

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PROGRAM OFFICE SALARIES AND EXPENSES
OFFICE OF PUBLIC AND INDIAN HOUSING**

Program Area Overview

Created by the U.S. Congress more than 75 years ago, under the provisions of the U.S. Housing Act of 1937, as amended, the Office of Public and Indian Housing (PIH) takes tremendous pride in its central mission of connecting nearly 5 million of the country's most vulnerable households to a safe, decent and affordable place to call home through PIH's partnering with more than 4,000 Public Housing Authorities (PHAs) and 566 Tribally Designated Housing Entities (TDHEs). HUD's Office of Public and Indian Housing's integral role is to administer, operate, and modernize its housing inventory; to increase the capacity of our partnering PHAs and TDHEs to manage effectively the physical assets and financial resources; and, to facilitate programs that provide supportive services to improve tenant outcomes.

PIH plays an integral role in carrying forth HUD's broader mission to create strong, sustainable, inclusive communities and quality affordable homes for all. Efficient delivery of PIH programs necessitates 1,500 employees stationed in Headquarters, forty-six field offices, and six Native American program area offices. Without a sufficient workforce to execute its share of the Department's mission, the millions of Americans eligible to participate in Public and Indian Housing programs would be greatly underserved.

PIH delivers its assistance to low-income families through the three core areas of assistance: Public Housing (Operating and Capital subsidies), Housing Choice Vouchers (HCV), and Native American programs. Key cross-cutting transformational improvements to these housing efforts will be achieved through the Rental Assistance Demonstration (RAD) initiative and the Choice Neighborhoods initiative. Choice Neighborhoods is especially important to revitalizing entire neighborhoods with a focus on federal, state and local inter-agency participation to improve education, strengthen public safety, and improve health outcomes for families, while revitalizing the housing resource.

The majority of PIH's effort, with respect to the Department's Strategic Plan, is devoted to Goal 2 – Meet the Need for Quality Affordable Rental Homes. In support of this goal in fiscal year 2015, PIH staff will focus on preservation of the housing stock and the enhanced monitoring and oversight through several key initiatives. These initiatives include the continued development and implementation of the Next Generation Management System (NGMS); improving PHA financial positions; conducting HCV and public housing unit inspections; and increasing efforts to assist and mitigate troubled PHAs through earlier detection and increased intervention strategies, and Receivership oversight, as required. All organizations face change, whether they struggle or thrive depends on the ability to adapt. To execute our key initiatives and to better assist families who rely on our programs, PIH recognizes the need to transform its organizational structure. By realigning our Headquarters offices to reflect the way property asset management should function, our office will be better equipped to serve both the PHAs and the people they support. To this end, PIH is beginning efforts to reorganize for better compatibility with PHA structure and practices.

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HUD continues to make an aggressive effort to better deliver rental assistance programs. This has included launching new programs, initiatives, and pilots aimed at mitigating the declining stock of affordable housing units, addressing the growing problem with worst case housing needs, and addressing struggling neighborhoods with distressed public or HUD-assisted housing. These initiatives include Choice Neighborhoods, RAD, and Promise Zones. They add to the other targeted rental assistance programs in HUD's portfolio (e.g., HOPE VI, PBRA and Section 202).

While these programs are important for the targeted objectives, there is a clear need for better integration across initiatives and more effective interactions with external partners who often use more than one program to deliver affordable housing and support better communities.

To achieve more effective and efficient delivery of rental assistance programs, HUD aims to streamline these programs into one organization to be called the Office of Recapitalization. HUD is repurposing the Office of Affordable Housing Preservation into the Office of Recapitalization to create a centralized focus on preservation and recapitalization. In fiscal year 2015, The Office of Recapitalization will expand to integrate many public housing recapitalization functions currently being performed in PIH. This is consistent with the Administration's goals for streamlining organization silos across government. This new office will integrate mixed finance and neighborhood revitalization programs currently sitting across two different program offices at HUD (PIH and Housing) and fragmented out in field offices.

Specifically, HUD plans on moving several programs and their related staff (approximately 56 FTE) from PIH's Office of Public Housing Investments to the new Office of Recapitalization within the Office of Housing. These programs include:

- Choice Neighborhoods;
- HOPE VI;
- Energy Performance Contract (EPC);
- Public Housing Mixed/Alternative Finance (CFFP/OFFP/PHMP); and
- Special Application Center (SAC).

