Part A. Justification

A1 Circumstances That Make the Collection of Information Necessary

The Housing Choice Voucher (HCV) program is the federal government's largest low-income housing assistance program. As of 2010, the Housing Choice Voucher program serves more than 2 million households, at a total subsidy cost of $18.2 billion per year. The HCV program is administered federally by the U.S. Department of Housing and Urban Development and locally by approximately 2,400 local, state, and regional housing agencies, known collectively as public housing agencies (PHAs). Funding for the HCV program is provided entirely by the federal government. The funding that PHAs receive includes the housing subsidy itself, plus administrative fees to cover the costs of running the program.

When the voucher program was first implemented in the 1970s, the system for reimbursing PHAs for the costs of program administration was loosely based on empirical evidence. Over time, however, the system for estimating and allocating fees has become more complex and—in some ways—more arbitrary, as HUD and Congress have tried to balance fairness with cost savings, while trying to avoid large year-to-year swings in funding for PHA staffs. The *Housing Choice Voucher Program Administrative Fee Study* is designed to evaluate the amount of funding needed to administer the voucher program based on direct measurement of the work actually performed by voucher administrators. The study will measure and identify the tasks performed by PHA staff to meet program requirements, to assist voucher holders in finding and renting suitable housing in a timely way, and to ensure that a broad range of affordable rental housing throughout the community is available to voucher families. The study will identify the costs involved in each task, including salaries, benefits, and overhead. Ultimately, the findings of the study will be used to inform the development of a new formula for allocating HCV program administrative fees.

The study will proceed in phases. The first phase—for which OMB approval is currently being sought—is a *reconnaissance phase* focused on identifying candidate sites for a national study of program administrative costs, understanding the tasks commonly performed by PHA staff to administer the program, collecting data on variations in program administration and local cost drivers, and evaluating different methods of measuring staff time spent on voucher program administration. The main data collection activity for the first phase of the study is site visits to a sample of 60 PHAs believed to operate high-performing HCV programs. The main products of the reconnaissance phase is a research design for the full national study, including a sampling plan, data collection instruments, and analysis plan, and a request for OMB approval to conduct the national study.

The second phase of the study is the *full national study*. The research design for the full national study will be developed based on the findings from the reconnaissance phase. HUD expects the study to involve collection of data on the costs of HCV program administration from a national sample of PHAs that operate effective and efficient HCV programs. Data collection is expected to include measurement of staff time spent on the program through one of three methods to be tested during the reconnaissance phase, as well as collection and validation of data on overhead costs and other costs related to program administration that cannot be captured in terms of staff time.

The study team considered the alternative of finding external benchmarks for the costs of the tasks that make up administration of the voucher program. The study of the costs of operating public housing conducted by the Harvard University Graduate School of Design used the cost of operating privately owned, FHA-insured multifamily housing as the benchmark for the operating cost of public housing. A similar approach for benchmarking the costs of administering the HCV program is not feasible, because no set of functions exists in either the public or private sector that is sufficiently similar to running the voucher program. The SNAP (Food Stamps) and TANF programs collect and verify income data for determining eligibility and calculating benefits and might be used as a benchmark for the costs of those functions. However, other important functions of the voucher program are unique or close to unique:

- Housing inspections are conducted by other systems, and some use the same Housing Quality Standards as the voucher, but not for housing units that are scattered across a geographic area and that must be inspected on a schedule determined by households attempting to lease units.
- Assessments of market comparable rents are conducted by other housing programs, but also in a different context from the HCV program's rent reasonableness test. Those assessments usually are conducted by third-party professional appraisers.
- Advice on searching for housing is provided by other systems, but also in a different context from the briefings and ad hoc assistance provided to voucher holders.

Even if it were possible to piece together a set of external benchmarks for the separate functions of the voucher program, it would be impossible to capture the organizational structure and workflow that puts voucher program administration together.

Another possible benchmark would be the administrative costs of voucher programs that contract some aspects of running the voucher program to private firms. However, that practice is not sufficiently widespread and, in particular, is typically only used for voucher programs with more than 5,000 units.

An alternative to either benchmarking or direct cost measurement would be to use voucher program cost data reported to HUD. However, those administrative data are likely to reflect in large part in part the administrative fees that agencies currently receive to operate the program allocated across activities and not the actual time spent per activity that is needed to administer an effective voucher program. The studies of the operating costs of public housing that preceded the Harvard Public Housing Operating Cost Study used such an approach and were widely judged not to be credible because of the circularity of the approach.

