

U. S. Department of Housing and Urban Development

Office of Inspector General for Investigation

Inspections and Evaluations Division



**Recovery Accountability and Transparency Board
Survey of Contracts and Grants Workforce
Staffing and Qualifications**

Evaluation of Reported Staffing Levels

March 2010
IED-09-006

Executive Summary

The Office of Inspector General, Inspections and Evaluations Division, conducts independent, objective examinations of U.S. Department of Housing and Urban Development (HUD) activities, programs, operations, and organizational issues.

We evaluated HUD's September 2009 response to questions in the Recovery Accountability and Transparency Board's (Board) survey of staff resources dedicated to American Reinvestment and Recovery Act of 2009 (Recovery Act or ARRA) activities. Thirteen HUD offices and/or program areas responded to the survey questions by entering data on total actual hours spent on ARRA activities from April 1 through June 30, 2009 (3rd quarter, fiscal year (FY) 2009), and forecasted to be spent from July 1 through December 31, 2009, and January 1 through June 30, 2010. We wanted to know whether the reported number of HUD contract and grant personnel responsible for ARRA funding and oversight could be validated and relied on for public disclosure.

We determined that the full-time equivalent (FTE) staffing levels submitted in response to the Board survey could not be validated and reflected "informed estimates" by headquarters program management of ARRA activities. Documentation, such as ARRA timesheets, was not available to support the estimates because HUD does not track workforce time and activity directly, pay period by pay period. Managers reported the FTEs based on counts, when possible, of specific staff working on ARRA and, when staff activity was not specifically known, used a "best estimate" of the time needed to complete ARRA workload requirements.

We attempted to test the reasonableness of the FTE estimates by comparing data from the survey for the 3rd quarter of FY 2009 to ARRA activity reported in HUD's Total Estimation and Allocation Mechanism (TEAM)¹ for the same period. The comparison disclosed material and unexplained differences in the staffing data reported by the Office of Community Planning and Development (CPD) and the Office of Public and Indian Housing (PIH). CPD and PIH are responsible for awarding and monitoring \$11.26 billion (83 percent) of HUD's \$13.62 billion in Recovery Act funding.

HUD's oversight of Recovery Act activities can be improved through implementation of a verifiable process to account for staff time. A documented count of FTEs provides information to senior management for use in decision making concerning HUD's responsibilities under ARRA. It also serves as a control process consistent with the guidelines set out in Office of Management and Budget Circular A-123. Further, any future responses to ARRA requests should be supported by information that can be validated.

We provided a draft copy of the report to the Senior Program Manager for Program Recovery, HUD's Recovery Act Implementation Team (Recovery Team), on February 16, 2010, and received written comments on March 5, 2010. The response contains planned corrective actions to address the observations and recommendations in the report. The complete text of the Recovery Team's comments is included in appendix A.

¹ TEAM is an automated information system used by HUD to capture workload and time use data as recorded by employees on a quarterly basis for a specified 2-week period.

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Introduction

The Act

Congress appropriated, through the American Recovery and Reinvestment Act of 2009 (Recovery Act or ARRA), approximately \$13.62 billion in economic stimulus funds that the U.S. Department of Housing and Urban Development (HUD) is responsible for obligating, disbursing, and tracking over the next 2 years. The Recovery Act also established an independent entity, the Recovery Accountability and Transparency Board (Board),² to report on HUD and other agencies' progress in awarding Recovery Act-related contracts and grants to government and private-sector entities. Among the responsibilities of the Board, Section 1523 directed that it determine 1) "whether there are sufficient qualified acquisition and grant personnel overseeing covered funds" and 2) "whether personnel whose duties involve acquisitions or grants made with covered funds receive adequate training."

The Survey

To comply with Section 1523, the Board directed 29 Offices of Inspector General (OIG) to collect data at their respective agencies using a survey instrument to determine the adequacy of staffing levels, qualifications, and training of personnel responsible for Recovery Act contracts and grants. The survey instrument—at the request of and in consultation with the Board—was developed by the U.S. Department of Commerce OIG and tested by the U.S. Departments of Transportation, Homeland Security, Agriculture, and Commerce OIGs.

