

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Administrative Support Offices

Office of the Assistant Secretary for Administration

SALARIES AND EXPENSES

(Dollars in Thousands)

	2020*	2021			2022		
	Actuals	Carryover	Enacted	Total	Carryover	President's Budget	Total
Personnel Services							
Personnel Services	\$75,626	-	\$80,618	\$80,618	-	\$102,809	\$102,809
Common Distributable	4,085	-	2,612	2,612	-	7,500	7,500
Total, Personnel Services	\$79,711	-	\$83,230	\$83,230	-	\$110,309	\$110,309
Non-Personnel Services							
Travel	1,363	-	1,420	1,420	-	2,376	2,376
Transportation of Things	361	-	370	370	-	365	365
Rent and Utilities	121,679	-	121,555	121,555	-	123,465	123,465
Printing	142	-	99	99	-	300	300
Other Services/Contracts	50,970	6,245	47,386	53,631	3,070	57,324	60,394
Training	1,707	-	2,488	2,488	-	3,714	3,714
Supplies	825	-	478	478	-	1,084	1,084
Furniture and Equipment	6,990	-	6,008	6,008	-	4,559	4,559
Claims and Indemnities	30	-	90	90	-	90	90
Total, Non-Personnel Services	\$184,067	\$6,245	\$179,894	\$186,139	\$3,070	\$193,277	\$196,347
Working Capital Fund	3,843	1,551	2,445	3,996	-	5,464	5,464
Carryover	7,796		3,070	3,070	-	-	-
Grand Total	\$275,417	\$7,796	\$268,639	\$276,435	\$3,070	\$309,050	\$312,120
FTEs	466	-	472	472	-	580	580

*Includes 2019 Carryover.

PROGRAM PURPOSE

The 2022 President's Budget requests the consolidation of the Office of Administration (OA), Office of the Chief Human Capital Officer (OCHCO), and Office of the Chief Procurement Officer (OCPO) into a single funding line under the Office of the Assistant Secretary for Administration (OASA). The consolidation of the three offices will achieve unity of effort in administrative support activities while maximizing resources necessary to support the Administration's goals and objectives. Harmonizing the efforts of the three offices toward achieving common goals and objectives will reduce duplication of effort and improve efficiency.

In August 2020, as part of the OASA's effort to continue to streamline operations across its program offices, improve efficiency and effectiveness of the offices and Department overall, the budget functions and staff were consolidated into one budget office providing support across the OASA. This consolidation has standardized the financial planning, forecasting, formulation, execution, and management of all budget functions across the OASA allowing for efficient and effective budgeting. As part of this continue effort, consolidating the three budgets into a single funding line will allow the OASA to strengthen its good fiscal governance and increase transparency and accountability. The focus on the consolidation approach is to:

- Develop a unified strategic vision for the organization and the support provided to the Department.
- Better align budget and policy objectives (e.g., performance-based budgeting).
- Design and maintain a strong framework of internal financial controls for managing and reporting performance against budget and forecasts.
- Design a planning process that is effective and efficient to maximize the organization's resources.
- Eliminate any duplicative and/or overlapping requirements.
- Establish flexibility to quickly address changing needs and requirements of the Department.

HUD's mission is critical to achieving the President's vision to ensure that we build back better from the public health and economic challenges and address longstanding systemic challenges, including racial injustice, rising inequality, and the climate crisis. HUD's work is essential to improving the quality of life of the American people, and this investment in the OASA's salaries and expenses will assist in ensuring that work is able to be done.

BUDGET OVERVIEW

The 2022 President's Budget requests \$309.1 million for the OASA, \$40.4 million more than the 2021 enacted level. The Budget reflects total funding of \$312.1 million, \$35.7 million above 2021 total funding. The funding level supports the OASA which consists of the Immediate Office of the Assistant Secretary for Administration (IOASA), Office of Administration (OA), Office of the Chief Human Capital Officer (OCHCO), and Office of the Chief Procurement Officer (OCPO).

With a focus on strengthening HUD's internal institutional capacity to deliver on mission, the Budget increase is critical to address multiple areas that have gone underfunded for several years:

- **Weaver Building Deferred Maintenance** – The Headquarters building's systemic infrastructure contains many failure points where systems are well past useful life and are currently operating in a patchwork fashion. Although there are many critical needs, HUD has prioritized the building HVAC system. As HUD prepares for post-COVID space standards, it is critical that the Department has a functional HVAC system in its HQ's building to decrease the potential for a spread of deadly airborne pathogens, and to allow HUD employees to feel safe to return to work.
- **Staffing** – With a focus on recruiting, hiring, retention and training the workforce, the OASA is proposing to make an investment in staffing for its program offices. The additional staffing will be focused in critical areas such as Diversity, Equity and Inclusion (DEI), Freedom of Information Act and privacy (FOIA), Disaster Management and National Security (ODMNS), human capital services to support the Department's needs of an increase in staffing levels, and procurement services such as acquisition support and capacity to support the Housing Assistance Program Support Service contracts, which will be the largest HUD acquisition program.

