

# DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

## Administrative Support Offices

### Office of the Chief Financial 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	\$42,559	1,136	\$49,176	\$50,312	-	\$53,785	\$53,785
Common Distributable	4,806	-	5,100	5,100	-	\$6,000	6,000
<b>Total, Personnel Services</b>	<b>\$47,365</b>	<b>\$1,136</b>	<b>\$54,276</b>	<b>\$55,412</b>	<b>-</b>	<b>\$59,785</b>	<b>\$59,785</b>
<b>Non-Personnel Services:</b>							
Travel	115	-	150	150	-	250	250
Transportation of Things	-	-	-	-	-	-	-
Rent and Utilities	-	-	-	-	-	-	-
Printing	9	-	47	47	-	47	47
Other services/Contracts	41,248	5,134	29,973	35,107	-	37,702	37,702
Training	293	-	300	300	-	600	600
Supplies	15	-	46	46	-	46	46
Furniture and Equipment	1,699	-	1,481	1,481	-	1,481	1,481
Claims and Indemnities	-	-	-	-	-	-	-
<b>Total, Non-Personnel Services</b>	<b>\$43,379</b>	<b>\$5,134</b>	<b>\$31,997</b>	<b>\$37,131</b>	<b>-</b>	<b>\$40,126</b>	<b>\$40,126</b>
Working Capital Fund	4,905	-	3,727	3,727	-	5,839	5,839
Carryover	6,270	-	-	-	-	-	-
<b>Grand Total</b>	<b>\$101,919</b>	<b>\$6,270</b>	<b>\$90,000</b>	<b>\$96,270</b>	<b>-</b>	<b>\$105,750</b>	<b>\$105,750</b>
<b>FTEs</b>	<b>219</b>	<b>6</b>	<b>241</b>	<b>247</b>	<b>-</b>	<b>257</b>	<b>257</b>

\*Includes 2022 carryover.

### PROGRAM PURPOSE

The Office of the Chief Financial Officer (OCFO) provides leadership in instituting financial integrity, fiscal responsibility, and accountability. The mission of OCFO is to lead the Department's headquarters and field office officials towards the understanding and practice of sound financial management in program development and operations, and in the stewardship of public resources.

While advising the Secretary and HUD leadership on all aspects of financial management and budget, OCFO works to ensure that HUD meets established financial management goals and complies with pertinent legislation and directives. OCFO supports HUD's priority projects and Agency-wide efforts to achieve operational excellence. OCFO also develops, analyzes, and reports on key performance indicators for HUD and Agency priority goals.

## BUDGET OVERVIEW

The 2025 President's Budget requests \$105.8 million for OCFO, which is \$15.8 million more than the 2024 Annualized CR level. The Budget reflects total funding of \$105.8 million, \$9.5 million above the 2024 total funding.

The Budget supports OCFO's mission to provide sound financial management to protect public resources from fraud, waste, and abuse. The funding level supports the following priorities and initiatives:

- Improving financial services to achieve compliance with laws and regulations governing Federal funds.
- Advancing HUD's Artificial Intelligence (AI) governance and innovation along with managing associated risk from AI utilization.
- Building out Customer Experience (CX) capabilities to improve customer experience and trust in HUD services.
- Implementing the OCFO Training Academy to increase employee engagement, retention, and talent management.
- Restructuring the organization to improve organization health and operational efficiencies, streamline processes, and manage workloads.

### Personnel Services (PS)

The Budget assumes total funding of \$53.8 million for PS to support 257 full-time equivalents (FTEs), which is 10 FTEs and \$3.5 million more than the total 2024 PS level. The requested 2025 PS funding level supports a two percent pay raise.

Increased PS resources maintain 2024 staffing levels and provide an additional 10 FTEs to support the following:

- Two FTEs to support advancing AI governance and innovation along with managing associated risks from the use of AI by HUD.
- Three FTEs to support the management and oversight of the CFO Training Academy and Build America, Buy America Act (BABA) within the Front Office.
- Two FTEs to support enterprise fraud and risk management within the proposed Office of the Chief Risk Officer.
- Three FTEs to improve and expand strategic planning and performance management capabilities within the Strategic Planning and Performance Management Division.

The current structure within OCFO allocates 220 FTEs in Headquarters and 27 in Field Offices. The requested FTEs would increase Headquarters' staffing by 10 FTEs.