These programs that will move from PIH will be consolidated with other programs from Multifamily (Section 202 and 2136, Mark to Market) as well as new programs (RAD and Promise Zones).

The goal of this office is to provide expert, expedited attention to the preservation, recapitalization and repositioning of assisted housing, with an aim to streamline complex preservation transactions. This focused approach recognizes the need to preserve at-risk affordable housing, including properties with expiring contracts and maturing mortgages, reduce the backlog of capital repair needs, reconfigure obsolete housing, and reposition assisted housing in the service of holistic neighborhood revitalization that meets the needs of communities.

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These efforts aim to enhance operations, better support the RAD and the recapitalization efforts of our current housing stock, and pave the way for improving asset management across our entire portfolio. In addition to these initiatives, PIH's Office of Native American Program staff will continue to process and improve delivery in the Loan Guarantee and Block Grant Programs for Native American, Native Hawaiian, and Alaskan populations.

This requested level of Salaries & Expenses (S&E) provides greater detail, as referenced in the program congressional justifications. This is particularly true with regard to implementing PIH's regulatory changes such as Fair Market Rent and medical and related care expense modifications, extending HUD-VASH to Indian areas, the use of excess operating reserves for capital improvements, and implementation of improvements to the Indian Housing programs to ensure that funding is fully utilized. Programmatic modifications often involve changes in operations, creating the need for training and new procedures, all of which are staff intensive activities. Without the requested full time equivalents (FTE), an imbalance will exist between staff capacity and the activities necessary for planned process and program improvements.

TOTAL - SALARIES AND EXPENSES				
(Dollars in Thousands)				
	FY 2013	FY 2014	FY 2015	FY 2014 to FY 2015
Personnel Services	\$183,928	\$191,300	\$202,664	\$11,364
Non-Personnel Services				
*Travel	3,093	3,092	4,092	1,000
Rent, Communications, Utilities	3	5	5	-
Printing and Reproduction	86	90	90	-
Other Services	979	9,678	5,978	(3,700)
Training	765	780	780	-
Supplies	49	55	55	-
Non-Personnel Subtotal	4,975	13,700	11,000	(2,700)
GRAND TOTAL	\$188,903	\$205,000	\$213,664	\$8,664
Associated FTE	1,406.2	1,429.9	1,500.0	70.1

*Pursuant to Senate Report 113-45, the travel funds for fiscal year 2015 include approximately \$1500K dedicated to grantee oversight.

DESCRIPTION OF CHANGE FROM FY 2014 TO FY 2015

PIH requests \$213,664K and 1,500.0 FTE in fiscal year 2015, with an increase from fiscal year 2014 enacted by \$8,664K and 70.1 FTE. A nominal increase in funding is included to fund the pay raise, promotions and with-in grade increases.

- Personnel Services: An increase of \$11,364K and 70.1 FTE is requested for PIH's core business functions. The additional FTE will be utilized to augment PIH's core business activities in the Section 8, Public Housing, Indian Housing, Native American Homeownership, Financial and Physical Integrity, and Risk Management functions. Also, FTE from the Innovation Program and Demonstration function as well as some from the Public Housing, Modernization, Development and Repositioning function will be used to support the Office of Racapitalization.

PIH's multi-faceted operations require a well-trained and diverse staff. In addition to maintaining our support services, PIH is working on program improvements as well as new program initiatives as described in the individual Program Account justifications. These additional workload requirements will have to be sacrificed if faced with any staffing reductions. The requested level of S&E reflects changes in Program Accounts to adequately staff PIH functions and workload activities as reflected in the Department's workforce planning system, called the Total Estimation and Allocation Mechanism (TEAM).

