

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
ADMINISTRATIVE SUPPORT OFFICES
OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION**

(Dollars in Thousands)

	FY 2018 Actuals	FY 2019 Annualized CR	FY 2020 President's Budget
Personnel Services	\$71,375	\$75,792	\$79,376
Common Distributable	7,490	7,100	7,210
Personnel Services Subtotal	\$78,865	\$82,892	\$86,586
Non-Personnel Services			
Travel	1,894	2,247	2,297
Transportation of Things	593	362	362
Rent and Utilities	127,553	122,985	122,985
Printing	144	163	183
Other services/Contracts	49,478	42,162	42,972
Training	2,890	2,649	2,659
Supplies	1,662	371	401
Furniture and Equipment	4,953	6,172	6,172
Claims and Indemnities	445	169	169
Non-Personnel Services Subtotal	\$189,612	\$177,280	\$178,200
Working Capital Fund	2,940	2,881	3,714
Grand Total	\$271,417	\$263,053	\$268,500
Associated FTEs	481	499	519

Administrative Support Offices – Office of the Assistant Secretary for Administration

1. Program Purpose and Budget Overview

The 2020 President's Budget of \$268.5 million is \$5.4 million more than the 2019 Annualized Continuing Resolution (CR) level. The funding level supports the following offices: Immediate Office of the Assistant Secretary for Administration, the Office of the Chief Administrative Officer, the Office of the Chief Human Capital Officer, and the Office of the Chief Procurement Officer.

Personnel Services (PS): The 2020 President's Budget provides \$79.4 million in personnel services to support an estimated 519 FTEs, 20 more FTEs from FY 2019 Annualized CR level.

Common Distributable (CD): In addition to the above, the personnel services funding includes \$7.2 million in CD. This request represents an increase of \$110 thousand from the fiscal year 2019 Annualized CR. The CD account supports three program activities: 1) Transit Subsidy Benefits Program for the entire Department 2) Student Loan Repayment Program and 3) Flexible Spending.

Non-Personnel Services (NPS): The 2020 President's Budget provides \$178.2 million in non-personnel service. This is \$920 thousand more than the Annualized 2019 CR level.

Working Capital Fund (WCF): The 2020 President's Budget provides \$3.7 million to pay WCF fees for shared services, and other investments determined by the Secretary.

2. Key Operational Initiatives

The Assistant Secretary for Administration (ASA) will focus on the following initiatives:

- Reduce time to hire to 100 days or less.
- Improve recruiting strategy that includes improved onboard processing.
- Revamp/improve Human Resource Business Partner (HRBP) model to increase customer responsiveness and support.
- Prioritize procurement services by category and create a more customer focused environment.
- Continue focus on space management and possible consolidation within HQ to realize cost savings.
- Improve workforce planning and ensure HR policies are aligned with federal practices.
- Examine and improve shared services model and implement changes that are necessary.

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
ADMINISTRATIVE SUPPORT OFFICES
IMMEDIATE OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION**

(Dollars in Thousands)

	FY 2018 Actuals	FY 2019 Annualized CR	FY 2020 President's Budget
Personnel Services	-	-	\$1,510
Non-Personnel Services			
Travel	-	-	50
Printing	-	-	20
Other services/Contracts	-	-	690
Training	-	-	10
Supplies	-	-	30
Non-Personnel Services Subtotal	-	-	\$800
Working Capital Fund	-	-	-
Grand Total			\$2,310
Associated FTEs	-	-	10

1. Program Purpose and Budget Overview

The 2020 President’s Budget provides \$2.3 million for the Immediate Office of the Assistant Secretary for Administration.

Personnel Services (PS): The 2020 President’s Budget provides \$1.5 million in personnel services to support an estimated 10 FTEs.

Non-Personnel Services (NPS): The 2020 President’s Budget provides \$800 thousand in non-personnel services.

2. Key Operational Initiatives

- Create clearer roles and responsibilities across the offices under the ASA, through creation of role charters, which are active, living documents that inspire organizational strategy and vision into the daily work and purpose of the organization.
- Drive rollout of strategic acquisition planning aligned with multiyear funding.
- Spearhead effort to improve organization effectiveness by supporting restructuring of the top levels of the three subordinate organizations (procurement, human resources, and administrative services).
- Reach a “target organization” with fewer layers, larger spans of control, and a more strategic distribution of grades through better position management and natural attrition.