Personnel Services (PS)

The Budget assumes total funding of \$102.8 million for OASA PS to support 580 full-time equivalents (FTEs). This request represents an increase of \$22.2 million and 108 FTEs from 2021 total funding. The funding supports a 2.7 percent pay raise, a 1.1 percent increase in Federal Employees Retirement System (FERS) agency contributions and 1 percent increase for other benefits.

The OASA will invest additional FTE resources in the following areas:

- Implementation of the Department’s anti-harassment program. This investment is required to comply with the Equal Employment Opportunity Council's Management Directive 715 (MD 715), which mandates that agencies must have in place an effective anti-harassment program.
- Expansion of the Diversity, Equity and Inclusion (DEI) office. Additional resources are required for DEI to establish itself to independently administer an agency-wide program for a multi-generational and multi-sector workforce for HUD employees in Headquarters and across all field offices, by serving as the principal advisor for HUD’s leadership in developing and promoting a comprehensive, coordinated, and integrated approach to the management of diversity related statutory programs and requirements across the Department.
- Freedom of Information Act and Privacy services.
- Disaster Management and National Security services.
- Acquisition support to address the rapid increase of departmental procurement programs.

Common Distributable

The 2022 Budget request for Common Distributable is \$7.5 million. This request represents an increase of \$4.9 million from the 2021 enacted level. Common Distributable funding supports the Department-wide Transit Subsidy Benefits Program, the Student Loan Repayment Program, and the Administrative Fees for the Flexible Spending Accounts. The increase is attributed to the assumption that transit subsidy per capita costs will return to the 2020 levels that were being executed prior to the COVID-19 pandemic and to support the additional Department-wide staffing gains realized in 2021 and projected in 2022.

Non-Personnel Services (NPS)

The 2022 Budget reflects \$196.3 million in total funding for OASA NPS, which represents an increase of \$10.2 million from 2021 total funding. Non-Personnel Services investments include:

- \$5.1 million for the Weaver Building Deferred Maintenance and Modernization
- \$2.7 million rent increase for additional cleaning cost imposed by General Services Administration (GSA)
- \$500 thousand for unplanned move of the Cleveland Field office mandated by GSA
- \$3.3 million for contracting effort that support process improvement targeted at developing strategies to reduce the time to hire, promote talent development and succession planning, and develop evaluation strategies and human capital operating objectives.

Working Capital Fund (WCF)

The Budget assumes \$5.5 million for OASA’s contribution to the WCF. This request represents an increase of \$1.5 million from 2021 total funding. The increase is primarily attributed to the realignment of end-user IT devices and wireless support.

KEY OPERATIONAL INITIATIVES

OASA will work to optimize service delivery and decision making to better meet customer needs through the following three key operational initiatives:

Major Initiative: Improve Hiring Process & Develop a Workforce for the 21st Century

- Develop a Workforce Strategy that encompasses all actions taken to acquire, retain, develop, motivate and deploy HUD’s human capital. This strategy is a whole-of-workforce plan that extends over the employment life cycle.
- Execute strategies to increase candidate quality and streamline hiring processes, including improving its partnerships with program offices.
- Increase employee accountability and engagement by building a performance culture.
- Improve succession planning strategies.
- Enhance reporting, analytics, and evaluation of OCHCO business practices.
- Expand Diversity, Equity and Inclusion Office to implement a more robust program.
- Create administrative dashboard to provide transparency of hiring processes to departmental leadership.

Major Initiative: Streamline Acquisition Management

- Prioritize procurement services by category and create a more customer focused environment.
- Hiring – secure sufficient staff resources to support workload.
- Improve the Acquisition Process through training of the acquisition workforce, and providing resources to enhance transparency and accountability in the process.
- Improve Acquisition planning by facilitating earlier planning and early engagement of the Integrated Acquisition Teams.
- Provide consultation services to improve the quality of requirement’s documents and supporting artifacts, which will reduce delays in the acquisition process.
- Complete a procurement business process review to simplify, streamline, and automate the acquisition process with the intent to reduce the program office’s time to procure required services.
- Create administrative dashboard to provide transparency of procurement processes to departmental leadership.

Major Initiative: Improve Service Delivery of Administrative Support Services

- Spearhead effort to improve organization effectiveness by supporting restructuring of the three subordinate organizations: Reach a “target organization” with fewer layers, larger spans of control, and a more strategic distribution of grades through better position management and natural attrition.
- Hiring – secure sufficient staff resources to support the workload.
- Enhance reporting, analytics, and evaluation of OASA business practices.
- Improve space and rent efficiencies by modernizing Headquarters and reducing HUD’s footprint.
- Continuity of Operations Program (COOP) operations and buildout.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Administrative Support Offices
Immediate Office of the Assistant Secretary for Administration

SALARIES AND EXPENSES

(Dollars in Thousands)

	2020*	2021			2022		
	Actuals	Carryover	Enacted	Total	Carryover	President's Budget	Total
Personnel Services	-	-	-	-	-	\$2,011	\$2,011
Non-Personnel Services							
Travel	-	-	-	-	-	50	50
Training	-	-	-	-	-	15	15
Supplies	-	-	-	-	-	3	3
Total, Non-Personnel Services	-	-	-	-	-	\$68	\$68
Grand Total	-	-	-	-	-	\$2,079	\$2,079
FTEs	-	-	-	-	-	12	12

*Includes 2019 Carryover.

