

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
SALARIES AND EXPENSES, HOUSING AND URBAN DEVELOPMENT
BUDGET ACTIVITY 1: PUBLIC AND INDIAN HOUSING

The consolidated discussion for the appropriation "Salaries and Expenses, HUD" is shown in Part 3 of the Justifications. All information is presented on a comparable basis for fiscal years 2006, 2007, and 2008.

SUMMARY OF BUDGET REQUEST

For fiscal year 2008, the Office of Public and Indian Housing (PIH) is requesting \$189,962,000 in Salaries and Expenses to cover 1,521 FTE. This amount includes \$178,285,000 for Personal Services and an additional \$11,677,000 for non-Personal Services. The fiscal year 2008 request is \$6,988,000 over the fiscal year 2007 budget. The increase will support the shift towards asset management, the increased service required by troubled housing and the receiverships, oversight and monitoring of the housing authorities. The non-personal services requests represents a \$1,831,000 increase in funds relative to fiscal year 2007. The non-personal services amount will primarily support the transition to asset management. Meanwhile additional increases are driven by activities such as the Comprehensive Compliance Monitoring Initiative (a remote and on-site monitoring tool for management) and the establishment of the Office of Receivership Oversight.

The fiscal year 2008 request reflects a decrease in 24 FTE relative to the fiscal year 2007. The reduction is due to staff that will be shifted back to the Office of Housing. However, the conversion to asset management will place increased responsibilities on current field office personnel and resources will be needed to accommodate the change. PIH will continue its efforts to assess field office workload to determine which activities are essential to its core mission. PIH is not requesting additional staff because of the anticipation that this assessment effort will result in "clearing the decks" of non-essential activities. In addition, the passage of the Section 8 Voucher Reform Act of 2006 will add to the effort of reducing non-essential activities that are currently performed by headquarters and field staff. PIH's non-request of additional FTE is predicated upon this review, the deletion of non-essential activities, and the passage reforms relating to the Section 8 tenant based program.

SCOPE OF ACTIVITY

The PIH staff is responsible for implementing legislation, which authorizes the Department to provide rental assistance for low-income and moderate-income households, grants and operating subsidies to Public Housing Authorities (PHA) for capital improvement and current operations, promote the movement of persons from renting to homeownership, provide technical assistance to troubled and near-troubled housing authorities, and provide comprehensive development of mixed income developments to replace distressed public housing. PIH staff conducts monitoring activities to ensure that public housing units are in decent, safe, and affordable condition. Monitoring also provides the assurance that fiscal integrity of all program participants is maintained. The principal legislative authorizations for PIH activities is the U.S. Housing Act of 1937, the National Affordable Housing Act of 1990, the Housing and Community Act of 1992, the NAHASDA Act of 1996 (including Title VIII), and the Hawaiian Homelands Homeownership Act of 2000, as amended.

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WORKLOAD

The principal workload for PIH staff, partners and contractors is to:

- assist and promote affordable housing activities;
- provide funding to cover the renewal of expiring tenant-based Section 8 contracts;
- promote the Flexible Voucher Program, which allows greater flexibility to the residents in finding decent, safe, and sanitary housing in today's market;
- develop legislative proposals, initiatives and policies to support public and Indian housing programs;
- develop regulations, policies and procedures related to Section 8, public housing, and SEMAP, FSS and welfare-to-work;
- develop regulations, policies, and procedures for converting project-based assistance to the tenant-based assistance programs;
- develop regulations, policies, and procedures related to admissions and occupancy (e.g. non-citizen participation, selection preferences, and income integrity);
- develop quality standards to determine minimum requirements that housing must meet to be decent, safe and sanitary;
- verify that housing authorities are ensuring that housing subsidies are paid accurately;
- provide timely and accurate assessment of HUD's real estate portfolio using physical, financial, management and resident satisfaction assessments;
- assist housing authorities in carrying out capital and management activities and to cover the annual accrual of rehabilitation and modernization needs;
- provide funding to housing authorities for capital needs resulting from emergencies and natural disasters;
- begin the transition of public housing to asset management to further PHAs' focus and accountability for each property as a valuable low-rent real estate asset;
- support the costs of administrative and judicial receiverships or other intervention;
- provide approval for housing authorities to convert rental property to homeownership;
- provide approval to housing authorities to dispose or demolish rental units;
- provide tenant protection assistance for the relocation of residents affected by demolition, disposition, rehabilitation, and modernization of assisted housing units;
- develop, maintain and operate affordable housing in safe and healthy environments on Indian reservations and in other Indian Areas for occupancy of low-income Indian families;
- ensure access to private capital markets for Indian tribes and their members thereby promoting their self-sufficiency;

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- provide funding focused on the economic self-sufficiency and independent living for the elderly and persons with disabilities;
- promote the development of capital markets in Indian territories, allow such markets to operate and grow thereby benefiting Indian communities.