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**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
ADMINISTRATIVE SUPPORT OFFICES
OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER**

(Dollars in Thousands)

	FY 2018 Actuals	FY 2019 Annualized CR	FY 2020 President's Budget
Personnel Services	\$32,476	\$34,850	\$35,903
Non-Personnel Services			
Travel	1,500	1,811	1,811
Transportation of Things	581	362	362
Rent and Utilities	127,553	122,985	122,985
Printing	129	163	163
Other services/Contracts	42,878	36,625	36,995
Training	90	231	231
Supplies	1,380	238	238
Furniture and Equipment	4,892	6,096	6,096
Claims and Indemnities	445	1	1
Non-Personnel Services Subtotal	\$179,448	\$168,512	\$168,882
Working Capital Fund	903	891	1,396
Grand Total	\$212,827	\$204,253	\$206,181
Associated FTEs	228	238	242

1. Program Purpose and Budget Overview

The 2020 President’s Budget of \$206.2 million is \$1.9 million more than the 2019 Annualized Continuing Resolution (CR) level. OCAO expects to obligate approximately \$123 million on rent and utilities, leaving approximately \$81.8 million after working capital fund expenses to support HUD’s mission of creating strong, sustainable, inclusive communities and quality affordable homes for all. The Office of the Chief Administrative Officer (OCAO) plays a critical role in supporting HUD by providing a wide-range of administrative services, including management and operation of buildings nationwide, providing administrative services to all field offices, processing Freedom of Information Act (FOIA) requests, managing information throughout its life cycle, overseeing HUD broadcasting, and coordinating responses to disasters and emergencies. OCAO seeks to maximize the value of every taxpayer dollar by continuously improving planning, processes, accountability, and transparency, as well as by developing and using customer service feedback mechanisms.

Personnel Services (PS): The 2020 President’s Budget provides \$35.9 million in personnel services to support an estimated 242 FTEs. This represent a \$1.05 million increase from the Annualized 2019 CR level.

Non-Personnel Services (NPS): The 2020 President’s Budget provides \$168.9 million in non-personnel services excluding the Working Capital Fund. This represents a \$370 thousand increase over the Annualized 2019 CR level. Funds will support:

- Maintenance and extraordinary repairs for the 50-year-old Robert E. Weaver Federal Building;
- Field Operations for space and facilities management, vehicle fleet, telecommunications services and supplies;
- HUD rent, telecommunications, and utilities costs

Working Capital Fund (WCF): The 2020 President’s Budget provides \$1.4 million to pay working capital fund fees for shared services, and other investments determined by the Secretary.

Key Operational Initiatives

- **Modernizing Headquarters.** Just as the nature of work has changed since 1968, so has space and technology requirements for employees. The Robert E. Weaver Federal Building, which was completed in 1968 and added to the National Register of Historic Places in 2008, has outlived its lifespan and is outdated. It no longer helps its occupants the same way it once did when it was first built. One of OCAO’s top priorities is to continue modernizing Headquarters – physically and mechanically – to accommodate staff in the National Capital Region. In particular, in fiscal year 2020, OCAO seeks to eliminate the satellite

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leased space at the Washington Office Center by renovating the Weaver Building to accommodate staff and administrative law judges housed there. This will reduce the HUD footprint by 34,443 square feet and reduce annual rent by \$1.56 million per year. Most of HUD's deferred maintenance needs address systems well past their useful life that fall under HUD's responsibility per the GSA Delegation Agreement. HUD's top priority will be replacing the cooling towers and all Penthouse and Basement air handling units. In 2020, GSA will change the Delegation of Authority agreements and some work currently performed by GSA will revert to the tenant agency. The 2020 budget will support additional operating expenses anticipated to accommodate these new responsibilities.

