

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

### SALARIES AND EXPENSES

#### OVERVIEW

The Department of Housing and Urban Development requests \$1,349,400,000 for the Salaries and Expenses (S&E) account in fiscal year 2013, an increase of \$17,900,000 over the fiscal year 2012 enacted funding level. Overall, this request includes \$1,110,900,000 for Personnel Services and \$238,500,000 for Non-Personnel Services. The following is the fiscal year 2013 request by program office:

(Dollars in Thousands)	FY 2010 Actual	FY 2011 Actual	FY 2012 Enacted	FY 2013 Request	FY 2013 v. FY 2012
Immediate Office of the Secretary	\$4,267.00	\$4,458.00	\$3,572.00	\$3,822.00	\$250.00
Office of the Deputy Secretary and Chief Operating Officer	-	-	1,200.00	1,292.00	92.00
Office of Hearings and Appeals	1,596.00	1,554.00	1,700.00	1,765.00	65.00
Office of Congressional and Intergovernmental Relations	2,158.00	2,566.00	2,400.00	2,695.00	295.00
Office of the Assistant Secretary for Public Affairs	3,538.00	3,739.00	3,515.00	3,556.00	41.00
Office of Small and Disadvantaged Business Utilization	631.00	684.00	741.00	705.00	-36.00
Office of Chief Human Capital Officer	265,906.00	261,725.00	255,436.00	244,335.00	-11,101.00
Office of Departmental Operations and Coordination	10,946.00	10,840.00	10,475.00	10,149.00	-326.00
Office of Field Policy and Management	48,462.00	48,193.00	47,500.00	47,857.00	357.00
Office of the Chief Procurement Officer	16,074.00	14,667.00	14,700.00	16,563.00	1,863.00
Office of the Chief Financial Officer	47,593.00	43,881.00	47,980.00	47,627.00	-353.00
Office of the Chief Information Officer	39,515.00	40,493.00	41,885.00	38,870.00	-3,015.00
Office of General Counsel	94,386.00	94,057.00	94,000.00	95,102.00	1,102.00
Office of Departmental Equal Employment Opportunity	3,594.00	3,518.00	3,610.00	3,127.00	-483.00
Office of Faith-based and Neighborhood Partnerships	1,650.00	1,341.00	1,448.00	1,404.00	-44.00
Office of Sustainable Housing and Communities	1,209.00	2,784.00	2,627.00	2,777.00	150.00
Office of Strategic Planning and Management	3,831.00	11,552.00	5,000.00	4,894.00	-106.00
Office of Disaster and Emergency Management	-	-	-	6,006.00	6,006.00
Public and Indian Housing	197,754.00	202,953.00	200,000.00	211,634.00	11,634.00
Community Planning and Development	101,134.00	100,516.00	100,000.00	103,882.00	3,882.00
Housing	386,179.00	392,842.00	391,500.00	398,832.00	7,332.00
Policy Development and Research	21,065.00	22,166.00	22,211.00	21,394.00	-817.00
Fair Housing and Equal Opportunity	70,390.00	71,878.00	72,600.00	74,296.00	1,696.00
Office of Healthy Homes and Lead Hazard Control	7,327.00	7,485.00	7,400.00	6,816.00	-584.00
<b>Total a/</b>	<b>\$1,329,205.00</b>	<b>\$1,343,892.00</b>	<b>\$1,331,500.00</b>	<b>\$1,349,400.00</b>	<b>\$17,900.00</b>

a/ Consistent with the S&E account structure enacted in 2012, the table above distributes non-personnel services across offices, includes the Office of the Chief Information Officer and excludes the Government National Mortgage Association (GNMA). The 2013 Budget funds GNMA administrative expenses from the program account. For all HUD S&E justification tables, figures listed under fiscal years 2010 and 2011 reflect actual obligations incurred.

## Housing and Urban Development- Salaries and Expenses Overview

The 2013 Budget continues the broad transformation and renewal of HUD. Its goal, plain and simple, is to rebuild HUD as a powerful agent for advancing not only national housing objectives but, through housing, broader economic, social and energy goals as well. To accomplish this, HUD is continuing its Departmentwide transformation effort to improve our operations and create a dynamic organization capable of addressing some of our nation's most difficult problems. However, being mindful of the budget constraints, HUD requests only the funds necessary to maintain current staffing levels and operational requirements, which results in a small increase in resources over the fiscal year 2010 funding level.

