DOCUMENT RESUME

05732 - [B1086047]

Department of Housing and Urban Development Reorganization Plan: Some Accomplishments but More Needed. FPCD-78-33; B-114860. April 10, 1978. 32 pp. + 7 appendices (19 pp.).

Report to Sen. William Proxmire, Chairman, Senate Committee on Appropriations: HUD-Independent Agencies Subcommittee; Sen. Henry Bellmon; by Elmer B. Staats, Comptroller General.

Issue Area: Federal Personnel Management and Compensation: Work Force Planning (303).
Contact: Federal Personnel and Compensation Div.
Budget Function: General Government: Central Personnel Management (805).
Organization Concerned: Department of Housing and Urban Development.
Congressional Relevance: Senate Committee on Appropriations: HUD-Independent Agencies Subcommittee; Senate Committee on Banking, Housing and Urban Affairs. Sen. William Proxmire; Sen. Henry Bellmon.
Authority: Housing and Community Development Act of 1977.

In June 1977, a report recommended that the Department of Housing and Urban Development (HUD) could streamline its organization through consolidating its 77 field offices and realigning regional and field office functions. A proposed reorganization, which is expected to affect less than 10% of HUD's field employees, is intended to modify the field structure and improve management. The proposed reorganization does not change the three-tier organizational structure. Under the proposed reorganization, regional offices are to supervise and evaluate area office management, mesh program and social goals, and provide regional representation. The central office will provide field offices with guidance on technical and program matters. In a cost-effective change, the regional and area offices in 8 of the 10 regional cities are to be colocated.
Findings/Conclusions: The reorganization is still in the implementation phase, but the implementation schedule has slipped; the movement of functions, responsibilities, and people has not begun; and specifics on who will move and where they will move are not firm. It is too soon to judge whether certain deficiencies have been corrected, but some observations can be made. The Department: did not downgrade all offices warranting such action, is maintaining a field presence in nearly every location where it existed before, made a limited review of central office organization and staffing, did not include reorganization costs in its fiscal 1978 budget, will consolidate the multifamily insurance function, will reduce the regional offices' involvement in day-to-day program operations, is expecting to provide better coordination between housing and community planning and development programs, set program goals and objectives for 1978 that may be difficult to achieve due to

the reorganization's implementation, and is retaining the 10 existing regional offices. Recommendations: The Secretary of HUD should downgrade all field offices where workload does not justify its staffing and further reduce field office overhead through office consolidations. (RRS)

047

REPORT BY THE

Comptroller General

OF THE UNITED STATES

Department Of Housing And Urban Development Reorganization Plan: Some Accomplishments But More Needed

At the request of the Chairman, Subcommittee on HUD-Independent Agencies, Senate Committee on Appropriations, and Senator Henry Bellmon, GAO reviewed the reorganization plan of the Department of Housing and Urban Development.

In October 1977, the Department announced its plan for reorganization. This report discusses the reorganization plan, how it proposes to deal with previously identified problems, and concludes that more needs to be done.

UNITED STATES GENERAL ACCOUNTING OFFICE

FPCD-78-33

APRIL 10, 1978

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-114860

The Honorable William Proxmire, Chairman
Subcommittee on HUD-Independent Agencies
Committee on Appropriations
United States Senate

The Honorable Henry Bellmon
United States Senate

As requested in your August [illegible] 1977, letter, we reviewed the reorganization plan of the Department of Housing and Urban Development. This plan was publicly announced on October 13, 1977.

This report discusses how the reorganization plan addresses the major problems confronting the Department and the reorganization's impact on staffing, costs, and savings. We conclude that the Department needs to go further in downgrading field offices where workload does not justify staffing and consolidating field offices that are within close proximity.

Recommendations to the Secretary of the Department of Housing and Urban Development are provided on page 11 of the report. As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the House Committee on Government Operations and the Senate Committee on Governmental Affairs not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

We are sending copies of this report to the Director, Office of Management and Budget; the Chairman, House Committee on Appropriations; the Secretary of Housing and Urban Development; and other interested parties.

Comptroller General
of the United States

REPORT OF THE COMPTROLLER GENERAL OF THE UNITED STATES

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT REORGANIZATION PLAN: SOME ACCOMPLISHMENTS BUT MORE NEEDED

D I G E S T

In June 1977 GAO reported that the Department of Housing and Urban Development could streamline its organization through consolidating its 77 field offices and realigning regional and field office functions. The Department had formed an assessment group to identify and analyze organizational deficiencies and to develop corrective measures.

Based on information developed during the group's 7-month study--including views from employees, industry, and consumer and public interest groups--the Secretary announced in October the Department plans.

The proposed reorganization is expected to correct a number of the deficiencies identified by GAO, the assessment group, and earlier studies, which described the need to

--reduce the overhead of the Department's field structure;

--eliminate regional offices from day-to-day program operations;

--clarify the authority and responsibilities of assistant secretaries;

--improve the clarity, consistency, and timeliness of central office statements of policy, objectives, and interpretations;

--improve technical assistance at area offices; and

--improve coordination of housing and community planning and development programs.

FPCD-78-33

Tear Sheet. Upon removal, the report cover date should be noted hereon.

The reorganization plan focuses on the Department's regional and field structure. Analysis of the central office's organization and staffing was limited.

GAO has reviewed the reorganization plan to ascertain what is proposed to correct many of the major deficiencies.

As of February 1, 1978, the reorganization is still in the implementation phase and the implementation schedule has slipped; the movement of functions, responsibilities, and people has not begun; and specifics on who will move and where they will move are not firm.

Actual implementation and a reasonable period of operation under the new organization must be awaited to judge whether the major deficiencies confronting the Department have been corrected. However, from the plan and the events that have occurred since its announcement, certain observations can be made. The Department

--did not downgrade all offices warranting such action,

--is maintaining a field presence in nearly every location where it existed before,

--made a limited review of central office organization and staffing,

--did not include reorganization costs in its fiscal year 1978 budget,

--will consolidate the multifamily insurance function,

--will reduce the regional offices' involvement in day-to-day program operations,

--is expecting to provide better coordination between housing and community planning and development programs,

--set program goals and objectives for fiscal year 1978 that may be difficult to achieve due to the reorganization's implementation, and

--is retaining the 10 existing regional offices.

RECOMMENDATION

GAO recommends that the Secretary of Housing and Urban Development

--downgrade all field offices where workload does not justify its staffing and

--further reduce field office overhead through office consolidations.

GAO discussed this report with HUD top management officials and their comments have been considered.

Contents

ABBREVIATIONS

CPD	Community Planning and Development
FHA	Federal Housing Administration
GAO	General Accounting Office
HUD	Department of Housing and Urban Development

CHAPTER 1

INTRODUCTION

At the request of the Chairman, Subcommittee on HUD-Independent Agencies, Senate Committee on Appropriations, and Senator Henry Bellmon, on August 5, 1977 (see app. I), and subsequent agreements with the Chairman's office, we reviewed the Department of Housing and Urban Development's (HUD's) reorganization plan to ascertain how it deals with previously identified organizational problems. We also reviewed HUD's estimates of staffing, costs, and savings of the proposed reorganization.

Our review dealt with changes which predominately had not yet occurred. The movement of functions, responsibilities, and people had not begun. Also, the timetable for implementation had slipped; the plan had been modified; and specifics on who will move and where they will move were not firm. Since we could not evaluate a reorganization which had not yet occurred, our approach was to identify the major organizational problems which led to the reorganization, ascertain how the reorganization plan proposes to deal with them, and discuss with HUD personnel whether the changes can correct the problems. We also reviewed available records of HUD's organization assessment group, whose study was the impetus behind the reorganization. We did not attempt to determine whether the organization alternative adopted was the best available. (See app. II for other organizational alternatives HUD considered and rejected.)

It is likely that as implementation progresses the major thrust of the reorganization will not change, but the specifics will. What the reorganization will look like in the end and whether it will work cannot be judged with any certainty. Specific details concerning the scope of our work are contained in chapter 4.

HUD RESPONSIBILITIES

HUD was created in 1965 to consolidate Federal housing activities into a cabinet-level department. Its involvement in housing has been guided by the Federal Government's recognition of (1) a responsibility to maintain and promote economic stability, (2) a social obligation to help those in need, and (3) an emerging interest in how the country's communities develop. In 1969 HUD and several other Federal social agencies were organized into 10 regions with stated boundaries and regional office locations. On February 10, 1972, Executive Order 11647 formally established Federal regional councils in each of 10 standard Federal regions to develop closer working relationships between major Federal grantmaking agencies and State and local governments and to improve coordination of the categorical grant-in-aid system. HUD participates on the Federal regional councils.

HUD is the principal Federal agency responsible for programs concerned with housing needs and improving and developing the Nation's communities. It administers over 50 Federal assistance programs involving housing, urban development, and related activities. Some major programs, currently administered by HUD, are:

--Mortgage insurance--A program administered by the Federal Housing Administration which provides mortgage insurance for both single family and multifamily housing.

--Community development--A block-grant program to assist local governments to eliminate slums, blight, and other conditions which are detrimental to health, safety, and public welfare; prevent the deterioration of property; conserve and expand housing stock; expand and improve the quality and quantity of public services; use land and other resources efficiently; diversify and vitalize neighborhoods; and restore and preserve property of historical, architectural, or esthetic value.

--Low-rent public housing--A program providing financial and technical assistance to public agencies in planning, building, acquiring, and operating decent, safe, and sanitary housing for low-income families at affordable rents.

--Comprehensive planning assistance--A program designed to foster sound State and local development through comprehensive planning. Grants are made to supplement State and local funds for preparing development plans, policies, and strategies; deciding implementation measures; and coordinating related plans and activities being carried on at various government levels.

--Federal disaster assistance--A program to assist States, local governments, owners of selected private nonprofit facilities, and individuals in alleviating hardship and suffering resulting from emergencies or major disasters.

--Federal insurance--Programs designed to provide flood insurance in flood-prone areas; burglary and robbery insurance to businesses and residents of homes and apartments; and urban property insurance, particularly in areas subject to riots or civil disturbance.

--Fair housing and equal opportunity--A program for enforcing HUD's responsibilities for equal opportunity in housing, employment, and equal access to the benefits of HUD programs.

--Neighborhood voluntary association and consumer protection--A program providing liaison between HUD and consumers, neighborhood organizations, and voluntary associations and the carrying out of regulatory functions with respect to mobile home standards, interstate land sales, and real estate settlement procedures.