As indicated above, the purpose of the present OMB request is to obtain approval for the reconnaissance phase of the Housing Choice Voucher Program Administrative Fee Study. We propose to conduct site visits to 60 PHAs across the country to interview PHA staff, to review client files, and to gather information related to program staffing and costs. At 5 of the 60 PHAs, we will spend additional time on site beta-testing alternative methods for measuring the staff time spent on different tasks required for program administration. Overall, the site visits and beta-tests will allow us to design a rigorous national study of the work needed to administer the HCV program. Separate

OMB approval will be sought for the full national study and pretest of the national study methodology.

A2 How and by Whom the Data Will Be Used

A2.1 Project Overview

The purpose of this project is to design a rigorous national study of the work needed to administer a high-performing and efficient HCV program. The results of the national study, to be conducted under a subsequent task order and with separate OMB approval, will form the basis for developing a new administrative fee formula for the HCV program.

The main objectives of this project are:

1) To understand the relationship between program performance and cost efficiency and develop a methodology for identifying high-performing and efficient programs for inclusion in the national study.
2) To collect information on voucher program administrative costs and cost drivers based on review of administrative data and interviews with program staff, and to understand the reasons why per unit administrative costs vary across HCV programs.
3) To test a variety of methods for measuring the time spent on the activities performed in administering the HCV program.
4) To develop a research design for the national study.

Understand the Relationship between Program Performance and Efficiency
The first objective for the project is to understand the relationship between high performance in the HCV program and cost efficiency. Among a pool of high-performing agencies, how do per unit costs vary and what are the factors that affect program costs and program performance? Although we will not be doing a full cost study in this phase of the study, we will use review of administrative data and interviews with PHA staff to collect information on voucher program administrative costs and cost drivers and to understand better why per unit administrative costs vary across HCV programs.

The study will be based on site visits to 60 PHAs with high-performing HCV programs. The sample of 60 PHAs will be drawn using random stratified sampling from the universe of HCV programs that were designated as “high performers” by HUD’s Section Eight Management System (SEMAP) in 2007, 2008, and 2009 (or at least two years for small PHAs not scored every year). Also included in the sampling frame will be a small number of HCV programs that do not meet the SEMAP threshold but that HUD Field Office staff nominate for inclusion in the study. (The sampling plan for the study is described in detail in Section B1.)

We will conduct multi-day site visits to each of the 60 PHAs in the study to validate their high performer status and to collect information on their voucher program administration and costs. Based on the site visit results, we will develop a profile for each PHA that includes an assessment of the performance and efficiency of its HCV program and provides key descriptors of administrative tasks involved in program administration and the flow of program processes at that PHA. We will also use the information collected through the site visits to develop a cost-effective approach to sampling additional programs for the national study.

Collecting Cost Data

The site visits will also be used to collect data on the aspects of voucher program administration that affect administrative costs. At all 60 PHAs, we will collect a core set of information on administrative costs through interviews with program staff and review of budget documents, organizational charts, and payroll lists. We will also ask more detailed questions on overhead costs for a small subset of PHAs to test the approach proposed for the full national study. However, we will not try to measure staff time per activity other than at the five beta-test sites (described below).

Prior to going on site, we will analyze the per-unit costs of each PHA in the sample using data from HUD's FASS system. We will use this analysis to identify how each PHA compares to others in its size category or region of the country in terms of per unit administrative costs for different aspects of HCV program administration. We will use interviews with PHA staff in particular to investigate those areas in which the PHA's per unit costs for the HCV program that deviate from the average. This will provide insight into the factors that drive HCV administrative costs across different types of PHAs.

We are not making the assumption that an HCV program with lower costs per unit of service is a more efficient program. Instead, the purpose of the study is to find out legitimate reasons for variations in costs and to measure those variations. However, during the site visit we will collect information on other measures of efficiency and use that information to identify which PHAs seem to be operating the program efficiently. These measures include whether the PHA fully uses the subsidy resources made available to it, whether the PHA is able to operate within its subsidy budget, whether the PHA makes data-driven decisions on workflow and allocation of staff, and whether the PHA makes appropriate use of cost-saving technology in program operations. Site visitors also will assess whether the PHA is following an appropriate method for allocating overhead costs to the voucher program and whether those costs seem reasonable compared to the size of the voucher program and the costs of other PHAs.