Headquarters Staff

Headquarters staff performs the following principal functions in support of PIH goals:

- develop program policies, procedures and guidelines for all PIH programs;
- provide oversight and monitoring of public housing agency programs and financial data of tenant income reports and calculations of tenant rent contributions;
- provide support in the inspection, assessment, monitoring and recovery of PHAs as well as housing related assessments to the Office of Housing;
- support field Office efforts in preventing at-risk PHAs from becoming troubled and to facilitate the recovery of troubled PHAs;
- serve as ombudsmen for the Field Hubs/Program Centers by representing their interest in policy formulation;
- provide resource management and field oversight for Hubs and Program Centers;
- direct and coordinate the administration of all PIH programs and provide training, technical assistance, and procedural program guidance to the HUD Field staff, Public Housing Agencies (PHAs), Indian Housing Authorities (IHAs), and resident groups, as appropriate;
- monitor, review and evaluate Field program operations and review administrative practices of local agencies, including PHAs, IHAs, and resident groups to ensure that programs are managed efficiently and that services and assistance are provided as intended;
- provide financial assistance for use by local agencies as well as program, administrative, management, statistical and budget support;
- conduct quality assurance reviews as part of HCV oversight and monitoring functions for PHAs and financial data;
- execute Annual Contributions Contracts (ACCs) and amendments for tenant-based and project-based Section 8 programs;
- process timely and accurate Section 8 HCV payments, annual contributions and rental housing assistance payments; and
- manage "baseline" data that is used to forecast and formulate budgets and is involved in funds assignment and funds control activities.

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FIELD EMPLOYMENT

Field offices are consolidated into 30 Hubs and 16 Program Center Offices serving approximately 3,400 PHAs and the related two million units. The work processes of the field office staff will be seriously reviewed as preparation continues to implement asset management in fiscal year 2008. It is evident that the existing staff cannot assume the additional responsibility along with the current assignments and continue to be effective. The passage of the reforms for the Section 8 programs will relieve some of the pressure on the field. The Field Office duties include but are not limited to the following:

- manage and coordinate the effective and efficient delivery of HUD programs to all PHAs;
- provide concentrated oversight and technical assistance to PHAs with declining performance;
- provide focused technical assistance, program expertise, and, where necessary, targeted intervention to PHAs;
- perform special assignments, such as in supplementing both PIH Headquarters and field offices that experience short-term, unexpected staff or skill imbalances;
- provide assistance to at-risk PHAs to prevent them from becoming troubled; and
- facilitate the recovery of troubled PHAs.

TRAVEL

PIH continues to require travel resources to support its mission. PIH is requesting \$6,000,000, which is \$889,000 above the fiscal year 2007 budget level. In fiscal year 2008, the implementation of asset management will increase the amount of travel required to monitor the change in workload. Instead of monitoring 3,400 housing authorities, PIH will monitor in excess of 2 million units. Extensive travel is also required by REAC for the physical inspection, 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. Travel in support of Troubled PHAs and Receiverships require a vast amount of travel dollars. Based on REAC reviews, increased monitoring and technical assistance is needed for troubled PHAs. However, some of the troubled PHAs do not make sufficient improvement with the technical assistance provided and become a part of the receivership inventory. PIH will implement the Comprehensive Compliance and Monitoring Initiative (CCMI) in fiscal year 2008, which will require travel as staff is trained. CCMI provides a remote and on-site monitoring tool for management that summarizes the wealth of information collected by the assessment systems.

The table below identifies travel requirements to carry out the unique missions of the PIH organization.

	<u>ACTUAL</u> <u>2006</u>	<u>ESTIMATE</u> <u>2007</u>	<u>ESTIMATE</u> <u>2008</u>	<u>INCREASE +</u> <u>DECREASE -</u> <u>2008 vs 2007</u>
	(Dollars in Thousands)			
Travel (HQ)	\$2,131	\$2,150	\$2,529	+\$379
Travel (Field)	<u>2,925</u>	<u>2,961</u>	<u>3,471</u>	<u>+510</u>
Total	5,056	5,111	6,000	+889

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OTHER SERVICES & CONTRACTS

The contract services include training and miscellaneous administrative and technical assistance services. PIH requests \$5,214,000, an increase of \$1,126,000 above the fiscal year 2007 budgeted amount. The increase is to support training the HUD staff and management on the new concepts and procedures related to asset management. Conversion to Asset management, a key initiative of PIH, will enable us to monitor the projects and ensure that the residents are being served. The conversion to asset management will require a significant amount of training to orient the staff to a different way of doing business. The increase will also support training staff on the Comprehensive Compliance and Monitoring Initiative (CCMI) tool. The automated CCMI will improve HUD's capacity to competently oversee and enforce effective programs through remote and on-site monitoring. In addition, CCMI will assist offices in targeting resources to areas most at risk of abuse.

Resources will be needed to obtain contractor support for areas, where feasible, in support of the conversion to asset management, managing housing authorities in receivership, and gathering data to determine the status of the housing authorities. Additionally, resources will be needed as PIH prepares for the attrition of staff that are eligible to retire during the next 5 years. There may be relocations as vacancies are filled from within, especially when there is no increase in salary. Additionally, PIH has to absorb the cost of settlement, judgment expenses, and replacement of worn furniture. Formerly, these items were funded from Departmental budget resources and not charged to PIH. The resources will also be used to ensure adequate management and financial controls, assist in inquiry services to housing authorities regarding non-citizen immigration status, and program operations.

