

Calendar No. 387

114TH CONGRESS }
2d Session }

SENATE

{ REPORT
114-227 }

DEPARTMENT OF HOMELAND SECURITY
HEADQUARTERS CONSOLIDATION
ACCOUNTABILITY ACT OF 2015

R E P O R T

OF THE

COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

TO ACCOMPANY

S. 1638

TO DIRECT THE SECRETARY OF HOMELAND SECURITY TO SUBMIT
TO CONGRESS INFORMATION ON THE DEPARTMENT OF HOME-
LAND SECURITY HEADQUARTERS CONSOLIDATION PROJECT IN
THE NATIONAL CAPITAL REGION, AND FOR OTHER PURPOSES



MARCH 14, 2016.—Ordered to be printed

U.S. GOVERNMENT PUBLISHING OFFICE

59-010

WASHINGTON : 2016

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

RON JOHNSON, Wisconsin, *Chairman*

JOHN McCAIN, Arizona	THOMAS R. CARPER, Delaware
ROB PORTMAN, Ohio	CLAIRE McCASKILL, Missouri
RAND PAUL, Kentucky	JON TESTER, Montana
JAMES LANKFORD, Oklahoma	TAMMY BALDWIN, Wisconsin
MICHAEL B. ENZI, Wyoming	HEIDI HEITKAMP, North Dakota
KELLY AYOTTE, New Hampshire	CORY A. BOOKER, New Jersey
JONI ERNST, Iowa	GARY C. PETERS, Michigan
BEN SASSE, Nebraska	

CHRISTOPHER R. HIXON, *Staff Director*

GABRIELLE D'ADAMO SINGER, *Chief Counsel*

DAVID S. LUCKEY, *Director of Homeland Security*

WILLIAM H.W. MCKENNA, *Chief Counsel for Homeland Security*

JEFFREY A. FIORE, *U.S. Government Accountability Office Detailee*

GABRIELLE A. BATKIN, *Minority Staff Director*

JOHN P. KILVINGTON, *Minority Deputy Staff Director*

MARY BETH SCHULTZ, *Minority Chief Counsel*

STEPHEN R. VIÑA, *Minority Chief Counsel for Homeland Security*

LAURA W. KILBRIDE, *Chief Clerk*

Calendar No. 387

114TH CONGRESS }
2d Session }

SENATE

{ REPORT
{ 114-227

DEPARTMENT OF HOMELAND SECURITY HEADQUARTERS CONSOLIDATION ACCOUNTABILITY ACT OF 2015

MARCH 14, 2016.—Ordered to be printed

Mr. JOHNSON, from the Committee on Homeland Security and
Governmental Affairs, submitted the following

R E P O R T

[To accompany S. 1638]

The Committee on Homeland Security and Governmental Affairs, to which was referred the bill (S. 1638) to direct the Secretary of Homeland Security to submit to Congress information on the Department of Homeland Security headquarters consolidation project in the National Capital Region, and for other purposes, having considered the same, reports favorably thereon with amendments and recommends that the bill, as amended, do pass.

CONTENTS

	Page
I. Purpose and Summary	1
II. Background and Need for the Legislation	2
III. Legislative History	3
IV. Section-by-Section Analysis	3
V. Evaluation of Regulatory Impact	4
VI. Congressional Budget Office Cost Estimate	4
VII. Changes in Existing Law Made by the Bill, as Reported	5

I. PURPOSE AND SUMMARY

The purpose of S. 1638, the Department of Homeland Security Headquarters Consolidation Accountability Act of 2015, is to require the Department of Homeland Security (DHS or “the Department”) to provide information on its progress toward completing its headquarters consolidation project. The bill directs the Secretary of Homeland Security (the Secretary), in coordination with the Administrator of the General Services Administration (GSA), to submit to Congress information within 120 days of enactment of the Act about the DHS headquarters consolidation project, including an

updated list of the components and offices to be included in the project, a comprehensive assessment of the current and future real property required by DHS, and updated cost and schedule estimates. The bill will further enhance congressional oversight of the headquarters consolidation project by directing the Government Accountability Office (GAO) to assess the quality and reliability of the updated cost and schedule estimates.

II. BACKGROUND AND THE NEED FOR LEGISLATION

The Homeland Security Act of 2002 sought to improve coordination and information sharing among Federal agencies with responsibilities for protecting the homeland by, among other things, combining 22 Federal agencies into one department—DHS.¹ However, the agencies that comprise DHS operate from numerous facilities across the National Capital Region, making collaboration, operations, and communication difficult.² For example, in 2014, DHS employees operated from 94 buildings and 50 locations in the National Capital Region.³ The DHS headquarters consolidation project, initiated by DHS in 2006, is intended to consolidate the Department's leadership, operational management, and other personnel to one location at the St. Elizabeths Campus in Washington, D.C.⁴ The project has a number of valuable objectives, including improving mission effectiveness, creating a unified DHS organization, and reducing long-term facility costs.⁵

However, the headquarters consolidation project has experienced significant problems including cost overruns, delays, and funding shortfalls.⁶ For example, as of September 2014, the project was estimated to cost \$4.5 billion and conclude in 2026, which represented a \$1.2 billion increase and an 11-year delay from initial estimates in 2007.⁷ In addition, GAO recommended in its 2014 report that DHS and GSA develop: (1) “a comprehensive needs assessment and gap analysis of current and needed capabilities that take into consideration changing conditions, and an alternatives analysis that identifies the costs and benefits of leasing and construction alternatives for the remainder of the project”, and (2) “revised cost and schedule estimates for the remaining portions of the consolidation project that conform to GSA guidance and leading practices for cost and schedule estimation, including an independent evaluation of the estimates.”⁸ GAO further stated that, until these recommendations are addressed by DHS and GSA, Congress will be limited in its ability to make informed decisions regarding the headquarters consolidation project.⁹

The Administration's Fiscal Year 2016 budget request included an “Enhanced Plan”, addressing some of GAO's recommendations. The Enhanced Plan seeks a reduction in overall project costs

¹ Pub. L. No. 107–296, 116 Stat. 2135.