### **Description of Need**

HUD remains at the forefront of the Federal response to the national mortgage crisis and is central to the economic recovery. In the midst of a credit crunch, the Federal Housing Administration (FHA) is playing a critical countercyclical role. FHA continues to represent nearly a quarter of single family mortgage dollar volume, up from 1.9 percent in 2006. HUD is actively involved in foreclosure mitigation, homeownership counseling, and a myriad of efforts to curb mortgage abuse and lending discrimination.

The Department is critical to addressing the structural gap between household incomes and housing prices and the persistent unaffordability of housing. HUD already plays an important role in making housing affordable through its investments in rental vouchers, public and assisted housing, and more recent HUD-funded efforts led by states and localities. These efforts recognize that ensuring a stable supply of affordable housing in safe, quality communities enables low-income families and individuals to live healthy, productive lives. HUD is also a vehicle for advancing sustainable and inclusive growth patterns, communities of choice, and energy efficiency. In fiscal year 2013, HUD will continue its unprecedented level of collaboration with the Departments of Transportation, Education, and Energy, as well as the Environmental Protection Agency, to ensure that the location of affordable housing enhances access to employment and educational opportunities, and makes the way we develop and redevelop our communities a key part of the nation's strategy for addressing climate change and energy independence.

These roles require an agency that is nimble and market-savvy, with the capacity and expertise necessary to galvanize HUD's vast network of partners--state and local governments, builders, lenders, realtors, appraisers, energy auditors, community development corporations, technical providers, and research institutions.

The Department's fiscal year 2013 S&E request will allow it to build on the policies and strategic goals set forth in the Department's Strategic Plan. The S&E budget will support the Department's efforts to achieve five strategic goals:

**SG-1 Strengthen the Nation’s Housing market to Bolster the Economy and Protect Consumers**

Mitigate the foreclosure crisis, address the neighborhood effects of foreclosure, and promote sustainable homeownership. Enhanced investments in staffing and training will ensure the safety and soundness of FHA, enabling it to cope with the rising volume of mortgage business, detect fraud, and monitor the practices of lenders and appraisers. The budget proposes increasing the technical assistance and capacity building function at HUD. In particular, the Budget emphasizes oversight of the more than \$6 billion of Neighborhood Stabilization Program funds targeted to communities overwhelmed by foreclosures and abandoned properties.

**SG-2 Meet the Need for Quality Affordable Rental Homes**

Restore Federal leadership on promoting affordable rental housing. The Department has proposed transforming rental assistance, with the ultimate goal of moving to a single source of rental assistance for demand- and supply-side subsidies to HUD-assisted housing. This effort will incentivize the voluntary regionalization of the Housing Choice Voucher program in up to 80 metropolitan and rural areas and will preserve more than 300,000 public and privately owned housing units through voluntary conversion to project-based voucher assistance. The budget continues to capitalize the Housing Trust Fund.

**SG-3 Utilize Housing as a Platform for Improving Quality of Life**

Establish partnerships that cost effectively combine housing and health, employment and other services. HUD is working with other agencies to target their highest priority populations and to generate integrated solutions to multi-faceted problems, to reduce costly duplication of programs, and to realize cost-savings through better coordination and alignment. The Department will work with agencies across the government to address the housing and service needs of homeless persons with special needs; to prevent homelessness among families with children and to help stabilize at-risk families; to provide the flexible resources needed to support bringing high quality local plans to end homelessness to scale.

**SG-4 Build Inclusive and Sustainable Communities Free from Discrimination**

Drive energy efficient housing and inclusive, sustainable growth. The nation’s current housing, economic, health and energy crises demand that the federal government and its local partners effectively coordinate policies related to community development. The spatial mismatch between housing and transportation investments limits access to decent employment and education opportunities for entire neighborhoods. To address these problems HUD seeks to ensure through comprehensive community development, strategic planning, enforcement and enhanced capacity building that all communities are livable for residents and viable in the long term. The Department will continue to build on its collaborative relationship with the Department of Energy, the Department of Transportation, and the Environmental Protection Agency to ensure successful implementation of these programs.

