

**Department of Homeland Security
DHS Directives System
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DHS ENGAGEMENT WITH AND SUPPORT TO STATE AND MAJOR URBAN AREA FUSION CENTERS

I. Purpose

This Instruction aligns with DHS Directive 262-05, "Information Sharing and Safeguarding," and DHS Directive 264-01, "Intelligence Integration and Management." This Instruction provides guidance for providing support to state and major urban area fusion centers, including adherence to the Federal Resource Allocation Criteria (RAC) policy and engagement in DHS governance processes.

II. Scope

This Instruction applies to all DHS employees, contractors supporting DHS, and employees detailed or assigned to support DHS. The Instruction does not supersede the authority of DHS Component Heads to develop internal policies or tasks for directing the management and activities of their organizations so long as such policies do not impede the execution of the responsibilities of the Under Secretary for Intelligence and Analysis as the Chief Intelligence Officer (CINT) and Senior Information Sharing and Safeguarding Executive (SISSE) for the Department.

This Instruction hereby supersedes and rescinds the Memorandum from Secretary Janet Napolitano, "DHS Policy for Support to State and Major Urban Area Fusion Centers," December 7, 2009.

III. References

- A. Title 6 U.S.C. § 121, "Information and Analysis and Infrastructure Protection."
- B. Title 6 U.S.C. § 124h, "Department of Homeland Security State, Local, and Regional Fusion Center Initiative."
- C. Information Sharing Environment Guidance (ISE-G) 112, "Federal Resource Allocation Criteria Policy," June 3, 2011.
- D. Federal Resource Allocation Criteria Policy Implementation Guidance, September 11, 2014.

- E. DHS Directive 262-05, "DHS Information Sharing and Safeguarding," September 4, 2014.
- F. DHS Directive 264-01, "Intelligence Integration and Management," June 12, 2013.
- G. DHS Instruction 262-05-001, "DHS Information Sharing Environment," September 12, 2014.
- H. DHS Instruction 264-01-001, "DHS Intelligence Enterprise," June 28, 2013.

IV. Definitions

- A. **Fusion Center Performance Program (FCPP)**: A program to measure the capability and performance of the National Network of Fusion Centers over time through the collection of standardized data. The FCPP provides an objective basis to demonstrate the value of fusion centers in supporting national information sharing and homeland security outcomes, and encourages continued coordination among interagency partners to effectively and efficiently support fusion centers.
- B. **National Network of Fusion Centers (NNFC)**: A decentralized, self-organizing national asset composed of designated state and major area fusion centers.
- C. **State and Major Urban Area Fusion Center**: The collaborative efforts of two or more state, local, tribal or territorial (SLTT) government agencies, and/or the collaborative efforts of a SLTT government agency with one or more federal agencies, that combines resources, expertise, or information to maximize the ability of such entities to detect, prevent, investigate, apprehend, and respond to terrorist activity or activities, criminal activity, or other threats to public safety. They serve as focal points within the state and local environment for the receipt, analysis, gathering, and sharing of threat-related information between the Federal Government and SLTT and private sector partners.

V. Responsibilities

- A. The **Under Secretary for Intelligence and Analysis (USIA)**, as the CINT and SISSE:
 - 1. With the advice of the Homeland Security Intelligence Council (HSIC), provides guidance and general direction on behalf of the Secretary for the Department concerning intelligence support from

the Department to federal, state, local, tribal, territorial, and private sector entities and officials, including intelligence, operational, and programmatic support to the NNFC;

2. Coordinates the Department's engagement with, and support to, state and major urban area fusion centers, including the prioritized deployment and allocation of resources;
3. Serves as Chair of the Information Sharing and Safeguarding Governance Board (ISSGB), the Department's senior governance and decision-making executive for all departmental coordination on information sharing and safeguarding issues;
4. Provides unified and cohesive programmatic and operational support to state and major urban area fusion centers, including the development and issuance of integrated planning, budgeting, and resourcing guidance in accordance with the federal RAC policy;
5. Provides a governance process for federal and Departmental engagement with, and support for, state and major urban area fusion centers and enables a consistent and unified approach to the development, implementation, and oversight of Departmental state and major urban area fusion center-related programmatic guidance and policies, as well as related projects and initiatives designed to support state and major urban area fusion centers; and
6. Provides recommendations on the assignment of personnel from Components to participating state and major urban area fusion centers to the respective Component Head and KIO for the assignee, and in consultation with the state and major urban area fusion center's principal officials.

B. The **Principal Deputy Under Secretary for Intelligence and Analysis (PDUSIA)** as the Chair of the Executive Steering Committee (ESC) for state and major urban area fusion centers and the Nationwide Suspicious Activity Reporting (SAR) Initiative (NSI) (see Appendix A):

1. Serves as the executive champion of the ESC mission;
2. Designates staff as necessary to administer routine operations of the Fusion Center and SAR ESC; and
3. Reports to the ISSGB on the activities of the Fusion Center and SAR ESC.