On October 12, 1977, the Housing and Community Development Act of 1977 became law. This act increases funding for the existing community development block-grant program, and targets financial aid to distressed cities. It also establishes a major new initiative: the Urban Development Action Grant program which channels financial aid to the Nation's hardest pressed urban areas. The act also extends the Federal Housing Administration's authority, increases maximum mortgage insurance amounts, and lowers downpayment requirements.

HUD'S PROPOSED REORGANIZATION

Concern about HUD's organizational structure has prompted many external and internal studies.

--A 1973 study, commissioned by the Mortgage Bankers Association of America, found disorganization, fragmentation, confusion, and inefficiency and recommended reorganization of regional and field offices.

--A March 1975 report of the House Surveys and Investigative Staff concluded that the central office urgently needed to review regional office functions, especially those that had expanded into the operational and decisionmaking functions of field office directors.

--An extensive HUD-contracted study completed in March 1976 concluded that the number of field offices and the size of regional offices could be reduced, resulting in improved programs and a savings of up to $14 million a year.

--Internal HUD studies as well as the contracted study, identified undesirable duplication at all levels.

Our June 16, 1977, report entitled "Department of Housing and Urban Development Could Be Streamlined" (FPCD-77-56) summarized these studies and their findings, described the role of HUD regional offices in the organizational structure, and outlined the opportunity to improve efficiencies and serviceability by streamlining the organization through consolidating field offices and realigning selected regional and field office functions.

Before the proposed reorganization

Before the reorganization was announced on October 13, 1977, HUD functions and responsibilities were generally performed within a three-tier organizational structure--the central office located in Washington, D.C.; 10 regional offices located in designated major U.S. cities; and 77 field offices (42 area offices and 35 insuring offices) located in various U.S. cities. Field offices were under the jurisdiction of regional offices. (See app. III for HUD regional office and field office locations and descriptions prior to the proposed reorganization.)

The administration of most HUD programs and operating functions involved all three tiers in a decentralized arrangement. There were, however, exceptions. For instance, Policy Development and Research was a completely centralized arrangement and Federal Disaster Assistance Administration was a bilevel, centralized arrangement with central office staff stationed in field locations. (See app. IV for HUD organization chart prior to the proposed reorganization.)

The proposed reorganized structure

On October 13, 1977, the Secretary announced that after 7 months of planning, a major streamlining of HUD was being undertaken. She expected that this streamlining would make HUD more responsive to the communities it serves and to the general public. Furthermore, she stated that these actions were part of the President's plan for a long-term reorganization and streamlining of the Federal Government and reflected the administration's commitment to more effective and efficient Government management.

The Secretary's decision to reorganize HUD was based on information developed by an organizational assessment group formed in mid-February 1977. The group, chaired by the Under Secretary, was well aware of problems previously identified in various studies of HUD and its organization. It was tasked with identifying and analyzing deficiencies in the achievement of HUD's mission and developing organizational corrections. It considered comments from HUD employees and managers, industry, and consumer and public interest groups. The group identified the following principal deficiencies:

--Unclear assistant secretary authority and accountability.

--Lack of clear, consistent, and timely headquarters statements of policies, objectives, and interpretations to the field.

--Processing delays from duplicative regional office participation in housing operations.

--Inadequate technical assistance at area offices.

--Excessive overhead cost of the field office structure.

The Secretary chose to address these deficiencies by modifying the field structure and improving management. Several HUD officials stated that this reorganization could be better described as a change in management initiatives with some accompanying modifications in the field structure rather than a reorganization.

The reorganization plan is expected to affect less than 10 percent of HUD's field employees. Central office employees are relatively unaffected; the organization assessment group studied only the role of the assistant secretary level at the central office. The functional organization of groups reporting to the Secretary was not studied. However, studies of these organizations are now being undertaken. The central office expects to gain some employees (about 113 field office housing and community planning and development positions are expected to be transferred to the central office) because of its added responsibility for technical functions. Also, 272 technical positions are expected to be transferred from regional offices to area offices. At the time of our review the plan was being implemented; actual operation under the reorganized structure or the transferring of affected personnel had not begun.

The reorganization does not change the three-tier organizational structure. (See app. V for the proposed organization chart.) However, HUD expects to change the role and staffing of regional offices by eliminating them from housing and community planning and development day-to-day operational activities. Technical evaluation and providing technical and program guidance will be transferred to the central office to eliminate regional offices from day-to-day program processing of applications.

Under the reorganized HUD, regional offices are to supervise and evaluate area office management, mesh program and social goals, and provide regional representation. The central office is to provide field offices with guidance on technical and program matters through a direct communications channel. Finally, in a purely cost-effective change, the regional and area offices in 8 of the 10 regional cities are to be colocated. The regional office is to provide common administrative services to the colocated area office.

While the reorganization does not change either programmatic or general lines of authority, it does strengthen the roles of the assistant secretaries. It

--elevates to the level of the assistant secretaries for housing and community planning and development selection authority for key area office vacancies, formerly vested at the regional level;

--authorizes all assistant secretaries to determine program training needs and attendance;

--authorizes the direct allocation of most program funds from central office to area offices with regional administrators retaining their present authority to reprogram funds becoming available;

--transfers responsibility for most of the regional offices' technical functions to the central office;

--authorizes that requests for waivers will be sent directly from area offices to the central office for approval or rejection; and

--authorizes the assistant secretaries to mandate uniform field organization patterns.

The reorganization plan emphasizes the assistant secretaries' responsibility for clearly mandating central office program policy, objectives, priorities, and operating procedures, and their authority to override the direction of the regional administrators on program matters. The plan also provides that housing and community planning and development programs should be better coordinated.

All 10 regional offices are to be retained and only 3 very small field offices are to be closed. Three area offices are to be downgraded to service offices and all 35 insuring offices, with one exception, are to be downgraded to either service offices or valuation/endorsement stations. Most insuring offices are to lose their multifamily insurance functions and related staff to area offices and are to report to an area office instead of a regional office. (See app. VI for HUD regional and field office locations and descriptions after the proposed reorganization.)

CHAPTER 2

ASSESSMENT OF PROPOSED CHANGES

Our review of HUD's proposed changes focused on how they address three major problems identified by us, the organization assessment group, and the other studies:

--High overhead cost of the field structure.

--Unnecessary regional office involvement in operations.

--Unclear assistant secretary authority and accountability.

Two other deficiencies identified by the organization assessment group are (1) a lack of clear, consistent, and timely central office statements of policies, objectives, and interpretations to the field and (2) inadequate technical assistance at area offices. These are considered subproblems of one or more of the three major problems.

HIGH OVERHEAD COST OF THE FIELD STRUCTURE

Studies of the HUD organization have shown an uneven distribution of staff and workload among field offices. Some locations are overstaffed while others are understaffed for the workload. For example, the March 1976 HUD-contracted study found:

--Variations in workload performed by similar-sized offices; workload varies by office size, location, and problem area.

--The smaller area and insuring offices suffer from diseconomy of scale; they are overstaffed and below average in workload equity.

The report recommended consolidating field offices to achieve economies of scale and reduced overhead.

HUD addressed the problem of high overhead cost of the field structure through its plans to close or scale down small, inefficient offices and to consolidate the multifamily function at area offices. These decisions were based on a workload analysis of each location.

HUD established two sets of criteria to determine an office's status. The first, used to determine if an area office should continue in that status, required one of the following: 30 multifamily projects in the pipeline as of March 31, 1977; 300 Community Development Block Grant applications or preapplications as of March 31, 1977; or 90 entitlement or discretionary Community Development Block Grants processed in fiscal year 1976. Insuring offices were not eligible to be upgraded to area offices because, according to a HUD official, the reorganization attempted to consolidate rather than disseminate personnel. An exception is being made for the Denver insuring office because prior to the reorganization the Denver region had no area offices.

The second set of criteria determined whether HUD's remaining field offices would become service offices or valuation/endorsement stations. Any office with a single family insurance workload of at least 2,000 cases in fiscal year 1976 was to be a service office. All other offices were to become valuation/endorsement stations.

As a result of applying the criteria and considering locational requirements, 3 area offices are being downgraded to service offices, 26 insuring offices are being downgraded to service offices, 8 insuring offices are being downgraded to valuation/endorsement stations, and 3 of the 8 service offices which existed before the proposed reorganization are to close. The three service offices scheduled for closing had a total of 19 employees as of September 24, 1977. All offices being downgraded to service offices, except six, lose their responsibility for the multifamily function. The offices not retaining the multifamily function are to be headed by a supervisor who will report to the area office housing division director. Currently, insuring office directors report directly to regional administrators. HUD expects these changes to reduce the number of managerial positions in the field, thereby reducing field office overhead.

HUD did not uniformly apply the criteria to all offices. Four area offices do not meet the criteria, but each is to keep its status. In addition, no criteria exist to justify the six other service offices that are to retain the multifamily function; in three of these cases the action appears questionable.

Four area offices not meeting HUD's criteria to remain area offices are not being downgraded because of what HUD termed "exceptional locational workload circumstances." An exception seems warranted for two of them because of the long distances between the offices and other area offices.

However, a locational workload justification does not seem appropriate for the other two. For example, these two offices are each about half as far from an area office as an insuring office which is being downgraded to a service office. In addition, this insuring office had more multifamily workload than any of the four area offices not being downgraded. Also, these two offices have less single family and multifamily workload than another area office which is being downgraded to a service office. Although one of these two offices not being downgraded came close to meeting the criterion of processing 90 entitlement or discretionary Community Development Block Grants in fiscal year 1976, its workload decreased in fiscal year 1977.

Three of the service offices in which HUD is to retain the multifamily function also seem questionable. Based on the HUD service office criteria, these offices did not have sufficient workload to become service offices, let alone service offices with the multifamily function. Each office should, based on HUD's criteria, become a valuation/endorsement station.

One of these service offices had been an area office with an authorized personnel ceiling of 75 in fiscal year 1977. It is not being reduced to a valuation/endorsement station but is being permitted to become a service office with the multifamily function on the basis of the unique concerns and requirements of the area it serves. It did lose responsibility for the community planning and development function and had its personnel ceiling reduced to 58 in fiscal year 1978. However, this office may actually increase its onboard personnel in the housing function as a result of its downgrading, even though it had only 9 multifamily cases in the pipeline as of March 31, 1977, and 98 single-family applications in fiscal year 1976. Furthermore, this office is only 55 miles from the nearest office with the multifamily function. The need for the office seems questionable and, in fact, was questioned by the HUD-contracted study.