PROGRAM PURPOSE

The Immediate Office of the Assistant Secretary for Administration (IOASA) provides management and oversight to the OA, OCHCO and OCPO.

BUDGET OVERVIEW

The 2022 President's Budget request is \$2.1 million for the IOASA. The Budget will support the immediate staff of the Assistant Secretary for Administration, including the Budget Office.

Personnel Services (PS)

PS requirements in 2022 are \$2 million and fund 12 FTEs. These FTEs include the General Deputy Assistant Secretary for Administration (GDAS) and immediate support staff. In addition, in August 2020, OASA consolidated and streamlined the budget functions across all its program offices into one Budget Office. This consolidation has standardized the financial planning, forecasting, execution, and management of all budget functions across the IOASA, OA, OCHCO, and OCPO.

In addition, the consolidation of the budget functions under the IOASA has yielded a reduction of three FTEs as a result of efficiencies and streamlined processes implemented across all program offices.

Non-Personnel Services (NPS)

NPS requirements in 2022 are \$68 thousand. These funds will support the travel and training requirements for the Immediate Office.

KEY OPERATIONAL INITIATIVES

IOASA will work to optimize service delivery and decision making to better meet customer needs through the following key operational initiatives:

- Create Agency-wide safe workplace plan that outlines processes and procedures for building preparation tasks and employee notification efforts in response to major pandemics, disasters, illnesses, and emergencies.
- Improve service delivery of administrative support services.
 - Spearhead effort to continue improving organizational effectiveness by supporting restructuring of the three subordinate organizations.
 - Assess efficiency of processes and service delivery to identify areas of improvement.
 - Combine overlapping support services within the three subordinate organizations to reduce redundant processes and properly allocate resources.
 - Reach a “target organization” with fewer layers, larger spans of control, and a more strategic distribution of grades through better position management and natural attrition.
 - Hiring – secure sufficient staff resources to support the workload.
 - Implement a leader continuity program.
 - Enhance reporting, analytics and evaluation of IOASA business practices.

In response to COVID-19, key operational initiatives are:

- Consistently monitor and reinforce proper cleaning and environmental procedure as outlined by the Center for Disease Control and Prevention (CDC) and the Occupational Safety and Health Administration (OSHA).
- Develop sufficient process for tracking and restocking the departmental supply inventory.
- Lead effort, in conjunction with the Office of Field Policy Management, to update the Safe Federal Workplace Plan to ensure current alignment with CDC and OSHA guidelines.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Administrative Support Offices

Office of Administration

SALARIES AND EXPENSES

(Dollars in Thousands)

	2020*	2021			2022		
	Actuals	Carryover	Enacted	Total	Carryover	President's Budget	Total
Personnel Services	\$34,714	-	\$36,314	\$36,314	-	\$41,663	\$41,663
Non-Personnel Services							
Travel	1,278	-	1,300	1,300	-	1,500	1,500
Transportation of Things	361	-	370	370	-	365	365
Rent and Utilities	121,679	-	121,555	121,555	-	123,455	123,455
Printing	134	-	84	84	-	267	267
Other Services/Contracts	41,841	3,569	40,509	44,078	1,505	48,690	50,195
Training	35	-	63	63	-	230	230
Supplies	728	-	438	438	-	937	937
Furniture and Equipment	6,941	-	5,948	5,948	-	4,427	4,427
Claims and Indemnities	-	-	60	60	-	60	60
Total, Non-Personnel Services	\$172,997	\$3,569	\$170,327	\$173,896	\$1,505	\$179,931	\$181,436
Working Capital Fund	1,497	1,214	547	1,761	-	2,473	2,473
Carryover	4,783	-	1,505	1,505	-	-	-
Grand Total	\$213,991	\$4,783	\$208,693	\$213,476	\$1,505	\$224,067	\$225,572
FTEs	225	-	219	219	-	242	242

*Includes 2019 Carryover.

PROGRAM PURPOSE

The Office of Administration (OA) plays a critical role in supporting HUD by providing a wide range of administrative services, including management and operation of buildings nationwide, providing administrative services to all field offices, managing information throughout its life cycle, overseeing HUD's broadcasting services, and coordinating agency responses to disasters and emergencies.

BUDGET OVERVIEW

The 2022 President's Budget requests \$224.1 million for the OA, \$15.4 million more than the 2021 enacted level. The Budget reflects total funding of \$225.6 million, \$12.1 million above 2021 total funding. The increase, primarily accounts for increases in rents (including COVID-19 enhanced cleaning), required Field office moves, and inflationary increases for recurring contracts. Additionally, FTE growth is needed in the areas of Freedom of Information Act and Privacy services.

Personnel Services (PS)

The 2022 Budget assumes total funding of \$41.7 million for OA PS to support 242 FTEs. This represents an increase of \$5.3 million and 23 FTEs from 2021 total funding. The funding also supports a 2.7 percent pay raise, a 1.1 percent increase in FERS agency contributions, and a 1 percent increase for other benefits.

