

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Program Offices Salaries and Expenses Overview

SALARIES AND EXPENSES

(Dollars in Thousands)

	2024*	2025			2026		
	Actuals	Carry Over	Enacted	Total	Carry Over	President's Budget	Total
Personnel Services:	\$1,053,712	\$45,045	\$1,030,879	\$1,075,923	\$8,563	\$795,561	\$804,124
Non-Personnel Services:							
Travel	9,212	235	5,845	6,080	221	6,135	6,356
Transportation of Things	53	-	19	19	-	20	20
Rent and Utilities	-	-	-	-	-	-	-
Printing	170	-	204	204	-	215	215
Other services/Contracts	20,191	667	12,948	13,615	179	13,598	13,777
Training	2,581	-	885	885	-	931	931
Supplies	276	-	128	128	-	134	134
Furniture and Equipment	27	-	8	8	-	8	8
Claims and Indemnities	73	-	1,045	1,045	-	1,097	1,097
Total, Non-Personnel Services	\$32,583	\$902	\$21,082	\$21,984	\$400	\$22,138	\$22,538
Working Capital Fund	46,215	5,198	29,449	34,647	6,791	40,889	47,680
Carryover	51,144	-	15,754	15,754	-	12,112	12,112
Grand Total	\$1,183,654	\$51,144	\$1,097,164	\$1,148,308	\$15,754	\$870,700	\$886,454
FTEs	5,855	236	5,423	5,659	41	4,020	4,061
Onboard End of Year	5,849			4,099			4,018

* Includes 2023 carryover.

** The Budget Object Class data provided here is for informational purposes only

PROGRAM PURPOSE

The Program Offices Salaries and Expenses components are directly responsible for executing the Department's programmatic funding. The 2026 Budget provides a framework for implementing a paradigm shift in how HUD accomplishes its fundamental mission. These reforms prioritize taxpayer resources for the highest performing programs with the greatest potential to advance and promote self-sufficiency.

The 2026 Budget aligns with these reforms and acknowledges the significant workforce efficiency efforts that are necessary to transform delivery of the Department's largest programs. Specifically, the 2026 Budget provides for an optimized workforce within HUD's Program Offices that establishes a foundation for the new State Rental Assistance Program in which State governments have a greater role in designing their own rental assistance programs based on their unique needs and preferences. This shift away from a federally focused lens empowers States by streamlining the overly burdensome and inefficient Federal rental assistance programs into a State-based formula grant.

Additional reforms include elimination of block grant programs that are not well-targeted and/or have a history of being used for projects that do not serve or benefit our most vulnerable citizens. Instead of allocating scarce resources to these and other inadequately targeted programs, the 2026 Budget refocuses funding to deliver on the President's pledge to eliminate street homelessness by

quickly connecting homeless individuals to shelter, recognizing that State and local governments are better positioned to coordinate homeless assistance.

Through these significant transformations in the Department's core rental assistance and block grant funding programs, HUD anticipates significant administrative overhead savings. As HUD's program delivery is made more efficient and more appropriately targeted for maximum benefit, the Department's Program Office workforce footprint will also shift to ensure personnel and non-personnel expenditures are efficiently utilized in support of this new framework.

The 2026 Budget enables the Department to maximize its resources for program administration and oversight, thereby placing HUD on a more sustainable path to foster strong communities by supporting access to quality, affordable housing, expanding the housing supply, and unlocking homeownership opportunities for the American people. The Department is committed to furthering the promise of self-sufficiency for every American while promoting economic development to revitalize rural, tribal, and urban communities across the country.

The 2026 Budget proposes a streamlined funding structure that establishes minimal funding levels for each component while maintaining the flexibility to shift and align resources in a strategic manner to ensure taxpayers are receiving the highest return on investment for these resources. The offices funded within this account structure include:

- Office of Public and Indian Housing
- Office of Community Planning and Development
- Office of Housing
- Office of Policy Development and Research
- Office of Fair Housing and Equal Opportunity
- Office of Lead Hazard Control and Healthy Homes

In support of EO 14210, *Implementing the President's "Department of Government Efficiency" Workforce Optimization Initiative*, the Department is undertaking a workforce optimization effort to implement the Agency Reduction in Force (RIF) and Reorganization Plan (ARRP). The ARRP effort will enable the Department to more efficiently deliver results for the American people, prioritize resources to support the most productive and necessary programs with the most benefit and impact.

The 2026 Budget reflects HUD's projected staffing needs based on the efficiency efforts that have occurred in the first 100 days of this Administration. As HUD continues to refine the future-state needs of the Department, HUD expects to finalize an operating structure that consolidates areas of Agency duplication and management layers that are unnecessary, prioritize essential positions, implement technological solutions that automate routine tasks while enabling staff to focus on higher-value activities; prioritize field structure consistent with efficient service delivery; and reduce the use of outside consultants and contractors.

