

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Administrative Support Offices

Office of Administration

SALARIES AND EXPENSES

(Dollars in Thousands)

	2021*	2022			2023		
	Actuals	Carry Over	Annualized CR	Total	Carry Over	President's Budget	Total
Personnel Services:							
Personnel Services	77,473	966	85,693	86,659	-	108,141	108,141
Common Distributable	969	200	3,430	3,630	-	6,500	6,500
Total, Personnel Services	\$78,442	\$1,166	\$89,123	\$90,289	-	\$114,641	\$114,641
Non-Personnel Services:							
Travel	827	15	845	860	-	2,100	2,100
Transportation of Things	361	-	361	361	-	440	440
Rent and Utilities	124,485	15	123,800	123,815	-	128,164	128,164
Printing	83	-	92	92	-	333	333
Other Services/Contracts	48,815	13,032	43,202	56,234	-	62,187	62,187
Training	2,627	189	1,250	1,439	-	4,448	4,448
Supplies	245	13	252	265	-	1,111	1,111
Furniture and Equipment	1,697	10	5,813	5,823	-	6,627	6,627
Claims and Indemnities	1	-	20	20	-	90	90
Total, Non-Personnel Services	\$179,141	\$13,274	\$175,635	\$188,909	-	\$205,500	\$205,500
Working Capital Fund	4,693	911	2,881	3,792	-	6,259	6,259
Carryover	15,351	-	-	-	-	-	-
Grand Total	\$277,627	\$15,351	\$267,639	\$282,990	-	\$326,400	\$326,400
FTEs	473	6	484	490	-	588	588

*Includes 2020 Carryover

PROGRAM PURPOSE

The 2023 President's Budget requests the consolidation of the Office of the Chief Administrative Officer (OCAO), Office of the Chief Human Capital Officer (OCHCO), and Office of the Chief Procurement Officer (OCPO) into a single funding line under the Office of Administration (OA). The consolidation of the three offices will achieve unity of effort in administrative support activities while maximizing resources necessary to support the Administration's goals and objectives. Harmonizing the efforts of the three offices toward achieving common goals and objectives will reduce duplication of effort and improve efficiency.

In August 2020, as part of the OA's effort to continue to streamline operations across its program offices, improve efficiency and effectiveness of the offices and Department overall, the budget functions and staff were consolidated into one budget office providing support across the OA. This consolidation has standardized the financial planning, forecasting, formulation, execution, and management of all budget functions across the OA allowing for efficient and effective budgeting. As part of this continued effort, consolidating the three budgets into a single funding line will allow the

OA to strengthen its fiscal governance and increase transparency and accountability. The focus on the consolidation approach is to:

- Develop a unified strategic vision for the organization and the support provided to the Department.
- Better align budget and policy objectives (e.g., performance-based budgeting).
- Design and maintain a strong framework of internal financial controls for managing and reporting performance against budget and forecasts.
- Design a planning process that is effective and efficient to maximize the organization's resources.
- Eliminate any duplicative and/or overlapping requirements.
- Establish flexibility to quickly address changing needs and requirements of the Department.

HUD's mission is critical to achieving the President's vision to ensure that we build back better from the public health and economic challenges and address longstanding systemic challenges, including racial injustice, rising inequality, and the climate crisis. HUD's work is essential to improving the quality of life of the American people, and this investment in the OA's salaries and expenses will assist in ensuring that work is able to be done.

BUDGET OVERVIEW

The 2023 President's Budget requests \$326.4 million for OA, which is \$58.8 million more than the 2022 annualized CR level and \$43.4 million above 2022 total funding. OA consists of the Immediate Office of the Assistant Secretary for Administration (IOASA), OCAO, OCHCO, and OCPO.

With a focus on strengthening HUD's internal institutional capacity to deliver on mission, the Budget increase is critical to address multiple areas that have gone underfunded for several years:

- **Weaver Building Deferred Maintenance** – The Headquarters building's systemic infrastructure contains many failure points where systems are well past useful life and are currently operating in a patchwork fashion. Although there are many critical needs, most of the repairs will address obsolete infrastructure in the systems that deliver and filter the Weaver Building's indoor air. Failure to replace obsolete systems creates operational risk and vulnerability for all HUD employees. Given the indoor air quality lessons learned during the pandemic, HUD believes it must complete these repairs to ensure workplace safety.
- **Staffing** – With a focus on recruiting, hiring, retention, and training the workforce, OA is proposing to make an investment in staffing for its program offices. The additional staffing will be focused in critical areas such as Freedom of Information Act and privacy (FOIA), human capital services to support the Department's need to increase staffing levels, and procurement services such as acquisition support and capacity to support the Housing Assistance Program Support Service contracts, which will be the largest HUD acquisition program.

Personnel Services (PS)

The Budget assumes \$114.6 million for OA PS. The Budget supports 588 full-time equivalents (FTEs), 98 FTEs above the 2022 total level and is comprised of 397 Headquarters (HQ) FTEs and 191 field FTEs. This request represents an increase of \$24.4 million and 78 HQ FTEs and 20 field FTEs from 2022. The funding also supports a 4.6 percent Federal pay raise.

The OA will invest additional FTEs in the following areas:

- Implementation of the Department's anti-harassment program. This investment is required to comply with the Equal Employment Opportunity Council's Management Directive 715 (MD 715), which mandates that Agencies must have in place an effective anti-harassment program.
- Freedom of Information Act and Privacy services.
- Printing, Graphics, and Digital Mail services to address the changing dynamics of work in this arena and improving the technical interaction with the Government Printing Office.
- Enhanced Program Office support and customer service in both the HQ and Field Support Services.
- Acquisition support to address the rapid increase of Departmental procurement programs.

Common Distributable (CD)

The Budget assumes \$6.5 million for OA CD. This represents an increase of \$2.9 million from 2022 total funding. This funding provides for the Department-wide Transit Subsidy Benefits Program, Student Loan Repayment Program, and Flexible Spending Account administrative fees. The increase from the 2022 level will primarily support increased costs in the Transit Subsidy Benefits Program as a result of the Department returning to anticipated post-pandemic commuting levels, additional staff increases anticipated in 2022 and 2023, and anticipated inflationary cost increases.

Non-Personnel Services (NPS)

The Budget assumes \$205.5 million for OA NPS. This represents an increase of \$16.6 million from 2022 total funding. NPS investments include:

- \$5.1 million for Weaver Building Deferred Maintenance and Modernization.
- \$2.3 million for Digital Information Management to provide comprehensive digital asset management contract support.
- \$2.6 million for Future of Work efforts.
- \$1.5 million FOIA/Privacy.
- \$3.1 million for contracting efforts that support process improvement targeted at developing strategies to reduce the time to hire, promote talent development and succession planning, and develop evaluation strategies and human capital operating objectives.
- Additional \$2 million of funding is required to support inflationary increases to current services contracts and also additional travel costs post pandemic.

Working Capital Fund (WCF)

The Budget assumes \$6.3 million for OA contributions to the WCF. This represents an increase of \$2.5 million from 2022 total funding. The WCF funding level reflects payments for baseline WCF services (including inflationary adjustments and changes in service utilization) and the additions of the End-User Devices business line, the Printing Services business line, HR platform licensing, and the full cost recovery of FSADD Financial Management expenses.

Information Technology (IT)

Within the Information Technology Fund, the Budget requests funding for three OA projects: Computer Aided Facility Management, Acquisition Tool, and Enterprise Case Management and Workflow Platform (includes HireNOW initiative).