- Non Personnel Services: A decrease of \$2,700K from fiscal year 2014 in NPS. The HCV inspections, first mandated by Congress in fiscal year 2014, will continue in fiscal year 2015.
- Travel: PIH requests \$4,092K, which is \$1,000K more than fiscal year 2014. Travel is required for onsite regulatory oversight, monitoring, and the provision of technical assistance to PHAs. Additional travel funding is requested to increase the number of reviews and to provide the highest quality technical assistance to PHAs in enterprise risk management and shortfall prevention activities. On-site visits result in management and operations improvements that reduce waste and improve efficiencies. Technical assistance and training is offered both to PHAs designated as troubled, as well as those poorly performing PHAs to prevent them from falling into troubled status. Training PHAs on the use of PIH's portfolio management and voucher utilization optimization tools also requires travel funding and such training often leads to an increase in housing resources available to low income families, or improved financial management. Without adequate travel funding PIH field offices must rely on "remote" monitoring with only those PHAs deemed at highest risk being reviewed, thus placing more PHAs at risk of troubled status.
- Other Services: PIH requests \$5,978K, a decrease of \$3,700K from fiscal year 2014. HCV inspections will be funded at \$5,000K leaving a modest amount (\$978K) for critical data collection and information sharing services technical assistance and support contracts.

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Next Generation Management System (NGMS):

The Next Generation Management System (NGMS) is a business-driven investment aimed to enhance HUD's affordable housing (AH) program management, improve end user satisfaction, streamline complex business processes, and integrate disparate Information Technology (IT) systems into a common, modernized platform. These goals will help improve the agency's ability to accurately quantify budgetary data resources, measure program effectiveness, and scrupulously justify the agency's budget formulations and requests. By aligning current and future AH processes, HUD aims to simplify business operations and maximize investment returns with business-driven, service-oriented solutions that employ shared and standardized technology. NGMS will provide an integrated, seamless and singular view of financial and program database used to make real-time business decisions, but are currently warehoused in disparate data sources. The modernization of affordable housing program data through NGMS will provide HUD executives, Congressional authorizers and appropriators, OMB, public housing agencies, and other stakeholders an enhanced view of HUD's financial accountability. With NGMS' accurate financial data and automated processes, HUD personnel will be able to reduce improper payment errors by identifying operating costs, reserves, and subsidy payment anomalies. Once implemented, NGMS will provide staff with a new set of monitoring, oversight and analysis tools to ensure that allocated federal funds are used efficiently to assist affordable housing participants. NGMS will build project modules across four dimensions: (1) HUD Operations - creating a single point of access to data and key information to reduce HUD's administrative burden; (2) Financial management - developing an automated and more accurate process of budget formulation based on real-time data to reduce errors in budget forecasting; (3) Partner Operations - providing HUD partners with a single point of access to data that will allow them to better serve their customers and operate more efficiently; and (4) Business support - expanding the access and use of the NGMS IT advancements to the HUD enterprise level.

PIH Information Center is now Inventory Management Systems/PIH Information Center (IMS/PIC): PIH developed a state of the art system to improve the submission of information to the Department. The IMS/PIC facilitates more timely and accurate exchanges of data between PHAs and local HUD Offices. IMS/PIC allows PHAs to electronically submit information to HUD. The first release was successfully implemented on December 15, 1999 and introduced a flexible, scalable, Internet-based approach which enables housing authority users and Department personnel to access a common database of PHA information via their web browser from anywhere.

Enhanced Assessment Activities:

Beginning in fiscal year 2014, the Real Estate Assessment Center (REAC) will have the added responsibility and mission of implementing the White House Physical Inspection Alignment Initiative with the objective of preventing duplicative physical inspections of the same property by various interested federal and state entities (e.g., Treasury, USDA, HUD, etc.). This initiative will

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greatly increase efficiency of human and financial resources. Rather than requesting additional funding resources for REAC, this effort should generate fees from the services it will be providing to other agencies and offset the administrative costs.

In order to address risks to habitability facing the Housing Choice Voucher (HCV) program residents, REAC is in the process of preparing to conduct a sample of physical inspections and assessments of HCV units by transitioning the inspection process and standards from the less transparent Housing Quality Standards (HQS) protocol to that of Uniform Physical Condition Standard (UPCS) protocol, which has a proven high level of accuracy and reliability. This is a high priority that will be pursued further as data develops.

To further enhance REAC's physical inspection program, REAC is in the process of adding photo capability to the inspection process. This will improve the program's ability to provide meaningful and useable assessment data for all REAC customers, including the Offices of Housing and Public and Indian Housing, property owners, agents, executive directors, and boards of commissioners. Photos will not only bring REAC's inspection program on par with other commercial industry standards, they will provide validation of the inspection results by providing clear visual images of housing deficiencies, some of which may threaten the health and safety of residents.

