DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HEALTHY HOMES AND LEAD HAZARD CONTROL

LEAD-BASED PAINT HAZARD REDUCTION PROGRAM

PROGRAM HIGHLIGHTS

	ACTUAL 2001	ENACTED 2002	ESTIMATE 2003	INCREASE + DECREASE - 2003 vs 2002
		(Dollars in Thousands)		
Program Level:	$89,850	$196,224	$126,000	-$70,224
Budget Authority				
(Appropriations):				
Enacted or Proposed	$100,000	$109,758	$126,000	+$16,242
Rescission	-$220	NA	NA	NA
Subtotal	$99,780	$109,758	$126,000	+$16,242
Budget Outlays				
Budget Outlays	$85,194	$95,000	$101,000	+$6,000

NA = Not Applicable

SUMMARY OF BUDGET ESTIMATES

An appropriation of $126 million is requested for the Lead-Based Paint Hazard Control Program, which includes $10 million to continue Operation LEAP (Lead Elimination Action Program), a partnership initiative started in fiscal year 2002 with the private sector and non-profits to leverage the resources needed to eliminate childhood lead paint poisoning; $96 million for the on-going lead-based paint program of grants to cities, counties and States; $10 million for related technical assistance and technical studies; and $10 million for the continuation of the Healthy Homes Initiative.

This request is a critical part of the Federal strategy to virtually eradicate childhood lead-based paint poisoning in 10 years or less.

Expenditures by HUD lead paint grantees have accelerated in recent years as increased capacity to eliminate lead paint hazards in housing has been established in local jurisdictions across the country. Yet in the past several years, only one-in-three applicants were able to be funded by the Federal Government, even though most of the applications demonstrated both need and capacity. The total requested by applicants for each of the past several years has been approximately $200 million.

In December 2000, CDC reported that while average population blood lead levels have declined by 25 percent since the 1991-1994 time period, CDC’s surveillance data showed that the prevalence rate in high risk neighborhoods is still very high at up to 27 percent (see Morbidity and Mortality Weekly Report Vol 49/No. 50 p. 1133-1137, U.S. Public Health Service, Atlanta, GA December, 22, 2000).

The Department believes that additional resources can best be obtained by leveraging private non-governmental funding through Operation LEAP. In fiscal year 2002, the Department competitively will award grants to organizations that demonstrated an ability to leverage even more private funding for existing local lead hazard control programs. For fiscal year 2003, the Department proposes to expand funding for the LEAP program by over 50 percent to continue to leverage private sector resources and activities.

Based on new data from the HUD Lead Paint Survey completed in 2000, there are currently 25 million units with lead paint hazards. However, that survey also showed

that, on average, only 3 percent to 11 percent of interior components and 15 to 30 percent of exterior components were coated with lead paint. In short, most paint, even in older housing, is not lead-based paint.

Locating those relatively few surfaces with lead paint is essential to targeting work to those surfaces where precautions are most needed. It will also help families with children locate lead-safe units or keep their children away from surfaces that are known to contain lead paint. Finally, it will also enable property owners to focus lead-safe work practices on those surfaces that need them and not waste resources on most of the surfaces that do not in fact have lead-based paint.

The term "lead-based paint hazards" is defined in the Residential Lead-Based Paint Hazard Reduction Act of 1992. Based on scientific research conducted in the 1980's, Congress defined a lead-based paint hazard to include deteriorated lead-based paint and lead-contaminated dust and bare soil. Controlling these sources and pathways of exposure will eliminate childhood lead-based paint poisoning. Recent research and the new definition enable resources to be targeted efficiently to where the need and benefits are greatest. It should also be noted that many units with lead paint may not pose a threat to health in their current condition because the lead is contained and there is not a significant threat of exposure. These units can be maintained in this status with small efforts. The HUD grants and LEAP Initiative are targeted at a base of 1.8 million units where Federal assistance and leveraging of new private resources is crucial because of the economics associated with these units to eliminate lead as a childhood hazard (see Table 2).

Demolitions and major renovations will occur over the next 10 years and additional units will undergo hazard control as a result of HUD's regulation on lead-based paint hazard reduction in Federally assisted housing. Based on the Economic Analysis for the rule, HUD estimates that the regulation, which went into effect on September 15, 2000, will make 1.4 million lead-safe units lead safe during the coming decade. Considering the expected trends in demolition, housing rehabilitation, regulation in Federally assisted housing and using the current Census estimate of 16 percent of children in poverty to target resources to those families facing the most risk, HUD estimates that 1.8 million privately owned low-income units will need lead hazard control work completed if the nation is to eliminate childhood lead poisoning (Table 1).

Table 1
Number of Units With Lead-Based Paint Hazards in 2010 At Current Rates of Demolition and Major Renovation

Housing Stock	Number of Units (millions)
Units With Significant Lead Paint Hazards in 2000 (from HUD's Lead Paint Survey)	25.7
Reduction Due to Demolition Over 10 Years	-1.8
Reduction Due to Substantial Renovation Over 10 Years	-3.8
Subtotal Before Effect of HUD Rule	**20.1**
Number of units occupied by children in poverty (16% x 20.1=3.2 million units) (from U.S. Census)	3.2
Reduction Due to HUD Regulation of Federally Associated Housing	-1.4
Remaining low-income units with lead hazard control needs	**1.8**

HUD's public education activities are designed to integrate lead hazard control activities into housing finance, maintenance, and rehabilitation procedures and to ensure that parents and others have the information they need to prevent childhood lead poisoning. But for low-income children living in privately owned housing, direct Federal financial assistance and leveraged private-sector resources will continue to be needed because no other effective option exists. The HUD Lead Hazard Control Grant Program has shown that the programmatic expertise exists in local jurisdictions across the country to target Federal resources to housing occupied by at-risk, low-income families.