- Computer Aided Facility Management - To continue OCAO efforts to support the acquisition of a Computer Aided Facilities Management (CAFM) System through the implementation of technology solution.
- Acquisition Tool - To meet OCPO immediate requirements for an Acquisition Management Support System (AMSS) to achieve efficiencies in the Department's Procurement Program and drive transparency and accountability across the entire acquisition lifecycle.
- Enterprise Case Management and Workflow Platform (includes HireNOW initiative) - To continue OCHCO efforts to redesign and modernize HR services and strategic management through the implementation of technology solutions.

For additional information regarding HUD's Information Technology investments, please see the Information Technology Fund justification.

KEY OPERATIONAL INITIATIVES

OA will work to optimize service delivery and decision making to better meet customer needs through the following three key operational initiatives:

Major Initiative: Improve Service Delivery of Administrative Support Services

- Spearhead effort to improve organization effectiveness by supporting restructuring of the three subordinate organizations: 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.
- Hiring – secure sufficient staff resources to support the workload.
- Enhance reporting, analytics, and evaluation of OA business practices.
- Improve space and rent efficiencies by modernizing HQ and reducing HUD's footprint.
- Continuity of Operations Program (COOP) operations and buildout.
- Establish Department wide Program Management business process improvements including compliance with the Program Management Improvement Accountability Act (PMIAA).

Major Initiative: Improve Acquisition (Procurement Management)

- Prioritize hiring for the IT cadre and Ginnie Mae support divisions to increase the internal capability to support the growing acquisition portfolios and bring acquisition assistance requirements back in-house, resulting in a cost reduction to the Department.
- Prioritize hiring for Fort Worth that will support the Housing Assistance Program, which will be the largest acquisition program for the Department. This team also supports the Policy Development and Research (PD&R) portfolio, which includes acquisition assistance requirements previously outsourced to the U.S. Department of Health and Human Services (HHS) Program Support Center (PSC).
- Increase capacity within the Acquisition Liaison Unit (ALU) to provide consultation services for the development of requirements documents and supporting artifacts. Improving the quality of requirements documentation has been identified as a key contributor to reducing delays in the acquisition process, which will directly impact streamlining acquisitions and reducing procurement lead times.
- Ensuring an acquisition staff that is properly resourced, trained, and equipped to support the mission of HUD is paramount to meeting Departmental goals and Administration priorities. Increased funding strengthens the acquisition programs at HUD, properly resourcing the OCPO to support the entirety of HUD's procurement needs, reducing the reliance on outsourcing of contracting support at a significantly higher cost, and training the acquisition workforce to ensure they are equipped with the knowledge and skills necessary to support the Department's acquisition programs.

Major Initiative: Improve Hiring Process & Develop a Workforce for the 21st Century

- Develop a Workforce Strategy encompassing all actions taken to acquire, retain, develop, engage, and deploy HUD’s human capital. This strategy is a whole-of-workforce plan that extends over the employment life cycle.
- Execute strategies to increase the quality of candidate referrals and streamline hiring processes, including improving program office partnerships and initiating the use of shared vacancies, position descriptions and certificates.
- Create alignment between hiring forecasts and budget cycles to “get ahead” of hiring and identify and prepare for future needs in advance by creating a cycle to review existing skillsets and position descriptions.
- Increase employee accountability and engagement by building a performance culture which embraces innovation, diversity, and inclusiveness.
- Improve workforce and succession planning strategies.
- Enhance reporting, analytics, and evaluation of OCHCO business practices.
- Enhance recruiting and succession planning through the utilization of tools designed to create a positive HUD brand and facilitate participation at recruitment fairs, utilize direct hiring authority, as appropriate, and strengthen the selection process.
- Embed diversity, equity, inclusion, and accessibility into all aspects of the human resources lifecycle.
- Reconfiguration of the Weaver Building, including construction/alteration of space, allowing OCAO to be proactive in designing a workplace commensurate with the future of work.
- Address deferred maintenance backlog at HUD Headquarters (Weaver Building) to maintain the health and safety of the workplace.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Administrative Support Offices
Immediate Office of the Assistant Secretary for Administration

SALARIES AND EXPENSES

(Dollars in Thousands)

	2021*	2022			2023		
	Actuals	Carry Over	Annualized CR	Total	Carry Over	President's Budget	Total
Personnel Services:	-	-	-	-	-	\$4,137	\$4,137
Non-Personnel Services:							
Travel	-	-	-	-	-	25	25
Training	-	-	-	-	-	40	40
Supplies	-	-	-	-	-	15	15
Total, Non-Personnel Services	-	-	-	-	-	\$80	\$80
Grand Total	-	-	-	-	-	\$4,217	\$4,217
FTEs	-	-	-	-	-	25	25

*Includes 2020 Carryover

PROGRAM PURPOSE

The Immediate Office of the Assistant Secretary for Administration (IOASA) provides management and oversight to the Office of the Chief Administrative Officer (OCAO), Office of the Chief Human Capital Officer (OCHCO), and Office of the Chief Procurement Officer (OCPO).

BUDGET OVERVIEW

The 2023 President's Budget requests \$4.2 million for IOASA. The Budget will support the immediate staff of the Assistant Secretary for Administration, including consolidated Budget and Administrative support functions and the establishment of a Program Management Office (PMO) with a dedicated Program Management Improvement Officer (PMIO).

Personnel Services (PS)

The Budget assumes \$4.1 million for IOASA PS to support 25 FTEs. The funding also supports a 4.6 percent Federal pay raise. In addition to supporting the offices of the Assistant Secretary for Administration and General Deputy Assistant Secretary for Administration, funding will support the consolidation of budget and administrative functions for the Office of Administration (OA). In August 2020, OA consolidated and streamlined the budget functions across all its program offices into one Budget Office. This consolidation has standardized the financial planning, forecasting, execution, and management of all budget functions across IOASA, OCAO, OCHCO, and OCPO. Similarly, in 2022, OA is proposing the consolidation of administrative functions into one office. Both the consolidated budget office and administrative office will report to a Deputy Assistant Secretary for Operations.

The Budget also funds four positions to establish a PMO with a dedicated PMIO to lead HUD Program/Project Management (PM) policy and initiatives and ensure HUD compliance with the Program Management Improvement Accountability Act (PMIAA).

The PMIAA (signed into law in 2016) requires that Agencies conduct annual portfolio reviews of programs in coordination with the Office of Management and Budget (OMB) to ensure major programs are being managed effectively, and that OMB conduct reviews of areas identified by the Government Accountability Office (GAO) as "high risk."

The formation of an enterprise level Program Management Office will enable HUD to:

- a) Provide PM support for the Office of Administration.
- b) Provide PM support for HUD Program Offices that lack qualified resources.
- c) Provide an organization for the nurturing, mentoring, and coaching of new and prospective PMs.
- d) Provide an incubation organization to develop and implement PMIAA strategies.

The creation of a PMO within IOASA will improve PM activities throughout HUD.

Non-Personnel Services (NPS)

The Budget assumes \$80 thousand IOASA NPS. These funds will support the travel, training, and supply requirements for the Immediate Office.

