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## HUD Reform Plan - June 30 Submission

### Restructure or Merge Activities

Action	Description	Category	Mechanism
Increase HUD Flexibility – Streamline Operational Responsibilities	HUD plans to streamline internal management responsibilities, including eliminating duplicative/redundant job functions throughout the Department – particularly with respect to the work of CXO offices and HUD’s rental assistance programs. Establishing more defined roles and responsibilities for related management functions will help improve the Department’s overall management, bolster internal controls, and better enable HUD to deliver services to its stakeholders. It will also prevent gaps and overlaps in responsibility, and strengthen lines of communication and coordination. It will empower CXOs to strengthen oversight over, and support of, employees who perform CXO-related functions related in program offices throughout the Department. It will allow program offices to focus on core mission areas. Strong customer service is a core tenet of this proposal.	Restructure/Merge	Administrative - Our Agency
Increase HUD Flexibility – Rethink Regional Structure	Consolidate all HUD HQ offices in the Weaver Building and reduce space costs in field offices. HUD spends approximately \$11.8 million per year on 4 leases within walking distance of the Weaver building. In 2015, OMB required each Federal agency to demonstrate that it had revised its space standards to promote the reduction of space assignments. HUD has already reduced HUD’s total usable square feet by 268,235 since FY 2010, but must do more. The Office of Administration is working toward the target of 175 sq ft per person, by working closely with office managers. This will continue as office relocations, major space realignments, and renovations are done in each area. This effort will save millions in taxpayer dollars each year.	Restructure/Merge	Administrative - Our Agency
Increase HUD Flexibility – Rethink Regional Structure	HUD will build on its prior small office closure initiative, which resulted in the closure of 15 field offices. Closing additional HUD field offices that have a small number of employees would save costs due to reductions in salaries and benefits, administrative service and lease costs, and technology costs. HUD would only close offices after taking into consideration travel and expenses necessary for other field offices to maintain support for communities and limit impact on HUD’s grantees and other stakeholders.	Restructure/Merge	Administrative - Our Agency

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<p>Increase HUD Flexibility – Space Improvements</p>	<p>HUD plans to modernize the space within the Weaver Building to enhance employee productivity. Such improvements include installing kitchenettes on every floor, updating the drinking fountains, improving access to natural light, and installing LED lighting throughout the building.</p>	<p>Restructure/Merge</p>	<p>Administrative - Our Agency</p>
<p>Increase HUD Flexibility – Rationalize Reorganization Policy and Process</p>	<p>Addressing the process, policy, and requirements for reorganizations can reduce inefficiencies and save costs. HUD would like to work with OMB and appropriators to establish a common understanding of thresholds and a policy that allows transparency and accountability, with flexibility for HUD to respond to changing circumstances, including additional appropriations flexibilities. Currently, certain changes to the organization not in appropriations acts require HUD to obtain OMB and Congressional approval. The threshold for Congressional approval is not uniform, nor does HUD have a standard policy for implementation.</p>	<p>Restructure/Merge</p>	<p>Administrative – EOP</p>
<p>Rental Reform – FY 2018 Budget</p>	<p>The FY18 budget proposes policies in rental assistance programs to empower PHAs, reduce costs, provide administrative flexibilities, and streamline the administratively burdensome calculation of income and rent. These policies serve as a starting point as the Administration works towards more rental assistance reforms for 2019. Changes include: Increasing tenant contributions toward rent; For PBRA/202/811: A one-year freeze on annual rent adjustment increases; For TBRA and public housing: Expanded waiver authority. Many of these changes are also designed to reduce administrative burdens on PHAs, freeing them to devote more resources to working on behalf of their residents to move to self-sufficiency. Implementing these policies will require HUD to also align operational investments, including staffing and IT, to identify and implement opportunities.</p>	<p>Restructure/Merge</p>	<p>Statutory</p>
<p>Rental Reform – FY 2019 Budget</p>	<p>To address the rising cost of HUD’s rental assistance programs and reduce the burden on Federal resources, HUD plans to present a comprehensive rental reform proposal in 2019. This proposal will re-examine how HUD provides rental assistance and propose sustainable policy reforms to assist those most vulnerable while incentivizing work-able families to become economically independent. Through this proposal, HUD will operate more efficiently without displacing families, right size the government’s role in housing policy, and roll out reforms responsibly to reduce impacts on communities. The FY18 budget takes the first step to developing and implementing the rental reform initiative.</p>	<p>Restructure/Merge</p>	<p>Statutory</p>