The other two offices not being reduced to valuation/endorsement stations are permitted to become service offices with the multifamily function on the grounds of location. One of these offices had a very light multifamily workload and both offices had very light single-family workloads; yet, as a result of downgrading, each may actually increase personnel in the housing function. One is 46 miles and the other is 213 miles for the nearest office with the multifamily function. However, the 213 miles seem close when considering that HUD is transferring the multifamily function out of another office which had a heavier workload and is 781 miles from the nearest office with the multifamily function.

In addition to the inconsistent downgrading of offices, HUD appears also to have lost opportunities to reduce overhead by not consolidating offices which are in close proximity. According to a HUD official, offices having sufficient workload to justify retention, based on HUD's criteria, were not considered for elimination or consolidation. Yet, one recent HUD study showed that about $250,000 a year could be saved by combining two HUD offices. Although it appears that savings may be possible from office consolidations, HUD officials stated that further consolidation would have been too disruptive of program activities and was not warranted at this time due to these workload disruption considerations.

Conclusions

To reduce the overhead cost of its field structure, HUD plans to close or scale down small inefficient offices and to consolidate the multifamily function at area offices. It appears that HUD could go further in reducing field office overhead.

Only three very small offices, having a total of 19 employees at the end of fiscal year 1977, are to be closed. Therefore, a HUD presence continues in nearly every location. There appear to be benefits from further office consolidations.

HUD also plans to retain the status of offices which, according to its criteria, should be downgraded. The opportunities to downgrade these offices and to further reduce overhead still exist and should be taken.

Recommendations

We recommend that the Secretary of HUD

--downgrade all field offices where workload does not justify its staffing and

--further reduce field office overhead through office consolidations.

UNNECESSARY REGIONAL OFFICE INVOLVEMENT IN OPERATIONS

A number of the earlier studies pointed out that the regional offices have expanded their role into the operational functions of the area offices and, in some cases, have duplicated field efforts. The Surveys and Investigative Staff report concluded that an urgent need existed for the central office to review the regional office functions and, where necessary, take steps to realign their role that had, in some instances, been expanded into the operational and decision-making functions of the area office directors. The report further stated:

> "It was apparent also that in matters other than processing procedures, regional officials were exercising direction over the area offices. Whether on a day-to-day monitorship basis, or the more formal performance and evaluation visits, assistant regional administrators' suggestions can become directives."

We also identified problems due to regional involvement in program operations. With regard to the comprehensive planning assistance program (701 program) our report stated:

> "* * * the comprehensive planning assistance program was regionalized in 1975, but since then a system of coordination between field and regional office staffs has not developed. Field personnel were displeased since programmatic difficulties between the comprehensive planning assistance program and closely related programs administered by the field offices have occurred and the regional office has not taken the initiative to remedy them."

In general, the regional office is not responsible for operating HUD's housing and community planning and development programs; it is to supervise, coordinate, and evaluate area and insuring office operations. Believing that this more limited regional office role is still appropriate, HUD's reorganization plan proposes the following changes to keep regional offices out of housing and community planning and development program operations.

--Assistant regional administrators for housing and community planning and development will no longer have responsibility for area office programs. They will only assist regional administrators in carrying out their supervisory responsibilities.

--Central office will make allocations of most program funds direct to area offices, with regional administrators retaining their present authority to reprogram these funds.

--Requests for waivers will be sent directly from the requesting area office to central office for approval or rejection.

--Technical and program guidance and interpretation on specific cases will be handled directly between subordinate field offices and the central office. This, according to HUD, will permit faster response by the central office staff familiar with HUD policies or regulations for which interpretation is requested. Most technical evaluation functions of regional offices will be transferred to the central office.

--The functions now performed by technical specialists under the assistant regional administrator for housing involving assistance to or oversight of area and insuring office processing in specialist technical areas will be performed at area offices. If necessary, the technicians now performing these functions may perform them for more than one area office.

--The 701 comprehensive planning assistance program will be shifted to the area offices, where it can be integrated with the other operating programs of HUD. In cases where they are not now located in area offices, the section 312 rehabilitation loan program and the categorical grant closeout functions will be transferred there.

A change which, according to a number of HUD officials, will be very effective in assuring that the regional offices do not get involved in day-to-day operations is the transferring of regional office technical personnel to either the central office or field offices. This will result in technical assistance being available in area offices for processing of applications and providing more technical capability in central office to give technical guidance and to perform technical evaluations. Without these technical personnel, HUD officials believe the regional offices will not have the capability to become involved in day-to-day application processing.

After the proposed reorganization, regional offices will supervise and evaluate the management and operations of area offices, coordinate HUD activities regionwide, and represent the Secretary in every respect, including Federal regional council representation. Most regional and field office officials interviewed believe that the regional offices are a necessary tier of management. However, many raised concerns over the small number of regional office staff left to manage their respective programs, especially in view of what they termed the questionable reliability of some of HUD's management information systems.

Most regional office officials interviewed believe that the small number of remaining regional office personnel will allow only limited regional office review of field office management. In their opinion, onsite reviews will be the most effective means for the regional office to accomplish its management task. However, they believe the regional office will lack sufficient personnel to perform extensive onsite reviews and will be forced to place greater reliance on HUD management information systems.

Regional and field officials differed on the merits of the direct line of communication between the area offices and central office on technical and program questions. Some field officials stated that this direct communication was not new; the reorganization only formalized it. Others believe quicker responses would result since regional offices are being eliminated from this process. Some regional and field officials perceived potential problems with the direct communications, though.

Two potential problems mentioned were span of control and volume of requests. Central office will receive requests from 40 area offices, whereas only 10 regions requested guidance before. Some HUD regional and field personnel also believe that the central office will receive many more requests for guidance than anticipated. In addition to these potential problem areas, some regional and field officials feared that the central office may attempt to use the communications channel to influence area office operations. A central office official shared this concern and stated that the direct line of communication has more potential for abuse than any other change made by the proposed reorganization. This official added that if the central office widens the direct communications channel and becomes involved in field office management and operations, there will no longer be a need for the regional office. However, this official stated that HUD is sensitive to this issue and will include a chapter on it in the revised handbook on Departmental Organization Policies, Standards and Procedures.

A number of regional and field officials interviewed believe that the 701 program should be left in the regional offices because it can be operated more economically and efficiently there. HUD recognizes that it will cost more and further disseminate its skilled personnel to move the program to the area offices. About 2 years ago, the 701 program was transferred from the area offices to the regional offices to compensate for staffing reductions in the program. However, according to HUD officials, it was decided to move the 701 program back to the area office in an attempt to coordinate it with the housing and community planning and development programs operated there.

One change made by the reorganization which may conflict with the intent to remove the regional offices from operations is the colocation of regional and area offices in the regional city and the merging of administrative staffs under the regional office. The colocation is to take place in 8 of the 10 regions. Although HUD officials said the decision to colocate was based purely on economics, they did not perform any study on colocation and could not isolate the savings attributable to it. According to an official's estimate, colocation is expected to save 3 administrative staff-years in each of the eight locations. However, one area office director, who will be colocated, did not believe that colocation would result in staff-year savings. In responding to the fiscal year 1978 operating plan, this official pointed out that the argument of economy displays a lack of understanding of the role of the area office's administrative staff. He explained that roles of an administrative staff in regional and area offices are completely different and, to a large extent, require different kinds of skills, and certainly a substantially different kind of knowledge and attitude. Since the roles of the regional and area offices' administrative staffs are separate and completely distinct, simply combining staffs, according to this official, would not eliminate the need for each role to be performed; therefore, it would not decrease the staff years needed to perform it.

The consensus among regional and area office officials interviewed was that colocation should not take place. They feared that the regional office will be tempted to meddle in area office affairs. In addition, area office managers will lose control of the area office administrative function and will have to compete with the regional office for administrative services. One official even stated that colocation is clearly a case where management has to overcome the organizational structure.

Conclusions

The regional offices never had the formal authority to become involved in housing and community planning and development operations with the exception of small programs like the 701 comprehensive planning assistance program. The proposed reorganization is emphasizing the formal relationships and is making changes to the regional office which HUD expects to further discourage the regional offices' involvement in operations. However, the ability of the regional offices to adequately oversee the field offices is questioned.

The proposed reorganization plan appears to remove the regional offices from housing and community planning and development operations. However, two changes--direct communications channel and colocation are perceived by HUD officials as having the potential to create new problems. They believe that the central office may be tempted to use the direct communication channel to become involved in field office operations. Also, they believe that colocation may tempt regional offices to meddle in area office affairs.

UNCLEAR ASSISTANT SECRETARY AUTHORITY AND ACCOUNTABILITY

Studies have identified confusion with regard to the authority and accountability of the assistant secretaries over their programs and related resources. More specifically, this unclear authority and accountability has been attributed to HUD's dual lines of authority and the inability of an assistant secretary to have total control over all field resources to accomplish his program.

Dual lines of authority

One of the problems contributing to the unclear authority and accountability was HUD's dual lines of authority. The HUD-contracted study reported:

> "The present HUD organization structure has built-in potential conflicts due to the existence of both a 'programmatic line authority' from Assistant Secretaries to Regional Administrators to Area Directors and a 'general line authority' from the Secretary/Under Secretary to the Regional Administrators to the Area Directors."

> "This dual authority structure creates dysfunction in formal organizational communications and in the delegation of authority process."

The 1973 study commissioned by the Mortgage Bankers Association of America discussed one of the effects of the dual lines of authority--the inability of an assistant secretary to hold a regional administrator accountable. The study stated that the regional administrators were only accountable to the Secretary and to all assistant secretaries for everything. This study added:

> "Anyone who is accountable to everyone for everything is effectively accountable to no one for anything."

The reorganization plan does not change the dual lines of authority. Instead, it attempts to clarify existing authority and accountability and makes certain changes in management practices to further reinforce assistant secretary authority and accountability, directing that:

--Each assistant secretary develop clear statements of program objectives and priorities, operating procedures and criteria for evaluation of performance.

--Interprogram relationships be spelled out by the affected assistant secretaries in joint statements. Any deviations from general policies required to meet regional differences will have to be approved by central office and not be established by regional administrators.

--Field units not be authorized to issue handbooks or other program guidance as a regular practice. Amplification of central office policies, except in the context of implementing required, more detailed operating procedures, will not be allowed. More detailed operating procedures which reasonably could be construed to impact policy will be pre-cleared with central office.