C. The **Fusion Center and SAR ESC:**

1. Ensures DHS-wide coordination, collaboration, integration, and support, including the prioritized allocation of resources for state and major urban area fusion centers, in accordance with the federal RAC policy;
2. Leads Department-wide efforts to implement the federal RAC policy in accordance with the federal RAC policy implementation guidance, including the alignment and prioritization of resource deployments to support state and major urban area fusion centers, as well as efforts to track and monitor implementation of the federal RAC policy;
3. Leverages Component efforts, including intelligence and operational elements, to implement DHS engagement with, and support for, state and major urban area fusion centers;
4. Ensures coordination with the HSIC for all intelligence-related matters pertaining to state and major urban area fusion centers;
5. Develops, manages, and tracks annual work plans for Departmental support to state and major urban area fusion centers on behalf of the ISSGB;
6. Coordinates and executes the annual FCPP by receiving and assessing data on state and major urban area fusion center capabilities and performance, as well as federal engagement with, and support for, state and major urban area fusion centers; and
7. Provides governance, oversight, and guidance regarding support for state and major urban area fusion centers and the NSI, as well as related projects and initiatives.

D. **Component Heads:**

1. Coordinate with the Fusion Center and SAR ESC for the provision of departmental programmatic, operational, and budgetary support to state and major urban area fusion centers;
2. Ensure representatives on the Fusion Center and SAR ESC have the authority to guide and/or implement policy and guidance promulgated by the ESC within their respective Components, including intelligence and operationally-focused elements, as appropriate;

3. Align Component initiatives, policies, and procedures, and, to the extent appropriate, use Component programs, resources and personnel to improve state and major urban area fusion centers' performance and capability to receive, gather, analyze, and disseminate information at the state, local, territorial, and tribal levels in accordance with DHS and federal interagency policy and guidance and based upon annual assessment results; and
4. In coordination and consultation with the USIA, and pending availability of appropriate Component resources, provide support to state and major urban area fusion centers, including, but not limited to, the deployment/assignment of personnel (officers, agents, and/or analysts), access to information and personnel that supports their intelligence and information sharing requirements, training, technical assistance, exercise support, security clearances, connectivity to federal systems, technology, and grant funding.

E. **The *DHS Chief Privacy Officer and the DHS Officer for Civil Rights and Civil Liberties*:**

1. Develop and provide the appropriate privacy and civil liberties training to all intelligence personnel assigned to fusion centers in accordance with Section 511 of the Implementing Recommendations of the 9/11 Commission Act of 2007; and
2. Maintain the appropriate training records and ensure intelligence personnel remain current on any required privacy and civil liberties training.

VI. Content and Procedures

A. **Engagement with State and Major Urban Area Fusion Centers:** The Federal Government relies on state and major urban area fusion centers as the primary focal points within the state and local environment for the receipt, analysis, gathering, and sharing of threat information and other homeland security-related activities.

B. **Governance:**

1. The Fusion Center and SAR ESC, acting subject to the guidance and direction of the ISSGB and in coordination with the HSIC, as appropriate, provides governance on DHS's engagement with, and support to, state and major urban area fusion centers and the NSI, as well as related projects and initiatives.

- a. The Fusion Center and SAR ESC ensures DHS-wide coordination, collaboration, and integration in its support to state and major urban area fusion centers, including coordinating these activities for Departmental support to state and major urban area fusion centers on behalf of the ISSGB.
 - b. The Fusion Center and SAR ESC aligns and prioritizes resource deployments to support state and major urban area fusion centers in accordance with the federal RAC policy and the federal RAC policy implementation guidance.
 - c. The FCPP is coordinated through the Fusion Center and SAR ESC.
2. The Fusion Center and SAR ESC coordinates with the HSIC for all intelligence-related matters pertaining to state and major urban area fusion center matters.

C. **Component Support to Fusion Centers:** In accordance with the federal RAC policy, Components support a sustained and coordinated Department-wide approach to engaging and supporting SLTT and private sector partners that participate in state and major urban area fusion centers.

1. In coordination and consultation with the USIA, Component Heads support state and major urban area fusion centers in the development and implementation of an information sharing environment, providing them with analytic and operational reporting advice, intelligence production guidance, expertise on Department resources and operations, exercises/operations support and analytic assistance, analytic tradecraft, and disseminating and safeguarding information, privacy, and civil liberties training.
2. Support to state and major urban area fusion centers includes the provision of resources, such as personnel, guidance, training, exercises, and classified systems access, that support efforts related to: receiving threat-related information; understanding the local implications of this information; rapidly identifying and disseminating threat-related information to other state, local, tribal, and private sector entities as circumstances merit; aggregating, blending, and analyzing information gathered from state, local, and tribal law enforcement; sharing state, local, and tribal law enforcement-generated information with federal authorities, as appropriate; protecting privacy and preserving civil rights and civil liberties; and, establishing a platform to support risk-based,

information-driven decision-making by federal, state, local, and tribal homeland security and law enforcement officials.

- D. **Compliance with Applicable Law and Policy:** All Departmental activities conducted in support of state and major urban area fusion centers comply with applicable requirements of the Constitution, statute, executive orders, presidential and other directives, international or domestic agreements, arrangements, and obligations, and national and departmental policy.

VII. Questions

Address questions or concerns regarding this Instruction to the Office of the Deputy Under Secretary for Intelligence Operations.

Appendix A: Fusion Center and SAR ESC Charter

Appendix B: Federal Resource Allocation Criteria (RAC) Policy

Appendix C: Federal Resource Allocation Criteria (RAC) Policy Implementation Guidance

(b) (6)

Feb 19, 2016

Date

Francis X. Taylor

Under Secretary for Intelligence and Analysis
DHS Senior Information Sharing and Safeguarding Executive
DHS Chief Intelligence Officer

Appendix A: Fusion Center and SAR ESC Charter

U.S. Department of Homeland Security

Executive Steering Committee Charter For
Fusion Centers and Suspicious Activity Reporting



Date: June 1, 2012; September 5, 2014 (Update 1.0); April 30, 2015 (Update 2.0)

Fusion Center and Suspicious Activity Reporting Executive Steering Committee Charter

PURPOSE

This Charter defines the mission, authority, membership, responsibilities, and operating principles for the Department of Homeland Security (DHS) Executive Steering Committee (ESC) for state and major urban area fusion centers ("fusion centers") and the Nationwide Suspicious Activity Reporting (SAR) Initiative (NSI).