Testing Alternative Methods of Time Measurement

A second objective of the project is to test alternative methods for assessing the time spent on each of the activities required for HCV program administration, with the ultimate goal of developing a rigorous approach to measuring program administrative costs across a national sample of programs.

At 5 of the 60 sites, the "beta-test" sites, we will spend time on site testing three alternative methods of measuring staff time spent per activity. The three methods to be tested are: PHA staff timesheets, direct observation by a time and motion expert, and random moment sampling. These methods are described in detail in Section A2.2.

During the site visits, we will also collect detailed information on the tasks involved in voucher program administration, the number of times tasks are performed per activity and per year, and on the other direct costs and overhead costs associated with the program. Following the beta-test visits, we will compare the findings of the three approaches and recommend an approach for the national study.

Developing a Research Design for the National Study
After completing the site visits and testing the alternative approaches at beta-test sites, we will develop a research design for the national study of HCV program administrative fees. The design will present the sampling plan for the national study (including the number of programs to be included and a methodology for selecting those programs) and the methodology for measuring the costs of program administration based on direct measurement of staff time and analysis of overhead and other costs not related to staff time.

A2.2 Purpose of the Data Collection

We are requesting OMB approval for three data collection activities that will occur through site visits to the PHAs selected for the study:

1) Interviews with PHA staff at 60 PHAs.
2) Review of a sample of client files at 60 PHAs.
3) Beta-test of time measurement methods at 5 of the 60 PHAs.

Interviews with PHA Staff
We propose interviewing key staff administering the voucher program at each of the 60 PHAs in the study. The number of interviews with program staff will depend on the size and staffing structure of the individual HCV programs, but we expect at a minimum to interview the HCV program manager, key supervisory staff, and an HQS inspector. The interviews will be conducted in person using an interview topic guide. (A copy of the topic guide for interviews with PHA staff is provided in Appendix A.) The purpose of the interviews is to obtain detailed information on:

- The PHA's approach to program functions necessary to operate a high-performing program. These include: waiting list management, client intake and recertification, rent reasonableness tests, Housing Quality Standards inspections, payment processing, portability processing, program and financial monitoring, reporting, vendor management, customer service, quality control, terminations and appeals, expanding housing opportunities, and landlord relations. (PHA performance on these and other critical functions will also be assessed through file reviews.)
- Special circumstances that affect voucher program operations and efficiency at the PHA, including factors associated with the size of the PHA, shared administrative functions with other PHAs, and special programs.
- Aspects of HCV program administration that staff report to be particularly efficient or inefficient.
- Program staffing, other direct program costs, and overhead costs charged to the HCV program. Reasons why per unit costs for different aspects of program administration may be different from the average for PHAs of the same size and region of the country.

This information obtained through the PHA interviews will be used to understand the relationship between performance and efficiency in the voucher program, to identify potential study sites for the full national study, and to provide the information on activities and costs associated with program administration needed to design the national study.

File Review

While on site, the site visitor teams will review approximately 25 client files, 10 files from among those clients who have gone through the PHA's intake procedure but may not necessarily have leased up, and 15 files from clients under lease. To the extent possible, we will select a random or unbiased set of files for review. The purpose of the file review is to confirm the accuracy of the PHA's statements and self-certifications in key areas related to high performance. In particular, we will use file review to help assess whether the PHA:

- Verifies each household's eligibility for applicable selection preferences before providing assistance.
- Provides paperwork to participants' requesting to move within 14 days of receiving the request.
- Does not make payments for new units until (initial or move) before the unit has passed inspection.
- Re-inspects units within 365 days of the last passed inspection.
- Conducts the first inspection within 15 business days of receiving the RFTA (may be longer for programs with more than 1,250 vouchers).
- Notifies the landlords and tenant if a unit fails inspection, including the reasons for failure and the time within which repairs were required and the unit re-inspected and passed or payments abated.
- Abates payments for units with uncorrected HQS violations.
- Maintains documentation of landlord certification of repairs if PHA does not require reinspection.
- Conducts rent reasonableness before entering into a HAP contract, before an increase in rent, and if there is a 5 percent decrease in FMR 60 days before contract anniversary date.
- Follows its rent reasonableness protocol and adequately documents rent reasonableness decisions.
- Conducts reexaminations on an annual basis.
- Conducts and documents income verification correctly.
- Uses EIV and keeps a copy of the EIV printout in the file (if permitted by state law).
- Calculates household income is calculated correctly, including the appropriate deductions.
- Correctly applies contract rent, payment standards, and utility allowances, and follows its stated policy regarding rent increases.
- Maintains complete and well-organized client documentation.

