than 180 days after the date of enactment of this section, the] *The* Secretary shall establish the Homeland Security Rotation Program (in this section referred to as the “Rotation Program”) [for employees of the Department] *for certain personnel within the Department.* The Rotation Program shall use applicable best practices, including those from the Chief Human Capital Officers Council.
- (2) GOALS.—The Rotation Program established by the Secretary shall—
- (A) *seek to foster greater Departmental integration and unity of effort;*
- (B) *seek to help enhance the knowledge, skills, and abilities of participating personnel with respect to the Department’s programs, policies, and activities;*
- [(A)] (C) be established in accordance with the Human Capital Strategic Plan of the Department;
- [(B)] (D) provide [middle and senior level] employees in the Department the opportunity to broaden their knowledge through exposure to other components of the Department;
- [(C)] (E) expand the knowledge base of the Department by providing for rotational assignments of employees to other components;
- [(D)] (F) build professional relationships and contacts among the employees in the Department;
- [(E)] (G) *seek to improve morale and retention throughout the Department and* invigorate the workforce with exciting and professionally rewarding opportunities;
- [(F)] (H) incorporate Department human capital strategic plans and activities, and address critical human capital deficiencies, recruitment and retention efforts, and

succession planning within the Federal workforce of the Department; and

[(G)] (I) complement and incorporate (but not replace) rotational programs within the Department in effect on the date of enactment of this section.

(3) ADMINISTRATION.—

(A) IN GENERAL.—The Chief Human Capital Officer shall administer the Rotation Program.

(B) RESPONSIBILITIES.—The Chief Human Capital Officer shall—

(i) provide oversight of the establishment and implementation of the Rotation Program;

(ii) establish a framework that supports the goals of the Rotation Program and promotes cross-disciplinary rotational opportunities;

[(iii)] establish eligibility for employees to participate in the Rotation Program and select participants from employees who apply;

[(iv)] (iii) establish incentives for employees to participate in the Rotation Program, including promotions and employment preferences;

[(v)] (iv) ensure that the Rotation Program provides professional education and training;

[(vi)] (v) ensure that the Rotation Program develops qualified employees and future leaders with broad-based experience throughout the Department;

[(vii)] (vi) provide for greater interaction among employees in components of the Department; and

[(viii)] (vii) coordinate with rotational programs within the Department in effect on the date of enactment of this section.

(4) ADMINISTRATIVE MATTERS.—*In carrying out any program established pursuant to this section, the Secretary shall—*

(A) *before selecting employees for participation in such program, disseminate information broadly within the Department about the availability of the program, qualifications for participation in the program, including full-time employment within the employing component or office not less than one year, and the general provisions of the program;*

(B) *require each candidate for participation in the program to be nominated by the head of the candidate's employing component or office and that the Secretary, or the Secretary's designee, select each employee for the program solely on the basis of relative ability, knowledge, and skills, after fair and open competition that assures that all candidates receive equal opportunity;*

(C) *ensure that each employee participating in the program shall be entitled to return, within a reasonable period of time after the end of the period of participation, to the position held by the employee, or a corresponding or higher position, in the employee's employing component or office;*

(D) *require that the rights that would be available to the employee if the employee were detailed from the employing*

component or office to another Federal agency or office remain available to the employee during the employee participation in the program; and

(E) require that, during the period of participation by an employee in the program, performance evaluations for the employee—

(i) shall be conducted by officials in the employee's office or component with input from the supervisors of the employee at the component or office in which the employee is placed during that period; and

(ii) shall be provided the same weight with respect to promotions and other rewards as performance evaluations for service in the employee's office or component.

[(4)] (5) ALLOWANCES, PRIVILEGES, AND BENEFITS.—All allowances, privileges, rights, seniority, and other benefits of employees participating in the Rotation Program shall be preserved.

[(5)] (6) REPORTING.—Not later than 180 days after the date of the establishment of the Rotation Program, the Secretary shall submit a report on the status of the Rotation Program, including a description of the Rotation Program, the number of employees participating, and how the Rotation Program is used in succession planning and leadership development to the appropriate committees of Congress.