BACKGROUND

In December 2009, the Secretary of the Department of Homeland Security, through a memorandum entitled "DHS Policy for Support to State and Major Urban Area Fusion Centers" called on the Office of Intelligence and Analysis (I&A) to "coordinate the Department's relationships with, and support to, fusion centers to ensure a collaborative approach to those centers by all DHS Components." The establishment of a Departmental effort to centrally coordinate its engagement with and support for fusion centers and the NSI has been identified by Congress, the Government Accountability Office, and the DHS Office of Inspector General as a significant opportunity to enhance the capabilities of fusion centers and integrate them into the broader Information Sharing Environment and Homeland Security Enterprise.

The ESC for fusion centers and SAR will provide a formalized governance process for the intra-departmental body to address current issues and coordinated support regarding DHS engagement with fusion centers and the NSI. Designed to enhance Departmental coordination for engaging with fusion centers and the NSI, the ESC will replace¹ previous informal efforts to champion Departmental efforts and will provide a unified approach to the development and implementation of programmatic guidance and policies. As state and locally-owned and operated entities, fusion centers serve as the key focal points within the state and local environment for the receipt, analysis, gathering, and sharing of threat-related information among federal, state, local, tribal, territorial (SLTT), and private sector partners. Fusion centers are uniquely situated to add significant value to customers within their area of responsibility (AOR) and at all levels of government by identifying, reporting, and analyzing SAR and providing a state and local context to help enhance the national threat picture and safeguard the Homeland.

Across DHS, Components are making considerable efforts to support fusion centers' needs and these efforts must be coordinated. This includes coordination of personnel and systems deployment to fusion centers, strategic messaging, intelligence support, training, technical assistance, and other support. Effective Departmental coordination ensures a consistent approach to supporting fusion centers and the NSI, and supports the implementation of a "One DHS" approach. Additionally, during times of fiscal restraint, alignment of Departmental resources is ever more critical to effectively and efficiently supporting fusion centers and the NSI.

¹ NSI engagement with SLTT partners is codified in the NSI SAR Data Repository Concept of Operations (CONOPS), which outlines the technical solution and associated user and training requirements supporting the NSI, and the Information Sharing Environment (ISE) Functional Standard 1.5.5. NSI engagement with DHS Components is codified in the DHS Privacy Impact Assessment (PIA) and the DHS ISE SAR CONOPS which outlines training requirements, technical applications, and applicable work groups that guide day to day execution of the program.

MISSION

The mission of the ESC is to provide effective governance, oversight, and guidance to Departmental engagement with and support for fusion centers and the NSI, as well as related projects and initiatives designed to support DHS's execution of its mission objectives.

ESC AUTHORITY

This ESC is chartered pursuant to the direction of the Information Sharing and Safeguarding Governance Board (ISSGB). This ESC has the authority to oversee all aspects of the execution of Departmental coordination related to engagement with and support to fusion centers and the NSI.

This ESC will execute its duties within the scope of this Charter, as informed by any applicable laws, regulations, DHS directives, DHS policies, and any additional assignments of responsibility from senior governance bodies. The ESC will ensure that the effort is aligned with applicable strategic goals and objectives established by the Department and senior governance bodies, including budgetary and programmatic guidance. The ESC will report to the ISSGB and coordinate through both the Information Sharing Coordinating Council (ISCC) and Law Enforcement Shared Mission Community (LE SMC). Furthermore, the ESC will ensure close coordination with the Homeland Security Intelligence Council (HSIC) to coordinate on DHS intelligence enterprise matters, and the Information Sharing and Access Interagency Policy Committee's (ISA IPC) Fusion Center and SAR Subcommittee² to coordinate with federal interagency partners on fusion center and NSI matters. As the need arises for decisions outside the scope of the ESC, the ESC will formulate recommendations for consideration by the appropriate senior decision-making authority.

In addition to performing its own work, the ESC may charter and oversee advisory bodies or working groups and direct the program to form such bodies as may be necessary to manage program execution activities.

The ESC will remain active until its authority is rescinded by the ISSGB.

MEMBERSHIP

ESC leadership and membership are designated by position. A roster of the individuals who hold those positions shall be maintained by the ESC and updated as necessary.

ESC members must have the authority to represent and make decisions on behalf of their offices/organizations, and are expected to fully participate in the work of the ESC. If principal members cannot attend, they will designate a single alternate to consistently participate on their behalf. The designated alternate should be from the same organization as the regular member and will have the same powers as the regular member at the ESC meeting.

Length of service is indefinite due to the critical nature of the ESC's work. However, ESC membership is subject to change at the direction of the ISSGB or by mutual agreement of the voting members based on the needs of the program.

² The Fusion Center and SAR Sub-Committee of the ISA IPC focuses on coordinating federal support to fusion centers and the NSI by providing the guidance and standards necessary to support interconnectivity to help ensure information sharing between and among fusion centers and all levels of government. The Sub-Committee is co-chaired by DHS and the FBI.

