

Department of Housing and Urban Development

Salaries and Expenses

The core mission of the U.S. Department of Housing and Urban Development (HUD) is to help Americans achieve the dream of homeownership, support community development and increase access to affordable housing free from discrimination. By working closely with other Federal, state and local governments, Public Housing Agencies faith-based and community organizations, and the private sector, HUD provides a coordinated and comprehensive response to America's housing and community development needs. HUD's fiscal year 2009 budget for personal and non-personal services account will support the Secretary's goals to:

- Preserve and promote homeownership by addressing sub-prime mortgages;
- Strengthen communities by increasing homeownership opportunities;
- Ensure housing assistance for those in need;
- Make further progress towards ending chronic homelessness; and
- Continue the trend of improving the Department's management and performance.

The Salaries and Expenses (S&E) account consists of 8 separate appropriations and contains all operating expenses which are used to execute HUD's day-to-day financial operations and allow personnel to carry out a wide variety of Departmental programs. The Secretary of HUD intends to focus HUD's limited resources to help homeowners avoid foreclosure, and wherever possible provide assistance and counseling to help ensure as many people as possible are allowed to stay in their homes. The 2009 budget was developed to assist in addressing the collapse of the major lending institutions caused by unsound sub-prime lending. HUD believes the new workload resulting from the financially disastrous impact of sub-prime lending will require significant funding increases. In 2001, sub-prime loans represented 5.4 percent of the estimated \$2.2 trillion in mortgage loans in U.S., reported by Freddie Mac. By 2006, U.S. mortgage loans totaled about \$3 trillion, with sub-prime loans representing 20 percent of that market. HUD will require the full requested amount in order to be able to take on the additional workload from FHA refinancing resulting from sub-prime lending and potential foreclosures. The damage to the housing market will not be limited to the single family home market, and will no doubt have an impact on the multifamily home market as well. Additional non-personnel funding will allow HUD to confront these challenges and mitigate the potential damage that is likely to ensue. Furthermore, 90 percent of HUD non-personnel funding is utilized to pay for personal services (80 percent) and rent/communications/utilities (10 percent). Of the remaining 10 percent of funding, 4 percent pays for mandatory contractual services such as building security and maintenance. The 6 percent that remains is what HUD has at its disposal to operate from more than 80 field offices that oversee 3,100 PHA's, and service more than an estimated 2.5 million low- and moderate-income households that utilize HUD services. Finally, HUD is at or near the bottom for non-personnel funding when compared to agencies of a similar cabinet level agencies on a per FTE basis.

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As shown below, HUD is requesting an increase to its budgetary S&E resources. This equates to \$1,290,000 thousand and 8,650 FTE requested for the S&E Account for fiscal year 2009.

HUD Salaries and Expenses and Full-time Equivalent Staffing Allocation

	<u>Actual FY 2007</u>	<u>FTE</u>	<u>Enacted FY 2008</u>	<u>FTE</u>	<u>Request FY 2009</u>	<u>FTE</u>	<u>Increase + Decrease - 2009 vs 2008</u>	<u>FTE Increase + Decrease - 2009 vs 2008</u>
(Dollars in Thousands)								
Executive Direction:								
Personal Services.....	...		\$22,784		...		-\$22,784	
Non-Personal Services.....	...		<u>2,102</u>		...		<u>-2,102</u>	
Subtotal.....	...		24,886	[170]	...		-24,886	...
Administration, Operations and Management:								
Personal Services.....	...		259,606		\$284,538		+24,932	
Non-Personal Services.....	...		<u>234,117</u>		<u>261,678</u>		<u>+27,561</u>	
Subtotal.....	...		493,723	2,206	546,216	2,231	+52,493	+25
Personnel Compensation and Benefits:								
Housing/Federal Housing and Administration.....	...		334,450	3,108	354,299	3,142	+19,849	+34
Public and Indian Housing.....	...		173,310	1,513	190,341	1,589	+17,031	+76
Government National Mortgage Association.....	...		8,250	69	8,560	69	+310	...
Community and Planning Development.....	...		90,310	815	95,035	818	+4,725	+3
Policy Development and Research	...		16,950	141	19,829	146	+2,879	+5
Fair Housing and Equal Opportunity.....	...		63,140	596	67,905	601	+4,765	+5
Healthy Homes and Lead Hazard Control.....	...		<u>6,980</u>	<u>50</u>	<u>7,815</u>	<u>54</u>	<u>+835</u>	<u>+4</u>
Subtotal.....	...		693,390		743,784		+50,394	
Grand Total.....	\$1,141,942 a/	8,354 a/	1,212,000 b/	8,498	1,290,000 c/	8,650	+78,000	+152

a/ The fiscal year 2007 appropriation is in a single account structure.

b/ The fiscal year 2008 budget required the S&E budget to be executed with 9 separate accounts.

c/ The fiscal year 2009 budget proposes the elimination of the Executive Direction Account, thereby reducing the S&E accounts to 8 separate accounts.

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Although HUD received an increase in funding in fiscal year 2008, the budgets of the prior 3 years required the Department to absorb mandatory increases for both personnel and non-personnel costs, thus eroding the base funding level for typical S&E activities. For example, the Department operated in fiscal year 2007 at levels comparable to fiscal year 2005 for most of its non-personnel budget object classes, such as travel, furniture, and other services. The Department continues to feel the impact from the 3 years of absorbing inflationary increases, and HUD requests that the fiscal year 2009 budget be considered in this framework. It should be known that the vast majority, approximately 90 percent, of HUD's funding for S&E activities are expended on payroll and benefits (BOCs 1100 and 1200) and GSA Rent and utilities (BOC 2300). Both the President's request level for fiscal year 2008 and this fiscal year 2009 request comprise similar percentages by BOC, as the following chart demonstrates:

**FY 2008 and 2009 Comparisons
(Dollars in Millions)**

Object Class	FY 2008		FY 2009	
	Dollar Amount	Percent of Total Appropriation	Dollar Amount	Percent of Total Request
1100 Personnel Costs.....	\$976.3	80.6%	\$1,028.4	79.8%
2100 Travel.....	18.0	1.5%	22.6	1.8%
2200 Transportation of Things.....	0.3	0.0%	0.3	0.0%
2300 GSA Rent.....	132.1	10.9%	136.2	10.6%
2400 Printing.....	3.7	0.3%	4.1	0.3%
2500 Other Services.....	71.5	5.9%	85.9	6.6%
2600 Supplies.....	4.6	0.4%	4.4	0.3%
3100 Furniture and Equipment.....	4.0	0.3%	6.9	0.5%
4200 Claims and Indemnities.....	1.0	0.1%	1.2	0.1%
Total.....	\$1,212.0	100%	\$1,290.0	100%

As shown above, the comparison from fiscal year 2008 to fiscal year 2009 shows HUD is requesting a proportionate increase to its budgetary S&E resources. This equates to \$1,290,000 thousand requested for the Salaries and Expenses Account for fiscal year 2009.

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This level of funding reflects an increase of \$78,000,000 and 152 FTE over the appropriated fiscal year 2008 funding level. A chart listing a crosswalk from fiscal year 2008 to fiscal year 2009 follows:

Item	FY 2008 Original Base	FY 2008 Adjustments to Base	Revised Total	FY 2009 Request	Increase + Decrease -
FTE.....	8,498			8,650	+152
Personnel Costs..... a/	\$976.3	\$34.5	\$1,010.8	\$1,028.4	+\$17.6
Travel.....	18.0	.4	18.4	22.6	+4.2
Transportation of Things.....	0.3	-	0.3	0.3	-
GSA Rent.....b/	132.1	4.1	136.2	136.2	-
Printing.....	3.7	-	3.7	4.1	+0.4
Other Services.....	71.5	1.4	72.9	85.9	+13.0
Supplies.....	4.6	-	4.6	4.4	-0.2
Furniture and Equipment.....	4.0	.1	4.1	6.9	+2.8
Claims and Indemnities.....	1.0	-	1.0	1.2	+.2
Total.....	\$1,212.0	\$40.5	\$1,252.0	\$1,290.0	\$38.0

a/ Adjustments to Base includes mandatory pay raise of 3.5 percent in 2008 and 2.9 percent in 2009.

b/ A 2.5 percent inflation factor utilized.

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Adjustments to Base (+\$40.5 million)

In order to fully fund the fiscal years 2008 and 2009 pay raises for 8,498 employees in fiscal year 2009, the Department will require an additional \$34,500,000. This is based upon a 3.5 percent pay raise in 2008 and a 2.9 percent pay raise in fiscal year 2009. Additionally, this number includes other increases to base level requirements of supporting our staff, such as health and retirement benefits, terminal leave payments, transit subsidies for Headquarters and Field offices, student loan repayment, flexible spending account fees, awards, and relocation costs. Finally, inflationary adjustments for non-personnel items such as rent, travel, furniture, and transportation equate to an additional \$6 million in base requirements in 2009.

<u>Personal Services</u>	<u>FTE</u>	<u>S&E Cost (In Thousands)</u>
2007 Actual.....	8,354	\$919,027
2008 Enacted.....	8,498	975,781
<u>Changes Due to</u>		
Additional Workdays (-1)...		(3,502)
2009 January Pay Raise.....		21,317
2008 January Pay Raise.....		8,257
Staffing Increase/Decrease.	152	16,964
Other benefit changes.....		<u>9,605</u>
2009 Request.....	8,650	1,028,422

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Enhancements

Personnel Increase: 152 FTE and \$18.1 million

The Department is requesting additional funding for full-time equivalent positions in the following program areas:

<u>Program Office</u>	<u>2008 Funded</u>	<u>2009 Proposed</u>	<u>Change</u>
Public and Indian Housing.....	1,513	1,589	+76
Community and Planning Development.....	815	818	+3
Housing.....	3,108	3,142	+34
Policy Development and Research.....	141	146	+5
Fair Housing and Equal Opportunity.....	596	601	+5
Healthy Homes and Lead Hazard Control.....	50	54	+4
Chief Financial Officer.....	211	216	+5
Administration.....	614	649	+35
Chief Procurement Officer.....	116	117	<u>+1</u>
Field Policy and Management.....	399	383	-16
Total Increase.....			152

Specific justification for FTE increases are as follows:

HUD estimates the cost of personnel expenses for fiscal year 2009 to be \$1,028 million. This level of funding would allow HUD to fund an FTE staffing level of 8650 employees, which HUD believes to be a critical level of support for fiscal year 2009 operations. To fund this level of personal services, HUD will require an additional \$18.1 million in personal services funding. Not allowing HUD to fund this level of FTE would have detrimental effects on this agency's ability to both respond to the current challenges presented by the downturn of the American housing market, and fulfill its basic stewardship role over its program resources.

- Public and Indian Housing (PIH) administers over \$22 billion (64 percent of HUD's annual budget) with only 1,513 (18 percent) of the Department's FTE. PIH's workload requires an increase of 76 FTE. PIH will place the majority of the requested FTE in its HUBs and Program Centers for increased workload associated with implementation of Asset Management and program monitoring. Under asset management, monitoring will be performed at the property level, as opposed to the PHA level, and has traditionally been the practice. PIH's monitoring workload will effectively increase from overseeing 3,100 PHAs to oversight of 8,000 property groupings consisting of 14,000 properties. This transition will allow PIH to perform project-based accounting, budgeting, and management, providing the Department with more accurate information on the costs of operating public housing. Asset management also permits the Department to focus on the performance of each asset. While this approach will improve the management and quality of public housing, it will require additional staff to provide increased oversight of physical housing conditions for the 1.3 million households involved. Additional workload increases are expected as asset management uncovers additional "troubled" properties. Also associated with asset management is an expected increase in demolition and disposition applications as PHAs evaluate the viability of individual projects. Additional staffing requirements will also be utilized in

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the Office of Native American Programs to support an increase in grants awarded and associated workload to assist tribes as they implement, collect and analyze data, and report results of their programs and in the Office of Public Housing and Voucher Programs to support new program requirements, an increased role in legislative and regulatory efforts, and post-Katrina and other disaster recovery efforts.

- Housing requests 34 additional FTE for the Insured Healthcare Facilities to offset the termination of support that has been available for many years under an Inter-Agency Agreement (IAA) with the Department of Health and Human Services, and to help confront the contamination of the financial market that has occurred as a result of the sub-prime mortgage crisis. The Office of Housing will confront this situation by implementing FHA reform, or Modernization which will enable FHA to reach more prospective borrowers and allow millions more low- and moderate-income families to achieve the American dream of homeownership. This important initiative will bring FHA into the 21st Century and offer hard-working Americans a variety of safe homeownership options at a fair price. FHA was created in 1934 to give homebuyers access to reasonably priced mortgages under fair terms. Over the years, it has been able to help more than 34 million families become homeowners and now it needs to be able to adapt to today's marketplace.
- Policy Development and Research (PD&R) requests 5 additional FTE. Two of these positions will be located in the field for economists to perform an increased number of analyses, evaluations, and reviews to improve local market intelligence and relieve Headquarters workload. PD&R also requests 3 additional FTE in Headquarters with 2 FTE to support improved oversight of Fannie Mae and Freddie Mac and 3 FTE to increase research and evaluation of HUD programs. The research and economic intelligence work focus on ensuring timely completion of the new housing goal regulation (for 2009 through 2012) for the GSEs (including Fannie Mae), increased field economist participation in evaluating FMRs due to the declining value of RDD telephone surveys, increased use of economists in post-disaster evaluations of housing markets to support emergency housing and disaster recovery programs as well as, the need to increase the number of comprehensive market and data analyses completed in the field.
- CFO is requesting 5 FTE for the Office of the Chief Financial Officer to implement the HUD Integrated Financial Management Improvement Project (HIFMIP). The acquisition team is currently reviewing "best and final" proposals received in response to a full and open, public private competition for a System Integrator and Shared Service Provider to complete the multi-year plans for the modernization of financial management services at HUD. The HIFMIP project will establish an integrated financial management solution for the Department. The Department currently supports four core financial management systems to maintain Departmentwide financial and budgetary information and control. The OCFO consolidates the information from the 4 financial systems using an external reporting software system. To implement and oversee this project, the OCFO requires 5 additional FTE to accommodate the additional workload resulting from implementing the new core financial system in fiscal year 2009 while simultaneously maintaining and operating the existing legacy systems as the new system is tested. The new integrated core financial management system must align with Governmentwide financial system requirements, ensure standard business processes established support all business processes, current Governmentwide Common Accounting Classification Structure; and have the capability to share information with cognizant government agencies and support e-Government initiatives. Once implemented, the new financial system should enable HUD to achieve staff efficiency savings in OCFO, and elsewhere at HUD.
- Healthy Homes requests 4 additional FTE to: 1) assist in the development of lead and healthy homes Management Plan goals for Program Offices and their Field Offices, along with developing local implementation plans for these goals; 2) provide training to Field Offices on the requirements of the Lead Safe Housing Rule (LSHR); 3) serve as liaison with local Health Departments to better target enforcement efforts; 4) develop systems to properly track and monitor 1) lead-safe housing units via the LSHR, and 2) housing units made healthy in accordance with healthy homes principles; and 5) assist field offices and housing owners/managers in achieving LSHR compliance and implementing healthy homes principles.

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- Administration is requesting 35 additional FTE of which 3.5 FTE will establish an Office of Recruitment that will focus on recruitment strategies to better address future Departmental skill and staffing needs and free up current HR staff for other staffing and classification duties, and support HUD's intern program. Additionally, 31.5 FTE will be utilized to fill positions slated for continuation of HUD's Fellows Program. Highly qualified individuals will be sought to fill critical entry level positions, and take part in implementing the Department's succession planning strategy.
- CPD is requesting 3 additional FTE for the field to manage and monitor Entitlement and Competitive grantees.
- FHEO is requesting 5 additional FTE to address an increase in workload and to speed up reviews associated with accessibility issues and cases.
- CPO is requesting 1 additional FTE to assist with processing the increased workload of managing the more than \$1 billion worth of contracting actions managed by HUD.
- Non-Personnel Services: \$25.4 million. In order to successfully meet the objectives of these major activities, as well as several others, the Department is requesting increases of \$25.4 million on non-personnel items to not only implement and oversee the initiatives above, but also to ensure that the current inventory of HUD programs operates efficiently and as effectively as possible and to ensure that HUD program serve as a haven and not a hindrance to those that utilize the Department's services. The funds will also be utilized in several specific ways, which are explained further in the Administration, Operations and Management section of the S&E budget.

Impact of not getting requested funding increases in S&E

Over the past decade, HUD has significantly improved the effectiveness of its delivery and results through better organization and alignment of its operations and staff resources, increased automation of business processes, and more efficient use of a reduced workforce. This budget reaffirms the Department's commitment to sound financial management as we continue efforts to reduce improper payments, build improved financial systems, and capitalize on modernized technology to improve the delivery of HUD's core business functions to better serve our business partners, program beneficiaries, and the American taxpayer.