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Subtitle H—Miscellaneous Provisions

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SEC. 874. FUTURE YEAR HOMELAND SECURITY PROGRAM.

[(a) IN GENERAL.—Each budget request submitted to Congress for the Department under section 1105 of title 31, United States Code, shall, at or about the same time, be accompanied by a Future Years Homeland Security Program.]

(a) IN GENERAL.—Not later than the 30 days following the date of each fiscal year on which the budget of the President is submitted to Congress under section 1105(a) of title 31, United States Code, the Secretary shall submit to the Committee on Homeland Security of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate a Future Years Homeland Security Program that provides detailed estimates of the projected expenditures and corresponding requests for appropriations included in that budget. The Future Years Homeland Security Program shall cover the fiscal year for which the budget is submitted and the 4 succeeding fiscal years.

(b) CONTENTS.—The Future Years Homeland Security Program under subsection (a) shall—

(1) include the same type of information, organizational structure, and level of detail as the future years defense program submitted to Congress by the Secretary of Defense under section 221 of title 10, United States Code;

(2) set forth the homeland security strategy of the Department, which shall be developed and updated as appropriate an-

nally by the Secretary, that was used to develop program planning guidance for the Future Years Homeland Security Program; **[and]**

(3) include an explanation of how the resource allocations included in the Future Years Homeland Security Program correlate to the homeland security strategy set forth under paragraph (2)**[.]; and**

(4) *include the multiyear acquisition strategy required under section 839 of this Act.*

(c) **EFFECTIVE DATE.**—This section shall take effect with respect to the preparation and submission of the fiscal year 2005 budget request for the Department and for any subsequent fiscal year, except that the first Future Years Homeland Security Program shall be submitted not later than 90 days after the Department's fiscal year 2005 budget request is submitted to Congress.

(d) **CONSISTENCY OF BUDGET REQUEST WITH ESTIMATES.**—*For each fiscal year, the Secretary shall ensure that the projected amounts specified in program and budget information for the Department submitted to Congress in support of the President's budget request are consistent with the estimated expenditures and proposed appropriations necessary to support the programs, projects, and activities of the Department included in the budget pursuant to section 1105(a)(5) of title 31, United States Code.*

(e) **EXPLANATION OF ALIGNMENT WITH STRATEGIES AND PLANS.**—*Together with the detailed estimates of the projected expenditures and corresponding requests for appropriations submitted for the Future Years Homeland Security Program, the Secretary shall provide an explanation of how those estimates and requests align with the homeland security strategies and plans developed and updated as appropriate by the Secretary. Such explanation shall include an evaluation of the organization, organizational structure, governance structure, and business processes (including acquisition processes) of the Department, to ensure that the Department is able to meet its responsibilities.*

(f) **PROJECTION OF ACQUISITION ESTIMATES.**—*Each Future Years Homeland Security Program shall project—*

(1) *acquisition estimates for a period of 5 fiscal years, with specified estimates for each fiscal year, for major acquisition programs by the Department and each component therein, including modernization and sustainment expenses; and*

(2) *estimated annual deployment schedules for major acquisition programs over the 5-fiscal-year period.*

(g) **CONTINGENCY AMOUNTS.**—*Nothing in this section shall be construed as prohibiting the inclusion in the Future Years Homeland Security Program of amounts for management contingencies, subject to the requirements of subsection (b).*

(h) **CLASSIFIED OR SENSITIVE ANNEX.**—*The Secretary may include with each submission under this section a classified or sensitive annex containing any information required to be submitted under this section that is restricted from public disclosure in accordance with Federal law, including information that is determined to be Sensitive Security Information under section 537 of the Department of Homeland Security Appropriations Act, 2006 (6 U.S.C. 114) to Congress in a classified or sensitive annex.*

(i) *AVAILABILITY OF INFORMATION TO THE PUBLIC.*—The Secretary shall make available to the public in electronic form the information required to be submitted to Congress under this section, other than information described in subsection (h).

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[SEC. 878. OFFICE OF COUNTERNARCOTICS ENFORCEMENT.