At HUD, the survey was conducted in August 2009 by the Senior Program Manager for Economic Recovery and staff, it recorded responses from 13 offices and/or program areas (reporting offices), and its execution was administratively overseen by OIG. The survey instrument captured staffing data on Recovery Act contract and grant activities. Specifically, the survey asked HUD to report ARRA contracting activities in four categories: contracting officers, contracting officer technical representatives (COTR)/contracting officer representatives (COR), acquisition program/project managers, and contracting support personnel.³ The survey also captured ARRA grant activities in three categories: grant officers, grant program/project managers (GPM), and grant support specialists (GS). Program managers were also asked to comment on the level of staff qualifications, as reflected by certifications and training. HUD completed the survey on September 4, 2009. Our office reviewed the summarized data for consistency and completeness and submitted the survey results to the U.S. Department of Commerce OIG on September 11, 2009, the required deadline.

² Publ. L. No. 111-5, § 1522. The Board is comprised of 12 Inspectors General representing the U.S. Departments of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Homeland Security, the Interior, Justice, Transportation, and the Treasury and the Internal Revenue Service.

³ The contract staff categories reflect workforce definitions established by the Office of Federal Procurement Policy (OFPP) in OFPP Policy Letter 05-01, dated April 15, 2005. There is no corresponding government-wide definition for the grants workforce.

Scope and Methodology

Inspectors General were not required to validate the accuracy and reliability of the data collected and reported by the respective agency on the survey instrument. We elected independently to review the collection process and assess the survey results on staff resources. We focused on the total hours and related full-time equivalent (FTE) levels dedicated to ARRA activities, as captured by the survey instrument and reported to the Board.

To evaluate the accuracy and reliability of the data collected, we reviewed the data-gathering processes with the Senior Manager for Economic Recovery and staff as the survey was rolled out. We then analyzed the survey summary data to ensure the completeness of the survey entries and the reasonableness of the reported workforce numbers. To further validate data accuracy and reliability, we interviewed headquarters program managers and responsible staff for 7 of the 13 reporting offices that awarded and administered the ARRA contracts and grants. We asked specifically how they developed their staffing counts and responses to the questions posed on qualifications and training.

We also compared the survey results to reported ARRA staffing levels (FTEs) during the 3rd quarter of fiscal year (FY) 2009 that were captured in HUD's Total Estimation and Allocation Mechanism (TEAM), an automated information system designed to support departmental resource management. Its purpose is to capture and project information on workload and time use by employees on a quarterly basis for a specified 2-week period. TEAM was implemented in 2002 to provide HUD with a systematic and verifiable method of collecting data on HUD staff activities nationwide. TEAM workload and time codes were developed for ARRA and captured data from staff input beginning in January 2009. Among the uses of TEAM data are budget formulation and execution, FTE management, and input to departmental initiatives.

We asked the program managers to describe the credentialing and training of contract and grant oversight personnel. Contract oversight personnel must meet specific training and certification requirements. However, there are no equivalent government qualifications or training requirements for grant oversight personnel. We did not include independent verification of the credentialing and training in the planned scope of our validation.

We conducted the evaluation in accordance with the *Quality Standards for Inspections* issued by the President's Council on Integrity and Efficiency.

Observations

In September 2009, HUD completed the Board’s survey instrument designed to determine the adequacy of staffing levels, qualifications, and training of personnel responsible for Recovery Act contracts and grants. Thirteen HUD reporting offices responded to the survey questions by entering data on total actual hours spent on ARRA activities from April 1 through June 30, 2009 (3rd quarter, FY 2009), and forecasted to be spent from July 1 through December 31, 2009, and January 1 through June 30, 2010.

