

STREAMLINING DHS OVERHEAD ACT

JUNE 20, 2017.—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. 2190]

[Including cost estimate of the Congressional Budget Office]

The Committee on Homeland Security, to whom was referred the bill (H.R. 2190) to amend the Homeland Security Act of 2002 to direct the Under Secretary for Management of the Department of Homeland Security to make certain improvements in managing the Department’s real property portfolio, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

CONTENTS

	Page
Purpose and Summary	4
Background and Need for Legislation	4
Hearings	5
Committee Consideration	6
Committee Votes	6
Committee Oversight Findings	6
New Budget Authority, Entitlement Authority, and Tax Expenditures	6
Congressional Budget Office Estimate	7
Statement of General Performance Goals and Objectives	7
Duplicative Federal Programs	8
Congressional Earmarks, Limited Tax Benefits, and Limited Tariff Benefits	8
Federal Mandates Statement	8
Preemption Clarification	8
Disclosure of Directed Rule Makings	8
Advisory Committee Statement	8
Applicability to Legislative Branch	8
Section-by-Section Analysis of the Legislation	9
Changes in Existing Law Made by the Bill, as Reported	11

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Streamlining DHS Overhead Act”.

SEC. 2. LONG TERM REAL PROPERTY STRATEGIES.

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

“SEC. 710. CHIEF FACILITIES AND LOGISTICS OFFICER.

“(a) IN GENERAL.—There is a Chief Facilities and Logistics Officer of the Department who shall report directly to the Under Secretary for Management. The Chief Facilities and Logistics Officer shall be career reserved for a member of the senior executive service.

“(b) RESPONSIBILITIES.—The Chief Facilities and Logistics Officer shall—

“(1) develop policies and procedures and provide program oversight to manage real property, facilities, personal property, mobile assets, equipment, and other material resources of the Department;

“(2) manage and execute, in consultation with the component heads, mission support services within the National Capital Region for real property, facilities, and other common headquarters and field activities for the Department; and

“(3) provide tactical and transactional services for the Department, including transportation, facility operations, and maintenance.

“SEC. 711. LONG TERM REAL PROPERTY STRATEGIES.

“(a) IN GENERAL.—

“(1) FIRST STRATEGY.—Not later than 180 days after the date of the enactment of this section, the Under Secretary for Management shall develop an initial 5-year regional real property strategy for the Department that covers the five fiscal years immediately following such date of enactment. Such strategy shall be geographically organized, as designated by the Under Secretary for Management.

“(2) SECOND STRATEGY.—Not later than the first day of the fourth fiscal year covered by the first strategy under paragraph (1), the Under Secretary for Management shall develop a second 5-year real property strategy for the Department that covers the five fiscal years immediately following the conclusion of such first strategy.

“(b) REQUIREMENTS.—

“(1) INITIAL STRATEGY.—The initial 5-year strategy developed in accordance with paragraph (1) of subsection (a) shall—

“(A) identify opportunities to consolidate real property, optimize the usage of Federal assets, and decrease the number of commercial leases and square footage within the Department’s real property portfolio;

“(B) provide alternate housing and consolidation plans to increase efficiency through joint use of Department spaces while decreasing the reliance on and cost of leased space;

“(C) concentrate on geographical areas with a significant Department presence, as identified by the Under Secretary for Management;

“(D) examine the establishment of central Department locations in each such geographical region and the co-location of Department components based on the mission sets and responsibilities of such components;

“(E) identify opportunities to reduce overhead costs through co-location or consolidation of real property interests or mission support activities, such as shared mail screening and processing, centralized transportation and shuttle services, regional transit benefit programs, common contracting for custodial and other services, and leveraging strategic sourcing contracts and sharing of specialized facilities, such as training facilities and resources;

“(F) manage the current Department Workspace Standard for Office Space in accordance with the Department office workspace design process to develop the most efficient and effective spaces within the workspace standard net usable square foot ranges for all leased for office space entered into on or after the date of the enactment of this section, including the renewal of any leases for office space existing as of such date;

“(G) define, based on square footage, what constitutes a major real property acquisition;

“(H) prioritize actions to be taken to improve the operations and management of the Department’s real property inventory, based on life-cycle cost estimations, in consultation with component heads; and

“(I) include any additional information determined appropriate or relevant by the Under Secretary for Management.