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<p>Shared Service Provider Return on Investment</p>	<p>Current shared service provider agreements are not supported by sufficient transparency around cost metrics, lack transparency around cost drivers, and provide neither incentives nor compensation for good work/errors (e.g., timely and accurate work, errors in candidate certifications). HUD will re-negotiate and may consider re-competing for the work that Bureau of Fiscal Services has delivered, commencing in 2015, under a shared service agreement. Accountability and satisfaction with the service has been low for HR, and there is a lack of transparency and metrics for financial services. Evidence includes: Number of non-selection certificates; Poor survey results (customer satisfaction and GSA Benchmarking surveys); Complaints filed with OCHCO; Error and correction rates</p>	<p>Restructure/Merge</p>	<p>Administrative - Our Agency</p>
<p>Shared Services – Grants Management System</p>	<p>HUD is considering expanding its agreement with HHS as a shared service provider to streamline the grants management process, reduce the time it takes to disburse funds, and improve performance and DATA Act reporting. HUD intends to strengthen and align enterprise-wide grants management responsibilities, policies, processes, and IT systems. The new system will align HUD's policies, processes, and optimization of disparate IT systems while decreasing the time it takes to fund grantees. Standardized performance reporting capabilities will automate processes to evaluate, align, improve, and consolidate grantee performance information to better inform HUD decision-making.</p>	<p>Restructure/Merge</p>	<p>Administrative - Our Agency</p>
<p>Shared Services – GSA proposal</p>	<p>HUD is considering GSA's cross-cutting proposal to create a Federal Enterprise Business Center (EBC) organization responsible for the delivery of common and transactional administrative functions and technology for all civilian agencies.</p>	<p>Restructure/Merge</p>	<p>Administrative – Other</p>

<p>Rethink Approach to Monitoring</p>	<p>HUD is developing a cohesive approach in support of A-123 requirements around enterprise risk management. While the ERM program is working to standardize risk management throughout HUD, monitoring is conducted by each program office (often, field offices), and the approaches and results differ greatly. Resources for monitoring have been significantly reduced as a result of budget and reductions in staffing over the years. For example, CPD only has the budget to visit 6 percent of its thousands of grantees. HUD will benchmark best practices utilized by other federal agencies in their monitoring efforts to create greater efficiency, effectiveness, and cost savings. In addition, HUD is considering expanding the role of the Departmental Enforcement Center (DEC) to supplement monitoring and work with field offices to assist them, as it has the staff skill sets and has developed an effective monitoring model for Multifamily Housing. Evidence: OIG recommendation</p>	<p>Restructure/Merge</p>	<p>Administrative - Our Agency</p>
<p>Consolidate governmentwide debt management and referral systems</p>	<p>HUD's Credit Alert Verification Reporting System (CAIVRS) and Treasury's Do Not Pay CAIVRS systems are duplicative. Both systems collect data from various agencies for preventing payments or loans to people who are delinquent in repaying debts to the Federal Government. CAIVRS enables processors of applications for Federal credit benefit to identify individuals who are in default, have had claims paid on direct or guaranteed Federal loans, or are delinquent on other debts owed to Federal agencies. The HUD-maintained CAIVRS contains delinquent borrower records from HUD, the VA, Education, Agriculture, SBA, and DOJ. The Do Not Pay Business Center's CAIVRS system contains delinquent borrower records from HUD, VA, DOJ, and SBA. These systems might be consolidated and still accomplish the same purpose. Treasury has also implemented receivables management services and tools for delinquent/defaulted debts that may be available for these purposes. Evidence: OIG recommendation</p>	<p>Restructure/Merge</p>	<p>Administrative - Other</p>
<p>Centralize purchasing/storage of supplies</p>	<p>Each office is currently responsible for ordering, purchasing, and storing its own supplies. This results in inefficiencies where one office may have extra stock of a product that another office needs. HUD will create a "store" where offices can purchase supplies and designate a single office within the Office of Administration to manage and operate this store. When employees need an item, the store might already have it, which would be quicker and simpler than having to order it. If the store does not already have it, they can order the amount they believe will meet demand. Evidence: Internal GSA program</p>	<p>Restructure/Merge</p>	<p>Administrative - Our Agency</p>