Thus, if lead-based paint hazards are controlled over a 10-year time period, an average of 180,000 units would need to be evaluated and any identified lead-based paint hazards controlled each year for 10 years.

Per unit cost estimates are based on the HUD Economic Analysis and the Evaluation of the HUD Lead Hazard Control Grant Program, which are currently the most complete sources of cost data for this field. These data show an average cost of $300 per unit for a lead-based paint risk assessment; and an average incremental lead hazard control cost of $2,500 per unit (to cover paint stabilization and window work, cleanup and clearance) when performed in conjunction with rehabilitation. Costs of lead hazard control performed as a stand-alone activity are generally higher. Hazard control costs are applied to an average of 27 percent of all units to be addressed, because that is the overall prevalence of lead-based paint hazards identified in the new HUD lead paint national survey. Thus, the average cost per unit for all units is $300 + 27 percent X $2,500 = $975.

In addition to hazard control work costs, there are several associated non-construction program costs, which are discussed further in the Program Description and Activity section below. These activities, namely public education and job training, enforcement, temporary occupant relocation during lead hazard control work, and technical studies and assistance have been found to be necessary for hazard control grant programs to be effective. Technical studies are particularly crucial to reducing the costs of lead hazard abatement as well as advancing the scientific understanding and specific necessary means to effectively eliminating lead hazards.

The expansion of the grant program and expenditure of leveraged private-sector resources are now possible because a nationwide infrastructure has been developed over the past decade, resulting in thousands of trained or licensed abatement contractors, inspectors, trained rehabilitation specialists, maintenance workers and others. While capacity building will remain a key component of the program, the increased funding will be directed to existing grantees that possess a demonstrated track record.

Healthy Homes Initiative

Besides lead hazards, many other serious and deadly childhood diseases and injuries are known to be related to housing. The Department requests continued support for its Healthy Homes Initiative, which is targeted at these other housing-related childhood diseases and injuries. For example, asthma, mold-induced illnesses and other diseases related in part to housing conditions cause more than 4,500 deaths per year (Centers for Disease Control, Morbidity and Mortality Weekly Report) and cost the nation more than $6 billion annually (The President’s Task Force on Environment Health Risks and Safety Risks to Children report, “Asthma and the Environment: A Strategy to Protect Children”).

While more than seven million occupied housing units have physical problems that pose health and safety threats, there is currently no single approach that coordinates health and housing responses with disease and injury. It is clearly inefficient to conduct separate campaigns for each disease and each housing-related hazard. Instead, the Healthy Homes Initiative will expand the partnership HUD has developed with the Centers for Disease Control and Prevention (CDC), the Environmental Protection Agency (EPA) and other Federal, State and local agencies in childhood lead poisoning prevention to include other diseases and injuries. That partnership enables HUD to combine its existing expertise in urban planning, architecture, engineering, environmental science and overall housing issues with other agencies' expertise in the medical and public health areas.

EXPLANATION OF INCREASES AND DECREASES

The request for the lead hazard control grant program to cities, counties and States is increased from $80 million in fiscal year 2002 to $96 million in fiscal year 2003, a 20 percent increase. The amount for Operation LEAP (Lead Elimination Action Program), a new effort aimed at leveraging private-sector resources to eliminate lead-based paint hazards in low-income housing, is increased to $10 million from its fiscal year 2001 start-up level of $6.5 million ($10 million is the same as the Administration’s request for fiscal year 2002); and the lead paint technical assistance and studies program is increased by $242 thousand from fiscal year 2002 to $10 million. The Budget request of $10 million for the Healthy Homes Initiative is the same as was enacted for fiscal year 2002. Outlays increase $6 million from 2002 to 2003 as the abatement program has matured and the Healthy Homes funds start outlaying.

The foundation for solving the childhood lead-based paint poisoning problem has been established over the past decade. Hazard control techniques have been implemented and shown to be effective in over 200 cities through HUD's grant program for privately owned low-income housing (see “Evaluation of the HUD Lead Hazard Control Grant Program,” Env Research 86:149-156 June 2001). Technical guidelines have been published by HUD in 1995 and are now widely accepted. A standard of care has been established through HUD's new regulation covering all Federally assisted housing, which was published on September 15, 1999. Disclosure of known lead-based paint hazards at the time of sale or lease is now required for most pre-1978 residential properties where children may reside. Tools for conducting public education and targeted education of maintenance and rehabilitation workers now exist and are being widely disseminated through trade associations, training providers, public libraries, and hardware stores.

PROGRAM DESCRIPTION AND ACTIVITY

Legislative Authority. The 1992 Appropriations Act (P.L. 102-139) and the 1993 Appropriations Act (P.L. 102-389) provided the initial legislative authority for the Department's lead-hazard reduction activities for privately owned low-income housing.

The Housing and Community Development Act of 1992 (P.L. 102-550) included substantive authorization, under Title X, for a "Lead-Based Paint Hazard Reduction" program. In the absence of new legislation, the existing Program has continued under its old authority.