### Non-Personnel Services (NPS)

The Budget assumes total funding of \$40.1 million for NPS, which is \$3 million more than the total 2024 NPS level. Increases in NPS include the following:

- Travel: The Budget includes \$250 thousand for travel, which is \$100 thousand more than 2024 total funding. Additional funding will support travel for OCFO All-Hands Meetings and training to strengthen OCFO's workforce and promote engagement between headquarters and field staff.

- **Other Services/Contracts:** The Budget includes \$37.7 million for other services/contracts which is \$2.6 million more than 2024 total funding. This increase reflects an overall \$5.5 million reduction for expiring contracts and reduced contract services, offset by an \$8.1 million increase due to inflation and increased services.

Funding of \$37.7 million for OCFO's other services/contracts is necessary to support current and increased contract services including:

- \$13.2 million for financial management support to assist with agency financial reporting, A-123 compliance, audit remediation, data analytics, and improved financial operations.
- \$2.5 million for Enterprise and Fraud Risk Management.
- \$4.4 million for Customer Experience.
- \$2.1 million to support OCFO's systems strategy, analysis, remediation, and shared services.
- \$500 thousand for Build America, Buy America (BABA)
- \$15 million to maintain services for E-Gov/line of business agreements, accounting services, Chief Experience Officer (CXO) Council and Cross Agency Priority Goals, Federal Audit Clearinghouse, Digital Accountability and Transparency Act, system security control, and computer matching for employment/income verification.

This includes HUD's contributions of \$6.3 million to GSA's Integrated Award Environment (IAE) and \$586 thousand to Technology Transformation Services. It also includes \$12 thousand for HUD's Lead Agency Coordination Request System (LACRS) Line of Business.

- **Training:** The Budget provides \$600 thousand for training, which is \$300 thousand more than the 2024 total funding to support the CFO Training Academy.

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

The Budget assumes \$5.8 million for OCFO's share of 2025 WCF expenses. Please see the WCF Congressional Justification for details on current and proposed WCF business lines.

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

The Budget assumes total funding of \$6 million for CD, which is \$900 thousand more than 2024 total funding. This funding provides for Workers' Compensation, Unemployment Compensation, and Professional Liability Insurance reimbursements.

## **KEY OPERATIONAL INITIATIVES**

The Budget supports Departmental Goals by ensuring the availability and accountability of operational and programmatic funding. OCFO strives to implement strong financial management policies, accounting practices, internal controls, mitigation of risks, funds control assurance, and audit support to safeguard resources for intended purposes. OCFO's key operational initiatives most directly support the Departmental Goal: Strengthen HUD's internal capacity and efficiency through increased personnel, contract support, Department-wide training programs and streamlined processes. It also supports HUD's overarching priority to improve customer experience as well as advancing AI governance while managing associated risks.

### **Advance Artificial Intelligence (AI)**

For 2025, HUD will continue implementation of the Executive Order 14110 on AI. Implementation will be a coordinated approach between the Office of the Chief Information Officer, Office of Policy Development and Research, and OCFO. OCFO will dedicate two additional positions within OCFO to support the AI program at HUD during the initial stand-up of this program in 2025. These two positions will support the establishment of the Department's Artificial Intelligence Governance Board and the development of OCFO expertise with respect to AI implementation.

### **Build America, Buy America (BABA)**

The Budget includes \$500 thousand to support the ongoing development of a Salesforce platform to manage the product and project specific waivers. Platform development includes licensing, testing, creating user guides, Frequently Asked Questions (FAQs), and training programs for successful implementation. This money includes contract support to continue the development tasks around training and waiver platform management.

Additionally, HUD will hire two FTEs to manage the BABA initiative, including: 1) establishing and leading the waiver review framework, 2) engaging with the Made in America Office and on interagency calls, 3) developing education and training materials for grantees, and 4) conducting market research and verification for waiver requests.

### **Financial Management**

The Budget provides \$13.2 million for financial management contract support. Contract services will provide support for audit readiness, agency financial reporting, OMB A-123 fraud and remediation, financial operations services, training, and Payment Integrity Information Act (PIIA). The expected outcome is to continue to obtain an unqualified audit opinion and achieve compliance with financial management requirements.