Additionally, OA will invest FTE resources in several areas to include:

- Freedom of Information Act and Privacy services.
- Disaster Management and National Security services.
- Customer Service in both the Headquarters and field support services.
- Pay parity among Field Support Service Specialist. In addition, creating a career management program for Field Support Services Specialist including, the establishment of Team Lead positions.

In 2021, the Executive Secretariat Division was realigned to the Executive Offices leaving behind the Freedom of Information Act (FOIA) and the Privacy Divisions. As a result, there is a requirement to align these Divisions within the existing OA organizational structure. The Divisions will be combined with the Office of Digital Enterprise. The name of the newly formed organization will be the Office of Government Information Management (OGIM). Additionally, a new office named the Office of Administrative Services is proposed in 2022. This Office would include the Administrative Officer and support staff.

Non-Personnel Services (NPS)

The total funding level for NPS is \$181.4 million. This represents an increase of \$7.5 million from 2021 total funding. The increase primarily accounts for increases in rents (and COVID-19 enhanced cleaning), required field office moves, and inflationary increases for recurring contracts.

In addition, the majority of the increased funding will address:

- \$5.1 million to address urgent, previously unfunded Weaver Building deferred maintenance and modernization of critical infrastructure systems that are well past their useful lives and at high risk of failure.
- \$500 thousand to cover the unexpected move of the Cleveland field office being mandated by GSA.
- \$360 thousand to purchase required secure satellite communications equipment to comply with Office of Science and Technology and Office of Management and Budget Directive D-16-1: Minimum Requirements for Federal Executive Branch Continuity Communications Capabilities.

Weaver Modernization

In accordance with the November 2018 GAO report, Federal Real Property Asset Management, GAO-19-57, OCAO has taken a risk-based approach to examine HUD's real property portfolios and mitigate existing conditions which place strategic operations in high-risk categories. The risk assessment revealed that HUD has both immediate and longer-term asset management risks that lack base budget funding but must be addressed. The identified risks are principally overdue deferred maintenance of key Weaver infrastructure. Strategically resolving targeted key infrastructure risk factors will allow HUD to reduce its near-term and long-term overall asset management costs and provide for safer operations. HUD's real property portfolio responsibilities consist of operations and maintenance responsibilities under a Delegation of Authority with GSA for the Weaver Building.

The Weaver Building's systemic infrastructure contains many failure points with systems that are well past useful life and operate in a patchwork fashion. In some cases, workarounds allow for continued operations but create tremendous risk of failure. Most of the critical needs reside in the building HVAC system. Now more than ever, in an atmosphere of deadly airborne pathogens, a fully functioning HVAC system tops the list of essential building systems.

In 2020, HUD was able to replace several obsolete isolation valves in the HVAC system as well as refurbish the failing cooling towers. These much-needed repairs greatly increase the effectiveness and efficiency of the system. In 2021, HUD will be able to complete \$1.625 million in critical repairs to the HVAC system infrastructure that maintain indoor air quality. These repairs, unfortunately, do not eliminate HUD's deferred maintenance needs for the Weaver Building.

HUD also has engaged in space management projects in 2020 and 2021, including completion of a project this calendar year that will result in the release of the L'Enfant Plaza satellite space from HUD's lease portfolio. Due to the current uncertainties in workplace use and design, HUD cannot strategically plan for new cycles of footprint reduction in the DC area. Once government-wide guidance is available for post-COVID space standards, HUD may resume large-scale planning to eliminate remaining satellite spaces.

In 2022, the Budget requests \$5.1 million for critical infrastructure repairs. Most of the repairs will address obsolete infrastructure in the systems that deliver and filter the Weaver Building's indoor air. Failure to replace obsolete systems creates operational risk and vulnerability for all HUD employees. Given the indoor air quality lessons learned during the pandemic, HUD believes it must complete these repairs to ensure operational security.

Priority	Critical Deferred Need	Risk	Cost
1	Replace nine Penthouse air return fans	High	\$675,000
2	Replace Sub-Basement air fans	High	\$600,000
3	Replace garage exhaust fan system and install unit that operates on CO sensors	High	\$350,000
4	Replace loading dock exhaust fan system and install unit that operates on CO sensors	High	\$150,000
5	Replace electrical motor control centers in north and south Penthouse	High	\$1,100,000
6	Convert three chillers to R-134 refrigerant	High	\$1,308,000
7	Replace garage air handler units	High	\$120,000
8	Replace north and south lobby air handler units	High	\$440,000
9	Increase UV light system in air handlers	High	\$400,000
Total			\$5,143,000

Under the Delegation of Authority, all repairs made, and anticipated repairs identified above, fall under HUD's responsibility. Several critical items like the Weaver Building's failing air handling system, fall under the responsibility of GSA for repairs and replacements. In 2020 and 2021, GSA has been engaged in exterior repairs to the Weaver Building granite façade damaged in the 2014 earthquake. These repairs will continue into 2023 and cost approximately \$24 million. While GSA is aware of the Weaver Building's other critical needs, they require the funding to address them given the other issues they are addressing. HUD continues to work with our partners at GSA to determine the most effective ways to mitigate deferred maintenance risks before systemic failures possibly disrupt daily operations.