² Gov't Accountability Office, GAO–14–648, Federal Real Property: DHS and GSA Need To Strengthen the Management of DHS Headquarters Consolidation 3–4 (2014).

³ *Id.*

⁴ *Id.* at 1.

⁵ *Id.* at 4.

⁶ *Id.* at *passim*.

⁷ *E.g., id.* at 48.

⁸ *Id.* at 45–46.

⁹ *Id.* at 18.

through the more efficient utilization of space.¹⁰ GSA reported that the plan will reduce costs by more than \$800 million, provide an accelerated delivery timeline for the project and add 3,000 employees to the campus, reducing the size of the campus and saving taxpayers an estimated \$1.2 billion over 30 years when compared to the best alternative commercial lease option.¹¹ While the enhanced plan provides Congress with some of the information outlined in the GAO's report, this legislation ensures that DHS and GSA fully address GAO's recommendations and provide Congress the additional information needed to make sound decisions regarding the headquarters consolidation project.

III. LEGISLATIVE HISTORY

Chairman Johnson introduced S. 1638 with Ranking Minority Member Carper on June 18, 2015, and the bill was referred to the Committee on Homeland Security and Governmental Affairs. Representative Mark Walker introduced H.R. 1640, the House companion to S. 1638, on March 25, 2015. The Committee considered S. 1638 at a business meeting on June 24, 2015.

The Committee ordered the bill reported favorably by voice vote. Senators present for the vote were: Johnson, McCain, Lankford, Ayotte, Ernst, Sasse, Carper, Tester, Baldwin, and Heitkamp. Consistent with the Committee's order on technical and conforming changes at the meeting, the Committee reports the bill with a technical amendment by mutual agreement of the full Committee majority and minority staff.

IV. SECTION-BY-SECTION ANALYSIS OF THE BILL, AS REPORTED

Section 1. Short title

This section provides the bill's short title, the "Department of Homeland Security Headquarters Consolidation Accountability Act of 2015."

Section 2. Information on Department of Homeland Security Headquarters consolidation project

Subsection (a) directs the Secretary, in coordination with the Administrator of GSA, to provide to Congress an updated list of the components and offices to be included in the consolidation project; a comprehensive assessment of the current and future real property and facilities required by DHS; updated cost and schedule estimates; a plan for the leased portfolio of DHS in the National Capital Region; and the costs and benefits of leasing and construction alternatives for the remainder of the consolidation project.

Subsection (b) directs the Comptroller General to assess the quality and reliability of the cost and schedule estimates prepared by DHS and GSA.

Subsection (c) defines several terms, including "National Capital Region" and "appropriate committees of Congress."

¹⁰Gen. Servs. Admin., Prospectus—Construction: Department of Homeland Security, Consolidation at St. Elizabeths, Washington, DC (Feb. 2, 2015), available at <http://www.gsa.gov/portal/mediaId/209735/fileName/2016>.

¹¹Gen. Servs. Admin., GSA: Data Shows Why Fully Funding St. Elizabeths Enhanced Plan in FY16 is the Right Decision (2015), available at <http://www.gsa.gov/portal/content/118958>.

V. EVALUATION OF REGULATORY IMPACT

Pursuant to the requirements of paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee has considered the regulatory impact of this bill and determined that the bill will have no regulatory impact within the meaning of the rules. The Committee agrees with the Congressional Budget Office's statement that the bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

VI. CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

JULY 6, 2015.

Hon. RON JOHNSON,
Chairman, Committee on Homeland Security and Governmental Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 1638, the Department of Homeland Security Headquarters Consolidation Accountability 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.

S. 1638—Department of Homeland Security Headquarters Consolidation Accountability Act of 2015

S. 1638 would require the Department of Homeland Security (DHS) to prepare a report to the Congress on the project to consolidate DHS headquarters within the national capital region, including updated timelines and cost estimates. The bill also would require the Government Accountability Office (GAO) to review the DHS estimates of project costs and schedules and to report its findings to the Congress.

Based on the cost of similar activities, CBO estimates that implementing S. 1638 would cost less than \$500,000; any spending would be subject to the availability of appropriated funds. Much of the information needed for the DHS and GAO reports has already been compiled. Because enacting the legislation would not affect direct spending or revenues, pay-as-you-go procedures do not apply.

S. 1638 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.

On June 3, 2015, CBO transmitted a cost estimate for H.R. 1640, the Department of Homeland Security Headquarters Consolidation Accountability Act of 2015, as ordered reported by the House Committee on Homeland Security on May 20, 2015. The two bills are similar and CBO's estimates of the budgetary effects are the same.

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

VII. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

Because this legislation would not repeal or amend any provision of current law, it would make no changes in existing law within the meaning of clauses (a) and (b) of paragraph 12 of rule XXVI of the Standing Rules of the Senate.