In 1994, HUD was the only cabinet-level agency to be placed on the Government Accountability Office's (GAO) high-risk program watch list in its entirety. GAO attributed HUD's unique distinction to an ineffective organizational structure, resource management deficiencies, and systemic weaknesses that precluded HUD from effectively mitigating high-risks in any of its core program areas, including rental housing assistance, housing mortgage insurance, and community grant programs. In January 2007, the Department had demonstrated sufficient management improvements and program controls to warrant removal of all HUD programs from the GAO's high-risk program watch list. Not approving the full 2009 request for S&E funding will prevent HUD from being able to provide the level of oversight and management required to adequately control its large and diverse program activity, and will likely result in an increased risk of fraud, waste and abuse, as well as a lower level of customer service and diminished program results.

HUD is a large, complex organization with over 112 active programs and many more program set-asides and terminated programs that are still spending-out old obligations. The FTE and non-personnel funding represented in HUD's fiscal year 2009 request for S&E funding will ensure that the \$36 billion in annual funding and \$89 billion in unexpended long-term funding obligations are properly monitored and expended as intended by Congress and the President. Failure to fully fund the fiscal year 2009 budget request will seriously impair HUD's ability to meet its legally mandated obligations, and will have severe repercussions to the following program area responsibilities:

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- Monitoring 8,000 property groupings, which are administered by 3,100 Public Housing Agencies (PHAs) that receive an estimated \$6 billion per year from HUD to operate and maintain a \$120 billion Federal investment in the public housing stock that serves 1.3 million low-income households.
- Managing and distributing \$16 billion in annual Section 8 housing choice voucher assistance to an additional 2 million low-income households to enable them to afford decent private rental housing.
- Managing and monitoring over \$7 billion in annual section 8 project-based assistance outlays and \$40 billion in FHA mortgage insurance to support 30,000 privately owned multifamily housing properties developed to increase the supply of affordable housing for another estimated 2.5 million low- and moderate-income households.
- Ensuring the financial safety and soundness of the \$400 billion FHA Single Family Housing Mortgage Insurance portfolio, that has enabled 4.2 million American families to become homeowners, with pursuit of FHA reforms to provide cost-effective and less risky alternatives to the sub-prime housing market for first-time and low-income homebuyers.
- Ensuring the adequate controls over and results from \$8 billion in various grant programs for community and economic development, housing of special populations, and homeless assistance, which are administered through thousands of units of state and local government, and various non-profit program sponsors.

HUD administers this extensive delivery structure with the fiscal year 2007 funded level of 8,400 full-time equivalents (FTE) employees. Previous budget cuts have reduced HUD's workforce 32 percent from its 1994 level of 12,748 staff. Since 1994, the Department has already undergone a number of organizational, functional and systemic changes to more efficiently and effectively deliver its programs with available resource levels. Failure to fully fund HUD's 2009 funding request would severely jeopardize HUD's ability to adequately control and continue to improve the results of its significant housing and community programs.

**Department of Housing and Urban Development
Administration, Operations and Management
Salaries and Expenses**

The Administration, Operations and Management (AOM) account is the backbone of HUD's operations, and consists of several offices that work seamlessly to provide the support services required to ensure the Department is compliant with all legal, operational and financial guidelines established by Congress for the benefit of the 50 independent states, and the respective Congressional districts. The AOM consists of the Office of General Counsel, the Office of the Chief Financial Officer, the Office of the Chief Procurement Officer, the Office of Administration, the Office of Departmental Equal Employment Opportunity, the Office of Field Policy and Management, the Office of Departmental Operations and Coordination, the Office of Departmental Management, and the Office of Faith-Based and Community Initiatives. This account also contains all non-personnel services funding for the department. These offices and the funds they manage are critical to the Department's challenge to eradicate hopelessness and the human depressions that results from human beings having to worry about where their children will sleep on a daily basis. The fiscal year 2009 AOM personnel and non-personnel services account will support the Secretary's goals to:

- Preserve and promote homeownership by addressing sub-prime mortgages;
- Strengthen communities by increasing homeownership opportunities;
- Ensure housing assistance for those in need;
- Make further progress towards ending chronic homelessness; and
- Continue the trend of improving the Department's management and performance.

The Department is actively involved with a variety of management, operational, and human resource activities that require additional funding in fiscal year 2009. The resources within the AOM account will be utilized to assist the department in accomplishing the goals established by the Secretary. Among the major activities are:

- Asset Management. The AOM account will need increased FTE and non-personnel funding to assist and support the continual transition to asset-based management. Asset management is a result of the Quality Housing Work Responsibility Act, which directed the Department to develop a new funding formula for the Public Housing Operating Fund. A study conducted by the Harvard University Graduate School of Design resulted in two recommendations: 1) a new funding formula based on the Public Housing Authorities (PHA) project/development; and 2) that PHAs implement asset management. Under asset management, field office personnel will be required to conduct on-sight reviews of all asset management projects. As PHAs begin this transition, the Department's oversight and monitoring responsibilities will shift from approximately 3,100 PHAs to 8,000 property groupings. Both increased staff and increased travel funds for field offices are essential to make this transition feasible. The AOM account will support this effort by providing increased administrative, legal, contractual, accounting and financial support to PIH as well as increased travel and other services.
- FHA Reform. The AOM account will also need increased FTE and non-personnel funding to assist in supporting the implementation of FHA Reform or Modernization which will enable FHA to reach more prospective borrowers and allow millions more low- and moderate-income families to achieve the American dream of homeownership. This important initiative will bring FHA into the 21st Century and offer hard-working Americans a variety of safe homeownership options at a fair price. FHA was created in 1934 to give homebuyers access to reasonably priced mortgages under fair terms. Over the years, it has been able to help more than 34 million families become homeowners and now it needs to be able to adapt to today's marketplace.
- Succession Planning. Human capital is HUD's most important asset. Unfortunately, the accomplishment of the Department's mission is at risk due to pervasive skill gaps throughout the program offices. To mitigate this, HUD has taken significant steps to effectively optimize existing staff capability and to obtain, develop, and maintain the capability necessary to adequately support HUD's future mission-critical program delivery. To this end, an aggressive succession planning effort is underway to mitigate the Departmental risk of losing over 50 percent of its employees to impending retirement between fiscal

years 2007 and 2009, inter alia, infusion of talent using the Department's Intern programs, enhancing leadership development programs, providing technical training and developmental opportunities to employees across the Department. In February 2006, the Director of the Office of Personnel Management referred to the impending wave of retirements in the Federal workforce as a "retirement tsunami." OPM expects this surge to peak between 2008 and 2010. HUD recognizes the urgency of this matter. With 58 percent of its workforce eligible for some form of retirement by 2009, HUD's fiscal year 2009 budget reflects the Department's efforts to continue implementing the governmentwide succession planning initiative. HUD's succession plan emphasizes two main strategies to address this problem: training and development to prepare current employees to carry out the Department's mission as senior-level employees retire; and attracting and retaining talented, energetic new people through HUD's internship programs. The Department has an aggressive intern hiring program that will bring in 250 new employees over a 3-year period. This number includes 50 interns hired during fiscal year 2007, and an additional 100 interns to be hired in fiscal year 2008 and fiscal year 2009. While the benefits of this approach may accrue gradually, internal analysis has concluded that it represents substantial long-run cost savings over mass external hiring.

- Additional resources are required by the Office of the Chief Financial Officer (OCFO) to implement the HUD Integrated Financial Management Improvement Project (HIFMIP), which is an enterprisewide initiative that will implement the new vision for HUD financial management. HIFMIP will be a core financial system that will ensure OMB and OFFH compliance, strengthen financial system data and integrity and improve financial management controls. Implementation of HUD Integrated Financial Management Improvement Project (HIFMIP) will result in an integrated financial management system that will provide the ability to share relevant information with other government agencies, such as the U.S. Treasury and include an agency executive information system that provides financial and program information to all internal and external stakeholders. The CFO will also utilize additional resources to continue to meet the requirements for the increased Governmentwide focus on improved financial and budgetary reporting, and accelerated production of consolidated financial statements in accordance with prescribed generally accepted accounting standards, which requires a knowledge base, skill set, and grade structure that is currently a challenge for the Office of the Chief Financial Officer. Furthermore, the evolving financial management environment in the Federal Government now requires skills comparable to those of certified Public Accountants--skills that are difficult to obtain and retain staff at the GS-12/13 level in the national capital region. OCFO is one of the most "senior" organizations in the Department and needs to execute effective succession planning strategies in order to maintain future performance. Given OCFO's critical Departmental cross-cutting responsibilities, it is imperative to establish and maintain a well-trained, highly motivated, and professional staff with specialized skills in all financial disciplines. HUD received nine out of nine "GREEN" ratings from the Office of Management and Budget for HUD's standard accounting practices. Specifically, HUD achieved: 1) 100 percent fund balance with Treasury reconciliations, 2) 100 percent suspense account resolution, 3) 100 percent debt management, 4) 98 percent prompt payment, 5) 98 percent interest management, 6) 96 percent electronic fund transfer, 7) 99 percent individual credit card timeliness, 8) 100 percent central credit card timeliness, and 9) 100 percent purchase card timeliness. These nine green ratings placed HUD among the top accounting performers in the Federal Government.
- Additional resources are also being requested by the Office of Fair Housing and Equal Opportunity (FHEO) based on the fact that in fiscal 2006, FHEO processed more than 2,000 housing discrimination complaints and provided support and technical assistance to FHIP and FHAP, which processed more than 6,000 cases. However, over the last 2 fiscal years, FHEO has seen a steady increase in the number of housing discrimination cases filed and expects that number to continue grow as education and outreach initiatives are expanded. FHEO faces significant staffing challenges that are likely to negatively impact the organization's effectiveness and efficiency. For example, the increase in complaints and its related work have been absorbed by FHEO staff in addition to other required duties, such as compliance reviews of PHAs, etc., while funded FTEs have steadily decreased. In 2002, for example, FHEO had 779 FTEs, but those FTEs have been reduced to 601 for fiscal year 2009--a reduction of 183 FTEs.
- Additional resources are needed for the Office of the Chief Procurement Officer (OCPO) to provide the oversight, supervision and control for HUD's more than \$1 billion in contract functions. Increased procurement support is required as OCPO is committed to implementing sound business practices in acquisition of the Department's goods and services. HUD is subject to various governmentwide procurement initiatives that directly increase volume of contracting activities, including, but not limited to de-bundling contracts (dividing large contracts into smaller contracts), etc. OCPO is comprised of field contracting staff and functions that work as a single virtual contracting workforce that allows for greater flexibility in

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allocating departmental contracting resources to meet the procurement needs of all program offices, both at headquarters and field contracting operational level. This was as a result of a HUD reorganization that occurred in 2006. Since that time, the streamlined contracting efforts have been streamlined to provide a level of support to all HUD program areas that is second to none, and has resulted in increased efficiency and facilitated OCPO the ability to deliver high quality customer service. OCPO builds strong teaming relationship with its customers when procuring services in support of HUD's strategic goals in fulfillment of its mission.

- Additional resources are also needed in order for the Office of the General Counsel (OGC) in order for the office to confront the myriad of challenges that have resulted from the ever increasing and ever changing amount of legal requirements that HUD is forced to accommodate on a daily basis. Additional resources will allow the OGC to hire staff that is in support of the Department's succession planning goals and to effectively recruit legal honors interns in support of the achievement of Departmental strategic goals and mission. The OGC works as an effective and efficient program that continually delivers the required level of service that is appropriate for a Department whose mission is to help the least fortunate of American society.

As shown below, the salaries and expense for Administration, Operations and Management (AOM) is requesting a proportionate increase to its budgetary S&E resources. This equates to \$546,216 thousand for fiscal year 2009.

	<u>Enacted</u> <u>FY 2008</u>	<u>Request</u> <u>FY 2009</u>	<u>Increase +</u> <u>Decrease -</u> <u>2009 vs 2008</u>	
(Dollars in Thousands)				
Administration, Operations and Management:				
Non-Personal Services.....	\$234,117	\$261,678	\$27,561	a/
Personal Services:				
Departmental Management (DM) b/.....	0	10,059	10,059	
Office of Departmental Equal Employment Opportunity (ODEEO)..	2,805	2,910	105	
Office of Departmental Operations and Coordination (ODOC)....	10,631	11,028	397	
Chief Financial Officer (CFO).....	31,600	33,766	2,166	
Office of General Counsel (OGC).....	80,672	84,835	4,163	
Administration and Staff Services (Admin.).....	69,074	76,777	7,703	
Field Policy and Management (FPM).....	51,295	51,020	-275	
Center for Faith-Based and Community Initiatives (FBCI).....	1,156	1,200	44	
Chief Procurement Officer (CPO).....	<u>12,372</u>	<u>12,943</u>	<u>571</u>	
Personal Services Total.....	259,606	284,538	24,933	
Total.....	\$493,723	\$546,216	\$52,494	

a/ Including \$1.2 million from Executive Direction.

b/ Included in Executive Direction account in fiscal year 2008, but not in fiscal year 2009.

Administration, Operations and Management, Housing and Urban Development

The fiscal year 2008 budget required HUD to break out its salaries and expense appropriation from one single account structure into 9 separate accounts. The fiscal year 2009 budget proposes changes for the structure from 9 separate accounts into 8 separate accounts. This will be done by redistributing the resources with the Executive Direction Account into the other HUD accounts. The front office components of the Offices of PIH, Housing, PD&R, Healthy Homes and Lead Hazard Control, Fair Housing and Equal Opportunity, CPD, and GNMA will be redistributed back into their respective accounts. The remaining components of the Executive Direction account will be transferred into the AOM account. HUD does not anticipate any adverse effects or performance problems by enacting this transfer.

In order to successfully meet the objectives of these major activities, as well as several others, the Department is requesting increases of \$25.4 million on non-personnel items, as follows:

Travel and Transportation of Persons (2100). This category represents the transportation of Government employees and/or other persons who travel under the auspices of the Federal Government, their per diem allowances when in authorized travel status, and other expenses incidental to travel that are paid by the Government directly or by reimbursing the traveler. It consists of travel both away from the official duty station and in and around the official station of an employee. HUD is a very diverse agency with many moving parts moving simultaneously to ensure the Secretary's goals are attained. The fiscal year 2009 request reflects a \$4.2 million increase over the fiscal year 2008 level. Examples of how the Department will utilize the travel funds are:

- The Office of Community Planning and Development will utilize travel funds to provide support and to enable the process of viable urban, suburban and rural communities by promoting integrated approaches to housing and community development program currently under way in areas all across the country.
- The Office of Healthy Homes and Lead Hazard Control will utilize travel funds to provide support and monitoring of field offices in implementing Lead Safe Housing Rule, and to provide assistance to grantees, housing industry professionals and the general public on healthy homes and lead safety issues.
- The Office of Fair Housing and Equal Opportunity will utilize the funds to investigate and process fair housing complaints and to provide technical assistance and on-site monitoring and assistance to grantees and other government agencies.
- The Office of Policy Development and Research will utilize the travel funds to advise program managers and provide economic data and analysis as well as conduct market analysis reviews of housing and community development applications.
- The Office of the Chief Procurement Officer will utilize travel funds to provide training to field offices and ensure field offices are compliant with all Federal acquisition regulations.
- The Office of the Chief Financial Officer will utilize the fund to continue improve Departmental financial management, and focus on program delivery operations and review for funds control, asset management and assistance in resolving audit findings and internal control weaknesses.
- The Office of Equal Employment Opportunity will utilize travel funds to investigate complaints and to provide training to field offices on EEO matters and to ensure each HUD office is compliant with all Federal regulations.
- The Office of Public and Indian Housing will utilize the funds to monitor 1.2 million units of public housing through 3,100 PHA's that receive an estimated \$6 billion per year from HUD to operate and maintain a \$120 billion Federal investment in the public housing stock. These funds are also critical in HUD's continued implementation of asset-based management. As PHAs begin transitioning to asset management, the Department's oversight and monitoring responsibilities will increase significantly and will require increasing the amount of travel for field office staff as HUD will now be required to shift from approximately 3,100 PHAs to 8,000 property groupings. Travel funds allow field staff travel to conduct management reviews, asset management reviews, risk assessment and compliance reviews, and training. GAO required reviews account for 67 percent of the Field travel request. These funds for travel to housing authorities, both urban and rural, combat the OIG's criticism of inadequate monitoring of PHAs. Real Estate Assessment Center (REAC) staff travels extensively for physical inspections, financial reviews, single family appraisal reviews, and tenant verification reviews. The inspection/review efforts are critical to the Department's efforts to restore and maintain the integrity in HUD's housing programs.

Administration, Operations and Management, Housing and Urban Development

- The Office of Administration will utilize additional travel funds to increase the Department's efforts in providing technical training and developmental opportunities to employees across the Department, including the Department's Intern and fellows for rotational assignments and training, enhancing leadership development programs, and implementing the Department's Continuity of Operations Plan (COOP) program--a Department of Homeland Security program for all Federal agencies.
- The Office of General Counsel will utilize additional travel funds to facilitate OGC's mandated responsibilities, including fair housing enforcement, program enforcement, ethics, multiple site visits, detailed program evaluations, providing funding for witness, providing technical training for staff, and other costs associated with enforcement and litigation proceedings throughout the United States.
- The Office of Field Policy and Management will utilize the additional travel funds to effectively carry out succession management training, and to support its core mission of furthering the communication and initiatives of the Department in support of the President's Management Agenda is conducted in 80 cities nationwide.
- The Office of Community and Faith-Based Initiatives (CFBI) will utilize the additional travel funds to allow its staff to reach out to its core constituents, participate in conferences, seminars, meetings, as well as train field staff. The funding will also enable CFBI staff to provide technical assistance in furtherance of the initiative to diverse organizations and Faith-Based Community Organizations throughout the country.

