

# DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

## Administrative Support Offices

### Office of Administration

#### SALARIES AND EXPENSES

(Dollars in Thousands)

	2023*	2024			2025**		
	Actuals	Carry Over	Annualized CR	Total	Carry Over	President's Budget	Total
<b>Personnel Services</b>							
Personnel Services	\$95,776	\$5,223	\$104,042	\$109,265	-	\$116,104	\$116,104
Common Distributable	\$2,752	-	\$3,335	\$3,335	-	\$3,420	\$3,420
<b>Total, Personnel Services</b>	<b>\$98,528</b>	<b>\$5,223</b>	<b>\$107,377</b>	<b>\$112,600</b>	<b>-</b>	<b>\$119,524</b>	<b>\$119,524</b>
<b>Non-Personnel Services</b>							
Travel	2,135	-	2,199	2,199	-	2,265	2,265
Transportation of Things	5	-	5	5	-	5	5
Rent and Utilities	119,031	-	118,358	118,358	-	121,909	121,909
Printing	172	-	177	177	-	182	182
Other services/Contracts	79,328	11,653	53,656	65,309	3,490	73,619	77,109
Training	4,161	-	4,285	4,285	-	4,414	4,414
Supplies	712	-	733	733	-	755	755
Furniture and Equipment	8,069	-	8,311	8,311	-	8,560	8,560
Claims and Indemnities	-	-	-	-	-	-	-
<b>Total, Non-Personnel Services</b>	<b>\$213,613</b>	<b>\$11,653</b>	<b>\$187,724</b>	<b>\$199,377</b>	<b>\$3,490</b>	<b>\$211,709</b>	<b>\$215,199</b>
Working Capital Fund	7,727	-	5,909	5,909	-	7,517	7,517
Carryover	16,876	-	3,490	3,490	-	-	-
<b>Grand Total</b>	<b>\$336,744</b>	<b>\$16,876</b>	<b>\$304,500</b>	<b>\$321,376</b>	<b>\$3,490</b>	<b>\$338,750</b>	<b>\$342,240</b>
<b>FTEs</b>	<b>522</b>	<b>26</b>	<b>541</b>	<b>567</b>	<b>-</b>	<b>585</b>	<b>585</b>

\*Includes 2022 carryover

\*\*Includes amount for 2026 WCF forward funding

## PROGRAM PURPOSE

The Office of Administration (OA) provides the Department of Housing and Urban Development (HUD) with centralized leadership and oversight for the Department's procurement, human capital, administrative services, facilities management, and national security. These services are critical to the mission of the Department, its program offices, and the ability to keep facilities, including the Weaver Headquarters Building, operational. The OA also fulfills the statutory and Executive Order responsibilities of the Chief Acquisition Officer, Chief Freedom of Information Act Officer, Chief Sustainability Officer, Senior Agency Official for Privacy, and Senior Agency Official for Continuity of Operations.

The 2025 Budget builds on recent OA accomplishments, which include actions to improve procurement timeliness, greater utilization of small business contracting, achieving a net gain in hiring for the Department for the fourth year in a row, and decreasing the time to hire. The Budget continues the strategic investments made in 2024 and supports the positive trajectory in the

Department's Administrative, Human Capital, and Procurement functions, which are critically important to meeting HUD's operational and programmatic needs.

The 2025 President's 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 OA. The 2023 Appropriation authorized a Deputy Assistant Secretary for Operations to oversee all administrative, budgetary, and overhead functions for the OCAO, OCHCO, and OCPO to create efficiencies. However, executing under three separate appropriations limits those potential gains. Consolidating funding will further allow the OA to:

- Develop a unified effort to achieve the Department's strategic goals and objectives while resolving top management challenges.
- 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 the ability to quickly address changing needs and requirements of the Department.

HUD's mission is critical to achieving the President's vision to support underserved communities by improving public health and economic opportunities and addressing 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 OA's salaries and expenses will provide the internal infrastructure to support the delivery of HUD's critical mission.

## BUDGET OVERVIEW

The 2025 President's Budget requests \$338.8 million for OA, which is \$34.3 million more than the 2024 Annualized CR level. The Budget reflects total funding of \$342.2 million, \$20.9 million above the 2024 total funding level.