KEY OPERATIONAL INITIATIVES

IOASA will work to optimize service delivery and decision making to better meet customer needs through the following key operational initiatives:

Major Initiative: Improve Service Delivery of Administrative Support Services

- Hiring – secure sufficient staff resources to support the workload.
- Enhance reporting, analytics, and evaluation of OA business practices.
- Establish Department-wide Program Management business process improvements, including compliance with the PMIAA. Efforts will include:
 - Leveraging a coordinated approach and governance structure that clarifies key roles and responsibilities for senior leader engagement in strengthening P/PM and establishes broadly applicable program management principles and standards.
 - Conducting regular OMB/Agency Engagement and Reviews that hold managers accountable, assess performance, and identify opportunities for improvement.
 - Strengthening Program Management Capacity to Build a Capable PM.
 - Workforce by better tracking HUD PM workforce and investing in building program management capacity and capability over time through increased training opportunities, career pathways, and mentorship opportunities.
- Proposed in 2022, the consolidation of administrative functions into one office. Both the consolidated budget office and administrative office will report to a Deputy Assistant Secretary for Operations.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Administrative Support Offices

Office of the Chief Administrative Officer

SALARIES AND EXPENSES

(Dollars in Thousands)

	2021*	2022			2023		
	Actuals	Carry Over	Annualized CR	Total	Carry Over	President's Budget	Total
Personnel Services:	\$33,699	\$250	\$37,411	\$37,661	-	\$42,964	\$42,964
Non-Personnel Services:							
Travel	811	15	820	835	-	1,600	1,600
Transportation of Things	361	-	361	361	-	440	440
Rent and Utilities	124,485	15	123,800	123,815	-	128,124	128,124
Printing	80	-	77	77	-	283	283
Other services/Contracts	41,328	7,848	38,194	46,042	-	51,378	51,378
Training	25	-	50	50	-	433	433
Supplies	203	3	202	205	-	981	981
Furniture and Equipment	1,674	-	5,700	5,700	-	6,402	6,402
Claims and Indemnities	1	-	20	20	-	60	60
Total, Non-Personnel Services	\$168,968	\$7,881	\$169,224	\$177,105	-	\$189,701	\$189,701
Working Capital Fund	2,155	388	1,058	1,446	-	2,684	2,684
Carryover	8,519	-	-	-	-	-	-
Grand Total	\$213,341	\$8,519	\$207,693	\$216,212	-	\$235,349	\$235,349
FTEs	218	2	218	220	-	240	240

*2021 Actuals include 2020 Carryover

PROGRAM PURPOSE

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, managing information throughout its life cycle, overseeing HUD's broadcasting services, and coordinating Agency responses to disasters and emergencies.

BUDGET OVERVIEW

The 2023 President's Budget requests \$235.3 million for OCAO, which is \$27.7 million more than the 2022 annualized CR level and \$19.1 million above 2022 total funding. The increase primarily accounts for Digital Information Management, Weaver Building Deferred Maintenance, Future of Work effort, and inflationary increases for recurring contracts. Additionally, full-time equivalent (FTE) growth is needed in the areas of Freedom of Information Act and Privacy services, Printing Office, and Headquarters and Field Support Services.

Personnel Services (PS)

The Budget assumes \$43 million for OCAO PS to support 240 FTEs, representing 132 HQ FTEs and 108 field FTEs. This represents an increase of \$5.3 million to support 10 HQ FTEs and 10 field FTEs from 2022. The funding also supports a 4.6 percent Federal pay raise. OCAO will invest FTE resources in several areas to include:

- Continuity of Operations (COOP) and Emergency Management (EM) personnel to address critical staffing shortage to perform the Department's national security functions.
- Freedom of Information Act (FOIA) and Privacy services to address critical staffing shortage contributing to a backlog of work and putting the Department at risk of litigation.
- Printing, Graphics and Digital Mail services to address the changing dynamic of work in this arena and improving the technical interaction with the Government Printing Office.
- Enhanced Program Office support and customer service in both the Headquarters and Field Support Services.

This funding level reflects the transfer of six Disaster Management FTEs to the Executive Offices. Also reflected is the realignment of three FTEs from the Office of the Chief Human Capital Officer (OCHCO) to OCAO to establish the Personnel Security Division and approximately 16 FTEs to establish the Immediate Office of the Assistant Secretary for Administration IOASA, as proposed above.

Non-Personnel Services (NPS)

The Budget assumes total funding of \$189.7 million for OCAO NPS. This represents an increase of \$12.6 million from 2022 total funding. The increase primarily accounts for the critical maintenance and repairs, compliance-related contracts, and funding inflationary increases for recurring contracts.

The majority of the increased funding will address:

- \$2.3 million for Digital Information Management – Funding will allow OCAO to provide comprehensive digital asset management contract support for incoming document distribution, storage, transfers, retrievals, and disposition of Departments records and move from a paper-based to digital process.
 - Regulations and policies require many of HUD's records to be transferred to the National Archives and Records Administration (NARA). The annual costs to store and have access to these files average \$5.7 million. There are service contracts within program offices to provide shredding and scanning services. They are a duplication of functions, services, and cost. These functions and services could and should be managed from an enterprise-umbrella application, resulting in improved accountability of managed records & information and cost savings for the Department. In addition, the system will bring HUD into compliance with Presidential Directive M-19-21 Transition to Electronic Records, and NARA records requirements outlined in the Federal Records Act.
 - HUD plans to address critical infrastructure issues for scanning all incoming mail in 2023. It will implement a program to replace the manual consolidation, organization, and delivery of paper mail with a document scanning, capture technology to digitize and automate classification, and distribution of mail enterprise wide. The paperless mail operation will provide security and efficiencies, reducing operational costs, improving customer service, and saving money. With the digital mailroom solution, manual labor costs are reduced due to less reliance on manual processes. Additional

automation results in better productivity using less labor, and helps the Department meet its OMB M-19 Transition to Electronic Records goals.

- \$5.1 million to address critical repairs for the Weaver Building Deferred Maintenance - Under the Delegated Authority agreement for operating the Weaver Building, OCAO has accumulated a deferred maintenance backlog of over \$14 million due to limited funding to address needs across multiple prior years. The Budget assumes funding to allow OCAO to address some of these critical maintenance items. A list of these items is shown below.
- \$2.6 million for Future of Work efforts (Major Alterations and Furniture and Outfitting at the Weaver Building) – Requested funds will address anticipated changes, alterations, and outfitting required in the Weaver Building to provide for demolition and reconfiguration of multiple work/collaboration/common spaces to accommodate the future of workspace configuration.
- \$1.5 million FOIA/Privacy – Contract support for staffing enhancements, automation, projects, and audit remediation for FOIA and Privacy operations. These improvements will allow for more vigorous enforcement of, and compliance with, existing policies and statutes, and significantly reduce its risk profile, resulting in fewer audit findings and reducing exposure to litigation.
- Additional resources for an increase in personnel and employees returning to the office in an anticipated post-pandemic environment.

Weaver Modernization

In accordance with the November 2018 GAO report, Federal Real Property Asset Management, GAO-19-57, OCAO has taken a risk-based approach to examine HUD's real property portfolios and mitigate existing conditions which place strategic operations in high-risk categories. The risk assessment revealed that HUD has both immediate and longer-term asset management risks that lack base budget funding, but must be addressed. The identified risks are principally overdue deferred maintenance of key Weaver infrastructure. Strategically resolving targeted key infrastructure risk factors will allow HUD to reduce its near-term and long-term overall asset management costs and provide for safer operations. HUD's real property portfolio responsibilities consist of operations and maintenance responsibilities under a Delegation of Authority with GSA for the Weaver Building.