Transportation of Things (2200). This classification consists of charges for the transportation of things and the care of such things while in the process of being transported. It includes rental trucks and other transportation equipment, and reimbursement to Government personnel for authorized movement of household effects or house trailers.

The fiscal year 2009 request of \$0.3 is the same as the fiscal year 2008 estimated level, and reflects a continuation of HUD's policy to limit the funding for employee moves. This is necessary to continue support services operations in other budget object classes and remain within the requested funding levels.

Rent, Communications, and Utilities (2300). The funds under this object class provide for all rental costs for space and equipment, communication services, and utilities. The major cost associated with this object class is real property rental. The General Services Administration establishes rental rates and provides cost estimates for the space requirements identified by the Department.

The fiscal year 2009 request is \$136.2 million and reflects a \$4.1 million increase from the fiscal year 2008 estimated level. This increase is included above in the mandatory adjustments to base (part of the \$6 million for rent and other items listed). These mandatory increases are due to anticipated rent rate hikes for all HUD offices throughout the country in fiscal year 2009, new rental agreements, and inflationary adjustments for postal services, other communication costs and increases in utilities costs.

Printing (2400). The funds included under this object class represent the cost of contractual printing and reproduction services, and related composition and binding operations performed by or through the Government Printing Office.

The fiscal year 2009 request is \$4.1 million and reflects a \$400 thousand increase from the fiscal year 2008 estimated level, and is required to maintain the Department's critical printing requirements and pay for inflationary increases.

Other Services (2500). The object class encompasses a wide array of services that are not captured in the other object classes. The types of services included are training; storage of household goods; data processing services; contracts such as data and statistical collection and analysis, management studies, and technical and public information services; and other services such as health services, library services, stenographic services, visual art services, as well as building maintenance and services.

Administration, Operations and Management, Housing and Urban Development

The fiscal year 2009 request is \$85.9 million and reflects a \$13 million increase, after inflation is taken into account, over the fiscal year 2008 estimated level. More than 40 percent of contract services funding is used to fund mandatory obligations for building security, maintenance and costs associated with implementing Homeland Security Personnel Directive 12 (HSPD-12). Additionally, increased funding is needed to continue to meet the requirements of the Improper Payments Information Act of 2002; contract services to cover the estimated cost of providing a comprehensive consolidated error measurement study of the \$26 billion expended on HUD's various rental assistance programs; to implement Business Process Reengineering and A-76 Competitive Sourcing Activity; provide training to staff on new concepts and procedures related to asset-based management; and other critical needs in support of the PMA. For instance, these funds are crucial for the continuation of HUD's 5-year space consolidation plan, which seeks to reduce headquarters satellite rental space by 57 percent by the end of fiscal year 2009. Funding in this object class will also support succession planning studies and increased employee training and development, which will be critical as the Department begins to address the impending increase in employee retirements. Increased funding will also support PIH in monitoring and oversight of important program areas. An increase in contract funding for the New Hires Database will allow PHAs and Field Office staff to monitor, which public housing tenants have recently changed their employment status. This database is a component of the Enterprise Income Verification System (EIV) and a Key factor in HUD's avoidance from the GAO High Risk List. Finally, increased resources will also provide contractor support for managing housing authorities in receivership, conducting site reviews and gathering data to determine the status of PHAs.

Supplies and Materials (2600). This object class identifies charges for commodities, whether acquired by formal contract or other forms of purchase, which are ordinarily consumed or expended within 1 year after they are put into use, converted in the process of construction or manufacture, or used to form a minor part of equipment or fixed property. The fiscal year 2009 request is \$4.4 million. This represents a \$200 thousand reduction from the fiscal year 2008 estimated level.

Equipment (3100). This object class is used to support the purchase of various types of equipment. Equipment purchases may include, but are not limited to, office furniture and fixtures, office equipment, such as typewriters, quick copy machines and calculators, equipment to deliver in-house training, and books. The fiscal year 2009 request is \$6.9 million, which reflects a \$2.8 million increase, after an inflationary adjustment, over the fiscal year 2008 estimated level.

As HUD takes great pains to reduce its fixed cost requirements and avoid future cost increases, HUD has implemented both a Headquarters and Field office space consolidation program. The goal of both programs is to reduce the inefficient use of space nationwide, and therefore reduce the amount of funding HUD will have to request in future budgets. This will be accomplished by making more efficient use of vertical space, vice the current inefficient use of horizontal space currently implemented in antiquated offices nationwide. Additionally, the increased funding will be used to purchase updated ergonomic furniture which is designed to reduce injuries and disabilities such as repetitive stress disorders, which currently affects millions of employees nationwide. Finally, the improved work areas resulting from the space consolidation plan will allow HUD to utilize precious office space more efficiently and allow HUD to be more agile in adapting to crisis situations such as Hurricane Katrina, the current U.S. housing calamity discussed above and future disaster situations similar to the state of California wildfires.

Insurance Claims and Indemnities (4200). This object class provides for the Federal Government's self-insurance costs including court ordered payments. Historically, it is difficult to project these types of claims. The fiscal year 2009 request is \$1.2 million and reflects a \$200 thousand increase over the fiscal year 2008 estimated level.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

ADMINISTRATION, OPERATIONS AND MANAGEMENT

DEPARTMENTAL MANAGEMENT

SCOPE OF ACTIVITY

The Departmental Management activity includes the Office of the Secretary and Deputy Secretary and other staff offices under the Secretary's immediate direction. The responsibilities of the Department are administered under the supervision and direction of the Secretary, who is responsible for the administration of all programs, functions and authorities of the Department. The Deputy Secretary assists the Secretary in the discharge of his duties and responsibilities, and serves as Acting Secretary in the absence of the Secretary. In addition to the Office of the Secretary and Deputy Secretary, this activity includes four offices of highly specialized staff with Departmentwide responsibility for the following functions: participation of small and disadvantaged businesses in the contracting activities of the Department; Public Affairs; Congressional and Intergovernmental Relations; and Administrative Judicial proceedings. Collectively and separately, these offices are essential to the independent formulation and review of Departmental policy and the promotion and interpretation of that policy.

WORKLOAD

The Secretary, as head of the Department and as a Cabinet Member, is responsible for the administration of all programs, functions, and authorities of the Department; for the regulation of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation; for enforcing Federal Fair Housing law, educating the public on the rights and duties created by that law, and encouraging State and local governments and the private sector to assist the Federal Government in guaranteeing equal housing opportunities; and for advising the President on Federal policy, programs, activities relating to housing, community development, and equal housing opportunity. The Secretary formulates recommendations for basic policies in the fields of housing and community development and works with the Executive Office of the President as well as other Federal agencies in keeping economic and fiscal policies in housing and community development consistent with other Governmental economic and fiscal policies.

The Secretary meets with governors, mayors and other State officials, county executives and other local officials, and regional and neighborhood leaders, and assists the President in achieving maximum coordination among the various Federal activities which have a major effect upon urban, suburban, metropolitan, or rural housing and community development.

The Office of Small and Disadvantaged Business Utilization is responsible for providing technical direction and coordination on all matters relating to the Department's participation in small and disadvantaged businesses in the contracting activities of the Department. The Office oversees the Department's small and disadvantaged business set-aside activity, and has Departmentwide responsibility for the Department's Minority Business Enterprise (MBE) programs, including monitoring, evaluating and reporting MBE activities to the Secretary, the Congress, the President, and the general public. The Director of Small and Disadvantaged Business Utilization represents the Secretary before Congressional committees and at meetings on related program activities with Federal, State and municipal or private organizations. This Office was established in 1989 pursuant to the provisions of Section 15(k) of the Small Business Act, as amended (Sec. 221, P.L. 96-507).

The Office of the Assistant Secretary for Public Affairs advises the Secretary and Departmental staff on public and media relations, and coordinates the Department's efforts to keep the public informed of its actions. The basic mission of the Public Affairs staff is to publicize HUD policies and programs and to respond to inquiries from the press. The mission is accomplished through the Immediate Office of the Assistant Secretary that provides advice to the Secretary and principal staff members on matters involving HUD's communications with the public and the media; and the Office of Press Relations, which coordinates liaison between the Department and members of the media.

Administration, Operations and Management--Departmental Management

The Office of Congressional and Intergovernmental Relations provides services and information to the Congress concerning all programs and activities of the Department. The Office coordinates development of the Department's legislative program in cooperation with the General Counsel, and oversees the progress of the Department's legislative program in the Congress, assisting in resolving intra-departmental policy differences and differences between the Department and the Office of Management and Budget on legislative matters. The Office coordinates policy formulation and implementation, and serves as the principal contact with State and local governments, as well as public interest groups, to provide information regarding the Department's programs and initiatives.

The Office of Hearings and Appeals is an independent adjudicatory office within the Office of the Secretary. The administrative judges in the office conduct hearings and appeals for the Department in accordance with existing Departmental regulations and procedures. The Office of Hearings and Appeals is headed by a Director appointed by the Secretary. The Director supervises the Department's Office of Appeals and the Office of Administrative Law Judges. The administrative law judges are responsible for hearing cases pursuant to various statutes and regulations, such as the Fair Housing Amendments Act of 1988, the Department of Housing and Urban Development Reform Act of 1989, and the Program Fraud Civil Remedies Act. The administrative judges of the Office of Appeals decide cases relating to the collection of outstanding HUD debt pursuant to the Deficit Reduction Act of 1984 and the Debt Collection Improvement Act of 1996. These cases relate to proposed administrative wage garnishments and administrative offsets of Federal payments due to parties indebted to HUD. These administrative judges also hear and decide cases relating to the debarment and suspension of participants in HUD programs, Mortgage Review Board decisions, and other matters consistent with existing laws and departmental regulations.

The Office of Departmental Operations and Coordination (ODOC) was established in 1997 and consists of senior level staff who have a broad range of cross-program experience in Departmental operations and management planning expertise to assist the Secretary and Deputy Secretary in their efforts to ensure that HUD policies and actions are consistent with the Department's continued management improvement. ODOC serves as staff support for the Deputy Secretary in discharging his duties for the Department. The Office also acts as a catalyst for the operational management agenda of the Secretary and Deputy Secretary, and ensures that improvement initiatives and management of daily operations are consistent with Departmental efforts to foster excellence in the delivery of program services to HUD customers. Beginning in fiscal year 2001, the Field Labor Relations function was transferred to Headquarters with staff out-stationed in the field. This staff is responsible for ensuring the proper and uniform administration and enforcement of construction labor standards pertinent to all HUD programs within the field office jurisdictions and for advising program managers on labor relations matters. Specific functions include processing wage requirements, conducting labor standards investigations and compliance reviews; determining maintenance wage rates for public housing agencies; providing technical assistance and guidance to local public agencies on labor standards/labor relations matters; promoting employment and training opportunities for the disadvantaged in HUD programs; preparing recommendations for sanctions against labor standards violations; and conducting Davis-Bacon residential wage surveys.

Administration, Operations and Management--Departmental Management

EXPLANATION OF CHANGES FROM 2008 ESTIMATE TO 2009 ESTIMATE

No changes in FTE from fiscal year 2008 to fiscal year 2009.

The attached charts display detailed staffing and workload estimates based on the Resource Estimation and Allocation Process (REAP) baseline data.

Overall Summary of Departmental Management Staff Requirements

	FTE				
	Actual	2007	Enacted 2008	Request 2009	Increase + Decrease - 2009 vs 2008
Headquarters.....		117.1	113.1	113.1	-0.0
Field		56.5	56.0	56.0	0.0
Total		173.6	169.1	169.1	-0.0

Summary of Departmental Management Staff Requirements

	Actual	2007	Enacted 2008	Request 2009	Increase + Decrease - 2009 vs 2008
<u>Headquarter Employment</u>					
Departmental Management					
Executive Direction (Consists of FTE in the Organization)			80.1		
Provide Services to Support HUD's Mission		28.3	0.0	26.0	+26.0
Management of A/S Office Activities		...	0.0	0.0	0.0
Independent Forum for Hearings/Final Decisions		5.0	0.0	5.0	+5.0
Provide Technical Direction and Coord. Related to Small and Disadvantaged Businesses		5.0	0.0	4.0	+4.0
Independent Judge of Fact in on the Record Hearings		6.4	0.0	7.1	+7.1
Oversight and General Direction		21.0	0.0	22.0	+22.0
Provide Advice on Public Information and Public Opinions		18.4	0.0	16.0	+16.0
					0.0
DM Total		84.1	80.1	80.1	-0.0
Office of Departmental Operations and Coordination					
Provide General Direction		2.0	2.0	2.0	0.0
Support Activities		13.0	13.0	13.0	0.0
Ensure compliance with Prevailing Federal/Wage Requirements in all HUD programs		10.0	10.0	10.0	0.0
Provide Web Support to the Department		5.0	5.0	5.0	0.0
Southwest Border Region, Colonias and Migrant/Farmworker Initiative		3.0	3.0	3.0	0.0
ODOC HQ Subtotal		33.0	33.0	33.0	0.0
<u>Field Employment</u>					
Office of Labor Relations		56.5	56.0	56.0	0.0
ODOC Total		89.5	89.0	89.0	0.0
Total		173.6	169.1	169.1	-0.0

Detail of Departmental Management Staff Requirements

	Workload Indicator	Fiscal Year 2007			Fiscal Year 2008			Fiscal Year 2009		
		Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
Executive Direction		...	...	...	...	...	80.1	...	...	...
Provide Services to Support HUD's Mission	NA	...	...	28.3	...	...	0.0	...	...	26.0
Management of A/S Office Activities	NA	...	...	...	...	...	...	...	...	...
Independent Forum for Hearings/Final Decisions	NA	...	...	5.0	...	...	0.0	...	...	5.0
Provide Technical Direction and Coord. Related to Small and Disadvantaged Businesses	NA	...	...	5.0	...	...	0.0	...	...	4.0
Independent Judge of Fact in on the Record Hearings	NA	...	...	6.4	...	...	0.0	...	...	7.1
Oversight and General Direction	NA	...	...	21.0	...	...	0.0	...	...	22.0
Provide Advice on Public Information and Public Opinions	NA	...	...	18.4	...	...	0.0	...	...	16.0
DM Total		...	...	84.1	...	...	80.1	...	...	80.1
Provide General Direction	NA	...	...	2.0	...	...	2.0	...	...	2.0
Support Activities	NA	...	...	<u>13.0</u>	...	...	<u>13.0</u>	...	...	<u>13.0</u>
Subtotal				15.0			15.0			15.0
Ensure compliance with Prevailing Federal/Wage Requirements in all HUD programs	N/A	...	...	<u>10.0</u>	...	...	<u>10.0</u>	...	...	<u>10.0</u>
Subtotal				10.0			10.0			10.0
Provide Web Support to the Department	NA	...	...	<u>5.0</u>	...	...	<u>5.0</u>	...	...	<u>5.0</u>
Subtotal				5.0			5.0			5.0
Provide support and coordination for the Southwest Border Region, Colonias and Migrant/Farmworker Initiative	Level of Effort	...	...	<u>3.0</u>	...	...	<u>3.0</u>	...	...	<u>3.0</u>
Subtotal				3.0			3.0			3.0
ODOC HQ Total				33.0			33.0			33.0
Perform Monitoring Reviews	# of reviews completed	500	33.41	8.0	500	33.41	8.0	500	33.41	8.0
	# of Annual wages determined/established (PHA and TDHE)	2,490	19.21	23.0	2,490	19.35	23.0	2,490	19.25	23.0
Establish Annual Wage Determinations		2,490	19.21	23.0	2,490	19.35	23.0	2,490	19.25	23.0
Perform Contractor Compliance Reviews	# of Compliance Reviews	2,700	10.03	13.0	2,700	10.10	13.0	2,700	10.03	13.0
Perform Administrative Functions	Level of Effort	...	...	6.0	...	...	6.0	...	...	6.0
Perform Technical Oversight and Management	Level of Effort	...	...	<u>6.5</u>	...	...	<u>6.0</u>	...	...	<u>6.0</u>
ODOC Field Total				56.5			56.0			56.0
ODOC Total				89.5			89.0			89.0
Grand Total				173.6			169.1			169.1

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

ADMINISTRATION, OPERATIONS AND MANAGEMENT

CHIEF FINANCIAL OFFICER

SCOPE OF ACTIVITY

The Office of the Chief Financial Officer (CFO) is unique to the Department in that it has Departmentwide leadership and support responsibilities in the practice of sound financial management, in program development and operations, and in the stewardship of public resources. The scope of activity cuts across the entire Department. The CFO advises the Secretary and Departmental leadership on all aspects of financial management. The CFO ensures that the Department establishes and meets financial management goals and objectives and that the Department is in compliance with financial management legislation and directives. The CFO is responsible for the preparation, justification, monitoring, and execution of the Department's annual budget. In addition, the CFO establishes policies and standards for development, maintenance, operation, and evaluation of the Department's financial management systems and systems of internal control. The CFO provides accounting and reporting services in support of the administrative and general program activities of the Department and prepares the Department's annual consolidated financial statements. The CFO also has responsibility for overseeing Departmental implementation of the Federal Managers' Financial Integrity Act and the Government Performance and Results Act, including preparation of the annual performance plan and the annual performance and accountability report. The CFO is charged with coordination of the Department's implementation of the President's Management Agenda (PMA), with lead responsibility for achieving goals established in the areas of Budget and Performance Integration, Improved Financial Performance, Competitive Sourcing, and Eliminating Improper Payments.

