

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
ADMINISTRATIVE SUPPORT OFFICES  
OFFICE OF THE CHIEF HUMAN CAPITAL OFFICER**

*(\$ in Thousands)*

	<b>FY 2015 Actual</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>
Personnel Services	26,163	21,499	22,017
Common Distributable	6,660	6,900	6,900
<b>Personnel Services Subtotal</b>	<b>\$32,823</b>	<b>\$28,399</b>	<b>\$28,917</b>
<b>Non-Personnel Services</b>			
Travel	260	506	506
Rent, Comm., Utilities	1	-	-
Printing	50	-	-
Other services/Contracts	17,855	24,585	7,657
Training	3,506	2,700	3,700
Supplies	116	50	50
Furn. & Fixtures	99	60	60
Attorney's Fees	-	-	-
Working Capital Fund	-	-	751
<b>Non-Personnel Services Subtotal</b>	<b>\$21,887</b>	<b>\$27,901</b>	<b>\$12,724</b>
<b>Grand Total</b>	<b>\$54,710</b>	<b>\$56,300</b>	<b>\$41,641</b>
<b>Associated FTE</b>	<b>176.0</b>	<b>152.0</b>	<b>153.0</b>

**Program Area Overview**

The Office of the Chief Human Capital Officer (OCHCO) provides leadership and direction in the formulation and implementation of strategic human capital policies, programs, and systems to promote efficient and effective human capital management for the Department. OCHCO represents HUD on strategic human capital and human resource matters and plays a critical role in maximizing the Department's performance and assuring accountability with the Office of Personnel Management (OPM), Office of Management and Budget (OMB), other federal agencies, Congress, and the public. According to the U.S. Government Accountability Office's report "GAO-15619T," the federal government is facing workforce-related challenges that could affect the ability of agencies to effectively carry out their missions. The Department confronts two major challenges: 1) HUD has experienced the greatest percentage decline of permanent career employees across the Government from 2005 through 2014 and 2) HUD possesses the highest percentage of any agency of career permanent employees eligible to retire by 2019. This retirement wave can cause a loss of leadership and

## Administrative Support Offices - Office of the Chief Human Capital Officer

institutional knowledge at all levels. To address these challenges, OCHCO advises the Secretary and other principal staff on human capital efforts to ensure HUD recruits and retains individuals with the right skills to fulfill HUD's growing mission imperatives. OCHCO has employed a number of key human capital strategies to address HUD's human capital needs, and will build further upon them in fiscal year 2017. Specifically, in performing its responsibilities, OCHCO:

- Maintains the values of the federal civil service system including adherence to the merit system principles and equal employment opportunity requirements.
- Provides the Secretary and Deputy Secretary and other HUD leadership with expert human capital management advice and a high level of technical services that further the goals and objectives of the Department.
- Ensures that Federal and Departmental human capital goals, performance management, policies, and practices are communicated to all levels of management and to employees.
- Evaluates the effectiveness of human capital and resources programs.
- Strengthens employee engagement.
- Develops strategies to close agency skills gaps in mission critical areas.
- Provides leadership in the growth of agency competence, capability, and culture.

Separately, OCHCO's transactional work was outsourced in fiscal year 2013 to the Bureau of the Fiscal Service (BFS), a shared service provider. Preliminary reports show that BFS shared service accelerated HUD's hiring process (excluding the job classification and position descriptions) from 136 days to 98 days. Growth in this service area allows OCHCO to continue building on improving the accelerating processes. As a result, OCHCO plans to request a Voluntary Early Retirement Authority and Voluntary Separation Incentive Payment (VERA/VSIP) and a reorganization is under consideration. This reorganization would facilitate a better focus of OCHCO's resources on improving strategic planning, consultative capacity, and compliance oversight. In addition, this workforce reshaping will enable OCHCO to address expanded workforce-related challenges such as: talent management and development, including staffing reductions; retention; employee engagement; mission critical occupation competencies; consultation to departmental management; and departmental knowledge management. Under the new structure, the OCHCO organization will be comprised of Executive Resources, Accountability, Employee and Labor Relations, Conflict Resolution, Center for Talent Management and Human Capital Strategy, Center for Talent Development and Planning, Center for Performance and Workforce Engagement, and Center for Business Management and Administration. The request for a VERA/VSIP and associated realignment of duties will also feed into the Department's efforts to streamline and centralize certain enterprise functions.