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<p>Explore Cross-Agency Proposals</p>	<p>HUD will further explore opportunities to merge duplicative functions across federal agencies. Potential opportunities include looking at rural and veterans housing programs in USDA and VA, real estate owned property disposition with VA and SBA, economic development programs with Commerce (EDA), disaster assistance responsibilities with FEMA, and the LIHTC program with Treasury. Evidence: OIG recommendation; Employee feedback</p>	<p>Restructure/Merge</p>	<p>Statutory</p>
<p>Increased Collaboration on Operations</p>	<p>HUD will continue to increase collaboration between CXOs and program offices to ensure the use of centralized processes. CXO guidance will be updated as necessary to ensure consistent prioritization and implementation of CXO priorities and to avoid the creation of duplicative functions and program offices acting on their own without proper oversight. HUD is re-establishing the position of Assistant Secretary for Administration to coordinate these efforts. In addition, HUD plans to re-evaluate the use of the Secretary's Advisory Council to establish a more formal, enterprise-wide approach to improving collaboration. HUD will implement a Directives program and improve tracking of changes so that all program areas recognize when issues are addressed. This will enable program areas to be more prepared for operational changes, resulting in more effective implementation. Evidence: Senior leadership feedback; OIG recommendation</p>	<p>Effectiveness</p>	<p>Administrative - Our Agency</p>
<p>Data Governance (including Enterprise Data Management)</p>	<p>HUD does not fully utilize its information for maximum benefit of staff and stakeholders. To improve data analysis throughout the Department, HUD is focusing on creating accessible, reliable data from consistent data sources. Similarly, HUD is looking to improve knowledge management and the retention of critical institutional knowledge through increased automation that would facilitate data driven management. The FY 2018 Budget includes a proposal to fund data management at \$6.55 million under the auspices of the Chief Operating Officer. HUD will develop a Data Governance Operating Model and hire a Chief Data Officer to ensure consistency, clarity, and confidence in HUD's data. A central element is establishing an enterprise data management strategy, the structure of which will be aligned with HUD-wide strategic goals and improved IT policies. Finally, HUD will create a departmental Knowledge Management Operating Model. Evidence: GAO recommendation; Employee feedback</p>	<p>Effectiveness</p>	<p>Administrative - Our Agency</p>

<p>Customer Relationship Management (CRM)</p>	<p>HUD has lacked: an enterprise-wide approach to customer service; consistency in responses to customers; and effective communication channels within and across programs. HUD will: Expand the enterprise-focused CRM platform; Establish key performance indicators to improve measurement; Assess customer service experiences across multiple areas with standardized metrics; Ensure front-line customer service representatives are properly trained; and Transition management of the telephone system from OCAO to OCIO. This will improve customer experiences in information accuracy, response timeliness, and savings and efficiency. Evidence includes: Franklin-Maxwell Group study for FPM; Feedback from program offices and customers; High costs from disparate call centers; Customer interaction data that is inconsistently collected, measured, aggregated, and reported</p>	<p>Effectiveness</p>	<p>Administrative - Our Agency</p>
<p>Innovative IT Service Delivery—Modernizing IT Infrastructure to Support Performance Improvement</p>	<p>HUD's IT services are not standardized, and offices incur high costs for antiquated systems that do not meet business needs. Outdated IT systems impede: System interoperability; Transitions from manual processes; Collaboration among programs; Cybersecurity; and Excellent customer service. HUD proposes to modernize its IT infrastructure and implement innovative IT service delivery (digital services, cloud, migration off mainframes etc.) and track annual improvements. This will improve the accessibility, convenience, and performance of IT functions. Areas under consideration include enterprise subsidies management, case management, enterprise risk management, HR, and procurement systems. HUD will also supplement initiatives with projects focused on addressing performance concerns highlighted by HUD staff and citizens. Evidence includes: OIG and GAO Findings; Error reporting and system down-time; HelpDesk tickets; Stakeholder feedback</p>	<p>Effectiveness</p>	<p>Administrative - Our Agency</p>