The Weaver Building's systemic infrastructure contains many failure points with systems that are well past useful life and operate in a patchwork fashion. In some cases, workarounds allow for continued operations but create tremendous risk of failure. Most of the critical needs reside in the building HVAC system. Now more than ever, in an atmosphere of deadly airborne pathogens, a fully functioning HVAC system tops the list of essential building systems. The urgency of this situation has already begun to manifest itself; in February 2022, failure of certain system components caused system damage and costly repairs to the air handling unit. These antiquated systems are so vulnerable that additional failures and system damage are highly probable.

In 2020, HUD was able to replace several obsolete isolation valves in the HVAC system as well as refurbish the failing cooling towers. These much-needed repairs greatly increase the effectiveness and efficiency of the system. In 2022, HUD will be able to complete \$1.625 million in critical repairs to the HVAC system infrastructure that maintains indoor air quality.

The Budget requests \$5.1 million for critical infrastructure repairs that were identified in the 2022 President's Budget and are not assumed in the 2022 Annualized CR level. Most of the repairs will address obsolete infrastructure in the systems that deliver and filter the Weaver Building's indoor air. Failure to replace obsolete systems creates operational risk and vulnerability for all HUD

employees. Given the indoor air quality lessons learned during the pandemic, HUD believes it must complete these repairs to ensure workplace safety.

Priority	Critical Deferred Need*	Risk	Cost
1	Replace nine Penthouse air return fans	High	\$675,000
2	Replace Sub-Basement air fans	High	\$600,000
3	Replace garage exhaust fan system and install unit that operates on CO sensors	High	\$350,000
4	Replace loading dock exhaust fan system and install unit that operates on CO sensors	High	\$150,000
5	Replace electrical motor control centers in north and south Penthouse	High	\$1,100,000
6	Convert three chillers to R-134 refrigerant	High	\$1,308,000
7	Replace garage air handler units	High	\$120,000
8	Replace north and south lobby air handler units	High	\$440,000
9	Increase UV light system in air handlers	High	\$400,000
Total			\$5,143,000

*Originally identified in 2022 CJ.

Working Capital Fund (WCF)

The Budget for OCAO's contribution to the WCF is \$2.7 million. This represents an increase of \$1.2 million from 2022 total funding (carryover and new authority). The WCF funding level reflects payments for baseline WCF services (including inflationary adjustments and changes in service utilization) and the additions of the End-User Devices business line, the Printing Services business line, HR platform licensing, and the full cost recovery of FSADD Financial Management expenses.

Information Technology (IT)

Within the Information Technology Fund, the Budget requests \$800 thousand for the Computer Aided Facility Management.

Program Pain Point

The Space and Asset Management Division (SAMD) experiences significant difficulty managing, evaluating, and maintaining information on spatial data and space-related information on the HUD Headquarters facilities in the National Capitol Region. Critical information such as occupancy, vacancy, square footage, space-type space assignments, and utilization rates are not currently tracked or updated in an accurate, efficient, or effective manner.

In addition, the two current systems: Federal Asset Management Enterprise System (FAMES), HUD's inventory management system of record,) is limited in its operations; as well as the existing

Administrative National Services Requests Supplies System (ANSRS), HUD's workplace ticket request system of record, is antiquated.

Mission Benefits

SAMD will need to procure and implement a Computer Aided Facilities Management (CAFM) system that would address and solve several problems and needs. The CAFM system would provide a central repository for space information that can be easily accessed, queried, and analyzed with real time, up-to-date data; and allow SAMD to manage HUD's portfolio of lease holdings and space data effectively and efficiently. SAMD could easily track and update HUD's footprint in satellite buildings/headquarters, manage personnel move/add/change tasks by name, occupancy and vacancy data, floor plan drawing record management, project management, space reservation functionality, and personal property asset management. Through algorithms, a CAFM system would generate space utilization rates of usable square footage and identify areas that are not in compliance with GSA's space utilization guidelines. SAMD would meet the overarching goal of space consolidation in headquarters, thus reducing lease holdings in the DC area and reallocating funds saved from leased space.

Target Functionality

- More efficient data retrieval and reporting, allowing SAMD to quickly analyze underutilized spaces and target these areas for future reduce the footprint (RTF) projects
- Track and maintain property inventory within the CAFM's interactive and integrated floor plan drawing environment. With simple pick-drag-and-drop functionality, property assignments can easily be moved to new locations within the floor plan whenever an employee move is conducted and updated, simultaneously and seamlessly updating the inventory with new location information; and
- With the data collected and analyzed within a CAFM system, the SAMDSMB will be able to improve its efforts in restacking the building and reorganizing space by Program Office with the goal of collocating entire program areas on the same floor (if possible) and ensuring adjacency opportunities with other Program Offices.

Projected Cost Savings

Integrating multiple modules into one CAFM system streamlines data management. The antiquated ANSRS system fails to meet current business requirements causing time management issues and decreased productivity. Retiring the FAMES application could save \$570,000. Furthermore, reducing underutilized leased spaces in HUD's portfolio can save millions of dollars in rent annually.

For additional information regarding HUD's Information Technology investments, please see the Information Technology Fund justification.

KEY OPERATIONAL INITIATIVES

OCAO will continue to improve operations by organizing and delivering services more effectively through the following operational initiatives:

Major Initiative: Improve Service Delivery of Administrative Support Service

- Hiring – secure sufficient staff resources to support the workload.
- Enhance reporting, analytics, and evaluation of business practices.
- Improve space and rent efficiencies by modernizing Headquarters and reducing HUD's footprint.

- Modernize the records management sphere at HUD and expand digital mail services to support 21st Century Program Office workflow and communications needs and improve their operating efficiencies.
- Begin strategic planning and implementation of HUD Forward initiatives.

Major Initiative: Develop a Workplace for the 21st Century

- The reconfiguration of the Weaver Building including construction/alteration of space. This allows OCAO to be proactive in designing a workplace commensurate with the future of work. Space design must be flexible to accommodate changing workforce needs and create an environment that is state-of-the art to recruit and retain the best talent.

Major Initiative: Modernizing Headquarters and Reducing HUD's footprint

- Address deferred maintenance backlog at HUD Headquarters. In addition to maintaining the health and safety of the workplace, key maintenance issues must be addressed for the Weaver Building, which is iconic and synonymous with HUD. Ensuring the building is one that employees feel proud to work in plays a vital role in employee satisfaction. It is critical that we address our maintenance issues to ensure that the building and its systems are functioning correctly. Executing these repairs and replacing equipment will not only make the building operate more efficiently, but it will also add to the longevity of our historic headquarters.