Since the dual lines of authority still exist, there is still the potential for problems to surface. Although aware of this, HUD found that the two organizational models that would have eliminated the dual lines of authority --general manager and bureau--created other problems which made them unacceptable. (See app. II for discussion of these models and HUD's reasons for rejecting them.)

HUD officials disagreed as to whether the dual lines of authority created a problem. They stated that the programmatic line authority is needed so that the assistant secretaries, who serve as points of contact on program matters for the Congress and other external groups, will have appropriate program control. The general line authority, according to HUD, is needed so that regional administrators who represent the Secretary in the region can have direct contact with the Secretary and be better able to coordinate HUD's programs.

Control over resources

The lack of assistant secretary control over resources was a problem identified by the Mortgage Bankers Association study. The study stated that the asssistant secretaries lacked clout and did not have power commensurate with their responsibilities. Furthermore, it reported that the assistant secretaries

"--do not control the staff and money made available for the operation of their programs.

--cannot hire, fire, promote, transfer, or discipline field employees.

--cannot call a meeting of field staff without clearing it with someone else.

--cannot institute a field training program without consulting someone else.

--cannot obtain an audit without the cooperation of others.

--cannot obtain data to supervise their programs without the consent and cooperation of others."

The reorganization plan proposes to address this problem by authorizing the housing and community planning and development assistant secretaries to make selections for key area office vacancies after consultation with regional administrators; authorizing all assistant secretaries to determine program training needs and attendance; reemphasizing assistant secretary authority to override the direction of a regional administrator on programmatic matters, including the allocation of field resources; and mandating uniform organizational patterns for the field offices.

The reorganization plan also states that the assistant secretaries should begin taking a zero-base approach to delegating approval authority, identifying offices where performance is unacceptable, and withdrawing authority until it improves. It transfers the responsibility for technical and program guidance and interpretations on specific cases and most of the technical evaluation functions from the regional offices to central office.

Most field officials interviewed believe there will be a problem if the assistant secretaries appoint key area office officials, especially if there is no input from the field. Some area office directors believe they will be able to validly question their accountability when they have little or no control over the selection process for key subordinates. In addition, many field officials believe that the process will result in greater loyalty to the assistant secretary than to the immediate supervisor, the area office manager (new title under proposed reorganization).

HUD central office officials were aware of field office concerns about the appointment authority issue. According to them, specific details as to how it will function have not been worked out yet. However, they said that the field offices will have input into the appointment process. One official envisioned field and regional office personnel forming a merit staffing screening panel and providing a list of qualified applicants to the assistant secretary level, where the actual selection would be made.

Some HUD officials believe that the reorganization will strengthen the role of assistant secretaries and give them more control over their programs. However, others believe that the assistant secretaries always had the authority to be held accountable, but it had been usurped by the regional administrators.

From a practical standpoint, the assistant secretaries for housing and community planning and development still do not have total control over all field resources to accomplish their programs. Although the assistant secretaries under the proposed reorganization will be able to allocate program funds directly to field offices, regional administrators still retain authority to reprogram funds becoming available. In addition, while assistant secretaries do allocate program staff to each regional office, the regional administrators allocate this staffing among field offices. If, for example, the assistant secretary for housing disagrees with a field office's staff allocation, he can direct the regional administrator to reallocate more or less housing staff to that office. Following the programmatic line of authority, the regional administrator must comply with the directives of the program assistant secretary; however, the regional administrator must weigh such directives against his general line authority which dictates the coordination of all HUD programs in his region. Therefore, according to a central office official, if a regional administrator believes a program assistant secretary's directive is not in HUD's overall interest, he can appeal it to the Secretary, based on his general line authority, for resolution.

Conclusions

HUD analyzed the tradeoffs involved in adopting a direct line organization and decided that the best balance of the "production versus social" demands existing within the organization would be reached by continuing the dual lines of authority. The two organizational structures which would have eliminated the dual lines of authority were rejected:

--The general manager model because the number and complexity of HUD programs make this an unworkable model; assistant secretaries become staff rather than line officials, thereby losing the ability to see that their policy and program decisions are carried out; HUD would lose clear program identification in relation to clientele and the Congress; and the program assistant secretaries were brought onboard expecting to be responsible for the operation of their program.

--The bureau model because interprogram and functional coordination is much more difficult; higher costs result from duplicate staff functions; it reduces attention to HUD's social goals; it assumes no relationship between unsubsidized housing and other HUD missions; and it forces total coordination of HUD to be accomplished at the secretarial level. (See app. II.)

Therefore, to maintain the programmatic assistant secretaries so that the Congress and external groups would have a point of contact on program matters and to be able to coordinate all HUD programs, HUD plans to strengthen assistant secretary authority and accountability by making a number of management changes and reemphasizing the existing authorities of the assistant secretaries which, according to HUD officials, had been usurped by the regional administrators. From a practical standpoint, the assistant secretaries for housing and community planning and development still do not have total control over all field resources to accomplish their programs.

CHAPTER 3

STAFFING, COSTS, AND SAVINGS

FROM PROPOSED REORGANIZATION

HUD estimates that the reorganization will affect about 9.5 percent of the HUD field employees and cost approximately $9.2 million to implement during fiscal year 1978. HUD estimated its and industry/consumers' savings over a 4-year period to be about $556.4 million. The following sections describe the makeup of HUD's staffing, costs, and savings estimates.

STAFFING

The reorganization is not expected to reduce HUD's overall staffing levels--in fact, it occurs at a time when staff increases are being made. HUD officials stressed that the reorganization will reduce overhead; and without it, HUD would be unable to meet planned fiscal year 1978 goals and objectives and, at the same time, absorb the 800-position reduction in its fiscal year 1978 budget.

In its fiscal year 1978 budget, HUD requested a 1,220-position increase over the 15,570 level authorized in fiscal year 1977. In June 1977 the administration reduced the authorized level to 15,322 positions for fiscal year 1977 and to 15,990 positions for fiscal year 1978 (a cut of 800 positions from the budget level). The following chart shows how these positions were spread among the three organizational levels and compares them with prior year levels.

Permanent Full-Time Positions Authorized

	Fiscal year 1977	Fiscal year 1978	Difference	Percent
Central office	3,810	4,118	308	8.1
Central office stationed in field	678	700	22	3.2
Regional offices	1,698	1,488	-210	-12.4
Field offices	9,136	9,684	548	6.0
Total	15,322	15,990	668	4.4

Most of the net 210-position reduction in regional office authorized fiscal year 1978 staffing levels results from the proposed transfer of housing and community planning and development technical staffs to either the central or field office levels. Offsetting this reduction is an expected increase to the regional offices' administrative staff resulting from eight regions providing common administrative services to colocated area offices and increases to workload. The chart below shows how the 210-position decrease was derived.

	Program or Activity Category							
	Housing	Community Planning and Development	Fair Housing and Equal Opportunity	Neighborhood Voluntary Associations and Consumer Protection	Legal services	Field administration	Field direction and operational support	Total
Ceiling 9-30-77	480	310	175	-	120	484	129	1,698
Changes:								
Appropriations structure	-14	-	-	14	-	-	-	-
Regional office workload	-	-	74	2	-	56	11	143
Transfers to central office	-69	-44	-	-	-	-	-	-113
Transfers to area and service offices (note a)	-143	-129	-	-	-	-	-	-272
Field administration colocation	-	-	-	-	-	165	-	165
Adjustments for Denver comparability (note b)	-60	-46	-15	-1	-8	-	-3	-133
Net changes	-286	-219	59	15	-8	221	8	-210
Ceiling 9-30-78	194	91	234	15	112	705	137	1,488

a/Includes transfer of positions with functions from regional offices to area offices (e.g., comprehensive planning assistance, housing technical specialists) and transfer of position ceilings from regional offices (excess ceilings no longer needed under reorganization) to area offices (needed for increased workload).

b/Prior to FY 1978, all Denver positions for regional and area office functions were counted as regional office ceilings. With establishment of combined Denver regional/area office in FY 1978, separate ceilings have been established for regional and area-type positions. Adjustments in these columns provide comparability in counting regional office ceilings for both years.

On November 8, 1977, HUD instituted a freeze on most permanent appointment, promotion, and reassignment actions as a result of the reorganization's implementation. This was done to assure that employee rights were protected and that assignments were not made into positions out of the pattern for the nizational realignment. A 45- to 60-day delay in the original October 1977 implementation schedule resulted from HUD awaiting the Presidential policy guidance issued jointly by the Office of Management and Budget and the Civil Service Commission on December 14, 1977. This guidance clarified the commitment to employees affected in reorganizations. According to the January 3, 1978, implementation schedule, a selective release from the freeze and the beginning of active recruitment should start in mid-February 1978. This means, based on HUD assumptions, approximately 2,100 new employees need to be hired between January 28, 1978, and September 30, 1978, to meet the fiscal year 1978 authorized level of 15,990 positions. This estimate was based on actual employment as of January 28, 1978, and is shown in the following chart.

	Regional and field offices	Central office	Total
Positions authorized for fiscal year 1978	11,172	4,818	15,990
Onboard staffing January 28, 1978	10,655	4,546	15,201
New hires to meet fiscal year 1978 ceiling	517	272	789
Expected attrition (note a)	639	273	912
Retirements, separations, or resignations due to reorganization (note b)	423	-	423
Total new hires required by September 30, 1978, to meet fiscal year 1973 ceiling	1,579	545	2,124

a/3/4 percent per month from January 28, 1978, until September 30, 1978.

b/See p. 26 for explanation.

Assuming HUD needs its full authorized staff to meet its fiscal year 1978 goals and objectives, the hiring freeze and its resulting 2,100 recruitment need could hinder HUD from reaching its goals and objectives. Many regional and field office officials believe that these goals and objectives cannot be met because of the reorganization's implementation.

COSTS

HUD estimated reorganization costs of $11.5 million in its October 1977 "Report on Organization Assessment." The costs were separated as $10.6 million in one-time implementation costs and $0.9 million in permanent increases in operating costs (4-year basis). The following chart shows the breakdown of these costs.