The 2025 Budget includes funding that will strengthen the foundation of the Department in three key areas:

1. Implement HUD's multi-year Capital Plan to modernize and consolidate space: OA will continue to right-size HUD's facilities by eliminating historical excess space and incorporating further reductions associated with new work flexibilities. The 2025-2029 Capital Plan focuses on creating a modern and supportive environment to accommodate the changing workforce and workplace while reducing operating costs. The Capital Plan outlines the creation of a premier work environment with flexible floor and furniture plans capable of accommodating the needs of the workforce that will allow HUD to recruit and retain the best talent while eliminating excess space and reducing operating costs.
2. Improve the employee experience and modernizing HUD's human capital programs: Analyses of HUD's human capital data, consistent with other Federal agencies, show that almost 30 percent of HUD's separations are new hires that joined the Department within the last three years and have left to go to the private sector or another Federal agency. To mitigate this loss, HUD must effectively recruit and retain early career talent to build a robust and sustainable workforce. The 2025 Budget includes eight full-time equivalents (FTEs) to directly increase in-house hiring capacity and support continuous efforts in recruitment and retention.

It also includes funding to support the development of a new cross-functional support model for program offices.

3. Build a procurement organization that provides full-service, customer-oriented, and timely acquisition services: Increasing efficiency in procurement is a top management challenge for HUD. The Department's Office of Inspector General (OIG) wrote in its 2022 assessment that procurement staff had excessive workloads and insufficient staff training, which contributed to untimely procurement. The 2025 Budget includes 10 full-time equivalents (FTEs) to directly support contract placement for program offices with the greatest need. This budget also includes four additional staff who will provide program oversight and training for acquisition personnel.

These initiatives continue the strategic investments that OA has made over the past few years and support the positive trajectory in the Department's Administrative, Human Capital, and Procurement functions, which are critically important to meeting HUD's operational and programmatic needs.

### **Personnel Services (PS)**

The Budget assumes total funding of \$116.1 million for PS to support 585 FTEs, which is 18 FTEs and \$6.8 million more than the total 2024 PS level. The requested 2025 PS funding level supports a two percent pay raise. Funding at this level will allow OA to continue to backfill critical vacancies and support Departmental strategic goals and key operational initiatives. The current structure within the OA allocates 378 FTEs to Headquarters and 207 FTEs to field offices.

### **Common Distributable (CD)**

The Budget assumes total funding of \$3.4 million for CD, which is \$85 thousand more than the total 2024 CD funding level. This funding provides for the Department-wide Transit Subsidy Benefits Program, Student Loan Repayment Program, and Flexible Spending Account administrative fees.

### **Non-Personnel Services (NPS)**

The Budget assumes total funding of \$215.2 million for NPS, which is \$15.8 million more than the total 2024 NPS level. The increase includes a Maintain Current Level (MCL) increase to travel, rent, utilities, contracts, training, supplies, furniture, and equipment.

### **Working Capital Fund (WCF)**

The Budget assumes \$7.5 million for WCF, which includes \$2.6 million for 2025 WCF expenses (in addition to \$4.9 million forward funded in 2024) and \$4.9 million for forward funding of 2026 WCF expenses. Please see the WCF Congressional Justification for details on current and proposed WCF business lines.

## **KEY OPERATIONAL INITIATIVES**

The Budget includes funding to address HUD's operational, strategic, compliance, and reporting risks. Funding at this level is critical to address human capital risks impacting core workload, succession planning, and improving overall customer experience, while addressing information technology limitations and acquisitions to meet regulatory requirements for programs. Resources will support key initiatives as outlined under the OCAO, OCHCO, and OCPO, justifications.

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

### Administrative Support Offices

#### Office of the Chief Administrative Officer

#### SALARIES AND EXPENSES

(Dollars in Thousands)

	2023*	2024			2025**		
	Actuals	Carry Over	Annualized CR	Total	Carry Over	President's Budget	Total
<b>Personnel Services</b>	<b>\$38,701</b>	-	<b>\$46,051</b>	<b>\$46,051</b>		<b>\$47,340</b>	<b>\$47,340</b>
<b>Non-Personnel Services</b>							
Travel	1,713	-	1,764	1,764	-	1,817	1,817
Transportation of Things	5	-	5	5	-	5	5
Rent and Utilities	119,031	-	118,358	118,358	-	121,909	121,909
Printing	161	-	166	166	-	171	171
Other services/Contracts	70,449	6,907	47,510	54,417		63,897	63,897
Training	145	-	149	149	-	154	154
Supplies	438	-	451	451	-	465	465
Furniture and Equipment	8,045	-	8,286	8,286	-	8,534	8,534
<b>Total, Non-Personnel Services</b>	<b>\$199,987</b>	<b>\$6,907</b>	<b>\$176,689</b>	<b>\$183,596</b>	-	<b>\$196,952</b>	<b>\$196,952</b>
Working Capital Fund	2,421	-	2,260	2,260	-	2,958	2,958
Carryover	6,907		-	-		-	-
<b>Grand Total</b>	<b>\$248,016</b>	<b>\$6,907</b>	<b>\$225,000</b>	<b>\$231,907</b>	-	<b>\$247,250</b>	<b>\$247,250</b>
<b>FTEs</b>	<b>218</b>	-	<b>247</b>	<b>247</b>	-	<b>247</b>	<b>247</b>