The Housing and Urban Development Act of 1970 (12 U.S.C. 1701 z-1 et seq.) provides legislative authority for the Department's Healthy Homes Initiative.

Program Area Organization. Allocations from all sources for the Office of Healthy Homes and Lead-Hazard Control activities for 2001 through 2003 are shown in Table 2.

Table 2

Category:		ACTUAL 2001	CURRENT ESTIMATE 2002	ESTIMATE 2003	INCREASE + DECREASE - 2003 vs. 2002
		(Dollars in Thousands)			
A.	Lead-Based Paint Grant Program	$59,000	$80,000	$96,000	+$16,000
B.	Operation LEAP	...	6,500	10,000	+$3,500
C.	Technical Assistance & Support	30,802	13,258	10,000	-3,258
D.	Healthy Homes	9,978	10,000	10,000	...
	Total	99,780	109,758	126,000	+16,242

A. Lead Hazard Control Grants to State and Local Governments. The Budget requests $96 million for grants to state and local governments with approved Consolidated Plans (States must also possess an EPA authorized lead training and certification plan) and to Native American Tribes. These grants are designed to perform lead hazard control in low-income, privately owned rental and owner-occupied housing and to build program capacity. As of December 2001, $610 million has been awarded to grantees serving over 200 jurisdictions in 35 states and the District of Columbia. In addition, 37 states have received EPA authorization for their training and certification programs, due in part to the capacity building resulting from these grants. The grant program is having a dramatic impact in selected target areas and has reduced both the average blood lead levels and incidence of poisoned children in those communities.

The lead hazard control grants program meets a critical need that would not otherwise be met--control of hazards in unassisted, low-value, privately owned units which house millions of low-income Americans. These units represent the most deteriorated units (and therefore the most serious threat to children) in the Nation. In addition, the grant program generates significant training and employment opportunities for low-income residents in the targeted areas, which often include welfare recipients.

The proposal targets funding to housing with low-income families with children, where lead hazards would not be eliminated without HUD's grant assistance. The Centers for Disease Control and Prevention (CDC) estimates that 890,000 children have elevated blood lead levels, down from 1.7 million in the late 1980's (data from the National Health and Nutrition Examination Survey (NHANES), Phase II, 1991-1994; the next NHANES is due in 2004 and will enable an accurate measurement of progress since the mid-1990's). Lead based paint in old housing is the major remaining cause of childhood lead poisoning now that lead has been removed from gasoline and food canning, and lead in drinking water and industrial emissions have been reduced. Despite this improvement, lead poisoning remains a major childhood environmental disease, especially among some populations:

- CDC estimates that 4.4 percent of all children ages 1- to 5 years have elevated blood lead levels;
- For children living in pre-1946 housing where lead paint is more common, the prevalence rate increases to 9 percent;

- For low-income children in older housing, it increases to 16 percent; and
- For low-income African-American children in older housing, the prevalence rate is 22 percent.

There are also good scientific data, recently published in the peer-reviewed scientific literature, showing that the modern hazard control techniques implemented by the grantees are successful in reducing both children's blood lead levels and contaminated housedust. All grantees have public education programs designed to ensure that new hazards do not reappear once they have been controlled.

Compliance Assistance and Enforcement

The lead-based paint disclosure regulation (covering virtually all pre-78 housing) and HUD's Lead-Safe Housing Regulation (for federally assisted housing) require both on-going compliance assistance and enforcement to ensure that the Department can carry out its statutory duties and to ensure that children are adequately protected from lead paint hazards. In addition, enforcement of these rules is necessary to realize the full benefits of these regulations. Compliance with lead-based paint regulations will ensure that parents receive the information they need to protect their children before they are obligated under a sales or lease contract or before renovation work that may disturb painted surfaces is begun in their residence.

A targeted approach has been implemented to focus enforcement efforts on housing with a history of lead-poisoned children, the presence of lead paint hazards, housing code violations, other physical, financial, or management problems that may indicate deferred maintenance and therefore the likely presence of lead paint hazards, and investigating tips and complaints received through a nationwide clearinghouse for lead paint.

Enforcement efforts have involved a collaboration of Federal, State, and local agencies, specifically HUD, the U.S. Department of Justice, the US Attorneys' Offices, the U.S. Environmental Protection Agency, as well as State Attorneys General.

Increased enforcement and compliance assistance will raise awareness of the precautions that can be taken to protect children from lead poisoning and the duties of the regulated community to comply with lead poisoning prevention laws at the national, State and local level.

Notable enforcement accomplishments to date include:

- In July 1999, HUD and DOJ resolved six cases in Washington, DC by global judicial/administrative consent decrees, resulting in $112,000 in civil money penalties, $181,000 directed to community-based projects to reduce lead poisoning, and the commitment of $1,725,000 to reduce or eliminate lead-based paint in 8,416 residential units.
- In May 2000, after an administrative hearing before a HUD administrative law judge, a management company was ordered to pay a civil money penalty of $34,800 and to spend $63,000 to abate lead-based paint.
- In June 2001, HUD entered into administrative settlement agreements with three landlords in New York City and Los Angeles that together own and manage over 5,000 units. These landlords agreed to pay $42,500 in penalties and to test for lead-based paint in their properties and abate any lead-based paint that is found.
- In July 2001, HUD enforcement efforts resulted in the first-ever criminal prosecution in the United States related to the Lead Disclosure Rule under the Lead Hazard Reduction Act of 1992. The landlord pled guilty to the criminal charges.