One-time implementation costs:		
Personnel relocation	$9,515,800	
Moving furniture and equipment	900,000	
Overhaul formal management systems	200,000	$10,615,800
Recurring cost increases (4 years):		
Increased travel	800,000	
Higher space costs	100,000	900,000
Total reorganization cost		$11,515,800

Our analysis of the reorganization costs focused on the $9.5 million one-time costs of relocating personnel since it was, by far, the more significant item. This estimate was based on approximately 1,300 field employees being affected. Both estimates were revised downward in late January 1978 to $8.1 million and 1,058 employees affected. The following table shows the number of employees that are expected to be excess in current commuting areas, as estimated by HUD in late January 1978.

Affected employees	Total
Employees whose functions will be moved out of proposed valuation stations	101
Employees whose functions will be moved out of proposed service offices	408
Employees whose functions will be moved out of regional office cities	231
Employees who will be excess at current area offices	153
Employees who will be excess at current insuring offices	165
Total employees excess in current commuting areas	1,058

Of the 1,058 affected employees, HUD estimated that 60 percent will transfer, 15 percent will retire, and 25 percent will resign or be separated. Personnel costs and assumptions made by HUD are shown below.

	Number	Cost
Employees who will accept transfer/reassignment	635	$3,810,000
Employees who will retire	159	206,700
Employees who will resign or be separated	264	4,065,600
Total impact	1,058	$8,082,300

Personnel relocation projections were based on the number of permanent employees onboard as of December 3, 1977. Sixty percent of affected employees are expected to transfer at an average cost of $6,000 per household move. This percentage was based on actual HUD experience during the decentralization and regional realignment efforts in the early 1970s. Fifteen percent of affected employees are expected to retire and receive a lump sum annual leave payment averaging $1,300. This was the percentage of HUD field employees eligible for optional retirement in fiscal year 1978. Twenty-five percent of affected employees are expected to resign or be separated requiring HUD to set aside a severance pay fund of up to $14,100 per employee. This amount was based upon field employment averages of 49 years of age and 17 years of service. In addition, these employees are expected to receive a lump sum leave payment averaging $1,300.

HUD recognizes the $8.1 million as personnel costs for which a dollar estimate can be made. However, certain less quantifiable costs, as shown below, were also identified.

--Lower productivity during the period of adjustment to the new organization (resulting from lower morale, general disruption of lifestyles, and potential mismatching of people and jobs).

--Personnel replacement costs.

--Loss of expertise and specialized skills resulting from resignations and retirements.

--Training for staff who are "redeployed" from one function to another.

--Adverse impact on ability to meet projected workload objectives for fiscal year 1978.

--Delays in delivery of services during the period of adjustment.

--Time and cost of going through reduction-in-force procedures (necessary in establishing the new organization even if no employees are separated).

--Potential disparities in grade structure resulting in downgradings and/or inefficient assignments of work.

--Probable union opposition including appeals and law suits.

--Cost to HUD program assistant secretaries to revise and reissue policy, regulations, and procedures.

--Time spent to (1) orient program managers and employees to personnel procedures related to restaffing organization, (2) answer inquiries from clients, and (3) inform clients, communities, and other government agencies about the impact of the new organizational structure.

--Loss of community goodwill by remodeling HUD's presence and loss of business due to inaccessibility.

The question now facing HUD is how to finance the estimated $8.1 million in personnel costs. The fiscal year 1978 budget did not include funding for reorganization costs. HUD budget officials said such costs could be financed by a higher than planned personnel lapse (delay in bringing new employees onboard or replacing employees that retire or separate). These officials added that if HUD is unable to completely fund the reorganization by the personnel lapse, the required funds would have to be provided by decreasing administrative expenses, such as travel and supplies.

SAVINGS

In October 1977 HUD estimated the reorganization would save $556.4 million over a 4-year period. These savings are expected to accrue to both industry/consumers and HUD. Specific savings as estimated by HUD are shown below.

Industry/consumer savings:			
Multifamily project development cost	$100,466,000		
Subdivision processing	12,800,000		
1-year total	$113,266,000		
Total 4-year industry/consumer savings			$453,064,000
HUD savings:			
Program operations (housing):			
Multifamily processing	2,387,000		
Funds allocation	5,536,000		
Subsidy costs	3,3[illegible]9,000		
Assignment of insured properties	12,600,000		
1-year total	23,872,000		
4-year total		$95,488,000	
General administrative:			
Personnel costs (lapses and lower average grade)	5,588,000		
Other administrative (services and computer operations)	2,273,000		
4-year total		7,861,000	
Total 4-year HUD savings			103,349,000
Total 4-year savings			$556,413,000

Industry/consumer savings

HUD anticipates that the reorganization will result in substantial savings in the housing area, especially with multifamily and subdivision processing. According to its estimates, housing production is extremely time sensitive, so that efficiencies resulting from faster and better processing may be translated into lower development costs for the producer and ultimately for the consumer. HUD's assumptions in estimating the industry/consumer savings were

--1,800 new multifamily projects in the pipeline per year,

--multifamily projects with an average value of $3.26 million,

--420 elapsed days for multifamily processing,

--processing 2,500 subdivisions each year,

--each subdivision having 20 units with an average unit value of $40,000,

--180 elapsed days for subdivision processing, and

--6.5 percent annual inflation factor for housing costs.

Multifamily project development costs

This estimate assumes the reorganization will reduce the multifamily project 420-day elapsed processing time by 96 days. This reduction is expected to result in developers incurring $100.5 million less in inflation costs per year.

Subdivision processing

According to HUD estimates, the reorganization's changes will permit a 36-day reduction from the 180 days it now takes for subdivision processing. HUD expects this reduction to decrease inflation costs incurred by developers by $12.8 million per year.

HUD savings

Program operations (housing)

HUD also expects to derive savings in the housing area through better use of its resources. It anticipates a 102-hour reduction in multifamily processing time or $2,203,000 in annual savings. HUD also estimates it will save $184,000 per year by reducing waiver processing time.

As a result of the expected $100.5 million savings to industry/consumers in multifamily project development, HUD anticipates paying out less in subsidies each year. Its estimate is 3.33 percent of the $100.5 million or $3,348,864.

The regional offices are being eliminated from the process of suballocating the assignment of contract authority to field offices. By having direct assignment from the central office to field offices, HUD expects to save up to 30 days and $5,536,000 per year.

Through better monitoring and evaluation activities by central office and regional offices, HUD expects to make a 1,500-unit reduction in its inventory of assigned properties per year and $12.6 million in savings.

General administrative

HUD expects personnel savings from two areas--personnel lapse of $2,868,000 and lower average grade of $2,720,000. For the personnel lapse savings, HUD estimates that it will take 3 months to replace those employees that resign or retire as a result of the reorganization. Savings represent salaries and fringe benefits not paid for 3 months. In addition to the personnel lapse, HUD assumes that new employees will be hired at lower grades. This is expected to reduce the average grade level from GS-9 to GS-7. Savings for lower average grades are estimated for 4 years.

HUD also anticipates that less computer equipment will be required as a result of planned reductions at area and insuring offices. These savings are estimated at $568,265 per year or $2,273,060 for 4 years.

Conclusions

HUD's staffing and cost estimates have been revised since the reorganization was announced in October 1977. The final staffing impact of the reorganization is not expected to be known until approved staffing levels are matched with functional statements from recently revised regional and area office organization handbooks. Only when the staffing impact is known can HUD make a more precise estimate of the costs of reorganizing. Even then, however, the cost estimate, like the savings estimate, is based on assumptions whose validity cannot be determined until the reorganization is implemented and the new organization is in place for a reasonable period.

However, at this time it can be ascertained that HUD expects to derive the savings from the following three areas:

--Transferring technical personnel from regional offices to the central office and field offices, and from insuring offices to area offices.

--Providing more timely processing.

--Increasing monitoring and evaluation activities.

Due to the freeze on most permanent appointment, promotion, and reassignment actions, HUD staffing is well below the 15,990 level authorized for fiscal year 1978 and has declined from 15,261 employees onboard at September 30, 1977, to 15,201 employees at January 28, 1978. As a result of the freeze, the reorganization's impact and increased staffing levels for fiscal year 1978, about 2,100 new hires are contemplated between January 28, 1978, and September 30, 1978. Therefore, it appears that numerous new personnel must be onboard and trained in less than 8 months if HUD expects to achieve its fiscal year 1978 goals and objectives.

HUD reorganization costs expected to be incurred in fiscal year 1978 were not included in the budget. Therefore, existing fiscal year 1978 funds must be used to finance these costs. Most costs are related to relocation, retirement, and separation of affected employees. The question now facing HUD is how to pay these costs. HUD budget officials said such costs could be financed by a higher than planned personnel lapse (delay in bringing new employees onboard or replacing employees that retire or separate). However, this could compound HUD's staffing problems and its ability to meet its goals and objectives.

CHAPTER 4

SCOPE OF REVIEW

We analyzed HUD's reorganization plan, organizational handbooks, the proposed changes in staffing patterns, and the cost/savings attributed to the reorganization. We also discussed the reorganization with members of the organization assessment group; central office officials, representatives of the assistant secretaries for housing, community planning and development, and administration; officials from the Philadelphia, Pa.; Atlanta, Ga.; Dallas, Tex.; Chicago, Ill.; and Denver, Colo., regional offices; officials from the Philadelphia, Washington, D.C.; Baltimore, Md.; Jacksonville, Fla.; Atlanta, Ga.; and New Orleans, La., area offices; and the Fort Worth insuring office. Our field work was completed by January 31, 1978, before the reorganization was fully implemented. Therefore, changes made after this date were not included in our review and are not reflected in this report.

At the instruction of the Chairman's office, we did not solicit written HUD comments. At the conclusion of our work, we held conferences with HUD top management officials, and their comments were considered in preparing the report.

APPENDIX I

United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON, D.C. 20510

August 5, 1977

Honorable Elmer B. Staats
Comptroller General
U.S. General Accounting Office
Washington, D.C. 20548

Dear Elmer:

In your recent report "Department of Housing and Urban Development Could Be Streamlined": (FPCD-77-56), you recommended that the Congress request the Secretary of the Department of Housing and Urban Development to submit her proposed reorganization plan to it for review before it is implemented. This Subcommittee agrees strongly with your recommendation. The issue of HUD's organization has been of concern to this Subcommittee and to the Congress for a number of years; we believe that many of HUD's problems which we have had to deal with may be symptomatic of the Department's organizational framework. We want to assure ourselves that the current reorganization proposal effectively deals with these problems.

We, therefore, request you to assist the Subcommittee by reviewing HUD's proposed reorganization proposal and providing an assessment as to whether it effectively addresses the major organizational issues discussed in your recent report.