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### **SG-5 Transform the way that HUD does business**

Transform the way that HUD does business. HUD is in the midst of a reinvention that is leveraging technology and implementing a new way of doing business to respond to the needs for increased transparency and improved service delivery. HUD is committed to an investment in transformation that will be implemented diligently over time through building a high-performing, skilled workforce, creating an organization that is customer-centered, creating flexible systems that promote responsiveness, and fostering cultural change within the work environment that reflects the values of HUD's mission.

### **Personnel Services: \$1.1 Billion**

The Department requests \$1.1 billion to fund employee salaries, as well as benefits and other personnel related expenses, such as health and retirement benefits, terminal leave payments, transit subsidies for headquarters and field employees, student loan repayment, flexible spending account fees, awards, and relocation costs. This request assumes a pay raise of 0.5 percent for fiscal year 2013, and limited increases in staffing levels to support high-priority programs and activities in specific offices.

	FY 2010 Actual	FY 2011 Actual	FY 2012 Enacted	FY 2013 Request	FY 2013 v FY 2012
Immediate Office of the Secretary	24.7	24.3	18.4	19.6	1.2
Office of the Deputy Secretary and Chief Operating Officer	0	0	6.2	6.3	0.1
Office of Hearings and Appeals	10	10	10	10.5	0.5
Office of Congressional and Intergovernmental Relations	17.8	19.3	17.1	19	1.9
Office of the Assistant Secretary for Public Affairs	20.6	23.3	25.1	24.9	-0.2
Office of Small and Disadvantaged Business Utilization	4.7	4.7	5.1	4.9	-0.2
Office of Chief Human Capital Officer	593.5	537.2	524	454.9	-69.1
Office of Departmental Operations and Coordination	75.3	68.8	67.1	67.4	0.3
Office of Field Policy and Management	374.3	353.9	341.8	347	5.2
Office of the Chief Procurement Officer	103.6	101.9	109.4	120.6	11.2
Office of the Chief Financial Officer	204.6	195.3	202.1	194.3	-7.8
Office of the Chief Information Officer	292.8	308.8	305.3	279.7	-25.6
Office of General Counsel	642.4	636.3	628.2	629	0.8
Office of Departmental Equal Employment Opportunity	24.2	23.1	22.2	19.7	-2.5
Office of Faith-based and Neighborhood Partnerships	8.4	7.7	8.2	8.4	0.2
Office of Sustainable Housing and Communities	6.3	15.5	17.1	18	0.9
Office of Strategic Planning and Management	6.3	27.2	27.9	29.6	1.7
Office of Disaster and Emergency Management	0	0	0	42.2	42.2
Public and Indian Housing	1519.2	1508	1505.8	1554.5	48.7
Community Planning and Development	812.7	800.9	789.9	811.7	21.8
Housing	3221.5	3217	3174.1	3190.9	16.8
Policy Development and Research	140.5	155.3	151.2	145.4	-5.8
Fair Housing and Equal Opportunity	576.3	572	580.7	587.4	6.7
Office of Healthy Homes and Lead Hazard Control	59.2	62.1	58	52.2	-5.8
<b>Total</b>	<b>8738.9</b>	<b>8672.6</b>	<b>8594.9</b>	<b>8638.1</b>	<b>43.2</b>

## Housing and Urban Development- Salaries and Expenses Overview

The request for fiscal year 2013 is estimated to support a total of 8,638 FTE, an increase of 43 FTE above fiscal year 2012. The following chart also shows the FTE levels by office for the last three fiscal years. The amount for fiscal year 2012 reflects only FTE supported by annual appropriations (excludes any FTE supported by ARRA funds).

The following is a brief description of the major changes to office staffing levels. Justifications are also provided for each office to provide further details on the office responsibilities and fiscal year 2013 request. Generally, HUD protected or increased Program Office salaries and FTE and required efficiencies from the administrative offices.