BUDGET REQUEST BY FUNCTION

Function Title: Tenant Based Rental Assistance (TBRA) Operations and Monitoring

Function Description: The TBRA Operations and Monitoring function captures the principal operational activities of the HCV Program. This program provides affordable housing to low-income families in the private market. Activities include establishing rules and strategic orientation of the program, responding to inquiries from stakeholders, and providing customer service and technical assistance to PHAs administering the program. In addition, this captures workload for onsite and remote reviews of financial and operational information and conducting quality assurance reviews. This ensures good program management practices and optimum use of funds. PIH monitors PHAs primarily by reviewing their leasing rate and spending of housing assistance payments throughout the year. The Optimization Tool assists PHAs in projecting the level of funding necessary to maintain certain leasing rates and to take into account factors such as attrition, reserves, and new vouchers awarded to the PHA. This Optimization Tool also plays a key role in the prevention of funding shortfalls and the stabilization of program operations. PIH and its Field Offices are actively working with PHAs in order to assist them in moving into and/or staying within this optimal zone of program management. Contract funds are provided within this function to implement expanded HCV inspections.

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TBRA Operations and Monitoring				
(Dollars in Thousands)				
	FY 2013	FY 2014	FY 2015	FY 2014 to FY 2015
Personnel Services	\$35,956	\$37,584	\$40,668	\$3,084
Non-Personnel Services				
Travel	349	349	599	250
Other Services	463	463	463	-
Non-Personnel Services Subtotal	812	812	1,062	250
GRAND TOTAL	\$36,768	\$38,396	\$41,730	\$3,334
Associated FTE	274.9	280.9	301.0	20.1

FTE/Workload Summary of Change

- Personnel Services increases by \$3,084K from fiscal year 2014 due to the FTE changes detailed below, as well as a nominal increase in funding for promotions, within grade increases, and pay raise.
- Non-Personnel Services increases \$250K from fiscal year 2014 to fund additional travel for on-site monitoring, oversight and inspections.
- FTE will increase by 20.1 from fiscal year 2014. This additional FTE will support and strengthen field operations. An additional 15.0 FTE will be allocated to Field Office On-Site Monitoring and Oversight to conduct an additional 418 on-site inspections. 5.1 additional FTE for Field Office Remote Oversight will provide the expertise needed to conduct 1,275 additional remote reviews.

Function Title: Public Housing Operations and Monitoring

Function Description: The Public Housing Operations and Monitoring function includes all activities associated with operating, maintaining, and efficiently managing affordable rental opportunities for low-income families. Specific activities include field management and oversight of PHAs administering the program including on-site and remote observation of PHAs, occupancy maximization; maintaining data systems related to public housing and resident demographics; addressing inquiries from PHAs, resident groups, and the public; and providing customer service to both internal and external customers of the Public Housing program. In addition, this function captures the activities related to the Portfolio Management Tool (PMT). The PMT provides information on what projects warrant additional site visits or special attention; utilizes information from REAC’s physical inspection of a project, and Financial Data Schedule data. Headquarters monitor progress in the occupancy initiative through the Public and Indian Housing Information Center (PIC) universe report. Information and technical assistance is provided to Regional Directors and

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offices where occupancy rates are lower than expected. Headquarters also monitor progress through setting quarterly goals and comparing actual progress to the goals for the quarter on a network and office basis.

Public Housing Operations and Monitoring				
(Dollars in Thousands)				
	FY 2013	FY 2014	FY 2015	FY 2014 to FY 2015
Personnel Services	\$29,508	\$30,850	\$33,183	\$2,333
Non-Personnel Services				
Travel	402	402	602	200
Other Services	382	382	382	-
Non-Personnel Services Subtotal	784	784	984	200
GRAND TOTAL	\$30,292	\$31,634	\$34,167	\$2,533
Associated FTE	225.6	230.6	245.6	15.0

FTE/Workload Summary of Change

- Personnel Services increases by \$2,333K from fiscal year 2014 due to the FTE changes detailed below, as well as a nominal increase in funding for promotions, within grade increases, and pay raise.
- Non-Personnel Services increases by \$200K from fiscal year 2014 to fund additional travel for on-sight monitoring, oversight and reviews.
- FTE will increase by 15.0 from fiscal year 2014 with 100 percent of the staffing increases allocated to the Field. An additional 10.0 FTE will bolster PIH’s capacity in Field On-Site Monitoring and Oversight, increasing the number of on-sight reviews completed by 2,165 over the fiscal year 2014 level. The remaining 5.0 FTE will also improve oversight, with the staff facilitating almost 6,000 additional remote reviews under Field Remote Monitoring and Oversight.