Major Initiative: Enhancing Evaluation of Business Practices

- These initiatives in the proposed Budget will support the Department's **Strategic Goal 5: Strengthen HUD's internal capacity and efficiency to better ensure delivery of HUD's mission on the ground.**
- Improve service delivery in several areas (Unified Nationwide Telecommunications, Records Management, FOIA, Privacy, Digital Mail and Scanning). These improvements include both technological upgrades and contractual support. Our lines-of-business must be modernized to keep pace with industry and planned innovative solutions. It will move OCAO forward in providing world class customer service to HUD-wide Program Offices to enhance their operating efficiencies in furtherance of their missions and better support their distributed workforce under the new HUD Forward operating construct.
- Support the Administration's priority of **Empowering, Rebuilding, and Protecting the Federal Workforce** by prioritizing employee health and safety in workspaces around the country. The 2023 Budget also supports the Administration's priority of Restoring Public Trust in the Federal **Government and Delivering Services Effectively and Efficiently** through **Modernizing Public-Facing Websites, Digital Services, and Records Management**. Additionally, resources at these levels directly support the Administration's **Planning for the Future of Work** effort.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Administrative Support Offices

Office of the Chief Procurement Officer

SALARIES AND EXPENSES

(Dollars in Thousands)

	2021*	2022			2023		
	Actuals	Carry Over	Annualized CR	Total	Carry Over	President's Budget	Total
Personnel Services:	\$19,795	\$116	\$19,937	\$20,053	-	\$29,006	\$29,006
Non-Personnel Services:							
Travel	-	-	-	-	-	75	75
Other services/Contracts	609	50	272	322	-	563	563
Training	199	39	-	39	-	475	475
Supplies	1	-	-	-	-	15	15
Total, Non-Personnel Services	\$809	\$89	\$272	\$361	-	\$1,128	\$1,128
Working Capital Fund	1,178	523	804	1,327	-	1,924	1,924
Carryover	728	-	-	-	-	-	-
Grand Total	\$22,510	\$728	\$21,013	\$21,741	-	\$32,058	\$32,058
FTEs	116	1	109	110	-	153	153

*Includes 2020 Carryover.

PROGRAM PURPOSE

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.

BUDGET OVERVIEW

The 2023 President's Budget requests \$32.1 million for OCPO, which is \$11 million more than the 2022 annualized CR level and \$10.3 million above 2022 total funding.

Personnel Services (PS)

The Budget assumes \$29 million for OCPO PS to support 153 full-time equivalents (FTEs), representing 101 HQ FTEs and 52 field FTEs. This request represents an increase of \$9 million and 34 HQ FTEs and nine field FTEs from 2022. The funding also supports a 4.6 percent Federal pay raise.

Given that OCPO is responsible for implementation of the Department's procurement program, the requested Budget will resource OCPO at a level that will accomplish the following, which are

directly aligned to the strategic goal to Strengthen HUD's internal institutional capacity to deliver on mission:

- OCPO will maintain responsibility over the OA Contract Management Unit (CMU) in Headquarters, which provides the contract oversight and Contracting Officer Representatives (COR) for all program offices (Office of the Chief Administrative Officer, Office of the Chief Human Capital Officer, and OCPO) within the Office of Administration (OA) throughout the acquisition lifecycle. The CMU is the consolidation of the COR function for OA under OCPO in order to achieve efficiencies and streamline processes.
- Increase capacity in the Acquisition Liaison Unit (ALU) from 6 to 11 FTEs to provide support to program offices for development of requirements documents, government cost estimates, quality assurance surveillance plans, and other requirements package artifacts. This will also increase cost/price analysis support for the program offices and contracting activities. Dedicated cost/price analysis support will help reduce risk when developing budgets, acquisition cost estimates, and negotiating contract pricing with bidders.
- Increase Capacity in the Information Technology Support (IT) Divisions from 11 to 21 FTEs to support complete execution and administration of the IT portfolio and bringing out-sourced procurement actions back within the HUD portfolio to facilitate proper oversight and prioritization. The enhancement of the IT cadre is part of the strategy to directly address the mitigation of the Department's Top Management Challenges and the remediation of several Office of the Inspector General (OIG) evaluation and audit findings.
- Increase capacity in Fort Worth Contracting Office from 5 to 11 FTEs to support a new set of contracts that will replace the current Performance-Based Contract Administrators, which support the HUD-assisted multifamily housing portfolio. This will be the largest HUD acquisition program once awarded. These services were acquired via cooperative agreements in the past; however, by a Federal Court Order, these agreements are contracts and must be awarded as contracts in accordance with the Federal Acquisition Regulations. This will be a new set of contracts that OCPO is not currently resourced to support. Additionally, the increased resources are required to support the Office of Policy Development & Research and Housing contracts that were previously supported by assisted acquisition, through the Health and Human Services Professional Services Center which were terminated in 2019.
- Increase capacity in the Chicago Contracting Office from 7 to 11 FTEs in order to support placement and administration of Enterprise-wide acquisition vehicles (category management), including inspection services and studies – such as Rent Comp Studies – in support primarily of Housing and Public and Indian Housing programs.
- Increase capacity in the FHA/Ginnie Mae Office from 11 to 14 FTEs to support the sourcing of contracted services for Ginnie Mae, which will ensure OCPO has the internal capacity and resources to support mission accomplishment and reduce risk in the Ginnie Mae and FHA portfolio. Historically, HUD has had to use assisted acquisitions through GSA or other shared service providers at a cost of four percent of the obligated amount, and a flat fee of \$120 thousand for consulting services per requirement. The additional FTEs will allow HUD to avoid costs that equaled \$16 million in 2020 and \$11 million in 2021.

This funding level aligns OCPO to other Federal Departments and Agencies with a similar workload based on the cost-to-spend ratio and achieves providing the resources needed to ensure the Department's procurement program has the internal capacity to meet mission and support all the

Department's programs. With the increasing mission of the Department and the focus on increasing the availability of programs to the public, HUD's workload increased by 30 percent, as measured by total number of procurement awards. This upward trajectory is anticipated to continue. To maintain pace with an ever-growing acquisition workload, the Department paid approximately \$11 million in assisted acquisition fees in 2021 to support 70 procurement actions. The additional FTEs will allow HUD to increase internal capability to reduce reliance on assisted acquisitions and provide resources to support the implementation of an enhanced enterprise strategic sourcing and category management strategy. The Agency-wide procurement strategy will result in more of HUD's contract obligations being under management, and will reduce the average time to procure. The Budget also includes the realignment of four FTEs to the Deputy Assistant Secretary for Operations within Immediate Office of the Assistant Secretary for Administration (IOASA).

Non-Personnel Services (NPS)

The 2023 Budget assumes \$1.1 million for OCPO NPS. This request represents an increase of \$767 thousand from 2022 total funding. Funding at this level would allow additional funds for increased and improved training of the acquisition workforce, which has been identified as a critical need in HUD's internal risk assessment and OIG evaluation reports. Funding at this level would allow OCPO to support the following NPS:

- Additional funds for training of the acquisition workforce, including contracting officers and specialists, program project managers, and contracting officer representatives. Given the increase in FTEs for OCPO, there is a need to provide certification training for the new staff and continuous learning for all the staff to receive and maintain required certifications and stay abreast of changes in Federal Government contracting. Specifically:
 - The increased funding will allow increased training opportunities for the FAC-PPM certifications and continuous learning for the HUD program project managers, which is consistent with the mandates of the Program Management Improvement Accountability Act (PMIAA) and the Top Management Challenges.
 - OCPO is requesting a \$241 thousand increase over the 2022 level for contract services. This increase is due to escalations in the cost of services and adjustments to quantities resulting from OCPO's increased staffing levels.
 - The Budget includes a \$436 thousand increase for training, \$75 thousand for travel, and \$15 thousand for supplies. These increased funds will provide sufficient office supplies for the staff and support items needed to promote a clean and safe environment as well as other ongoing return-to-office needs.
 - Increase Acquisition workforce training to improve the service delivery of OCPO staff to program offices, increase the number of certified program managers in the Department resulting in reduction of the current deficit in qualified program managers according to the PMIAA, and continued training and professionalization of the Department's CORs.
 - Ability to fund contracted acquisition support services to provide surge support for the Acquisition Liaison Unit and the Operational Contracting Offices in order to address temporary capacity needs that do not warrant the onboarding of permanent FTE. Having the additional resources/capacity will result in improved acquisition documentation and reduced cycle times.