[(a) OFFICE.—There is established in the Department an Office of Counternarcotics Enforcement, which shall be headed by a Director appointed by the President.

[(b) ASSIGNMENT OF PERSONNEL.—

[(1) IN GENERAL.—The Secretary shall assign permanent staff to the Office, consistent with effective management of Department resources.

[(2) LIAISONS.—The Secretary shall designate senior employees from each appropriate subdivision of the Department that has significant counternarcotics responsibilities to act as a liaison between that subdivision and the Office of Counternarcotics Enforcement.

[(c) LIMITATION ON CONCURRENT EMPLOYMENT.—The Director of the Office of Counternarcotics Enforcement shall not be employed by, assigned to, or serve as the head of, any other branch of the Federal Government, any State or local government, or any subdivision of the Department other than the Office of Counternarcotics Enforcement.

[(d) RESPONSIBILITIES.—The Secretary shall direct the Director of the Office of Counternarcotics Enforcement—

[(1) to coordinate policy and operations within the Department, between the Department and other Federal departments and agencies, and between the Department and State and local agencies with respect to stopping the entry of illegal drugs into the United States;

[(2) to ensure the adequacy of resources within the Department for stopping the entry of illegal drugs into the United States;

[(3) to recommend the appropriate financial and personnel resources necessary to help the Department better fulfill its responsibility to stop the entry of illegal drugs into the United States;

[(4) within the Joint Terrorism Task Force construct to track and sever connections between illegal drug trafficking and terrorism; and

[(5) to be a representative of the Department on all task forces, committees, or other entities whose purpose is to coordinate the counternarcotics enforcement activities of the Department and other Federal, State or local agencies.

[(e) SAVINGS CLAUSE.—Nothing in this section shall be construed to authorize direct control of the operations conducted by the Directorate of Border and Transportation Security, the Coast Guard, or joint terrorism task forces.

[(f) REPORTS TO CONGRESS.—

[(1) ANNUAL BUDGET REVIEW.—The Director of the Office of Counternarcotics Enforcement shall, not later than 30 days after the submission by the President to Congress of any re-

quest for expenditures for the Department, submit to the Committees on Appropriations and the authorizing committees of jurisdiction of the House of Representatives and the Senate a review and evaluation of such request. The review and evaluation shall—

[(A) identify any request or subpart of any request that affects or may affect the counternarcotics activities of the Department or any of its subdivisions, or that affects the ability of the Department or any subdivision of the Department to meet its responsibility to stop the entry of illegal drugs into the United States;

[(B) describe with particularity how such requested funds would be or could be expended in furtherance of counternarcotics activities; and

[(C) compare such requests with requests for expenditures and amounts appropriated by Congress in the previous fiscal year.

[(2) EVALUATION OF COUNTERNARCOTICS ACTIVITIES.—The Director of the Office of Counternarcotics Enforcement shall, not later than February 1 of each year, submit to the Committees on Appropriations and the authorizing committees of jurisdiction of the House of Representatives and the Senate a review and evaluation of the counternarcotics activities of the Department for the previous fiscal year. The review and evaluation shall—

[(A) describe the counternarcotics activities of the Department and each subdivision of the Department (whether individually or in cooperation with other subdivisions of the Department, or in cooperation with other branches of the Federal Government or with State or local agencies), including the methods, procedures, and systems (including computer systems) for collecting, analyzing, sharing, and disseminating information concerning narcotics activity within the Department and between the Department and other Federal, State, and local agencies;

[(B) describe the results of those activities, using quantifiable data whenever possible;

[(C) state whether those activities were sufficient to meet the responsibility of the Department to stop the entry of illegal drugs into the United States, including a description of the performance measures of effectiveness that were used in making that determination; and

[(D) recommend, where appropriate, changes to those activities to improve the performance of the Department in meeting its responsibility to stop the entry of illegal drugs into the United States.

