

Public Housing and HCV Budgets in CY 2012

John Finger, Program Center
Coordinator

Caleb Kopczyk, PHRS

2012 Operating Fund Proposal

Proposed Allocation Adjustment

- 2012 budget proposes to adjust each PHA's Operating Fund calculation based on operating reserves retained by PHAs.
- Under the proposal small PHAs can retain at least 6 months and large PHAs at least 4 months of PH reserves.
- PHAs will be responsible for contributing a share to the budgetary offset according to the amount of reserves they currently maintain.

Salaries and Benefits

- **New reporting requirements** in Notice PIH-2011-48 , dated August 26, 2011 - "Guidance on Reporting Public Housing Conducting Comparability Analysis"
- PHAs that administer HUD-assisted PH and HCV programs will be required to report to HUD annually the compensation provided to each of their five highest compensated employees, which will then be posted on HUD's website with job titles but without employee names.

Salaries and Benefits

- Intended to serve as a valuable transparency and oversight tool and a point of comparison for local PHA boards in determining appropriate compensation levels.
- All PHA boards will also be required to conduct comparability analyses when determining executive director compensation levels and certify that such an analysis has been performed.

Salaries and Benefits

- “Boards should explicitly consider comparability in setting or making significant changes to the compensation of PHA executive directors or other chief executive officers”.
- Boards determine appropriate comparability data that may include independent compensation surveys and information concerning compensation provided to comparable PHA executive directors, to comparable state and local public officials, and to comparable private sector executives.
- The specifics are up to each Board.

Salaries and Benefits

- PHAs that operate PH will be required to complete HUD-52725 form and submit it with their HUD-52723 (operating subsidy) form to their appropriate Field Offices
- PHAs that operate a HCV program only should complete and return the HUD-52725 form to their Field Office, even though they do not complete the HUD-52723
- Follows operating subsidy submission schedule
- Copy of Notice and HUD-52725 in handouts

Commissioner Compensation

State Law 66.1201(5)(b)

The council of a city may pay commissioners a per diem and mileage and other necessary expenses incurred in the discharge of their duties at rates established by the council.

HUD Annual Contributions Contract (ACC)

Part A, Section 14, part (B), states "No funds of any project may be used to pay any compensation for the services of members of the HA Board of Commissioners."

HCV Budgets in CY 2012

CY 2012 Potential Changes

- Potential for Offset Provisions to be reinstated
 - Offset of NRA greater than 6% to 8.5% of CY ABA
- Potential for Higher Proration
 - Anticipating 95% as a conservative estimate
- Potential for change to CY Rebenchmarking
 - Dependent upon Congressional Appropriation

Planning for CY 2012

- Final appropriation not available for review
- Create and test a variety of scenarios
 - Using Two Year Projection Spreadsheet
 - Test NRA Offsets between 6% and 8.5% (the lower the number the greater the offset)
 - Test Proration Percentages between 93% and 98%
 - Test CY versus FFY rebenchmarking
 - Test elimination of Year-End Leasing set-aside (CY rebenchmarking only)

Planning for CY 2012

- Be cautious!
 - If FFY Rebenchmarking, then rebenchmarking period is already finished!
 - Set-Aside received this year is not necessarily indicative of what will be received next year
 - ABA received this year is not indicative of funding that will be received next year (rebenchmarking is an ANNUAL process)
 - Any anticipated NRA to be offset must be held through the CR process until final funding is available!

HCV Examples