\*Includes 2022 carryover

\*\*Includes amount for 2026 WCF forward funding

### PROGRAM PURPOSE

The Office of the Chief Administrative Officer (OCAO) 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, national security matters, and emergency management functions. The OCAO also oversees HUD's printing, graphics, broadcasting services, and Freedom of Information Act (FOIA) and Privacy programs.

### BUDGET OVERVIEW

The 2025 President's Budget requests \$247.3 million for OCAO, which is \$22.3 million more than the 2024 Annualized CR level. The Budget reflects total funding of \$247.3 million, \$15.3 million above the 2024 total funding level.

The 2025 Budget identifies necessary funding to address deficiencies in compliance, necessary repairs, and infrastructure maintenance in the Weaver Building. The Budget allows for flexibility to proactively implement the Department's Capital Plan, incorporating HUD Forward requirements

and the execution of scheduled field office moves and downsizing. OCAO will also be able to provide critical support, execute operating contracts in the areas of digital and physical communications, FOIA and Privacy programs, the delegated management of the Robert C. Weaver Building, and support software and automation solutions to improve operating efficiency. The Budget also allows OCAO to maintain state-of-the-art secure communications supporting the Secretary as a Cabinet Official, supports HUD COOP readiness needs, and enables HUD-wide participation in national level COOP exercises.

Included in this Budget is \$3.5 million to continue to address critical repairs for the Weaver Building. It is important to note that the General Services Administration (GSA), as the Weaver Building owner, is responsible for the building shell and major building/infrastructure systems which includes HVAC, electrical switch gear, roofing, conveyance systems, structural features (building shell and parking garage). HUD, on the other hand, is responsible for the maintenance of all equipment and repair of systems components. However, under the Delegated Authority agreement for operating the Weaver Building, OCAO accumulated a deferred maintenance backlog of over \$14.8 million due to insufficient annual funding to address needs across multiple prior years. OCAO has executed a total of \$11.3 million over the last three years to address HUD's responsibility for backlogged maintenance. HUD expects to complete the remaining repairs in 2024.

In addition, under the Weaver Building Delegated Authority agreement, GSA's backlog for the building's shell and major building systems continues to grow in the absence of funding. These critical maintenance items directly affect life, health, and safety issues for occupants in the Weaver Building. GSA and HUD agree that GSA has for many years provided suboptimal conditions to HUD employees because of limited funding for three critical projects:

- GSA has been unable to execute an elevator replacement project. There have been over 100 documented elevator incidents since 2017. GSA proposed replacements and repairs in 2019 and 2020 through Capital Prospectus of approximately \$15 million. Both Prospectuses went unfunded as no appropriations were provided by Congress for this purpose. Current estimates are well over \$25 million (not included in the 2025 Budget).
- Because of Prospectus denials, Repair and Alterations' funding limits, and scarce capital funding, GSA has struggled to properly conduct structural and waterproofing repairs at the parking garage and plaza levels. Structural concerns have become so significant in the parking garage, that GSA has closed HUD's use of two parking garage levels (estimated 250 spaces) until sufficient concrete repairs are made. GSA split the garage project up into two scopes: one to be completed urgently utilized GSA's Repair and Alteration funds under the Prospectus limit (\$3.6 million), and another project to be submitted as a Capital prospectus (\$37 million).

### **Personnel Services (PS)**

The Budget assumes total funding of \$47.3 million for PS to support 247 FTEs, which is equal to the 2024 total FTE level, and \$1.3 million more than the total 2024 PS level. The requested 2025 PS funding level supports a two percent pay raise. Funding at this level will allow OCAO to continue to backfill critical vacancies, support Departmental strategic goals and key operational initiatives.