[(3) CLASSIFIED OR LAW ENFORCEMENT SENSITIVE INFORMATION.—Any content of a review and evaluation described in the reports required in this subsection that involves information classified under criteria established by an Executive order, or whose public disclosure, as determined by the Secretary, would be detrimental to the law enforcement or national security activities of the Department or any other Federal, State, or local

agency, shall be presented to Congress separately from the rest of the review and evaluation.

[SEC. 879. OFFICE OF INTERNATIONAL AFFAIRS.

[(a) ESTABLISHMENT.—There is established within the Office of the Secretary an Office of International Affairs. The Office shall be headed by a Director, who shall be a senior official appointed by the Secretary.

[(b) DUTIES OF THE DIRECTOR.—The Director shall have the following duties:

[(1) To promote information and education exchange with nations friendly to the United States in order to promote sharing of best practices and technologies relating to homeland security. Such exchange shall include the following:

[(A) Exchange of information on research and development on homeland security technologies.

[(B) Joint training exercises of first responders.

[(C) Exchange of expertise on terrorism prevention, response, and crisis management.

[(2) To identify areas for homeland security information and training exchange where the United States has a demonstrated weakness and another friendly nation or nations have a demonstrated expertise.

[(3) To plan and undertake international conferences, exchange programs, and training activities.

[(4) To manage international activities within the Department in coordination with other Federal officials with responsibility for counter-terrorism matters.]

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SEC. [601.] 890B. TREATMENT OF CHARITABLE TRUSTS FOR MEMBERS OF THE ARMED FORCES OF THE UNITED STATES AND OTHER GOVERNMENTAL ORGANIZATIONS.

(a) FINDINGS.—Congress finds the following:

(1) Members of the Armed Forces of the United States defend the freedom and security of our Nation.

(2) Members of the Armed Forces of the United States have lost their lives while battling the evils of terrorism around the world.

(3) Personnel of the Central Intelligence Agency (CIA) charged with the responsibility of covert observation of terrorists around the world are often put in harm's way during their service to the United States.

(4) Personnel of the Central Intelligence Agency have also lost their lives while battling the evils of terrorism around the world.

(5) Employees of the Federal Bureau of Investigation (FBI) and other Federal agencies charged with domestic protection of the United States put their lives at risk on a daily basis for the freedom and security of our Nation.

(6) United States military personnel, CIA personnel, FBI personnel, and other Federal agents in the service of the United States are patriots of the highest order.

(7) CIA officer Johnny Micheal Spann became the first American to give his life for his country in the War on Terrorism

declared by President George W. Bush following the terrorist attacks of September 11, 2001.

(8) Johnny Micheal Spann left behind a wife and children who are very proud of the heroic actions of their patriot father.

(9) Surviving dependents of members of the Armed Forces of the United States who lose their lives as a result of terrorist attacks or military operations abroad receive a \$6,000 death benefit, plus a small monthly benefit.

(10) The current system of compensating spouses and children of American patriots is inequitable and needs improvement.

(b) DESIGNATION OF JOHNNY MICHEAL SPANN PATRIOT TRUSTS.—Any charitable corporation, fund, foundation, or trust (or separate fund or account thereof) which otherwise meets all applicable requirements under law with respect to charitable entities and meets the requirements described in subsection (c) shall be eligible to characterize itself as a “Johnny Micheal Spann Patriot Trust”.

(c) REQUIREMENTS FOR THE DESIGNATION OF JOHNNY MICHEAL SPANN PATRIOT TRUSTS.—The requirements described in this subsection are as follows:

(1) Not taking into account funds or donations reasonably necessary to establish a trust, at least 85 percent of all funds or donations (including any earnings on the investment of such funds or donations) received or collected by any Johnny Micheal Spann Patriot Trust must be distributed to (or, if placed in a private foundation, held in trust for) surviving spouses, children, or dependent parents, grandparents, or siblings of 1 or more of the following:

(A) members of the Armed Forces of the United States;

(B) personnel, including contractors, of elements of the intelligence community, as defined in section 3(4) of the National Security Act of 1947;

(C) employees of the Federal Bureau of Investigation; and

(D) officers, employees, or contract employees of the United States Government,

whose deaths occur in the line of duty and arise out of terrorist attacks, military operations, intelligence operations, or law enforcement operations or accidents connected with activities occurring after September 11, 2001, and related to domestic or foreign efforts to curb international terrorism, including the Authorization for Use of Military Force (Public Law 107–40; 115 Stat. 224).