CHALLENGE

The increased Governmentwide focus on improved financial and budgetary reporting, and accelerated production of consolidated financial statements in accordance with prescribed generally accepted accounting standards, requires a knowledge base, skill set, and grade structure that is currently a challenge for in the OCFO. The evolving financial management environment in the Federal Government now requires skills comparable to those of Certified Public Accountants--skills which are difficult to obtain and retain at the GS-12/13 level in the national capital region.

Under the HUD 2020 Management Reform effort planned and carried out during the period 1996-1999, OCFO was substantially reorganized and downsized by consolidating 10 former Regional Accounting Division operations into a new central Fort Worth Accounting Center, with nearly a 50 percent reduction in the OCFO staffing level of 460 FTE at the time. The OCFO completed a minor organizational restructuring in early fiscal year 2004, to address added responsibilities for appropriations law and funds control and to improve management of financial systems, the budget process, and policies and procedures. Additionally, the OCFO was re-evaluated under the Resource Estimation and Allocation Process (REAP) in early fiscal year 2005, the results of which documented a requirement of 259 FTE. However, the OCFO FTE ceiling for fiscal years 2007 and 2008 was reduced to 215 and 211 respectively, commensurate with an overall reduction in the Department's fundable FTE staffing level. The CFO is assessing further organizational streamlining opportunities to better utilize available staffing to fulfill the critical support functions of the OCFO.

The OCFO is one of the most "senior" organizations in the Department and needs to execute effective succession planning strategies to maintain future performance levels. Currently, out of 212 on-board employees, 40 are eligible for optional retirement--meaning they could vacate their positions immediately without notice. Another 46 are eligible for early retirement. Between the two categories, nearly 41 percent of the staff is at or nearing optional retirement status.

Administration, Operations and Management--Chief Financial Officer

Given the CFO's critical Departmental cross-cutting responsibilities, it is imperative to establish and maintain a well-trained, highly motivated, professional staff with specialized skills in all financial disciplines. In order to achieve the goals established by program, Departmental, and Presidential mandates, the OCFO has established an internal Human Capital Strategic Plan, which includes technical and leadership training, developmental opportunities, skill assessments and succession planning.

Failure to implement the full OCFO Human Capital Strategic Plan, or to provide the budgetary resources requested, will negatively impact the OCFO's ability to provide:

- Sufficient analysis of HUD's budget execution and accounting activity for proper formulation of quarterly and annual financial statements and other financial and budgetary reports;
- Implementation of new requirements of OMB Circular No. A-123 for documenting, testing and providing an annual assurance on internal controls over financial reporting;
- Review and update of written policies and procedures to strengthen HUD's financial management during a period of staff turnover;
- Continued implementation of the Improper Payments Information Act of 2002, including the conduct of an annual risk assessment and annual measurement, corrective action planning and reporting on improper payment levels in high risk programs such as HUD's rental housing assistance programs;
- Strengthening of funds control processes and timely processing of referrals of possible violations of the Anti-deficiency Act;
- Increased use of competitive sourcing as a means to realize cost efficiency savings and improved performance;
- Development and use of improved performance outcome, efficiency and marginal cost measures to better inform the budget decision process;
- Support for the maintenance and modernization of HUD's core financial management systems;
- Timely processing and sufficient validation of accounting transactions;
- Timely resolution of audit issues raised by GAO and OIG; and
- Support for managing the PMA.

Management Studies

Fiscal Year 2008

Funding is needed to continue to meet the requirements of the Improper Payments Information Act of 2002. This includes annual measurement and Performance Accountability Report (PAR) reporting of improper payment levels and efforts to reduce improper payments. Additional funding is required in the amount of \$5 million for contracted services to cover the estimated annual cost of providing for a comprehensive consolidated error measurement study of the \$27 billion expended on HUD's various rental assistance programs. HUD's error measurement studies were previously funded and managed out of a variety of salaries and expenses (S&E) and program funding sources from PD&R, PIH and Housing, and have been consolidated for central management in the OCFO's budget at the recommendation of the Office of the Inspector General.

Administration, Operations and Management--Chief Financial Officer

Funding is also required for a number of other critical needs of the Department in support of the PMA. One such critical need is better support for HUD's Information Technology Investment Management and Security Documentation processes in order to improve systems project management and compliance with the Federal Information Systems Management Act for HUD's core financial management systems and other CFO support systems, and to conduct A-127 reviews of HUD's financial management systems. Contract support is needed to continue to provide quality control for our systems operations and for meeting Federal Accounting Standards. We are continuing to perform tasks required by OMB Circular A-123, and the cost of these extensive requirements is comparable to the cost of the similar Sarbanes-Oxley requirements for private sector accounting. In accordance with HUD's Handbook for the Administrative Control of Funds and prior year Appropriations Act requirements, funding is required to continue funds control training and the documentation and testing of adequate funds control processes.

Funding is required to update the REAP baseline database on modifications to existing HUD programs, organizational realignments and other changes to support improved management of HUD's workforce and workload. In addition, OCFO needs to complete the design and implementation of Total Estimation and Allocation Mechanism System training through the remainder of the Department. Support and assistance will be needed to convert additional activity to the Electronic Line of Credit Control System (eLOCCs) too.

Additional funding is needed to implement increased Business Process Re-engineering and A-76 Competitive Sourcing Activity proposed in HUD's 5-Year Competitive Sourcing Plan. These efforts stand to achieve considerable efficiency savings for HUD over the long-run but require up-front study and implementation costs. The Deputy Secretary issued a memorandum on March 31, 2006, to all the Principal Staff to obtain their input to a 5-Year Competitive Sourcing Plan that would schedule the majority of commercial activities from their FAIR Act inventory for competitive sourcing reviews over the next 5 years. This same memorandum also indicated that functions identified as competitive sourcing candidates should have their work processes fully documented and reengineered by management to reduce costs and improve performance prior to competition with the private sector. Additional funding is required for this effort in the amount up to \$5 million, consistent with funding levels at other successful agencies, but only \$500,000 could be funded through HUD's budget for fiscal year 2007.

Fiscal Year 2009

Continued funding will be necessary for fulfilling the requirements of the Improper Payments Information Act of 2002 in the amount of \$8.15 million. This funding is needed to support the PD&R contracts for the annual housing subsidy error measurement studies and for the inter-agency agreements with the Department of Health and Human Services for computer matching services to enable the Offices of PIH and Housing program use of the National Directory of New Hires to verify tenant income and avoid improper subsidy payments. As a result of HUD's actions taken to date, the improper rental housing assistance payment rate has been reduced from 17.1 percent to 5.5 percent of total payments, with an estimated total reduction of \$1.9 billion in annual improper payments since fiscal year 2000.

Funding is also required to increase funding support for the additional Business Process Re-engineering and A-76 Competitive Sourcing activity proposed in HUD's 5-Year Competitive Sourcing Plan, as a step towards future operational efficiency savings. Funding is required for our on-going critical activity currently in support of other PMA efforts in the areas of Information Technology Investment Management, security documentation support, administrative support for our security function and Financial Statement Preparation, quality assurance for systems support, performance of tasks required by OMB Circular A-127, and meeting Federal Accounting Standards.

We are continuing to perform tasks required by OMB Circular A-123, and need continued contract assistance because of the extensive nature of this task. Support and assistance will be needed to convert additional activity to the eLOCCS. Funding will be required to update the REAP baseline database on modifications on existing HUD programs, organizational realignments and other changes. Finally, HUD also must fund the OMB "tax" via an inter-agency agreement with the Census Bureau for its portion of Federal Audit Clearinghouse support, and the General Services Administration for CFO Council support.

We are also playing a strong role in the participation of the Department's Quality Management Review process over HUD field office operations; the cost of supporting competitive sourcing efforts; and costs related to implementing the new general ledger system under HUD Integrated Financial Management Improvement Project.

Administration, Operations and Management--Chief Financial Officer

Technical Services

Examples of technical services funding include:

FirstGov.Gov. The Department has a Memorandum of Agreement authorizing fiscal year payments for information services that links visitors to information and services posted on Federal websites. The Federal Government will help our citizens gain one-stop access to existing Government information and services, increasing Government accountability to its citizens;

CFO Council. The Council supports two Governmentwide initiatives outlined in the PMA: Improved Financial Performance and Expanded Electronic Government. It also provides support to Congressional committees and subcommittees dealing with governmentwide financial issues, which benefits the Department.

Federal Audit Clearinghouse (FAC). The FAC is the central repository and processing/distribution center for all OMB Circular No. A-133 Audits of HUD funding to state and local governments and non-profits. The Department has an Interagency Agreement authorizing fiscal year payments for support and use of the FAC by HUD.

Training

Given the CFO's critical Departmental cross-cutting responsibilities, it is imperative to establish and maintain a well-trained, highly motivated, professional staff with specialized skills in all financial disciplines. In order to achieve the goals established by program, Department, and Presidential mandates, the OCFO has established an internal Human Capital Strategic Plan, which includes technical and leadership training, developmental opportunities, skill assessments and succession planning. Increased training funding is required to fulfill the continuing professional education requirements of the Certified Public Accountants on the OCFO staff.

Funding is required for training contracts in support of the OCFO's Career Management Program (CMP). The CMP is an ongoing specialized financial management program, structured on a 2-year cycle, to develop a multi-dimensional workforce possessing base sets of portable, technical, and financial related proficiencies. It provides professional formal training, rotational assignments, mentoring and exposure to high quality work experiences. The CMP will enhance the participants' technical core competencies and professional business skills and develop leadership capabilities to their fullest. The CMP is the cornerstone of the CFO's Human Capital Strategic Plan, as it will be used for succession management as well as development for the CFO's future leadership. Participants will be selected based on their current qualifications and potential for assuming critical positions in the OCFO over the course of the next 3 to 5 years.

In addition to the CMP, the OCFO has completed a thorough skills assessment of all financial personnel within the office. The assessment measured existing skill sets against core competencies established by the Joint Financial Management Improvement Program and the CFO Council, as well as, management and leadership competencies established by the Department's Human Capital Strategic Plan. The assessment verified existing experience levels, retirement eligibility and other demographic information. The results clearly identified gaps in technical and leadership skills along with potential areas to concentrate on with regards to succession planning. Technical and leadership training will be provided to close critical gaps, which will facilitate the OCFO's ability to meet the demands of the Department, White House and the Congress.

Included in the 2009 personal services object class are all salaries and personnel benefits including health and life insurance, the Government's contribution to employee retirement plans, accrued leave, and reimbursement for costs incurred during transfers, as well as salary and overtime payments and payments made to the Employees' Compensation Fund for the medical support of former employees who have job-related medical problems. Also included are payments to or for former personnel, including payments to the Federal Employee Compensation Account (FECA) administered by the Department of Labor.

Administration, Operations and Management--Chief Financial Officer

Additional funding will be necessary for fulfilling our requirements of the Improper Payments Information Act of 2002 in the amount of \$8.15 million. This funding is needed for the annual contracted subsidy error measurement studies and for the inter-agency agreements with the Department of Health and Human Services for computer matching services to enable PIH and Housing program use of the National Directory of New Hires to verify tenant income and avoid improper housing subsidy payments. As a result of HUD's actions taken to date, the improper rental housing assistance payment rate has been reduced from 17.1 percent to 5.5 percent of total payments, with an estimated total reduction of \$1.9 billion in annual improper payments since fiscal year 2000. We also need to increase funding support for the additional Business Process Reengineering and A-76 Competitive Sourcing activity proposed in HUD's 5-Year Competitive Sourcing Plan, as a step towards future operational efficiency savings. Funding is also required for our on-going critical activity currently in support of other PMA efforts in the areas of: Information Technology Investment Management, security documentation support, administrative support for our security function and Financial Statement Preparation; quality assurance for systems support; performance of tasks required by OMB Circular A-127; the participation in the Department's Quality Management Review process over HUD field office operations; the cost of supporting competitive sourcing efforts; costs related to implementing the new general ledger system under HUD Integrated Financial Management Improvement Project; and meeting various Federal Accounting Standards.

EXPLANATION OF CHANGES FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

The Office of the Chief Financial Officer is requesting 216 FTE in fiscal year 2009, a net increase of 5 FTE over the 211 FTE enacted in fiscal year 2008. Most of the increase will support implementation of HIFMIP. This includes support for maintenance of the existing legacy systems while transitional activities to HIFMIP occur. OCFO will award a contract for a system integrator/shared service provider (SSP) team in fiscal years 2008 and 2009 to assist OCFO, FHA, Ginnie Mae and OFHEO transition core financial functions from current legacy financial systems to a COTS certified enterprise core financial management system. The OCFO sponsored integrated Project Team (IPT) will work with the contractor team to transition OCFO core financial functions to the new enterprise system in fiscal year 2009. Additionally, one FTE will be used in accounting for financial reporting to replace a contractor. Also, the Fort Worth Accounting Center will receive additional FTE to handle increased workload.

The attached charts display detailed staffing and workload estimates based on the Resource Estimation and Allocation Process (REAP) baseline data.

Overall Summary of Chief Financial Officer Staff Requirements

	FTE			Increase + Decrease - 2009 vs 2008
	Actual 2007	Enacted 2008	Request 2009	
Headquarters.....	161.3	166.0	170.0	+4.0
Field	45.0	45.0	46.0	+1.0
Total	206.3	211.0	216.0	+5.0

Summary of Chief Financial Officer Staff Requirements

	FTE			Increase + Decrease - 2009 vs 2008
	Actual 2007	Enacted 2008	Request 2009	
<u>Headquarters Employment</u>				
CFO Immediate Staff and Mgmt Staff	14.0	18.0	15.8	-2.2
OACFO for Accounting	43.0	41.8	42.4	+0.6
OACFO for Financial Management	26.0	28.2	28.0	-0.2
OACFO for Budget	47.3	48.0	44.8	-3.2
OACFO for Systems	31.0	30.0	39.0	+9.0
Total	161.3	166.0	170.0	+4.0
<u>Field Employment</u>				
CFO Accounting Center	45.0	45.0	46.0	+1.0
Total	45.0	45.0	46.0	+1.0
	206.3	211.0	216.0	+5.0

Detail of Chief Financial Officer Staff Requirements

Workload Guideline	Workload Indicator	Fiscal Year 2007			Fiscal Year 2008			Fiscal Year 2009				
		Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
Headquarters Employment (OCFO)												
CFO Immediate Staff & Mgmt Staff												
Perform Management Oversight, Policy and Guidance	NA	...	...	2.0		...	...	4.0		...	...	3.0
Provide Administrative Support	Number of Personnel Supported	206	91.00	9.0		211	109.00	11.0		217	104.00	10.8
Provide Legal Support	N/A	...	...	3.0		...	...	3.0		...	...	2.0
Subtotal				14.0				18.0				15.8
OACFO for Accounting												
Perform Management Oversight, Policy and Guidance	NA	...	...	3.0		...	...	3.0		...	...	2.5
Prepare Consolidated Reports and Financial Statements	NA	...	...	10.0		...	...	11.0		...	...	13.0
Process Cash Reconciliations	Number of Cash Reconciliations Processed	123	164.97	9.8		123	164.97	9.7		150	134.97	9.7
Process Payments and Collections	Number of Payments and Collections Processed	4,250	7.95	16.2		4,250	7.95	16.1		4,250	7.95	16.2
Administer Travel for HUD	NA	...	...	4.0		...	...	2.0		...	...	1.0
Subtotal				43.0				41.8				42.4
Field Employment (CFO Accounting)												
CFO Accounting Center												
Perform Management Oversight, Policy and Guidance	NA	...	...	1.0		...	...	1.0		...	...	1.0
Perform Special Projects and Quality Control/Audit Support	NA	...	...	1.0		...	...	1.0		...	...	1.0
Perform Reconciliations	Number of Reconciliations Completed	23	470.00	5.2		23	470.00	5.2		23	470.00	5.2