It should be recognized that HUD managers and staff at every level contributed markedly to the challenges of the Recovery Act by developing policy, meeting funding deadlines, and making system changes to allow for the Administration’s promise of accountability and transparency. To that end, HUD completed the Board survey instrument in a timely manner. However, staffing data reflected undocumented “informed estimates” by headquarters’ management of ARRA activities, rather than hard data based on formal FTE and workload tracking. Therefore, the FTE-reported survey results could not be independently validated and warrant, if publicly disclosed, a disclaimer on reliability.⁴

Survey Results

FTE Levels – ARRA

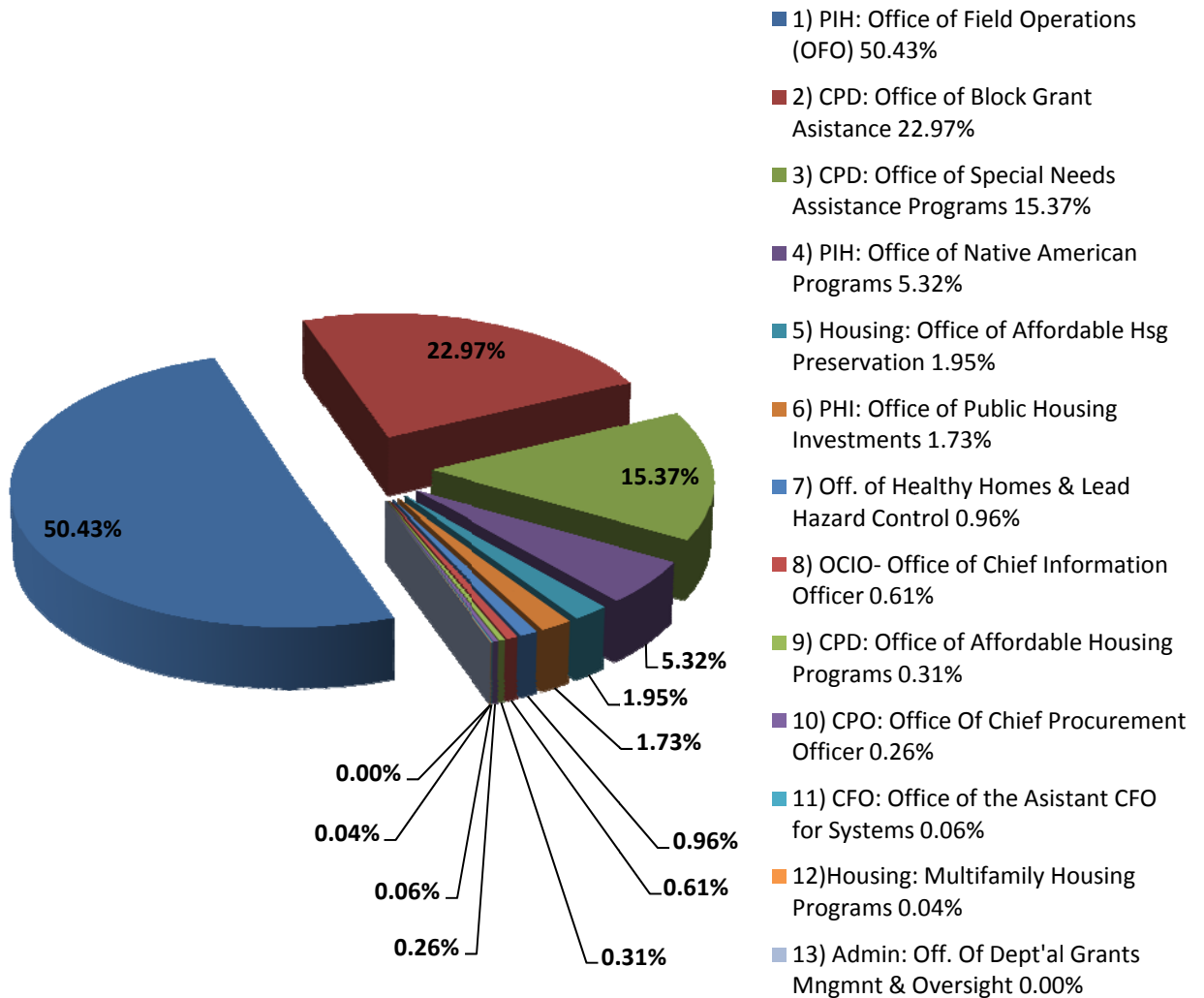
Thirteen HUD reporting offices responsible for the administration of \$13.62 billion in ARRA funding responded to the survey. The survey asked the responders to report the total “actual” hours spent and “forecasted” hours to be spent on ARRA activities. HUD reported FTE levels for the following periods at

