

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Administrative Support Offices

Office of Field Policy and Management

SALARIES AND EXPENSES

(Dollars in Thousands)

	2021*	2022			2023		
	Actuals	Carry Over	Annualized CR	Total	Carry Over	President's Budget	Total
Personnel Services:	\$52,523	\$6,467	\$52,502	\$58,969	\$2,477	\$64,250	\$66,727
Non-Personnel Services:							
Travel	126	-	450	450	-	650	650
Transportation of Things	6	-	-	-	-	-	-
Rent and Utilities	-	-	-	-	-	-	-
Printing	1	-	-	-	-	-	-
Other Services/Contracts	981	-	1,435	1,435	-	1,220	1,220
Training	110	-	65	65	-	80	80
Supplies	3	-	-	-	-	-	-
Furniture and Equipment	-	-	-	-	-	-	-
Claims and Indemnities	-	-	-	-	-	-	-
Total, Non-Personnel Services	\$1,227	-	\$1,950	\$1,950	-	\$1,950	\$1,950
Working Capital Fund	2,388	1,097	-	1,097	2,723	-	2,723
Carryover	7,564	-	5,200	5,200	-	-	-
Grand Total	\$63,702	\$7,564	\$59,652	\$67,216	\$5,200	\$66,200	\$71,400
FTEs	331	38	307	345	14	360	374

*Includes 2020 Carryover

PROGRAM PURPOSE

The Office of Field Policy and Management (FPM) provides national and local strategic leadership, direction, oversight support and operational responsibilities for the Department's 64 Regional and Field Offices, located across ten national regions. FPM supports the priorities of the Secretary and Administration across the United States and its territories and serves as the first point of contact for HUD questions and concerns within communities. Additionally, FPM maintains partnerships with other Federal agencies, as well as state and local governments, elected officials, community members and other stakeholders.

FPM's staff perform critical functions that support the Department's programs, strategic goals, and initiatives. FPM's core activities consist of:

- **Stakeholder Engagement and Analytics:** Responding to customer inquiries and improving the customer experience, managing and directing field communications, conducting community outreach and public relations; coordinating and liaising with Congressional, state, and local elected officials; supporting disaster planning, response and recovery efforts; collecting customer feedback and evaluating customer engagements to

improve data analysis and better deliver on organizational goals and performance management.

- **Strategic Initiatives and Economic Empowerment:** Overseeing compliance and monitoring of Federal prevailing wage requirements applicable to HUD-assisted and insured housing and community development programs covered under the Davis-Bacon and Labor Standards and Related Acts (DBRA) and Section 3 of the HUD Act of 1968; executing program coordination and support for program offices including Housing, Public and Indian Housing (PIH), Community Planning and Development (CPD), as well as other cross-programmatic and Departmental initiatives, including increasing homeownership, preserving affordable housing, and integrating healthcare and housing as part of HUD's mission to provide safe, quality, sanitary, affordable and fair housing. Other initiatives under this activity include activities to expand housing opportunities for underserved Americans by reducing homelessness, increase awareness of our nation's fair housing laws, expand racial justice and equity, promote worker empowerment and economic opportunity and guide investment in climate resiliency.
- **Operations and Risk Management:** Ensuring consistent, responsive, and reliable field leadership, actively support workplace safety and engagement; establish strong and coordinated leadership through Headquarters to provide efficient and effective oversight of operations and administrative functions, to include human capital management, budget execution and risk management.

BUDGET OVERVIEW

The 2023 President's Budget requests \$66.2 million for FPM, which is \$6.5 million more than the 2022 annualized CR level. The Budget reflects total funding (carryover and new authority) of \$71.4 million, \$4.2 million above 2022 total funding. Funding at this level is critical to the achievement of the Department's mission and the President's vision to ensure that the Nation builds back better from the public health and economic challenges, and address long-standing systemic challenges, including racial injustice, rising inequality, and the climate crisis.

FPM's leadership and presence across the United States and its territories directly affect the successful execution and monitoring of HUD programs. Through FPM's outreach and relationships with local stakeholders, the Department can effectively deliver on its mission and improve the overall customer experience for the people we serve in the communities where they live and work.

Personnel Services (PS)

The 2023 Budget assumes \$66.7 million in total funding for FPM PS, \$7.8 million above 2022 total funding. This funding level supports 374 full-time equivalents (FTEs), an increase of 29 FTEs over the 2022 total FTE level. This funding level supports salaries and benefits, to include support for a 4.6 percent Federal pay raise, for staffing necessary to increase FPM's presence in the community and improve overall customer experience in line with Executive Order 14058 (Transforming Federal Customer Experience and Service Delivery to Rebuild Trust in Government). Funding at this level will allow FPM to continue to backfill critical vacancies and establish additional management and staffing capacity to assist in mitigating identified risks, address unmet needs, support Departmental strategic goals and key operational initiatives. A steady reduction in headcount over the last decade has negatively impacted FPM's ability to drive critical mission priorities in the field. Increased staff will allow FPM to improve service delivery that respond to our distinct internal and external customers, partners from within and outside the Federal sector, and advance Secretarial initiatives and the Administration's priorities.

Non-Personnel Services (NPS)

The 2023 President's Budget assumes \$2 million in total funding for FPM NPS, which equals 2022 total funding. The requested level supports activities such as: (1) continued travel for outreach and monitoring; (2) training and other efforts necessary to support FPM's core portfolio; (3) customer service; (4) executing Secretarial initiatives; (5) management and oversight of compliance activities; (6) supporting disaster planning and response; and (7) strategic communications. FPM plans to allocate an additional \$200 thousand for travel and a minimal increase in training above 2022 levels. As the country rebounds from the COVID-19 pandemic, it is expected that staff will increase outreach, compliance, monitoring and other in-person collaboration. An estimated decrease of \$215 thousand in other services is primarily attributable to a reduction in projected future year costs for an electronic payroll subscription service to support Davis-Bacon staff as well as other support contracts.

