

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SALARIES AND EXPENSES, HOUSING AND URBAN DEVELOPMENT

BUDGET ACTIVITY 7: DEPARTMENTAL MANAGEMENT

SCOPE OF ACTIVITY

The Departmental Management activity includes the Office of the Secretary and Deputy Secretary and other staff offices under the Secretary's immediate direction. The responsibilities of the Department are administered under the supervision and direction of the Secretary, who is responsible for the administration of all programs, functions and authorities of the Department. The Deputy Secretary assists the Secretary in the discharge of his duties and responsibilities, and serves as Acting Secretary in the absence of the Secretary. In addition to the Office of the Secretary and Deputy Secretary, this activity includes five offices of highly specialized staff with Departmentwide responsibility for the following functions: participation of small and disadvantaged businesses in the contracting activities of the Department; public affairs; Congressional and intergovernmental relations; and administrative judicial proceedings. Collectively and separately, these offices are essential to the independent formulation and review of Departmental policy and the promotion and interpretation of that policy.

WORKLOAD

The Secretary, as head of the Department and as a Cabinet Member, is responsible for the administration of all programs, functions, and authorities of the Department; for the regulation of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation; for enforcing Federal Fair Housing law, educating the public on the rights and duties created by that law, and encouraging State and local governments and the private sector to assist the Federal Government in guaranteeing equal housing opportunities; and for advising the President on Federal policy, programs, activities relating to housing and community development, and equal housing opportunity. The Secretary formulates recommendations for basic policies in the fields of housing and community development and works with the Executive Office of the President as well as other Federal agencies in keeping economic and fiscal policies in housing and community development consistent with other Governmental economic and fiscal policies.

The Secretary meets with governors, mayors and other State officials, county executives and other local officials, and regional and neighborhood leaders, and assists the President in achieving maximum coordination among the various Federal activities which have a major effect upon urban, suburban, metropolitan, or rural housing and community development. The Deputy Secretary assists the Secretary in the performance of his duties and responsibilities, and serves as Acting Secretary in the absence of the Secretary.

The Office of Small and Disadvantaged Business Utilization is responsible for providing technical direction and coordination on all matters relating to the Department's participation in small and disadvantaged businesses in the contracting activities of the Department. The Office oversees the Department's small and disadvantaged business set-aside activity, and has Departmentwide responsibility for the Department's Minority Business Enterprise (MBE) programs, including monitoring, evaluating and reporting MBE activities to the Secretary, the Congress, the President, and the general public. The Director of Small and Disadvantaged Business Utilization represents the Secretary before Congressional committees and at meetings on related program activities with Federal, State and municipal or private organizations. This Office was established in 1989 pursuant to the provisions of Section 15(k) of the Small Business Act, as amended (Sec. 221, P.L. 96-507).

The Office of the Assistant Secretary for Public Affairs advises the Secretary and Departmental staff on public and media relations, and coordinates the Department's efforts to keep the public informed of its actions. The basic mission of the Public Affairs staff is to publicize HUD policies and programs and to respond to inquiries from the press. The mission is accomplished through the Immediate Office of the Assistant Secretary that provides advice to the Secretary and principal staff members on matters involving HUD's communications with the public and the media; and the Office of Press Relations, which coordinates liaison between the Department and members of the media.

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The Office of Congressional and Intergovernmental Relations provides services and information to the Congress concerning all programs and activities of the Department. The Office coordinates development of the Department's legislative program in cooperation with the General Counsel, and oversees the progress of the Department's legislative program in the Congress, assisting in resolving intra-departmental policy differences and differences between the Department and the Office of Management and Budget on legislative matters. The Office coordinates policy formulation and implementation, and serves as the principal contact with State and local governments, as well as public interest groups, to provide information regarding the Department's programs and initiatives.