“(2) SECOND STRATEGY.—The second 5-year strategy developed in accordance with paragraph (2) of subsection (a) shall include information required in subparagraphs (A), (B), (C), (E), (F), (G), (H), and (I) of paragraph (1) and information on the effectiveness of implementation efforts pursuant to the Department-wide policy required in accordance with subsection (c), including—

“(A) the impact of such implementation on departmental operations and costs; and

“(B) the degree to which the Department established central Department locations and co-located Department components pursuant to the results of the examination required by subparagraph (D) of paragraph (1).

“(c) IMPLEMENTATION POLICIES.—Not later than 90 days after the development of each of the regional real property strategies developed in accordance with subsection (a), the Under Secretary for Management shall develop or update, as applicable, a Department-wide policy implementing such strategies.

“(d) CERTIFICATIONS.—Subject to subsection (g)(3), the implementation policies developed pursuant to subsection (c) shall require component heads to certify to the Under Secretary for Management that such heads have complied with the requirements specified in subsection (b) before making any major real property acquisition or recommendation, as defined by the Under Secretary, including entering into any new leases, renewing any existing leases, or agreeing to extend or newly occupy any Federal space or new construction, in accordance with the applicable regional real property strategy developed in accordance with subsection (a).

“(e) UNDERUTILIZED SPACE.—

“(1) IN GENERAL.—The implementing policies developed pursuant to subsection (c) shall require component heads, acting through regional property managers under subsection (f), to annually report to the Under Secretary for Management on underutilized space and identify space that may be made available for use, as applicable, by other components or Federal or State agencies through reimbursable or other agreements.

“(2) EXCEPTION.—The Under Secretary for Management may grant an exception to the workspace standard net usable square foot ranges described in subsection (b)(6) for specific office locations at which a reduction or elimination of otherwise underutilized space would negatively impact a component’s ability to execute its mission based on readiness performance measures.

“(3) UNDERUTILIZED SPACE DEFINED.—In this subsection, the term ‘underutilized space’ means any space with respect to which utilization is greater than the workplace standard net usable square foot ranges pursuant to subsection (b)(6).

“(f) COMPONENT RESPONSIBILITIES.—

“(1) REGIONAL PROPERTY MANAGERS.—Each component head shall identify a senior career employee of each such component for each geographic region included in the regional real property strategies developed in accordance with subsection (a) to serve as each such component’s regional property manager. Each such regional property manager shall serve as a single point of contact for Department headquarters and other Department components for all real property matters relating to each such component within the region in which each such component is located, and provide data and any other support necessary for the DHS Regional Mission Support Coordinator strategic asset and portfolio planning and execution.

“(2) DATA.—Regional property managers under paragraph (1) shall provide annually to the Under Secretary for Management, via a standardized and centralized system, data on each component’s real property holdings, as specified by the Undersecretary for Management, including relating to underutilized space under subsection (e) (as such term is defined in such subsection), total square footage leased, annual cost, and total number of staff, for each geographic region included in the regional real property strategies developed in accordance with subsection (a).

“(g) ONGOING OVERSIGHT.—

“(1) IN GENERAL.—The Under Secretary for Management shall monitor components’ adherence to the regional real property strategies developed in accordance with subsection (a) and the implementation policies developed pursuant to subsection (c).

“(2) ANNUAL REVIEW.—The Under Secretary for Management shall annually review the data submitted pursuant to subsection (f)(2) to ensure all underutilized space (as such term is defined in subsection (e)) is properly identified.

“(3) CERTIFICATION REVIEW.—The Under Secretary for Management shall review, and if appropriate, approve, component certifications under subsection (d)

before such components may make any major real property acquisition, including entering into any new leases, renewing any existing leases, or agreeing to extend or newly occupy any Federal space or new construction, in accordance with the applicable regional real property strategy developed in accordance with subsection (a).

“(4) CONGRESSIONAL REPORTING.—The Under Secretary for Management shall annually provide information to the Committee on Homeland Security of the House of Representatives, the Committee on Homeland Security and Governmental Affairs of the Senate, and the Inspector General of the Department on the Department’s real property portfolio, including information relating to the following:

“(A) A summary of the Department’s real property holdings in each region described in the regional strategies developed in accordance with subsection (a), and for each such property, information including the total square footage leased, the total cost, the total number of staff at each such property, and the square foot per person utilization rate for office space (and whether or not such conforms with the workspace standard net usable square foot ranges established pursuant to subsection (b)(6)).