	<u>ACTUAL</u> <u>2006</u>	<u>ESTIMATE</u> <u>2007</u>	<u>ESTIMATE</u> <u>2008</u>	<u>INCREASE +</u> <u>DECREASE -</u> <u>2008 vs 2007</u>
	(Dollars in Thousands)			
Technical Services	\$4,426	\$4,088	\$5,214	+\$1,126
Total	4,426	4,088	5,214	+1,126

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PUBLIC AND INDIAN HOUSING
Personal Services
Summary of Change
(Dollars in Thousands)

<u>Personal Services</u>	<u>FTE</u>	<u>S&E Cost</u>
2006 Actual	1,511.0	\$163,898
2007 Estimate	1,545.0	173,128
<u>Changes Due To</u>		
Additional Workdays (2)		1,312
2008 January Pay Raise	0	3,070
2007 January Pay Raise	0	1,036
Staffing increase/decrease	-24	-2,713
Other benefit changes	0	2,452
2008 Request	1,521.0	178,285

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PUBLIC AND INDIAN HOUSING
Summary of Requirements by Grade
Salaries and Expenses
(Dollars in Thousands)

	<u>2006 Actual</u>	<u>2007 Estimate</u>	<u>2008 Request</u>	<u>Increase/ Decrease</u>
<u>Grade:</u>				
Executive Level	1	1	1	0
Executive Service	11	9	11	+2
GS-15	158	151	154	+3
GS-14	224	219	218	-1
GS-13	598	601	584	-17
GS-12	342	348	334	-14
GS-11	30	47	29	-18
GS-10	10	7	10	+3
GS-9	23	25	22	-3
GS-8	12	10	12	+2
GS-7	85	91	83	-8
GS-6	6	6	6	0
GS-5	17	15	17	+2
GS-4	20	12	20	+8
GS-3	6	1	6	+5
GS-2	4	1	4	+3
GS-1	10	1	10	+9
Total Positions	1,557	1,545	1,521	-24
Average ES Salary	\$143,993	\$147,381	\$150,918	-\$3,437
Average GS Salary	\$85,363	\$87,712	\$89,817	+\$2,105
Average GS Grade	12.3	12.4	12.3	-0.1

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PUBLIC AND INDIAN HOUSING
Summary of Requirements by Object Class
Salaries and Expenses
(Dollars in Thousands)

<u>Object Class</u>	<u>2006 Actual</u>	<u>2007 Estimate</u>	<u>2008 Request</u>	<u>Increase/Decrease</u>
Personal Services	\$163,898	\$173,128	\$178,285	+5,157
Travel and Transportation of Persons	5,056	5,111	6,000	+889
Transportation of Things	27	9	0	-9
Rent, Communication & Utilities	9	11	12	+1
Printing and Reproduction	179	488	309	-179
Other Services	4,426	4,088	5,214	+1,126
Supplies and Materials	165	139	142	+3
Furniture & Equipment	0	0	0	0
Insurance Claims & Indemnities	0	0	0	0
Total Obligations	173,760	182,974	189,962	+6,988

Overall Summary of Public and Indian Housing Staff Requirements

	Actual	Estimate 2006	Estimate 2007	Estimate 2008	Increase + Decrease - 2008 vs 2007
Headquarters.....		644.2	650.0	641.0	-9.0
Field		866.6	895.0	880.0	-15.0
Total		1,510.8	1,545.0	1,521.0	-24.0

Summary of Public and Indian Housing Staff Requirements

	Actual	Estimate 2006	Estimate 2007	Estimate 2008	Increase + Decrease - 2008 vs 2007
<u>Headquarters Employment</u>					
Public and Indian Housing					
Assistant Secretary for PIH		48.3	50.0	52.0	2.0
Policy, Program & Legislative Initiatives		14.8	13.5	13.0	-0.5
Field Operations		57.9	51.0	61.6	10.6
Grants Management Center		20.5	22.0	18.1	-3.9
Public Housing Investment		65.0	64.0	73.3	9.3
Office of Planning, Resource Management and Administrative Services		28.1	26.0	28.0	2.0
Public Housing Voucher Programs		213.9	231.0	200.0	-31.0
ONAP		25.7	25.0	26.0	1.0
REAC		170.0	167.5	169.0	1.5
Total		644.2	650.0	641.0	-9.0
<u>Field Employment</u>					
Public and Indian Housing					
Field Office HUBS and Program Centers		733.8	765.0	753.0	-12.0
Area Office ONAP		132.8	130.0	127.0	-3.0
Subtotal		866.6	895.0	880.0	-15.0

Detail of Public and Indian Housing Staff Requirements

Workload Guideline	Workload Indicator	----- Fiscal Year 2006 -----			----- Fiscal Year 2007 -----			----- Fiscal Year 2008 -----				
		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												
Assistant Secretary												
Provide Management , Oversight, Guidance	level of effort	...	...	3.9		...	...	5.0		...	...	4.0
General Direction	number of encumbered positions	6	2,060.50	5.9		5	2,080.00	5.0		5	2,096.00	5.0
New Office for Asset Management												
General Direction	number of encumbered positions	...	...	...		...	...	...		4	2,096.00	4.0
Assistant Secretary Subtotal				9.8				10.0				13.0
Office of Procurement												
General Direction	number of encumbered positions	2	2,080.00	2.0		3	2,080.00	3.0		3	2,096.00	3.0
Perform Contract Management	Number of Contracts Supported at beginning of the Month	132	283.30	18.0		100	313.00	15.0		100	314.00	15.0
Perform Procedure Development	level of effort	...	...	0.9		...	...	4.0		...	...	2.0
Office of Procurement and Contracts Subtotal				20.9				22.0				20.0
Office of PIH Budget												
General Direction	number of encumbered positions	2	2,080.00	2.0		2	2,088.00	2.0		3	2,096.00	3.0
Budget Formulation	level of effort	...	...	6.1		...	...	2.0		...	...	2.0
Budget Execution	level of effort	...	...	8.9		...	...	13.0		...	...	13.0
Financial Analysis	number of Open Grants/Contracts	...	...	0.6		16,500	0.13	1.0		16,500	0.13	1.0
Office of PIH Budget Subtotal				17.6				18.0				19.0
Assistant Secretary Total				48.3				50.0				52.0