The Committee has not yet received HUD's reorganization proposal as directed in Senate Report 95-280. Nevertheless, we request that you begin immediately to review this proposal rather than wait until it is submitted to the Committee to initiate your review. This will place you in a more favorable position to provide this Subcommittee with your assessment of the plan at the earliest possible date after its submission.

Sincerely,

Henry Bellmon
Henry Bellmon

Bill Proxmire
William Proxmire, Chairman
HUD-Independent Agencies Subcommittee
Committee on Appropriations

HB:dh
cc: Honorable William Proxmire

OTHER ORGANIZATIONAL ALTERNATIVES

CONSIDERED AND REJECTED

HUD considered and rejected the following structures as unsuitable:

--Program bureau model.

--Geographic bureau model.

--Separate Federal Housing Administration (FHA) bureau model.

--General manager model.

--Regionalized Community Planning and Development (CPD) and housing office model.

--Dual track regionalized CPD model with housing field offices.

--Combined regional area office model.

A brief description of each of these models follows along with a summary of HUD's reasons for their rejection. Cost analyses are shown for the last three models only. The first four models were rejected as unacceptable before any detailed cost analysis was made by HUD.

The new HUD structure evolved from the analysis of all these models and of the current organization.

PROGRAM BUREAU MODEL

The program bureau organization would organize HUD into a series of bureaus, each of which would be responsible for a group of HUD programs.

Each bureau would be entirely self-contained, with all of the functions required in the operation of HUD programs (e.g., administration, legal, fair housing and equal opportunity, environmental, labor standards, economic, and market analysis).

Each bureau would have its own separate field structure.

Program assistant secretaries might supervise bureau heads or become bureau heads. Staff assistant secretaries might retain their position.

This organization form is considered unacceptable as an organizational structure because:

--The bureau system undermines the authority of the Secretary.

--Interprogram and functional coordination is more difficult at central office and the field. Bureau organization with its strong heads implies less desire to accommodate and make trade-offs.

--Checks and balances are reduced by organizational subordination of cross-cutting social objectives (e.g., fair housing and equal opportunity, environmental, and labor).

--Higher costs will result from each bureau establishing its own repetitive service staffs and field offices.

Advantages of the bureau form include:

--Maximum accountability and straight line authority for program management.

--Many customers deal with one identifiable entity. (Cities may be an exception.)

--Greater potential exists to select bureau field offices directors who are specialists in functional areas.

GEOGRAPHIC BUREAU MODEL

The geographic bureau organization would organize HUD into a series of bureaus, each being responsible for all HUD programs in a geographic area.

Each bureau would be entirely self-contained, with all of the functions required in the operation of HUD programs (e.g., administration, legal, fair housing and equal opportunity, environmental, labor standards, economic, and market analysis).

Assistant secretaries would be policy or staff advisors. The bureau heads would probably be located in the field. The geographic bureau form is considered unacceptable as an organizational structure for HUD because:

--HUD would lose clear program identification in relating to its clientele and the Congress. The clientele groups would probably not favor this organization.

--The assistant secretaries who have been brought onboard expect to be responsible for the operation of their programs.

--Geographic czars could develop independent political bases.

The advantages of this form are that it is tailored to recognize regional differences and provides accountability on that basis.

SEPARATE FHA BUREAU MODEL

The separate FHA bureau model would provide a separate, self-contained bureau for FHA nonsubsidy insurance programs.

A separate Assistant Secretary-FHA Commissioner would be required.

A separate field structure for the FHA bureau would be required.

HUD considers this organization form unacceptable because:

--The bureau system undermines the Secretary.

--Mortgage insurance funds would have to be split.

--Duplicate staffing would be required for processing in the insured and subsidized programs.

--This model assumes that there is no relationship between unsubsidized housing and other HUD missions; in fact, mortgage insurance is a major ingredient of HUD programs and nee to be integrated with them.

--This model would tend to reduce attention to HUD social goals in the administration of the FHA unsubsidized programs.

--The separate field structure and duplicate staff functions make this model costly.

The major advantage of this model is that it clarifies mission and delivery by separating actuarially sound from socially oriented insurance programs.

GENERAL MANAGER MODEL

In this model, a general manager, reporting to the Secretary, performs operating functions for HUD programs. Assistant secretaries become staff rather than line officials, responsible primarily for policymaking. This central office model can exist with virtually any field structure.

HUD considers the general manager form unacceptable as an organizational structure because:

--The program assistant secretaries who have been brought onboard expect to be responsible for the operation of their programs. In the general manager model, assistant secretaries would be policy or staff advisors, and would not be accountable for program operations.

--The assistant secretaries (for staff functions as well as programs) would be making policy in a vacuum, and would have insufficient influence on the product. They would lack the ability to see that their policy and program decisions are carried out.

--HUD would lose clear program identification in relating to its clientele and the Congress. The clientele groups would probably not favor this organization.

--The general manager, by whatever title, would seriously undermine the Secretary's position, and produce a weak Secretary organization.

--The number and complexity of HUD programs and concerns make this a particularly unworkable model for HUD organization.

The advantage in this form is clear, single accountability from the Secretary to the general manager.

REGIONALIZED CPD AND HOUSING OFFICE MODEL

The reporting relationships of the regional administrator to the Secretary and assistant secretaries would remain unchanged.

All community planning and development functions of the area offices would be transferred to the regional offices.

The housing program functions now in area offices and insuring offices would be performed at housing field offices. The functions so performed include production, management, and disposition of subsidy, nonsubsidy, single family and multifamily housing programs, together with their support functions of fair housing and equal opportunity, economic and market analysis, labor, environmental, and legal reviews.

This model is considered unacceptable for HUD because:

--Requirements for strengthened CPD technical assistance and outreach and for new program administration make consolidation of CPD staffs into 10 regional offices untenable.

--HUD program coordination and integration would be weakened by separation of CPD and housing programs in two different sets of field offices. Administration of housing assistance plans would be made particularly difficult.

--Achieving HUD's social goals would be weakened. Housing office directors would be more production-oriented than generalist area office directors reconciling programmatic and social goals.

--For the same reasons, HUD program integration would be weakened by placing CPD programs in regional offices separate from housing programs.

--Somewhat severe staff dislocation would occur in implementation.

The advantages of the model are that housing field offices concentrating on housing programs would tend to be more responsive to the Assistant Secretary for Housing; and the concentration of all CPD programs in regional offices might improve their management.

DUAL TRACK REGIONALIZED CPD MODEL WITH HOUSING FIELD OFFICES

Regional administrator

The regional administrator does not have line authority over CPD and housing programs in the region.

The regional administrator reports to the Secretary, represents the Secretary in the region, evaluates HUD program management in the field, provides a HUD convenor presence for problem situations, and represents HUD in the Federal regional councils.

A small evaluation staff provides assistance for the regional administrator in his management evaluation responsibilities.

CPD office

The CPD office in the regional office reports to the Assistant Secretary for CPD and administers all CPD programs, including those now in area offices.

The CPD office receives its support services from units in the regional office. These support units report to the regional administrator.

This model relies for its viability on CPD programs operating out of the regional offices.

Housing field office

The housing field office, located outside the regional office, reports to the Assistant Secretary for Housing and administers all housing programs, including those now in area and insuring offices.

Housing field office contains the support staff needed for processing and approvals, including legal, economic, fair housing and equal opportunity, administrative, environmental, and labor relations and wage compliance.

This model is considered unacceptable for HUD for the same reasons as the regionalized CPD and housing office model.

It has the additional advantage over that model in that it provides straight line authority from the Assistant Secretaries for Housing and CPD to their principal program officers in the field.

Suboption: Dual track model with CPD and housing field offices

--Self-supporting CPD offices would be established outside the regional office.

--The regional administrator's supervision of staff functions which support CPD program administration would be eliminated.

In other respects, this suboption is the same as the basic dual track model.

It has most of the same advantages and disadvantages of the preceding two CPD-housing field office models, with the additional disadvantage that it removes CPD programs even further from an organizational environment which permits HUD program coordination and integration.

COMBINED REGIONAL-AREA OFFICE MODEL

In this model the present 52 regional and area offices would be consolidated into 26 or fewer HUD offices.

The number of combined offices is critical for effective staff deployment and delivery of CPD and housing programs.

The model provides:

--HUD field offices to perform all functions presently performed by regional, area, and insuring offices, except monitoring and evaluation, which will be performed by the central office.

--Basically a two-tier system, with direct lines of authority flowing from Secretary and assistant secretaries to field office directors.

--Field office directors responsible for carrying out directives of each assistant secretary and Secretary.

--Direct communication between field office directors and assistant secretaries, as well as Secretary.

--Direct communication between CPD and the housing central office and CPD and housing divisions for program guidance and interpretation, and technical matters.

--CPD and housing divisions to report to field office director.

This model was rejected because

--it creates an almost unmanageable span of control problem for the Secretary/Under Secretary.

--severe dislocation of staff would result in program disruption, endanger meeting production goals, and create employee morale and effectiveness problems.

The advantages of this model are associated with the consolidation of most HUD field activities in one set of offices. It would permit program coordination and integration at least as strong as exists in the present organization, and the provision of direct lines of program guidance and interpretation from central office assistant secretaries to program units within the combined offices would improve line accountability and authority.

The chart below shows the HUD cost and staffing analysis performed for the last three models. Data in each column is keyed as follows:

Column 1: Regionalized CPD and Housing Office Model

Column 2: Dual Track Regionalized CPD Model with Housing Field Offices

Column 3: Combined Regional/Area Office Model

	Column 1	Column 2	Column 3
PFT employment			
FY 1977 field PFT authorized positions	11,025	11,025	11,025
Required PFT position ceiling	10,412	10,412	10,084
PFT positions available for redeployment	613	613	941
Additional increment for new FY 1978 workload	126	126	126
FY 1978 authorized field positions	11,151	11,151	11,151
Employees to be moved			
Employees:			
In offices to be closed	66	66	66
Whose functions will be moved out of proposed valuation stations	336	336	336
Whose functions will be moved out of single family service offices	594	594	594
Whose functions will be moved out of single family offices	353	353	1,200
Whose functions will be moved out of housing offices	1,290	1,290	0
Regional office employees:			
Whose functions will be moved to central office	0	0	647
Whose functions will move to full service offices	0	0	642
Total employees affected	2,639	2,639	3,485
One-time personnel relocation costs			
Employees that accept transfer/ reassignment	1,319	1,319	1,743
(Dollar impact)	($7,914,000)	($7,914,000)	($10,458,000)
Employees that retire	396	396	522
(Dollar impact)	($475,200)	($475,200)	($626,400)
Employees that resign or are separated	924	924	1,220
(Dollar impact)	($13,120,800)	($13,120,800)	($17,324,000)
Total employee impact	2,639	2,639	3,485
(Total dollar impact)	($21,510,000)	($21,510,000)	($28,408,400)

Assumptions used by HUD in these analyses were as follows:

--10 percent of single family employees will remain in valuation stations.

