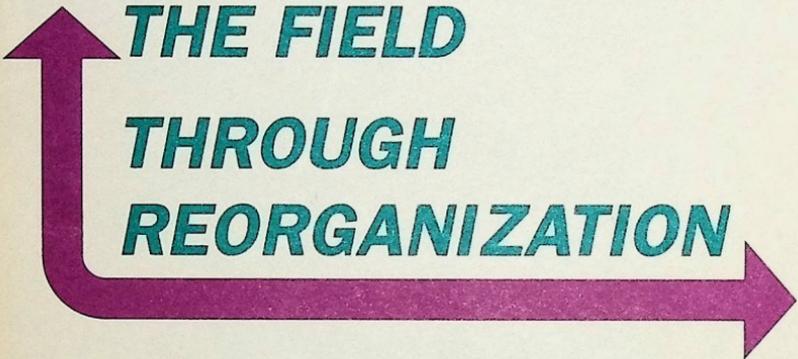


**EMPOWERING
THE FIELD
THROUGH
REORGANIZATION**



A MESSAGE FROM THE SECRETARY

We are transforming HUD to make it an activist, enabling agent for change.

This transformation will enable all of us to do our jobs better as we carry out our mission to revitalize our cities and bring new hope to millions of Americans. It will mean exciting new opportunities, as well as demanding new challenges, for everyone in the Department.

Let me reassure you that this restructuring will not result in a single layoff.

A month and a half ago, we announced our program priorities for this fiscal year and beyond. We have pledged: to reduce homelessness; to make public housing a source of pride and a community asset; to expand housing and homeownership opportunities for all Americans in general, and for low- and moderate-income people in particular; to open rental and homeownership markets to all Americans, regardless of race, disability or family status; to empower distressed communities to lift themselves economically; and to emphasize excellence in management at HUD.

To achieve these important goals, we must become more responsive to people, and more entrepreneurial in the way we serve the public.

That is what is driving this reorganization.

This reorganization will give you a greater say in how HUD programs are administered in the field.

It will give you more opportunity to act on your own initiative to ensure that HUD serves the people it is mandated to serve.

It will give you more opportunity to become an achiever at HUD and to advance in your own career.

President Clinton has directed all of us in government to "put people first." To do this at HUD, we're putting you in our field offices first.

Some people might look at this reorganization plan and say we are turning the Department on its head. To them, I reply: We are turning it right side up.

Just as our mission at HUD is people-driven, our organization must be field-driven. It only makes sense; the field is where the people we serve are.

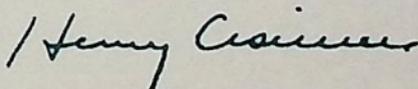
This reorganization will have a tremendous impact on our Department — on how we work, and how we deliver services. But it's much bigger than our Department.

Today, HUD is in the forefront of the Administration's "reinvention" of government. That effort is driven by something much greater than the simple need to streamline operations and cut costs.

It is driven by a commitment to make government truly responsive to the needs of the American people; to restore our people's belief that government, in all its branches, is a worthy vehicle for the achievement of their hopes and aspirations; to breathe new life into our participatory democracy, which is the greatest on earth.

As we reorganize HUD, you will be leading the way to a government the American people can be proud of, and in which you can be proud to serve.

Sincerely,

A handwritten signature in black ink that reads "Henry Cisneros". The signature is written in a cursive, flowing style.

Henry G. Cisneros



STREAMLINING HUD

Over the past year, all HUD employees have worked together to reinvent and reorganize the Department.

Secretary Cisneros initiated the reinvention of HUD in February, 1993. It continued as a part of the governmentwide National Performance Review mandated by President Clinton and led by Vice President Gore. NPR has confirmed and reinforced what HUD already started.

Driven by our own reinvention process, this reorganization plan was chosen after extensive consultation with HUD's employees, union representatives, and the Department's customers. It has been a collaborative effort from start to finish.