Detail of Chief Financial Officer Staff Requirements

Workload Guideline	Workload Indicator	Fiscal Year 2007			Fiscal Year 2008			Fiscal Year 2009				
		Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
Process Obligation Documents	Number of Obligating Documents Executed	142,000	0.13	8.9		143,000	0.13	8.9		145,000	0.13	9.0
Perform Loan Accounting for Loan Portfolio	Number of Loans Managed	4,900	2.49	5.9		4,990	2.49	5.9		5,700	2.49	6.8
Process Payments												
	Number of Program Payments Processed	654,500	0.01	3.1		654,500	0.01	3.1		654,500	0.01	3.1
Provide Travel Voucher and Order Support	Number of Travel Voucher Processed	38,500	0.37	6.8		38,500	0.37	6.8		42,000	0.37	7.4
Provide Relocation Support												
	Number of Relocation Requests Processed	500	12.51	3.0		500	12.51	3.0		415	10.00	2.0
Provide Commercial Invoice Processing	Number of Invoices Processed	40,210	0.52	10.1		39,500	0.54	10.1		42,000	0.52	10.5
Subtotal				45.0				45.0				46.0
Total CFO Accounting				88.0				86.8				88.4
Headquarters Employment												
OACFO for Financial Management												
Perform Management Oversight, Policy and Guidance	NA	...	...	2.0		...	...	2.0		...	...	1.0
Perform FERA and Compliance Reviews	NA	...	...	8.0		...	...	10.2		...	...	11.0
Perform Audit Coordination	Number of Audits Reports (GAO and OIG) Issued	226	54.99	6.0		227	54.99	6.0		226	54.99	6.0
Perform Funds Control	NA			6.0				6.0				6.0
Formulate Financial Policy and Procedures	NA	...	...	4.0		...	...	4.0		...	...	4.0
Subtotal				26.0				28.2				28.0
OACFO for Budget												
Perform Management Oversight, Policy and Guidance	NA	...	...	3.0		...	...	3.0		...	...	2.1
Perform Budget Formulation (S&E)	NA	...	...	4.0		...	...	3.0		...	...	3.0

Detail of Chief Financial Officer Staff Requirements

Workload Guideline	Workload Indicator	----- Fiscal Year 2007 -----			----- Fiscal Year 2008 -----			----- Fiscal Year 2009 -----				
		Projected Accomplish- ment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplish- ment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplish- ment	Projected Unit Cost (Hrs)	FTE
Perform Budget Execution (S&E)	NA	...	...	6.0		...	...	6.0		...	...	5.0
Perform Budget Formulation (Program)	NA	...	...	6.6		...	...	6.6		...	...	6.6
Perform Budget Execution (Program)	NA	...	...	5.3		...	...	5.0		...	...	5.2
Perform Periodic Reporting and GPRA-related activities; help produce Strategic Plan and Annual Performance Plan	NA	...	...	8.4		...	...	8.4		...	...	8.1
Provide Budget Systems Support	NA	...	...	6.0		...	...	8.0		...	...	8.0
Coordinate Departmental Resource Management Activities	NA	...	...	6.0		...	...	6.0		...	...	5.0
Support Budget Form & Execut. Activities	NA	...	...	2.0		...	...	2.0		...	...	1.8
Subtotal				47.3				48.0				44.8
OACFO for Systems												
Perform Management Oversight, Policy and Guidance and Monitoring for the ACFO Financial Systems	NA	...	...	3.6		...	...	3.6		...	...	5.6
Manage CFO's Financial Systems	Number of Systems Supported	18	915.65	7.9		18	915.65	7.9		18	915.65	7.9
Perform Capital Planning and Evaluation	NA	...	...	11.5		...	...	11.5		...	...	13.0
Provide Management and Oversight	NA	...	...	4.0		...	...	4.0		...	...	8.0
Design and Perform Test and Analysis	NA	...	...	4.0		...	...	3.0		...	...	4.5
Subtotal				31.0				30.0				39.0
Total				206.3				211.0				216.0

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
ADMINISTRATION, OPERATIONS AND MANAGEMENT
GENERAL COUNSEL

SCOPE OF ACTIVITY

The General Counsel, as the chief legal officer and legal voice of the Department, acts as the legal adviser to the Secretary and other principal staff of the Department. It is the responsibility of the General Counsel to provide legal opinions, advice and services with respect to all programs and Departmental activities, and to provide counsel and assistance in the development of the Department's programs and policies.

Through the Departmental Enforcement Center (DEC), the General Counsel focuses on and resolves the Department's most difficult housing cases by taking aggressive action against those that are in serious non-compliance with regulatory and business agreement requirements. Suspension and debarment authority is consolidated in the DEC.

Performance of all of these activities supports the accomplishment of the goals of the Department's Strategic Plan and the President's Management Agenda (PMA). The Office of General Counsel (OGC) provides legal advice and guidance to all program offices so that they can meet their goals and objectives as identified in the PMA, the Strategic Plan, the Annual Performance Plan and the Departmental Management Plan. OGC provides support across all program lines and the resources it needs to accomplish its strategic mission of providing legal support and sound legal advice is directly related to program requirements. In addition to providing cross-cutting program support, through the work of the DEC, OGC has specific goals in the PMA, the Strategic Plan, the Annual Performance Plan and the Departmental Management Plan.

OGC is frequently called upon to meet with HUD policymakers in the early stages of development of new programs and initiatives not only for legal advice and guidance but also for OGC views on the feasibility and efficiency of proposed new programs and initiatives. Every year, OGC also undertakes special technical assistance projects on behalf of the Department that benefit from OGC's significant knowledge of HUD programs and expert drafting and communication skills. Such special projects include assisting program offices with the annual update of the "Programs of HUD" publication, assisting HUD offices with responses to Congressional inquiries or preparing Congressional correspondence, planning for the peer review of reports on certain technical documents supporting policy calls (as required by HUD's Information Quality Standards), preparation of documents concerning Early Registration under E-Grants, and facilitating the establishment of information roundtables and public meetings for contemplated new initiatives or changes to existing initiatives.

OGC is filling critical vacancies as quickly and effectively as possible. However, in addition to these critical vacancies, 124 members (19 percent) of the OGC staff are eligible for full retirement in fiscal year 2009. Another 136 personnel will be eligible for early retirement in fiscal year 2009, bringing the number of potential vacancies to 260, or 39 percent of OGC's current on-board staff.

OGC has augmented its workforce in recent years by hiring legal honors interns and plans to continue to pursue the Legal Honors Intern program. This program, which is highly competitive and nationally renowned, has been the cornerstone of OGC's new attorney recruitment efforts. The intern program helps ensure a steady stream of highly skilled and public service-focused attorneys to serve as the future managers and leaders of OGC. While the interns effectively address some staffing shortages, their lack of experience in the practice of law prevents them from filling anticipated senior and middle management vacancies due to pending retirements. These vacancies have to be addressed through training and recruitment of senior staff to shadow and learn from personnel in place before the incumbents retire.

EXPLANATION OF CHANGES FROM 2008 BUDGET ESTIMATE TO 2009 ESTIMATE

The Office of General Counsel is requesting a total of 661 FTE in fiscal years 2008 and 2009. As part of our succession planning, OGC actively and effectively recruits legal honors interns on an annual basis. In fiscal year 2009, our goal is to hire an additional 20 interns, and we must have the FTE ceiling available to hire and funds available for travel and training to provide these interns with the broadest possible exposure to the various functions that OGC performs in support of the achievement of Departmental goals.

Specific details are reflected in the Workload Justification Tables (REAP) for each office referenced below:

Office of the Deputy General Counsel for Operations - A total of 26 FTE are requested, which is 2 FTE less than the fiscal year 2008 request. This decrease will provide less training support to OGC.

Office of Litigation - A total of 24.5 FTE are requested, which is 1 FTE more than the fiscal year 2008 request. This increase is needed to accommodate the increase in workload necessary to provide Assistance to Housing and Fair Housing litigation services--specifically related to Hurricane Katrina litigation, anticipated litigation associated with FEMA's voucher program, and additional litigation generated by FHA's proposed reforms.

Offices of Insured Housing - A total of 29 FTE are requested, which is 1 FTE more than the fiscal year 2008 request. This additional FTE is needed to assure timely and accurate Multifamily insurance-related legal advice and counsel.

Office of Human Resources - A total of 32 FTE are requested, which is 2 FTE less than the fiscal year 2008 request. This will result in a reduced capacity to provide Human Resources Law program and policy support, personnel law-related legal advice associated with the FLSA, and legal services concerning contracts and grants.

Office of Fair Housing - A total of 20 FTE are requested, which is 2 more FTE than the fiscal year 2008 request. These FTE are necessary to support mandated Departmental efforts associated with the enforcement of the Fair Housing Act, as well as services necessary to provide legal and compliance services to the Department of Fair Housing and Equal Opportunity.

Office of Program Enforcement - A total of 23 FTE are requested, which is 14 FTE less than the fiscal year 2008 request. These 14 FTE will be used elsewhere to support the Gulf Coast Disaster and Housing and Fair Housing litigation work.

Departmental Enforcement Center (DEC) - A total of 123 FTE are requested, which is 4 FTE more than the fiscal year 2008 request. These additional FTE are needed to provide additional management of the Departmental Enforcement Center, the processing of additional notices and fact-based cases, and increased ability to review and process Financial Case Referrals (FASS/EF).

OGC Field Offices - The 300 FTE requested for represents an increase of 10 FTE from the fiscal year 2008 staffing level. Current analysis indicates to achieve maximum utilization of the current staffing levels, resources and functions should continue to reside in OGC's field offices.

The attached charts display detailed staffing and workload estimates based on the Resource Estimation and Allocation Process (REAP) baseline data.

Overall Summary of General Counsel Staff Requirements

	Actual 2007	Enacted 2008	Request 2009	Increase + Decrease - 2009 vs 2008
Headquarters.....	354.0	371.0	361.0	-10.0
Field	285.7	290.0	300.0	+10.0
Total	639.7	661.0	661.0	0.0

Summary of General Counsel Staff Requirements

	Actual 2007	Enacted 2008	Request 2009	Increase + Decrease - 2009 vs 2008
<u>Headquarters Employment</u>				
General Counsel				
Office of General Counsel Immediate Office	7.7	8.0	7.0	-1.0
Office of Deputy General Counsel for Operations	23.7	28.0	26.0	-2.0
Office of Litigation	20.9	22.5	24.5	+2.0
Office of Assisted Housing and Community Development	24.6	24.5	24.5	0.0
Office of Finance and Regulatory Compliance	34.5	33.0	33.0	0.0
Office of Insured Housing	28.6	28.0	29.0	+1.0
Office of Legislation and Regulations	18.5	19.0	19.0	0.0
Office of Human Resources Law	31.0	34.0	32.0	-2.0
Office of Fair Housing	18.7	18.0	20.0	+2.0
Office of Program Enforcement	21.8	37.0	23.0	-14.0
Enforcement Center				
Immediate Office	4.3	3.0	4.0	+1.0
Operations Division	5.2	8.0	8.0	0.0
Compliance Division	7.0	7.0	8.0	+1.0
<u>Satellite Offices (Atlanta, Chicago, Fort Worth, Los Angeles, New York)</u>	107.5	101.0	103.0	+2.0
Total	354.0	371.0	361.0	-10.0
<u>Field Employment</u>				
General Counsel				
Field Legal Service	285.7	290.0	300.0	+10.0
Total	639.7	661.0	661.0	0.0

Detail of General Counsel Staff Requirements

Workload Guideline	Workload Indicator	----- Fiscal Year 2007 -----			----- Fiscal Year 2008 -----			----- Fiscal Year 2009 -----				
		Projected Accomplish- ment	Projected Unit Cost (Hrs)	FTE	Unfunded (FTE)	Projected Accomplish- ment	Projected Unit Cost (Hrs)	FTE	Unfunded (FTE)	Projected Accomplish- ment	Projected Unit Cost (Hrs)	FTE
Headquarters Employment (General Counsel)												
Offices of General Counsel												
Immediate Office												
Providing program and policy support	NA			7.7				7.0			7.0	
Subtotal				7.7				7.0			7.0	
Office of Deputy General Counsel for Operations												
Provide OGDGC Program and Policy Support	NA			2.3				1.0			1.0	
Provide Field Legal operational guidance	NA			2.1				2.4			2.4	
Provide administrative and HR support to OGC	# of OGC staff supported	636	18.8	5.7		673	18.54	6.0		699	18.00	6.0
Manage OGC correspondence	NA			1.6				4.0			4.0	
Provide OGC IT support	NA			5.5				5.6			5.6	
Provide budget/Financial/Procurement Support	NA			4.9				6.0			6.0	
Provide Training Support to OGC	NA			1.6				3.0			1.0	
Subtotal				23.7				28.0			26.0	
Office of Litigation												
Provide litigation legal and administrative support	NA			4.3				3.0			3.0	
Provide Ass't Hsg/Fair Housing litigation services	NA			6.9				5.5			9.5	
Provide Insured Hsg & Comm. Dev. litigation services	NA			5.4				11.0			9.0	
Process HUD HQ FOIA Requests	NA			4.3				4.0			3.0	
Subtotal				20.9				23.5			24.5	
Office of Assisted Housing and Community Development												
Provide Assisted Housing/Community Development program and policy support	NA			1.3				2.0			2.0	
Provide assisted housing legal advice & counsel	NA			11.3				12.0			12.0	

Workload Guideline	Workload Indicator	----- Fiscal Year 2007 -----			----- Fiscal Year 2008 -----			----- Fiscal Year 2009 -----				
		Projected Accomplish- ment	Projected Unit Cost (Hrs)	FTE	Unfunded (FTE)	Projected Accomplish- ment	Projected Unit Cost (Hrs)	FTE	Unfunded (FTE)	Projected Accomplish- ment	Projected Unit Cost (Hrs)	FTE
Prividing community development legal advice & counsel	NA			12.0			10.5					10.5
Subtotal				24.6			24.5					24.5
Office of Finance and Regulatory Compliance												
Provide Finance and Regulatory program and policy support	NA			2.8			3.0					3.0
Provide legal services regarding GSEs and RESPA	NA			10.4			9.0					9.0
Provide program compliance related legal services	NA			13.0			12.0					12.0
Acting as GNMA corporate counsel	NA			8.4			9.0					9.0
Subtotal				34.5			33.0					33.0
Office of Insured Housing												
Provide Insured Housing program and policy support	NA			1.8			2.0					2.0
Provide SF insurance-related legal advice and counsel	NA			12.4			12.0					12.0
Provide MF insurance-related legal advice and counsel	NA			14.3			14.0					15.0
Subtotal				28.6			28.0					29.0
Office of Legislation and Regulations												
Provide Legislation/Regulation program and policy support	NA			0.5			2.0					3.0
Provide legal counsel regarding legislation	NA			7.6			5.0					6.0
Provide compliance assistance	NA						2.0					0.0
Coordinate the Department's regulatory agenda	NA			10.3			10.0					10.0
Subtotal				18.5			19.0					19.0
Office of Human Resources Law												
Provide HR Law program and policy support	NA			0.5			4.0					3.0
Provide personnel law-related legal advice	NA			10.5			10.0					9.0
Provide ethics-related legal advice	NA			9.7			8.0					9.0

Workload Guideline	Workload Indicator	----- Fiscal Year 2007 -----			----- Fiscal Year 2008 -----			----- Fiscal Year 2009 -----				
		Projected Accomplish- ment	Projected Unit Cost (Hrs)	FTE	Unfunded (FTE)	Projected Accomplish- ment	Projected Unit Cost (Hrs)	FTE	Unfunded (FTE)	Projected Accomplish- ment	Projected Unit Cost (Hrs)	FTE
Provide legal services concerning contracts and grants	NA			10.3				12.0				11.0
Subtotal				31.0				34.0				32.0
Office of Fair Housing												
Provide Fair Housing Law program and policy support	NA			0.9				2.0				2.0
Enforce the Fair Housing Act	NA			11.3				8.0				9.0
Provide legal and compliance services to FHEO	NA			6.6				8.0				9.0
Subtotal				18.7				18.0				20.0
Office of Program Enforcement												
Provide Program Enforcement program and policy support	NA			1.5				2.0				2.0
Provide Program Enforcement legal representation and support	NA			3.3				8.0				6.0
Provide legal assistance to Assistant US Attorneys	NA							9.0				0.0
Conduct Administrative Hearings	NA			17.1				18.0				15.0
Subtotal				21.8				37.0				23.0
Departmental Enforcement Center												
Immediate Office												
Manage the Departmental Enforcement Center	NA			4.3				3.0				4.0
Subtotal				4.3				3.0				4.0
Operations Division												
Provide management and administrative support	NA			5.2				8.0				8.0
Subtotal				5.2				8.0				8.0
Compliance Division												
Process Notices and Fact Based Cases	NA			7.0				7.0				8.0
Subtotal				7.0				7.0				8.0
Satellite Offices (Atlanta, Chicago, Fort Worth, Los Angeles, New York)												
Provide DEC Satellite program policy and guidance	NA			1.6				5.0				5.0