Function Title: Indian Housing Operations and Monitoring

Function Description: The Indian Housing Operations and Monitoring function performs all activities associated with operating, maintaining, and efficiently managing affordable housing and tribal and reservation Block Grant development opportunities for Native American and Hawaiian families. These activities include but are not limited to: field management and oversight of Tribally Designated Housing Entities (TDHEs), administering the program; on-site and remote monitoring; and maintaining data systems.

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The staff addresses inquiries from tribes, resident groups, and the public; provides customer service to both internal and external customers of the Office of Native American programs.

Indian Housing Operations and Monitoring				
(Dollars in Thousands)				
	FY 2013	FY 2014	FY 2015	FY 2014 to FY 2015
Personnel Services	\$18,652	\$19,211	\$19,807	\$596
Non-Personnel Services				
Travel	248	248	298	50
Other Services	123	123	123	-
Non-Personnel Services Subtotal	371	371	421	50
GRAND TOTAL	\$19,023	\$19,582	\$20,228	\$646
Associated FTE	142.6	143.6	146.6	3.0

FTE/Workload Summary of Change

- Personnel Services increases by \$596K from fiscal year 2014 due to the FTE changes detailed below, as well as a nominal increase in funding for promotions, within grade increases, and pay raise.
- Non-Personnel Services will increase \$50K from fiscal year 2014 to fund increased travel for oversight and management of the Indian Housing Block Grant program.
- An additional 3.0 FTE for fiscal year 2015 will ensure implementation of improvements to the Indian Housing Block Grant program, ensuring that all allocated funding is spent and that homeownership is provided in accordance with priority need.

Function Title: Public Housing Modernization, Development and Repositioning

Function Description: The Public Housing Modernization, Development and Repositioning function involves all operational and monitoring activities associated with the Capital Fund Program, a formula-based program that finances Public Housing modernization and management improvement activities and supports other rental housing programs administered under PIH. Also included are the HOPE VI and mixed financed activities and developments, demolition and disposition applications and homeownership activities. Tasks consist of on-site and remote monitoring of PHA compliance with program requirements, collecting and validating data, providing customer service and technical assistance to PHAs and other stakeholders, and promoting energy efficiency in capital projects.

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Public Housing Modernization, Development and Repositioning				
(Dollars in Thousands)				
	FY 2013	FY 2014	FY 2015	FY 2014 to FY 2015
Personnel Services	\$19,646	\$20,228	\$20,834	\$606
Non-Personnel Services				
Travel	155	155	205	50
Non-Personnel Services Subtotal	155	155	205	50
GRAND TOTAL	\$19,801	\$20,383	\$21,039	\$656
Associated FTE	150.2	151.2	154.2	3.0

FTE/Workload Summary of Change

- Personnel Services increases by \$606K from fiscal year 2014 due to the FTE changes detailed below, as well as a nominal increase in funding for promotions, within grade increases, and pay raise.
- Non-Personnel Services increases by \$50K from fiscal year 2014 to fund additional travel for increased oversight and monitoring.
- A modest increase of 3.0 FTE, all allocated to the Field, will bolster PHA oversight and monitoring. 2.0 FTE will provide additional On-Site Monitoring and Oversight, allowing for 305 additional on-site reviews, and 1.0 FTE will facilitate about 1,000 more remote reviews.
- In fiscal year 2015, PIH will transfer 44.8 FTEs to the Office of Recapitalization within the Office of Housing with a corresponding transfer of \$50K in travel.

Function Title: Innovation Program and Demonstrations

Function Description: The Innovation Program and Demonstrations function includes all activities associated with major housing and neighborhood revitalization and community development efforts financed through the Choice Neighborhoods Initiative. Through this program, neighborhoods of extreme poverty are transformed into sustainable communities with decent, safe, and sanitary housing and well-functioning services, schools, and transportation. Other major demonstration and initiatives such as the MTW Program and the White House Neighborhood Revitalization Initiative and all associated activities are included in this function. This function also involves: collaboration with other federal, state, local and non-profit partners; on-site and remote monitoring of the grantees for program compliance; and providing customer service to stakeholders in community revitalization and demonstration efforts.