ESC Chair

Executive Director for Plans, Integration, and Evaluation, DHS Office of Intelligence and Analysis

ESC Members

Voting Members

Domestic Nuclear Detection Office
Federal Emergency Management Agency
Federal Law Enforcement Training Centers
Immigration and Customs Enforcement
National Protection and Programs Directorate/Office of Cybersecurity and Communications
National Protection and Programs Directorate/Office of Infrastructure Protection
National Protection and Programs Directorate/Federal Protective Service
Office of the Chief Information Officer
Office for Civil Rights and Civil Liberties
Office of Health Affairs
Office of Intelligence and Analysis
Office of Intergovernmental Affairs
Office of Operations Coordination and Planning
Office of Privacy
Science and Technology Directorate
Transportation Security Administration
U.S. Citizenship and Immigration Services
U.S. Coast Guard
U.S. Customs and Border Protection
U.S. Secret Service

Non-Voting Members

Management Directorate/Office of Security
Office of the General Counsel
Office of Policy/Homeland Security Advisory Council (*DHS Staff*)
Office of Policy/Office for State and Local Law Enforcement
Office of Policy/Private Sector Office

ROLES AND RESPONSIBILITIES

ESC Chair(s)

The Chair of the ESC will perform the following activities:

- Serve as the executive champion of the ESC's mission.
- Provide staff to serve as the executive secretariat of the ESC.
- Develop processes and priorities for the work of the ESC to ensure that relevant issues are elevated to the ESC and addressed promptly.
- Set the schedule, agenda, and guest list for ESC meetings with assistance from the ESC Secretariat and in consultation with the ESC members.

- Chair the ESC meetings:
 - Review action items
 - Facilitate discussion and collaboration
 - Identify consensus decisions or initiate voting
- Elevate unresolved issues, or issues outside the scope of ESC authority, to the appropriate senior governance body.
- Ensure appropriate reporting of program information and ESC activities and decisions to senior governance bodies, DHS headquarters components, and other stakeholders.
- Recommend ESC operational changes to the appropriate senior executives or governance bodies.

ESC Members

The duties of ESC members include, but are not limited to, the following:

- Provide strategic and tactical guidance; identify and communicate issues and concerns in a clear and timely manner.
- Act decisively to provide necessary assistance or make required changes to ensure program success.
- Serve as a liaison between the I&A National Programs and the member's functional area and/or organization.
- Execute activities, as assigned, in support of the ESC Chair(s) and/or the program.

Non-Members

The ESC Chair and members may invite subject matter experts to attend ESC meetings to present information and participate in discussions, as appropriate, subject to approval of the Chair. Members may also invite an appropriate number of support staff to attend ESC meetings in order to facilitate the members' ESC participation. Other observers may attend and participate in meetings at the discretion of the Chair. The Chair may exclude non-members in situations the Chair deems sensitive or inappropriate for non-member review, or if non-member attendance is not otherwise practical.

ESC Secretariat and Program Management Support

It is the duty of National Programs to communicate all relevant information to the ESC and elevate issues regarding which the Office requires assistance/resolution as soon as practicable. National Programs also will serve as the secretariat for the ESC, and perform the following activities:

- Maintain member rosters and distribution lists.
- Develop meeting agendas and recommend agenda priorities in conjunction with the Chair.
- Plan and schedule ESC meetings and meeting rooms.
- Consolidate and disseminate meeting agendas and briefing materials in advance of the meeting.
- Help the ESC adhere to criteria and thresholds for issue consideration, documentation requirements, and other procedures as established by the ESC.
- Establish, as necessary, topic specific steering groups or working groups on specific initiatives or activities.
- Track and report all ESC action items, decisions, and recommendations to conclusion.
- Coordinate initiatives with the HSIC and ISSGB, as appropriate, including the provision of tracking actions.
- Develop and disseminate all ESC meeting minutes and/or summary of conclusions.

ESC OPERATIONS

Meetings

- The ESC will meet quarterly, or at the request of its members and/or Department-wide councils.³
- The ESC will ensure documentation of the review and decisions, and provide the documentation through the appropriate mechanisms, including ESC distribution lists and Department executive secretariat processes.

Attendance, Quorum

- The Chair (or his/her designee), ESC Voting Members, I&A National Programs, and Secretariat are required to attend all meetings.
- ESC Voting Members must notify the Chair at least one day in advance of the meeting when unable to attend and are responsible for arranging for the attendance of an approved alternate.
- At a minimum, 60 percent of ESC Voting Members (either the approved regular or alternate members) must be in attendance to constitute a quorum for meeting and voting.

Decision Making

- The Chair will strive to reach decisions through consensus of the committee members. Once a consensus is reached, the Chair will clearly summarize the consensus decision, which will be recorded in the summary of conclusions.
- If the Chair determines that a consensus decision or recommendation cannot be reached within a reasonable time, the Chair may either call for a vote or escalate the issue to a senior decision authority.
- In the event of a vote, each ESC Voting Member (either the approved regular or alternate member) has one vote. The Chair does not vote except in the event of a tie, in which case the Chair may break the tie or decide to escalate the issue to a senior decision authority.
- The Chair may, as needed, invoke electronic comment and/or voting (or "E-Vote") via email or the ESC team site.