Working Capital Fund (WCF)

The 2023 Budget assumes \$1.9 million for OCPO's contribution to the WCF. This request represents an increase of \$597 thousand from 2022 total funding. The WCF funding level reflects payments for baseline WCF services (including inflationary adjustments and changes in service utilization) and the additions of the End-User Devices business line, the Printing Services business line, HR platform licensing, and the full cost recovery of FSADD Financial Management expenses.

Information Technology (IT)

Within the Information Technology Fund, the Budget requests \$1.75 million for the Acquisition Tool.

Program Pain Point

The HUD Acquisition Community is not often able to share and archive information, including requirements documents (e.g., Performance Work Statements, Independent Government Cost Estimates) with stakeholders in the form of a "one-stop-shop." Instead, documents must be shared through e-mail exchanges and stored on a share drive and other repositories that contains information for upwards of one thousand contracts. For the most part, SharePoint is currently used across the enterprise; however, it is not a viable alternative as its limitations do not provide the in-depth requirements for a fully functional acquisition management system.

In addition, the community lacks a secure electronic solution to conduct source selection evaluations and protect proprietary source selection sensitive information. Furthermore, an overarching dashboard is required to track key performance indicators to determine the effectiveness/efficiency of acquisition operations across the enterprise. Microsoft Excel is currently used for this function; however, it is not a viable alternative as it is static and neither efficient nor effective.

Mission Benefits

OCPO anticipates that value to the HUD Acquisition Community will be substantial and significant as it will include the relative ease provided to the team of CORs performing contract oversight functions as well as the provision of a central location for developing and maintaining a COR file for each contract managed by the acquisition team. This ensures near full proof audit compliance with an accurate account of data provided for each contract; effective and efficient management of the source selection evaluation process; and an overarching dashboard that provides an accurate assessment of the health of the acquisition system.

A fully operational Acquisition Management Support System (AMSS), Source Selection Evaluation Management System, and Acquisition Dashboard will provide approximately 500 licenses. Therefore, key members of the Integrated Project Team, Integrated Acquisition Team, including the team of CORs, OCPO (Contracting Officer and Contract Specialist), Program Officials (FAC-P/PMs), Budget Officials, and senior management within the organization will have access allowing for ease of sharing information across different job functions in addition to the benefits previously discussed. Finally, a successful rollout will bring agencywide advantages that will enable users to have real time insights into how their program is performing across the enterprise and make course corrections as necessary. This would significantly increase transparency of efforts and collaboration across the enterprise while significantly reducing poor acquisition planning. One of the greatest benefits will be the direct addressing of acquisition pain points thus resulting in the streamlining of acquisitions across the enterprise.

Target Functionality

An Acquisition Management Support System for HUD will result in:

- The Acquisition Community and its team of Contracting Officer Representatives (CORs) and Program/Project Managers (P/PMs) being able to perform critical oversight function on key requirements and contracts that support HUD operations and provide proper record storage and retrieval of requirements and contract documents and deliverables.
- Effectively managing requirements planning processes, pre-award processes, source selection evaluation management suite, post award data management including period of performance (POP) and funding based on FY, user management; and
- Provision of overarching dashboard to track key performance indicators determining the effectiveness/efficiency or lack thereof of acquisition operations across the enterprise.

Projected Cost Savings

Compared to current processes, implementing the AMSS will allow HUD to recapture approximately 130,000 hours of staff time each year spread out across HUD's acquisition community. Time can be redirected to higher value acquisition related activities, such as providing efficient and effective acquisition management and improved processes ultimately reducing time to procure.

For additional information regarding HUD's Information Technology investments, please see the Information Technology Fund justification.

KEY OPERATIONAL INITIATIVES

Under the baseline and enhanced mission levels of funding, OCPO initiatives and priorities in 2023 will support the Department's **Strategic Goal 5: Strengthen HUD's internal capacity and efficiency to better ensure delivery of HUD's mission on the ground.** Staffing and non-personnel funding will comprehensively align to **Strategic Objective 5B: Improve Acquisition (Procurement) Management.**

- Prioritize hiring for the IT cadre and Ginnie Mae support divisions to increase the internal capability to support the growing acquisition portfolios and bring acquisition assistance requirements back in-house, resulting in a reduction in cost to the Department.
- Prioritize hiring for Fort Worth that will support the Housing Assistance Program, which will be the largest acquisition program for the Department. This team also supports the Policy Development and Research (PD&R) portfolio, which includes acquisition assistance requirements previously outsourced to the U.S. Department of Health and Human Services (HHS) Program Support Center (PSC).
- Increase capacity within the ALU to provide consultation services for the development of requirements documents and supporting artifacts. Improving the quality of requirements documentation has been identified as a key contributor to reducing delays in the acquisition process, which will directly impact streamlining acquisitions and reducing procurement lead times.
- Ensuring an acquisition staff that is properly resourced, trained, and equipped to support the mission of HUD is paramount to meeting Departmental goals and Administration priorities. Increased funding strengthens the acquisition programs at HUD, properly resourcing the OCPO to support the entirety of HUD's procurement needs, reducing the reliance on acquisition assistance at a significantly higher cost, and training the acquisition workforce to ensure they are equipped with the knowledge and skills necessary to support the Department's acquisition programs.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Administrative Support Offices

Office of the Chief Human Capital Officer

SALARIES AND EXPENSES

(Dollars in Thousands)

	2021*	2022			2023		
	Actuals	Carry Over	Annualized CR	Total	Carry Over	President's Budget	Total
Personnel Services:							
Personnel Services	23,979	600	28,345	28,945	-	32,034	32,034
Common Distributable	969	200	3,430	3,630	-	6,500	6,500
Total, Personnel Services	\$24,948	\$800	\$31,775	\$32,575	-	\$38,534	\$38,534
Non-Personnel Services:							
Travel	16	-	25	25	-	400	400
Rent and Utilities	-	-	-	-	-	40	40
Printing	3	-	15	15	-	50	50
Other Services/Contracts	6,878	5,134	4,736	9,870	-	10,246	10,246
Training	2,403	150	1,200	1,350	-	3,500	3,500
Supplies	41	10	50	60	-	100	100
Furniture and Equipment	23	10	113	123	-	225	225
Claims and Indemnities	-	-	-	-	-	30	30
Total, Non-Personnel Services	\$9,364	\$5,304	\$6,139	\$11,443	-	\$14,591	\$14,591
Working Capital Fund	1,360	-	1,019	1,019	-	1,651	1,651
Carryover	6,104	-	-	-	-	-	-
Grand Total	\$41,776	\$6,104	\$38,933	\$45,037	-	\$54,776	\$54,776
FTEs	139	3	157	160	-	170	170

*Includes 2020 Carryover.

PROGRAM PURPOSE

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 HUD. OCHCO represents HUD on strategic human capital and human resources 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.

BUDGET OVERVIEW

The 2023 President's Budget requests \$54.8 million for OCHCO, which is \$15.8 million more than the 2022 annualized CR level and \$9.7 million above 2022 total funding.

Funding at the 2023 level will allow OCHCO to address HUD human resources (HR) challenges, modernize human capital programs for the new world of work and next generation of Federal employees, and continue to deliver effective services and solutions while instituting necessary changes. In 2023, OCHCO will continue to focus on:

- Ensuring human capital planning processes enable HUD to hire and retain diverse top talent with the right skills, in the right positions, and at the right time;
- Providing opportunities for continuous development and professional growth to meet HUD's current and future mission needs;
- Embedding diversity, equity, inclusion, and accessibility principles within training and development programs to support an inclusive culture in all HUD work environments;
- Developing a central HUD-wide knowledge management repository of HUD's standard operating procedures; and
- Improving operational efficiencies in service delivery with new technology investments.