The current structure within the OCAO allocates 144 FTEs in Headquarters and 103 FTEs in field offices.

### **Non-Personnel Services (NPS)**

The Budget assumes total funding of \$197 million for NPS, which is \$13.4 million more than the total NPS 2024 level. This increase includes a Maintain Current Level (MCL) increase to rent, utilities, contracts, training, supplies, furniture, and equipment.

Included in the Budget is \$7.8 million in NPS program increases to support necessary contractual support to address the highest priorities including efforts to continue to right size HUD's facilities by eliminating historical excess space and incorporating further reductions associated with new work flexibilities, consistent with the 2025-2029 Capital Plan. The 2025-2029 Capital Plan focuses on creating a modern and supportive environment to accommodate the changing workforce and workplace while reducing operating costs.

### **Working Capital Fund (WCF)**

The Budget assumes \$3 million for WCF, which includes \$697 thousand for 2025 WCF expenses (in addition to \$2.3 million forward funded in 2024) and \$2.3 million for forward funding of 2026 WCF expenses. Please see the Working Capital Fund Congressional Justification for details on current and proposed WCF business lines.

## **KEY OPERATIONAL INITIATIVES**

The Budget includes funding to address HUD operational, strategic, compliance, and reporting risks. Funding at this level is critical to address human capital risks impacting core workload, succession planning, and improve overall customer experience necessary to address information technology limitations and acquisitions to meet regulatory requirements for its programs. Resources will support the following key operational initiatives in 2025:

### **Move HUD Forward into a Modern Workplace**

- In 2024, OCAO anticipates completing its four-year effort to address deferred maintenance at the historic Robert C. Weaver Building (HUD Headquarters). In 2025, OCAO will shift the deferred maintenance resources and continue improving the Weaver Building by addressing equipment that is either broken or approaching the end of its useful life through preventative maintenance or replacement.
- Expand the current scope of the Energy Savings Performance Contract (ESPC) to include new energy conservation measures (ECM) that will replace outdated technology and increase energy savings in the Weaver Building. This effort will allow us to replace outdated, inefficient, and unreliable building chillers and other equipment and amortize costs over the remaining 10-year term of the ESPC contract. Chiller and LED lighting replacement projects began in November 2023.
- Continue to right-size HUD's facilities by eliminating historical excess space and incorporating further reductions associated with our hybrid work environment. The 2025-2029 Capital Plan focuses on creating a modern and supportive environment to accommodate the changing workforce and workplace while reducing operating costs. Per the Capital Plan, HUD reduced 55,000 ft<sup>2</sup> in 2023 and plans to eliminate 79,000 ft<sup>2</sup> in 2024 and 68,000 ft<sup>2</sup> in 2025.
- With respect to Zero-Emission Vehicles (ZEV), HUD will continue prioritizing resources for the operation and procurement of electric vehicles (including plug-in hybrid technology) in

alignment with targets set by the Council on Environmental Quality (CEQ) and Office of Management and Budget (OMB) in support of electrification goals mandated by E.O. 14057.

- Produce a Program of Requirements (POR) and a Master Plan for the Weaver Building. The goal of the multi-year Capital Plan is to improve space utilization of the Weaver Building and eliminate the four headquarters satellite offices. OCAO is working closely with GSA to produce a POR and a Master Plan for the Weaver Building. The POR will be completed by the end of 2024. These plans will enable HUD to more efficiently house headquarters staff and those staff currently housed in the four satellite offices. GSA is also conducting a Feasibility Study of the Weaver Building's infrastructure and systems to assist in prioritizing resources in furthering the vitality of the building.
- In addition, the Capital Plan addresses space utilization Department-wide. The Plan outlines the annual strategy to right size regional and field office as their occupancy agreement expires.
- Continue to strengthen the use of data collection and analysis in decision making. Enhance HUD's electronic records management program. Begin implementation of approved HUD Forward initiatives.

### **Invest in HUD's Employees through Strategic Retention, Recruitment, and Development Initiatives**

- Implement the multi-year Capital Plan to modernize and consolidate the headquarters and field offices. The Capital Plan outlines the creation of a premier work environment with flexible floor and furniture plans capable of accommodating the needs of the workforce that will allow HUD to recruit and retain the best talent while eliminating excess space and reducing operating costs.
- OCAO is committed to being compliant across all National Security programs. The Budget accomplishes this by providing funding for the acquisition of required equipment and staff participation in enhanced training.