### **Improve Customer Experience (CX)**

OCFO leads HUD's effort in establishing CX management. The Budget includes \$4.4 million for contract support implementing strong customer experience practices to enhance HUD's services and achieve compliance with Federal mandates. Funding will support contract services to build out HUD's CX capabilities and conduct research to improve customer experience and trust in HUD services.

The Budget also provides an additional \$1.5 million for the Voice of the Customer (VOC), a Software as a Service license subscription that will collect and analyze HUD's customer feedback. OCFO will utilize the VOC to efficiently focus on understanding HUD's customer needs to improve HUD's services.

### **CFO Training Academy**

The Budget provides \$300 thousand in contract services and one FTE to support the CFO Training Academy. The CFO Training Academy is a new initiative designed to provide professional development and coaching opportunities within OCFO. The academy will also assist with increasing employee engagement, retention, and talent management. Professional development opportunities will include training in fundamental, technical, function, and leadership skills. Mentoring and coaching opportunities will assist new employees with becoming familiar with the organization and engaged.

## **Reorganization**

The Budget repropose the following reorganizations that were submitted with the 2024 President's Budget to improve operational efficiencies, streamline processes, achieve compliance, and manage workloads.

### Office of Strategic Planning and Customer Experience

The Budget proposes creating the Office of Strategic Planning and Customer Experience (OSPCX). The OSPCX will be responsible for managing and overseeing HUD's strategic planning and agency-priority goals and improvement in customer experience.

The office will consist of two divisions: Customer Experience Division (CX) and Strategic Planning and Performance Division (SPPD). It will be led by the Director of Performance Management and Customer Experience. The OSPCX Director will report to the Deputy CFO. The CX Division will be a new division tasked with ensuring compliance with mandates in delivering excellent, equitable, and secure Federal services and customer experience. In addition, the Budget proposes creating two branches: one focused on operations, business intelligence and risk management, and a second focused on policy and program management within SPPD. This will allow SPPD to increase performance management capabilities commensurate with other Cabinet-level agencies and provide greater support to program offices.

### Office of the Chief Risk Officer

OCFO requests to establish an Office of the Chief Risk Officer to better align and clarify HUD Enterprise and Fraud Risk Management (EFRM) functions as well as staff the unique skills needed to meet regulatory requirements and support the operational mission of HUD's Chief Risk Officer (CRO).

The proposed reorganization is required to establish an office to execute the responsibilities of HUD's EFRM Programs assigned to the CRO. The programs are necessary to meet Office of Management and Budget (OMB) and Government Accountability Office (GAO) requirements. HUD's CRO provides guidance to HUD executives on the EFRM programs that enable program executive leadership across the Department to identify and manage risks inherent to the nature of office mission and mission-support management activities. The CRO serves on key committees across the Department promoting risk considerations in vision and strategy development. The CRO needs staff level support to establish a sustainable and effective strategic risk management program. The CRO resources are currently limited, focusing solely on balancing immediate priorities of HUD programs, often leaving the Department vulnerable to risk exposure from both unidentified and unmitigated risk.

### Office of Business and Resource Management

Management Staff Division (MSD) proposes a reorganization to improve and streamline business operations for optimal services and efficiency. Currently, MSD provides the OCFO with resource management services to include but not limited to budget formulation, justification, and execution, acquisition management, staffing and recruitment, employee and labor relations, performance management, employee engagement, space management, and travel management. Increased funding, hiring, and acquisition requirements have increased management and leadership needs to manage and oversee work functions.

The proposed reorganization will restructure MSD to the Office of Business and Resource Management (OBRM) with three divisions: Administrative Services Division, Business Management

Division, and Travel Management Division. There will be no impact on the total number of FTEs currently allocated to this office.

- Administrative Services Division – The Administrative Services Division (ASD) will provide administrative support services such as human capital and human resources support, performance management guidance and oversight, employee engagement, and space management.
- Business Management Division – The Business Management Division (BMD) will manage and oversee the OCFO’s S&E budget including budget formulation, justification, and execution activities. Additionally, the BMD division will manage and execute OCFO’s S&E acquisition portfolio.
- Travel Management Division – The Travel Management Division (TMD) will provide travel management, oversight, and guidance for HUD. The TMD will manage policies and procedures for relocations, travel management system, and travel purchase card program. In addition, the TMD will provide guidance on the Federal Travel Regulation (FTR) and ensure compliance.