Communication

- Read-ahead information will be provided to the membership at least five business days in advance of meetings.
- Meeting minutes and action items will be distributed no later than three business days after the meeting. Members shall submit comments on the summary of conclusion within five business days after receipt. The summary of conclusion from the previous ESC meeting shall be reviewed and approved at the next subsequent ESC meeting.
- A teleconference line may be established for the ESC meetings at the discretion of the Chair.
- Non-members may be included on communications distribution lists for any reason deemed appropriate by the Chair.
- Members are responsible for ensuring awareness and participation resulting from ESC decisions and reporting to the ESC actions taken to ensure compliance in affected entities at HQ and outside of HQ elements.
- The ESC shall report its major activities and progress to the ISSGB and HSIC

³ E.g. ISCC, LESMC, Counterterrorism Advisory Board (CTAB), etc.

Appendix B: Federal Resource Allocation Criteria (RAC) Policy¹

ISE-G-112

INFORMATION SHARING ENVIRONMENT GUIDANCE (ISE-G) FEDERAL RESOURCE ALLOCATION CRITERIA (RAC)

Purpose

This document defines objective criteria to be used by federal agencies that provide direct support to state and major urban area fusion centers ("fusion centers") (herein referred to as federal fusion center support entities or FFCSE) when making federal resource allocation decisions to fusion centers.

Background

The Federal Government does not dictate where fusion centers should be built and maintained, nor does it designate fusion centers. However, the Federal Government has a shared responsibility with state and local governments to promote the establishment of a national network of fusion centers to facilitate effective information sharing. Since 2001, the Federal Government has provided significant grant funding, training, technical assistance, exercise support, federal personnel, and access to federal information and networks to support fusion centers. The Federal Government recognizes the importance and ability of state, local, tribal, and territorial (SLTT) governments to own, operate, and/or participate in fusion centers and respects that a fusion center's mission should be defined according to its jurisdictional needs. To ensure that information sharing efforts are optimized and barriers minimized, SLTT governments should define and document how their jurisdictions intend to carry out intrastate coordination to gather, process, analyze, and disseminate terrorism, homeland security, and law enforcement information (the "fusion process").

The *National Strategy for Information Sharing (2007)* ("NSIS") provides a Federal Government-wide approach to interfacing and collaborating with fusion centers. In furtherance of the NSIS goals, the Federal Government must clearly define the parameters for the allocation of federal resources to fusion centers in order to provide support in a manner that:

- Collectively supports the development of a national network of fusion centers; and
- Effectively balances the need for supporting SLTT, as well as federal, imperatives.

The Federal Government can accomplish this task through the implementation of specific, objective criteria for resource allocation by FFCSEs to fusion centers. Not only will established criteria help bring transparency into the process of allocating federal resources to fusion centers; it will also enable FFCSEs to prioritize support in order to enhance the national network of fusion centers.

¹ Available at http://www.ise.gov/sites/default/files/RAC_final.pdf

Criteria for Resource Allocation to Fusion Centers

FFCSEs will prioritize federal resource allocation across three categories. These categories (in order of primacy) and the corresponding prioritization criteria for resource allocation are detailed below.

Category 1: Criteria for Prioritization of Primary Fusion Centers

In each of the 50 states, the District of Columbia, and the five U.S. territories¹, there may be one primary fusion center. To be eligible for this category, a fusion center must be designated by the Governor² as the primary fusion center, pursuant to the joint Department of Homeland Security (DHS) and Department of Justice (DOJ) November 2007 fusion center designation letter, and this designation must be communicated to the Secretary of Homeland Security and the United States Attorney General.

A primary fusion center shall maintain the following criteria in order for FFCSEs to continue to prioritize it within this category for federal resource allocation:

- Designation as the primary fusion center by the Governor;
- Oversight and management by a state or local government agency;
- Receipt of DHS certification that privacy, civil rights, and civil liberties (P/CRCL) protections are in place that are determined to be at least as comprehensive as the Information Sharing Environment (ISE) Privacy Guidelines;
- Implementation of a plan and procedures to fulfill its responsibility as the focal point within the state and local environment for the receipt, analysis, gathering, and sharing of threat-related information³, and for the coordination and execution of the statewide fusion process, including all fusion centers and other SLTT partners in its state or territory; and
- Achievement and maintenance of the *Baseline Capabilities for State and Major Urban Area Fusion Center (Baseline Capabilities)*, as measured by the annual Baseline Capabilities Assessment (BCA).

Category 2: Criteria for Prioritization of Recognized Fusion Centers

The Federal Government respects the authority of state governments to designate fusion centers. Any designated fusion center, including major urban area fusion centers, not designated as a primary fusion center will be referred to as a recognized fusion center and included within this category for resource allocation, as appropriate.

A recognized fusion center shall maintain the following criteria in order for the fusion center to continue to be eligible for federal resource allocation within this category:

- Designation as a fusion center by the Governor;
- Oversight and management by a state or local government agency;

¹ The five territories are American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands.

² For the District of Columbia, the Mayor may designate the primary fusion center.

³ "State and major urban area fusion centers will be the focus, but not exclusive points, within the State and local environment for the receipt and sharing of terrorism information, homeland security information, and law enforcement information related to terrorism." *National Strategy for Information Sharing, A1-1*

- Implementation of a plan and procedures to work in conjunction with the primary fusion center, as part of the statewide fusion process;
- Achievement and maintenance of the Baseline Capabilities; and
- Receipt of DHS certification that P/CRCL protections are in place that are determined to be at least as comprehensive as the ISE Privacy Guidelines.