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Innovation Program and Demonstrations				
(Dollars in Thousands)				
	FY 2013	FY 2014	FY 2015	FY 2014 to FY 2015
Personnel Services	\$5,389	\$5,512	\$5,566	\$54
Non-Personnel Services				
Travel	155	155	155	-
Non-Personnel Services Subtotal	155	155	155	-
GRAND TOTAL	\$5,544	\$5,667	\$5,721	\$54
Associated FTE	41.2	41.2	41.2	0.0

FTE/Workload Summary of Change

- Personnel Services increases by \$54K from fiscal year 2014 due to a nominal increase in funding for promotions, within grade increases, and pay raise.
- No change in NPS from fiscal year 2014. In fiscal year 2015, PIH will transfer 11.2 FTEs to the Office of Recapitalization within the Office of Housing with a corresponding transfer of \$50K in travel.
- No change in FTE from fiscal year 2014.

Function Title: Native American and Native Hawaiian Homeownership

Function Description: The Native American and Native Hawaiian Homeownership function includes providing opportunities for low-income families to achieve homeownership through the Indian Housing/Native Hawaiian Loan Guarantee programs, to include remote and on-site monitoring of Indian Housing Authorities (IHAs) and TDHEs administering homeownership programs in their jurisdictions. Providing customer service and other supportive services to participants are important components of this function.

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Native American and Native Hawaiian Homeownership				
(Dollars in Thousands)				
	FY 2013	FY 2014	FY 2015	FY 2014 to FY 2015
Personnel Services	\$1,086	\$1,378	\$1,797	\$419
Non-Personnel Services				
Travel	62	62	62	-
Non-Personnel Services Subtotal	62	62	62	-
GRAND TOTAL	\$1,148	\$1,440	\$1,859	\$419
Associated FTE	8.3	10.3	13.3	3.0

FTE/Workload Summary of Change

- Personnel Services increases by \$419K from fiscal year 2014 due to the FTE changes detailed below, as well as a nominal increase in funding for promotions, within grade increases, and pay raise.
- No change in NPS from fiscal year 2014.
- An additional 3.0 FTE added in fiscal year 2015 will dramatically improve PIH’s ability to process loans and workload associated with the Section 184 program, with 1.0 additional FTE allocated to reviewing, processing and administering Sec 184-A applications. 1.0 FTE will support an additional 459 Section 184 loan applications processed in the Field, and 1.0 FTE will support 77 additional Section 184 loan applications processed in the Headquarters.

Function Title: Resource Formulation, Allocation and Financial Management

Function Description: The Resource Formulation, Allocation and Financial Management function distributes and tracks program funds, develops Congressional budget justifications, develops and interprets policies and procedures for the use of PIH resources and responds to legislative inquiries on PIH’s budget requests. Yearly activities include forecasting the budgetary needs of each PIH program, developing and preparing budget requests based on those forecasts, preparing renewal and carryover estimates, calculating and allocating funding in accordance with the Appropriations Acts, and evaluating PHA applications for funding. Collaborating with PIH offices to complete budget actions includes the provision of customer service and establishing the proper procedures for committing, obligating, and expending PIH funds. Implementing and documenting those processes in the administrative control of funds plans and reviewing unliquidated obligations on a regular basis are also essential activities of this function.

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Resource Formulation, Allocation and Financial Management				
(Dollars in Thousands)				
	FY 2013	FY 2014	FY 2015	FY 2014 to FY 2015
Personnel Services	\$8,463	\$8,656	\$8,742	\$86
Non-Personnel Services				
Travel	62	63	63	-
Non-Personnel Services Subtotal	62	63	63	-
GRAND TOTAL	\$8,525	\$8,719	\$8,805	\$86
Associated FTE	64.7	64.7	64.7	0.0

FTE/Workload Summary of Change

- Personnel Services increases by \$86K from fiscal year 2014 due to a nominal increase in funding for promotions, within grade increases, and pay raise.
- No change in NPS from fiscal year 2014.
- No change in FTE from fiscal year 2014.