OCHCO has identified HR challenges that impact its ability to deliver effective HR services and solutions that enable the Department's mission. The requested funding level allows OCHCO to hire additional staff to support the needs of the growing employee headcount of the Department, allowing for human capital services to be supported effectively by OCHCO.

Included in the request is funding for OCHCO to establish talent teams in response to Executive Order 13932, "Modernizing and Reforming the Assessment and Hiring of Federal Job Candidates." The talent team will support continued modernization and maturation of HUD's talent acquisition and assessment capabilities and participate in newly created government-wide hiring improvement teams to develop and share best practices and lessons learned, among other things, aligned with a new OPM hiring line of business.

Increases from the 2022 annualized CR will enable HUD to implement new multi-year staffing strategies, conduct workforce and succession planning efforts, and position management approaches to reduce hiring timelines and improve budget and business planning. OCHCO will also continue to streamline and implement new approaches to reduce time to hire, such as utilizing shared hiring certificates, developing Department-wide position descriptions and vacancy announcements, and integrating new candidate assessment capabilities shown to be better predictors for job performance than self-report assessments. The increased funding will enable the implementation of a redesigned HR business partner/program office model to improve strategic planning and to implement new data analytics and visualization capabilities and technology-enabled solutions to improve data-driven decision making, recruiting strategies, efficiency, customer service to program offices, and employee experience.

The increase in funding will support OCHCO's ability to become strategic partners and implement client-centric solutions to reduce the time to hire and retain employees. OCHCO will focus on employee retention by revitalizing developmental programs, conducting strategic workforce and succession planning, and developing competency models and career pathing focused on creating a positive HUD journey for employees. Additional funding will also enable HUD to actualize a modern approach to telework in a post pandemic environment and to track and monitor telework program data with enhanced reliability to inform data-driven decision making and facilitate HUD performance and employee engagement.

Personnel Services (PS)

The Budget assumes total funding of \$32 million for OCHCO PS to support 170 full-time equivalents (FTEs), representing 139 Headquarters (HQ) FTEs and 31 field FTEs. This is an increase of \$3.1 million and 10 FTEs (nine HQ FTEs and one field FTE) from 2022. After the Department finalizes

its HUD Forward plans, many positions may be eligible for remote work, which could impact the HQ/Field split. The increase in funding also supports a 4.6 percent Federal pay raise.

OCHCO will utilize the additional FTEs to:

- Strengthen HUD's performance culture, workforce capacity, and workforce capability;
- Develop and implement client-centric solutions to not only reduce the time to hire but also focus on retaining employees once they come onboard;
- Ensure OCHCO growth is commensurate with HUD-wide growth to manage and administer HR programs with acceptable service levels;
- Ensure training and development programs are staffed. The current retirement eligibility in the office exceeds 43 percent, driving serious succession planning and knowledge management concerns as employees attrit. Additional hiring will better right-size the organization and reduce risk; and
- Allow the Department to meet mandates laid out in Executive Order 13932 requiring Agencies to establish talent teams to support development, validation, and maintenance of hiring assessments for the Department.

Additionally, as reflected in the OA reorganizational proposal submitted in January 2022, this funding level reflects the realignment of four Diversity, Equity, and Inclusion FTEs from OCHCO to Office of Equal Employment and Equity Advance (OEAAA); three FTEs from the existing Personal Identity Verification (PIV) Branch within OCHCO to establish the Personnel Security Division in Office of the Chief Administrative Officer (OCAO); and the realignment of four FTEs to the Deputy Assistant Secretary for Operations within the Immediate Office of the Assistant Secretary for Administration (IOASA).

This Budget supports OCHCO's objective to operate as strategic partners to the Department's programs and leaders, emphasizing a client-centric approach that allows for greater understanding of the program offices and their workforce while impacting HUD across the enterprise.

Due to HUD's goal to increase the number of employees in support of its mission, the volume of work performed by OCHCO has and will continue to grow. This growth includes ensuring sufficient resources are available to support the hiring of temporary employees authorized under the various recovery appropriations for program offices across the Department.

Increases in OCHCO hiring are also needed to support anticipated hiring increases HUD-wide in 2022 and 2023 based on pending appropriations and legislation that exceed previous years' hiring projections.

Common Distributable

The 2023 Budget for Common Distributable is \$6.5 million. This represents an increase of \$2.9 million from 2022 total funding. This funding provides for the Department-wide Transit Subsidy Benefits Program, Student Loan Repayment Program, and Flexible Spending Account administrative fees. The increase from the 2022 level will primarily support increased costs in the Transit Subsidy Benefits Program as a result of the Department's returning to anticipated post-pandemic commuting levels, additional staff increases anticipated in 2022 and 2023, and anticipated inflationary cost increases.

Non-Personnel Services (NPS)

The 2023 Budget assumes \$14.6 million for OCHCO NPS, an increase of \$3.1 million from 2022 total funding. OCHCO will utilize the additional resources to fund HR contracts that improve process

improvement efforts targeted at developing strategies to reduce the time to hire, promote talent development and succession planning, support the Hiring Assessment Line of Business, and develop evaluation strategies and human capital operating objectives.

In addition to services provided under Common Distributable, OCHCO centrally funds human capital and human resources services and management for the Department. Specific initiatives slated for 2023 include but are not limited to:

- Development and implementation of a Senior Executive Service Candidate Development Program;
- Department-wide implementation of a training program to support actions associated with a positive culture focused on accountability and collaboration;
- Expansion of the new employee onboarding journey;
- Whole-person (career, nutrition, sleep) executive coaching;
- Job analysis and competency modeling to support development of customized selection assessments targeting high-volume and mission critical occupations, and the development of career paths/lattices for employee career development, reskilling, or upskilling.

Working Capital Fund (WCF)

The 2023 Budget for OCHCO's contribution to the WCF is \$1.7 million, an increase of \$632 thousand from 2022. The WCF funding level reflects payments for baseline WCF services (including inflationary adjustments and changes in service utilization) and the additions of the End-User Devices business line, the Printing Services business line, HR platform licensing, and the full cost recovery of FSADD Financial Management expenses.

Information Technology (IT)

Within the Information Technology Fund, the Budget requests \$1.75 million for the Enterprise Case Management and Workflow Platform (includes HireNOW initiative).

Program Pain Point

HUD defines Case Management as a broad set of use cases that involve the intake of requests from users and the fulfillment of those requests through a digital workflow process. An enterprise case management platform will enable HUD to solve a variety of pain points that cut across different program areas. Across HUD, there is limited ability to quickly stand-up workflow and case management-based applications while simultaneously adhering to IT policies. This leads to: "shadow IT" solutions that are unsupported by OCIO or continued reliance on inadequate or non-existent technology solutions. HUD plans to leverage the ServiceNow platform which will provide HUD a common platform on which to create applications with robust security, privacy and policy controls implemented centrally by OCIO. ServiceNow is a commercial cloud-based, low-code digital workflow platform that provides the foundation on which to configure tailored applications to meet specific business requirements, while other low-code technologies exist within HUD, ServiceNow is best-suited to handle enterprise-wide internal case management and workflow applications such as HR functions, IT Help Desk, and Facilities Management.