- **Field Offices.** Providing administrative services to the 66 field offices, where two-thirds of HUD's personnel execute the mission, is an important function of OCAO. In fiscal year 2019, OCAO will dedicate approximately \$13.1 million of its non-rent and utilities budget for field support services, which are delivered through a consolidated approach and are funded centrally in OCAO. In fiscal year 2019, major space reductions and consolidations are planned for several field offices including the Atlanta and Seattle Regional Offices, with anticipated space savings of 245,217 square feet. In fiscal year 2020, major space reductions and consolidations are planned for the Boston and Philadelphia Regional Offices with anticipated significant space savings. This will enable HUD to leverage savings through economies of scale and increased efficiencies.
- **Freeze the Footprint.** OCAO continues its effort to meet the goals outlined in OMB Memorandum M-12-12, Section 3, "Freeze the Footprint." Between 2015 and 2018, HUD has realized an actual space reduction of 102,024 square feet. HUD has identified further space reduction opportunities of 212,524 square feet in 2019 and 74,256 square feet in 2020.
- **Customer Service.** OCAO continues to review and improve customer service activities, including gathering customer input early, obtaining ongoing feedback, providing more timely and accurate information, and working with customers to identify the most cost effective and efficient way to meet their needs. Plans also include assessing the customer service experience across multiple areas to improve service delivery.

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
ADMINISTRATIVE SUPPORT OFFICES
OFFICE OF THE CHIEF HUMAN CAPITAL OFFICER**

(Dollars in Thousands)

	FY 2018 Actuals	FY 2019 Annualized CR	FY 2020 President's Budget
Personnel Services	\$22,702	\$23,589	\$24,008
Common Distributable	7,490	7,100	7,210
Personnel Services Subtotal	\$30,192	\$30,689	\$31,218
Non-Personnel Services			
Travel	233	336	336
Printing	15		
Other services/Contracts	5,449	4,787	4,787
Training	2,614	2,268	2,268
Supplies	193	58	58
Furniture and Equipment	61	76	76
Claims and Indemnities		168	168
Non-Personnel Services Subtotal	\$8,565	\$7,693	\$7,693
Working Capital Fund	942	918	1,128
Grand Total	\$39,699	\$39,300	\$40,039
Associated FTEs	144	147	150

1. Program Purpose and Budget Overview

The Office of the Chief Human Capital Officer (OCHCO) provides leadership and direction in the formulation and implementation of strategic human capital policies, programs, and systems to promote efficient and effective human capital management for the Department of Housing and Urban Development (HUD). OCHCO represents HUD on strategic human capital and human resources

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matters and plays a critical role in maximizing its performance and assuring accountability with the Office of Personnel Management (OPM), Office of Management and Budget (OMB), other federal agencies, Congress, and the public.

The 2020 President’s Budget of \$40 million, is \$739 thousand more than the 2019 Annualized Continuing Resolution (CR) level. This request will enable The Office of the Chief Human Capital Officer (OCHCO) to continue to meet its obligation to establish and oversee policy for the Department’s personnel functions, pursue its strategic responsibilities, and strengthen our delivery to Department-wide personnel services.

Personnel Services (PS): The 2020 President’s Budget provides \$24 million to support 150 FTEs. This represents an increase of \$419 thousand and 3 FTE from the 2019 Annualized CR level.

Common Distributable (CD): In addition to the above, the personnel services account includes \$7.2 million in CD. This request represents an increase of \$110 thousand from the 2019 Annualized CR level. The CD account supports three (3) program activities: 1) Transit Subsidy Benefits Program for the entire Department 2) Student Loan Repayment Program and 3) Flexible Spending.

Non-Personnel Services (NPS): The 2020 President’s Budget provides \$7.7 million for NPS for continued support of existing recurring contracts, travel and training, in line with the 2019 Annualized CR level.

2. Key Operational Initiatives

The Department has identified hiring as a potential risk as our workforce ages and the demands to attract and hire continue to rise. OCHCO is addressing barriers to attracting and hiring highly-qualified talent at HUD through expansion of its Human Resources Business Partner model which provides strategic and consultative services to program offices regarding recruitment and staffing activities. Additionally, hiring process improvement initiatives to increase strategic touchpoints and integrate standardized workflows facilitated by technology began in 2017 resulting in a 25 percent reduction in time to hire in 2018 (150 days to 113 days). OCHCO will be implementing further process changes during 2019 and 2020 with a goal of an additional 12 percent reduction (113 days to 108 days). We will continue the efforts to build upon these initiatives with an increased focus on improving quality of applicants referred for consideration. OCHCO will continue partnering with HUD’s Program Offices and its shared service provider, the Bureau of the Fiscal Service (BFS), to deliver consultative and comprehensive talent management programs and services to ensure HUD maintains an agile, high-performing workforce.

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With the outsourcing of transactional human resources work to BFS, OCHCO has focused on strengthening its capacity as a strategic partner to HUD’s program leaders. To facilitate this transition, resources have been allocated to develop and expand human capital data analytics capabilities across OCHCO functional lines.