### **Operational Improvements**

- Implement operational efficiencies and other creative solutions to support mandatory moves (due to expiring leases). Invest in the Capital Plan to relocate, reduce, or renovate office spaces for efficiencies.

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

## Administrative Support Offices

## Office of the Chief Human Capital Officer

## SALARIES AND EXPENSES

(Dollars in Thousands)

	2023*	2024			2025**		
	Actuals	Carry Over	Annualized CR	Total	Carry Over	President's Budget	Total
<b>Personnel Services</b>							
Personnel Services	\$33,161	\$3,200	\$34,902	\$38,102	-	\$40,823	\$40,823
Common Distributable	\$2,752		\$3,335	\$3,335	-	\$3,420	\$3,420
<b>Total, Personnel Services</b>	<b>\$35,913</b>	<b>\$3,200</b>	<b>\$38,237</b>	<b>\$41,437</b>	<b>-</b>	<b>\$44,243</b>	<b>\$44,243</b>
<b>Non-Personnel Services</b>				-			
Travel	362	-	373	373	-	384	384
Transportation of Things	-	-	-	-	-	-	-
Rent and Utilities	-	-	-	-	-	-	-
Printing	11	-	11	11	-	11	11
Other services/Contracts	6,686	4,746	3,887	8,633	3,215	6,470	9,685
Training	3,712	-	3,823	3,823	-	3,938	3,938
Supplies	272	-	280	280	-	288	288
Furniture and Equipment	24	-	25	25	-	26	26
Claims and Indemnities	-	-	-	-	-	-	-
<b>Total, Non-Personnel Services</b>	<b>\$11,067</b>	<b>\$4,746</b>	<b>\$8,399</b>	<b>\$13,145</b>	<b>\$3,215</b>	<b>\$11,117</b>	<b>\$14,332</b>
Working Capital Fund	2,843	-	1,649	1,649	-	2,140	2,140
Carryover	7,946	-	3,215	3,215	-	-	-
<b>Grand Total</b>	<b>\$57,769</b>	<b>\$7,946</b>	<b>\$51,500</b>	<b>\$59,446</b>	<b>\$3,215</b>	<b>\$57,500</b>	<b>\$60,715</b>
<b>FTEs</b>	<b>174</b>	<b>16</b>	<b>174</b>	<b>190</b>	<b>-</b>	<b>198</b>	<b>198</b>

\*Includes 2022 carryover

\*\*Includes amount for 2026 WCF forward funding

## 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. 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 2025 President's Budget requests \$57.5 million for OCHCO, which is \$6 million more than the 2024 Annualized CR level. The Budget reflects total funding of \$60.7 million, \$1.3 million more than the 2024 total funding level.

Funding at this level will allow OCHCO to address HUD human resources (HR) challenges, modernize human capital programs for the new world of work and the next generation of Federal employees, and continue to deliver effective services and solutions while addressing the highest need areas.

The 2025 Budget includes resources to focus on recruitment, retention, workplace culture, and change management. Human capital data analysis shows almost 30 percent of employees who join HUD leave to go to the private sector or another Federal agency within three years. To mitigate this loss, HUD must effectively recruit and retain early career talent to build a robust and sustainable workforce to meet the strategic goals of the Department and effectively fulfill HUD's customers' needs. Developing recruitment and retention strategies, along with securing technology that builds the HUD brand and allows the recruitment and retention of a diverse talent pool is essential.

This Budget will also allow OCHCO to develop, manage, deploy, and monitor change management strategies needed to implement a new consulting model, which will include a combination of HUD and consulting resources, to enhance support provided to program offices. This new consulting model would break down HR siloes to provide cross-functional consulting support and Program Office HR portfolio management, allowing OCHCO to better prevent and address issues. Finally, non-personnel resources will be used to support the configuration of ServiceNow, software to build workflows, client support tools, case management systems, and other tools that will greatly enhance efficiency, customer service, employee experience, and data-capabilities to support program offices and OCHCO.

### Personnel Services (PS)

The Budget assumes total funding of \$40.8 million for PS to support 198 FTEs, which is eight FTEs and \$2.7 million more than the total 2024 PS level. The requested 2025 PS funding level supports a two percent pay raise. This structure within the OCHCO allocates 142 FTEs in Headquarters and 56 in the field.