### **Major Increases:**

**Public and Indian Housing (PIH).** PIH requests 1,554.5 FTE for fiscal year 2013, which represents an increase of 48.7 FTE from fiscal year 2012. This request provides for additional FTE that will target the following priority areas: prevention of homelessness; Choice Neighborhoods; prevention of troubled PHAs; field office monitoring and oversight; Jobs-Plus; and miscellaneous activities. These staffing priorities are described in further detail in the PIH detailed justification.

**Community Planning and Development (CPD).** CPD requests 811.7 FTE for fiscal year 2013, which represents an increase of 21.8 FTE from fiscal year 2012. The additional 21.8 FTE will be utilized by CPD to maintain the necessary staffing levels needed to manage and monitor its core programs. CPD will use the additional staff to backfill key positions in the field offices. The staff will be responsible for monitoring over 18,000 grants and the increase in staffing will permit CPD to conduct more in-depth monitoring visits and/or spend more time with grantees as needed.

**Housing (HSNG).** HSNG requests 3,190.9 FTE for fiscal year 2013, which represents an increase of 16.8 FTE from fiscal year 2012. This increase will include 14.8 FTE for Multifamily and 2 FTE for the Risk Management Office. These staffing priorities are described in further detail in the Housing detailed justification.

**Fair Housing and Equal Opportunity (FHEO).** FHEO requests 587.4 FTE for fiscal year 2013, an increase of 6.7 FTE over the fiscal year 2012 requested level of 587.4. This increase will support priority initiatives to Affirmatively Further Fair Housing and provide direct assistance to distressed communities.

### **Major Decreases or Realignments:**

**Office of the Chief Human Capital Officer (CHCO).** CHCO requests 454.9 FTE for fiscal year 2013, which represents a decrease of 69.1 FTE from fiscal year 2012. However, this includes a transfer of 20 FTE to establish the Office of Disaster and Emergency Management (ODEM) in 2013. The remaining reduction to the staffing level will be achieved through attrition and other efforts to improve efficiencies in this administrative office..

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**Office of Chief Procurement Officer (CPO).** CPO requests 120.6 FTE for fiscal year 2013, an increase of 11.2 FTE over fiscal year 2012. However, this includes a realignment of 18 FTE to CPO from CIO. These FTE were previously funded as part of the CIO salaries and expense budget. This will properly align the function of these FTE to the CPO and the remaining decrease will support efficiencies in the administrative office.

**Office of Chief Financial Officer (CFO).** CFO requests 194.3 FTE for fiscal year 2013, a decrease of 7.8 FTE from fiscal year 2012. This includes a realignment of 2 FTE to CFO, who were previously funded as part of the CIO salaries and expense budget. CFO will achieve the remaining reduction through attrition.

**Office of the Chief Information Officer (CIO).** CIO requests 279.7 FTE for fiscal year 2013, which represents a decrease of 25.6 FTE from fiscal year 2012. This includes a realignment of 20 FTE to OCPO and OCFO, as previously described. CIO will achieve the remaining reduction through attrition and by continuing to evaluate the organizational structure for efficiencies.

**Office of Disaster and Emergency Management (ODEM).** HUD is requesting to establish this office as a separate office in FY 2013. It currently exists as an office within the Office of the Chief Human Capital Officer. ODEM requests 42.2 FTE for fiscal year 2013, which includes a transfer from OCHCO of 20 FTE and also supports the consolidation of Disaster Management functions from program offices to provide a more focused management of disaster and emergency management policy and response.

**Office of Healthy Homes and Lead Hazard Control (OHHLHC).** OHHLHC requests 52.2 FTE for fiscal year 2013, a decrease of 5.8 FTE from the fiscal year 2012 requested level of 58. This decrease will be achieved through attrition, and will allow OHHLHC to maintain the most critical functions in grants and program management.

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### **Non-Personal Services: \$238.5 million**

HUD requests \$238,500,000 for Non-Personnel Services in fiscal year 2013. This represents a \$1,000,000 decrease from the enacted fiscal year 2012 funding level. As a commitment to cost savings and as part of the Campaign to Cut Waste, the Department has reduced costs whenever possible, and as a result has been able to reduce the Non-Personnel Services funding by more than \$14,500,000 from fiscal year 2011 enacted levels. The overall increases for each budget object class are discussed in detail below.