Category 3: Criteria for Prioritization of Nodes

A state may leverage its criminal intelligence units, real-time crime analysis centers, and other law enforcement or homeland security analytic centers that have not been designated as fusion centers by state governments. These nodes can provide valuable support to the statewide fusion process by coordinating with the primary fusion center and recognized fusion centers in the geographic area, thereby participating in intrastate coordination. Nodes are encouraged to achieve the *Baseline Capabilities*, as they pertain to their operations. Additionally, nodes are encouraged to maintain all applicable P/CRCL protections.

Implementation of Resource Allocation Criteria

FFCSEs provide support and resources to fusion centers in order to achieve and sustain the *Baseline Capabilities*. These resources include, but are not limited to, deployed personnel, connectivity with federal data systems, training, technical assistance, exercise support, grant programs, and national and regional workshops and conferences. The goal of these criteria is to enable FFCSEs to prioritize resource allocation to fusion centers. Within the context of this policy, federal mission needs may also inform the allocation of resources provided by FFCSEs.

While prioritization for federal support and resources is dependent upon achieving and maintaining fusion center resource allocation criteria, meeting these criteria does not guarantee the provision of funding. Federal agency support will be contingent upon available resources.

Primary Fusion Centers

Because primary fusion centers are designated by state Governors as the focal points within the state and local environment for the receipt, analysis, gathering, and sharing of threat-related information and have additional responsibilities related to the coordination of critical operational capabilities across the statewide fusion process with recognized fusion centers and nodes, the highest priority for the allocation of federal resources to fusion centers shall be directed to primary fusion centers. FFCSEs are committed to deploying personnel and establishing connectivity with federal data systems to primary fusion centers with the understanding that once resources are obligated by federal partners, they may not be immediately replaceable if the fusion center moves or relocates. In addition, primary fusion centers will be eligible to receive joint DHS/DOJ Fusion Process Technical Assistance Program services, as well as other training and exercise services directly related to the fusion process. Primary fusion centers will also receive invitations to National Fusion Center Conferences and Regional Workshops. Primary fusion centers will remain eligible for state and Urban Areas Security Initiative (UASI) grant programs, as applicable. When available resources are limited, FFCSEs may prioritize the allocation of resources to those fusion centers within this category based on the fusion centers'

demonstrated ability to achieve and maintain the *Baseline Capabilities* and collocation with existing federal resources at fusion centers.

Recognized Fusion Centers

Recognized fusion centers will be eligible to receive deployed personnel and connectivity to federal data systems, as available. They will be eligible to receive joint DHS/DOJ Fusion Process Technical Assistance Program services only when a request is submitted and approved through the primary fusion center or the Homeland Security Advisor. Recognized fusion centers will also be eligible to receive invitations to National Fusion Center Conferences and Regional Workshops only when a request is submitted and approved through the primary fusion center or the Homeland Security Advisor. Recognized fusion centers will remain eligible for state and UASI grant programs, as applicable. When available resources are limited, FFCSEs may prioritize the allocation of resources to those fusion centers within this category based on the fusion centers' demonstrated ability to achieve and maintain the *Baseline Capabilities* and collocation with existing federal resources at fusion centers.

Nodes

Nodes will receive access to deployed personnel and federal data systems through the primary and/or recognized fusion centers. They may be eligible to receive specialized fusion center training and technical assistance services, as applicable, and invitations to other conferences and workshops only when a request is submitted and approved through the primary fusion center or the Homeland Security Advisor. Nodes will remain eligible for state and UASI grant programs, as applicable.

Effective Date and Expiration. This ISE-G is effective immediately and will remain in effect as the Federal Resource Allocation Criteria (RAC) until updated, superseded, or cancelled.

(b) (6)

(b) (6), (b) (7)(E)

Program Manager for the
Information Sharing Environment

Date: June 3, 2011

Appendix C: Federal Resource Allocation Criteria (RAC) Policy Implementation Guidance

Implementation Guidance for the Federal Resource Allocation Criteria Policy

Background

In June 2011, the Program Manager for the Information Sharing Environment (PM-ISE) issued [ISE Guidance ISE-G 112, Federal Resource Allocation Criteria \(RAC\) Policy](#). This policy was developed with extensive participation from across the Federal Government and was facilitated through the [Fusion Center and Suspicious Activity Reporting \(SAR\) Sub-Committee of the Information Sharing and Access Interagency Policy Committee \(ISA IPC\)](#)¹ and the full ISA IPC. The Federal RAC Policy defines objective criteria and a coordinated approach for prioritizing the allocation of federal resources to fusion centers. This includes delineating the difference between a primary and recognized fusion center, as primary centers are the highest priority for the allocation of available federal resources, including the deployment of personnel and connectivity with federal data systems.

In December 2012 the *National Strategy for Information Sharing and Safeguarding* was released. This Strategy, which is anchored on the 2010 *National Security Strategy* and builds upon the 2007 *National Strategy for Information Sharing*, provides guidance for more effective integration and implementation of policies, processes, standards, and technologies to promote secure and responsible national security information sharing. Subsequently, the *Strategic Implementation Plan for the National Strategy for Information Sharing and Safeguarding* was issued in December of 2013. This document provides a higher-level overview and more detailed implementation plan for the Strategy, and is intended to assist in briefing senior policy makers on plans, progress, and performance related to achieving the vision of the NSISS. Priority Objective 16 in the *Strategic Implementation Plan* focuses on fusion centers and includes an activity that states “In Q3-Q4 of FY14, DHS is to issue implementation guidance for the Federal RAC Policy.”