Working Capital Fund (WCF)

The 2023 President's Budget assumes \$2.7 million in total funding for WCF, \$1.6 million above 2022 total funding. The WCF funding level reflects payments for baseline WCF services (including inflationary adjustments and changes in service utilization) and the additions of the End-User Devices business line, the Printing Services business line, HR platform licensing, and the full cost recovery of Financial Services Acquisition and Development Division (FSADD) Financial Management expenses.

Information Technology (IT)

Within the Information Technology Fund, the Budget requests \$600 thousand for Section 3 Reporting (S3R) and \$1 million for NextGen Labor Standards (NGLS).

Program Pain Point

HUD is a major driver of infrastructure and job creation, and contributes to worker empowerment and economic opportunities throughout the nation. The Department ensures that construction workers are paid prevailing wages on HUD-funded development and administers programs that seek to increase employment of low and very low-income community residents. The Department uses two systems for Section 3 and enforcement of the Davis-Bacon Related Acts: Section 3 Performance Evaluation and Reporting System (SPEARS), and Labor Relations 2000 (LR2000).

Section 3 Reporting – \$600,000

The Section 3 program requires that recipients of certain HUD financial assistance, to the greatest extent possible, provide training, employment, contracting and other economic opportunities to low- and very low-income persons, especially recipients of government assistance for housing, and to businesses that provide economic opportunities to low- and very low-income persons. The Department recently finalized a new regulation for the Section 3 program, which requires a new system to capture statutory requirements from grantees and contractors. Without having a working system for grantees, specifically Housing Authorities, to report on Section 3, HUD cannot perform its statutory and regulatory responsibilities to ensure compliance with the new rule.

NextGen Labor Standards (NGLS) – \$1.0 Million

The Office of Labor Standards Enforcement and Training (LSET) is responsible for HUD's overall compliance with the Federal prevailing wage requirements applicable to HUD-assisted and insured housing and community development programs covered under the Davis-Bacon and Related Acts (DBRA). The current system, LR2000, is antiquated, non-compliant, and must be replaced to close-out a longstanding audit finding by the Office of Inspector General. LR2000 is non-compliant with cybersecurity standards because it is on an

outdated server and Operating System and is allowed to operate under a Risk-Based Decision (RBD) Memorandum from the HUD’s OCIO. The system will be replaced by the Next Generation Labor Standards (NGLS) application. HUD is also unable to adequately monitor grantees to ensure compliance with prevailing wage requirements. The current statutory requirements ensure skilled workers are paid a fair wage to build the critical infrastructure communities desperately need.

Mission Benefits

This funding will enable the Department to provide a reporting platform for approximately 5,000 grantees to report on Section 3 compliance, as well as for 7,000 contractors to report on DBRA requirements. Both systems would enable the Department to meet statutory requirements and assist grantees to empower low and very low-income workers, in addition to ensuring workers are paid prevailing wages.

Target Functionality

- Reporting platform for approximately 5,000 grantees and 7,000 contracts to meet Section 3 Rule and DBRA reporting requirements.
- Integration with other HUD programs for Department-wide Section 3 and DBRA data collection and analysis.
- Ability to generate and review reports for quality and accuracy, as well as enhanced assessment of program effectiveness.

Projected Cost Savings

S3R and NGLS will significantly reduce staff hours required to complete manual processes and allow for automated collection, analysis, reporting and enhanced assessments of program effectiveness.

Please refer to the Information Technology Fund justification for additional information regarding HUD’s proposed IT resources for 2023.

KEY OPERATIONAL INITIATIVES

The Budget includes funding to address the operational, strategic, compliance, and reporting risks impacting FPM’s work in local communities. Funding at this level is critical to address human capital risks impacting core workload, succession planning, and improve overall customer experience, and necessary to address information technology limitations and acquisitions to perform FPM regulatory requirements for Davis-Bacon and Section 3 programs. The Budget also supports the development and implementation of internal controls to address risks associated with FPM leadership and local execution of cross-programmatic Departmental goals, Secretarial initiatives, and FPM core activities.

As an adjunct of the Deputy Secretary’s Office, FPM plays an instrumental role in the planning, execution, and sustainability of cross-programmatic Departmental goals. Core FPM activities correlate with strategic goals as follows:

FPM Core Activities:	Strategic Initiatives & Economic Empowerment	Stakeholder Engagement & Analytics	Operations & Risk Management
Strategic Goals:	<ul style="list-style-type: none"> ▪ Support Underserved Communities ▪ Ensure Access to and Increase the Production of Affordable Housing ▪ Promote Homeownership ▪ Advance Sustainable Communities 	<ul style="list-style-type: none"> ▪ Strengthen HUD’s Internal Capacity 	

FPM staff across the field lead and contribute to critical initiatives in advancing the Secretary's priorities to fortify support for underserved communities and equitable community development for all people; ensure access to and increase affordable housing; promote homeownership opportunity, equitable access to credit for purchase and improvements, and promote wealth-building in underrepresented communities; advance sustainable communities; and strengthen HUD's internal capacity and efficiency to better ensure delivery of HUD's mission.

Within each of FPM's core activities, FPM is collaborating with internal and external stakeholders to launch, execute, and manage several cross-programmatic, high priority initiatives.

Requested funding levels will allow FPM to continue to play a critical role in support of the Department's core mission with a particular focus on improving the customer experience by enhancing strategic communications and overall service delivery.