(2) Other than funds or donations reasonably necessary to establish a trust, not more than 15 percent of all funds or donations (or 15 percent of annual earnings on funds invested in a private foundation) may be used for administrative purposes.

(3) No part of the net earnings of any Johnny Micheal Spann Patriot Trust may inure to the benefit of any individual based solely on the position of such individual as a shareholder, an officer or employee of such Trust.

(4) None of the activities of any Johnny Micheal Spann Patriot Trust shall be conducted in a manner inconsistent with any law that prohibits attempting to influence legislation.

(5) No Johnny Micheal Spann Patriot Trust may participate in or intervene in any political campaign on behalf of (or in opposition to) any candidate for public office, including by publication or distribution of statements.

(6) Each Johnny Micheal Spann Patriot Trust shall comply with the instructions and directions of the Director of Central Intelligence, the Attorney General, or the Secretary of Defense relating to the protection of intelligence sources and methods, sensitive law enforcement information, or other sensitive national security information, including methods for confidentially disbursing funds.

(7) Each Johnny Micheal Spann Patriot Trust that receives annual contributions totaling more than \$1,000,000 must be audited annually by an independent certified public accounting firm. Such audits shall be filed with the Internal Revenue Service, and shall be open to public inspection, except that the conduct, filing, and availability of the audit shall be consistent with the protection of intelligence sources and methods, of sensitive law enforcement information, and of other sensitive national security information.

(8) Each Johnny Micheal Spann Patriot Trust shall make distributions to beneficiaries described in paragraph (1) at least once every calendar year, beginning not later than 12 months after the formation of such Trust, and all funds and donations received and earnings not placed in a private foundation dedicated to such beneficiaries must be distributed within 36 months after the end of the fiscal year in which such funds, donations, and earnings are received.

(9)(A) When determining the amount of a distribution to any beneficiary described in paragraph (1), a Johnny Micheal Spann Patriot Trust should take into account the amount of any collateral source compensation that the beneficiary has received or is entitled to receive as a result of the death of an individual described in paragraph (1).

(B) Collateral source compensation includes all compensation from collateral sources, including life insurance, pension funds, death benefit programs, and payments by Federal, State, or local governments related to the death of an individual described in paragraph (1).

(d) TREATMENT OF JOHNNY MICHEAL SPANN PATRIOT TRUSTS.—Each Johnny Micheal Spann Patriot Trust shall refrain from conducting the activities described in clauses (i) and (ii) of section 301(20)(A) of the Federal Election Campaign Act of 1971 so that a general solicitation of funds by an individual described in paragraph (1) of section 323(e) of such Act will be permissible if such solicitation meets the requirements of paragraph (4)(A) of such section.

(e) NOTIFICATION OF TRUST BENEFICIARIES.—Notwithstanding any other provision of law, and in a manner consistent with the protection of intelligence sources and methods and sensitive law enforcement information, and other sensitive national security information, the Secretary of Defense, the Director of the Federal Bureau of Investigation, or the Director of Central Intelligence, or their designees, as applicable, may forward information received

from an executor, administrator, or other legal representative of the estate of a decedent described in subparagraph (A), (B), (C), or (D) of subsection (c)(1), to a Johnny Micheal Spann Patriot Trust on how to contact individuals eligible for a distribution under subsection (c)(1) for the purpose of providing assistance from such Trust: *Provided*, That, neither forwarding nor failing to forward any information under this subsection shall create any cause of action against any Federal department, agency, officer, agent, or employee.

(f) REGULATIONS.—Not later than 90 days after the date of enactment of this Act, the Secretary of Defense, in coordination with the Attorney General, the Director of the Federal Bureau of Investigation, and the Director of Central Intelligence, shall prescribe regulations to carry out this section.