Function Title: Financial, Physical and Program Integrity

Function Description: The Financial, Physical and Program Integrity function includes the performance of financial and physical assessments and quality assurance reviews of PHAs administering the Public Housing and HCV Programs to improve PHAs financial accountability and safeguard housing resources. Activities under this function include data accumulation, analysis, and validation on the financial health of the PHAs and the physical condition of public housing across the nation. Assessments to insure program integrity and proper payments are also included in this function. PIH conducts Quality Assurance (QA) oversight in two broad areas: physical inspections of the HUD property portfolio and financial components of program operations. The financial component includes in depth analyses of troubled PHA operations, independent reviews of the audit reports submitted for the property portfolio, independent validations of funding formula calculations and effectiveness and efficiency reviews. Both missions are mandated by law. In the physical inspection area, PIH not only ensures that the contracted inspectors follows proper inspection protocol by conducting Control Quality Assurance Reports (CQA) and Limited Quality Assurances (LQA) (on-site full and limited inspections) but also conducts training.

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Financial, Physical and Program Integrity				
(Dollars in Thousands)				
	FY 2013	FY 2014	FY 2015	FY 2014 to FY 2015
Personnel Services	\$37,709	\$39,238	\$41,519	\$2,281
Non-Personnel Services				
Travel	1,105	1,105	1,455	350
Other Services	-	5,000	5,000	-
Non-Personnel Services Subtotal	1,105	6,105	6,455	350
GRAND TOTAL	\$38,814	\$45,343	\$47,974	\$2,631
Associated FTE	288.3	293.3	307.3	14.0

FTE/Workload Summary of Change

- Personnel Services increases by \$2,281K from fiscal year 2014 due to the FTE changes detailed below, as well as a nominal increase in funding for promotions, within grade increases, and pay raise.
- Non-Personnel Services increases by \$350K from fiscal year 2014 to fund additional travel for financial and physical assessments, QA reviews and additional work on shortfall prevention activities. Housing Choice Voucher inspections, which began in fiscal year 2014 will continue in fiscal year 2015.
- We are requesting an additional 14.0 FTE above the fiscal year 2014 level. Of these, 5.0 FTE added to Performing Financial Assessment of Public Housing will support almost 2,000 more assessments. Another 5.0 FTE will be allocated to Physical Assessment Quality Assurance to provide more than 250 additional QA reviews. Finally, an additional 4.0 FTE will support PIH's work with Shortfall Prevention Efforts by increasing the number of work assignments by 1,223.

Function Title: Quality Assurance and Training Development

Function Description: The Quality Assurance and Training Development function includes the managing, training and developing of staff within PIH. Activities include establishing personnel policy, reviewing work assignments, managing work flow to meet critical deadlines, conducting performance reviews and succession planning. This function also captures time spent on employee training and development as well as other administrative duties such as time and attendance.

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Quality Assurance and Training Development				
(Dollars in Thousands)				
	FY 2013	FY 2014	FY 2015	FY 2014 to FY 2015
Personnel Services	\$2,864	\$2,930	\$2,959	\$29
Non-Personnel Services				
Travel	309	309	309	-
Training	765	780	780	-
Non-Personnel Services Subtotal	1,074	1,089	1,089	-
GRAND TOTAL	\$3,938	\$4,019	\$4,048	\$29
Associated FTE	21.9	21.9	21.9	0.0

FTE/Workload Summary of Change

- Personnel Services increases by \$29K from fiscal year 2014 due to a nominal increase in funding for promotions, within grade increases, and pay raise.
- No change in FTE from fiscal year 2014.
- In fiscal year 2015, PIH will transfer 10K in training funds to the Office of Recapitalization within the Office of Housing.

Function Title: Strategic Planning and Risk Management

Function Description: The Strategic Planning and Risk Management function includes all activities associated with development of strategic and management action plans. In addition, it includes risk management activities and reviews to ensure the highest level of accountability and integrity in the delivery of PIH programs. Activities under this function include development of PIH’s contribution to the Department’s Strategic Plan and implementation of the PHA Recovery and Sustainability (PHARS) Initiative. This initiative is a targeted and holistic based plan that requires intensive on-site assessments, technical assistance and diligent engagement with the PHA staff, board and local appointed officials. In addition, the Enterprise Risk Management approach which includes strategies and initiatives focused on enterprise-level direction regarding risk management issues both internally and externally. This includes but is not limited to the development of risk mitigation strategies and plans to effectively support PIH’s business.