“(B) An accounting of all underutilized space (as such term is defined in subsection (e)).

“(C) An accounting of all instances in which the Department or its components consolidated their real property holdings or co-located with another entity within the Department.

“(D) A list of all certifications provided pursuant to subsection (d) and all such certifications approved pursuant to paragraph (3) of this subsection.

“(5) INSPECTOR GENERAL REVIEW.—Not later than 120 days after the last day of the fifth fiscal year covered in each of the initial and second regional real property strategies developed in accordance with subsection (a), the Inspector General of the Department shall review the information submitted pursuant to paragraph (4) and issue findings regarding the effectiveness of the implementation of the Department-wide policy and oversight efforts of the management of real property facilities, personal property, mobile assets, equipment and the Department’s other material resources as required under this section.”

(b) REPORTING.—The Secretary 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 copies of the regional strategies developed in accordance with section 710(a) of the Homeland Security Act of 2002 (as added by subsection (a) of this section) not later than 90 days after the date of the development of each such strategy.

(c) CLERICAL AMENDMENT.—The table of contents in section 1(b) of the Homeland Security Act of 2002 is amended by inserting after the item relating to section 709 the following new items:

“Sec. 710. Chief Facilities and Logistics Officer.

“Sec. 711. Long term real property strategies.”.

PURPOSE AND SUMMARY

The purpose of H.R. 2190 is to amend the Homeland Security Act of 2002 (Pub. L. 107-296) to direct the Under Secretary for Management of the Department of Homeland Security to make certain improvements in managing the Department’s real property portfolio.

BACKGROUND AND NEED FOR LEGISLATION

H.R. 2190, the Streamlining DHS Overhead Act, is the culmination of a multi-year Committee Majority staff investigation into the Department of Homeland Security (DHS) real property portfolio. In July 2014, the Committee began to examine how DHS manages its real property. As part of this investigation, the Committee Majority staff conducted site visits, examined Government Accountability Office (GAO) and the Department of Homeland Security Office of the Inspector General (OIG) reports, and met with current and former government officials and other subject matter experts. The Committee’s investigation found that many of the entities that now

compose the Department continue to have their own unique field office structure, different regional structures, and divergent approaches to managing real property, logistics, and shared services. DHS, as part of its own internal efforts to examine its real property portfolio, closely collaborated with the Business Executives for National Security (BENS) after the Committee sent a letter urging them to do so. In late 2016, BENS also released a report on the Department's real property portfolio that concurred with the Committee's findings. This "legacy" way of doing business has created management challenges and prevented the Department from achieving efficiencies within its real property portfolio. By better managing its real property portfolio, DHS could realize tens of millions of dollars in savings.

H.R. 2190 codifies the recommendations within the Committee's August 2016 Majority staff report, *Streamlining the Department of Homeland Security's Overhead Will Make the Homeland Safer*, to help DHS manage its real property portfolio more effectively and efficiently. The legislation also codifies internal DHS efforts focused on achieving efficiencies with the Department's real property portfolio. The Streamlining DHS Overhead Act mandates the development of regional real property strategies that focus on co-locating components and consolidating the number of leases and square footage within the DHS real property portfolio. It also requires the components to share more data on their real property portfolios with headquarters and gives the Under Secretary for Management additional oversight authorities, which will help DHS make more informed management decisions with respect to its real property portfolio. Finally, the bill authorizes a Chief Facilities and Logistics Officer within the Department. This position currently exists as the Chief Readiness Support Officer, which is not authorized in statute. Authorizing this officer, who is responsible for all real property related activities, should add accountability to DHS's real property planning and decisionmaking.

HEARINGS

No hearings were held on H.R. 2190, however the Committee did hold the following oversight hearings in the 114th Congress:

On December 3, 2015, the Subcommittee on Oversight and Management Efficiency held a hearing entitled, "Driving Away with Taxpayer Dollars: DHS's Failure to Effectively Manage the FPS Vehicle Fleet." The Subcommittee received testimony from the Honorable John Roth, Inspector General, Office of the Inspector General, U.S. Department of Homeland Security; Mr. L. Eric Patterson, Director, Federal Protective Service, U.S. Department of Homeland Security; and Mr. Thomas Chaleki, Deputy Chief Readiness Support Officer, Management Directorate, U.S. Department of Homeland Security.