- In July 2001, HUD, EPA, and DOJ settled with three multi-family apartment owners and management companies who failed to warn their tenants about known and potential lead hazards in buildings for over $356,500 in civil penalties and agreements to test for and abate lead-based paint in nearly 18,000 units across the country at a cost of approximately $18 million.

B. Operation Lead Elimination Action Program (LEAP). This Budget requests $10 million for grants to private sector and non-profit organizations to raise additional funding for local lead hazard control programs; and to conduct lead paint testing in high-risk units. The leveraged funding raised must be spent exclusively on lead hazard control of housing units for which no other funding is available. Twenty percent of the raised funds may be used for lead hazard awareness and other public education initiatives and another ten percent may be used for administrative costs. All housing units treated under Operation LEAP must have all lead-based paint hazards removed and all units must be cleared to document that the work has been completed and that the units are safe for children. Funds will be awarded competitively through a Notice of Funding Availability and will be targeted to innovative initiatives that can be either local or national in scope. Examples of the types of leveraged private sector resources Operation LEAP can acquire include:

1. Groups of window, lumber, hardware, and other building component manufacturers or retail outlets could apply for Operation LEAP funds to coordinate their donation of materials and other supplies to landlords and owner-occupants to eliminate lead-based paint hazards in privately owned low-income dwellings.

2. Operation LEAP funds could be used to create a nationwide “lead-star” seal of approval program. Housing units that complete hazard control activities, or housing units that pass a lead paint risk assessment, would receive a lead-star certificate and be entered into the lead paint census database. Landlords could use this in advertising the safety of their units for families with young children, increasing the market appeal. This would create an incentive for private investment in houses to correct lead hazards. There is currently no vehicle to disclose safety of units, only the presence of hazards. This would enable HUD to count lead-safe units that are completed both inside and outside the grant program to cities, counties and states.

3. Operation LEAP funds could be used to form a partnership with banks or other mortgage institutions to provide no- or low-interest home improvement loans to finance lead hazard control. The Bank of America has expressed interest in working on lead hazard control in the past and Fleet Bank of Maine has such a program already in place. HUD lead hazard control grantees have used grant funds in the past to set up revolving loan funds, such as Massachusetts, but they are restricted to low-income recipients only. Banks could use the Operation LEAP funds as a base, but add private loan funds to help other low- or moderate-income individuals who would not otherwise be served.

4. Operation LEAP funds could be used to coordinate the donation of temporary relocation facilities for families who need to move out of their dwellings while lead hazard control work is completed, thus substantially reducing the costs of lead hazard reduction. For example, hotels and colleges could be contacted to donate temporary housing for temporary relocation of families during lead hazard control activities. Relocation is currently a significant expense for HUD lead hazard control grantees.

5. Consortia or other groups of landlords and owner-occupants which enroll their eligible housing units in a local lead hazard control program would provide funds to pay for a portion of the work in their units. Some existing grantees, such as Milwaukee, have experimented with this already. There, the grant program funds window replacement (windows often have high levels of

lead paint and dust), while landlords pay for the cost of paint repair. This option may have limited success in those markets where landlords are unable or unwilling to increase their investment in their units. Operation LEAP funds would be used as a special "challenge" grant to landlords to at least match the Federal investment in their properties.

C. Lead-Based Paint Public Education, Technical Assistance and Technical Studies The Department proposes $10 million for the Technical Assistance and Technical Studies program to continue to support the following activities: (1) technical assistance for State and local agencies, private property owners, HUD programs and field offices and professional organizations; (2) quality control to assure that the evaluation and control of lead-based paint hazards is done properly in HUD-assisted housing; (3) technical studies and evaluation to develop streamlined lower-cost methods of testing, hazard control and clean-up, and (4) public education and training.

The fiscal year 2003 Technical Assistance programs will enable HUD client groups (State and local agencies and property owners) to meet the requirements of the new HUD Lead Safe Housing Rule on Federally owned and assisted housing (implementing sections 1012 and 1013 of Title X of the Housing and Community Development Act of 1992). The Technical Assistance programs will also provide information, in both English and Spanish, to the broader housing industry on ways to promote lead-safe housing for all families. Included in this program is HUD's contribution to the support of the National Lead Information Center's hotline and information clearinghouse, which answered over 30,000 telephone calls and Internet queries from the public on HUD issues in fiscal year 2002, and provided, in response, 800,000 documents to the public. All technical assistance programs will be conducted in close cooperation with the housing industry, public interest groups, professional organizations, and other Federal, State and local agencies.

Successful technical activities are reflected in HUD's study documenting the effectiveness of the lead hazard control methods used by HUD's lead paint grantees (Galke et al, "Evaluation of the HUD Lead Hazard Control Grant Program," Env Res 86: 149-156, July 2001). That study showed that children who lived in the units for at least one year had blood lead levels that declined by 26 percent and that dust lead levels declined by 50-88 percent. HUD also published several other reports on how inexpensive chemical spot test kits can be used when determining whether lead-based paint is present, and how field-portable instruments can be used for rapid on-site determination that areas in which lead hazard control projects have been completed are safe for reoccupancy, and the extent to which lead can be released into rooms from air dusts and vacuum cleaners. HUD has also provided extensive technical assistance on its Lead-Safe Housing Rule for federally assisted housing.