GUIDING PRINCIPLES

HUD's reorganization puts people first by putting our field offices first. It is guided by the following principles:

- No one should lose his or her job as a result of reorganization.
- Our field staff, who are closest to our customers, will be empowered. Program officials at the community level must have more decision-making authority, and more say in how programs are administered.
- Program assistant secretaries will directly manage their programs in the field. For the first time in HUD's history, program assistant secretaries will have direct line authority to the field, and through waivers and delegations, they will let the field call the shots.
- Customers and community leaders must be engaged by our field offices in HUD's decision-making process. We will forge new partnerships with state and local governments to ensure better-coordinated delivery of our programs. We will also engage community residents and form advisory committees in the field to help better tailor HUD's programs to meet the needs of individual communities.
- Administrative functions must be consolidated, as much as possible, in our field offices.
- HUD headquarters will be more responsive to field staffs' needs, more supportive of innovative initiatives, and more tolerant of honest mistakes. And, HUD will improve communications between headquarters and the field using current technologies.
- The skills of our work force will be enhanced through training programs. Workers will have the information and capacity to do their jobs well.





THE NEW HUD

The old HUD was process-driven. The new HUD will be result-driven.

HUD's new organizational structure will put results first.

- HUD will continue to maintain the current 81 offices in its field network. Those offices will continue to be maintained by highly skilled and professionally trained staff.
- Of these offices, 52 will be designated State Offices. Each will have a State Coordinator to foster partnerships between the state, its communities, and the Department.
- The remaining 29 will be designated Area Offices serving major metropolitan areas. These offices will be staffed by Area Office Coordinators.
- Community advisory committees will work with State and Area Office Coordinators to ensure that operations and programs are tailored to meet communities' needs.
- Many of the functions traditionally performed by the regional offices will be eliminated, and for the first time in HUD's history, program assistant secretaries will have direct line authority to the field. Through waivers and delegations, they will shift both responsibility and accountability for as many decisions as possible to the Area Offices.





- Ten Secretary's Representatives/State Coordinators will act as HUD's liaison to governors, other state officials, and broad-based interest groups. They will oversee groupings of State and Area Offices, and serve as State Office Coordinators in individual states.
- The groups of states served by each Secretary's Representative will be titled by geographic distinction for greater clarity and to underscore the end to the regional structure. Region I, for example, will become "New England."
- Administrative Service Centers will be established over the next two years to consolidate and expedite personnel, contracting, facilities, accounting, management information, and other administrative support functions.





NEXT STEPS

The transition to the new State and Area Office structure will be thoughtfully planned and managed. Working under the direction of the Deputy Secretary, and in full cooperation with the National Partnership Council and union representatives, the Assistant to the Secretary for Field Management, the Assistant Secretary for Administration, and the Chief Financial Officer will develop a strategy, work plan, and schedule for implementing the field reorganization.

Over the next 90 days, this team will address a number of issues. Their responsibilities will include:

- Working with Labor-Management Partnership Councils.
- Development of detailed field organization proposals, by program areas, such as: program-coordination mechanisms for each Program Assistant Secretary; field-empowering waivers and delegations; staffing levels for each office location.
- Development of retirement strategies, including the timing of offering early retirement and retirement bonus plans.
- Development of a redeployment strategy that will address training needs of affected employees, employee placement, redeployment and relocation procedures.





HOW REORGANIZATION AFFECTS YOU

Over the next six years, we expect HUD's workforce to be reduced by 1,600 jobs, entirely by retirement and attrition. No one will be laid off and there will be no mandatory reductions in force, because of field reorganization.

Office functions will change, and jobs will change. Staff may be given different duties and reassigned to different jobs. HUD will strive, in all cases, to retain employees in their current field offices and local areas. The Department will work closely with union representatives throughout this process.

These changes will mean more opportunity for you to have a say in the administration of HUD programs in the communities you serve. They will mean more opportunity for you to act on your own initiative to ensure that the people HUD is mandated to serve are served. They will mean more opportunity for you to become achievers at HUD and to advance in your own careers.





FIELD OFFICE LOCATIONS