Workload Guideline	Workload Indicator	----- Fiscal Year 2006 -----			----- Fiscal Year 2007 -----			----- Fiscal Year 2008 -----				
		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
Policy, Program & Legislative Initiatives												
General Direction	number of encumbered positions	3	2,565.30	3.7		2	2,080.00	2.0		2	2,096.00	2.0
Propose/Implement Policies, Legislation, Regulations	level of effort	...	...	9.2		...	...	10.0		...	...	8.0
Perform Special Assignments	level of effort	...	...	1.4		...	...	1.0		...	...	2.0
Perform Program Management and Oversight	level of effort	...	...	0.5		...	...	0.5		...	...	1.0
PPLI Subtotal				14.8				13.5				13.0
Office of Field Operations												
Field Monitoring and Evaluation Division												
Provide Field Management and Oversight	level of effort	...	...	5.7		...	...	4.0		...	...	7.0
Field Office Support	Number of Field Office Support	46	612	13.5		46	405	9.0		46	592	13.0
Provide Operational Support	level of effort	...	...	4.3		...	...	...		...	...	...
Immediate Office												
General Direction	number of encumbered positions	4	2,340.00	4.5		7	2,080.00	7.0		7	2,096.00	7.0
Coordination and Compliance Division												
Provide Support to Recovery and Prevention Corps	number of Field Offices Supported	46	118.80	2.6		46	45.39	1.0		46	45.39	1.0
Coordinate with HUD Offices and Centers	level of effort	...	...	3.0		...	...	4.0		...	...	7.6
Recovery and Prevention Corps												
Manage Troubled and Substandard PHAs.	number of troubled/substandard PHAs	155	191.50	14.3		177	153.30	13.0		177	153.36	13.0
Provide Training and Technical Assistance	number of Field Offices Supported	46	166.70	3.7		46	226.96	5.0		46	226.96	5.0
Conduct Initial Assessments and Develop MOAs	number of CAPs/MOAs	135	25.60	1.7		64	130.50	4.0		64	130.50	4.0
Administer Contracts, Grants and Agreements	number of Contracts Administered	3	3,161.50	4.6		15	556.80	4.0		15	556.80	4.0
Field Operations Subtotal				57.9				51.0				61.6

Workload Guideline	Workload Indicator	----- Fiscal Year 2006 -----			----- Fiscal Year 2007 -----			----- Fiscal Year 2008 -----				
		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
Grants Management Center												
General Direction	number of encumbered positions	3	2,080.00	3.0		3	2,080.00	3.0		3	2,096.00	3.0
Planning and Evaluation Division												
Review and Process PIH Grants	level of effort	...	...	10.0		...	...	16.0		...	...	12.0
Provide Program Management	level of effort	...	...	6.4		...	...	1.0		...	...	1.1
Categorical/Formula Grants Division												
Review and Process Categorical Grants - ROSS/Section 8	Number of ROSS/Section 8 Programs	584	3.77	1.1		1840	2.27	2.0		1840	2.27	2.0
Grants Management Center Subtotal				20.5				22.0				18.1
Public Housing Investments												
Immediate Office												
Program Development and Implementation	level of effort	...	...	4.2		...	...	2.0		...	...	7.0
Provide Management and Oversight	level of effort	...	...	2.6		...	...	3.0		...	...	7.0
General Direction	number of encumbered positions	7	1,916.06	6.4		3	2,080.00	3.0		3	2,096.00	3.0
Capital Improvements Division												
Perform Budget and Fund Management	number PHAs with Capital Funds	3146	4.50	6.8		3162	5.28	8.0		3162	5.65	8.5
Urban Revitalization Division												
Perform Programmatic Development and Implementation	number of HOPE VI grants	232	261.28	29.1		217	288.00	30.0		217	288.66	29.9
Special Applications Center												
Review / Process Applications	No. of Applications Processed	394	72.77	13.8		394	84.70	16.0		394	84.79	15.9
General Direction	number of encumbered positions	2	2,206.75	2.1		2	2,080.00	2.0		2	2,096.00	2.0
Public Housing Investments Subtotal				65.0				64.0				73.3