D. Healthy Homes Initiative. The Budget requests $10 million for the Healthy Homes Initiative. This is the same amount Congress appropriated in fiscal year 2002. In fiscal year 2003, this amount will enable HUD to build on the models demonstrated to be effective with the first funding rounds and continue demonstration projects through competitive awards, support advances in home health and safety techniques and technology, and implement significant outreach to the public and to the building community. The Healthy Homes Initiative addresses multiple housing related health concerns, including asthma and allergies induced from mold, fungi and insect debris allergy-inducers (allergens), carbon monoxide poisoning from improper combustion exhaust, lung cancer from radon seeping through basements, and unintentional household injuries, among other problems.

The Initiative's activities are primarily carried out through competitively awarded grants or contracts. The Healthy Homes Initiative has awarded grants totaling $16 million to fifteen grantees selected from over 200 applicants and an additional $4 million in research contracts. The funded projects will target over 1500 units and reach an estimated 60,000 families. Major accomplishments include completion of the nation's first-ever assessment of the prevalence of allergens in the U.S. housing stock, publication of a report comparing the effectiveness of different allergen sampling methods, and publication of two peer-reviewed articles on the extent of asthma in housing, "Contribution of Residential Exposures to Asthma in U.S. Children and

Adolescents" and "Residential Exposures Associated with Asthma in U.S. Children," both published in "Pediatrics," a peer-reviewed scientific journal.

Healthy Homes grantee activities are as follows: Ten demonstration and education grantees' activities include community based hazard mitigation, national and local public education efforts, and training for health care professionals, day care personnel, environmental specialists, peer educators and hazard remediation workers. Three research projects are examining asthma interventions, injury prevention, and related disease issues. Two grants specifically target mold and moisture problems in inner city housing. The Department has also developed a website where the public can find tools and reports developed by the Healthy Homes Grantees. The number of grants is expected to double in the year 2003. Eligible grantees are units of local government, such as State, local or county health or housing departments, the private sector, non-profit groups, community-based organizations, landlord organizations, parent's organizations and environmental contractors.

Primary activities of the Initiative will include:

- demonstrating new housing maintenance techniques, and renovation and construction methods to reduce housing-related illness and injury risk factors;
- developing and demonstrating new strategies to identify and correct housing-related illness and injury risk factors, to incorporate new engineering and scientific knowledge;
- conducting research that evaluates the effectiveness of the housing interventions and public education campaigns;
- promoting use of the methods and techniques described above in other Federally assisted housing programs, and providing information to State, Tribal, and local government, and private sector building community organizations and individuals;
- working with housing and building code councils to develop means of incorporating new code provisions into model codes;
- implementing a public education campaign to prevent both emerging and well recognized housing-related diseases and injuries, and promote the use of identified solutions. These will be distributed through public service announcements, community-based organizations, and additional electronic and paper media; and continuing to co-chair, with CDC, the interagency task force on Healthy Homes to exchange information and ideas, and implement multi-agency program coordination.
- HUD's partners on the task force include the Environmental Protection Agency, Consumer Product Safety Commission, National Institute of Environmental Health Sciences and other agencies involved in addressing housing-related diseases and injuries. Additional partners, including the Centers for Disease Control and Prevention's National Center for Environmental Health and National Institute for Occupational Safety and Health, the National Institute for Standards and Technology's Building and Fire Research Laboratory, and the Department of Agriculture conduct Healthy Homes research and outreach projects, such as the USDA Healthy Homes Partnership that supplies local Extension Agents with resources to provide training and information to communities in 30 states.
- These partnerships enable HUD to use its existing expertise in urban planning, architecture, engineering and environmental science effectively.

STATUS OF FUNDS

Balances Available

a. Unobligated Balances. The following table compares the program obligations with funds available by year.

	ACTUAL 2001	ESTIMATE 2002	ESTIMATE 2003
Unobligated balance, start of year.....	$72,111	$86,466	...
Appropriation..... ...	100,000	109,758	$126,000
Rescission.	-220	...	...
Recovery of Prior Year Obligations.....	4,010	...	...
Total Available.....	175,901	196,224	126,000
Obligations..... ...	-89,850	-196,224	-126,000
Writeup of Unobligated Balances.	415	...	...
Unobligated balance, end of year.....	86,466	...	...

b. Obligated Balances. The status of obligated balances follows:

	ACTUAL 2001	ESTIMATE 2002	ESTIMATE 2003
	(Dollars in Thousands)		
Obligated balance, start of year.....	$196,093	$196,223	$297,447
Obligations incurred.....	89,850	196,224	126,000
Subtotal.....	285,943	392,447	423,447
Outlays.....	-85,194	-95,000	-101,000
Adjustments in Unexpired Accounts.....	-4,425	...	...
Adjustments in Expired Accounts.....	-101	...	...
Obligated balance, end of year.....	196,223	297,447	322,447

STRATEGIC GOALS AND OBJECTIVES: RESOURCES REQUESTED ($ AND FTE) AND RESULTS

The HUD Office of Healthy Homes and Lead Hazard Control funds programs that are essential to achieving HUD's Strategic objective 8.2, “Help communities more readily access revitalization resources to become more livable. This proposed Budget request is the centerpiece of an interagency effort to eradicate lead-based paint hazards to our children. We have the knowledge and the means to accomplish this goal. The appropriate time to act is now and the cost-benefit is both common sense and measurable. Implementing the lead hazard control plan will make all U.S. housing likely to be occupied by low-income children lead-safe within 10 years and virtually eliminate childhood lead-based paint poisoning.