The Administrative Law Judges are independent, impartial triers of fact in on-the-record hearings similar to trial judges conducting civil trials without a jury. Their jurisdiction includes housing discrimination cases arising under the Fair Housing Amendments Act of 1988; civil money penalties and Mortgagee Review Board cases arising under the Department of Housing and Urban Development Reform Act of 1989; fraud cases arising under the Program Fraud Civil Remedies Act; statutory and regulatory debarment cases; and a variety of other cases arising under laws and regulations providing for the Secretary or an administrative law judge to be the presiding official.

The HUD Board of Contract Appeals, pursuant to the Contract Disputes Act of 1978 (P.L. 95-563), acts for the Secretary as an independent forum for hearings and for the issuance of final decisions in all appeals by contractors from final written decisions of contracting officers. The decisions of the Board in these appeals are binding on the Department and the contractor, but can be appealed to the U.S. Court of Appeals for the Federal Circuit. In addition, the Board hears and makes determinations on behalf of the Secretary on administrative appeals relating to the debarment and suspension of contractors, Mortgagee Review Board decisions, and Departmental actions related to IRS offsets of tax refunds of individuals indebted to the Department. The Board has the flexibility to provide either a full trial with discovery, subpoenas, and formal trial procedures, or more informal, expedited hearings for appellants with small claims against the Department. All final decisions are written, and more than half of the Board's hearings are held in the appellant's city to accommodate small business and pro se appellants.

The Office of Departmental Operations and Coordination (ODOC) was established in 1997 and consists of senior level staff who have a broad range of cross-program experience in Departmental operations and management planning expertise to assist the Secretary and Deputy Secretary in their efforts to ensure that HUD policies and actions are consistent with the Department's continued management improvement. ODOC serves as staff support for the Deputy Secretary in discharging his duties for the Department. The Office also acts as a catalyst for the operational management agenda of the Secretary and Deputy Secretary, and ensures that improvement initiatives and management of daily operations are consistent with Departmental efforts to foster excellence in the delivery of program services to HUD customers. Beginning in fiscal year 2001, the Field Labor Relations function was transferred to Headquarters with staff outstationed in the field. This staff is responsible for ensuring the proper and uniform administration and enforcement of construction labor standards pertinent to all HUD programs within the field office jurisdictions and for advising program managers on labor relations matters. Specific functions include processing wage requirements, conducting labor standards investigations and compliance reviews; determining maintenance wage rates for public housing agencies; providing technical assistance and guidance to local public agencies on labor standards/labor relations matters; promoting employment and training opportunities for the disadvantaged in HUD programs; preparing recommendations for sanctions against labor standards violations; and conducting Davis-Bacon residential wage surveys.

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TRAVEL

The table below identifies travel requirements unique to this activity. All travel for this activity is by Headquarters' staff.

	ACTUAL 2004	ENACTED 2005	ESTIMATE 2006	INCREASE + DECREASE - 2006 vs 2005
	(Dollars in Thousands)			
Travel (HQ).....	\$832	\$830	\$830	...
Total	832	830	830	...

The travel funding requested is in support of the travel by the Secretary and Deputy Secretary, and other senior staff in meetings with State and local officials and regional and neighborhood leaders. Travel by these officials promotes and assists the Administration and the President in achieving the President's and the Secretary's goals and priorities for the Department and in promoting maximum coordination among the various Federal activities in urban, suburban, and metropolitan, or rural housing and community development. It is necessary for officials to visit cities across the country to explain HUD's mission and the direction being taken to facilitate the public's access to HUD programs. Funding for the Office of Departmental Operations and Coordination is included in this request. The travel funds requested for this office will provide the Office of Departmental Operations and Coordination with accessibility to out-stationed Labor Relations staff to monitor and provide technical assistance to client agencies, as well as cover headquarters staff participation in on-site technical assistance visits to the field offices.

CONTRACTS

The table below identifies the specific contracts unique to this activity and is followed by a brief description of each item.