Working Capital Fund (WCF)

The Budget for the WCF is \$2.5 million. This represents an increase of \$712 thousand from 2021 total funding. The increase is primarily attributed to the realignment of end-user IT devices and wireless support into the WCF.

KEY OPERATIONAL INITIATIVES

The OA will continue to streamline operations to organize and deliver services more effectively through the following three operational initiatives:

- **COOP Operations and Buildout** – The OA will utilize funds to continue the build out of an alternative COOP location, which began in 2020, including staffing and for purchasing and maintenance of equipment.
- **Improve Space and Rent Efficiencies by Reducing HUD's Footprint:**
 - **Continue to Freeze the Footprint:** The COVID-19 pandemic caused delays in the execution of planned 2021 moves. As a result, the anticipated reduction targets were not met. However, in 2022 OA plans to continue its effort to meet the goals outlined in OMB Memorandum M-12-12, Section 3, "Freeze the Footprint." OA has identified space reduction opportunities of 58,108 square feet in 2021 and 67,868 square feet in 2020. Between 2012 and 2020, HUD has realized an actual space reduction of 503,597 square feet.
 - **Undertake Feasibility Study and Asset Management Plan:** HUD intended to execute this plan in 2021. However, COVID-19 forced a delay in execution until 2022. It is expected that GSA will publish work-place standards for the post-pandemic environment that will be necessary to incorporate in the plan. A Real Property Asset Management Plan will assist the Department in taking a strategic approach to asset management decision making and identifying key roles and responsibilities, resource needs, obstacles, and strategies for overcoming obstacles. The Plan will help mitigate risks associated with real property costs by viewing funds spent on space and operations as investment decisions that align with agency goals and desired outcomes. The Department currently spends approximately \$12 million annually for satellite office space in the DC region for employees who can potentially fit in the Weaver Building if necessary renovations can be completed throughout the building. The Plan will outline the costs of future workspace renovations and allow for millions in savings in excess rent in perpetuity.
 - **Eliminate Satellite Administrative Support Offices:** HUD is working with GSA to develop a long-term plan of eliminating four satellite offices in the DC area so that employees will be relocated into the Weaver Building. Currently, office space in L'Enfant Plaza is targeted as the first of four office to return to the Weaver Building, with a projected timeline of 2021 Q4 to 2022 Q2.

- **Reduce Field Office Footprint:** Providing administrative services to the 64 field offices, where two-thirds of HUD's personnel execute its mission, is an important function of OA. In 2022, OA will dedicate approximately \$18.9 million of its non-rent and utilities budget for field support services, which are delivered through a consolidated approach and are funded centrally in OA. In 2022, major space reductions and consolidations are planned for the Boston, Buffalo, Columbus, Houston, Las Vegas, Little Rock, Philadelphia, and Phoenix offices, with anticipated space reduction, starting in 2022 of 123,888 square feet and an annual rent savings of \$3.3 million. This effort will enable HUD to leverage savings through economies of scale and increased efficiencies.
- **Improve Service Delivery of Administrative Support Services**
 - **Customer Service:** OA continues to review and improve customer service activities, including gathering customer input early, obtaining ongoing feedback, providing more timely and accurate information, and working with customers to identify the most cost effective and efficient way to meet their needs. OA is expanding the creation of dashboards that will provide near real-time insight in the status of facility and administrative requests as they move the process along with other key performance indicators which will increase transparency and accountability and aid in streamlining the process by increasing awareness throughout the Department.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Administrative Support Offices

Office of the Chief Procurement Officer

SALARIES AND EXPENSES

(Dollars in Thousands)

	2020*	2021			2022		
	Actuals	Carryover	Enacted	Total	Carryover	President's Budget	Total
Personnel Services	\$18,449	-	\$19,281	\$19,281	-	\$28,375	\$28,375
Non-Personnel Services							
Travel	31	-		-	-	75	75
Other Services/Contracts	720	218	355	573	-	534	534
Training	153	-	225	225	-	275	275
Supplies	6	-		-	-	10	10
Total, Non-Personnel Services	\$910	\$218	\$580	\$798	-	\$894	\$894
Working Capital Fund	1,213	-	1,152	1,152	-	1,454	1,454
Carryover	218	-	-	-	-	-	-
Grand Total	\$20,790	\$218	\$21,013	\$21,231	-	\$30,723	\$30,723
FTEs	109	-	110	110	-	156	156

*Includes 2019 Carryover.

PROGRAM PURPOSE

The Office of the Chief Procurement Officer (OCPO) provides quality, timely, innovative, and compliant acquisition, and business solutions to support the creation of strong, sustainable, inclusive communities and quality, affordable homes for all. OCPO is responsible for all matters related to the Department's acquisition-related needs and activities, including managing the acquisition workforce, in addition to conducting procurement activities. Procurement activities are conducted in Washington DC, Atlanta, GA; Ft Worth, TX; Denver, CO; Chicago, IL; and Philadelphia, PA in support of all HUD program offices.