The Healthy Homes Initiative also contributes to objective 8.2 by undertaking activities which identify and correct housing related illness and injury risk factors.

One indicator of the HUD Annual Performance Plan is the number of housing units that are made lead-safe with HUD grants as part of the 10-year plan to make housing safe for

children by preventing lead paint poisoning. The actual cumulative number of units made lead-safe as of fiscal year 2002 was 42,234 and the target for fiscal year 2003 is 49,434. The number of units will increase significantly over time as the proposed 10-year program is implemented.

Another indicator of the HUD Annual Performance Plan is the reduction in the number of children under the age of 6 who have elevated blood lead levels exceeding 10 micrograms per deciliter from 890,000 in 1991-94 (as estimated by the Centers for Disease Control and Prevention, CDC) to less than 260,000 by 2004. Data on the blood-lead levels of children aged 1-5 years are being collected by the CDC through its National Health and Nutrition Examination Survey (NHANES); full results are scheduled for 2004. Major components of achieving the target are the full implementation of HUD's Lead Safe Housing Rule for federally assisted housing, improvements and cost reductions in technologies and methods for lead hazard evaluation and control, expansion of the Office's Lead Hazard Control Grant Program, leveraging private sector resources, such as through Operation LEAP, and surveying the number and severity of lead-based paint hazards in housing across the Nation.

Another Indicator tracks the issuance of grants and cooperative agreements and interagency agreements for the Healthy Homes Initiative. HUD is working closely with the Centers for Disease Control and Prevention, the Environmental Protection Agency, the National Institute for Occupational Safety and Health, the National Institute of Science and Technology, and the National Institute of Environmental Health Sciences to plan and develop the Healthy Homes Initiative. Under the initiative, OHHLHC is awarding grants to public and private organizations and making agreements with other Federal agencies for evaluation studies and demonstration projects to address housing conditions responsible for childhood diseases and injuries. The purpose is to learn how best to prevent diseases related to toxic agents in housing and how to control the residential environment to prevent childhood health problems, such as asthma, mold-induced illness, unintentional injuries, and developmental problems. Principal outcomes of the projects in fiscal year 2002 included the first-ever national assessment of allergens in housing, public education, and demonstration of new technologies for evaluating and eliminating housing-based health and safety hazards. For example, a mold hazard assessment tool developed under the Healthy Homes program was recently used by the Centers for Disease Control and Prevention to address mold problems in Native American housing.

SELECTED PERFORMANCE MEASURES

NOTE: Targets are preliminary and may be revised with the submission of the full APP document.

STRATEGIC GOAL/OBJECTIVE	ACTUAL 2001	ENACTED 2002	ESTIMATE 2003
Strategic Goal 8: Support community and economic development efforts.			
Discretionary BA (Dollars in Thousands)	$99,780	$109,758	$126,000
FTE			
Headquarters	22	37	37
Field	...	...	...
Subtotal	22	37	37
Strategic Objective 8.2: Help communities more readily access revitalization resources to become more livable.			
Indicator: As part of a 10-year effort to eradicate lead hazards, the Lead Hazard Control Grant program will make 7,200 units lead safe in fiscal year 2003.	8,212	7,200	7,200
Indicator: The number of children under the age of 6 who have elevated blood lead levels will be less than 260,000 by 2004, down from 890,000.	NA	NA	NA
Indicator: The first 26 procurement actions of the Healthy Homes Initiative become operational and an additional four are awarded.	20 operational /8 awarded	21 operational /4 awarded	26 operational /4 awarded
FTE Total	**22**	**37**	**37**

NA = Not Applicable

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SALARIES AND EXPENSES, HOUSING AND URBAN DEVELOPMENT

BUDGET ACTIVITY 13: HEALTHY HOMES AND LEAD-HAZARD CONTROL

SCOPE OF ACTIVITY

The Office has primary responsibility for the lead-based paint activities of the Department and is directly responsible for the administration of the Lead-Based Paint Hazard Reduction program authorized by Title X of the Housing and Community Development Act of 1992. The Office develops lead-based paint regulations, guidelines, and policies applicable to HUD programs, designs lead-based paint training programs, administers lead-based paint hazard control grant programs, and helps shape the lead-based paint research program. Additionally, the Office undertakes an ongoing program of information dissemination on lead-based paint matters and serves as the Department's central information source for the Secretary, the Congress, and the public on this topic. Finally, the Office administers the Healthy Homes Initiative, which develops and implements a program of research and demonstration and public education projects that address multiple housing-related problems affecting the health of children.