	FY 2010 Actual	FY 2011 Actual	FY 2012 Enacted	FY 2013 Request	FY2013 vs FY2012
Immediate Office of the Secretary	\$444	\$175	\$475	\$480	\$5
Office of the Deputy Secretary and Chief Operating Officer	-	-	93	150	57
Office of Hearings and Appeals	205	151	220	190	(30)
Office of Congressional and Intergovernmental	148	59	68	68	-
Office of the Assistant Secretary for Public Affairs	770	512	187	212	25
Office of Small and Disadvantaged Business Utilization	98	99	100	78	(22)
Office of Chief Human Capital Officer	188,740	193,007	187,622	185,373	(2,249)
Office of Departmental Operations and Coordination	1,703	1,793	1,491	1,000	(491)
Office of Field Policy and Management	1,812	1,568	2,459	1,500	(959)
Office of the Chief Procurement Officer	1,425	1,154	769	1,000	231
Office of the Chief Financial Officer	12,396	10,899	12,677	13,000	323
Office of the Chief Information Officer	996	758	1,379	1,249	(130)
Office of General Counsel	6,446	5,783	5,240	5,000	(240)
Office of Departmental Equal Employment Opportunity	617	525	700	500	(200)
Office of Faith-based and Neighborhood Partnerships	535	278	247	150	(97)
Office of Sustainable Housing and Communities	163	186	304	300	(4)
Office of Strategic Planning and Management	2,130	8,288	1,376	1,000	(376)
Office of Disaster and Emergency Management	-	-	-	1,000	1,000
Public and Indian Housing	12,823	11,528	8,768	11,500	2,732
Community Planning and Development	3,492	2,935	2,870	2,700	(170)
Housing	8,661	7,445	8,000	8,000	-
Policy Development and Research	2,795	2,508	2,105	1,800	(305)
Fair Housing and Equal Opportunity	3,234	3,083	2,047	1,950	(97)
Office of Healthy Homes and Lead Hazard Control	336	358	300	300	-
<b>Total</b>	<b>249,969</b>	<b>253,092</b>	<b>239,497</b>	<b>238,500</b>	<b>(997)</b>

The figures listed under FY2010 and FY2011 in the table above reflect actual obligations incurred.

Housing and Urban Development- Salaries and Expenses Overview

The following chart shows the Non-Personnel Services funding request for fiscal year 2013 by budget object class (BOC).

	2100	2200	2300	2400	2500	2600	3100	4200	TOTAL
(Dollar in the thousands)	Travel	Transp. of Things	Rent Util	Printing	Other Svcs	Supplies	Eqmt	Claims	NPS
Immediate Office of the Secretary	100	...	...	...	380	...	...	...	480
Office of the Deputy Secretary and Chief Operating Officer	100	...	...	...	50	...	...	...	150
Office of Hearings and Appeals	100	...	...	...	90	...	...	...	190
Office of Congressional and Intergovernmental	53	...	...	...	15	...	...	...	68
Office of the Assistant Secretary for Public Affairs	100	...	...	...	112	...	...	...	212
Office of Small and Disadvantaged Business Utilization	18	...	...	...	60	...	...	...	78
Office of Chief Human Capital Officer	3,000	100	130,000	470	47,803	2,000	2,000	...	185,373
Office of Departmental Operations and Coordination	331	...	...	26	619	24	...	...	1,000
Office of Field Policy and Management	869	...	...	14	612	5	...	...	1,500
Office of the Chief Procurement Officer	236	...	...	10	699	55	...	...	1,000
Office of the Chief Financial Officer	124	...	...	73	12,730	73	...	...	13,000
Office of the Chief Information Officer	565	...	...	...	684	...	...	...	1,249
Office of General Counsel	1,004	...	...	1,009	1,518	331	...	1,138	5,000
Office of Departmental Equal Employment Opportunity	202	...	...	3	290	5	...	...	500
Office of Faith-based and Neighborhood Partnerships	56	...	7	14	70	3	...	...	150
Office of Sustainable Housing and Communities	278	...	...	1	19	2	...	...	300
Office of Strategic Planning and Management	47	...	...	23	923	7	...	...	1,000
Office of Disaster and Emergency Management	400	...	...	...	600	...	...	...	1,000
Public and Indian Housing	5,650	...	...	81	5,669	100	...	...	11,500
Community Planning and Development	1,017	...	...	28	1,605	50	...	...	2,700
Housing	3,000	...	...	107	4,720	173	...	...	8,000
Policy Development and Research	125	...	...	62	1,613	...	...	...	1,800
Fair Housing and Equal Opportunity	731	...	...	29	1,161	29	...	...	1,950
Office of Healthy Homes and Lead Hazard Control	200	...	...	30	50	20	...	...	300
<b>TOTAL</b>	<b>18,306</b>	<b>100</b>	<b>130,007</b>	<b>1,980</b>	<b>82,092</b>	<b>2,877</b>	<b>2,000</b>	<b>1,138</b>	<b>238,500</b>

