

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Salaries and Expenses Overview

SALARIES AND EXPENSES

(Dollars in Thousands)

	2019	2020			2021		
	Actuals	Carryover	Enacted	Total	Carryover	President's Budget	Total
Personnel Services:							
Personnel Services	1,046,368	17,420	1,137,826	1,155,246	8,012	1,203,009	1,211,021
Common Distributable	12,263	-	12,900	12,900	-	12,400	12,400
Total, Personnel Services	\$1,058,631	\$17,420	\$1,150,726	\$1,168,146	\$8,012	\$1,215,409	\$1,223,421
Non-Personnel Services:							
Travel	14,695	1,900	14,302	16,202	1,752	13,660	15,412
Transportation of Things	415	6	537	543	-	367	367
Rent and Utilities	118,508	42	122,794	122,836	-	118,342	118,342
Printing	625	200	905	1,105	75	901	976
Other Services/Contracts	80,503	32,288	86,309	118,597	11,059	93,581	104,640
Training	6,654	765	6,176	6,941	900	5,726	6,626
Supplies	2,019	115	1,199	1,314	177	913	1,090
Furniture and Equipment	7,819	-	6,036	6,036	-	5,507	5,507
Claims and Indemnities	335	62	568	630	151	304	455
Total, Non-Personnel Services	\$231,573	\$35,378	\$238,826	\$274,204	\$14,114	\$239,301	\$253,415
Working Capital Fund	38,540	24,003	17,910	41,913	25,507	73,490	98,997
Carryover	76,801	-	47,633	47,633	-	-	-
Grand Total	\$1,405,545	\$76,801	\$1,455,095	\$1,531,896	\$47,633	\$1,528,200	\$1,575,833
FTEs	6,854	109	7,030	7,139	50	7,232	7,282

NOTE: Totals in chart and associated narrative include GNMA and exclude OIG.

SALARIES AND EXPENSES OVERVIEW

Consistent with the President's Management Agenda (PMA), and to continue to mitigate risk and improve operations, the 2021 President's Budget strategically invests in critical areas of HUD's operations for staffing, Financial Transformation, and the Data Analytics and Customer Care initiatives. The 2021 Budget requests \$1.5 billion for HUD salaries and expenses (S&E), an increase of \$20.8 million from the 2020 enacted level.¹ The Budget reflects total S&E (carryover and new authority) of \$1.6 billion, which is level with 2020 total funding.

Staffing

Until recently, HUD's staffing level was in a steep, years-long decline. For example, in the ten-year period from 2009 to 2018, HUD full-time equivalents (FTEs) fell from 8,661 to 7,011, a reduction of 19 percent. This decline posed challenges to HUD in providing the full scope of necessary coverage in

¹ The 2021 President's Budget includes \$52.3 million, which was realigned from the Information Technology (IT) Fund to support IT and Computer Devices paid via the Working Capital Fund. Adding this \$52.3 million to the 2020 base results in the net increase of \$20.8 million year over year.

various areas throughout the Department. Further, these limitations adversely impacted long-term productivity improvements and innovation within HUD's programs. In 2019, HUD leadership made increasing HUD's staffing levels a top priority across the Department. As a result of this focus, HUD ended the year with a slightly higher number of employees than at the beginning of the year for the first time since 2011. In 2020, HUD's enacted funding levels will support this continued focus on increased staffing, with the goal of achieving an end of year staffing level of approximately 7,200 full-time employees. Using workforce succession strategies, the Department intends to execute this increase to ensure the right people are allocated to the right jobs, resulting in the biggest impact to achieving HUD's priorities.

The 2021 President's Budget will provide the Department the funding required to support and slightly increase its 2020 staffing levels. The requested funding incorporates a cost of living increase of 1 percent and an increased Federal Employee Retirement System agency contribution of 1.3 percent. Consistent with the PMA Workforce Cross Agency Priority Goal, and other performance management objectives, the funding level requested will also support a one percentage point increase in awards spending above 2020 levels as a share of non-Senior Executive Service (SES) and Senior Leader (SL) salary spending in 2021.

HUD will prioritize 2020 and 2021 hiring in support of the following areas:

- Enhanced oversight of HUD's Community Development Block Grant-Disaster Recovery (CDBG-DR) portfolio;
- Risk management of FHA's guaranteed loan portfolio;
- Implementation of deregulatory actions, including requirements in Executive Order 13771; and
- Establishment of the Office of the Chief Data Officer (discussed further below).