Workload Guideline	Workload Indicator	----- Fiscal Year 2007 -----			----- Fiscal Year 2008 -----			----- Fiscal Year 2009 -----				
		Projected Accomplish- ment	Projected Unit Cost (Hrs)	FTE	Unfunded (FTE)	Projected Accomplish- ment	Projected Unit Cost (Hrs)	FTE	Unfunded (FTE)	Projected Accomplish- ment	Projected Unit Cost (Hrs)	FTE
Review and Process Financial Case Referrals (FASS/EF)	Number of FASS/EF cases closed	4803	24.2	55.8		2500	39.40	47.0		3600	31.00	53.4
Review and Process Physical Case Referrals (PASS/PE)	Number of PASS/EP cases closed	1796	27.9	24.1		1000	46.20	22.0		1500	30.00	21.6
Review and Process Annual Financial Statement Cases	Number of AFS cases closed	3720	9.7	17.3		4300	6.35	13.0		4400	6.15	13.0
Perform special projects/general administrative functions	NA			8.8				14.0				10.0
Subtotal Satellite Offices				107.5				101.0				103.0
Subtotal OGC HEADQUARTERS				354.0				371.0				361.0
Field Employment (General Counsel)												
Regional Field Legal Services Centers												
Provide legal services regarding administrative law issues	# of administrative law issues opened	187	79.7	7.2		545	57.50	15.0		580	57.08	15.9
Provide legal services regarding CPD issues	# of CPD cases opened	807	12.4	4.8		1051	13.34	6.7		1051	13.34	6.7
Provide legal services regarding enforcement issues	# of enforcement issues opened	432	70.7	14.7		524	55.40	13.9		524	55.20	13.9
Provide legal services regarding civil rights issues	# of Fair Housing cases opened	3875	16.0	29.8		4600	12.40	27.2		5050	12.28	29.7
Provide legal services regarding MF insurance issues	# of multifamily issues opened	4788	26.2	60.4		6154	22.90	67.2		6175	22.71	67.2
Provide litigation support	# of litigation issues opened	2966	22.1	31.5		3823	17.41	31.8		3835	17.32	31.8
Provide legal services regarding Native American programs	# of ONAP cases opened	170	20.9	1.7		302	20.61	3.0		302	20.61	3.0
Provide legal services regarding personnel law	# of personnel law issues opened	664	31.8	10.1		450	25.42	5.5		450	25.42	5.5
Provide legal services regarding ethical law	# of ethics law issues opened	1613	4.5	3.5		2000	3.95	3.8		2000	3.95	3.8
Provide legal services regarding procurement/contracting issues	# of procurement/contracting cases opened	189	42.7	3.9		0	42.00	0.0		165	42.00	3.3
Provide legal services regarding public housing issues	# of public housing cases opened	1802	20.9	18.1		2953	13.74	19.4		2953	13.69	19.4
Provide legal services regarding Section 8 issues	# of Section 8 issues opened	381	28.0	5.1		517	21.69	5.4		517	21.69	5.4

Workload Guideline	Workload Indicator	----- Fiscal Year 2007 -----			----- Fiscal Year 2008 -----			----- Fiscal Year 2009 -----				
		Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Unfunded (FTE)	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Unfunded (FTE)	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
Provide legal services regarding 202/811 issues	# of 202/811 issues opened	2205	28.5	30.2		2889	21.20	29.2		2900	21.03	29.2
Provide legal services regarding SF Housing issues	# of SF Housing issues opened	2567	7.1	8.8		3780	7.30	13.2		3800	7.25	13.2
Provide supervisory, management, and administrative support to Regional Counsel	NA			50.6				42.0				45.3
Provide legal services regarding MF Property Disposition	# of MF PD cases opened	15	730.5	5.3		20	697.00	6.7		20	696.80	6.7
Subtotal				285.7				290.0				300.0
Total				639.7				661.0				661.0

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
ADMINISTRATION, OPERATIONS AND MANAGEMENT
ADMINISTRATION AND STAFF SERVICES

SCOPE OF ACTIVITY

The Office of Administration provides Departmental support, such as strategic human capital management, skill gap training, management analysis, human resource management, grants management, correspondence and scheduling for the Secretary, staffing and performance analysis, general building operations/maintenance, FOIA processing and office services.

KEY PRIORITIES

Human capital is HUD's most important asset. HUD has taken significant steps to better utilize existing staff capability and to obtain, develop, and maintain the capability necessary to adequately support HUD's future mission-critical program delivery. A 5-year strategy for management of human capital has been developed, with implementation plans, to ensure that HUD's organizational structure is optimized; succession strategies are in place to provide a continuously updated talent pool; performance appraisal plans for all managers and staff are linked to HUD's mission, goals and objectives; diversity hiring strategies are in place to address under-representation; skill gaps are assessed and filled; and human capital management accountability systems are in place to support effective management of HUD's human capital.

An aggressive succession planning effort is underway to mitigate the Departmental risk of losing over 50 percent of its employees to impending retirement between fiscal years 2007 and 2009. Succession planning tools proposed include reinforcing Departmental end strength with an infusion of talent using the Department's Intern programs, and enhancing leadership development programs to utilize the talents of employees who demonstrate leadership potential. Fifty interns were hired in fiscal year 2007, 100 interns annually, thereafter, to mitigate the risk posed by potential retirements. The Office of Administration will ensure that these interns receive appropriate training and rotational assignments. At the end of the 2-year excepted appointment assignment, the interns will be placed in the appropriate program office. Intern assignments will be closely monitored to ensure that they receive appropriate training and rotational assignments.

HUD will also place emphasis on its Leadership Development Programs. Programs such as Emerging Leaders, SES Candidate Development, and the Council for Excellence in Government, currently administered by the HUD Training Academy, will be closely monitored for succession planning purposes and to ensure that HUD gets the return on its investment.

The accomplishment of the Department's mission is at risk due to pervasive skill gaps throughout the program offices. A key component to combat this problem is the Office of Administration's training plan that will address the major cross-cutting skill gaps throughout the Department. Funds allocated to the Department's Training Academy were reduced in fiscal year 2005 due to budget constraints. In fiscal year 2007, HUD's training budget is just over \$1.5 million. This constitutes an average of \$120 per HUD employee. The national average for annual training dollars per employee for both private sector companies and government agencies is between \$950 - \$1,000.

Based on the skills assessments conducted in fiscal year 2006 by the Workforce Planning Taskforce at HUD, the Department has major cross-cutting skill gaps in the following competencies: (1) Customer Service, (2) Problem Solving, (3) Analytical Ability/Reasoning, (4) Organizational Awareness/Knowledge, (5) Written Communications, (6) Oral Communications, (7) Attention to Detail, (8) Integrity/Honesty, (9) Technical Credibility, and (10) Knowledge of Housing Financial Analysis. In addition, HUD has a significant number of employees who are currently eligible to retire; therefore the need to identify and train talent pools who will be prepared to replace these employees is critical at this time.

Administration, Operations and Management--Administration and Staff Services

The additional training dollars being requested in fiscal year 2009 would allow HUD to close its general and management skill gaps across the Department. This would constitute the training of all employees across the Department. These funds would also allow HUD to train all new supervisors (with 0 - 3 years of experience), properly train over 100 new Federal Career Interns and Presidential Management Fellows, and increase the number of participants in its major succession planning programs by over 50 percent. These programs include the Emerging Leaders Program, which would increase from 30 to 100 participants, and the Council for Excellence in Government (CEG) Program, which would increase from 10 to 20 participants. This would also provide funding for mandatory training for all HUD employees in the areas of the No Fear Act, Conflict Management, Reasonable Accommodations, and Acquisition Management (GTR Certifications).

The Department is currently automating the performance appraisal process. E-performance allows us to automate employee performance appraisals from all three performance plans: EPPES, PACS, and EPACS. This will enable us to tie employee performance directly to Departmental performance goals. Performance measures will be available on-line for forwarding to the Employee Service Center (ESC). Employees will be able to sign their appraisals online and the ESC can print them locally. E-performance will be partially implemented in fiscal year 2007, with full implementation anticipated in fiscal year 2008.

Security continues to be a focal point within the Office of Administration. Funds are included in this proposal for security access upgrade (physical and electronic). The Departmentwide reissuance of ID cards, in accordance with continuation of the Presidential Directive HSPD-12 and implementation of the Continuity of Operations Plan (COOP).

Funds to implement the accelerated 5-year space consolidation plan are included in this proposal. The 5-year Space Consolidation Plan is a comprehensive tool that will eliminate external leased space in 6 of the 7 external Headquarters locations currently leased by the Department. The goal is to reduce HQ satellite rental space by 57 percent by fiscal year 2009, and bring 342 employees into the Robert Weaver HQ building. This Plan will reduce HUD costs for leased office space in Headquarters satellite locations by 210,000 square feet, saving approximately \$6.7 million in rent costs, beginning in fiscal year 2010.

The Department awards over \$28.6 billion in grants (approximately 10,000 grants) annually. In fiscal year 2005, 78 percent of grant applicants filed electronically. In fiscal year 2006, 99 percent of applicants filed their application packages electronically. The Department continues to be a leader in e-grants implementation.

The component organizations within the Office of Administration that provide Departmental support are:

The Office of the Assistant Secretary for Administration is responsible for the development and promulgation of policies, standards, procedures, systems, and materials related to the resource and administrative management of the Department and for the execution of such policies and directives at Headquarters and in the Field. The Assistant Secretary, General Deputy and the associated offices are responsible for carrying out all administrative support functions that enable HUD's ability to execute its mission.

The Office of Human Resources (OHR), led by the Deputy Assistant Secretary for Human Resources, is responsible for policy development, personnel management evaluation, personnel program assessment, HR advisory services for the Department, personnel operations services, and departmental training support services, human capital management, and workforce planning. The demand for guidance in human capital management and workforce planning is steadily growing. Program offices are constantly required to do more work and provide more services with fewer and fewer resources. The challenges this creates can be addressed through effective human capital management and strategic workforce planning. The role of OHR is being expanded to provide the program offices with the tools they need to address these challenges; tools such as strong performance management, effective succession planning strategies, and an ability to identify skill gaps and the creativity to develop plans to close them. OHR is also responsible for managing human capital initiatives such as developing workforce planning strategies, implementing and monitoring the progress of Proud-to-Be III activities, conducting workforce analysis studies, identifying employee skill gaps, and assisting program offices with implementing these initiatives by providing them with tailored consultative services. Operational responsibilities include staffing/recruitment, position classification and management, pay administration, benefits counseling, and employee relations. OHR administers the Drug-Free Workplace Program, the Employee Assistance Program, the Performance

Administration, Operations and Management--Administration and Staff Services

Management System, and the contracts between HUD and its Labor Unions (American Federation of Government Employees and National Federation of Federal Employees). In addition, OHR oversees the payroll processing services provided to HUD by the National Finance Center of the Department of Agriculture. The OHR Director oversees seven divisions: Executive Personnel Management Division; Employee Service Center; Labor and Employee Relations Division; Compensation Performance and Organization Management Division; Training Services Division; Policy Research and Development Division; and Staffing and Classification Division.

The Office of Field Administrative Resources (OFAR), formerly the Administrative Service Centers (ASCs) in the Office of the Deputy Assistant Secretary for Operations, is being established to carry out the administrative resources functions in the field. This Office will report directly to the Assistant Secretary for Administration, through the General Deputy Assistant Secretary for Administration. The OFAR will be organized into the following: Management and Budget Staff, Operations Division (Northern and Southern), and Project Management Division (Northern and Southern). This change will provide for consistency in operations and assist in reducing the span of control by grouping related functions.

While the primary role of the Headquarters staff in the Office of Administration is to set policy and deliver human and administrative services to employees located in HUD Headquarters, OFAR provides services that must be delivered close to HUD field employees for maximum effectiveness and efficiency. These include time and attendance (T&A) coordination and oversight, space and facility management at HUD leased and Federal sites, budget formulation and execution; voice telecom operations; health, safety and security; and the provision for supplies and goods are administered in selected field offices for maximum efficiency.

To support HUD's management and internal controls, the fiscal year 2009 budget submission for the Office of Administration reflects the following:

- Revised funding estimates for contractual services (new telephone systems and space alterations) that support all field office lease expirations, realignments, office moves and office reconfigurations that are anticipated during fiscal year 2009. Other revised funding estimates in the contracts category are attributed to the Departmental e-grants initiative, minimum growth rate in all contract categories for mail services; equipment; furniture and vehicle maintenance and repair; NFC payroll systems; health services; implementation of HIRTS and the Departmentwide security door upgrade project (HSPD-12), as mandated by Presidential Directive HSPD-12 (\$550 thousand).
- Phased implementation of a Headquarters space consolidation plan to reduce rent costs. Phased implementation will require moving personnel from 6 leased buildings into existing space in the Weaver building. Implementation of this plan will save the Department approximately \$6.7 million, beginning in fiscal year 2010.
- The accomplishment of the Department's mission is at risk due to pervasive skill gaps throughout the program offices. A key component to combat this problem is the Office of Administration's Departmental training plan that will address the major cross-cutting skill gaps throughout the Department. Funds allocated to the Department's Training Academy were reduced in fiscal year 2005 due to budget constraints. In fiscal year 2006, HUD's training budget is just over \$1 million. This constitutes an average of \$120 per HUD employee. The national average for annual training dollars per employee for both private sector companies and government agencies is between \$950 -\$1,000.
- Funding for 100 interns in fiscal year 2009 to mitigate the Departmental risk of losing over 50 percent of its employees to impending retirement between fiscal years 2007 and 2008. The Office of Administration is placing these employees on its rolls in order to get a better handle on appropriate work assignments, and to ensure that interns receive appropriate training and rotational assignments. At the end of the 2-year excepted appointment assignment, interns will be placed in the appropriate program office. Intern assignments will be closely monitored to ensure that they receive appropriate training and rotational assignments.
- A proposal of \$3 million is included in this budget request to begin upgrading 84 restrooms in the Headquarters building to make them aesthetically acceptable and enable them to be more energy efficient in terms of water conservation. Plumbing fixtures in the current restrooms are failing and outdated, wall tile is permanently discolored and difficult to repair/replace.

Administration, Operations and Management--Administration and Staff Services

EXPLANATION OF CHANGES FROM THE 2008 ESTIMATE TO THE 2009 ESTIMATE

The FTE increase of 34.6 (+36.8 in Headquarters, -2.2 in the Field) is largely attributed to the continued expansion of the Departmental Intern Program (54 Interns in Administration, +45.4 FTE), which will address succession planning concerns. Additional FTE were requested for the establishment of an Intern coordination staff to manage and monitor Departmental Intern activities, the establishment of the recruitment staff within the Office of Human Resources to develop strategies for recruiting and retaining Departmental employees (+2.0 FTE), the expansion of the Most Efficient Organization (MEO) in the Office of Training Services from (+2.0 FTE) to manage the Department's training initiatives, attribution in the Office of the Assistant Secretary for Administration and the Office of Executive Scheduling due to political turnover anticipated as a result of the Presidential election (-3.0 FTE).

Additionally, there was a reorganization eliminating the ASC structure and the Office of the Deputy Assistant Secretary for Operations. These FTE were realigned to OHR. The total FTE realigned from the Field includes the transfer of Field OHR to Headquarters.

The attached charts display detailed staffing and workload estimates based on the Resource Estimation and Allocation Process (REAP) baseline data.

