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 under the provisions of the U.S. Housing Act of 1937, the central mission of the Office of Public and Indian Housing (PIH) is to connect nearly 5 million of the country's most vulnerable households to a safe, decent and affordable place to call home. PIH partners with more than 4,000 Public Housing Authorities (PHAs) and 566 Tribally Designated Housing Entities (TDHEs) to increase capacity, administer, operate, and modernize their housing inventories; effectively manage their physical assets and financial resources; and to facilitate programs that provide supportive services to improve tenant outcomes and create strong, sustainable, inclusive communities and quality affordable homes for all.

PIH delivers assistance to low-income families through three core areas of assistance:

- Public Housing (Operating and Capital subsidies)
- Tenant-Based Rental Assistance (TBRA) – Housing Choice Vouchers (HCV) program
- Native American programs

The majority of PIH's effort, with respect to the Department's Strategic Plan, is devoted to HUD Goal 2 – Meet the Need for Quality Affordable Rental Homes. PIH will continue to support this goal by:

- Continuing the development and implementation of the Next Generation Management System (NGMS)
- Improving the financial health of PHAs
- Conducting HCV and Public Housing unit inspections
- Increasing efforts to assist and mitigate troubled PHAs through earlier detection and increased intervention strategies
- Overseeing PHAs under Receivership

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

TOTAL - SALARIES AND EXPENSES				
(Dollars in Thousands)				
	FY 2014	FY 2015	FY 2016	FY 2015 to FY 2016
Personnel Services	**$184,880**	**$192,000**	**$199,000**	**$7,000**
Non-Personnel Services				
Travel	4,208	4,092	4,092	-
Rent/Utilities	5	4	4	-
Printing	90	90	90	-
Other Services/Contracts	5,824	5,980	5,902	(78)
Training	1,566	780	858	78
Supplies	55	54	54	-
Non-Personnel Subtotal	**11,748**	**11,000**	**11,000**	**(0)**
GRAND TOTAL	**$196,628**	**$203,000**	**$210,000**	**$7,000**
Associated FTE	**1,345.0**	**1,421.1**	**1,453.3**	**32.2**

DESCRIPTION OF CHANGE FROM FY 2015 TO FY 2016

The Office of Public and Indian Housing requests $199,000K and 1,453.3 Full-Time Equivalents (FTE) in fiscal year 2016, with an increase from fiscal year 2015 enacted of $7,000K and 32.2 FTE.   An increase in funding will support the additional hiring, and also covers pay raise, promotions and within grade increases. The increase of 32.2 FTE will bolster PIH's capabilities in oversight and monitoring across program lines. FTE figures reflect adjustments to realign PIH's workload demands with scarce resources to achieve strategic goals of increasing access to affordable rental housing, developing sustainable and inclusive communities and helping to foster self-sufficiency of the citizens we serve.

- Personnel Services: PIH requests $199,000K and 1,453.3 FTE. This request represents an increase of $7,000K and 32.2 FTE. These changes include:
    - An increase of 7.6 FTE will support enhanced grant monitoring and oversight activities for the following functions: operations and monitoring for Tenant-Based Rental Assistance, Public Housing, Indian Housing, and Public Housing modernization, development and repositioning.

- o An increase of 25.0 FTE to support workload associated with the processing of up to 400 applications from PHAs for Public Housing units that will convert into a Project-Based Rental Assistance Contract through the Department's Cross-Cutting Rental Assistance Demonstration (RAD) Initiative. Specifically, these FTE will support application review, technical assistance, and monitoring associated with the processing of applications.
- o An increase of 10.0 FTE to implement the Affirmatively Furthering Fair Housing (AFFH) Rule, which will involve the review, oversight, coordination and providing technical assistance for the Fair Housing Assessments submitted by PHAs.
- o There is also an increase of 5.0 FTE for expansion of the Moving-To-Work Demonstration (MTW) and the Jobs Plus Initiative.
- o Due to efficiencies gained through streamlining efforts and the revamping of business processes, there will be a reduction of 15.4 FTE in various administrative/support areas.

	Personnel Services Functional Summary (Dollars in Thousands)					
	FY 2014		FY 2015		FY 2016	
Function	FTE	Cost	FTE	Cost	FTE	Cost
Tenant-Based Rental Assistance Operations and Monitoring	191.9	26,365	204.6	27,644	234.6	32,124
Public Housing Operations and Monitoring	291.0	40,075	307.7	41,573	315.0	43,133
Indian Housing Operations and Monitoring	137.1	18,835	142.0	19,185	143.4	19,636
Public Housing Modernization, Development, Redevelopment and Repositioning	128.7	17,682	136.0	18,375	137.7	18,855
Innovative Programs & Demonstrations	52.2	7,172	60.4	8,161	65.4	8,955
Native American & Native Hawaiian Homeownership	13.3	1,827	13.4	1,810	13.8	1,890
Resource Formulation, Allocation, and Financial Management	74.0	10,167	76.9	10,390	74.9	10,256
Financial, Physical, and Program Integrity Assessments	272.0	37,369	286.2	38,668	287.8	39,408
Strategic Planning & Risk Management	92.4	12,694	95.3	12,876	92.3	12,639
Legislative/Policy Development, Research & Review	23.3	3,201	25.5	3,445	25.7	3,519
Business Operations & Analysis	69.1	9,493	73.1	9,873	62.7	8,585
Total	**1,345.0**	**184,880**	**1,421.1**	**192,000**	**1,453.3**	**199,000**