The Office also has responsibility for providing technical support for staff in HUD State and area Offices who provide the public with lead-based paint technical and program information. The Office represents HUD on interagency lead-based paint committees and has responsibility for other aspects of interagency coordination on lead-based paint matters and children’s health and safety involving the Department. Staff activities will be focused on the following:

- continuing demonstration projects and research to evaluate the effectiveness of housing intervention and public awareness campaigns under the Healthy Homes Initiative;
- continuing management of multi-year lead hazard control grants awarded to State and local governments since 1993;
- negotiating and managing new lead hazard control grants to be awarded in 2002;
- providing consumer information and education on the hazards of lead-based paint in the nation's housing;
- cooperating with other Federal agencies having a complementary role in lead-hazard reduction;
- coordinating all of the Department's activities in lead-hazard reduction;
- managing the research and evaluation activities of HUD that relate to lead hazards;
- managing technical assistance and technical studies;
- staffing the responses and briefing materials for all Congressional and other public inquiries relating to lead-based paint activities of the Department;
- assisting with cooperative studies with other Federal agencies;
- providing technical assistance to HUD program participants;
- continuing the management and operation of the ***"The Lead Listing"*** (available under The National Lead Service Providers' Listing System), service developed to help consumers locate qualified lead service providers (lead inspectors, risk assessors, and abatement contractors) and lead analysis laboratories via the Internet;

- implementing and enforcing the new lead paint disclosure law for sales and leasing transactions (with legal support from OGC);
- administering and enforcing new streamlined lead-based paint regulations for federally-assisted pre-1978 housing (with program offices and OGC); and
- training of HUD staff, grantees, housing authorities, participating jurisdictions and owners and managers of pre-1978 housing in the new regulations.

Between the Lead Hazard Control Grant Program and the Healthy Homes Initiative, staff will be responsible for monitoring a total of approximately 400 multi-year projects or grants, as well as reviewing and scoring approximately 200 grant applications annually. Coupled with the implementation of two major lead paint rules, workload will continually increase in the next few years. Implementation of these activities will be accompanied by a need for widespread technical assistance, interpretation, training and outreach. As a result there will be an essential need to acquire additional staff: (1) to manage the Healthy Homes Initiative; (2) to conduct housing-related public health research and demonstration project design and management, and public health education; (3) to conduct compliance assistance and enforcement of the Lead-Based Paint Disclosure Rule and other lead-based paint program regulations, with OGC; and (4) to conduct oversight and management of the lead hazard control grants. A staffing level of 37 FTEs will be required in fiscal year 2003 in order for the Department to meet Congressionally mandated duties. This request is the same as the fiscal year 2002 approved FTE level of 37.

The attached charts display detailed staffing and workload estimates based on the Resource Estimation and Allocation Process (REAP) baseline data.

TRAVEL

The table below identifies travel requirements unique to this activity. The Office currently has no field staff, making an increase in travel funds needed to manage the increased number of grants and enforcement operations.

	ACTUAL 2001	ENACTED 2002	ESTIMATE 2003	INCREASE + DECREASE - 2003 vs 2002
		(Dollars in Thousands)		
Travel	$62	$96	$96	....
Total.....	$62	$96	$96	....

The fiscal year 2003 request of $96 thousand is the same as the fiscal year 2002 eacted estimate. Previous staffing levels have permitted the Department to conduct compliance inspections in only a few cities (Washington DC, Chicago, New York City, and Los Angeles). When we developed our enforcement protocol, we identified the 25 cities with the largest number of dilapidated pre-1940 rental housing stock where childhood lead poisoning rates are known to be highest using data from the Centers for Disease Control and the American Housing Survey. Compliance inspections are targeted to the largest housing developments with a history of lead poisoned children, the presence of lead-based paint hazards, or other reports of deferred maintenance or poor management (which are often indicators of lead hazards). Compliance inspections are also conducted in response to tips and complaints and are coordinated with local housing, health and law enforcement agencies, which is also staff-intensive but necessary. With the requested increase in staffing the Office of Healthy Homes and Lead-Hazard Control will be able to conduct more compliance inspections.

CONTRACTS

The table below identified contract requirements unique to this activity.

	ACTUAL 2001	ENACTED 2002	ESTIMATE 2003	INCREASE + DECREASE - 2003 vs 2002
		(Dollars in Thousands)		
General Support	$12	$25	$25	....
Total.....	$12	$25	$25	....

The fiscal year 2003 request of $25 thousand is the same as the fiscal year 2002 enacted estimate. These funds will be used to continue lead enforcement activities as a result of the Department’s Disclosure Rule. This often includes paying for the taking of depositions, court costs, renting of reproduction equipment and copying of legal documents.

Detail of Office of Healthy Homes and Lead Hazard Control Staff Requirements

		Fiscal Year 2002				Fiscal Year 2003			
Workload Guideline	**Workload Indicator**	**Underfunded Workload/ Allocation**	**Projected Accomplish-ment**	**Projected Unit Cost (Hrs)**	**FTE**	**Underfunded Workload/ Allocation**	**Projected Accomplish-ment**	**Projected Unit Cost (Hrs)**	**FTE**
Headquarters Employment									
Office of the Director									
Provide Office Direction					4.0				4.0
Subtotal					**10.0**				**10.0**
Administrative and Information Services Division									
Manage Grant Obligations	Number of Active Grants		180	80.82	7.0		180	80.82	7.0
Subtotal					**7.0**				**7.0**
Program Management Division									
Manage Lead Hazard Control Program	Number of Active Grants		271	208.00	9.0	118	208	208.00	9.0
Subtotal					**9.0**				**9.0**
Planning and Standards Division									
Develop Program Policy for Healthy Homes and Lead Hazard Control	Level of Effort				5.4				5.3
Manage Grants/Coperative Agreement Program for Healthy Homes and Lead Hazard Research and Education	Number of Active Grants/Cooperative Agreements		39	421.33	5.6		28	421.33	5.7
Subtotal					**11.0**				**11.0**

	Estimate 2002	Estimate 2003	Increase + Decrease - 2003 vs 2002
Headquarter Employment			
Office of the Director	10.0	10.0	0.0
Administrative and Information Services Division	7.0	7.0	0.0
Program Management Division	9.0	9.0	0.0
Planning and Standards Division	11.0	11.0	0.0
Total	**37.0**	**37.0**	**0.0**