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 Pearl, President and Chief Executive Officer, Homeland Security and Defense Business Council; 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 May 3, 2017, to consider H.R. 2190, 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 Committee adopted H.R. 2190, as amended, by voice vote.

The following amendments were offered:

An en bloc amendment offered by MR. CORREA (#1E); was AGREED TO by voice vote.

Consisting of the following amendments:

Page 3, beginning line 15 through page 5, line 11, redesignate paragraphs (1) through (9) as subparagraphs (A) through (I), respectively, and move such subparagraphs, as so redesignated, two ems to the right.

Page 3, line 13, strike “The real property strategies developed in accordance with subsection (a) shall.” and insert a new paragraph entitled “(1) Initial Strategy.”

Page 5, beginning line 12, insert a new paragraph entitled “(2) Second Strategy.”

Page 9, line 6, strike “and” and insert a comma.

Page 9, line 8, insert “, and the Inspector General of the Department” after “Senate”.

Page 10, line 7, strike the closing quotes and the second period.

At page 10, line 8, insert new paragraph entitled “(5) Office of Inspector General Review.”

Page 2, line 16, strike “and” after the semicolon.

Page 2, line 21, strike the period and insert “; and”.

Page 2, beginning line 22, insert the following: “(3) provide tactical and transactional services for the Department, including transportation, facility operations, and maintenance.”

Page 3, line 17, strike “demand for and”.

Page 5, beginning line 21, strike “have investigated all possibilities relating to collocating, consolidating, or partnering with other components” and insert “have complied with the requirements specified in subsection (b)”.

Page 7, line 21, strike “quarterly” and insert “annually”.

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. 2190.

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. 2190, the Streamlining DHS Overhead Act, 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, June 19, 2017.

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. 2190, the Streamlining DHS Overhead Act.

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. 2190—Streamlining DHS Overhead Act

H.R. 2190 would establish a new position—Chief Facilities and Logistics Officer—in the Department of Homeland Security (DHS) to oversee the management of DHS property and other assets. The bill would require DHS to develop a five-year strategy to consolidate properties and to use its facilities more efficiently. H.R. 2190 also would direct agencies within DHS (such as the Coast Guard and the Secret Service) to assign an employee in each region of the United States to manage the agency's properties in that part of the country.

There are DHS personnel that currently oversee the management of department property, including properties for DHS agencies located throughout the United States. Based on information from DHS, we do not expect the department to hire new personnel to carry out the provisions of H.R. 2190. Thus, CBO estimates that implementing the bill would cost less than \$500,000 annually; such spending would be subject to the availability of appropriated funds.

Enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. CBO estimates that enacting H.R. 2190 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 2190 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. 2190 contains the following general performance goals and objectives, including outcome related goals and objectives authorized.

H.R. 2190 includes the following goals and objectives: Improving the management of the Department's real property portfolio; increasing component accountability with respect to real property matters; enhancing the Under Secretary for Management's oversight authorities of the real property portfolio; and empowering the Chief Facilities and Logistics Officer to achieve efficiencies within the DHS real property portfolio.

DUPLICATIVE FEDERAL PROGRAMS

Pursuant to clause 3(c) of Rule XIII, the Committee finds that H.R. 2190 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. 2190 does not preempt any State, local, or Tribal law.

DISCLOSURE OF DIRECTED RULE MAKINGS

The Committee estimates that H.R. 2190 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.

This section provides that this bill may be cited as the “Streamlining DHS Overhead Act”.

Sec. 2. Long Term Real Property Strategies.

This section inserts new sections 710 and 710 in Title VII of the Homeland Security Act of 2002, as follows.

Sec. 710. Chief Facilities and Logistics Officer.

Sec. 710 authorizes the Chief Facilities and Logistics Officer within DHS, who currently operates in an unauthorized capacity as the Chief Readiness Support Officer. This individual shall be a career senior executive service employee and is responsible for managing real property, facilities, personal property, mobile assets, and equipment within DHS. This officer will provide mission support services for DHS headquarters and field activities within the National Capital Region, and also provide tactical and transactional services for DHS. The Committee intends for the officer to provide these tactical and transactional services to DHS headquarters.