The following discusses each individual budget object class. The below comments represent only a summary overview for each funding category. Greater detail is provided by in the justifications for each office below. From the actual spending in Fiscal Year 2011 to the Fiscal Year 2013 Request, HUD will implement nearly 15 million in savings for non personnel services. This has largely been achieved, through a reduction in travel, conference, the consolidation and restructuring of contracts and reductions in supplies and equipment. Despite these reductions, HUD has tried to preserve as much of the office training budget as



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possible, so that the HUD workforce is better able to meet the program and administrative responsibilities in this challenging resource environment.

**Travel and Transportation of Persons (BOC 2100), 18.3 million.** This category represents the transportation of Government employees and/or other persons who travel under the auspices of the Federal government, their per diem allowances when in authorized travel status, and other expenses incidental to travel. It consists of travel both away from the official duty station and in and around the official station of an employee.

**Transportation of Things (BOC 2200), 100 thousand.** This classification consists of charges for the transportation of things and the care of such things while in the process of being transported. It includes rental trucks and other transportation equipment, and reimbursement to Government personnel for authorized movement of household effects.

**Rent, Communications, and Utilities (BOC 2300), 130 million.** The funds under this object class provide for all rental costs for space and equipment, communication services, and utilities. The major cost associated with this object class is real property rental. The General Services Administration establishes rental rates and provides cost estimates for the space requirements identified by the Department.

**Printing (BOC 2400), 2 million.** The funds included under this object class represent the cost of contractual printing and reproduction services, and related composition and binding operations performed by or through the Government Printing Office.

**Other Services (BOC 2500), 82.1 million.** The funds under this object class largely represent the cost of contractual services. More than 40 percent of contract services funding is used for mandatory obligations for building security, maintenance, costs associated with implementing Homeland Security Personnel Directive 12 (HSPD-12) and the fees for the Federal Protective Service. In addition to these core contractual services, the Department will also require funds to continue to meet the requirements of the Improper Payments Information Act of 2002. This includes contract services to cover the estimated cost of providing a comprehensive consolidated error measurement study of the more than 26 billion expended on HUD's various rental assistance programs, as well as the cost of an interagency agreement with HHS to cover computer matching costs to verify tenant income. Funding in this object class supports succession planning studies and employee training and development, which will be critical as the Department addresses the impending increase in employee retirements. This account also contains 2,029,151 for fiscal year 2013 E-Government contributions.

**Supplies and Materials (BOC 2600), 2.9 million.** This object class identifies charges for commodities, whether acquired by formal contract or other forms of purchase, which are ordinarily consumed or expended within one year after they are put into use, converted in the process of construction or manufacture, or used to form a minor part of equipment or fixed property. This includes purchases necessary for basic business operations.