Funding at this level will allow OCHCO to continue to maintain current staffing levels and increase PS by \$1.7 million for 8 additional FTEs to address critical support needs:

- 4 FTEs to establish in-house capacity to supplement the Bureau of Fiscal Services (BFS) in managing hiring surges that exceed planned hiring capacity and cause extended hiring timelines, versus securing contractors to provide this support. These surges are exacerbated by unexpected Congressional mandates, legislative requirements, and continuing resolutions that restrict hiring earlier in the year. These FTEs will also support the development of shared certificate capabilities, enabling efficiencies in the hiring process.
- 4 FTEs to support continuous efforts in recruitment and retention. These FTEs will assist in developing recruitment and retention strategies, including supporting recruitment activities, intern programs, workforce/succession planning, talent assessment, developing innovations strategies, and creating a safe workplace and employee development. These FTEs will also support personnel security and ensure compliance with the continuous vetting requirement that began phasing in during 2024.

### **Common Distributable (CD)**

The Budget assumes total funding of \$3.4 million for CD, which is \$85 thousand more than the 2024 total CD funding level. This funding provides for the Department-wide Transit Subsidy Benefits Program, Student Loan Repayment Program, and Flexible Spending Account administrative fees.

### **Non-Personnel Services (NPS)**

The Budget assumes total funding of \$14.3 million for NPS, which is \$1.2 million more than the total 2024 NPS level. The increase supports a Maintain Current Level (MCL) increase to contracts, training, supplies, and equipment.

Included is \$778 thousand in NPS program increases to support recruitment and retention efforts as well as implementing change management strategies.

- **Recruitment and Retention:** Additional funding will allow OCHCO to develop research and data informed HUD employment and recruiting strategies, such as targeted recruiting campaigns, fellowships, and partnerships. New funding will also support increased efforts to streamline the hiring and onboarding process such as technology enabled information sharing, creating a resume repository, and driving efficiencies in the fingerprinting and Personal Identity Verification (PIV) card enrollment process. The 2025 Budget will also support evidence-based retention efforts such as enhancing coaching and mentoring services across HUD and supporting employee engagement initiatives across HUD to drive employee productivity and retention.
- **Change Management across HUD:** New investment funding will also provide change management support to enable HUD to implement an HR Consulting and Client Portfolio model paving the way for a new way for OCHCO to do business by: enhancing strategic and operational support to Program Offices; enabling cross-functional, holistic HR support, breaking down HR siloes; and greatly improving customer service, reducing timelines, and improving efficiency. Funding will support the configuration of the ServiceNow software to build workflows, client support tools, case management systems, and other tools that will greatly enhance efficiency, customer service, employee experience, and data-capabilities to support program offices and OCHCO.

### **Working Capital Fund (WCF)**

The Budget assumes \$2.1 million for WCF, which includes \$490.4 thousand for 2025 WCF expenses (in addition to \$1.6 million forward funded in 2024) and \$1.6 million for forward funding of 2026 WCF expenses. Please see the Working Capital Fund Congressional Justification for details on current and proposed WCF business lines.

## **KEY OPERATIONAL INITIATIVES**

The Budget includes funding to address HUD's operational, strategic, compliance, and reporting risks. Funding at this level is critical to address human capital risks impacting core workload, succession planning, and improving overall customer experience, while addressing information technology limitations and acquisitions to meet regulatory requirements for programs. Resources will support the following key operational initiatives in 2025.

### **Move HUD forward into a Modern Workplace**

- Enhance reporting, analytics, and evaluation of OCHCO business practices. OCHCO will begin reviewing business practices to enhance efficiencies, as well as continue to expand HR analytics to allow for data-driven decisions.
- Develop a Workforce Strategy based on robust assessments, encompassing all actions taken to acquire, retain, develop, motivate, and deploy HUD's human capital. This strategy is a whole-of-workforce plan extending over the employment life cycle, allowing leadership to prepare for future workforce and staffing needs. Leverage data, AI, and Survey Governance, reform, and transformation (standards, data warehouse, unified survey platform) to drive workforce insights and drive employee experience interventions, with a focus on employee retention.
- Establish the Human Capital Business Partner Model to provide a one-stop resource for customers and stakeholders encompassing all human capital activities.
- Develop a robust marketing strategy, inclusive of branding and participation at recruitment events, to focus on targeted recruiting and ensure the Department has the right skills while supporting a diverse and inclusive workforce.
- Increase employee accountability and engagement by building a performance culture that embraces accountability and recognizes performance.
- Continue execution of the Trusted Workforce 2.0 mandate which expands continuous vetting enrollment to include the agency's Non-Sensitive Public Trust (NSPT) personnel and provide for the reporting of performance metrics mandated in the Performance Management Implementation Guidance jointly issued by the Director of National Intelligence and Office of Personnel Management Director.