	ACTUAL 2004	ENACTED 2005	ESTIMATE 2006	INCREASE + DECREASE - 2006 vs 2005
	(Dollars in Thousands)			
Data and Statistical Services.	...	\$23	\$23	...
Technical Services.....	\$1,011	883	883	...
Management Studies.....	60	55	55	...
Public Information Services...	429	208	208	...
Training Support, Non-Fed....	25	28	28	...
General Support.....	1,293	614	614	...
Total	2,818	1,811	1,811	...

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a. Data and Statistical Services

The service includes data gathering for specialized housing programs. This contract provides for outside assistance in obtaining architectural, engineering or related studies of cost-efficient housing suitable for those with special needs. The data will be used to prepare recommendations based on an extensive amount of research required to obtain statistical and related data on specialized housing and community development programs. Because of the increased emphasis on outreach to minority and women-owned businesses, more research to discover any barriers preventing access by these constituents to HUD's resources. These services are included in the mission of the Office of Small and Disadvantaged Business Utilization, a component office of the Office of the Secretary.

b. Technical Services

Technical services provide important and timely information and assistance to senior staff in various offices such as: (1) Public Affairs--for preparation of press releases, speeches, background and briefing papers, opinion editorial pieces and other written material produced by the Office of Public Affairs; (2) HUD Board of Contract Appeals--to enable the staff to conduct legal research in the most cost efficient manner; and (3) Office of the Administrative Law Judges--for legal research to assist the Department's Administrative Law Judges in making rulings on pending court decisions.

The Office of Public Affairs must provide transcripts and electronic duplicates of media appearances by the Secretary, senior HUD officials, and top level executives of the Administration for analysis, and review by program, policy and field staff. The need also exists for services which enable the Office to communicate using current electronic technology. In an effort to provide a greater measure of news wire access, the Office has expanded coverage to include the Federal News Service. These kinds of services demand expertise in technology and constitute a special requirement for contract funds. The continually expanding areas of electronic news resources will require additional funding to meet the Department's need for full coverage of issues regarding governmentwide reinvention and new directions.

The fiscal year 2006 estimate reflects the continued use of technical services to provide electronic data on current events; legal research; and archived news. The resulting reduction in paper documents is in compliance with direction toward e-government. These funds will also be used to perform ongoing agency monitoring.

c. Management Studies

Management consulting services including evaluation, analyses, studies and other services, are needed to facilitate, support, and ensure effective implementation of HUD policies, programs, and departmental management initiatives. These studies will provide strategies to improve internal controls and systems, and to enhance service delivery as well as customer service to the Department constituents. The evaluative analyses resulting from these studies will guide and support senior management in implementation of the Corrective Action Plan.

d. Public Information Services

These funds are to provide for the distribution of news materials to media outlets within the Washington, DC metropolitan area. In addition, funds will provide for information outreach to the public with respect to the provisions of Fair Housing legislation. This public education program will include new and expanded categories of discrimination, handicapped and familial status.

These funds also provide for the development of audio-visual, print, and other communication materials to support the public communication needs of the Department. The funds are administered by the Office of Public Affairs in consultation with the program offices. The objective is to coordinate Departmental communication efforts for consistency with HUD goals and priorities, to ensure that all communication efforts are coordinated effectively, and to make sure that the vehicles produced reach their intended audiences and contain relevant and useful information.

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e. Training Support

Professional training assistance is needed to provide expert support for outreach to small, minority and women business owners to include conference management, development and dissemination of materials. The scope of this training is expanding to support the President's emphasis on improving Federal Government assistance to small and disadvantaged business entrepreneurs. Training is also required for communications and media relations staff, as well as field staff with public affairs duties.

f. General Support Services

These funds are used to provide for temporary contract personnel to meet short-term priority tasks needing highly skilled clerical and secretarial support; to enable the Office of Public Affairs to contract for various news-related gathering and dissemination of information regarding HUD programs and initiatives; and for contractual services in support of improvement initiatives and delivery of program services to HUD customers. In addition, the Office of Small and Disadvantaged Business Utilization (OSDBU) has been directed to enlarge the scope of its role in the Department's outreach to small, woman-owned and minority-owned businesses. OSDBU has already begun an aggressive strategy to establish a wider range of information distribution throughout the country as well as undertake other projects designed to meet the objectives set by the Secretary and Deputy Secretary.