--50 percent of single family employees will remain in single family service offices.

--No moves are necessary for the consolidation of the Fort Worth and Dallas offices into an Arlington Office.

--All overhead (managerial, administrative, and legal) will move to regional offices.

--50 percent of affected employees will transfer at an average cost of $6,000 per household move.

--15 percent of affected employees will retire and receive a lump sum annual leave payment averaging $1,200.

--35 percent of affected employees will resign or be separated requiring HUD to set aside a severance pay fund of up to $13,000 per employee. This amount is based upon field employment averages of 49 years of age and 17 years of service. In addition, these employees receive a lump sum leave payment averaging $1,200.

Other costs estimated by HUD were:

Moving of records	$1,000,000 to $1,500,000
Staff time and printing costs to restructure formal departmental management systems	600,000

In addition to the tangible costs of reorganization, HUD recognized the following intangible costs:

--Lower productivity during period of adjustment to new organization (resulting from lower morale, general disruption of lifestyle, potential for mismatching people and jobs).

--Personnel replacement costs.

--Loss of expertise and specialized skills (resulting from resignation, retirement).

--Significant adverse impact on ability to meet projected workload objectives for FY 1977 and FY 1978.

--Lengthening of time to deliver services during period of adjustment to new organization.

--Time and cost of going through reduction-in-force procedures (necessary in establishing new organization even if no employees are separated).

--Potential problem maintaining grade structure (likely faced with downgradings and/or inefficient assignments of work).

--Probable union opposition (appeals and law suits likely).

--Provision of space, movement of equipment (both dollar costs and disruptions).

--Time spent to

-orient program managers, employees to personnel procedures related to restaffing organizations;

-answering inquiries from clients; and

-inform clients, communities, other government agencies about impact of new organization structure.

--Loss of community "goodwill" by remodeling HUD presence and loss of business due to inaccessibility.

--Increase in section 8 program processing time since authorities exist at different organizational levels.

--Problems of integrating programs across functional lines--less total outlook.

Recurring costs were estimated for two items:

--Increased individual travel costs for field staff ($500,000 to $1,000,000 per year).

--Space adjustment costs ($100,000 per year).

APPENDIX III

REGIONAL AND FIELD OFFICE LOCATIONS

PRIOR TO PROPOSED REORGANIZATION

Regional	Area	Insuring	Service	Valuation stations
I Boston, Mass.	Boston, Mass. Hartford, Conn. Manchester, N.H.	Bangor, Me. Burlington, Vt. Providence, R.I.		Portland, Me.
II New York, N.Y.	Buffalo, N.Y. Camden, N.J. Carribbean New York, N.Y. Newark, N.J.	Albany, N.Y.	Rochester, N.Y.	
III Philadelphia, Pa.	Baltimore, Md. Philadelphia, Pa. Pittsburgh, Pa. Richmond, Va. Washington, D.C.	Charleston, W. Va. Wilmington, Del.		
IV Atlanta, Ga.	Atlanta, Ga. Birmingham, Ala. Columbia, S.C. Greensboro, N.C. Jackson, Miss. Jacksonville, Fla. Knoxville, Tenn. Louisville, Ky.	Coral Gables, Fla. Memphis, Tenn. Nashville, Tenn. Tampa, Fla.	Mobile, Ala. Orlando, Fla.	Huntsville, Ala. Montgomery, Ala. Gulfport, Miss. Fort Myers, Fla. Pensacola, Fla. Chattanooga, Tenn.
V Chicago, Ill.	Chicago, Ill. Columbus, Ohio Detroit, Mich. Indianapolis, Ind. Milwaukee, Wis. Minneapolis, Minn.	Cincinnati, Ohio Cleveland, Ohio Grand Rapids, Mich. Springfield, Ill.	Gary, Ind. Flint, Mich.	Rockford, Ill. Toledo, Ohio Youngstown, Ohio
VI Dallas, Tex.	Dallas, Tex. Little Rock, Ark. New Orleans, La. Oklahoma City, Okla. San Antonio, Tex.	Albuquerque, N.M. Ft. Worth, Tex. Houston, Tex. Lubbock, Tex. Shreveport, La. Tulsa, Okla.	El Paso, Tex.	Austin, Tex. Corpus Christi, Tex. San Angelo, Tex. Abilene, Tex. Wichita Falls, Tex.
VII Kansas City, Mo.	Kansas City, Kans. Omaha, Nebr. St. Louis, Mo.	Des Moines, Iowa Topeka, Kans.		Wichita, Kans.
VIII Denver, Colo.		Casper, Wyo. Denver, Colo. Fargo, N. Dak. Helena, Mont. Salt Lake City, Utah Sioux Falls, S. Dak.		Billings, Mont. Rapid City. S. Dak.
IX San Francisco, Calif.	Honolulu, Hawaii Los Angeles, Calif. San Francisco, Calif.	Fresno, Calif. Phoenix, Ariz. Reno, Nev. Sacramento, Calif. San Diego, Calif. Santa Ana, Calif.	Tucson, Ariz. Las Vegas, Nev.	Agana, Guam
X Seattle, Wash.	Anchorage, Alaska Boise, Idaho Portland, Oreg. Seattle, Wash.	Spokane, Wash.		
Total 10	42	35	8	19

DESCRIPTION OF REGIONAL AND FIELD OFFICES PRIOR TO PROPOSED REORGANIZATION

REGIONAL OFFICES

HUD has 10 regional offices responsible for the administration of decentralized HUD programs and functions and for representing the Secretary in the field. The 10 offices are located at Boston, New York, Philadelphia, Atlanta, Chicago, Kansas City, Dallas, Denver, Seattle, and San Francisco.

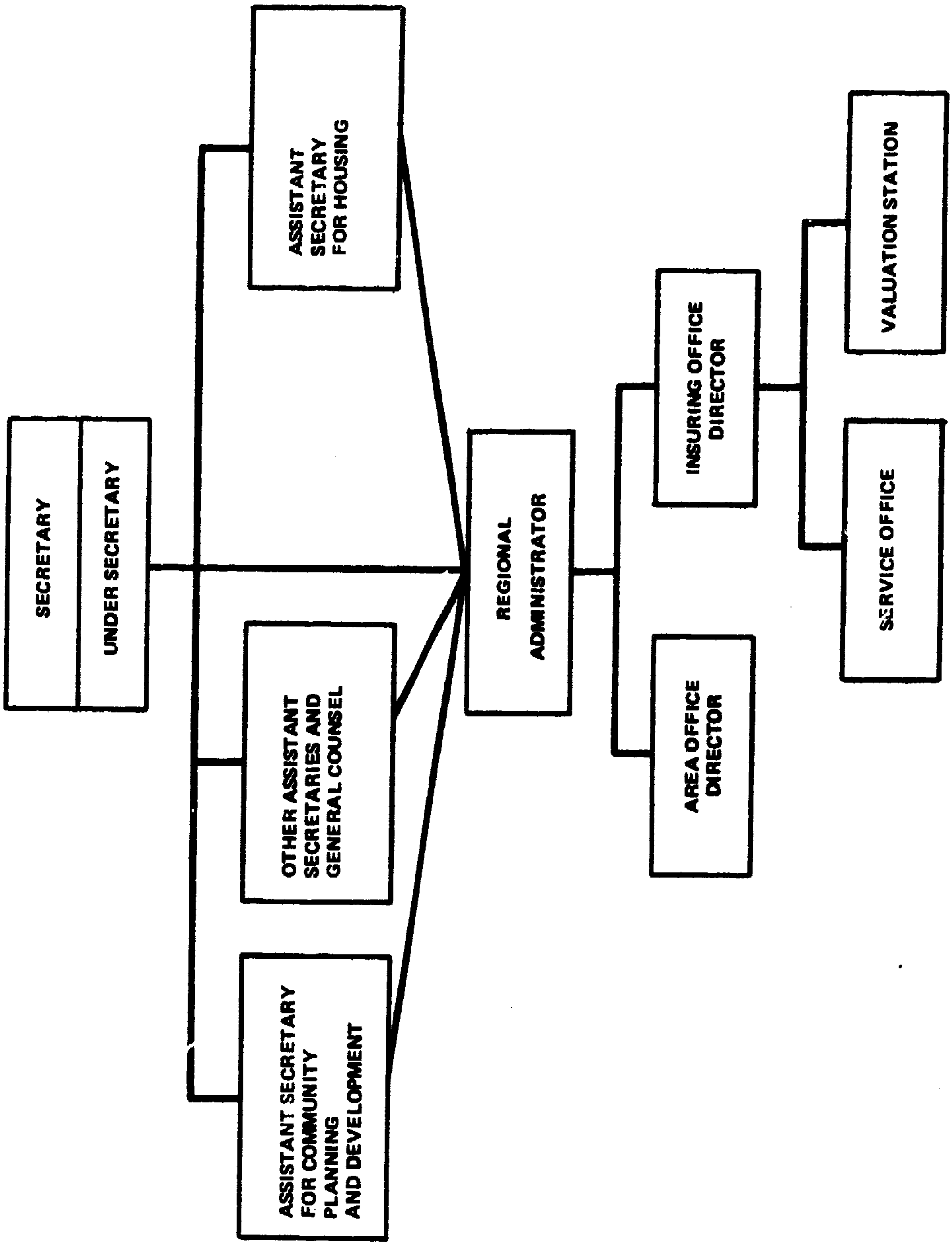
The boundaries and headquarters locations of these regions were established by direction of the President as part of an effort to improve coordination of certain Federal programs.