Workload Guideline	Workload Indicator	----- Fiscal Year 2006 -----			----- Fiscal Year 2007 -----			----- Fiscal Year 2008 -----				
		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
Office of Planning, Resource Management and Administrative Services												
Immediate Office												
General Direction	number of encumbered positions	3.0	2,155.40	3.1		3.0	2,080.00	3.0		3.0	2,096.00	3.0
Administrative Services Division												
Perform Administration Management	Number of Staff Supported	1518	29.31	21.4		1625	25.60	20.0		1625	25.93	20.1
Audit, Evaluation and Risk Management Division												
Perform OIG/GAO Audit Activities	number of audits	29	258.12	3.6		438	14.30	3.0		438	23.45	4.9
Subtotal				28.1				26.0				28.0
Public Housing and Voucher Programs												
General Direction	number of encumbered positions	5	2,250.00	5.4		5	2,080.00	5.0		5	2,096.00	5.0
Immediate Office of the DAS												
Perform Program Office Activities	level of effort	...	...	0.1		...	...	11.0		...	...	11.0
Public Housing Management and Occupancy Division												
Provide Training and Technical Assistance	level of effort	...	...	8.6		...	...	8.5		...	...	11.0
Administer the RHIP/RIM Reviews	# of RHIP/RIM Reviews	...	...	6.3		...	...	4.0		...	...	5.0
Rental Housing Integrity Improvement Project (RHIP)	level of effort	...	...	5.0		...	...	5.0		...	...	5.0
General Management (Administration)	level of effort	...	...	0.2		...	...	0.5		...	...	1.0
Office of Housing Voucher Program												
Program Monitoring/Oversight	level of effort	...	...	19.0		...	...	18.0		...	...	18.0
Provide Voucher Program Management	level of effort	...	...	18.0		...	...	18.0		...	...	18.0
Program Management/Policy	level of effort	...	...	3.3		...	...	2.0		...	...	4.0
Public Housing Financial Management Center												
Provide Program Management and Policy	number of PHAs with Section 8 programs	2400	4.38	5.1		2400	4.35	5.0		2400	4.60	5.3
Provide Program Support	level of effort	...	...	9.6		...	...	14.0		...	...	15.0
Provide Training/Technical Assistance	level of effort	...	...	21.9		...	...			...	...
Process Vouchers	number rejected vouchers processed	4296	1.59	3.3		5052	0.83	2.0		2500	0.83	1.0

Workload Guideline	Workload Indicator	----- Fiscal Year 2006 -----			----- Fiscal Year 2007 -----			----- Fiscal Year 2008 -----				
		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
Perform Budget Review and Monitor Reports	number of budgets reviewed	4266	26.09	53.5		5972	22.30	64.0		2500	22.38	26.7
Section 8 Division of Quality Assurance												
Perform Quality Assurance	level of effort	...	...	54.6		...	...	74.0		...	...	74.0
Public Housing and Voucher Program Subtotal				213.9				231.0				200.0
Hubs and Program Centers												
General Direction	number of encumbered positions	131	1,192.29	75.1		92	2,080.00	92.0		92	2,096.00	92.0
Financial Analysis	total number of PHAs	4162	37.18	74.4		3400	39.75	65.0		2567	39.92	48.9
Financial Analysis, Asset Management (AM)	# of asset managed (AM) Projects	...	...	...		...	...	...		5152	10.00	24.6
Public Housing Authority Plans	total number of PHA plans reviewed	5057	18.66	45.4		3400	35.50	58.0		3400	36.00	58.4
Provide Administrative Support	level of effort	...	...	115.1		...	...	95.0		...	...	43.0
Management/Oversight Support to PHAs with LIPH programs	number of PHAs with LIPH programs	3169	23.77	36.2		2185	17.10	18.0		1617	14.20	11.0
Management/Oversight Support to AM projects with LIPH programs	number of AM Projects with LIPH programs	...	...	...		...	...	...		3297	17.20	27.1
Provide Management and Oversight	number of PHAs with Section 8 programs	2510	77.97	94.1		2520	74.57	90.0		2520	35.00	42.1
Process and Assess New Troubled PHAs	number of New Troubled or Substandard PHAs	374	10.28	1.8		62	171.75	5.1		46	30.00	0.7
Process and Assess New Troubled Projects	number of New Troubled or Substandard AM Projects	...	...	...		...	...	...		94	30.00	1.3

Workload Guideline	Workload Indicator	----- Fiscal Year 2006 -----			----- Fiscal Year 2007 -----			----- Fiscal Year 2008 -----				
		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
Monitor MOA/Work Plans for Troubled PHAs	number of Troubled or Substandard PHAs Monitored	220	47.99	5.1		153	27.29	2.0		113	30.00	1.6
Monitor MOA/Work Plans for Troubled Asset Managed Projects	number of Troubled or Substandard AM Projects Monitored	...	...	...		...	...	...		303	30.00	4.3
Manage Troubled PHAs	number of Troubled or Substandard PHAs	248	142.86	17.0		150	130.00	9.4		111	30.00	1.6
Manage Troubled Asset Managed Projects	number of Troubled or Substandard AM Projects	...	...	...		...	...	...		303	30.00	4.3
Manage Capital Fund	number of PHAs with LIPH programs	3169	28.18	42.9		2185	66.60	70.0		1617	32.00	24.7
Manage Capital Fund	number of AM projects with LIPH programs	...	...	...		...	...	...		3297	32.00	50.3
Program Support	level of effort	...	...	18.4		...	...	10.5		...	...	5.6
Perform Grant Administration (Non-HOPE VI)	number of grants administered	7303	3.01	10.6		3084	6.43	9.5		3084	1.00	1.5
Perform HOPE VI Monitoring and Assistance	number of HOPE VI Grants	257	122.45	15.1		193	146.05	13.5		193	60.00	5.5
Occupancy/Admissions Activities	number of RIM reviews	4162	20.61	41.2		520	156.60	39.0		520	40.00	9.9
Provide Technical Assistance	number of PHAs	4162	70.65	141.4		3400	115.45	188.0		2567	80.00	98.0
Provide Technical Assistance	number of Asset Managed Project	...	...	...		...	...	...		5152	80.00	196.6
Hubs and Program Center				733.8				765.0				753.0