The 2021 Budget proposes the following account structures, reorganizations, and realignments:

- Establish an Assistant Secretary of Administration (ASA) account which includes an Immediate Office of the Assistant Secretary for Administration account and consolidates funding for the following Administrative Support Offices:
 - Office of the Chief Human Capital Officer (OCHCO);
 - Office of the Chief Administrative Officer (OCAO); and
 - Office of the Chief Procurement Officer (OCPO)
- Within the Office of the Chief Financial Officer (OCFO) a reorganization of the Assistant CFO for Budget is proposed which would involve the following:
 - Establish a Federal Credit Branch in the ACFOB Program Budget Development Division (PBDD)
 - Rename the Assisted Housing, Mortgage, Credit and Direct Loans Branch to the Assisted Housing Branch
 - Rename the ACFOB Staff Resource Management and Analysis Division to the Resource Planning and Reporting Division (RPRD)
 - Realign the Budget and Legislation Coordination Branch from the PBDD to the RPRD and rename it the Budget Coordination Branch
 - Combine the existing Productivity Analysis and Support Branch and Systems and Procedures Branch in the RPRD into one branch, and name it the Reporting and Procedures Branch
- Realign the Appropriations Liaison Division which is currently located in OCFO to the Executive Offices, specifically within the Congressional Intergovernmental Relations (CIR) office

- Realign the Executive Secretariat Division from the Office of Administration to the Executive Offices

Financial Transformation

To protect taxpayers, support data, accountability, and transparency, the Department has developed a five-year plan for Financial Transformation. This budget provides up to \$15 million to support the third year of this effort. This funding is critical to maintaining the viability of the agency, maintaining the trust of taxpayers, and mitigating risk and fraud. To date the Financial Transformation initiative has made substantial progress in mitigating and reducing the Department's material weaknesses and significant deficiencies. In 2021, Financial Transformation efforts will continue to focus on:

- Developing a financial management strategy that bridges policies, procedures, processes/controls, and related accounting standards to HUD's mission and strategic goals;
- Advancing streamlined and transparent planning, performance, and budgeting functions aligned to HUD's mission;
- Align available resources of time, funds, assets, and people to a program and innovation portfolio that support broader strategic and financial goals;
- Enhancing a control environment that enhances accountability and transparency while integrating HUD's enterprise and fraud risk management strategies;
- Improving IT to make financial management, budget, and accounting processes more efficient, effective, and secure.

Data Analytics Initiative

The Office of the Chief Data Officer (CDO), which was established under the mandate of H.R. 4174, Foundations for Evidence Based Policymaking (FEBP) Act of 2018, is a newly established organization within Policy Development and Research. This office will be the primary organization responsible for performing the activities outlined under the Evidence Act. The budget provides up to \$6 million to support this initiative. The CDO will have agency-wide responsibility for ensuring lifecycle data management of critical information and data systems; standardizing data formats and minimizing duplication of data across internal systems; and coordinating the use, protection, and dissemination of agency data. Additionally, CDO will lead HUD's effort to construct a comprehensive data inventory metadata of data assets across the agency and identify those considered public data assets. CDO will also support the design of data integration solutions across HUD as well as between HUD and other federal/non-federal agencies

Customer Experience Initiative

The Office of Field Policy and Management will lead the management, oversight and implementation of the Customer Experience initiative. The budget provides up to \$4.5 million to support this initiative. The initiative seeks to improve on the effectiveness, efficiency and responsiveness to HUD's customers across the department. In 2021 FPM, in collaboration with GSA, will complete the development and implementation of a Voice of the Customer (VoC) listening practice at HUD with the capability to continuously listen and respond to customer feedback.

Working Capital Fund (WCF)

In 2021, two new business lines are incorporated into the WCF: Information Technology (IT) Devices and Records Management Services.

IT Customer Devices are comprised of end-user IT equipment, including computers and laptops, mobile phones, peripherals, required network and support infrastructure, and Microsoft Office 365 licenses. Moving customer devices to a WCF model encourages HUD Program Offices to better manage customer device usage that may result in cost savings.

Records Management Services are comprised of services provided through the National Archives and Records Administration (NARA) and services provided by the HUD Office of Records and Information Management. Services include records transportation to NARA facilities, retention and storage of records, transfers and recall, refiling, and records disposal. Moving Records Management into the WCF model aligns with HUD's WCF existing authorization and appropriations language, encourages greater compliance with retention and disposal policies, and promotes potential long-term savings.