

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Salaries and Expenses Overview

SALARIES AND EXPENSES

(Dollars in Thousands)

	2021*	2022			2023		
	Actuals	Carry Over	Annualized CR	Total	Carry Over	President's Budget	Total
Personnel Services:							
Personnel Services	1,190,220	55,379	1,236,075	1,291,454	28,616	1,451,260	1,479,876
Common Distributable	7,141	200	9,050	9,250	-	12,500	12,500
Total, Personnel Services	\$1,197,361	\$55,579	\$1,245,125	\$1,300,704	\$28,616	\$1,463,760	\$1,492,376
Non-Personnel Services:							
Travel	1,411	1,715	4,368	6,083	-	10,588	10,588
Transportation of Things	378	-	361	361	-	446	446
Rent and Utilities	124,490	17	123,801	123,818	-	128,168	128,168
Printing	609	16	912	928	-	1,384	1,384
Other Services/Contracts	112,708	47,112	90,865	137,977	2,792	137,884	140,676
Training	5,380	2,069	5,123	7,192	-	12,018	12,018
Supplies	563	243	552	795	-	1,854	1,854
Furniture and Equipment	1,698	10	5,883	5,893	-	6,647	6,647
Claims and Indemnities	802	50	720	770	-	768	768
Total, Non-Personnel Services	\$248,039	\$51,232	\$232,585	\$283,817	\$2,792	\$299,757	\$302,549
Working Capital Fund	67,088	10,043	20,313	30,356	2,723	72,983	75,706
Carryover	116,854	-	34,131	34,131	-	2,000	2,000
Grand Total	\$1,629,342	\$116,854	\$1,532,154	\$1,649,008	\$34,131	\$1,838,500	\$1,872,631
FTEs	7,317	314	7,249	7,563	149	8,177	8,326

*Includes 2020 Carryover.

*Totals in chart and associated narrative include GNMA and exclude OIG and Information Technology Fund. Totals in chart may not add due to rounding.

SALARIES AND EXPENSES OVERVIEW

HUD's operational infrastructure related to people, processes, and technology remains a top priority of the Department. Funding to support HUD's operations is essential to successfully meet the demands of the continually increasing workload. The 2023 President's Budget continues to support and expand on the investments proposed in 2022 in the areas of staffing and Information Technology (IT) modernization to best manage and reduce risks associated with this growth.

The 2023 Budget requests \$1.8 billion for HUD salaries and expenses (S&E), an increase of \$306 million from the 2022 Annualized Continuing Resolution (CR) level.¹ The Budget reflects total S&E (carryover and new authority) of \$1.9 billion, which is \$224 million above 2022 total funding. HUD's mission is critical to achieving the President's vision to address our Nation's public health

¹ The 2023 President's Budget includes \$11.8 million, which was realigned from the Information Technology (IT) Fund to support end-user IT devices and wireless support to be paid via the Working Capital Fund.

and economic challenges, from the climate crisis and rising inequality to the longstanding systemic challenges of racial injustice. Investing in HUD's S&E will support HUD's ability to do its essential work improving the quality of life for the American people.

Staffing

The 2023 President's Budget (with carryover) supports a total of 8,326 full time equivalents (FTEs). While this reflects a significant increase in staffing over a 2022 annualized CR funding level, the actual increase over HUD's 2022 Budget is a modest 141 FTEs, or less than a two percent increase. The 2023 funding level seeks to maintain the staffing gains achieved in 2020 and 2021, in addition to the Department's planned growth in 2022. HUD's recent successes in beginning to build back staffing levels have been crucial to addressing the significant erosion of our ability to monitor compliance on properties, loans, grants, public housing authorities, and other areas of responsibility, as well as tackling the systemic issues inside the Department that occurred over the previous two decades as the result of the steady decline in staffing.

However, this recent growth in staffing is only a start. Continued staff growth is essential to address not only the Department's increasing workload but also emerging risks identified by the Department's Enterprise Risk Management program. These risks reveal agency-wide exposures that could prevent the agency from accomplishing its mission, vision, and program outcomes. In particular, the declining staffing numbers over the last two decades, if allowed to continue, would place the Department in an increasingly vulnerable position for managing programmatic and operational responsibilities and will further compromise disaster recovery readiness.

Using workforce succession strategies, the Department intends to ensure that additional staffing results in the right people allocated to the right jobs, providing the biggest impact toward achieving HUD's priorities. The staffing increases achieved in 2023 will allow the Department to better and more efficiently serve households and communities across the country, in addition to achieving the Department's priorities.