Overall Summary of Administration and Staff Services Staff Requirements

	Actual 2007	Enacted 2008	Request 2009	Increase + Decrease - 2009 vs 2008
Headquarters.....	305.3	413.7	450.5	+36.8
Field	212.3	200.7	198.5	-2.2
Total	517.6	614.4	649.0	+34.6

Summary of Administration and Staff Services Staff Requirements

	Actual 2007	Enacted 2008	Request 2009	Increase + Decrease - 2009 vs 2008
<u>Headquarters Employment</u>				
Assistant Secretary for Administration				
Immediate Office	8.0	8.0	5.0	-3.0
Office of Security and Emergency Planning	29.3	29.3	28.0	-1.3
DAS for Budget and Management Support				
Immediate Office	2.0	2.0	2.0	0.0
Office of Administrative and Management Services	78.8	84.7	82.7	-2.0
Office of Budget and Administrative Support	23.0	23.0	22.0	-1.0
Office of Management and Planning	5.3	6.0	6.0	0.0
Office of Departmental Grants Management and Oversight	6.4	6.4	6.4	0.0
Executive Secretariat	20.8	26.0	25.0	-1.0
Subtotal	136.3	148.1	144.1	-4.0
DAS for Human Resource Management				
Immediate Office	3.0	4.0	8.0	+4.0
Office of Human Resources	85.3	103.3	100.0	-3.3
HTA/Division of Training Services	21.0	27.0	29.0	+2.0
Centralization of Interns in Office of Administration	6.0	83.0	128.4	+45.4
Subtotal	115.3	217.3	265.4	48.1
DAS for Operations				
Immediate Office	8.0	0.0	0.0	0.0

	Actual 2007	Enacted 2008	Request 2009	Increase + Decrease - 2009 vs 2008
Office of Executive Scheduling	8.4	11.0	8.0	-3.0
Total Headquarters Employment	305.3	413.7	450.5	36.8
<u>Field Employment</u>				
DAS for Operations				
Administrative Service Centers	212.3	200.7	198.5	-2.2
Total Field Employment	212.3	200.7	198.5	-2.2

Detail of Administration and Staff Services Staff Requirements

Workload Guideline	Workload Indicator	-----Fiscal Year 2007 -----			-----Fiscal Year 2008 -----			----- Fiscal Year 2009 -----				
		Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Unfunded (FTE)	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Unfunded (FTE)	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
Headquarters Employment												
Assistant Secretary for Administration												
Immediate Office:												
	Providing policy guidance, management and oversight	NA		8.0			8.0					5.0
	Subtotal			8.0			8.0					5.0
Office of Security and Emergency Planning												
	Provide Program and Policy Support - OSEP	NA		6.0			6.0					5.7
	Provide personnel security/emergency preparedness	NA		10.3			10.3					10.0
	Providing executive security	# of trip days		6.0			6.0					5.7
	Providing Physical Security for the HUD Building	NA		7.0			7.0					6.7
	Subtotal			29.3			29.3					28.0
DAS for Budget and Management Support												
	Provide program policy and guidance	NA		2.0			2.0					2.0
	Subtotal			2.0			2.0					2.0
Office of Administrative and Management Services												
	Provide program policy and guidance - OAMS	NA		3.4			5.0					4.5
	Provide Facility Management Services	NA	1,112,896	0.01	8.0	1,112,896	0.01	8.0	1,112,896	0.01	8.0	8.0
	Provide mail and records management services	NA		6.0			7.0					6.2
	Provide telecommunications equipment and services	# of telecom equipment in inventory		15.0			17.0					16.3
	Manage property/equipment acquisition/inventory/disposition	# of non-telecom equipment in inventory	7,832	2.23	8.4	7,832	2.23	8.4	7,832	2.23	8.4	8.4
	Provide space management services	# of space projects requested	53,584	0.48	12.4	53,584	0.48	12.4	53,584	0.48	12.4	12.4

Workload Guideline	Workload Indicator	-----Fiscal Year 2007-----			-----Fiscal Year 2008-----			-----Fiscal Year 2009-----				
		Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Unfunded (FTE)	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Unfunded (FTE)	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
Provide space management support activities	NA	224	53.81	5.8		224	53.81	5.8		224	53.81	5.8
	# of broadcasts and A/V services											
Provide broadcasting services		3,533	2.22	3.8		3,533	2.22	3.8		3,533	2.22	3.8
Provide publication services	NA			16.0				17.3				17.3
Subtotal				78.8				84.7				82.7
Office of Budget and Administrative Support												
Provide OBAS S&E program policy and guidance	NA			1.1				1.1				0.9
Provide S&E management operations support	NA			9.2				9.2				9.0
Maintain S&E budget policies and procedures	NA			9.3				9.3				9.1
Provide S&E contract/procurement oversight	NA			3.4				3.4				3.2
Subtotal				23.0				23.0				22.0
Office of Management and Planning												
Provide program policy and guidance - OMAP	NA			0.5				0.7				0.7
Perform planning, performance measurement and performance reporting activities	NA			1.1				1.3				1.3
Provide Departmental management program evaluation and coordination	# of QMR reports issued	9	292.02	1.3		9	292.02	1.3		9	292.02	1.3
Provide consulting services to HUD offices	NA			0.4				0.7				0.7
Provide web management services and support	NA			1.1				1.1				1.1
Perform S&E/GAO/IG audit coordination	NA	2	215.26	0.2		2	215.26	0.2		2	215.26	0.2
Perform OMAP administrative support	NA			0.7				0.7				0.7
Subtotal				5.3				6.0				6.0
Office of Departmental Grants Management and Oversight												
Provide Departmental grants management and oversight	NA			6.4				6.4				6.4
Subtotal				6.4				6.4				6.4

Workload Guideline	Workload Indicator	-----Fiscal Year 2007-----			-----Fiscal Year 2008-----			-----Fiscal Year 2009-----				
		Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Unfunded (FTE)	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Unfunded (FTE)	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
Executive Secretariat												
Control and manage Secretarial correspondence	NA			20.8				26.0				25.0
Subtotal				20.8				26.0				25.0
DAS for Human Resource Management												
Provide program and policy support - DAS/HRM	NA			3.0				4.0				8.0
Subtotal				3.0				4.0				8.0
Manage/monitor Departmental recruitments	NA			0.0				0.0				0.0
Subtotal				0.0				0.0				0.0
Manage/monitor centralized Departmental Intern Program	NA			0.0				0.0				0.0
Subtotal				0.0				0.0				0.0
Centralization of Departmental interns to the Office of Administration to facilitate program management				6.0				83.0				128.4
Subtotal				6.0				83.0				128.4
Office of Human Resources												
Provide program and policy support - OHR	NA			1.0				4.6				4.0
Provide executive personnel management services	# of executive staff supported	213	53.17	5.4		213	53.17	5.4		213	53.17	5.4
Perform compensation, performance, and organizational management functions	NA			14.2				17.8				17.2
Recruiting and staffing non-executive positions	# of staffing/recruiting/DEU actions	5,388	7.78	20.2		5,388	7.78	20.2		5,388	7.78	20.2
Provide labor and employee relations services	NA			14.8				18.4				17.8
Provide guidance and information on HR policies and procedures	NA			6.5				10.1				9.4
Provide Employee Service Center services	NA			23.2				26.8				26.0
Subtotal				85.3				103.3				100.0

Workload Guideline	Workload Indicator	-----Fiscal Year 2007 -----			-----Fiscal Year 2008 -----			-----Fiscal Year 2009 -----				
		Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Unfunded (FTE)	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Unfunded (FTE)	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
HTA/Division of Training Services												
Provide managerial support to HTA programs and institutes	NA			1.8				3.8				4.5
Provide HTA operational services support	# of courses supported	92	158.50	7.0		92	158.50	7.0		92	158.50	7.0
Provide technical training courses	# of technical courses planned/developed			4.9				6.9				7.6
Provide leadership and management initiatives courses	# of leadership courses planned/developed	9	309.56	1.3		9	309.56	1.3		9	309.56	1.3
Provide employee and career development courses	# of development courses planned/developed			6.0				8.0				8.7
Subtotal				21.0				27.0				29.0
DAS for Operations												
Provide DAS/Ops S&E program policy and guidance	NA			1.0				0.0				0.0
Development and Maintenance of Automated Systems maintained/supported		42	345.58	7.0				0.0				0.0
Subtotal				8.0				0.0				0.0
Office of Executive Scheduling												
Coordinating Secretary's schedule and travel	NA			8.4				11.0				8.0
Subtotal				8.4				11.0				8.0
Field Employment												
DAS for Operations												
Administrative Service Centers												
Administrative Resources Division												
Provide ARD program policy and guidance	NA			22.3				17.0				17.4

Workload Guideline	Workload Indicator	-----Fiscal Year 2007-----			-----Fiscal Year 2008-----			-----Fiscal Year 2009-----				
		Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Unfunded (FTE)	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Unfunded (FTE)	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
Provide facilities and space management services	# of sites supported	86	1,426.43	59.0		86	1,426.43	59.0		86	1,426.43	59.0
Provide office management and support services	# of HUD/contractor staff supported	6,350	10.30	31.4		6,350	10.30	31.4		6,350	10.30	31.4
Coordinate small purchases	# of SPS obligations/ Smart Card purchases	9,329	4.32	19.4		9,329	4.32	19.4		9,329	4.32	19.4
Perform human resource management (ARD)	# of employees served			0.0				0.0				0.0
Provide HR/IT Support (ARD)				6.1				2.1				2.1
Subtotal				138.2				128.9				129.3
Human Resources Division												
Provide HRD program policy and guidance	NA			2.6				1.6				2.0
Provide advice/counsel on labor/management issues	# of employees served	6,120	6.51	20.1		6,120	6.51	20.1		6,120	6.51	20.1
Perform personnel management activities	# of employees served	6,144	5.24	15.5		6,144	5.24	15.5		6,144	5.24	15.5
Provide advice/counseling on recruiting/staffing	# of positions announced	333	99.78	17.3		333	99.78	17.3		333	99.78	17.3
Subtotal				55.5				54.5				54.9
ASC Director/Deputy Director												
Provide ASC program and policy guidance	NA			18.6				17.3				14.3
Subtotal				18.6				17.3				14.3
Total				517.6				614.4				649.0

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
ADMINISTRATION, OPERATIONS AND MANAGEMENT
CENTER FOR FAITH-BASED AND COMMUNITY INITIATIVES

SCOPE OF ACTIVITY

The Center for Faith-Based and Community Initiatives (CFBCI) was established by Executive Order 13198 on January 29, 2001. CFBCI plays a vital role in actively supporting and engaging in HUD's overall goal of improving the efficiency, effectiveness and delivery of essential programs and services to Faith-based and Community Organizations (FBCOs).

CFBCI facilitates intra-Departmental and inter-agency cooperation regarding the needs of FBCOs. CFBCI undertakes actions in conformance with the President's Management Agenda by organizing and facilitating delivery of technical assistance, training and outreach programs designed to strengthen the competency, capacity and skills of FBCOs to better equip them to compete for Federal funds. CFBCI serves as a foundation to generate momentum for participation by FBCOs in HUD's select formula and non-formula grant programs. The Center also develops pilot projects to create partnerships and help FBCOs reach the goals set forth in these pilot programs. It also responds to new mandates from the White House Office of Faith-Based and Community Initiatives (WHOFBCI) and to requests for assistance from the Department's program offices.

In compliance with Executive Order 13198, the Center participates in furthering HUD's overall strategic goals and objectives, particularly as they relate to partnership with FBCOs. These partnerships are designed to: help transition families from HUD-assisted housing to self sufficiency; insure compliance with Equal Treatment Regulations; increase homeownership and affordable housing opportunities; assist FBCOs in accessing resources to make their communities more livable.

In 2002, the President issued Executive Order 13279, titled Equal Protection of the Laws for Faith-Based and Community Organizations. Its intent is to expand opportunities for, and strengthen the capacity of, faith-based and other community organizations so they may better meet social needs in America's communities, and ensure that Faith-Based and Community Organizations are not unjustly precluded from participation in Federal programs by regulations and bureaucratic practices and policies. The Order directs the Center to, inter alia, (i) amend any policies that contradict the Order; (ii) where appropriate, implement new policies that are necessary to further the fundamental principles and policy-making criteria set forth in the Order; (iii) implement new policies to ensure collection of data regarding the participation of Faith-Based and Community Organizations in social service programs that receive Federal financial assistance; and (iv) report to the President the actions it proposes to undertake to implement the Order.

CFBCI participates and financially supports White House initiatives and conferences and undertakes project-based activities as the White House may from time to time require. The Center maintains the leadership position it has established both within the Initiative and within the Department by executing the following key responsibilities in compliance with Executive Orders 13198 and 13279.

Workload

CFBCI will participate in implementing HUD's strategic goals and objectives, as well as the following key responsibilities in compliance with Executive Orders 13198 and 13279. CFBCI workload responsibilities are:

- **Reduce Barriers to FBCOs.** CFBCI staff review HUD programs, on an on-going basis, and train FBCOs on how to identify barriers that prevent the fullest participation of FBCOs in HUD programs. FBCO trainings include, but are not limited to barriers created by rules, regulations, internal policies and practices, and outreach activities that either discriminate against or otherwise discourage or disadvantage the participation of FBCOs in HUD programs.
- **Expand Opportunities for FBCOs.** CFBCI coordinates comprehensive departmental efforts such as: the "HOPE VI mentoring" program; the "Unlocking Doors" initiative; "Doors of Hope"; and, "The Arts and Science of Grant Writing." These programs are designed to incorporate FBCOs in Departmental programs and initiatives to the greatest extent possible, thereby widening the pool of grant applicants to include grassroots organizations and historically excluded groups. The Center conducts outreach, conferences, train the trainer and other opportunities to help FBCOs improve their capacity to compete for funding and to run their organizations effectively.
- **Outreach and Technical Assistance to FBCOs.** Through the aforementioned programs and other activities, CFBCI will continue to develop its databases of FBCOs which have little or no history of working with HUD. Outreach and technical assistance to such non-traditional grassroots organizations and networks will equip them with the skills needed to successfully pursue funding and partner opportunities. CFBCI will continue to enhance its website to better serve those interested in HUD grant opportunities, program information and the Initiative as a whole. CFBCI will continue offering Free Grant Writing Training, creating affordable housing opportunities through the Unlocking Doors Initiative and encouraging and assisting the development of 202 projects through Doors of Hope. In conjunction with WHOFBCI and other agency centers, CFBCI will host inter-agency summits to disseminate information concerning to FBCOs, partnership opportunities with the Federal Government, and strategies to enhance local public/private partnerships.
- **Remediation of Barriers.** CFBCI initiates and supports efforts to remove barriers identified in the annual Department-wide inventory, including, but not limited to, reform of regulations, procurement and internal policies and practices.
- **Pilot Projects and Partnering with HUD Program Offices.** CFBCI partners with HUD program offices to establish mutual goals and identify opportunities to assist the offices in carrying out their strategic plans and objectives, with particular regard to strengthening and expanding their FBCO partnerships. The Center proposes and develops innovative pilot and demonstration programs to increase the participation of FBCOs in programming changes, contracting opportunities, and other Departmental initiatives, including Internet resources.
- **Educating Government Personnel.** CFBCI participates in HUD field office conferences, trainings and seminars. It trains HUD personnel and State and local governments on regulatory reforms and all Executive Orders relating to HUD programs and CFBCI.
- **Data Collection.** In order to accurately determine our effectiveness in goal attainment, CFBCI measures how much change has been effected through its data collection process. This data measures how effective CFBCI is in attaining its objectives and the impact the outreach and pilot programs have on the community. This data collection process documents that faith-based organizations can and do partner effectively with the Federal Government and HUD dollars are used to transform lives permanently.

Administration, Operations and Management--Faith-Based and Community Initiatives

EXPLANATION OF CHANGES FROM 2008 BUDGET ESTIMATE TO 2009 ESTIMATE

There are no changes in FTE from 2008 estimate to 2009 estimate.

The attached charts display detailed staffing and workload estimates based on the Resource Estimation and Allocation Process (REAP) baseline data.

Overall Summary of Center for Faith-Based Community Initiatives Staff Requirements

	FTE			
	Actual 2007	Enacted 2008	Request 2009	Increase + Decrease - 2009 vs 2008
Headquarters.....	8.0	10.0	10.0	0.0
Field .....	....	....	....	....
Total	8.0	10.0	10.0	0.0

Summary of Center for Faith-Based Community Initiatives Staff Requirements

	Actual 2007	Enacted 2008	Request 2009	Increase + Decrease - 2009 vs 2008
<u>Headquarter Employment</u>				
Center for Faith-Based Community Initiatives	8.0	10.0	10.0	0.0
Total	8.0	10.0	10.0	0.0

Detail of Center for Faith-Based Community Initiatives Staff Requirements

<u>Workload Guideline</u>	<u>Workload Indicator</u>	----- Fiscal Year 2007 -----			----- Fiscal Year 2008 -----			----- Fiscal Year 2009 -----		
		Projected Accomplish- ment	Projected Unit Cost (Hrs)	FTE	Projected Accomplish- ment	Projected Unit Cost (Hrs)	FTE	Projected Accomplish- ment	Projected Unit Cost (Hrs)	FTE
<u>Headquarters Employment</u>										
Focus, Integrate, and Intensify HUD's Relationship with Faith-Based and Community Organizations	NA			8.0			10.0			10.0
Subtotal				8.0			10.0			10.0

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
ADMINISTRATION, OPERATIONS AND MANAGEMENT
FIELD POLICY AND MANAGEMENT

SCOPE OF ACTIVITY

The Office of Field Policy and Management (FPM) provides management oversight to 80 Regional and Field offices. FPM communicates Secretarial priorities and policies to the field, ensures the effective pursuit of Secretarial initiatives and special projects, and other management and administrative functions. FPM is uniquely positioned in the Regional and Field Offices thus creating an effective opportunity to reach out to the Department's stakeholders and others to build partnerships to advance HUD's strategic goals; and to coordinate the delivery of technical assistance and outreach to public agencies and private organizations. FPM serves the full range of HUD's customers (both individual and institutional) supporting every program area (e.g., housing, community planning and development, public and Indian housing and fair housing) and through its Regional Directors and Public Affairs Officers it is the official voice of HUD in the field. FPM in the field serves as the principal point of contact and is responsible for managing and coordinating HUD's field offices' response to disaster relief efforts. Moreover, FPM has the responsibility for maintaining effective relations with and serving as the principal point of contact with the Department for industry groups, the media, general public, managing all inquiries and correspondence, including Freedom of Information Act (FOIA), congressional and State/local elected officials.

FPM provides management and oversight to all of HUD's 80 field offices. FPM does not administer any HUD programs. Therefore, FPM's budget is predominately operational in nature and specifically travel-related.

FPM's Regional and Field Office Directors lead the development and implementation of local management plans, including performance measures and strategies for each jurisdiction which ensure integrated program delivery that advances the Department's strategic goals and objectives. The plans reflect rationales for accomplishing particular goals and objectives in ways that are responsive to community needs and maintain a high level of customer service. FPM ensures that each of HUD's offices in the field operate as a common enterprise.