### **Invest in HUD's Employees through Strategic Retention, Recruitment, and Development Initiatives**

- Continue the focus on hiring and retention by utilizing technological platforms to facilitate the use of shared certificates, onboarding journeys and employee portals to improve the employee experience.
- Utilize talent teams to support the development and validation of custom job assessments to ensure we hire candidates with the required skills. The teams will use tools, such as competency gap assessments and applicant flow data, to analyze hiring and workforce trends to identify opportunities for targeted recruitment and hiring.
- Develop shared position descriptions to support internal and Federal-wide pooled hiring efforts and will continue to support OPM's Hiring Experience efforts at the same levels for 2024.
- Recruit talent with the right skill using valid and reliable job assessments and expansion of talent teams which will partner to develop recruitment strategies and provide hiring managers with the tools to assess applicant competencies more easily and effectively.
- Implement improved Employee and Leadership Development programs like the Senior Executive Service (SES) Candidate Development Program, SES Readiness program, microlearning, mentoring/coaching solutions, New Supervisor Bootcamp, and Professional Development Program, to support succession planning, retention, and development of a robust talent pipeline for the Department.

- Expand early career programs for succession planning (interns, apprentices, fellowships, etc.) to continue to build a pipeline of early career talent to offset future retirements and attrition.
- Continue to update, enhance, and implement the Departmental Employee Engagement Plan to strengthen engagement and improve retention of a high performing workforce.
- Enhance Executive Resources programs to improve the executive experience (SES Induction Ceremony, enhanced onboarding/orientation).
- Support priorities including diversity, equity, inclusion and accessibility, staff capacity, data analytics, and automation, and where appropriate embed these principles into all aspects of the human resources lifecycle.

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

### Administrative Support Offices

#### Office of the Chief Procurement Officer

#### SALARIES AND EXPENSES

(Dollars in Thousands)

	2023*	2024			2025**		
	Actuals	Carry Over	Annualized CR	Total	Carry Over	President's Budget	Total
<b>Personnel Services</b>	<b>\$23,914</b>	<b>\$2,023</b>	<b>\$23,089</b>	<b>\$25,112</b>	-	<b>\$27,941</b>	<b>\$27,941</b>
<b>Non-Personnel Services</b>							
Travel	60	-	62	62	-	64	64
Other services/Contracts	2,193	-	2,259	2,259	275	3,252	3,527
Training	304	-	313	313	-	322	322
Supplies	2	-	2	2	-	2	2
<b>Non-Personnel Services Subtotal</b>	<b>\$2,559</b>	-	<b>\$2,636</b>	<b>\$2,636</b>	<b>\$275</b>	<b>\$3,640</b>	<b>\$3,915</b>
Working Capital Fund	2,463	-	2,000	2,000	-	2,419	2,419
Carryover	2,023	-	275	275	-	-	-
<b>Grand Total</b>	<b>\$30,959</b>	<b>\$2,023</b>	<b>\$28,000</b>	<b>\$30,023</b>	<b>\$275</b>	<b>\$34,000</b>	<b>\$34,275</b>
<b>FTEs</b>	<b>130</b>	<b>10</b>	<b>120</b>	<b>130</b>	-	<b>140</b>	<b>140</b>

\*Includes 2022 carryover

\*\*Includes amount for 2026 WCF forward funding

### 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 program including managing the acquisition workforce and conducting procurement activities. Procurement activities are conducted in support of all HUD program offices in: Washington, DC; Atlanta, GA; Fort Worth, TX; Denver, CO; Chicago, IL; and Philadelphia, PA.

### BUDGET OVERVIEW

The 2025 President's Budget requests \$34 million for OCPO, which is \$6 million more than the 2024 Annualized CR level. The Budget reflects total funding of \$34.3 million, \$4.3 million above 2024 total funding.

This Budget is designed to build and strengthen the Acquisition programs at HUD, create the internal capacity, including people and technology, that OCPO needs to meet its mission, and reduce HUD's reliance on costly outsourced contracting support. While OCPO has recently realized an increase in FTEs, OCPO's responsibilities and functions have also increased, leaving less staff to conduct contract placement and administration. This Budget focuses on several initiatives: 1) Training the acquisition workforce, 2) Mitigating risks in the acquisition program, and 3) Implementing the President's Executive Order on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government.