BUDGET OVERVIEW

The 2022 President's Budget requests \$30.7 million for OCPO, \$9.7 million more than the 2021 enacted level, and \$9.5 million above total 2021 funding.

Personnel Services (PS)

The Budget assumes total funding of \$28.4 million for OCPO PS to support 156 FTEs. This request represents an increase of \$9.1 million and 46 FTEs from 2021 total funding. The funding also supports a 2.7 percent pay raise, a 1.1 percent increase in FERS agency contributions, and a 1 percent increase for other benefits.

Given that OCPO is responsible for implementation of the Department's procurement program, the requested budget will resource OCPO at a level that will accomplish the following, which is directly aligned to the key initiative to "Strengthen HUD's internal institutional capacity to deliver on mission:"

- OCPO will maintain responsibility over the OA Contract Management Unit (CMU) which provides the contract oversight and Contracting Officer Representatives (COR) for all program offices (OCAO, OCHCO, and OCPO) within OA throughout the acquisition lifecycle. The CMU is the consolidation of the COR function for OA under OCPO in order to achieve efficiencies and streamline processes within OA.
- Increase capacity in the Acquisition Liaison Unit from 6 to 11 FTEs to provide support to program offices for development of requirements documents, government cost estimates, quality assurance surveillance plans, and other requirements package artifacts.
- Increase capacity in Fort Worth Contracting Office from 5 to 11 FTEs to support the Housing Assistance Program Support Service contracts (formerly the Performance Based Contract Administration program), which will be the largest HUD acquisition program once awarded and will require the placement and administration of up to 53 large competitive contracts. These services were acquired via cooperative agreements in the past; however, by a Federal Court Order, these agreements are contracts and must be awarded as contracts in accordance with the Federal Acquisition Regulations. This is a new program that OCPO is not currently resourced to support. Additionally, the increased resources are required to support the Office of Policy Development & Research and Housing contracts that were previously supported by assisted acquisition through the Health and Human Services Professional Services Center which were terminated in 2019.
- Increase capacity in the Chicago Contracting Office from 7 to 11 FTEs in order to support placement and administration of Enterprise-wide acquisition vehicles (category management) including inspection services and studies such as Rent Comp Studies in support primarily of Housing and Public and Indian Housing programs.
- Provide nine additional FTEs to support the sourcing of contracted services for Ginnie Mae and OCIO which will ensure HUD has the acquisition resources to support mission accomplishment and reduce risk for those program offices. Historically, HUD has had to use assisted acquisitions through GSA or other shared service providers at a cost of 4 percent of the obligated amount plus in many cases an additional flat fee of \$120 thousand for consulting services per requirement.

This budget funding level aligns OCPO to be comparable to other Federal departments and agencies with a similar workload based on the cost-to-spend ratio and achieves providing the resources needed to ensure the Department's procurement program has the internal capacity to meet mission and support all the Department's programs. Over the past four budget years, OCPO's staffing levels have been reduced by 10 percent, while at the same time, workload has increased by 28 percent as measured by total dollars obligated. To maintain pace with an ever-growing acquisition workload, the Department paid approximately \$15.7 million in assisted acquisition fees in 2020 to support 65 procurement actions.

Non-Personnel Services (NPS)

The 2022 Budget assumes total funding of \$894 thousand for OCPO NPS. This request represents an increase of \$96 thousand from 2021 total funding. Funding at this level would allow OCPO to support the following non-personnel services:

- Contracted support to continue development of OCPO Dashboard to provide automation (robotics) to streamline operations and provide transparency and accountability to all aspects of the acquisition process. The dashboard would provide a complete set of metrics that are

available to OCPO and all program offices so that everyone has complete visibility throughout the acquisition process. This capability will allow all stakeholders to track an acquisition throughout its lifecycle from planning through award. It will also allow for better performance on meeting target requisition release dates which is currently less than 30 percent; improved identification of stalled procurements through the use of automated stop-light indicators based on cycle-times; and increased visibility on other departmental performance metrics such as Small Business Performance, Sole Source awards, Spend Under Management, Best-in-Class utilization, and contractor performance reporting.

- Increase Acquisition workforce training to improve the service delivery of OCPO staff to program offices, increase the number of certified program managers in the Department resulting in reduction of the current deficit in qualified program managers according to the PMIAA, and continued training and professionalization of the Department's CORs.
- Ability to fund contracted acquisition support services to provide surge support for the Acquisition Liaison Unit and the Operational Contracting Offices in order to address temporary capacity needs that do not warrant the onboarding of permanent FTE. Having the additional resources/capacity will result in improved acquisition documentation and reduced cycle times.
- Provide budget for mission essential travel and other non-personnel expenses.

Working Capital Fund (WCF)

The 2022 Budget assumes \$1.5 million for OCPO's contribution to the WCF. This request represents an increase of \$302 thousand from 2021 total funding. The increase is primarily attributed to the realignment of end-user IT devices and wireless support into the WCF.