Workload Guideline	Workload Indicator	----- Fiscal Year 2006 -----			----- Fiscal Year 2007 -----			----- Fiscal Year 2008 -----				
		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
Office of Native American Programs												
National Headquarters												
Provide Management Support and Guidance	number of Area Offices	6	4,159.89	12.0		6	2,436.00	7.0		6	2,436.00	7.0
Perform Special Initiatives	level of effort	...	...	1.0								
General Direction	number of encumbered positions	7	639.53	2.2		6	1,740.00	5.0		6	1,740.00	5.0
General Staff Tasks and Management Support	level of effort	...	...	2.8		...	...	3.0		...	...	4.0
Provide Grant Policy, Oversight/Technical Assistance	level of effort	...	...	5.0		...	...	4.0		...	...	3.0
Review, Process and Administer Sec 184 Title VI applications	Number of firm commitments issued	919	5.17	2.3		919	9.00	4.0		919	11.50	5.0
Review, Process and Administer Sec 184-A applications	Number of 184-A Application Process	452	2.01	0.4		381	10.96	2.0		381	10.96	2.0
National Headquarters Subtotal				25.7				25.0				26.0
Area Offices												
Provide Management and Oversight to Tribes	level of effort	...	...	18.4		...	...	51.5		...	...	48.2
General Direction	number of encumbered positions	18	1,566.69	13.6		13	2,245.00	14.0		13	2,250.00	14.0
Conduct Monitoring Reviews and Issue Reports	number of monitoring reviews	66	491.06	15.6		72	752.00	26.0		72	754.27	25.9
Track and Resolve Monitoring and Audit Findings	number of open findings	664	35.79	11.4		138	45.39	3.0		138	45.39	3.0
Process Indian Housing Plans	number of IHPs reviewed	468	50.02	11.3		262	127.00	16.0		262	128.00	16.0
Manage and Oversee Grants	number of grants	413	196.50	39.0		174	155.00	13.0		174	156.00	13.0
Manage the Enforcement Process	number of enforcement actions	210	11.36	1.1		74	14.00	0.5		74	15.00	0.5
Provide Training and Technical Assistance	level of effort	...	...	5.3		...	...	2.0		...	...	2.0
Perform Section 184 Loan Workload	# of Firm Commitments Processed	1228	4.24	2.5		...	...	1.0		...	...	1.0
Rate ICDBG Application	number of ICDBG projects reviewed	519	58.38	14.6		283	22.00	3.0		283	25.00	3.4
Area Offices Subtotal				132.8				130.0				127.0
ONAP Subtotal				158.5				155.0				153.0

Workload Guideline	Workload Indicator	----- Fiscal Year 2006 -----			----- Fiscal Year 2007 -----			----- Fiscal Year 2008 -----				
		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
Real Estate and Assessment Center (REAC)												
Immediate Office												
Program Coordination and Liaison	Level of Effort	...	...	12.6		...	...	8.0		...	...	8.0
General Direction	number of encumbered positions	3	11,511.50	16.6		8	2,088.00	8.0		8	2,088.00	8.0
Physical Assessment Sub-System												
Perform Physical Assessment Quality Assurance (PASS Ops)	number of Inspections of HUD assisted properties	16,772	4.32	34.8		21,712	3.75	39.0		21,712	3.75	38.8
Research & Development Division												
Research & Development	level of effort	...	...	5.0		...	...	4.0		...	...	6.0
Financial Assessment Sub-System (MF/LASS)												
Perform Financial Assessment of MF Property Owners (FASS M/F)	number of M/F Assessments Performed	22,550	1.27	13.8		26,112	1.32	16.5		26,112	1.32	16.4
Financial Assessment Sub-System Public Housing												
Perform Financial Assessment of Public Housing (FASS PH)	numberPH Financial Assessments Performed	8,880	3.02	12.9		6,418	4.88	15.0		6,418	4.88	14.9
QASS Division												
Perform Quality Assurance Reviews of Independent Accounting Firms (QASS)	number of Q/A Reviews Completed	136	104.57	6.8		42	546.86	11.0		42	546.86	11.0
Resident Satisfaction Survey Subsystem (RASS)												
Manage the Resident Satisfaction Surveys (RASS)	number MF/PH Resident Surveys Sent	15,570	0.53	4.0		15,000	0.63	4.5		15,000	0.63	4.5

Workload Guideline	Workload Indicator	----- Fiscal Year 2006 -----			----- Fiscal Year 2007 -----			----- Fiscal Year 2008 -----				
		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
Management Assessment Subsystem												
Perform Management Certification Assessment (MASS)	number of Management Cert Assessments Performed	1,783	6.19	5.3		15,000	0.56	4.0		15,000	0.56	4.0
Tenant Income Verification Sub-System												
Tenant Income Verification (TASS)	number of Tenant Inquiries Received	6,705	0.67	2.2		30,000	0.28	4.0		30,000	0.28	4.0
PASS Operation Division												
Perform Inspections of HUD Assisted Properties	# of inspections of HUD Assisted Property	...	...	0.2		22,723	1.52	16.5		22,723	1.52	16.5
Public Housing Financial Management Division												
Perform Operating Fund Management	level of effort	...	...	4.3		...	...	12.0		...	...	12.0
Information Technology												
Provide Information Technology Services for REAC	number of IT Systems Maintained	10	5,785.05	27.8		10	4,176.00	20.0		10	4,176.00	19.9
Management Operations Division												
Provide Human Resources Support to REAC	# of Personnel Supported	175	20.47	1.7		...	...	...		...	...	...
Provide Contract Oversight Services for REAC	# of Contracts Administered	47	236.74	5.3		...	...	...		...	...	...
Perform Financial Management and Admin Support	# of Task Orders in Inventory	34	736.04	12.0		...	...	...		...	...	...
Integrated Analysis Division (NASS)												
Perform Annual Integrated Assessments	number of Integrated Assessments completed	3,875	2.50	4.7		15,000	0.70	5.0		15,000	0.70	5.0
REAC Subtotal				170.0				167.5				169.0

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EMPLOYMENT

Assistant Secretary for the Office of Public and Indian Housing (PIH). In 2006, PIH utilized 1,511 FTE, 34 FTE less than the proposed 2007 level. The 2008 budget proposes a staffing level of 1,521 FTE, which represents 10 FTE more than the projected 2006 level.