Consistent with HUD’s implementation of OMB Memo 17-22, *Comprehensive Plan for Reforming the Federal Government*, in 2018, OCHCO aligned its resources to improve strategic planning, consultative capacity, and compliance oversight. As a result, it incorporates strategies to increase operational efficiencies, such as integrating similar human capital functions, establishing internal pipelines for competency development and advancement, eliminating process redundancies, optimizing supervisory ratios, and strategically offering Voluntary Early Retirement Authorization and Voluntary Separation Incentive Payment (VERA/VSIP) as appropriate while leveraging attrition.

The OCHCO, through its Learning, Enrichment, And Resource Network (LEARN), champions the evolution of learning in the Department through the development and implementation of strategies and goals that build the capacity of the workforce through learning and development. LEARN utilizes an enterprise-wide learning and development approach, called the Employee Development Strategy (EDS); which standardizes how learning is implemented across the Department. LEARN promotes a one HUD “LEARNing” environment which supports the establishment of a customer centered, technically credible and results-driven Departmental learning organization. LEARN creates developmental opportunities to engage the workforce, improve employees’ well-being, close skills gaps and increase performance.

As the retirement eligibility of the Department’s workforce continues to increase from 54 percent in 2019 to 63 percent in 2022, LEARN is focused on providing relevant developmental opportunities to build bench strength and promote succession management. In this way, it is providing employees with the skills needed to meet HUD’s mission.

Additional operational initiatives in 2020 will be:

- Improve human capital functions and the quality of hires and reduce average time-to-hire to ensure that HUD maintains an agile, high-performing workforce.
- Improve the quality of services provided by HUD’s shared service provider (BFS/ARC) by increasing its accountability for delivery of human capital services.
- Develop talent management strategies to support workforce reshaping initiatives, and knowledge transfer via succession planning.

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- Leverage human capital analytics to drive decision-making and strategic planning.
- Further develop organizational design and position management competencies within OCHCO to enhance consultation on HUD's ongoing improvement projects.
- Finalize implementation and maintain personnel security case management system. The new system will enhance transparency to HR operations, provide better communication regarding case status, reduce opportunities for delay and ensure accountability.
- Conduct a Leadership Assessment of the Department's supervisory and managerial workforce.
- Create career paths for 100 percent of the HUD workforce.
- Develop and make available to the HUD workforce, customized 360° assessment tools (that we own) for competency development and career planning.
- Offer courses facilitated and delivered by certified LEARN professionals.
- Utilize a technology tool, Training Evaluation Measurement for Performance Optimization (TEMPO) to capture the Agency-wide training evaluation data.
- Improve employee accountability through effective performance management and related managerial training.

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
ADMINISTRATIVE SUPPORT OFFICES
OFFICE OF THE CHIEF PROCUREMENT OFFICER**

(Dollars in Thousands)

	FY 2018 Actuals	FY 2019 Annualized CR	FY 2020 President's Budget
Personnel Services	\$16,197	\$17,353	\$17,955
Non-Personnel Services			
Travel	161	100	100
Transportation of Things	12		
Other services/Contracts	1,151	750	500
Training	186	150	150
Supplies	89	75	75
Non-Personnel Services Subtotal	\$1,599	\$1,075	\$825
Working Capital Fund	1,095	1,072	1,190
Grand Total	\$18,891	\$19,500	\$19,970
Associated FTEs	108	114	117

1. Program Purpose and Budget Overview

The Office of the Chief Procurement Officer (OCPO) provides quality, timely, innovative, and compliant acquisition and business solutions to support the creation of strong, sustainable, inclusive communities and quality, affordable homes for all. OCPO is responsible for all matters related to the Department’s acquisition-related needs and activities, including managing the acquisition workforce, in addition to conducting procurement activities. Procurement activities are conducted in Washington DC; Atlanta, GA; Ft Worth, TX; Denver, CO; Chicago, IL; and Philadelphia, PA in support of all HUD program offices.

The 2020 President’s Budget of \$19.97 million, is \$470 thousand more than the 2019 Annualized Continuing Resolution (CR) level.

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Personnel Services (PS): The 2020 President’s Budget provides \$18 million to support 117 FTEs, an increase of \$602,000 and 3 FTEs from the 2019 Annualized CR level. OCPO is steadily increasing FTE in order to bring work back that had been outsourced to other agencies.