KEY OPERATIONAL INITIATIVES

As detailed above, OCPO has the following key initiatives for 2022:

- Prioritize hiring for the IT cadre and Ginnie Mae support divisions to increase the internal capability to support the growing acquisition portfolios and bring outsourced requirements back in house, resulting in a reduction in cost to the Department.
- Prioritize hiring for Fort Worth that will support the Housing Assistance Program, which will be the largest acquisition program for the Department. This team also supports the PD&R portfolio, which includes requirements previously outsourced to the HHS PSC.
- Increase capacity within the ALU to provide consultation services for the development of requirements documents and supporting artifacts. Improving the quality of requirements documentation has been identified as a key contributor to delays in the acquisition process whose improvement will directly impact streamlining acquisitions and reducing procurement lead times.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Administrative Support Offices

Office of the Chief Human Capital Officer

SALARIES AND EXPENSES

(Dollars in Thousands)

	2020*	2021			2022		
	Actuals	Carryover	Enacted	Total	Carryover	President's Budget	Total
Personnel Services							
Personnel Services	\$22,463	-	\$25,023	\$25,023	-	\$30,760	\$30,760
Common Distributable	\$4,085		\$2,612	\$2,612		\$7,500	\$7,500
Total, Personnel Services	\$26,548	-	\$27,635	\$27,635	-	\$38,260	\$38,260
Non-Personnel Services							-
Travel	54	-	120	120	-	751	751
Rent and Utilities	-	-	-	-	-	10	10
Printing	8	-	15	15	-	33	33
Other Services/Contracts	8,409	2,458	6,522	8,980	1,565	8,100	9,665
Training	1,519	-	2,200	2,200	-	3,194	3,194
Supplies	91	-	40	40	-	134	134
Furniture and Equipment	49	-	60	60	-	132	132
Claims and Indemnities	30	-	30	30	-	30	30
Total, Non-Personnel Services	\$10,160	\$2,458	\$8,987	\$11,445	\$1,565	\$12,384	\$13,949
Working Capital Fund	1,133	337	746	1,083	-	1,537	1,537
Carryover	2,795	-	1,565	1,565	-	-	-
Grand Total	\$40,636	\$2,795	\$38,933	\$41,728	\$1,565	\$52,181	\$53,746
FTEs	132	-	144	144	-	170	170

*Includes 2019 Carryover.

PROGRAM PURPOSE

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 HUD. The Diversity, Equity and Inclusion office is also located in OCHCO, and will play an important role in advancing equity within HUD. OCHCO represents HUD on strategic human capital and human resources matters and plays a critical role in maximizing its performance and assuring accountability with the Office of Personnel Management (OPM), Office of Management and Budget (OMB), other Federal agencies, Congress, and the public.

BUDGET OVERVIEW

The 2022 President's Budget requests \$52.2 million for OCHCO, \$13.2 million more than the 2021 enacted level. The Budget reflects total funding (carryover and new authority) of \$53.7 million, \$12 million above 2021 total funding.

OCHCO has identified departmental human resources (HR) challenges that impact its ability to deliver effective HR services and solutions that enable the Department's mission. The requested funding level allows OCHCO to hire additional staff to support the needs of the increased headcount of the Department allowing for human capital services to be supported effectively by OCHCO.

According to OMB, CHCO Act agencies, like HUD, are expected to identify additional resources to augment existing HR funding and staffing levels and allocate funds in 2022 for talent teams, effective assessments, and internship improvements. The talent team will support continued modernization and maturation of HUD's talent acquisition capabilities and participate in newly created government-wide hiring improvement teams to share best practices and lessons learned, among other things, aligned with a new OPM hiring line of business.

In alignment with this expectation, increased funding will enable HUD to facilitate new multi-year staffing, workforce planning, and position management approaches to reduce hiring timelines and improve budget and business planning. OCHCO will also continue to streamline and implement new approaches to reduce time to hire, such as shared hiring certificates, Department-wide position descriptions and vacancy announcements, and new candidate assessment capabilities shown to be better predictors for job performance than traditional assessments. The increased funding will enable the implementation of a redesigned HR business partner/program office model to improve strategic planning and to implement new data analytic and visualization capabilities and technology-enabled solutions to improve data-driven decision making, efficiency, and customer service to program offices.

The increase in funding will support OCHCO's ability to become strategic partners and implement client-centric solutions to reduce the time to hire and retain employees. OCHCO will focus on employee retention by revitalizing developmental programs, conducting strategic workforce and succession planning, and developing competency models and career pathing focused on creating a positive HUD journey for employees. Additional funding will also enable HUD to actualize a modern approach to telework in a post pandemic environment and to track and monitor telework program data with enhanced reliability to inform data-driven decision making and facilitate HUD performance and employee engagement.

Personnel Services (PS)

The Budget assumes total funding of \$30.8 million for OCHCO PS to support 170 FTEs. This represents an increase of \$5.7 million and 26 FTEs from 2021 total funding. The increase in funding also supports a 2.7 percent pay raise, an increase in FERS agency contributions of 1.1 percent, and a 1 percent increase for other benefits.