HUD’s ARRA workload by period		
	FTE levels	
April 1, 2009 - June 30, 2009	130.79	Actual
July 1, 2009 - December 31, 2010	365.10	Forecasted
January 1, 2010 - June 30, 2010	345.61	Forecasted
Total for survey period	841.50	

The Offices of Community Planning and Development (CPD) and Public and Indian Housing (PIH) were responsible for the majority of ARRA-dedicated FTEs. The chart on the following page provides the office or program area breakdown of the FTE estimates for the entire survey period—April 1, 2009, through June 30, 2010.

⁴ Office of Management and Budget Circular No. A-123, June 21, 1995, has long served as guidance to Federal agencies on management accountability and control to include ensuring that “reliable and timely information is obtained, maintained, reported and used for decision making.”

FTEs by HUD Office or Program Area for Survey Period



Consistent with the FTE allocations, CPD and PIH staffs were also responsible for awarding and monitoring the disbursement of \$11.26 billion (83 percent) of HUD's \$13.62 billion share of Recovery Act appropriations (\$6.75 billion for CPD and \$4.51 billion for PIH).

The ARRA workload burden was heavily weighted on grant administration, rather than contract personnel. HUD’s response to the survey instrument recorded ARRA workload by labor unit at the following FTE levels:

HUD ARRA workload by labor unit (FTE)				
	Actual	Forecasted	Forecasted	
	04/01/09- 06/30/09	07/01/09- 12/31/09	01/01/10- 06/30/10	Total
Contracting officers	1.07	0.89	0.89	2.85
COTR/COR	0.58	1.66	1.74	3.98
Contract program/project managers	0.40	1.30	1.30	3.00
Contracting support personnel	0.00	0.00	0.00	0.00
Grant officers	5.38	7.28	3.30	15.96
GPM	32.60	82.69	93.93	209.22
GS	90.76	271.28	244.45	606.49
Total	130.79	365.10	345.61	841.50

FTE Impact - ARRA

Interviews with headquarters program directors and staff for 7 of the 13 reporting offices disclosed that ARRA particularly impacted the workload of key senior and special assistant staff, requiring extra hours or overtime to meet goals and deadlines. Five offices reported insufficient staff resources to adequately address the increased workload related to the Recovery Act as well as normal program activities. The survey reported an estimated staffing shortfall of 153 FTEs.

HUD office or program area	COTR/COR	GPM	GS	Total
Office of Affordable Housing Programs		2	2	4
Office of Healthy Homes & Lead Hazard Control		2		2
PIH: Office of Public Housing Investment	1	2		3
CPD: Office of Block Grant Assistance		65	4	69
PIH: Office of Field Operations			75	75
Total FTEs	1	71	81	153

Staff explanations of how the ARRA work was accomplished matched the commentary submitted on the survey instrument.

To explain how the shortfall in staffing was being mitigated, CPD’s Office of Block Grant Assistance stated in the comments section of the survey instrument that staff was

“just now beginning to catch up with regular FY 2009 business . . .”

