

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Program Offices Salaries and Expenses

Office of Fair Housing and Equal Opportunity

SALARIES AND EXPENSES

(Dollars in Thousands)

	2019	2020			2021		
	Actuals	Carry Over	Enacted	Total	Carry Over	President's Budget	Total
Personnel Services:	\$62,080	\$2,862	\$68,230	\$71,092	-	\$75,440	\$75,440
Non-Personnel Services:							
Travel	899	1,048	-	1,048	1,002	36	1,038
Transportation of Things	15	-	-	-	-	-	-
Rent and Utilities	3	2	-	2	-	2	2
Printing	13	15	-	15	-	5	5
Other Services/Contracts	480	1,000	-	1,000	144	861	1,005
Training	386	650	-	650	-	650	650
Supplies	19	30	-	30	-	30	30
Total, Non-Personnel Services	\$1,815	\$2,745	-	\$2,745	\$1,146	\$1,584	\$2,730
Working Capital Fund	1,712	1,686	-	1,686	5,624	-	5,624
Carryover	7,293	-	6,770	6,770	-	-	-
Grand Total	\$72,900	\$7,293	\$75,000	\$82,293	\$6,770	\$77,024	\$83,794
FTEs	435	19	452	471	-	486	486

PROGRAM PURPOSE

The Office of Fair Housing and Equal Opportunity's (FHEO) mission is "To eliminate housing discrimination, promote economic opportunity, and achieve diverse, inclusive communities by leading the nation in the enforcement, administration, development, and public understanding of federal fair housing policies and laws." FHEO's cardinal duty, therefore, is to create equal housing and credit opportunities for all persons living in America, which it does by administering laws that prohibit housing discrimination on the basis of race, color, religion, sex, national origin, age, disability, and familial status.

BUDGET OVERVIEW

The 2021 President's Budget requests \$77 million for FHEO S&E, \$2.0 million more than the 2020 enacted level. The Budget reflects total funding (carryover and new authority) of \$83.8 million, \$1.5 million above 2020 total funding.

Personnel Services (PS)

The Budget reflects total funding of \$75.4 million for FHEO PS, \$4.3 million above 2020 total funding. This funding will support 486 full-time equivalents (FTEs), 15 FTEs above 2020.

The majority of FHEO's work is not determined by Departmental policy or grant funding provided by Congress but is required by statute or regulation and not within FHEO's discretion to forgo. In 2010, FHEO had 622 on-board staff, whereas today FHEO has approximately 426, a reduction of 196 staff, or 32 percent, in nine years. This has resulted in significant risks in the execution of FHEO programs that can be distilled down to five areas of acute need: Title VIII complaint investigations, fair housing compliance, including for the Rental Assistance Demonstration (RAD) Program, and grant distribution and monitoring of the Fair Housing Initiatives Program (FHIP) and the Fair Housing Assistance Program (FHAP). FHEO has made increasing staff its highest priority in 2020 and the funding requested in 2021 will build on this effort.

FHEO will continue to prioritize the hiring of additional FTEs in field offices to support Compliance Enforcement activities and RAD. The goal is to have roughly 80 percent of the workers located in the field and 20 percent at Headquarters.

PS funding will also support an increase in awards spending above 2020 levels of no less than 1 percentage point of non-SES/SL/ST salary spending in 2021.

Non-Personnel Services (NPS)

The Budget reflects total funding (carryover and new authority) of \$2.7 million for FHEO NPS, \$15 thousand below 2020 total funding. This funding level will provide travel for litigating cases, undertaking fair housing investigations, conducting compliance reviews, and education and outreach efforts.

Working Capital Fund (WCF)

The Budget reflects total funding of \$5.6 million for FHEO's contribution to the WCF, \$3.9 million above 2020 total funding. This increase is primarily attributed to the new WCF business lines of IT Devices and Records Management Services.

KEY OPERATIONAL INITIATIVES

FHEO is statutorily obligated to investigate, conciliate, and when appropriate, administratively enforce several Federal Civil Rights Statutes, including inter alia, Title VI of the Civil Rights Act of 1964 (Title VI); Title VIII of the Civil Rights Act of 1968, as amended in 1988 (Title VIII); and Section 504 of the Rehabilitation Act of 1973. In addition to FHEO processing over 1,000 complaints per year, the Office also oversees 5,251 complaint investigations conducted annually by approximately 79 state and local government Fair Housing Act enforcement agencies which are funded through the Fair Housing Assistance Program (FHAP). FHEO also administers and oversees the Fair Housing Initiatives Program (FHIP) funding more than 94 private fair housing groups and non-profits nationally which provide direct assistance to individuals who feel they have been discriminated against while attempting to purchase, rent or finance housing. By funding entities through FHAP and FHIP, the Department not only ensures enforcement of several federal Statutes, but also promotes state and local control in concerns relating to their communities.

Authorized by Congress under the 2012 HUD Appropriations Act, RAD allows public housing agencies (PHAs) and owners of other HUD-assisted properties to convert units from their original sources of HUD financing to project-based Section 8 contracts. By drawing on an established industry of lenders, owners, and stakeholders, RAD allows PHAs and owners of HUD-assisted housing to preserve and improve affordable housing units that otherwise may be lost due to disrepair and/or other factors. RAD provides greater funding certainty for potential lenders and increased operational flexibility and local decision-making for PHAs and owners to serve their communities.

FHEO plays a critical role in this increasingly important Departmental priority. FHEO's civil rights reviews of RAD conversions consists of performing a range of activities throughout the conversion process; this includes site and neighborhood, PHA Plan, threshold, accessibility and relocation reviews, as well as Affirmative Fair Housing Marketing Plan (AFHMP) reviews, requirements necessary prior to any RAD deal being approved. As RAD's success and size grows, it will continue to represent an expanding FHEO function as well.