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Strategic Planning and Risk Management				
(Dollars in Thousands)				
	FY 2013	FY 2014	FY 2015	FY 2014 to FY 2015
Personnel Services	\$10,294	\$11,024	\$12,754	\$1,730
Non-Personnel Services				
Travel	62	62	162	100
Non-Personnel Services Subtotal	62	62	162	100
GRAND TOTAL	\$10,356	\$11,086	\$12,916	\$1,830
Associated FTE	78.7	82.4	94.4	12.0

FTE/Workload Summary of Change

- Personnel Services increases by \$1,730K from fiscal year 2014 due to the FTE changes detailed below as well as a nominal increase in funding for promotions, within grade increases, and pay raise.
- Non-Personnel Services increases by \$100K from fiscal year 2014 to fund additional travel for PHA recovery and risk management activities.
- An increase of 12.0 FTE from fiscal year 2014 will provide support in two key areas: PHA Recovery and Sustainability and Portfolio Management. The 10.0 FTE increase in PHA Recovery and Sustainability, will provide increased risk management activities and for an additional 1,080 troubled PHAs. An increase of 2.0 FTE in Sustainability and Portfolio Management will allow for risk management activities and remediation activities to cover an additional 1,500 units residing within the 9 PHAs in receivership. Together, these FTE will provide the expertise needed to support ongoing efforts to bring struggling PHAs back from the brink before they reach troubled status and to pave a more stable path forward with improved management practices.

Function Title: Legislative/Policy Development, Research and Review

Function Description: The Legislative/Policy Development, Research and Review function includes the planning, developing, implementing, overseeing, reviewing and revising new policies, program initiatives, directives, legislative/regulatory proposals, implementation notices, federal register notices, handbooks, guidebooks and research that are relevant to the improvement of PIH programs and/or delivery of services.

Program Office Salaries and Expenses-Office of Public and Indian Housing

Legislative/Policy Development, Research and Review				
(Dollars in Thousands)				
	FY 2013	FY 2014	FY 2015	FY 2014 to FY 2015
Personnel Services	\$3,335	\$3,411	\$3,445	\$34
Non-Personnel Services				
Travel	124	124	124	-
Non-Personnel Services Subtotal	124	124	124	-
GRAND TOTAL	\$3,459	\$3,535	\$3,569	\$34
Associated FTE	25.5	25.5	25.5	0.0

FTE/Workload Summary of Change

- Personnel Services increases by \$34K from fiscal year 2014 due to a nominal increase in funding for promotions, within grade increases, and pay raise.
- No change in NPS from fiscal year 2014.
- No change in FTE from fiscal year 2014.

Function Title: Business Analysis and Operations

Function Description: The Business Analysis and Operations function provides key administrative and support services within PIH Headquarters' operations. Critical IT support for PIH systems, development of the NGMS, procurement and contracting activities, and audit liaison and resolution workload are contained within this function, as well as human resource services, the processing of training requests and Equal Employment Opportunity (EEO) complaints, performing correspondence services, providing internal customer service and other administration management tasks. This function also includes staffing to support PIH's Disaster Response and Recovery Support activities.

Program Office Salaries and Expenses-Office of Public and Indian Housing

Business Analysis and Operations (includes Disaster Response and Recovery Support)				
(Dollars in Thousands)				
	FY 2013	FY 2014	FY 2015	FY 2014 to FY 2015
Personnel Services	\$11,026	\$11,278	\$11,390	\$112
Non-Personnel Services				
Travel	62	59	59	-
Rent, Communications, Utilities	3	5	5	-
Printing and Reproduction	86	90	90	-
Other Services	9	3,709	9	(3,700)
Supplies	49	55	55	-
Non-Personnel Services Subtotal	209	3,918	218	(3,700)
GRAND TOTAL	\$11,235	\$15,196	\$11,608	(\$3,588)
Associated FTE	84.3	84.3	84.3	0.0

FTE/Workload Summary of Change

- Personnel Services increases by \$112K from fiscal year 2014 due to a nominal increase in funding for promotions, within grade increases, and pay raise.
- Non-Personnel Services will decrease \$3,700K from fiscal year 2014. In fiscal year 2015, PIH will transfer 6K in supply funds to the Office of Recapitalization within the Office of Housing.
- No change in FTE from fiscal year 2014.