AREA AND INSURING OFFICES

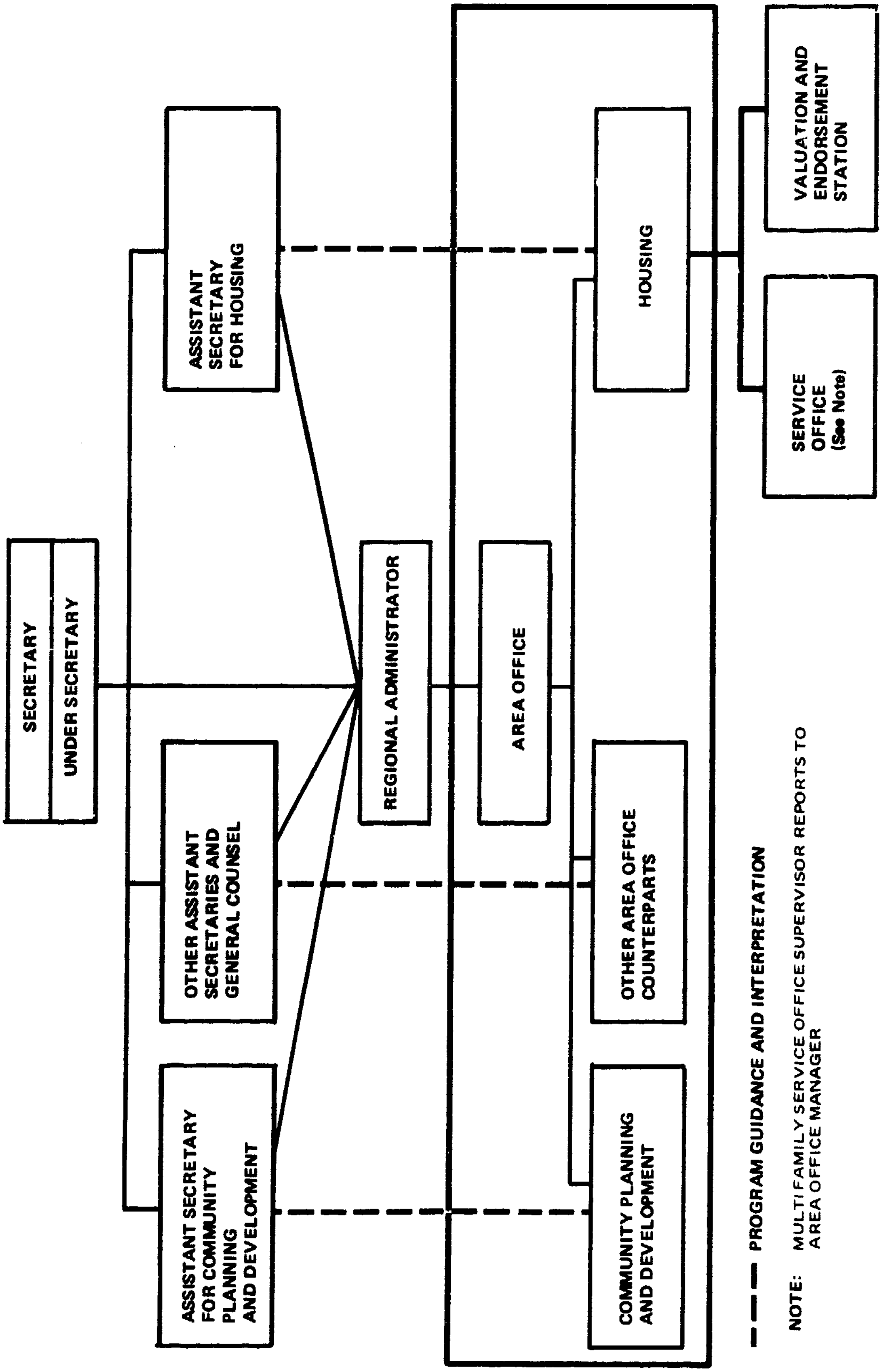
HUD has 42 area offices which administer most of its active, decentralized programs. Area offices have the full range of staff services necessary to make final decisions on the programs they administer. Some liquidating activities have been regionalized. Directors of area offices report to regional administrators.

HUD insuring offices are located in 35 cities to provide services for the insurance programs, but not for other HUD programs. The insuring office directors report to the regional administrator.

HUD ORGANIZATION CHART PRIOR TO PROPOSED REORGANIZATION



HUD ORGANIZATION CHART AFTER PROPOSED REORGANIZATION



NOTE: MULTIFAMILY SERVICE OFFICE SUPERVISOR REPORTS TO AREA OFFICE MANAGER

APPENDIX VI

REGIONAL AND FIELD OFFICE LOCATIONS

AFTER PROPOSED REORGANIZATION

Regional	Area	Service	Valuation/endorsement stations
I Boston, Mass.	Boston, Mass.	1/Manchester, N.H.	2/Bangor, Me.
		1/Providence, R.I.	2/Burlington, Vt.
	Hartford, Conn.		
II New York, N.Y.	Buffalo, N.Y.	Albany, N.Y.	
	Caribbean		
	New York, N.Y.		
	Newark, N.J.	Camden, N.J.	
III Philadelphia, Pa.	Baltimore, Md.		
	Philadelphia, Pa.		Wilmington, Del.
	Pittsburgh, Pa.	1/Charleston, W.Va.	
	Richmond, Va.		
	Washington, D.C.		
IV Atlanta, Ga.	Atlanta, Ga.		
	Birmingham, Ala.		
	Columbia, S.C.		
	Greensboro, N.C.		
	Jackson, Miss.		
	Jacksonville, Fla.	Coral Gables, Fla.	
		Tampa, Fla.	
		Orlando, Fla.	
	Knoxville, Tenn.	Memphis, Tenn.	
		1/Nashville, Tenn.	
	Louisville, Ky.		
V Chicago, Ill.	Chicago, Ill.		Springfield, Ill.
	Columbus, Ohio	Cincinnati, Ohio	
		1/Cleveland, Ohio	
	Detroit, Mich.	Grand Rapids, Mich.	
		Flint, Mich.	
	Indianapolis, Ind.		
	Milwaukee, Wis.		
	Minneapolis, Minn.		
VI Ft. Worth, Tex.	Dallas, Tex.	Ft. Worth, Tex.	
		Houston, Tex.	
		Lubbock, Tex.	
		Albuquerque, N.M.	
		El Paso, Tex.	
	Little Rock, Ark.		
	New Orleans, La.	Shreveport, La.	
	Oklahoma City, Okla.	Tulsa, Okla.	
	San Antonio, Tex.		
VII Kansas City, Mo.	Kansas City, Mo.		Topeka, Kans.
	Omaha, Neb.	Des Moines, Iowa	
	St. Louis, Mo.		
VIII Denver, Colo.	Denver, Colo.	Helena, Mont.	Casper, Wyo.
		Salt Lake City, Utah	Fargo, N.Dak.
			Sioux Falls, S.Dak.
IX San Francisco, Calif.	Honolulu, Hawaii		
	Los Angeles, Calif.	Santa Ana, Calif.	
		San Diego, Calif.	
		Phoenix, Ariz.	
		Tucson, Ariz.	
	San Francisco, Calif.	Fresno, Calif.	
		1/Sacramento, Calif.	
		Reno, Nev., Las Vegas, Nev.	
X Seattle, Wash.	Anchorage, Alaska		
	Portland, Oreg.	Boise, Idaho	
	Seattle, Wash.	Spokane, Wash.	
Total 10	40	34	8

1/Service office with multifamily housing.

2/Bangor and Burlington process through conditional commitment only.

Note: Valuation Stations, other than valuation and endorsement stations, are not indicated on this list because they are not formal HUD field offices with assigned geographic jurisdictions.

DESCRIPTION OF REGIONAL AND FIELD OFFICES

AFTER PROPOSED REORGANIZATION

Regional offices will be colocated with area offices in the same cities. At Denver the regional and area offices will be combined into a regional/area office under the direction of a regional administrator. The office will perform the functions of an area office and the operating and representation functions of a regional office. At Fort Worth the regional office will be colocated with the service office. However, the Fort Worth service office will receive administrative support from the Dallas area office.

In the other eight regions, the regional and area offices will be colocated. Common administrative services will be provided by the regional office. In all other respects, the two offices will be organized and function as separate regional and area offices.

Area offices will continue to be responsible for carrying out virtually the full range of HUD programs on a decentralized and coordinated basis. In addition, area offices will assume responsibility for the housing programs formerly assigned to insuring offices, which reported to regional administrators. This will substantially enlarge the geographic area of assignment of many area offices. The multifamily insurance programs will be consolidated for administration in the area offices. The single-family insurance programs of the insuring offices will be carried out by service offices or valuation stations under the area offices.

With these changes, and the other changes in operating patterns, the positions of the heads of area offices will be redefined and their titles changed to area office manager.

Insuring offices are eliminated. Insuring offices have handled multifamily as well as single-family mortgage insurance. Insuring office directors reported to regional administrators.

All multifamily workload will be transferred from insuring offices to area offices (except in those locations where workload requires multifamily staffing but area office status is not jutified). Insuring offices will become service offices or valuation stations.

Service offices, under the direction of a supervisor, will provide the full range of single-family insurance program activity, including accepting applications and processing through commitment and insurance endorsement, subdivision analysis, inspections, loan management, and property disposition. They will provide information and referral service on HUD programs. These offices report to area office housing division directors. Some service offices are authorized by headquarters on an exception basis to perform multifamily functions.

Multifamily service offices will be located at Manchester, Providence, Charleston, Cleveland, Nashville, and Sacramento. These offices are authorized to perform all multifamily, as well as single-family, housing functions and will report directly to the area office manager. They will have the same structure as the housing division in the area office, but will be headed by a supervisor rather than a director.

Valuation stations will process single-family applications through conditional commitment and make construction inspections.

Valuation and endorsement stations will receive single-family applications, process them through firm commitment and endorsement, and make construction inspections.

Both valuation stations will normally report to the area office housing division and provide information and referral service on HUD programs. They will not process subdivision applications, make subsidy control decisions, or handle loan management or property disposition.

PRINCIPAL OFFICIALS OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT RESPONSIBLE FOR ACTIVITIES DISCUSSED IN THIS REPORT

	Tenure of office	
	From	To
SECRETARY:		
Patricia Roberts Harris	Jan. 1977	Present
Carla A. Hills	Mar. 1975	Jan. 1977
James T. Lynn	Feb. 1973	Mar. 1975
George W. Romney	Jan. 1969	Feb. 1973
ASSISTANT SECRETARY FOR ADMINISTRATION:		
William A. Medina	May 1977	Present
Vincent J. Hearing (acting)	Nov. 1976	May 1977
Thomas G. Cody	May 1974	Nov. 1976

(961062)