- **Supporting Underserved Communities:** HUD will fortify support for underserved communities and support equitable community development for all people.
- **Ensuring Access to and Increase the Production of Affordable Housing:** HUD will ensure the housing demand is matched by adequate production of new homes and equitable access to housing opportunities for all people.
- **Promoting Homeownership:** HUD will promote homeownership opportunities, equitable access to credit for purchase and improvements, and wealth-building in underserved communities.
- **Advancing Sustainable Communities:** HUD will advance sustainable communities by strengthening climate resilience and energy efficiency, promoting environmental justice, and recognizing housing's role as essential to health.
- **Strengthening HUD's Internal Capacity:** HUD will strengthen its internal capacity and efficiency to better ensure delivery of HUD's mission.

The requested funding in 2023 also supports a cost-of-living increase of 4.6 percent.

Account Structure, Reorganizations and Realignment

The 2023 Budget proposes the following new reorganizations and realignments.

- The Office of Departmental Equal Employment Opportunity (ODEEO) is renamed the Office of Equal Employment and Equity Advancement (OEEEA). The Diversity, Equity and Inclusion programs are realigned to this office from the Office of the Chief Human Capital

Officer (OCHCO). This realignment includes the position of Chief Diversity Officer and creation of two divisions to better reflect these expanded responsibilities. These divisions are:

- The Equal Opportunity Support Services Division to perform Alternative Dispute Resolution functions and provide administrative support services; and
- The Diversity, Equity, Inclusion, and Accessibility Division executes the functions previously performed in the Office of Diversity and Inclusion within the OCHCO.
- Within the Office of Administration:
 - Realigns the Disaster Management function from the Office of the Chief Administrative Officer (OCAO) to the Office of the Deputy Secretary within the Executive Offices.
 - Realigns the Diversity Equity and Inclusion programs from OCHCO to the OEEEE.
 - Creates a Deputy Assistant Secretary for Operations to oversee all administrative, budgetary, and overhead functions for the OCAO, OCHCO, and the Office Chief Procurement Officer (OCPO).
- Within the Office of the Chief Financial Officer (CFO), realigns the Grants Management and Oversight Division from the Assistant Chief Financial Officer (ACFO) for Systems to the ACFO for Budget.
- The Department proposes to move the Technical Assistance Division (TAD), which is currently located in Community Planning and Development (CPD) Operations, Office of Technical Assistance and Management to the Office of Policy Development and Research. This realignment includes funding to support 24 FTE.
- CPD proposes to reorganize its structure to align functions properly, foster better communication, effective succession planning, and employee engagement.

In addition to the new reorganizations and realignments listed above, the 2023 Budget repropose the following account structure change, reorganizations, and realignments previously identified in the 2022 President’s Budget:

- Establish an Assistant Secretary of Administration (ASA) which includes the Immediate Office of the Assistant Secretary for Administration and consolidates funding for the following Administrative Support Offices: OCHCO, OCAO, and OCPO.
- Within the OCFO, a reorganization of the following is proposed:
 - The ACFO for Accounting: The CFO Accounting Center will be undergoing a reorganization to better align functions, workload, and operational missions. The proposed changes are required to balance workload, realign employee to supervisor ratios, and improve operational efficiencies and service delivery due to the transition to shared services. The reorganization will include the dissolution of the Reports and Control Division and integrating those duties with the Payments and Collections Division. It will also encompass the renaming of various divisions and branches to better reflect current functions.
 - The ACFO for Budget: The ACFO for Budget has relied solely on contractor staff to support the customer experience functions for the Department in 2020 and 2021. The 2022 Budget creates a Customer Experience Division reporting to the Director for Performance Management and Customer Experience.
 - The ACFO for Systems: The ACFO for Systems has solely used contract support to meet Digital Accountability and Transparency Act (DATA Act) Reporting Requirements over the past few years, with only one Federal staff managing the work. In 2022, the OCFO proposes to begin transitioning contract support to Federal staff. The creation of the Financial Data Reporting and Analysis Division will permit

this transition from contractor resources to Federal staff, provide support for reporting, audit, and data quality, as well as to meet additional regulatory financial reporting such as the Grants Oversight and New Efficiency Act and the Grant Reporting Efficiency and Agreements Transparency Act.