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PERFORMANCE OUTLOOK

**DEPARTMENTAL MANAGEMENT
 Personal Services
 Summary of Change
 (Dollars in Thousands)**

<u>Personal Services</u>	<u>FTE</u>	<u>S&E Cost</u>
2004 Actual.....	193	\$19,582
2005 Appropriation.....	187	19,784
<u>Changes Due To</u>		
2006 January Pay Raise.....	0	360
2005 January Pay Raise.....	0	176
Staffing increase/decrease.....	17	1,822
Other benefit changes.....	0	144
2006 Request.....	204	\$22,286

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DEPARTMENTAL MANAGEMENT
 Summary of Requirements by Grade
 Salaries and Expenses
 (Dollars in Thousands)

	<u>2004 Actual</u>	<u>2005 Appropriation</u>	<u>2006 Request</u>	<u>Increase/ Decrease</u>
Grade:				
Executive Level IV	4	4	4	0
Executive Service	16	20	24	+4
GS-15	25	29	30	+1
GS-14	32	30	34	+4
GS-13	35	37	40	+3
GS-12	22	26	28	+2
GS-11	17	13	13	0
GS-10	2	3	3	0
GS-9	10	11	15	+4
GS-8	5	3	3	0
GS-7	7	5	4	-1
GS-6	2	2	2	0
GS-5	1	2	2	0
GS-4	2	2	2	0
GS-3	2	0	0	0
GS-2	0	0	0	0
GS-1	0	0	0	0
Total Positions	182	187	204	+17
Average ES Salary	\$144,477	\$147,367	\$150,314	+\$2,947
Average GS Salary	\$73,451	\$74,920	\$76,418	+\$1,498
Average GS Grade	12.1	12.3	12.3	0.0

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 Summary of Requirements by Object Class
 Salaries and Expenses
 (Dollars in Thousands)

<u>Object Class</u>	<u>2004 Actual</u>	<u>2005 Appropriation</u>	<u>2006 Request</u>	<u>Increase/Decrease</u>
Personal Services.....	\$19,582	\$19,784	\$22,286	+\$2,502
Travel and Transportation of Persons.....	832	830	830	0
Transportation of Things.....	0	0	0	0
Rent, Communication & Utilities.....	7	7	7	0
Printing and Reproduction.....	424	360	360	0
Other Services.....	2,818	1,811	1,811	0
Supplies and Materials.....	107	93	93	0
Furniture & Equipment.....	0	0	0	0
Insurance Claims & Indemnities.....	0	0	0	0
Total Obligations.....	\$23,770	\$22,885	\$25,387	+\$2,502

Overall Summary of Departmental Management Staff Requirements

	FTE			Increase + Decrease - 2006 vs 2005
	Estimate 2004	Estimate 2005	Estimate 2006	
Headquarters.....	126.1	125.2	134.1	+8.9
Field	67.2	61.8	70.0	+8.2
Total	193.3	187.0	204.1	17.1