### **Personnel Services (PS)**

The Budget assumes total funding of \$27.9 million for PS to support 140 FTEs, which is ten FTEs and \$2.8 million more than the total 2024 PS level. The requested 2025 PS funding level supports a two percent pay raise. This structure within the OCPO allocates 92 FTEs in Headquarters and 48 FTEs in field offices.

Funding at this level will allow OCPO to maintain current staffing levels and increase PS by \$2 million for ten additional FTEs to address critical support needs:

- 3 FTEs for the Ginnie Mae Support Division
- 2 FTEs for the OCPO front office to support program management and oversight
- 4 FTEs for the Information Technology Support Division
- 1 FTE for acquisition career management, policy and training

### **Non-Personnel Services (NPS)**

The Budget assumes total funding of \$3.9 million for NPS, which is \$1.3 million more than the total 2024 NPS level. This increase includes an MCL increase for travel, training, and contract services.

Included in the Budget is \$1.2 million for contractual services in support of Department-wide acquisition workforce analysis and planning; the development, enhancement, and implementation of acquisition standard operating procedures and desktop references; and the re-assessment of HUD's Acquisition maturity to determine and document the effectiveness of improvements made to the Acquisition program and any additional gaps.

### **Working Capital Fund (WCF)**

The Budget assumes \$2.4 million for WCF, which includes \$1.4 million for 2025 WCF expenses (in addition to \$1 million forward funded in 2024) and \$1 million for forward funding of 2026 WCF expenses. Please see the Working Capital Fund Congressional Justification for details on current and proposed WCF business lines.

## **KEY OPERATIONAL INITIATIVES**

The Budget includes funding to address the operational, strategic, compliance, and reporting risks impacting HUD'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 is necessary to address information technology limitations and acquisitions to meet regulatory requirements for its programs. Resources will support the following key operational initiatives in 2025:

### **Move HUD Forward into a Modern Workplace**

- Continue improvements in Acquisition execution by facilitating earlier planning and early engagement between OCPO and the program offices. OCPO has institutionalized the Acquisition Communities of Practice, the Acquisition Community Action Team, and Integrated Acquisition Teams, which allow for the passing and sharing of information and best practices across the Department, resulting in greater effectiveness in the Acquisition program. The Integrated Acquisition Team brings all the disciplines across the Department with a role in the procurement process together to provide value added input throughout the effort resulting in better quality procurements and reduced processing times.
- Complete assessment of targeted areas for improvement as part of the HUD Forward initiative. Benchmark HUD's acquisition program policies and procedures against leading practices to simplify, streamline, and automate the acquisition process with the intent to reduce the program office's time to procure required services.

### **Invest in HUD's Employees through Strategic Retention, Recruitment, and Development Initiatives**

- Resource an acquisition staff that is properly trained and equipped to support HUD's mission. Increased funding strengthens the acquisition program, properly resourcing the OCPO to support the entirety of HUD's procurement needs, reducing the reliance on costly acquisition assistance, and training the acquisition workforce to equip them with the knowledge and skills necessary to perform their duties.

### **Streamline Acquisition Management**

- Enhance HUD's portfolio of enterprise-wide strategically sourced contract vehicles to improve the timeliness of procurement services.
- Provide consultation services to the program offices to improve the quality of required documents and supporting documents, thereby reducing delays in the acquisition process.
- Prioritize staffing for the IT support cadre and Ginnie Mae support division to support growing acquisition portfolios and address Top Management Challenges as identified by the HUD OIG. Additional staff will allow for acquisition assistance requirements to be brought back in-house, facilitating cost reductions/avoidance, and allowing program funds to be put to better use. HUD's program offices paid between \$9 and \$17 million in assisted acquisition fees each of the last three fiscal years. This initiative mitigates these costs.
- Prioritize staffing for field Contracting Operations divisions to maintain capacity and support the growing PIH and Multi-family NSPIRE program portfolio. This includes the placement and management of strategically sourced vehicles for inspection services as well as program oversight and administrative support services.
- Increase the transparency and accountability for timely execution of program office acquisition plans. Improving OCPO's data analytics to provide real-time data to inform decisions, identify critical delays and bottlenecks, and improve category management, all of which will reduce the time to procure.