BUDGET OVERVIEW

The 2026 Budget requests \$870.7 million for the Program Offices Salaries and Expenses, which is \$226.5 million less than the 2025 Enacted level. The Budget reflects total funding (carryover and new authority) of \$886.5 million, which is \$261.9 million below 2025 total funding.

In 2025, the Administration initiated efficiency reviews across the federal enterprise and the resources provided in this Budget solidify the savings realized in 2025 and seeks to prioritize the Program Offices operational resources to meet HUD's new streamlined program delivery model.

Personnel Services (PS)

The Budget assumes total funding of \$804.1 million for PS to support 4,061 full-time equivalents (FTEs), which is a reduction of 1,598 FTEs and \$271.8 million below the total 2025 PS funding level.

As part of the ARRP effort, HUD has implemented two iterations of the Deferred Resignation Program (DRP) which enabled the Department to dramatically optimize the workforce through voluntary separations. As the Department refines the ARRP plan, HUD anticipates additional transformation efforts aimed at further streamlining operations, realigning human capital needs based on the new organizational structure, eliminating duplicative functions, and enhancing accountability through improved standards for performance, efficiency, and stewardship of taxpayer funds.

Consistent with the actions taken in the first months of this Administration, the Budget is built upon the staffing efficiencies that have been realized in 2025 which includes an estimated end of year staffing headcount reduction of 1,750 staff from the 2024 end-of-year headcount level. Additional staffing optimization is expected to occur through 2026 and will be aligned with the ARRP plan. For 2026, the Budget assumes an additional headcount reduction of approximately 81 staff from the 2025 end-of-year level. The additional reduction is based on anticipated attrition and results in an estimated 4,061 FTEs supported by the 2026 Budget.

Non-Personnel Services (NPS)

The Budget assumes total funding of \$22.5 million for NPS, which is \$554 thousand above the total 2025 NPS level. The Budget supports essential requirements necessary to facilitate administration of HUD's 2026 streamlined rental assistance and block grant framework. To meet the vision of the 2026 Budget, HUD intends to leverage data analytics and automation throughout HUD's program delivery efforts which reduces reliance on contractors and federal FTEs. HUD also anticipates improved data and oversight capabilities resulting from the enterprise-wide grants transformation process that is expected to become operational in 2026.

Upon arriving at the Department, Secretary Turner immediately established a thorough review of the Department's programs and operations. This Budget is in alignment with the Secretary's commitment to take an inventory of all spending and to ensure that taxpayer funds are allocated in the most effective and efficient manner. As a result of these efforts and savings, NPS spending is projected to be reduced in 2025 by 33 percent from the 2024 level. In 2026, the Budget reflects a modest increase in travel, training, and contract services, as HUD resumes operational spending aligned with HUD's optimized workforce and refocused mission. However, the overall 2026 NPS levels are projected to remain below the 2024 NPS levels, which demonstrates HUD's commitment to a leaner more efficient operational posture.

Working Capital Fund (WCF)

The Budget assumes \$47.7 million for WCF expenses. Please see the WCF Congressional Justification for details on the current WCF business lines.

KEY OPERATIONAL INITIATIVES

The 2026 Budget provides the resources required for the Program Offices to fully support HUD's statutory responsibilities in the most cost-effective manner possible. Specifically, it supports:

- HUD operational resources to facilitate the deployment of the new State Rental Assistance Program which replaces the five current programs.

- Consolidating homeless assistance within a more targeted Emergency Solutions Grant Proposal.
- Eliminating several programs that were either duplicative of other programs, not statutorily required, or non-mission critical.

Further, in order to achieve savings for taxpayers and support a more efficient delivery of statutorily required functions, HUD will:

- Optimize and restructure its workforce consistent with the ARRP plan;
- Reduce its reliance on outside consultants and contractors, and leverage technology.

APPROPRIATIONS LANGUAGE

The 2026 President's Budget includes the appropriations language listed below.

For necessary salaries and expenses for Program Offices, \$870,700,000, to remain available until September 30, 2027: Provided, That of the sums appropriated under this heading—

(1) Not less than \$190,000,000 shall be available for the Office of Public and Indian Housing;

(2) Not less than \$100,000,000 shall be available for the Office of Community Planning and Development;

(3) Not less than \$315,000,000 shall be available for the Office of Housing;

(4) Not less than \$25,000,000 shall be available for the Office of Policy Development and Research;

(5) Not less than \$55,000,000 shall be available for the Office of Fair Housing and Equal Opportunity; and

(6) Not less than \$9,000,000 shall be available for the Office of Lead Hazard Control and Healthy Homes:

Provided further, That notwithstanding any other provision of law, funds appropriated under this heading may be used for advertising and promotional activities that directly support program activities funded in this title.

Note.—This account is operating under the Full-Year Continuing Appropriations and Extensions Act, 2025 (Division A of Public Law 119–4).