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TITLE XX—HOMELAND SECURITY GRANTS

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Subtitle A—Grants to States and High-Risk Urban Areas

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SEC. 2006. TERRORISM PREVENTION.

- (a) LAW ENFORCEMENT TERRORISM PREVENTION PROGRAM.—
 - (1) IN GENERAL.—The Administrator shall ensure that not less than 25 percent of the total combined funds appropriated for grants under sections 2003 and 2004 is used for law enforcement terrorism prevention activities.
 - (2) LAW ENFORCEMENT TERRORISM PREVENTION ACTIVITIES.—Law enforcement terrorism prevention activities include—
 - (A) information sharing and analysis;
 - (B) target hardening;
 - (C) threat recognition;
 - (D) terrorist interdiction;
 - (E) overtime expenses consistent with a State homeland security plan, including for the provision of enhanced law enforcement operations in support of Federal agencies, including for increased border security and border crossing enforcement;
 - (F) establishing, enhancing, and staffing with appropriately qualified personnel State, local, and regional fusion centers that comply with the guidelines established under section 210A(i);
 - (G) paying salaries and benefits for personnel, including individuals employed by the grant recipient on the date of the relevant grant application, to serve as qualified intelligence analysts;

(H) any other activity permitted under the Fiscal Year 2007 Program Guidance of the Department for the Law Enforcement Terrorism Prevention Program; and

(I) any other terrorism prevention activity authorized by the Administrator.

(3) PARTICIPATION OF UNDERREPRESENTED COMMUNITIES IN FUSION CENTERS.—The Administrator shall ensure that grant funds described in paragraph (1) are used to support the participation, as appropriate, of law enforcement and other emergency response providers from rural and other underrepresented communities at risk from acts of terrorism in fusion centers.

[(b) OFFICE FOR STATE AND LOCAL LAW ENFORCEMENT.—

[(1) ESTABLISHMENT.—There is established in the Policy Directorate of the Department an Office for State and Local Law Enforcement, which shall be headed by an Assistant Secretary for State and Local Law Enforcement.

[(2) QUALIFICATIONS.—The Assistant Secretary for State and Local Law Enforcement shall have an appropriate background with experience in law enforcement, intelligence, and other counterterrorism functions.

[(3) ASSIGNMENT OF PERSONNEL.—The Secretary shall assign to the Office for State and Local Law Enforcement permanent staff and, as appropriate and consistent with sections 506(c)(2), 821, and 888(d), other appropriate personnel detailed from other components of the Department to carry out the responsibilities under this subsection.

[(4) RESPONSIBILITIES.—The Assistant Secretary for State and Local Law Enforcement shall—

[(A) lead the coordination of Department-wide policies relating to the role of State and local law enforcement in preventing, preparing for, protecting against, and responding to natural disasters, acts of terrorism, and other man-made disasters within the United States;

[(B) serve as a liaison between State, local, and tribal law enforcement agencies and the Department;

[(C) coordinate with the Office of Intelligence and Analysis to ensure the intelligence and information sharing requirements of State, local, and tribal law enforcement agencies are being addressed;

[(D) work with the Administrator to ensure that law enforcement and terrorism-focused grants to State, local, and tribal government agencies, including grants under sections 2003 and 2004, the Commercial Equipment Direct Assistance Program, and other grants administered by the Department to support fusion centers and law enforcement-oriented programs, are appropriately focused on terrorism prevention activities;

[(E) coordinate with the Science and Technology Directorate, the Federal Emergency Management Agency, the Department of Justice, the National Institute of Justice, law enforcement organizations, and other appropriate entities to support the development, promulgation, and updating, as necessary, of national voluntary consensus stand-

ards for training and personal protective equipment to be used in a tactical environment by law enforcement officers; and

[(F) conduct, jointly with the Administrator, a study to determine the efficacy and feasibility of establishing specialized law enforcement deployment teams to assist State, local, and tribal governments in responding to natural disasters, acts of terrorism, or other man-made disasters and report on the results of that study to the appropriate committees of Congress.

[(5) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to diminish, supercede, or replace the responsibilities, authorities, or role of the Administrator.]

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