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

KEY WORKLOAD INDICATORS				
Workload Indicator	FY 2014	FY 2015	FY 2016	FY 2015 to FY 2016
Number of TBRA Field Office On-Site Monitoring & Oversight Reviews	419	500	600	100
Number of TBRA Field Office Remote Monitoring & Oversight Reviews	9,456	11,000	11,650	650
Number of Public Housing Remote Monitoring & Oversight Reviews	642	642	750	108
Number of Indian Housing Enforcement Actions	560	560	646	86
Number of Capital Fund On-Site Monitoring Visits to PHAs	23	23	89	66
Number of Greened Units	36,000	36,000	57,000	21,000
Number of Choice Neighborhoods/MTW Transformation Plans	203	203	703	500

Key Workload Details:

Increases in On-Site and Remote Monitoring activities, as well as Occupancy Maximization activities, are part of PIH's efforts to provide enhanced oversight of PHAs. Field staff work with PHAs to address concerns regarding financial governance and overall fiscal responsibility. The workload increase for MTW Plans is due to the expected expansion of the Moving-To-Work Demonstration. Continuing the theme of fiscal responsibility through enhanced monitoring and oversight, workload increases for Indian Housing Enforcement Actions and Monitoring are part of PIH's broader commitment to provide enhanced oversight and financial management guidance to Tribally Designated Housing Entities (TDHEs).

- Non-Personnel Services: PIH requests $11,000K, unchanged from the fiscal year 2015 enacted level.

SUMMARY OF SYSTEMS/TOOLS REQUIRED TO MANAGE PROGRAM:

Next Generation Management System (NGMS):

The Next Generation Management System (NGMS) is a business-driven investment aimed to enhance HUD's Affordable Housing (AH) by achieving the following goals:

- Facilitate program management
- Improve end user satisfaction

- Streamline complex business processes
- 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 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. With accurate Real Estate Assessment Center (REAC) 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;
   a. The Portfolio & Risk Management Tool (PRMT), which is the first module for this dimension, went into production in September 2013. The release allows PIH staff to view data from various PIH IT systems in user friendly "dashboards" that enhance their ability to analyze trends, make better projections, more easily identify issues, and increases PIH's efficiency and effectiveness in utilizing appropriated funds.
2. Financial management - Developing an automated and more accurate process of budget formulation based on real-time data to reduce errors in budget forecasting;
   a. The Budget Formulation & Forecasting (BFF) module, which is the first module for this dimension, went into production in August 2013 with another release in March 2014. The two releases provide the capability to perform data validation, partial budget versions and budget formulation.
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):

IMS/PIC facilitates timely and accurate exchanges of data between PHAs and local HUD Offices and allows PHAs and HUD personnel to electronically submit information to HUD via a web browser from anywhere. To support the implementation of the Rental Assistance Demonstration (RAD) program system, enhancements to PIH Information Center are needed to provide the functionality to manage and monitor the program. The RAD program did not include any IT development funds to modify the existing systems to

accommodate new needs that PIC does not currently support. Hiring Plan/Work Realignment priority for up to five FTEs will be required to provide the new and modified functionality of the PIC system.

Enhanced Assessment Activities:

At the direction of Congress, REAC is conducting a sample of physical inspections and assessments of HCV units in order to assess risks to habitability facing participants of the Housing Choice Voucher (HCV) program:

- Complete the transition from use of the current Housing Quality Standards (HQS) to the, more transparent, Uniform Physical Condition Standards (UPCS) protocol.
  - UPCS standards have a proven high level of accuracy and reliability.
  - The transition is a high priority project that REAC expects will result in more uniformity of the physical inspection process.

To further enhance REAC's physical inspection program, REAC has completed testing of photo software. In early August 2014, REAC Physical Inspection Quality Assurance inspectors began conducting a limited number of inspections using new photo software. In September 2014, contract inspectors began conducting inspections with photos.

- Photo capability will improve the program's ability to provide meaningful and useable assessment data for all REAC customers.
- Photos will bring REAC's inspection program on par with other commercial industry standards.

In addition, REAC is exploring methods to collect data on the capital needs at public housing properties while reducing the administrative burden on public housing agencies (PHAs), including testing of the Physical Needs Assessment (PNA)[1] tool developed by PIH. In August, 2014, REAC's Quality Assurance inspectors and contract inspectors started testing the PNA tool at eight PHAs. To support REAC's enhanced assessment activities, Hiring Plan/Work Realignment priority for up to three FTEs is needed to fund the HCV transition to a protocol, similar to that of, UPCS. Further, Hiring Plan/Work Realignment priority for up to two FTEs is needed to support new photography software. Both of these DME efforts will allow REAC to transition to a consistent inspection standard and oversight process for Section 8 units, which is a priority for the Secretary and the White House.

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[1] However, during fiscal year 2015 in accordance with Sec. 233 of the fiscal year Appropriations Act, HUD will not require or enforce the PNA.