TO All State Administrative Agency Heads  
All State Administrative Agency Points of Contact  
All Core City/Core County Points of Contact  
All State Homeland Security Directors  

FROM: C. Suzanne Mencer  
Executive Director  

SUBJECT: Allowable Information/Intelligence Analysis Activities Under the Fiscal Year  
2005 Homeland Security Grant Program  

On December 2, 2004, the Office for Domestic Preparedness (ODP) issued the Fiscal Year (FY)  
2005 Homeland Security Grant Program (HSGP) Program Guidelines and Application Kit. The  
program guidelines include information on allowable activities under the Urban Areas Security  
Initiative (UASI) and the Law Enforcement Terrorism Prevention Program (LETPP).  

The FY05 HSGP guidance states that grantees may use no more than 25% of the gross amount of  
FY05 UASI and LETPP awards to support select operational activities. **Allowable operational  
activities in FY05 for these two programs include a new line item for the hiring of  
contractors/consultants for participation in information/intelligence sharing groups or  
intelligence fusion centers.** This operational cost category was added in recognition of the fact  
that many states and local jurisdictions are dedicating significant resources to establishing and  
sustaining fusion centers to facilitate the collection, analysis, and dissemination of homeland  
security information. This allowable operational cost applies to both FY04 and FY05 UASI and  
LETPP funding.  

Homeland security is now considered to be part of the core public safety mission of state, tribal,  
and local governments. As such, grantees may not use ODP funds to hire permanent staff for  
operational activities to perform these responsibilities or to supplant ongoing, routine public  
safety activities of state and local law enforcement.