Non-Personnel Services (NPS): The 2020 President’s Budget provides \$825 thousand for non-personnel services which reflects a reduction of \$250 thousand from the 2019 Annualized CR funding level. The decrease in NPS is a result of a reduction of contractor support services no longer required. OCPO expects that the need for contract closeout support services will be eliminated by 2020 as a result of strong emphasis on closing out old contracts and de-obligating excess funds, while also repurposing existing lower graded staff to assist in these services at less cost than the contractor support. This amount will continue to provide training to address significant deficiencies in knowledge and skills in the Contracting Officer Representative (COR) and Program/Project Management (P/PM) components of the acquisition workforce.

Working Capital Fund (WCF): The 2020 President’s Budget for working capital fund services is an increase of \$118,000 from the 2019 CR for shared services.

A primary goal of the Department is to improve operational support services. OCPO has been transforming the business of acquisition in the Department for several years and is engaged in continual process improvement. OCPO updates our strategic plan annually to ensure the focus on transformational improvements continues in the right places. The activities in the plan work to: 1) improve the efficiency, timeliness and quality of services provided; 2) improve organizational decision making and reduce duplication of contracting actions supporting multiple offices; 3) align the organizational structure within OCPO to more effectively support the agency rather than by program office silos; and 4) eliminate unnecessary management and administrative support while rightsizing the organization to meet the agency demands.

2. Key Operational Initiatives

- OCPO has been working for several years to increase accountability across the Department in the acquisition program. These efforts include the implementation of procurement dashboards in 2018 to provide transparency and improve accountability on critical acquisition metrics throughout the lifecycle of a requirement. Metrics implemented to measure acquisition productivity include:
 - Target Requisition Release Date (TRRD), to measure the ability of program offices to submit actionable requisition packages in a timely manner by the date planned in the procurement plan.
 - A rate of 48 percent on time submission was reported for 2018.

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- Target Award Date (TAD), to measure the ability to award planned actions by the date forecasted.
 - A rate of 77 percent on time awards for actions released timely was reported for 2018.
- Procurement Acquisition Lead Time (PALT), to measure the average time it takes to award procurement actions, planned and unplanned, against established standards.
 - A rate of 84.3 percent on time awards for all procurement actions was reported for 2018.
 - These scorecards have finally provided the visibility to where acquisition problem areas are and have already resulted in improved focus on timely release of requisition packages. Additional scorecards include planned for 2019 include focus on sole source bridge awards, small business program accomplishments, and results of new customer surveys being implemented.
- OCPO is in the midst of a multiyear effort to right size the organization to improve retention and reduce turnover in order to improve the quality of services provided overall. These efforts include:
 - Raising the full performance level of the mission critical occupation (MCO) of 1102 contract specialist workforce to GS 13 to better compete with other agencies and our own program offices that have higher-graded Contracting Officer Representatives (COR).
 - Hiring more staff into career ladders to bring them in at lower grades (usually GS-9), train them, and retain them. This requires full funding of dedicated training resources to ensure employees receive timely quality training to move to their next level.
 - Flattening the organization by not hiring some supervisor positions and hiring newly created senior contract specialists who can serve as team leaders, thereby moving closer to a 10-1 supervisor to employee ration.
 - Improving grade and position parity between field and HQ for people performing the same work.
 - Hiring more staff in field offices to improve services being provided.
 - Eliminating positions no longer needed as we move to a more technology-driven way of doing business, to permit filling new positions that are needed to get the job done, including creating a lower-graded workforce of non-1102 staff who are able to perform closeouts of expired contracts that don't require seasoned 1102s to perform and to create a unit of full time CORs to provide better contract oversight for small program offices that don't need a full time COR.

OCPO has a major new acquisition program to procure Multifamily Housing Assistance Program support services, formerly known as the Performance Based Contract Administrators (PBCA). This is the newest and largest procurement program in HUD and has substantial interest and oversight from multiple venues due to legal implications and opportunities for substantial financial savings.

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Due to prior staffing shortages, OCPO has strategically utilized other agencies to obtain assisted acquisition services. In 2017, the fees charged to program offices for performing those services amounted to over \$6,000,000, the equivalent of about 40 FTEs, far more than what it would cost to provide staff to OCPO to perform the services. Increased staffing levels has allowed OCPO to begin taking the work back and avoid non-value added costs to the program offices.