Field Employment			
			0.0
			0.0
Total	**0.0**	**0.0**	**0.0**

Detail of Office of Healthy Homes and Lead Hazard Control Staff Requirements

	FTE			
	Actual 2001	**Estimate 2002**	**Estimate 2003**	**Increase + Decrease - 2003 vs 2002**
Headquarters……..				
..	22.0	37.0	37.0	0.0
Field …….....	0.0	0.0	0.0	0.0
Total				
…….	**22.0**	**37.0**	**37.0**	**0.0**

Salaries and Expenses, Housing and Urban Development
Budget Activity 13: Office of Healthy Homes and Lead Hazard Control

HEADQUARTER EMPLOYMENT

EXPLANATION OF CHANGES FROM 2001 ESTIMATE TO 2002 ESTIMATE

The fiscal year 2002 current estimate requests a staffing level of 37 FTEs, an increase of 3 over the fiscal year 2001 REAP study recommended staffing level of 34. The REAP study did not capture the 4 FTEs located in the immediate Office of the Director, the enforcement activities or the new Operation LEAP Imitative making their recommendation of 34 FTEs inadequate to successfully manage the goals and programs of this office. Backing out the 4 FTEs that currently exist, but were not counted in REAP, in the Immediate Office of the Director the fiscal year 2002 request is for 3 additional FTES.

The Office of Healthy Homes and Lead Hazard Control, with the close assistance of the Office of General Counsel, has enforced the lead-based paint disclosure regulation, which took effect in 1996. This regulation covers virtually all housing built before 1978, when lead-based paint was banned for residential use. A separate regulation covers all federally assisted housing and took effect in September 2000.

To date, enforcement of the lead paint disclosure regulation has been carried out by FTE in the lead paint office and another FTE in OGC, with significant additional time investment from senior management in both offices.

With this staffing level, approximately 15 major cases covering about 27,000 units have been completed over the past year (completion means filing of a consent decree in a U.S district court, resolution or settlement of an administrative case, or ruling by an administrative law judge).

Current staffing levels have permitted the Department to conduct compliance inspections in only a handful of cities (Washington DC, Chicago, New York City, and Los Angeles). When we developed our enforcement protocol, we identified the 25 cities with the largest number of dilapidated pre-1940 rental housing stock where childhood lead poisoning rates are known to be highest using data from the Centers for Disease Control and the American Housing Survey. Compliance inspections are targeted to the largest housing developments with a history of lead poisoned children, the presence of lead-based paint hazards, or other reports of deferred maintenance or poor management (which are often indicators of lead hazards). Compliance inspections are also conducted in response to tips and complaints and are coordinated with local housing, health and law enforcement agencies, which is also staff-intensive but necessary.

No FTE’s are currently assigned to conduct monitoring of consent decrees for compliance. As more cases are completed, monitoring a sample of consent decrees will become necessary.

Currently, there are 101 cases backlogged that require further investigation or development. Based on past experience, we estimate that on average 15 cases can be completed by one investigator FTE in the Lead Paint Office each year. The past year has resulted in 15 completed cases, plus 101 backlogged cases, which would require 7.7 FTE’s to process (116/15=7.7). If one assumes a constant rate of growth, the coming year will yield another 115 cases. Reducing the backlog to permit a timely investigation of complaints received from the public, as well as conduct targeted inspections would therefore require an additional 15 FTEs (7.7 x 2 = 15), assuming no increases in efficiency (see below for recommended staffing level).

The number of cases processed per FTE can be expected to increase as the Department gains more experience and efficiency in enforcing its lead-based paint regulations. On the other hand, the need for FTE’s to enforce the lead-based paint regulation in federally assisted housing can be expected to increase in the next 2 years.

The Department has been engaged in a massive training effort and compliance assistance to enable jurisdictions to implement this regulation, but has not yet brought any enforcement cases for this regulation.

Expected workload increases for fiscal year 2003 associated with the regulation for Federally assisted housing taking effect through fiscal year 2002 are difficult to quantify at this time. Therefore, this request focuses on the immediate need to reduce the backlog of lead-based paint disclosure cases and to meet the near-term need brought by new disclosure cases, using validated workload estimates based on this past year's experience and expected increases in efficiency.

Analysis of these concerns supports an increase of about 10 FTE's for enforcement activities in the Office of Healthy Homes and Lead Hazard Control, with this increase in staffing, efficiencies in processing and investigating these cases will improve dramatically.

EXPLANATION OF CHANGES FROM 2002 CURRENT ESTIMATE TO 2003 ESTIMATE

The Department's strategy to make homes lead-safe should emphasize grants to local governments, leveraged private financing, public education, and integration of lead hazard control into normal housing finance, maintenance and rehabilitation operations to eliminate childhood lead poisoning. Part of the Department's lead poisoning prevention strategy should also include adequate staffing.

The Office of Healthy Homes and Lead Hazard Control is requesting a staffing level of 37 FTEs in fiscal year 2003 which is the same as the fiscal year 2002 allocation.

FIELD EMPLOYMENT

EXPLANATION OF CHANGES FROM 2002 BUDGET ESTIMATE TO 2003 ESTIMATE

The Office of Healthy Homes and Lead Hazard Control does not have a field component.