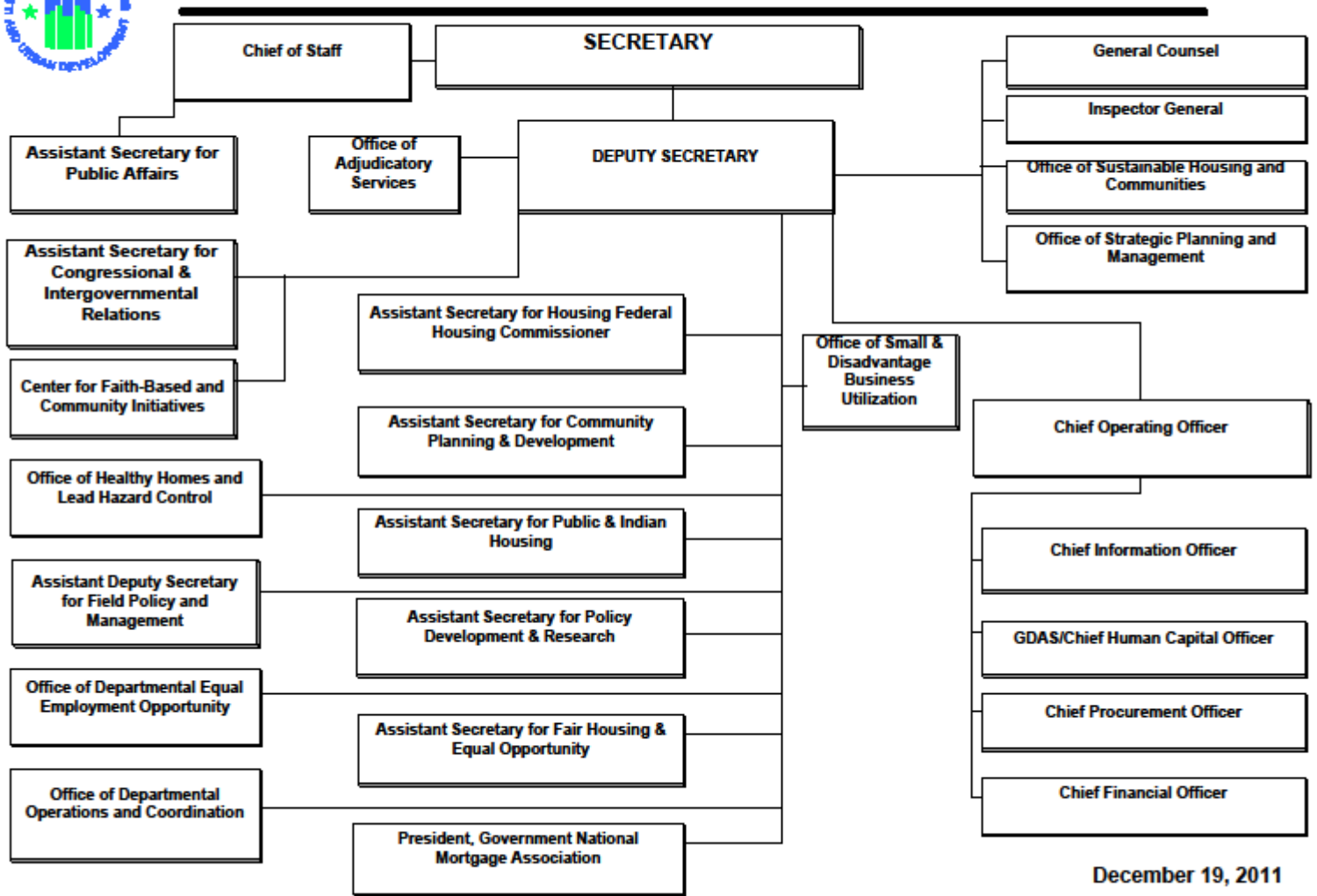
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**Equipment (BOC 3100), 2 million.** This object class is used to support the purchase of various types of equipment. Equipment purchases may include but are not limited to office furniture and fixtures, office equipment, such as quick copy machines and calculators, equipment to deliver in-house training, and books. In fiscal year 2012, HUD has allocated only 5 million for equipment, 1.2 million below the fiscal year 2011 amount.

**Insurance Claims and Indemnities (BOC 4200), 1.1 million.** This object class provides for the Federal Government's self-insurance costs including court-ordered payments. The fiscal year 2012 request of 1.1 million is 1 million below the fiscal year 2011 estimated request.



## HUD ORGANIZATIONAL OVERVIEW



December 19, 2011