PIH’s Office of Field Operations said that

“the majority of the [ARRA] workload is concentrated in the first twelve months of the allocation which spans all three time periods and we estimate approximately 75 FTE would have been optimal in order to complete all necessary work. However, due to limited resources there was not adequate funding for that level of FTE. To ensure that the work is completed, a management decision was made to re-allocate and re-prioritize staff resources.”

Other program offices, especially those with more limited ARRA funding and oversight responsibilities, reported lesser adverse effects.

The Office of Housing’s Office of Affordable Housing Programs expected

“minimal impact; the shift of focus from non-Recovery work to Recovery work will temporarily reduce the level of oversight on non-Recovery work, and may slow some rehab completions under non-Recovery programs.”

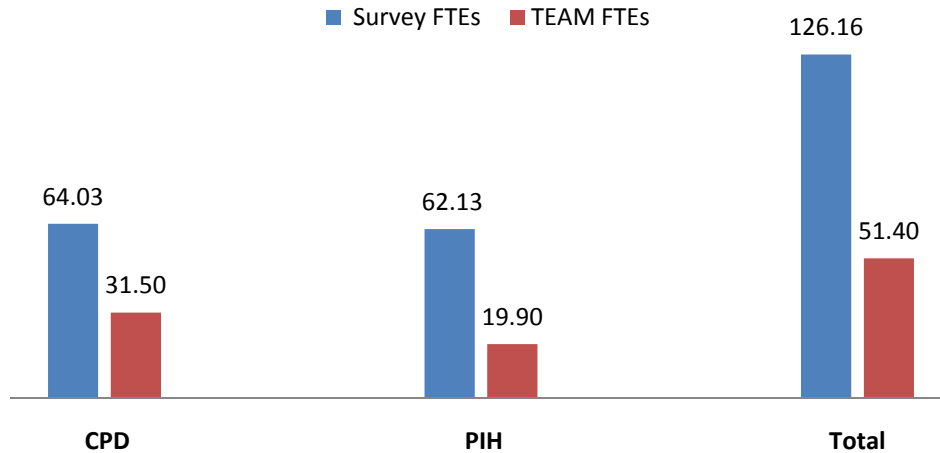
Validation Results

We determined that the FTE data reported on the survey instrument to the Board by HUD in September 2009 were not sufficiently reliable for public disclosure purposes as the data could not be validated. Staffing data submitted in response to the Board survey instrument reflected undocumented “informed estimates” by headquarters program management of ARRA activities. Managers and staff explained that HUD does not track workforce time and activity directly, pay period by pay period. Therefore, to respond to the survey questions, HUD elected to provide an estimate based on counts, when possible, of specific staff working on ARRA, and, when staff activity was not specifically known, HUD surveyed field office program directors and/or used a “best estimate” of the time staff needed to complete ARRA workload requirements.

Data accuracy and reliability could not be independently validated, particularly the FTE data provided by CPD and PIH. Estimated FTEs for these two offices reflected differing ARRA workload levels at more than 40 HUD locations across the Nation and the addition of ARRA-funded activities to normal staff workloads and were made without supporting documents such as daily staff timesheet records.

We attempted to validate the FTE data reported by HUD for the 3rd quarter of FY 2009 by comparing the data to ARRA activity reported in TEAM for the same period. TEAM workload and time codes were developed for ARRA and captured data from staff input beginning in January 2009. The comparison of FTE data disclosed material differences in the data reported by CPD and PIH. HUD’s response to the Board survey reported ARRA activity for these two offices involving 126.16 FTEs, while TEAM calculated ARRA activity for the offices at 51.4 FTEs. See chart on the following page.

**Survey Results vs. TEAM
FTEs for Period
4/1/09-6/30/09**



Until explained, the variance of 74.76 FTEs (126.16 less 51.4) places the reliability of HUD’s response to the Board survey in question, particularly since these two offices are responsible for awarding and monitoring \$11.26 billion (83 percent) of HUD’s \$13.62 billion in Recovery Act funding.