- The Office of the Chief Risk Officer (OCRO): The OCFO requests to establish the Office of the Chief Risk Officer in 2022. This office will include the Chief Risk Officer (CRO) and four risk analysts. The CRO will report to the Deputy CFO. The CRO provides executive-level management, leadership, direction, and oversight to the Enterprise Risk Management Program. The OCRO will provide expertise to HUD by identifying and advising on mitigation efforts regarding the most significant risks facing HUD.
- The Office of Housing intends to restructure the Office of Risk Management and Regulatory Affairs by removing the Office of Manufactured Housing and establishing this Office as a standalone organization reporting directly to the Office of the Assistant Secretary for Housing-FHA Commissioner.
- The Office of Administration intends to combine the Freedom of Information Act (FOIA) and the Privacy Divisions with the Office of Digital Enterprise. The name of the newly formed organization will be the Office of Government Information Management. Additionally, a new office named the Office of Administrative Services is proposed in 2022. This Office would include the Administrative Officer and support staff.
- CPD proposes to move the Disaster Recovery and Special Issues Division (DRSI), which is currently located within the Office of Block Grant Programs to the Office of Grant Programs. This reorganization would involve the following:
 - Establish an Office of Disaster Recovery under CPD's Office of Grant Programs;
 - Realign existing functions in the Disaster Recovery and Special Issues Division (DRSI) to the Office of Disaster Recovery; and
 - Realign the Office of Grant Programs' Coordinating Officer for Disaster Recovery and its associated staff to CPD's Office of Disaster Recovery.
- Ginnie Mae proposes several organizational changes to its structure to better align functions, workload, and operational missions. The changes proposed and outlined within Ginnie Mae's congressional justification will provide improved operational efficiencies and program support for all the affected offices.
- The Office of the Inspector General (OIG) proposes to realign the Planning, Performance, Risk Management, and Engagement Office (PPRiME) Division within the Office of Evaluation to create the office of the Chief Strategy Officer within the Immediate Office of the Inspector General. This realignment will help to assist the IG with developing and executing strategic plans and initiatives, centralize oversight strategy, manage OIG organizational risk, and increase OIG quality assurance.

Working Capital Fund (WCF)

In 2023, two new business lines are being incorporated into the WCF: Printing Services and HR Platform Licensing. In addition, a re-proposal for the incorporation of HUD's 2022 new business line for End-User Information Technology Devices and Wireless Support is also included in 2023. Printing Services is comprised of leasing contracts for Multifunction Devices (MFDs), including black/white and color MFDs in HUD's headquarters and field offices, large format and specialized printing equipment used in HUD's Weaver Building Printing Shop, and the associated Federal FTE and contractor support. Moving this service to the WCF will create opportunities to realize long-term savings through more flexible contracting, increase customer visibility into costs, and provide for expanded printing capabilities for WCF customers.

HR Platform Licensing is comprised of the license costs for ServiceNow Human Resources Service Delivery (HRSD). HUD plans on beginning implementation of the ServiceNow platform in 2022, with an estimated go-live date near the end of 2023. The ServiceNow HRSD platform will improve HR efficiency and productivity by streamlining the employee HR service experience end-to-end with intelligent workflows and a shared document portal. The system would provide a consistent level of service and experience to employees.

End-User IT Devices and Wireless Support is comprised of end-user IT equipment, including computers and laptops, mobile phones, tablets, mobile hotspots (MiFis), and specialized equipment purchases, as well as the associated voice and data plans. Moving device acquisition to a WCF model allows HUD to improve long term IT planning, establish a more regular device refresh cadence, improve IT security through use of up-to-date hardware, and promote efficient use of these services driven by customer business needs.

Information Technology (IT) Fund

The Budget requests \$382 million for the IT Fund. Within this request, \$339 million supports the Operations and Maintenance of current IT systems and applications that support HUD's mission and administrative functions, and its IT infrastructure, such as computer hardware, network and communications, support services, enterprise software licenses, and cybersecurity, but excludes funding for computers, mobile equipment, and related voice and data for Departmental users that are part of HUD's Working Capital Fund request. The technology provided through the IT Fund promotes affordable rental housing, provides access to homeownership opportunities, creates healthier home environments, and reduces homelessness.

The Budget also provides \$43 million for critical new initiatives, including \$14 million for Operations and Maintenance investments and \$29 million for Development, Modernization, and Enhancement initiatives to support the Department's strategic goals and strengthen HUD's internal institutional capacity to deliver on its mission. These new investments improve delivery of services, digitize manual processes, and promote the stewardship of taxpayer dollars. The Budget will also expand and strengthen cybersecurity at HUD by continuing implementation of a comprehensive cybersecurity program that addresses critical security deficiencies related to cyber risk management, the operating environment, governance, and data protection.