Summary of Departmental Management Staff Requirements

	FTE			Increase + Decrease - 2006 vs 2005
	Estimate 2004	Estimate 2005	Estimate 2006	
<u>Headquarter Employment</u>				
Departmental Management				
Provide services to support HUD's mission	26.6	26.0	26.9	+0.9
Independent forum for Hearings/Final Decision	4.5	4.5	4.5	0.0
Provide Technical Direction and Coord. Related to Small and Disadvantaged Businesses	7.0	6.8	7.8	+1.0
Independent Judge of Fact in on the Record Hearings	6.8	6.7	8.7	+2.0
Oversight and General Director	22.5	22.0	24.6	+2.6
Provide Advice on Public Information and Public Opinic	16.5	16.0	18.4	+2.4
DM Total	83.9	82.0	90.9	+8.9
Office of Departmental Operations and Coordination				
Provide General Director	1.0	1.0	1.0	0.0
Support Activities	15.0	16.0	16.0	0.0
Ensure compliance with Prevailing Federal/Wage Requirements in all HUD programs	8.0	8.0	8.0	0.0
Web Team	8.4	8.2	8.2	0.0
Southwest Border Region, Colonias and Migrant/Farmworker Initiative	9.8	10.0	10.0	0.0
ODOC HQ Subtotal	42.2	43.2	43.2	0.0
<u>Field Employment</u>				
Office of Labor Relations	67.2	61.8	70.0	+8.2
ODOC Total	109.4	105.0	113.2	+8.2
Total	193.3	187.0	204.1	+17.1

Detail of Departmental Management Staff Requirements

Workload Guideline	Workload Indicator	Fiscal Year 2004			Underfunded Workload/ Allocation	Fiscal Year 2005			Underfunded Workload/ Allocation	Fiscal Year 2006		
		Projected Accomplishment	Projected Unit Cost (Hrs)	FTE		Projected Accomplishment	Projected Unit Cost (Hrs)	FTE		Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
Departmental Management												
Provide Policy and Management Oversight	NA	...	...	26.6		...	...	26.0		...	...	26.0
Perform Oversight of Congressional and Intergovernmental Relations	NA	...	...	22.5		...	...	22.0		...	...	25.7
Perform Public Outreach/information Dissemination	NA	...	...	16.5		...	...	16.0		...	...	16.5
Conduct Hearings and Decisionmaking	NA	...	...	11.3		...	...	11.2		...	...	11.2
Provide Small Business Assistance	NA	...	...	7.0		...	...	6.8		...	...	11.5
DM Subtotal				83.9				82.0		...	...	90.9
Headquarters Employment												
Office of Departmental Operations and Coordination												
Provide General Direction	NA	...	...	1.0		...	...	1.0		...	...	1.0
Support Activities	NA	...	...	<u>15.0</u>	2	...	...	<u>16.0</u>		...	...	<u>16.0</u>
Subtotal				16.0				17.0				17.0
Office of Labor Relations												
Ensure compliance with Prevailing Federal/Wage Requirements in all HUD programs	# of Field personnel supported	80	209.3	<u>8.0</u>		80	209.3	<u>8.0</u>		80	209.3	<u>8.0</u>
Subtotal				8.0				8.0				8.0
Web Team												
Provide Web Support to the Department	NA	...	...	<u>8.4</u>				<u>8.2</u>	2			<u>8.2</u>
Subtotal				8.4				8.2				8.2

Workload Guideline	Workload Indicator	Fiscal Year 2004			Fiscal Year 2005			Fiscal Year 2006				
		Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
Southwest Border Region, Colonias and Migrant/Farmworker Initiative												
Provide support and coordination for the Southwest Border Region, Colonias and Migrant/Farmworker Initiative	Level of Effort	NA	NA	<u>9.8</u>		NA	NA	<u>10.0</u>	2	NA	NA	<u>10.0</u>
Subtotal				9.8				10.0				10.0
Total ODOC HQ				42.2				43.2				43.2
Field Employment												
Office of Labor Relations												
Perform Monitoring Reviews	# of reviews completed	750	33.41	12.0		1,189	33.41	19.0		600	33.41	9.6
Establish Annual Wage Determinations	# of Annual wages determined/established (PHA and TDHE)	822	19.21	7.5		1,500	19.21	13.8	1	2,500	19.21	23.0
Perform Contractor Compliance Reviews	# of Compliance Reviews	5,516	10.03	26.4		2,906	10.03	14.0	3	4,770	10.03	22.9
Perform Administrative Functions	Level of Effort	NA	NA	12.0		NA	NA	7.0		NA	NA	6.0
Perform Technical Oversight and Management	Level of Effort	NA	NA	<u>9.3</u>		NA	NA	<u>8.0</u>		NA	NA	<u>8.5</u>
Subtotal				67.2				61.8				70.0
Total ODOC				109.4				105.0				113.2
Total Departmental Management & ODOC				193.3				187.0				204.1