PIH priorities for fiscal year 2008 are the implementation of asset management, monitoring the receiverships, and providing technical assistance to the troubled housing authorities, as well as the promotion of alternative financing methods for public housing authorities. As Public Housing Authorities (PHAs) move to asset management and use more sophisticated financing methods, there will be an increased demand for assistance and guidance from PIH staff. To ensure that PIH has sufficient resources to address these activities, PIH will continue its efforts to assess field office and headquarters workload to determine which activities are essential to its core mission. PIH is not requesting additional staff because of the anticipation that this assessment effort will result in "clearing the decks" of non-essential activities. In addition, the passage of the voucher reform will add to the effort of reducing non-essential activities that are currently performed by headquarters and field staff.

Office of the Assistant Secretary for PIH. The Office of the Assistant Secretary for PIH is responsible for the management, direction and oversight in promoting affordable housing opportunities for low-income families. The 2008 budget proposes staffing for this office with 9 FTE.

Office of Receivership Oversight. The 2008 Budget proposes the establishment of this office with 4 FTE. This office will be established to better manage the increased receivership workload.

Office of PIH Budget. The Office of PIH Budget is responsible for the performance-based budgeting for PIH, which links strategic goals with related long-term and annual performance goals. This process includes formulation, execution and justification of all resources allotted to PIH. Current responsibilities include the development, review and coordination of budget estimates; the development and implementation of financial management practices including funds control procedures; and the control and monitoring of all budgetary resources allotted to PIH. In fiscal year 2008, this Office will be responsible for the review and allocation of over \$23 billion. The 2006 level shows staffing for this office at 17.6 FTE, while the 2007 and 2008 budgets propose staffing this office with 18 FTE and 19 FTE respectively.

Office of Procurement and Contract Services. The Office of Procurement and Contract Services provides expert guidance, support and technical assistance to PIH program offices in the planning, preparation, evaluation, award and monitoring of procurement activities. This Office works with the Office of the Chief Procurement Officer to clearly establish cost schedules and performance goals and to ensure that contractors meet the needs and goals of PIH. The 2006 enacted levels show this office staffed at 20.9 FTE. Meanwhile the 2007 budget proposes staffing this office with 22 FTE and 20 FTE in the proposed 2008 budget.

Office of Policy, Programs and Legislative Initiatives. The Office of Policy, Programs and Legislative Initiatives assists in the development of policy, rules, and regulations to address program requirements, serves as a resource on policy matters regarding legislative and regulatory matters pertaining to public housing. The 2006 enacted budget staffed this office with 14.8 FTE, the 2007 budget proposes an FTE level of 13.5, a 1.2 FTE level drop from 2006, and the proposed staffing level in 2008 is 13 FTE.

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Office of Field Operations. The Office of Field Operations has two components: headquarters and the field. The headquarters component consists of the Field Monitoring and Evaluation Division, the Coordination and Compliance Division, and the Recovery and Prevention Corps, while the field component consists of 46 Hubs and Program Centers.

The headquarters' component provides oversight to the field component, and monitors and makes recommendations to the Assistant Secretary on Field Office resource management, performance and implementation of policy. It represents the Field's interests in the development of policy, troubleshooting problems, coordinating activities, and providing information across all Hubs and Program Centers. The 2006 budget proposes staffing this office at 57.9 FTE. The 2007 budget proposes the staffing to be 51 FTE, while the 2008 budget proposes 61.6 FTE, which is 10.6 FTE more than the 2007 level. This will allow for a greater impact in the implementation of asset management, as well as the technical assistance and monitoring and oversight of the field office and troubled public housing authorities.

The 46 Hubs and Program Centers specifically coordinate with all HUD disciplines to support PHAs, residents, and communities in the efficient and effective delivery of HUD programs. They provide technical assistance and oversight to 3,400 public housing authorities and administer over 3,200 grants. They perform financial analyses, review and approve the PHA plans, and provide management and oversight on a local level of the low-income public housing and the Section 8 Housing Choice Voucher program. This staff is also primarily responsible for implementing the asset management concept, which potentially involves more than two million units. The shift from PHAs to Asset Managed Projects (AMPs) will redistribute the workload and refocus FTE responsibilities at the Hubs and Program Centers. This resource shift will give greater attention to the financial, physical, and management performance of each public housing project, thereby allowing the Department to provide more efficient oversight and monitoring of public housing programs. The 2006 enacted budget staffed the Hubs and Program Centers with 733.8 FTE. The 2007 budget proposes 765 FTE, while the 2008 budget proposes a staffing level of 753 FTE.