WORKLOAD

The Assistant Deputy Secretary for Field Policy and Management manages the operations of FPM to advance the strategic goals of the Department. Through the Regional and Field Office Directors, the Assistant Deputy Secretary establishes management priorities for "front office" (i.e., non-programmatic) field operations and coordinates Secretarial initiatives to ensure effective use of resources for maximum positive impact. In addition, FPM develops mechanisms to: ensure that critical field program delivery issues are addressed; assess the effectiveness of programs and customer service at the local level; provide operational feedback designed to constructively influence program design and Departmental policy-making.

The Assistant Deputy Secretary directly supervises the Regional Directors, who in turn have direct supervision over the Field Office Directors within their Regions. The Regional Directors and Field Office Directors are the "operational managers" in each of the field offices serving as the senior management official in their respective offices. Regional and Field Office Directors ensure that limited staff and other resources are used to maximum effect to accomplish Departmental priorities and that the component parts of each field office effectively function as a common enterprise in achieving Departmental goals, both to serve our customers well and use resources efficiently.

Administration, Operations and Management--Field Policy and Management

EXPLANATION OF CHANGES FROM 2008 BUDGET ESTIMATE TO 2009 ESTIMATE

FPM's fiscal year 2009 FTE request is 383; resulting in a decrease of 17 FTEs over FPM's fiscal year 2008 estimated ceiling of 400. Since fiscal year 2003 to present, FPM has experienced drastic FTE staffing reductions. These staffing reductions did not come about gradually therefore, FPM had to aggressively approach the problem several ways simultaneously to accomplish this goal. This goal is being accomplished through buyouts, hiring freeze, voluntary, involuntary and directed reassignments of FTEs, re-examining our core mission and through normal attrition. In addition, FPM has developed a model configuration for each of its 80 regional and field offices. This model structure will allow us to focus directly on challenges of a reduced staffing level in areas of field liaison, administrative and management support, customer service, as well as Web and public affairs activities. In addition, this model will also help us to redirect our attention to FPM mission critical function, provide a framework to correct staffing imbalances and skill gaps and help us to better manage our human capital resources more effectively. We believe without further reduction in staffing, FPM can operate effectively at this lean staffing requirement without experiencing a drop in workforce performance. Any further reductions in FPM's FTE level below the 383 would minimize our ability to perform at maximum level particularly in the areas of customer service and disaster recovery efforts. FPM is committed to carrying out HUD's strategic goals of advancing homeownership opportunities, building the capacity of faith-based groups and organizations, and other Secretarial initiatives. We serve as the eyes and ears of the Department in promoting and advancing Presidential and Secretarial initiatives. FPM best serves its customers operating at an FTE level no lower than 383.

The attached charts display detailed staffing and workload estimates based on the Resource Estimation and Allocation Process (REAP) baseline data.

Overall Summary of Field Policy and Mangement Staff Requirements

	FTE				
	Actual	2007	Enacted 2008	Request 2009	Increase + Decrease - 2009 vs 2008
Headquarters.....		22.0	19.0	20.0	1.0
Field		<u>409.0</u>	<u>380.6</u>	<u>363.0</u>	<u>-17.6</u>
Total.....		431.0	399.6	383.0	-16.6

Summary of Field Policy and Mangement Staff Requirements

	FTE				
	Actual	2007	Enacted 2008	Request 2009	Increase + Decrease - 2009 vs 2008
<u>Headquarters Employment</u>					
Provide Field Liaison Support and Guidance		6.5	6.0	4.0	-2.0
Develop and Implement COOP Disaster Responses and Recovery Plans		0.5	0.5	1.0	0.5
Provide Management Support and Guidance		9.0	6.0	6.0	0.0
Provide Administrative Support and Guidance		<u>6.0</u>	<u>6.5</u>	<u>9.0</u>	<u>2.5</u>
Subtotal		22.0	19.0	20.0	1.0
<u>Field Employment</u>					
General Staff Tasks and Mgt Support		10.0	8.0	5.0	-3.0
Execute Secretarial Priorities		100.5	99.0	106.0	7.0
Develop and Implement COOP Disaster Responses and Recovery Plans		3.5	2.5	2.0	-0.5
Perform FPM Regional/Field Office Special Initiatives		23.0	20.0	18.0	-2.0
Coordinate Cross-Program Office Efforts		38.0	36.0	37.0	1.0
Provide Customer Service		105.0	100.0	85.0	-15.0
Perform Web Management Activities		45.0	39.0	36.0	-3.0
Perform Regional/Field Administrative Duties		18.0	15.0	12.0	-3.0
Perform Public Affairs Activities		32.0	29.1	25.0	-4.1
Support the Federal Executive Board		3.0	2.0	2.0	0.0
Liaison with External Partners		31.0	<u>30.0</u>	<u>35.0</u>	<u>5.0</u>
Subtotal		409.0	380.6	363.0	-17.6
Total FPM		431.0	399.6	383.0	-16.6

Detail of Field Policy and Mangement Staff Requirements

		----- Fiscal Year 2007 -----			----- Fiscal Year 2008 -----			----- Fiscal Year 2009 -----				
		Projected Accomplish- ment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplish- ment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplish- ment	Projected Unit Cost (Hrs)	FTE
Headquarters Office												
	Number of Offices											
Providing Field Liaison Support and Guidance	Supported	80	170.00	6.5		80	157.00	6.0		80	105.00	4.0
Implement COOP Disaster Responses and Recovery Plans	NA	...	...	0.5		...	...	0.5		...	...	1.0
	Number of Offices											
Provide Management Support and Guidance	Supported	80	234.00	9.0		80	157.00	6.0		80	157.00	6.0
	Number of Offices											
Provide Administrative and Budget Support and Guidance	Supported	80	156.00	<u>6.0</u>		80	170.00	<u>6.5</u>		80	235.00	<u>9.0</u>
Subtotal				22.0				19.0				20.0
Field Offices												
General Staff Tasks and Mgt Support	NA	...	...	10.0		...	...	8.0		...	...	5.0
Execute Secretarial Priorities	NA	...	...	100.5		...	...	99.0		...	...	106.0
Develop and Implement COOP Disaster Response and recovery Plans	NA	...	...	3.5		...	...	2.5		...	...	2.0
Perform FPM Regional/Field Office Special Initiatives	NA	...	...	23.0		...	...	20.0		...	...	18.0
Coordinate Cross-Program Office Efforts	NA	...	...	38.0		...	...	36.0		...	...	37.0
Provide Customer Service	NA	...	...	105.0		...	...	100.0		...	...	85.0
	Number of Field Offices											
Perform Web Management Activities	Supported	80	1170.00	45.0		80	1021.80	39.0		80	940.00	36.0
	Number of FPM Regional Personnel											
Perform Regional/ Field Administrative Duties	Personnel	386	97.00	18.0		381	82.50	15.0		363	69.00	12.0
	Number of Field Offices											
Perform Public Affairs Activities	Supported	80	832.00	32.0		80	762.50	29.1		80	652.50	25.0
Support the Federal Executive Board	NA	...	...	3.0		...	...	2.0		...	...	2.0
Liaison with External Partners		...	...	<u>31.0</u>		...	...	<u>30.0</u>		...	...	<u>35.0</u>
				409.0				380.6				363.0
Total FPM				431.0				399.6				383.0

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
ADMINISTRATION, OPERATIONS AND MANAGEMENT
DEPARTMENTAL EQUAL EMPLOYMENT OPPORTUNITY

SCOPE OF ACTIVITY

The Office of Departmental Equal Employment Opportunity (ODEEO) was established in 2003 as an independent office in the Office of the Secretary. The ODEEO is responsible for ensuring the enforcement of Federal laws relating to the elimination of all forms of discrimination in the Department's employment practices. The applicable laws include Title VII of the Civil Rights Act of 1964 (as amended), the Rehabilitation Act of 1973, the Age Discrimination in Employment Act, the Equal Pay Act, and the Notification and Federal Employee Anti-discrimination and Retaliation Act of 2002. In addition, activities of the ODEEO are subject to Executive Order 11478, regulations promulgated by the U.S. Equal Employment Opportunity Commission (EEOC) at 29 CFR §1614, EEOC Management Directives MD-110 and MD-715, and Departmental regulations promulgated at 24 CFR Part 7. The Office has nationwide responsibility for the Department's Equal Employment Opportunity Programs. ODEEO is responsible for planning and implementing the Department's Equal Employment Opportunity/Affirmative Employment (EEO/AE) activities pursuant to the HUD regulation at 24 CFR Part 7 and Federal Regulation at 29 CFR 1614. The activities of the ODEEO are carried out through the functions of three Divisions: the Equal Employment Opportunity Division, the Affirmative Employment Division, and the Alternative Dispute Resolution Division.

The staff is comprised of Equal Employment/Affirmative Employment/Alternative Dispute Resolution (EE/AE/ADR) Specialists in Headquarters, support personnel, and permanent full-time EEO Counselors in the Field and one in Headquarters. This staff is supplemented with collateral duty EEO Discrimination Complaint Managers, Affirmative Employment Program Managers and Diversity Managers located in the HUD Program Offices.

WORKLOAD

Equal Employment Opportunity Division

In accordance with regulations promulgated by the Equal Employment Opportunity Commission (EEOC) and the Department, the Equal Employment Opportunity Division performs a number of functions including complaint processing, counseling and managing the conduct of the investigation of discrimination complaints filed by HUD employees, former employees and applicants for employment. The Division provides training for EEO Counselors and Program Office Discrimination Complaint Managers, and drafts final decisions for the Director of EEO including remedial orders and recommendations for disciplinary action. The Division also maintains the Department's Equal Employment Opportunity Tracking System and provides assistance to EEO Officers and Discrimination Complaint Managers (DCMs).

EEO increased the pre-complaint resolution rate (traditional counseling) from 15 percent in fiscal year 2005 to 49 percent in fiscal year 2006. This achievement greatly exceeded the Departmental Management Plan Goal, which was to increase the pre-complaint resolution rate to 25 percent. In addition, EEO increased the number of timely issued final agency decisions from 38 percent from 74.3 percent. EEOC recognized the Department as a "Best Practice" agency in its Annual Report on the Federal Work Force for having one of the highest percentages of timely issued merit Decisions. Also, increasing the number of timely completed EEO investigations from 15 percent in fiscal year 2005 to 77 percent in fiscal year 2006. This achievement exceeded the Federal sector average by more than 20 percentage points and represents the highest number of timely investigations during any fiscal year on record at HUD (available records date back to 1998). Furthermore, EEO successfully reduced the aged-case inventory from 17 cases to 2 cases in fiscal year 2006. This achievement was accomplished by streamlining complaint processing procedures and implementing an aggressive internal training program for staff.

Administration, Operations and Management--Departmental Equal Employment Opportunity

EEO developed the outline and provided the subject matter experts during the production of a conflict management video, which featured ODEEO staff participating in vignettes to illustrate effective conflict resolution techniques. Moreover, EEO timely implemented the training and notification provisions of the No FEAR Act, which included meeting the requirement to provide training on the No FEAR Act to the entire HUD workforce.

Finally, EEO designed and facilitated a highly productive Unlawful Harassment Program workshop for EEO staff and Discrimination Complaint Managers. The workshop included a panel of Federal sector EEO professionals from "Best Practice" agencies (U.S. Department of State, the Smithsonian Institute, and the Department of Treasury), and a Senior Attorney from the EEOC's Office of Federal Operations, who discussed noteworthy unlawful harassment program practices, especially thought of as creative or innovative.

Affirmative Employment Division

The Affirmative Employment Division (AED) is responsible for the management of the Department's Affirmative Programs of Equal Employment Opportunity (EEO) for all employees and applicants, including persons with disabilities. The Division monitors the Department's work force diversity and utilization; analyzes work force demographics and employment trends, and prepares and submits annual assessments and EEO Program status reports and plans, as required by the Equal Employment Opportunity Commission (EEOC) and the Office of Personnel Management (OPM). The AED is also responsible for: (1) developing and issuing Departmentwide policy, procedures, guidance and training on HUD's EEO programs, including the prevention of unlawful harassment, the provisions for providing reasonable accommodation, and disabled veteran employment; and (2) providing oversight, coordination, and funding of all seven (7) nationally recognized Special Emphasis Program observances which include:

- National Hispanic Heritage Month
Sep 15 - Oct 15 - Closing Program, The Honorable Anna Escobedo Cabral, Treasurer of the United States, Guest Speaker
- National Disability Employment Awareness Month
October 2006 - Wheelchair Basketball Demonstration
- Dr. Martin Luther King, Jr. Day
January 2007 - Dr. Lloyd T. McGriff, Guest Speaker, Pastor of Galilee Baptist Church, Suitland, MD
- Black History Month
February 2007 - Tuskegee Airmen Program - Guest Speakers: George Norfleet (Author) and Curtis Christopher Robinson (Tuskegee Airman)
- National Women's History Month
March 2007 - HUD Honoree Ceremony, CIO Lisa Schlosser, Guest Speaker
- Asian/Pacific American Heritage Month
May 2007 - Cultural Dance Performances (South Asian/Indian, Korean, and Hawaiian)
- American Indian Heritage Month

Alternative Dispute Resolution Division (ADR)

The Alternative Dispute Resolution (ADR) Division is responsible for resolving EEO discrimination complaints informally and early in the dispute. The ADR Program is established in accordance with The EEO Commission regulation published at 29 CFR 1614.102 (b)(2). The objectives of the program are to reduce the number of HUD EEO cases, reduce expenses incurred through the traditional

Administration, Operations and Management--Departmental Equal Employment Opportunity

administrative complaint process, reduce employees'/managers' time spent in litigation and away from the job, improve overall organizational ability to resolve conflict early in the dispute and at the lowest level possible, improve morale, and improve productivity and performance. The core principles of the ADR Program are volunteerism, neutrality, confidentiality, and enforceability.

The ADR Program Office's mission is to promote the art, science and practice of conflict resolution to assist the HUD workforce in settling disputes through alternative dispute resolution. The resolution rate (58 percent) showed a slight decline over the previous year, but still exceeded the governmentwide average of 50 percent. The case resolution rate for fiscal year 2005 was 73 percent. The ADR Program Office successfully resolved 43 cases. During fiscal year 2006, 92 cases were received, and 22 cases were carried from the fiscal year 2005 inventory. Fourteen cases will carry over to fiscal year 2007. Of the 100 cases that were processed, 21 were formal; 27 were informal; and 4 were non-EEO cases. Forty-five mediation conferences were held. The ADR process produced 43 settlements/closures.

A measure of success for the ADR is the number of settlements. Settlements in ADR avoid the need for costly investigations and time spent by managers and aggrieved parties/complainants preparing for the traditional EEO conflict resolution. There were 28 informal cases settled/closed during the ADR process in fiscal year 2007. In essence, this means that there were 28 cases that, due to the ADR process, did not result in formal EEO complaint processing. The General Accountability Office (GAO) has established a cost avoidance formula for the processing of formal EEO complaints. Based on this formula, the ADR Program Office potentially saved the Department \$5,481,545 and the remedy cost paid to Aggrieved Persons/Complainants is \$16,470.

Administration, Operations and Management--Departmental Equal Employment Opportunity

EXPLANATION OF CHANGES FROM 2008 BUDGET ESTIMATE TO 2009 ESTIMATE

There was no requested change from fiscal year 2008 to fiscal year 2009.

The attached charts display detailed staffing and workload estimates based on the Resource Estimation and Allocation Process (REAP) baseline data.

Overall Summary of Departmental Equal Employment Opportunity Staff Requirements

	FTE			Increase + Decrease - 2009 vs 2008
	Actual 2007	Enacted 2008	Request 2009	
Headquarters.....	24.4	26.0	26.0	0.0
Field	0.0	0.0	0.0	0.0
Total	24.4	26.0	26.0	0.0

Summary of Departmental Equal Employment Opportunity Staff Requirements

	FTE			Increase + Decrease - 2009 vs 2008
	Actual 2007	Enacted 2008	Request 2009	
<u>Headquarters Employment</u>				
ODEEO	24.4	26.0	26.0	0.0
Total	24.4	26.0	26.0	0.0

Detail of Departmental Equal Employment Opportunity Staff Requirements

Workload Guideline	Workload Indicator	----- Fiscal Year 2007 -----			----- Fiscal Year 2008 -----			----- Fiscal Year 2009 -----				
		Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
Headquarters Employment												
Departmental Equal Employment Opportunity - Director's Office	NA			2.0			2.0				2.0	
Administrative Support	NA			4.1			3.0				3.0	
Affirmative Employment Program	N/A			4.0			4.0				4.0	
Perform EEO Counseling	Number of counseling session conducted during the month	145	57.38	4.0		145	57.38	4.0		145	57.38	4.0
Manage EEO Complaint Process	Number of complaints in process at the end of the month	95	175.16	5.4		120	139.00	8.0		120	139.00	8.0
Manage ADR Program	Number of ADR cases processed at the end of the month	375	27.73	4.9		375	27.73	5.0		375	27.73	5.0
Subtotal				24.4			26.0				26.0	