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EXPLANATION OF CHANGES FROM REAP REQUIREMENT TO 2005 CURRENT ESTIMATE

In an effort to meet the Congressionally mandated FTE, Departmental Management did not fill some vacated positions in the Office of Administrative Law Judges, dividing the work formerly done by the former employees among other staff to attempt to save on FTE. As a result Departmental Management was able to reduce the number of FTE actually used to 83.9. To meet the ceiling of 82 FTE for 2005, these vacancies will not be filled, and the filling of other vacancies being contemplated for the Office of Public Affairs will be deferred. In addition, needed support staff for Congressional and Intergovernmental Relations were not hired. Instead a member of the staff was detailed to one of the vacant positions, and other staff picked up some of the duties that were necessary to maintain a bare minimum of support for the Offices operating at a reduced FTE ceiling. The duties which would be performed by those proposed employees will be performed by current staff but restricted in scope to meet the minimum level of support for the Secretary and the Department in public outreach.

HEADQUARTERS EMPLOYMENT

The FTE required in fiscal year 2005 will support the Department's efforts to deliver improved customer service in the following areas: policy decisions, legislative coordination, support activities, and field support in the area of wage compliance, as well as review, provide oversight, and assist in ensuring compliance in the area of labor relations.

FIELD EMPLOYMENT

Departmental Management has no field employees. Field activities are performed by staff outstationed from Headquarters.

EXPLANATION OF CHANGES FROM 2005 CURRENT ESTIMATE TO 2006 ESTIMATE

With the ceiling of 90.9 FTEs in the 2006 estimate, Departmental Management will be able to raise the level of support for the Secretary and the Department to enhance and improve customer service in the basic areas of the Department's mission: In particular, policy decisions, legislative coordination, public information outreach, provision of information regarding the cases being tried through the administrative judicial proceedings of the Department's courts, support for contracting opportunities with small and disadvantaged businesses, and field support for wage compliance and ensuring compliance in the area of labor relations will be enhanced by the increases in FTE.

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Budget Activity 7: Office of Departmental Operations and Coordination

EXPLANATION OF CHANGES FROM REAP REQUIREMENT TO 2005 CURRENT ESTIMATE

HEADQUARTER EMPLOYMENT

The FTE required in fiscal year 2004 will support the Department's efforts to deliver improved customer service in the following areas: policy decisions, legislative coordination, support activities, and field support in the area of wage compliance, as well as review, provide oversight, and ensure compliance in the area of labor relations.

FIELD EMPLOYMENT

EXPLANATION OF CHANGES FROM 2005 CURRENT ESTIMATE TO 2006 ESTIMATE

The Office of Departmental Operations and Coordination's (ODOC) FTE level of 113.2 FTEs for fiscal year 2006 is an increase of 8.2 FTEs from fiscal year 2005. However, this number is 10 FTEs less than the requirements identified by the recently completed Resource Estimation and Allocation Program (REAP) study.

As identified in the REAP Study the areas affected by this shortfall are the Office of Departmental Operations and Coordination - Immediate Office, Web Team, and the Office of Labor Relations.

The REAP Study recommends FTE increase in the following areas:

ODOC - Immediate Office - 0.27

Work Affected - Coordination and over-sight of the Departmentwide Reviews, Monitoring, Plans and Audits and performance of Special Initiatives and Policy Activities.

Web Team - 1.68

Work Affected - Provision of Web support to the Department, Project and Contract Administration, Customer service, Administrative duties.

Labor Relations (Field) - 8.05

Work Affected - Monitoring Reviews, Establishing Annual Wage Determinations, Project Management, Administration and Enforcement, Technical Oversight and policy and program guidance.

Due to the shortfalls represented in the proposed 2006 FTE allocation, deficiencies will continue to exist.