Sec. 711. Long Term Real Property Strategies.

Sec. 711(a) mandates the development of two DHS regional real property strategies. The first strategy will cover the 5 fiscal years following the enactment of this bill and the second strategy will cover the 5 fiscal years immediately following the conclusion of the first strategy.

Sec. 711(b) outlines the requirements for the strategies. The strategies will focus on consolidating the Department’s real property portfolio and decreasing the number and square footage of DHS’s commercial leases, with the intent of decreasing the total cost of the DHS real property portfolio, by promoting cooperation and co-location between components. The strategies will also identify opportunities to reduce overhead costs by having components share mission support services, such as mail screening, custodial services, and training facilities. Finally, the strategies will establish maximum usable square footage ranges for all future commercial DHS leases and define, based on square footage, what constitutes a major real property decision. The second strategy that is developed will also include information on how DHS implemented the first strategy, including the impact on operations and costs and the degree to which central Department locations were established and/or components otherwise co-located.

Sec. 711(c) requires the Under Secretary for Management to develop an implementation policy for the regional real property strategy. This policy is to be updated, as necessary, when the second strategy outlined in Sec. 711(a) is developed.

Sec. 711(d) requires DHS component heads to certify to the Under Secretary for Management that the component explored all possibilities related to co-locating, consolidating, or partnering with other components prior to making any major real property decision, as defined in the regional strategies. This requirement applies to new leases as well as renewing/extending existing leases, regardless if the space is commercially or Federally owned. This section

does not grant the Department any additional decision authority or alter any real property related decision authorities that currently are held by the General Services Administration.

Sec. 711(e) requires component heads, via regional property managers, to report to the Under Secretary for Management underutilized space and identify space that may be made available for use by other components within DHS. Underutilized space is defined as any space where the utilization rate is greater than the maximum square footage range outlined in the regional real property strategies. This accounting is strictly for information purposes and to provide the Chief Facilities and Logistics Officer with potential opportunities for co-location. It does not grant DHS or its components the authority to sublease underutilized space to other entities. This section also grants the Under Secretary for Management the authority to grant specific office locations exemptions to the utilization rate if following the utilization rate will negatively impact the office's ability to carry out its mission.

Sec. 711(f) outlines the components responsibilities related to the Department's real property portfolio. The components must identify a senior career employee to serve as a regional real property manager for each region outlined in the regional real property strategies. These regional real property managers will serve as points of contact for Department headquarters and other DHS components for all real property matters within a given region. These regional real property managers are also responsible for providing the Under Secretary for Management with annual updates on the components real property holdings, including the total amount of square footage leased, annual cost, and total number of staff for each geographic region outlined in the regional real property strategies.

Sec. 711(g) provides the Under Secretary for Management additional oversight responsibilities with respect to the Department's real property portfolio. This section requires the Under Secretary for Management to annually review the data submitted by the components to ensure that all underutilized space is properly identified. The Under Secretary for Management also must review and approve all component certifications, as required under Sec. 711(d), prior to a component making a major real property decision. Each year, the Under Secretary for Management needs to provide Congress and the DHS Inspector General with an accounting of DHS's real property holdings in each region outlined in the regional real property strategies (including total square footage leased, cost, the number of staff, and square footage per person utilization rate), an accounting of all underutilized space, a list of all instances where DHS or its components consolidated their real property holdings and/or co-located with another DHS entity, and a list of all certifications outlined in Sec. 711 (d) and whether they were approved or denied. After the submission of the two regional property strategies mandated by this bill, the Inspector General will issue findings on the Department's effectiveness in implementing the policy created in Sec. 711 (c) and oversight efforts related to the real property portfolio. Finally, the Under Secretary for Management must provide Congress with a copy of the regional real property strategies once they are finalized.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italic and existing law in which no change is proposed is shown in roman):

HOMELAND SECURITY ACT OF 2002**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) **SHORT TITLE.**—This Act may be cited as the “Homeland Security Act of 2002”.