PIH recognizes that implementation of asset management, the ongoing SEMAP and PHAS certification reviews, monitoring of small housing authorities, providing preventative maintenance to the near-troubled housing authorities, and overall customer service must not be affected. As a result, PIH recognizes that it cannot continue the level of service currently provided and implement asset management without some form of regulatory relief in the voucher program.

Grants Management Center. The Grants Management Center (GMC) is responsible for managing the entire grant processing function in PIH. The 2006 enacted budget staffed this Office with 20.5 FTE, while the 2007 budget staffs the office at 22 FTE. However, the 2008 budget proposes 18.10 FTE, which is 3.9 FTE less than proposed in 2007. The reduction is due to efficiencies gained with automating the application process.

Office of Public Housing Investments. The Office of Public Housing Investments has the responsibility for the development and management of the Public Housing Capital Funds and the Revitalization of Severely Distressed (HOPE VI) programs. This Office includes the Capital Improvements Division, Urban Revitalization Division, and the Special Applications Center.

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The Capital Improvements Division administers the bond financing and the formula funding for 3,400 PHAs across the country. PHAs may use Capital Fund grants for development, financing, modernization, and management improvements. The Office provides technical assistance to PHAs and HUD Field Offices. The Urban Revitalization Division develops, implements, and monitors projects for the HOPE VI program. Additionally, the Division provides technical assistance and guidance to the HOPE VI clients. The Special Applications Center reviews, processes, and approves un-funded, non-competitive applications related to Demolition/Disposition, Designated Housing, Eminent Domain, Homeownership, and Section 202 Mandatory Conversions. In 2006, this office received 65 FTE. In 2007 we expect a staffing level of 64 FTE, while the 2008 budget proposes staffing the office 73.3 FTE for this office an increase of 9.3 FTE over 2007 to support the increased workload related to alternative capital financing of public housing needs, which is on of the Department's priorities for fiscal year 2008.

Office of Planning, Resource Management and Administrative Services. The Office of Planning, Resource Management and Administrative Services provides nationwide administrative, audit, evaluation and risk management, and management support to PIH in Headquarters and to the Field. The 2006 enacted budget staffed this office at 28.1 FTE, while the 2007 budget proposes staffing this office with 26 FTEs. Although we have seen a reduction in FTE levels in the 2006 and 2007 budgets, the proposed 2008 staffing level is 28 FTE. The additional FTE will focus on succession planning, workforce analysis and training coordination.

Office of Public Housing and Voucher Programs. The Office of Public Housing Voucher Programs includes the Office of Public Housing and the Office of Housing Voucher Programs. These offices develop, implements, and manage funding programs for public housing and the housing voucher programs. These offices also ensure the accountability and the prudent administration of public funds and monitor the recipients of the multi-billion dollar program.

The Office of Public Housing Programs develops occupancy policies, standards, and procedures pertaining to public housing management and operations. The Office of Housing Voucher Programs includes the Section 8 Financial Management Center (FMC) and the Quality Assurance Division. This office oversees the financial operations and develops policies and procedures related to the moderate rehabilitation, housing choice and special purpose voucher programs and grants. The FMC processes the payment schedules and year-end settlements, while ensuring consistency of program application and timeliness of funding delivery. The Quality Assurance Division monitors the clients to ensure effective program delivery. The staffing level in 2006 is 213.9 FTE and the enacted 2007 budget has 231 FTE. The proposed staffing level for 2008 is 200 FTE, which represents a reduction in FTE due to resources returned to the Office of Housing along with the multifamily workload and staff attrition

Office of Native American Programs. The Office of Native American Programs (ONAP) is comprised of a National Headquarters Office and six Area offices. The Headquarters component is responsible for the implementation and administration of all Departmental programs that are specific to Native Americans. The Area offices provide local administration of the programs, which includes making and implementing funding decisions, interaction with grantees, monitoring grantee activity, and working with tribes and tribally designated housing entities to address housing and community development issues.

In 2006, ONAP was staffed with 158.5 FTE, with 25.7 FTE in headquarters and 132.8 FTE in the area offices. The 2007 budget proposes a staffing level of 155 FTE, which represents a decrease of .7 FTE and 2.8 FTE in headquarters and the Area offices respectively. Meanwhile the proposed staffing level for 2008 is 153 FTE, which represents a reduction of 5.5 FTE relative to 2006 levels. The Area offices will be staffed at 127 FTE, while Headquarters will be staffed at 26 FTE.

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Real Estate Assessment Center (REAC). The mission of the REAC is to centralize the assessment of all HUD housing into a single, state-of-the-art organization. REAC provides accurate, credible and reliable information assessing the condition of HUD's housing portfolio. REAC performs assessment on approximately 3,400 PHAs. Current regulations also require REAC to perform 14,000 single family and 28,500 multifamily physical inspections. In addition to its assessment activity, REAC provides direct training or contract oversight of training for property inspectors and other stakeholders.

REAC is responsible for the management and oversight of the Public Housing Operating Subsidies program and the development of policies and procedures. The approximately \$3.6 billion program provides grants funding for operational activities of PHAs. This includes the oversight role on developing the process for and implementation of asset management and the conversion of the housing authorities to this concept, awarding new contracts for the physical inspections and assessments (including the monitoring of same), the development of a system to support the grants management, and the correlation of information collected by REAC.

The 2006 enacted budget request 162.7 FTE and 2007 budget requests 167.5 FTE. The 2008 budget proposes staffing this office with 169 FTE, which represents an increase of 6.3 FTE relative to the 2006 levels.