DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Salaries and Expenses Overview

SALARIES AND EXPENSES

(Dollars in Thousands)

	2023*	2024			2025		
	Actuals	Carry Over	Annualized CR	Total	Carry Over	President's Budget	Total
Personnel Services:							
Personnel Services	1,371,781	101,843	1,411,986	1,513,829	16,936	1,582,298	1,599,234
Common Distributable	7,558	-	8,435	8,435	-	9,420	9,420
Total, Personnel Services	**$1,379,339**	**$101,843**	**$1,420,421**	**$1,522,264**	**$16,936**	**$1,591,718**	**$1,608,654**
Non-Personnel Services:							
Travel	13,921	663	11,112	11,775	281	12,840	13,121
Transportation of Things	6	-	5	5	-	5	5
Rent and Utilities	119,031	5	118,366	118,371	5	121,917	121,922
Printing	1,519	13	1,408	1,421	12	1,421	1,433
Other services/Contracts	150,824	31,053	115,604	146,657	4,114	150,456	154,570
Training	9,252	1,128	9,824	10,952	43	12,510	12,553
Supplies	1,382	61	1,138	1,199	12	1,312	1,324
Furniture and Equipment	9,799	-	9,829	9,829	-	10,071	10,071
Claims and Indemnities	554	-	585	585	-	585	585
Total, Non-Personnel Services	**$306,288**	**$32,923**	**$267,871**	**$300,794**	**$4,467**	**$311,117**	**$315,584**
Working Capital Fund	55,198	8,139	59,459	67,598	3,646	66,972	70,618
Carryover	142,905	-	25,049	25,049	-	6,171	6,171
Grand Total	**$1,883,730**	**$142,905**	**$1,772,800**	**$1,915,705**	**$25,049**	**$1,975,978**	**$2,001,027**
FTEs	**7,785**	**549**	**7,626**	**8,175**	**87**	**8,295**	**8,382**

*Includes 2022 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 2025 Budget requests $1.98 billion for HUD salaries and expenses (S&E), an increase of $203.2 million from the 2024 Annualized Continuing Resolution (CR) level. The Budget reflects total S&E funding (carryover and new authority) of $2 billion, which is $85.3 million above 2024 total funding. The Budget supports Administration priorities such as advancing equity, strengthening environmental justice enforcement, implementing Made in America requirements, and improving organizational health and performance.

HUD's mission is critical to achieving the President's bold vision to ensure our Nation can build toward a brighter future where everyone can live in a safe and stable home in communities that are thriving and just. 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 and addressing challenges our Nation faces, ranging from climate change to housing discrimination to ending homelessness.

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Staffing

The 2025 President's Budget (with carryover) supports a total of 8,382 full time equivalents (FTEs), which is a modest increase of 207 FTEs, or 2.5 percent, over estimated total 2024 levels.

HUD staffing gains since 2020 have had a significant impact on HUD's ability to fulfill its mission and service to the American people, especially those in underserved communities. In addition, staffing gains achieved have made positive impacts on HUD's operations. For instance, several recent achievements include:

- Maintained a clean Financial Audit for four years in a row.

- Supported the initiatives of the Administration by exceeding all prime small business contracting goals. HUD received an "A+" grade on the Small Business Administration's Annual Procurement Scorecard.

- HUD made major updates to the NSPIRE IT solution and developed modern Enterprise Voucher Management System (eVMS) capabilities to efficiently process vouchers for those in need of housing assistance.

- HUD embarked on major cybersecurity initiatives, such as "zero trust," to secure the Department's systems and prevent data loss, thereby laying the foundation to dramatically improve HUD's Federal Information Security Management Act (FISMA) and Federal Information Technology Acquisition Reform Act (FITARA) scores.

- Achieved a net gain in employees at the Department for the fourth year in a row, exceeding its hiring plan target by 26 percent.

- Decreased the time to hire to tentative offer by two days, reaching HUD's 2023 target.

- HUD's redesign of its disaster recovery website was chosen as a 2023 winner of the customer experience award from the Service to the Citizen Program, which recognizes "excellence in delivering services that impact the public's lives."

- HUD established training plans to strengthen the capacity of mission critical staff and support service delivery, based on the results of a Departmental Competency and Skill Gap Study.

In 2025, HUD will look to continue to achieve and build on the above successes. The focus will continue to be on improving the retention of and growing the technical competency of HUD's workforce. Using workforce succession strategies, the Department intends to ensure that additional staffing added in 2025 results in the right people allocated to the right jobs, providing the biggest impact toward achieving HUD's priorities of:

- <u>Supporting Underserved Communities</u>: HUD will fortify support for underserved communities and support equitable community development for all people.

- <u>Ensuring Access to and Increase the Production of Affordable Housing</u>: HUD will ensure the housing demand is matched by adequate production of new homes and equitable access to housing opportunities for all people.

- <u>Promoting Homeownership</u>: HUD will promote homeownership opportunities, equitable access to credit for purchases and improvements, and wealth-building in underserved communities.

- <u>Advancing Sustainable Communities</u>: 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.

For 2025, HUD will continue implementation of the Executive Order 14110 on Artificial Intelligence (AI). Implementation will be a coordinated approach between the Office of the Chief Financial Officer, Office of the Chief Information Officer and the Office of Policy Development and Research. The initial stand-up of this program is crucial to the development and success of the AI program and will prepare HUD for future demands in the constantly evolving AI landscape, while planning for and mitigating the associated risks with incorporating AI.

The requested funding in 2025 also supports a cost-of-living increase of two percent.

Account Structure

The Budget requests the consolidation of the Office of the Chief Administrative Officer (OCAO), 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 Administration (OA). This consolidation of the three offices will further improve efficiencies and provide the Assistant Secretary of Administration who oversees these offices the flexibility to maximize and strategically execute the resources necessary to support the Department's goals and objectives.

Reorganization and Realignments

For 2025, the following offices are proposing reorganizations at the Office level in their individual Congressional Justifications:

- Office of Chief Financial Officer: Creates the Office of Strategic Planning and Customer Experience
- Office of Public and Indian Housing: Creates the Office of Resident Innovations, Services and Engagement

Working Capital Fund (WCF)

The Budget proposes the incorporation of two new business lines in the WCF: Grants Management Platforms and Reorganization Processing. In addition, the Budget reproposes three new business lines included in the 2024 Budget: IT end-user devices and wireless support, scanning and digitalization, and space renovation and furniture. Please see the WCF CJ for additional detail on current and proposed WCF business lines.