OCHCO will utilize the additional FTEs to:

- Strengthen HUD's performance culture, workforce capacity and workforce capability;
- Develop and implement client-centric solutions to not only reduce the time to hire, but also focus on retaining employees once they come on board; and
- Support the expansion of the Diversity, Equity and Inclusion (DEI) office, ensuring the Department is advancing equity as part of its internal operations, including DEI training and the implementation of the Department's anti-harassment program and other related programs.

This Budget supports OCHCO's objective to operate as strategic partners to the Department's programs and leaders, emphasizing a client-centric approach that allows for greater understanding of the program offices and their workforce while impacting HUD across the enterprise.

Due to HUD's goal to increase the number of employees in support of its mission, the volume of work performed by OCHCO has and will continue to grow. This growth includes ensuring sufficient resources are available to support the hiring of temporary employees authorized under the various recovery appropriations for program offices across the Department.

Common Distributable

The 2022 Budget for Common Distributable is \$7.5 million. This represents an increase of \$4.9 million from the 2021 enacted level. This funding provides over \$6.5 million to the Department-wide Transit Subsidy Benefits Program, \$800 thousand for the Student Loan Repayment Program, and \$125 thousand to fund Flexible Spending Account administrative fees. The \$4.9 million increase from the 2021 enacted level will primarily support increased costs in the Transit Subsidy Benefits Program as a result of the Department returning to pre-pandemic commuting levels and the additional staff increases gained in 2020 and 2021 and those anticipated in 2022.

Non-Personnel Services (NPS)

The 2022 Budget assumes total funding of \$13.9 million for OCHCO NPS. This Budget represents an increase of \$2.5 million from 2021 total funding. OCHCO will utilize the additional resources to fund HR contracts that improve process improvement efforts targeted at developing strategies to reduce the time to hire, promote talent development and succession planning, support the Hiring Assessment Line of Business, and develop evaluation strategies and human capital operating objectives.

Working Capital Fund (WCF)

The 2022 Budget for the WCF is \$1.5 million. This represents an increase of \$454 thousand from 2021 total funding. The increase is primarily attributed to the realignment of end-user IT devices into the WCF.

KEY OPERATIONAL INITIATIVES

OCHCO takes a strategic approach to addressing long-standing challenges with hiring, employee accountability and succession planning. This Budget will be used to support OCHCO's ability to execute strategies to support priorities which include diversity, equity and inclusion, workplace violence prevention, workforce capability, workforce capacity, performance culture, data analytics and automation.

OCHCO key operational initiatives have been established to address Administration priorities and executive orders including:

- Executive Order 13932 - Modernizing and Reforming the Assessment and Hiring of Federal Job Candidates, issued on June 26, 2020, directs important, merit-based reforms to expand the use of valid, competency-based assessments and narrow the use of educational qualifications in the Federal hiring process;
- Executive Order 14003 - Protecting the Federal Workforce; and
- Executive Order 13985 - Advancing Racial Equity and Support for Underserved Communities Through the Federal Government.

The operational initiatives supported by the 2022 Budget include:

- Establishing a robust workplace violence prevention program within HUD;
- Expanding OCHCO's Diversity, Equity and Inclusion Office and building out a more robust program to assist with advancing equity across the Department;
- Creating talent teams to support improvement initiatives for applicants, hiring managers, and HR using new and existing best practices;
- Implementing Talent teams to focus on improved hiring outcomes and effective assessment strategies;
- Implementing effective hiring assessment processes and tools;
- Implementing transformative workforce capacity efforts to include:
 - Strategic multi-year staffing planning capabilities,
 - Classification efficiencies through policy and process reengineering, and
 - Reducing time to hire and improving assessment of talent.
- Implementing more robust Workforce Capability efforts, to include:
 - Establishing a more dynamic Training and Development Program,
 - Implementing an improved Strategic Workforce and Succession Planning approach to ensure workforce capabilities now and in the future,
 - Conducting competency modeling studies to establish critical competencies for selection, training, and performance management,
 - Revamping and revitalizing developmental programs to identify and support the next generation of leaders at HUD,
 - Developing an onboarding program to engage new employees before their first day and throughout their career journey at HUD, and
 - Reimagining the approach to learning as a partnership between OCHCO and the program office to provide study results, suggest best practices and training strategies to close skills gaps, inform technical training, and offer learning tools and resources to support program office needs.
- Increase employee accountability and engagement by building a stronger performance culture;
- Embracing automation to enhance reporting, analytics, and enabling efficiencies in OCHCO business practices;
- The Equal Employment Opportunity Council's *Management Directive 715 (MD 715)* sets forth what is required for executive branch agencies to establish Model EEO Programs under both Title VII and the Rehabilitation Act. In this regard, *MD 715* mandates that agencies must have in place an effective anti-harassment program. The Department was found by EEOC to be deficient in not having such a program in each of the last several MD-715 audits. The optimal funding level includes the resource necessary to establish and maintain a departmental Anti-Harassment Program, including full-time staff trained to conduct investigatory reviews of harassment allegations and develop recommendations in response to the findings; and
- Finally, identify opportunities to streamline practices and/or policies for the Department's personnel functions, pursue its strategic human capital responsibilities, and strengthen delivery of Department-wide personnel services.