Objective

The purpose of the Federal RAC Policy is to define specific, objective criteria and establish a transparent, consistent, and coordinated approach for prioritizing the allocation of federal resources to fusion centers. A variety of federal departments and agencies provide direct support to fusion centers (referred to as federal fusion center support entities [FFCSE]). By looking strategically at how support is provided from across the Federal Government, FFCSEs may capitalize on combined investments and avoid unnecessary redundancy. The prioritized resource allocation established through the criteria in the Federal RAC Policy enables the Federal Government to concentrate resources in a manner that will improve the efficiency and efficacy of its support to fusion centers.

The criteria set forth in the Federal RAC Policy further enable the concepts in foundational information sharing guidance, including the *National Strategy for Information Sharing* (2007), *Baseline Capabilities for State and Major Urban Area Fusion Centers* (2008), and the *National Strategy for Information Sharing and Safeguarding* (2012). The implementation of the Federal RAC Policy also enables fusion centers to mature

¹ In 2014, the Fusion Center Sub-Committee of the Information Sharing and Access Interagency Policy Committee (ISA IPC) merged with the Suspicious Activity Reporting Sub-Committee of the ISA IPC and became the Fusion Center and Suspicious Activity Reporting Sub-Committee of the ISA IPC.

their capabilities in order to effectively execute the statewide fusion process. In the face of increasing demands and limited resources, continued implementation of the Federal RAC Policy is a key step in establishing coordinated, long-term sustainment of the National Network of Fusion Centers National Network).

Overview of Implementation Approach

In accordance with the FY 2014 ISE Programmatic Guidance, which requires all ISE agencies to provide DHS with “an inventory of all the steps agencies have taken to align resource decisions to the Federal RAC Policy,” the Department of Homeland Security Office of Intelligence and Analysis (I&A) State and Local Program Office issued a survey to ISE members, analyzed the results, and issued the “Federal Resource Allocation Criteria Policy Questionnaire: Results” in October of 2013 which detailed Federal RAC Policy implementation efforts. The findings identified activities FFCSEs have undertaken to implement the Federal RAC Policy within their organizations and also identified associated gaps and challenges. The results indicate three main challenges facing the successful implementation of the Federal RAC Policy:

1. The lack of documented plans has yielded a lack of consistency and formality in implementation, leading respondents to prioritize other guidance and mission needs over the Federal RAC Policy.
2. The lack of resources (inclusive of reductions in budgets and personnel) has impacted the availability of resources that agencies/components have to allocate to fusion centers; thus impacting their ability to fully adhere to or comply with the Federal RAC Policy.
3. Some agencies do not provide direct support to fusion centers making adhering to the policy a challenge.

The resulting report recommended that *Federal RAC Policy Implementation Guidance* address the development of documented implementation plans and formal tracking mechanisms, while taking into account the limited resources and competing mission priorities faced by the participating agencies. Therefore, the purpose of the *Federal RAC Policy Implementation Guidance* is two-fold:

1. To offer best practices and recommendations about how to better develop, implement, and adhere to the Federal RAC Policy to guide resource allocation, and
2. Provide recommended approaches for tracking and monitoring Federal RAC Policy implementation activities.

Implementation Guidance

Many agencies have developed plans, policies, and standard operating procedures (SOPs) designed to align to and implement the Federal RAC Policy. Additionally, many agencies collect, monitor, and report data on their efforts to support fusion centers in accordance with the Federal RAC Policy. The following provides recommended guidance, based upon best practices and existing tracking and reporting processes, to assist in these efforts and ensure common and consistent implementation of the Federal RAC Policy.

A. Programmatic Implementation

1. Federal RAC Policy Awareness and Training

- All FFCSEs² should ensure their respective agencies/offices are aware of the Federal RAC Policy, its purpose, and interagency initiatives that align to or are impacted by the Federal RAC Policy, including: the Fusion Center Performance Program, the annual fusion center assessment, the annual fusion center federal cost inventory, and the annual fusion center final report.
- Personnel in operational, intelligence, and investigative elements of an agency that work with or on fusion center-related programmatic, policy, and budget activities should receive an overview briefing on the Federal RAC Policy.
 - This overview should be provided to:
 - Operational, intelligence, and investigative elements of a FFCSE, and
 - Both headquarters and field elements of a FFCSE.
- Overview briefings on the Federal RAC Policy should be offered by each agency annually as a refresher for existing and new personnel, as defined above.

2. Implementation Plan

- All FFCSEs should ensure they have a plan for the implementation of the Federal RAC Policy and how it aligns to and/or prioritizes the allocation of resources to fusion centers in accordance with the agencies' mission focus and priorities.
- All FFCSEs should identify the requirements and priorities of fusion centers that align with the FFCSE's mission focus.
- All FFCSEs should ensure the plan addresses and/or integrates:
 - Both headquarters and field elements of a FFCSE.
 - The roles and interaction of operational, intelligence, and investigative elements of a FFCSE.
 - All appropriate elements of the FFCSE's planning and budgetary processes (such as planning, programming, budgeting/execution, and evaluation).
- The plan should address the following topics:
 - Provision of resources and support to fusion centers, including:
 - Deployment of personnel and/or information systems/technology;
 - Delivery of training or technical assistance;
 - Access to systems and/or databases;
 - Sharing of analytic and situational awareness products;
 - Development of joint production;
 - Participation in analytic exchanges; and
 - Attendance at various meetings, workshops, seminars, etc.
 - Process to track and monitor activities associated with the implementation of their plan.
- All FFCSEs should ensure their plan is available to federal and SLTT partners.
- All FFCSEs should ensure they have a process and point of contact to collect feedback on their plan from both federal and SLTT partners.