**Requested Level and Justification**

In fiscal year 2017, the OCHCO is requesting \$41,641K to support an estimated 153 FTE.

- **Personnel Services:** The OCHCO is requesting \$22,017K and 153 FTE. The additional FTE is for the Center for Talent Management and Human Capital Strategy. This request represents an increase of \$518K from fiscal year 2016 enacted budget. A nominal amount of funding is included to fund the pay raise, promotions and within grade increases. The requested budget supports OCHCO in the areas of strategic human capital management, recruitment and staffing, departmental performance management and enterprise-level learning.
- **Common Distributable (CD):** In addition to the above, the personnel services account includes \$6,900K in Common Distributable for fiscal year 2017. The CD account supports the following program activities: 1) Transit Subsidy; 2) Student Loan Repayment Program; and 3) Flexible Spending. The request assumes transit subsidy funding at the same level as fiscal year 2015.
- **Non-Personnel Services:** The OCHCO is requesting a base amount of \$12,724K for the S&E non-personnel services accounts for fiscal year 2017. This request represents a reduction of \$15,177K from the fiscal year 2016 enacted budget of \$27,901K. The changes to non-personnel services accounts are described below:
  - Travel account is maintained at the same funding level from fiscal year 2016.
  - Other Services/Contracts account is reduced by \$16,928K, as this reduction represents funding that previously supported the BFS Shared Service provider agreement and Treasury's Franchise account (that is, HR-E2E; InCompass; and HR-Connect). In fiscal year 2016, the funding for HUD's BFS shared-service agreement will be transferred and funded out of the Working Capital Fund (WCF). Starting in fiscal year 2017, HUD offices will pay for these, and other shared services, through the WCF based on their usage. The customer service support, oversight monitoring, and other operating activities will remain in OCHCO. For more information, please see the Congressional Justification for the WCF. OCHCO's 2017 request includes \$751K to pay working capital fund fees for shared services, and other investments as determined by the Secretary.
- **Training in fiscal year 2017 increased by \$1M.** The funding increase will allow OCHCO to provide excellence in developmental training for HUD's leadership and technical assistance along with consultation support to assess mission-critical skill gaps and to implement workforce planning and succession planning goals.

Administrative Support Offices - Office of the Chief Human Capital Officer

**Full-time Equivalents**

<b>Staffing</b>	<b>FY 2015 FTE</b>	<b>FY 2016 FTE (Est)</b>	<b>FY 2017 FTE (Est)</b>
Office of the CHCO	8.0	7.0	7.0
Executive Resources	13.0	10.0	10.0
Accountability	3.0	2.0	2.0
Employee & Labor Relations	22.0	18.0	18.0
Conflict Resolution	0.0	2.0	2.0
Center for Talent Management & Human Capital Strategy	71.0	57.0	58.0
Center for Talent Development and Planning	19.0	17.0	17.0
Center for Performance and Workforce Engagement	8.0	8.0	8.0
Center for Business Management and Administration	32.0	31.0	31.0
<b>Total</b>	<b>176.0</b>	<b>152.0</b>	<b>153.0</b>

**Key Operational Initiatives**

OCHCO is in the midst of developing its reorganization plan to align the organization with its new strategic and consultative focus. As a part of that effort, OCHCO is offering a buy-out/VERA VSIP to certain OCHCO employees in fiscal years 2016 and 2017. In addition, OCHCO will propose a reorganization of its structure.

The buyout and the approval of its fiscal year 2016 reorganization plan will allow OCHCO to downsize to ensure that we maintain the optimum operational structure. The reorganization plan provides OCHCO the opportunity to re-align the number of staff in an office and hire the appropriate positions for quality management, data integrity, and oversight, and focus on human capital issues and policies. The requested positions include Statistical and Data Analyst, Instructional Systems Specialist, Industrial Organizational

Administrative Support Offices – Office of the Chief Human Capital Officer

Psychologist, and an Employee and Labor Management Director and to align OCHCO's performance capabilities with the Department's mission and strategic goals.

In addition, OCHCO is working with the Office of the Deputy Secretary to scrub all of its contracts to achieve efficiencies, consolidate similar functions, and federalize functions where appropriate. This thorough review of contracts supports OCHCO's key operational initiatives.