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

*	*	*	*	*	*	*
TITLE VII—MANAGEMENT						
*	*	*	*	*	*	*
Sec. 710. <i>Chief Facilities and Logistics Officer.</i>						
Sec. 711. <i>Long term real property strategies.</i>						
*	*	*	*	*	*	*

TITLE VII—MANAGEMENT

*	*	*	*	*	*	*
---	---	---	---	---	---	---

SEC. 710. CHIEF FACILITIES AND LOGISTICS OFFICER.

(a) **IN GENERAL.**—*There is a Chief Facilities and Logistics Officer of the Department who shall report directly to the Under Secretary for Management. The Chief Facilities and Logistics Officer shall be career reserved for a member of the senior executive service.*

(b) **RESPONSIBILITIES.**—*The Chief Facilities and Logistics Officer shall—*

(1) *develop policies and procedures and provide program oversight to manage real property, facilities, personal property, mobile assets, equipment, and other material resources of the Department;*

(2) *manage and execute, in consultation with the component heads, mission support services within the National Capital Region for real property, facilities, and other common headquarters and field activities for the Department; and*

(3) *provide tactical and transactional services for the Department, including transportation, facility operations, and maintenance.*

SEC. 711. LONG TERM REAL PROPERTY STRATEGIES.

(a) **IN GENERAL.**—

(1) **FIRST STRATEGY.**—*Not later than 180 days after the date of the enactment of this section, the Under Secretary for Management shall develop an initial 5-year regional real property strategy for the Department that covers the five fiscal years immediately following such date of enactment. Such strategy shall be geographically organized, as designated by the Under Secretary for Management.*

(2) *SECOND STRATEGY.*—Not later than the first day of the fourth fiscal year covered by the first strategy under paragraph (1), the Under Secretary for Management shall develop a second 5-year real property strategy for the Department that covers the five fiscal years immediately following the conclusion of such first strategy.

(b) *REQUIREMENTS.*—

(1) *INITIAL STRATEGY.*—The initial 5-year strategy developed in accordance with paragraph (1) of subsection (a) shall—

(A) identify opportunities to consolidate real property, optimize the usage of Federal assets, and decrease the number of commercial leases and square footage within the Department's real property portfolio;

(B) provide alternate housing and consolidation plans to increase efficiency through joint use of Department spaces while decreasing the reliance on and cost of leased space;

(C) concentrate on geographical areas with a significant Department presence, as identified by the Under Secretary for Management;

(D) examine the establishment of central Department locations in each such geographical region and the co-location of Department components based on the mission sets and responsibilities of such components;

(E) identify opportunities to reduce overhead costs through co-location or consolidation of real property interests or mission support activities, such as shared mail screening and processing, centralized transportation and shuttle services, regional transit benefit programs, common contracting for custodial and other services, and leveraging strategic sourcing contracts and sharing of specialized facilities, such as training facilities and resources;

(F) manage the current Department Workspace Standard for Office Space in accordance with the Department office workspace design process to develop the most efficient and effective spaces within the workspace standard net usable square foot ranges for all leased for office space entered into on or after the date of the enactment of this section, including the renewal of any leases for office space existing as of such date;

(G) define, based on square footage, what constitutes a major real property acquisition;

(H) prioritize actions to be taken to improve the operations and management of the Department's real property inventory, based on life-cycle cost estimations, in consultation with component heads; and

(I) include any additional information determined appropriate or relevant by the Under Secretary for Management.

(2) *SECOND STRATEGY.*—The second 5-year strategy developed in accordance with paragraph (2) of subsection (a) shall include information required in subparagraphs (A), (B), (C), (E), (F), (G), (H), and (I) of paragraph (1) and information on the effectiveness of implementation efforts pursuant to the Department-wide policy required in accordance with subsection (c), including—

(A) *the impact of such implementation on departmental operations and costs; and*

(B) *the degree to which the Department established central Department locations and co-located Department components pursuant to the results of the examination required by subparagraph (D) of paragraph (1).*

(c) *IMPLEMENTATION POLICIES.—Not later than 90 days after the development of each of the regional real property strategies developed in accordance with subsection (a), the Under Secretary for Management shall develop or update, as applicable, a Department-wide policy implementing such strategies.*