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Quality Improvement	<p>Many HUD processes are administratively cumbersome and unnecessary. HUD is encouraging program offices to undertake Quality Improvement (QI) projects that will streamline processes, reduce costs and staff time to complete processes, and serve HUD's customers more effectively and efficiently. While some have already begun achieving results, such as the Continuum of Care Re-Imagining project, other potential QI projects include: Improving the quality and timeliness of BFS human resources services until HUD can recompile for this function; The process for settling employee performance and conduct issues; Improving the waiver process between Headquarters and Field Offices; Streamlining the FOIA process; and Executing the "To-Be" streamlining effort for the on-boarding process.</p>	Efficiency	Administrative - Our Agency
Increase the Quality of Procurement/ Grant Requirements	<p>HUD proposes requiring subject-matter experts to write contract and grant requirements/ Performance Work Statements to reduce or eliminate "scope creep," rework, and avoidable modifications to contracts/grants.</p>	Efficiency	Administrative - Our Agency
Eliminate Duplicative Contracts/ Interagency Agreements	<p>HUD proposes streamlining, consolidating and standardizing the level of service available to HUD's programs by creating Strategic Sourcing vehicles to support similar needs across the agency. This will increase oversight while decreasing acquisitions and contract administration costs.</p>	Efficiency	Administrative - Our Agency

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Time Horizon to Start	FTE Changes (optional)	Implications for other agencies (optional)
FY 2018		N/A
FY 2017		N/A
FY 2018		N/A



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FY 2018		N/A
FY 2018		OMB, Congressional appropriators
FY 2018		N/A
FY 2019		N/A

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FY 2018		Treasury
FY 2019		HHS
FY 2020		GSA lead; other participating agencies affected.

FY 2019		N/A
FY 2019		Treasury
FY 2018		N/A

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FY 2020		Agriculture, VA, SBA, FEMA, Commerce, Treasury
FY 2017		N/A
FY 2018		N/A

FY 2017		N/A
FY 2018		N/A

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FY 2017		N/A
FY 2018		N/A
FY 2017		Interagency Agreements for Strategic Sourcing

## HUD Near-Term Workforce Actions - June 30 Submission

Action	Description (The "What")	Estimated FTE Changes	Estimated Cost Impact	Time Horizon to Start	Affected Components
Increase Managerial Flexibility – Reshaping the Workforce	<p>HUD plans to strengthen managerial skills and resources to address critical skill gaps and is crafting a plan for reshaping the workforce. HUD will identify duplicative operational positions, clarify managerial responsibilities and span of control, utilize place-based strategies, and conduct buyouts. Later phases may incorporate larger reorganizations. OCHCO has developed a 7-step plan to assist program offices with reorganizations.</p> <p>Evidence includes:</p> <ul style="list-style-type: none"> <li>• EVS Scores</li> <li>• PIH Workforce Analysis</li> <li>• OCHCO Strategic Workforce Plan</li> </ul>	N/A	N/A	FY 2017	All HUD employees
Maximize the use of High Performing Employees through Rotations, Key Project Assignments, and Reassignments	<p>HUD can reward high-performing employees with assignments that further contribute to the agency's ability to carry out its mission. HUD's plan to maximize employee performance will require the consideration of an employee's performance before any reassignment.</p>	N/A	N/A	FY 2017	All HUD employees

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FY 2018		OMB, Congressional appropriators
FY 2018		N/A
FY 2019		N/A

FY 2019		N/A
FY 2019		Treasury
FY 2018		N/A

FY 2017		N/A
FY 2018		N/A

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