We discussed our inability to validate the reported FTE levels and the differences between the survey and TEAM with the Senior Program Manager for Economic Recovery and staff. They explained that drawing a direct correlation between TEAM data and the staffing estimates provided for ARRA work by the program areas warranted caution, stating: “The third quarter TEAM report (April - June 30, 2009) was the first time that program offices were using the ARRA reporting code...staff may be attributing the work under another code, and therefore unintentionally under reporting ARRA workload.” We agree that the differences require further review.

Recommendations

HUD's oversight of Recovery Act activities can be improved through implementation of a verifiable process to account for staff time. A documented count of FTEs provides information to senior management for use in decision making concerning HUD's responsibilities under ARRA. It also serves as a control process consistent with the guidelines set out in Office of Management and Budget Circular A-123. Further, any future responses to ARRA requests should be supported by information that can be validated.

We recommend that HUD's Recovery Act Implementation Team

1. Working with the respective HUD offices/program areas, implement a verifiable process to account for Recovery Act staff time.
2. Ensure that future responses to ARRA requests are supported by information that can be validated.

HUD's Comments and OIG Response

We discussed the observations with the Senior Program Manager for Economic Recovery, HUD's Recovery Act Implementation Team (Recovery Team), and provided a copy of the draft report on February 16, 2010. Proposed corrective actions include adjustments to the TEAM process to provide verification of Recovery Act staff time to include: staff training on defining and reporting time in TEAM, modification of codes in TEAM, and validation of reported Recovery Act hours. Further, the Recovery Team intends to provide instruction to all reporting offices "...to provide information that can be validated to the extent feasible, in accordance with the nature of the given IG request."

We anticipate that HUD may also be asked to respond to future Board or Congressional requests for staffing and other information related to the Recovery Act. Therefore, future official responses involving staffing or other data must be supported by verifiable documentation. OIG agrees with the planned corrective actions indicated in the memorandum dated March 5, 2010 (appendix A).

Appendix A – HUD’s Recovery Act Implementation Team Comments



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF THE SECRETARY
WASHINGTON, DC 20410-0001

MAR 5 2010

MEMORANDUM FOR: Jennifer L. Sorenson, Director, Inspections and Evaluations
Division, Office of Investigation, GIH

FROM: Elizabeth Willmott, Senior Program Manager for Economic
Recovery

SUBJECT: Recovery Accountability and Transparency Board Survey of
Contracts and Grants Workforce Staffing and Qualifications-
Evaluation of Reported Staffing Levels

This memorandum contains our response to the draft report provided by the Office of the Inspector General (OIG). In the draft report, evaluating HUD’s response to the Recovery Accountability and Transparency Board (RATB) Survey of Contracts and Grants Workforce Staffing and Qualifications, OIG proposes two recommendations. The recommendations were for the Senior Program Manager for Economic Recovery to:

- 1) Working with the respective HUD offices/program areas, implement a verifiable process to account for Recovery act staff time.
- 2) Ensure that future responses to ARRA requests are supported by information that can be validated.

In response to the first recommendation, we intend to request adjustments in the TEAM process to provide verification of Recovery Act staff time. These adjustments will include: 1) training staff on defining and reporting time through TEAM to represent Recovery Act hours accurately; 2) modification of codes in TEAM to reflect Recovery Act-related work more precisely; and 3) validation of these hours through the TEAM validation process. The training will be associated with a memo to staff outlining the need to report Recovery Act staff time into TEAM and providing a clearer understanding of the differences in how to report Recovery Act staff time accurately in TEAM and providing a clearer understanding of how to calculate Full Time Equivalent (FTE) rather than counting the persons engaged in ARRA work. We believe that this will help improve the integrity of the data being reported.

In response to the second recommendation, we intend to instruct all offices responding to IG ARRA-related requests to provide information that can be validated to the extent feasible, in accordance with the nature of the given IG request.

If you have any questions, please contact Elizabeth Willmott by calling 202-402-5524 or by email at Elizabeth.s.willmott@hud.gov.

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