The initial use case for case management and workflow platform will be address the lack of automation and centralization of data for OCHCO for resolving HR related cases including employee and contractor onboarding. The currently lack of a holistic IT solution for HR related cases leads to data integrity issues, lack of an authoritative centralized source of HR data, limited reporting capabilities, delayed time to hiring and onboarding employees and contractors, and inability for analytics based continuous improvement. The pain points related to HR cases affects all HUD employees and contractors and depresses the velocity at which HUD can operate across the board.

Mission Benefits

This 2023 funding request will be a continuation of 2022 request (\$2 million) and will be used to deploy and mature a ServiceNow-based enterprise case management platform. By adopting an enabling enterprise platform, HUD OCIO anticipates that it will be able to more quickly design, build, and deploy a wide variety of applications to meet their customers tailored business needs. A common platform that can be securely controlled and governed at the enterprise-level, while giving program offices more direct control of business functionality of their applications will drastically improve the speed and consistency of software delivery. Currently, case management functionality is housed in disparate systems which drive numerous inefficiencies; an enterprise case management platform will broadly consolidate licenses, infrastructure, development, and O&M costs and allow HUD to build momentum in a focused and unified enterprise direction.

Each use case that will leverage the enterprise case management platform has its own mission benefits that it will produce. In the HR Transformation use case described previously, it is expected that HUD will be able to hire and onboard employees more effectively and efficiently helping HUD deliver on its overall mission. Secretary Fudge has committed to rebuilding HUD's depleted workforce which has lost 20 percent of its staff since 2012 and ServiceNow will help achieve this human capital goal.

Target Functionality

- HUD envisions ServiceNow will become the standard platform to use for critical internal-facing applications such as HR Case Management, IT Help Desk ticketing, Facilities Management (Workspace Hoteling), and more.
- The HR Transformation use case will provide an end-to-end holistic electronic onboarding experience for new employees and contractors which will lead to dramatically shorter onboarding times.

Projected Cost Savings

The case management and workflow platform based on ServiceNow will be used for multiple new business requirements needs as well as modernization of legacy systems. A single use case of modernizing and retiring the Adaptive Case Management Suite (ACMS/eCase) is projected eliminate \$2.8M of O&M and license expense annually. This would not be considered a net reduction of costs as the ServiceNow solution will incur similar (if not higher) annual O&M and licensing costs. HUD will ultimately realize greater value through economies of scale – increased adoption of the platform and more applications built upon it will consolidate HUD-wide licensing and O&M costs that are currently distributed across several solutions.

For additional information regarding HUD's Information Technology investments, please see the Information Technology Fund justification.

KEY OPERATIONAL INITIATIVES

OCHCO is actively looking at how to better align functions to achieve maximum efficiency, more effectively meet business needs and enhance customer experience, which will impact strengthening HUD's Internal capacity.

Realignments under consideration are:

- Establish an Office of Transformation that will focus cross-OCHCO/programmatic priorities such as reorganizations, Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Payments (VSIP), strategic planning and alignment, and data management.

- This team will work across OCHCO to identify streamlining opportunities for operational efficiency gains, and provide internal growth and development opportunities for the OCHCO staff.
- Establish a Safe Workplace Division reporting to the OCHCO front office that will cover Anti-harassment and prevention of workplace violence under a single umbrella.
 - This will include a conflict resolution center, housed in this office, to resolve conflicts at the lowest level and facilitate alternate dispute resolution.
- Realign the employee focused programs from the Human Capital Services to the Office of Performance Management, which is targeted at managing employee experiences such as employee engagement, performance management, work life balance and Reasonable Accommodation.
- Creating more functional alignment in the Office of Business Management and Administration and better realignment of functions in the Office of Executive Resources and the Office of Human Capital Services to effectively facilitate Departmental hiring for all levels. OCHCO is currently collaborating on the best placement/structure for the Office of Executive Resources.
- Breaking the Office of Recruiting and Staffing into two arms, one focused on performing operational work efficiently and effectively (day-to-day staffing and classification) and one focused on strategic planning and special programs and projects (triennial position management review process, staffing forecasting planning, targeted recruiting for underrepresented groups in the HUD workforce, intern and student hiring to support talent pipelines, commonly filled, and hard to fill positions; the development of standardized HUD-wide position descriptions where multiple program offices are filling the same type of position; and the development of automation to streamline the hiring process).

OCHCO takes a strategic approach to addressing long-standing challenges with hiring, employee accountability, employee engagement and inclusion, and succession planning. Funding will be used to support OCHCO's ability to execute strategies to support priorities which include diversity, equity and inclusion, workplace safety, workforce capability, workforce capacity, performance culture, data analytics, and automation.

Major Initiative: Improve Hiring Process & Develop a Workforce for the 21st Century

- Develop a Workforce Strategy encompassing all actions taken to acquire, retain, develop, engage and deploy HUD's human capital. This strategy is a whole-of-workforce plan that extends over the employment life cycle;
- Execute strategies to increase the quality of candidate referrals and streamline hiring processes, including improving program office partnerships and initiating the use of shared vacancies, position descriptions and certificates;
- Create alignment between hiring forecasts and budget cycles to "get ahead" of hiring and identify and prepare for future needs in advance by creating a cycle to review existing skillsets and position descriptions;
- Increase employee accountability and engagement by building a performance culture which embraces innovation, diversity, and inclusiveness;
- Improve workforce and succession planning strategies;
- Enhance reporting, analytics, and evaluation of OCHCO business practices;
- Enhance recruiting and succession planning through the utilization of tools designed to create a positive HUD brand and facilitate participation at recruitment fairs, utilize direct hiring authority, as appropriate, and strengthen the selection process; and

- Embed diversity, equity, inclusion and accessibility into all aspects of the human resources lifecycle.

OCHCO is focused on reducing the time to hire and developing strategies to manage high voluntary attrition rates, both of which have historically negatively impacted staff levels at the Department.

Non-retirement Voluntary Attrition Rate

Past Performance				Current Performance
FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual
3.98%	2.54%	2.99%	3.59%	5.10%

Average time to Hire (days)		
FY19	FY20	FY21
140.1	143.3	123.5

Strategies implemented during 2021 resulted in a reduction in overall time to hire by approximately 14 percent against 2020 timeframes. Additionally, OCHCO has developed analytical tools, such as a Business Intelligence Dashboard that illustrates descriptive data pertaining to attrition and staffing and classification timelines, providing transparency into the hiring process and ensuring focus across the Department to move hiring actions timely.

Moving forward, several strategic initiatives are planned to reduce the time to hire and manage voluntary attrition. For example, in 2022, OCHCO began implementing a multi-year staffing model that encourages offices to develop forward thinking staffing plans in line with the budget cycle. Additionally, OCHCO plans to implement targeted recruitment strategies to ensure diversity, equity, and inclusion within our portfolio.

These initiatives are dependent on receiving sufficient resources to allow staff to operate with a proactive, strategic focus versus simply keeping up with the increasing hiring demands across the Department.

In order to assist the Department in strengthening HUD’s internal capacity, OCHCO is putting in place business process improvement initiatives to ensure HUD meets its workforce challenges in 2023, to support its mission, and meet Departmental and Administration priorities. OCHCO’s goals to increase its headcount; formally establish and operate the workplace violence prevention/anti-harassment program; and focus on diversity, equity, inclusion, and accessibility will support HUD's mission at large. This also includes enhanced performance management, strategically reducing the time to hire, development of retention and recruitment strategies, automating its processes and developing robust dashboards to share information.