² FFCSEs are defined as federal departments and agencies that provide support to fusion centers including, but not limited to: deployed personnel, training, technical assistance, exercise support, security clearances, connectivity to federal systems, products/data, technology, and grant funding.

- All FFCSEs are also encouraged to share their plans with the Fusion Center and Suspicious Activity Reporting Sub-Committee of the ISA IPC to enhance coordination, solicit feedback from federal partners, capitalize on combined investments, and avoid unnecessary redundancy.

B. Tracking, Monitoring, and Reporting

- All resources supporting fusion centers should be tracked according to:
 - Headquarters Support;
 - Support for Primary Fusion Centers (Federal RAC Policy Category 1); and
 - Support for Recognized Fusion Centers (Federal RAC Policy Category 2).³
- All resources supporting fusion centers should be tracked in accordance with the fiscal year.
- FFCSEs are also encouraged to delineate whether resources supporting fusion centers are National Intelligence Program (NIP) resources.
- Data collected on resources primarily supporting fusion centers should be captured based upon the following categories:
 - **Information Systems/Technology:** The Information Systems/Technology category includes technology equipment and services necessary to perform assigned missions or tasks (e.g., information sharing and analysis). This category includes both purchased and leased systems, equipment, or licenses that are incurred or planned. Examples of such support include:
 - *Software*— relational databases, mapping/geographic information system, etc. (only if purchased to primarily support fusion centers activities)
 - *Hardware*— Homeland Secure Data Network (HSDN) (installation and annual maintenance costs), Homeland Secure Information Network (HSIN) Intel, Secure Video Teleconference (SVTC), FBI Net
 - *Audio Visual*— projectors
 - *Communications*— secure phones
 - **Management and Administration:** The Management and Administration category includes information on basic office equipment (e.g., safes, shredders, copiers, etc.) and supplies, facilities, and leases that are incurred or planned and are primarily targeted to support fusion center activities. Examples of such costs include:
 - *Office Equipment/ Supplies*— include publication costs (unless these costs are captured elsewhere, such as publication costs to support training or exercises)
 - *Facilities*— leases, utilities, etc.
 - **Training, Technical Assistance, Exercises, and Workshops/Seminars:** All training, technical assistance, exercise, and workshop/seminar costs should be accounted for at the headquarters level since headquarters elements manage and coordinate all federally provided training, technical assistance, exercises, and workshops/seminars for fusion centers. This category includes information on non-personnel related costs associated with: 1) the development, or delivery, of fusion center related training; 2) the development, execution of, or participation in exercises; or, 3) the development and delivery of conferences, workshops, fellowships, and associated costs (e.g., travel costs, training fees, training/exercise books or other materials, temporary facility or venue costs). Examples of such costs include:

³ The current list of primary and recognized fusion centers is located at <http://www.dhs.gov/fusion-center-locations-and-contact-information>.

- *Training and Technical Assistance Program;*
- *Exercise Program;*
- *Workshops/Seminars.*
- **Programmatic:** Programmatic Costs category includes information on costs that a headquarters element provides to the field and only includes costs that are incurred or planned that are primarily targeted to support fusion centers. Examples of such costs include:
 - *Security Clearance Sponsorship*– for state and local personnel assigned to fusion centers;
 - *Travel* – includes travel costs that are not captured elsewhere, such as costs already captured under training, technical assistance, and exercises
- **Personnel:** The Personnel category includes those full and part time personnel (both federal and contract support) whose mission is specifically targeted to support fusion centers. This includes personnel deployed to primary and recognized fusion centers, as well as headquarters personnel who primarily support the National Network. To allow for the standardized reporting of personnel supporting the fusion centers, personnel numbers should be utilized in lieu of costs which could vary between agency and location.
 - Personnel should be tracked by:
 - Role at fusion centers and supporting the National Network (i.e., Intelligence Analyst, Investigator/Agent, Program Manager)
 - Allocation of time, in accordance with the following parameters:
 - *Full-time:* Individual is dedicated to fusion center activities and is not otherwise assigned to another task force or activity
 - *Part-time:* Individual is on-site and has a dedicated workspace in the fusion center or headquarters for fusion center activities for a minimum of 16 hours per week

The above categories align with the annual Federal Cost Inventory process and tracking this data in a common and consistent manner will simplify annual reporting process. The advantages of implementing the above tracking, monitoring, and reporting mechanisms will not only help each agency have a clear understanding of how their resources support the National Network, but will also provide comprehensive insight on the overall Federal investment in fusion centers.

Conclusion

The *Federal RAC Policy Implementation Guidance* is based on direct feedback from federal partners received via the *Federal Resource Allocation Criteria Policy Questionnaire: Results* and is intended to increase FFCSE's implementation and compliance with the Federal RAC Policy. The *Implementation Guidance* provides FFCSEs with a common and consistent approach to implement the Federal RAC Policy by offering best practices on the development and implementation of plans to guide resource allocation and the recommended approaches for tracking and monitoring implementation activities, while taking into account the limited resources and competing mission priorities faced by FFCSEs. An increase in FFCSE adherence to the Federal RAC Policy will enhance and streamline federal efforts to support the National Network and allow the Federal Government to concentrate the allocation of limited resources where they are most needed and will have the most significant impact on both the fusion center and FFCSE missions to protect the homeland.