(d) *CERTIFICATIONS.—Subject to subsection (g)(3), the implementation policies developed pursuant to subsection (c) shall require component heads to certify to the Under Secretary for Management that such heads have complied with the requirements specified in subsection (b) before making any major real property acquisition or recommendation, as defined by the Under Secretary, including entering into any new leases, renewing any existing leases, or agreeing to extend or newly occupy any Federal space or new construction, in accordance with the applicable regional real property strategy developed in accordance with subsection (a).*

(e) *UNDERUTILIZED SPACE.—*

(1) *IN GENERAL.—The implementing policies developed pursuant to subsection (c) shall require component heads, acting through regional property managers under subsection (f), to annually report to the Under Secretary for Management on underutilized space and identify space that may be made available for use, as applicable, by other components or Federal or State agencies through reimbursable or other agreements.*

(2) *EXCEPTION.—The Under Secretary for Management may grant an exception to the workspace standard net usable square foot ranges described in subsection (b)(6) for specific office locations at which a reduction or elimination of otherwise underutilized space would negatively impact a component's ability to execute its mission based on readiness performance measures.*

(3) *UNDERUTILIZED SPACE DEFINED.—In this subsection, the term "underutilized space" means any space with respect to which utilization is greater than the workplace standard net usable square foot ranges pursuant to subsection (b)(6).*

(f) *COMPONENT RESPONSIBILITIES.—*

(1) *REGIONAL PROPERTY MANAGERS.—Each component head shall identify a senior career employee of each such component for each geographic region included in the regional real property strategies developed in accordance with subsection (a) to serve as each such component's regional property manager. Each such regional property manager shall serve as a single point of contact for Department headquarters and other Department components for all real property matters relating to each such component within the region in which each such component is located, and provide data and any other support necessary for the DHS Regional Mission Support Coordinator strategic asset and portfolio planning and execution.*

(2) *DATA.—Regional property managers under paragraph (1) shall provide annually to the Under Secretary for Management, via a standardized and centralized system, data on each compo-*

nent's real property holdings, as specified by the Undersecretary for Management, including relating to underutilized space under subsection (e) (as such term is defined in such subsection), total square footage leased, annual cost, and total number of staff, for each geographic region included in the regional real property strategies developed in accordance with subsection (a).

(g) ONGOING OVERSIGHT.—

(1) IN GENERAL.—The Under Secretary for Management shall monitor components' adherence to the regional real property strategies developed in accordance with subsection (a) and the implementation policies developed pursuant to subsection (c).

(2) ANNUAL REVIEW.—The Under Secretary for Management shall annually review the data submitted pursuant to subsection (f)(2) to ensure all underutilized space (as such term is defined in subsection (e)) is properly identified.

(3) CERTIFICATION REVIEW.—The Under Secretary for Management shall review, and if appropriate, approve, component certifications under subsection (d) before such components may make any major real property acquisition, including entering into any new leases, renewing any existing leases, or agreeing to extend or newly occupy any Federal space or new construction, in accordance with the applicable regional real property strategy developed in accordance with subsection (a).

(4) CONGRESSIONAL REPORTING.—The Under Secretary for Management shall annually provide information to the Committee on Homeland Security of the House of Representatives, the Committee on Homeland Security and Governmental Affairs of the Senate, and the Inspector General of the Department on the Department's real property portfolio, including information relating to the following:

(A) A summary of the Department's real property holdings in each region described in the regional strategies developed in accordance with subsection (a), and for each such property, information including the total square footage leased, the total cost, the total number of staff at each such property, and the square foot per person utilization rate for office space (and whether or not such conforms with the workspace standard net usable square foot ranges established pursuant to subsection (b)(6)).

(B) An accounting of all underutilized space (as such term is defined in subsection (e)).

(C) An accounting of all instances in which the Department or its components consolidated their real property holdings or co-located with another entity within the Department.

(D) A list of all certifications provided pursuant to subsection (d) and all such certifications approved pursuant to paragraph (3) of this subsection.

(5) INSPECTOR GENERAL REVIEW.—Not later than 120 days after the last day of the fifth fiscal year covered in each of the initial and second regional real property strategies developed in accordance with subsection (a), the Inspector General of the Department shall review the information submitted pursuant to paragraph (4) and issue findings regarding the effectiveness of

the implementation of the Department-wide policy and oversight efforts of the management of real property facilities, personal property, mobile assets, equipment and the Department's other material resources as required under this section.

* * * * *