FHEO also enforces Section 3 of the Housing and Urban Development Act of 1968 and provides oversight and technical assistance to local housing authorities and community development agencies to ensure that HUD investments result in economic opportunities for the low-income individuals, public housing residents, and the businesses that employ them.

Program Office Priorities/President's Management Agenda

In 2016, FHEO began implementation of a robust Enterprise Risk Management (ERM) framework for identifying and managing risk. In subsequent years, working with the Department, FHEO began including an integrated governance structure to improve mission delivery, and to focus and align key operational initiatives, resources, staff efforts, and corrective actions toward key risks and opportunities which are most impactful in meeting Departmental goals and that of the President's Budget. Goals include creation of a SharePoint-based Consolidated Risk Register with user views for identification and update to risks, issues, strategies and action plans; organizational change management to include training materials and events; risk assessment at operational and management work-unit levels, with intent for strategic, management planning, funding IT and performance goals for 2020 to be reflective of FHEO's risk profile, risk appetite, risk tolerance and priorities.

FHEO has identified monitoring its grant-funded programs as Key Risks in the Departmental Consolidated Risk Registry. Funding to provide on-site or remote compliance monitoring and to ensure these activities are conducted by skilled grant monitors supports HUD's Departmental management goals of the integration of Enterprise Risk Management and internal controls.

FHEO embarked on the development of an Innovation Strategic Plan (ISP) in 2018. The ISP, with the support of the Assistant Secretary for FHEO, set three National ISP Goals for 2019, one for 2020 to ensure that FHEO is more effective and efficient in meeting statutory and regulatory obligations. The 2021 goals will be set in January of 2020. These multi-year goals are in various stages of execution but more importantly each of the working groups are developing next steps to ensure that the ISP is integrated into annual planning and budget cycle for FHEO.

The 2020 National ISP Goal consists of:

- Standardizing the use of a Civil Rights Risk Assessment tool and other methods of risk detection to identify and conduct high-impact, on-site compliance reviews of HUD grantees.

In addition to the ISP goals, for 2020-2021 the Assistant Secretary for Fair Housing and Equal Opportunity's priority activities include the following:

- Partnering with the White House - U.S. Digital Service to re-platform or enhance the FHEO component of the HUD - Enforcement Management System (HEMS);
- Increasing investment in our most important resource - FHEO staff, through targeted recruitment, a focus on career ladders and increased resourcing for training; and
- Increasing communication, trust, and accountability throughout FHEO.

In 2020-2021, FHEO will refine the risk tool inputs and align cradle to grave with the department's enterprise risk rubric. Finally, the risk tool goal requires strategically prioritizing workload based on resources and need. FHEO is establishing a national approach to assessing risk. This will include

the development of a risk assessment tool for identifying high risk recipients of HUD monies, and the promotion of a consistent, national method for selecting recipients for compliance reviews and fair housing monitoring. This will also consider the current workload by Region and identify risk in regions with burdensome caseloads. In 2019, FHEO identified and requested resources to develop a risk tool. In 2020, FHEO will develop the risk tool and piloted it in every region for full rollout and utilization in 2021.

The FHEO Priority Activities, ISP goals and the process improvements outlined via those initiatives in 2020-2021, include working with OCIO to make targeted investments in the intake and complaints software system. The enhancement of the HEMS capability will leverage the reach of our existing investigator workforce therefore increasing the number of cases that FHEO is able to perfect and bring to Conciliation, administrative enforcement or to Federal Court through the Department of Justice. This will also allow FHEO to leverage the Fair Housing Assistance Program (FHAP) more effectively and provide greater service to the public. FHEO will be able to increase the number of the initial intake of allegations of discrimination from HUD staff to FHAP staff and increase the aggregate capability to conduct investigations. The intake process will be analyzed, refined, and standardized across FHEO regions to ensure effective national delivery.

Additionally, once data has been pulled together it will provide FHEO greater granularity and visibility over FHAP and HUD investigations and overall activity within FHEO. Through this shift FHEO seeks to gain efficiencies in workload management of Equal Opportunity Specialist and provide more time to perfect cases. The investment to dramatically improve the functionality, user experience, and access to the full variety of cases FHEO has mandated authority and oversight will likely increase FHEO's caseload. For example, currently FHEO conducts approximately 5,000 investigation annually. Based on the number of 20,000 initial contacts 15,000 of which are not converted to perfected cases, we anticipate that the increased efficiency realized by the HEMS improvements from 2020 will result in significant increases to our work. While our projected FTE request will take us through 2021 we anticipate increased requirements for Investigators in subsequent years.

The staff investment goal led to the creation of the FHEO Professional Development Institute (PDI) that responds to current and future staff needs. The most frequently offered ISP recommendation from staff was a need to cultivate and retain a talented workforce through succession planning and training. The creation of new classroom and online trainings for skills development among the Enforcement & Programs Investigator staff was at the forefront of coursework for the PDI, since this division accounts for 75 percent of total FHEO staff. Among other endeavors, the PDI will: (i) create various leadership development tracks; (ii) create an FHEO staff guidebook with internal policies/procedures; (iii) conduct shadowing across FHEO to gain skills; (iv) provide rotation opportunities with clear expectations; (v) expand teleconferences and other trainings; (vi) create a living, breathing succession plan; (vii) create or provide access to a national investigator training; (viii) create or provide access to a compliance training; and (ix) provide GTR training.