We will use structured file review protocols and file review worksheets to conduct the file review and document our findings in each of the areas.

Beta-Test of Time Measurement Methods

As part of the beta-testing at five sites, we will measure the time per activity using three alternative methods: 1) self recording on time sheets, 2) direct observation by a time and motion expert, and 3) electronic reporting at random moments through a hand-held device.

At each of the five agencies, we will identify a sample of staff who will participate in the beta-test. The staff sample will not be selected to be representative of the PHA's staff as a whole; rather, we will select a handful of core program activities that we want to focus on and pick several staff people that perform one or more of those activities on a daily basis. The relative efficiency of the staff selected does not matter for this part of the study, since we are testing data collection methods rather than attempting to collect valid cost data. The actual number of staff whose time will be measured in the beta-tests will be determined once we have selected the five beta-test sites and determined which activities to focus the testing on. For the purposes of estimating burden, we have assumed up to 15 staff per agency will participate in the beta-tests, but the actual number may be lower for smaller programs included among the beta-test sites.

Over a five-day period (one work week), we will record the time the selected staff spend on the full range of HCV program activities, using all three time measurement methods. The PHA timesheets provided in Appendix B show the range of activities and sub-activities for which we will be measuring staff time through all three methods. This approach allows us to test the accuracy and functionality of the three methods across activity types and agencies. We expect the intrusion on participating staff to be relatively small. They will be trained at the beginning of the week on how to complete the time sheets and how to respond to the random moment sampling. Once trained, they will spend no more than 20 minutes each day completing timesheets and/or responding to random moment sampling. Some staff will also be observed as they go about their work by a time and motion expert, but will not need to interact with the observer apart from answering the occasional clarifying question. For any given staff person participating in the beta-test, we will expect to test two of the three methods simultaneously. Given the modest amount of staff time required, we are not proposing to compensate the beta-test sites for their time in this phase of the study.

Each of the three time measurement approaches has benefits and drawbacks, as summarized in Exhibit A-1. Following the beta-testing visits, we will compare the findings of the three approaches and recommend an approach for the full study.

Exhibit A-1. Benefits and Drawbacks of Alternative Time Measurement Approaches

Method	Benefits	Drawbacks
1. Staff complete time sheets	• Least costly • Can be completed by large numbers of people • Comparable to approach used in an earlier study of voucher program administration[1]	• Burdensome for staff • Staff may report inaccurately • Requires key-entry of data that may introduce errors

Method	Benefits	Drawbacks
2. Direct observation using a paper and pencil instrument	• Very reliable • Flexible if task definitions vary by program	• Most costly for a large sample • Data entered manually – may introduce errors
3. Random moment surveys completed by staff using hand-held devices	• Less intrusive • Cost-effective if done for a large sample • Real-time monitoring of data entry	• More costly to develop initially • Staff may report inaccurately

Time Sheets. The first method we will use to measure the time spent on each activity is to have staff at the five beta-test sites complete time sheets that record their time in quarter hour increments. This method is comparable to what was done in the Voucher Demonstration that was undertaken by Abt in the late 1980s. A key benefit to the time sheet approach is that it is less costly to implement in terms of direct monetary outlays and thus could be completed by more staff members for a longer period of time. However, this approach is also the most burdensome for PHA staff and they may resist completing the time sheets. In addition, the time sheet approach could introduce bias due to recall and entry errors. If we find that staff do not resist completing the time sheets and that the results are comparable to the direct observation results, we may recommend using time sheets as part of the larger study.

Staff will be asked to complete the time sheet several times each day to minimize recall errors and will be asked to complete the times in small increments (such as minutes spent on each activity) to improve accuracy. Appendix B presents sample time sheets. The precise time sheets will be tailored to each participating PHA. Also, the timesheets shown in Appendix B cover a range of staff functions. We expect that most staff will complete only one of the sheets, although this will depend on the level of staff specialization at each PHA.

Direct Observation. The second approach we will use to measure time per activity is through a traditional time and motion study technique, in which work is observed directly by on-site researchers using a stopwatch, clip board, and data collection sheets. The categories of activities observed will be the same as those recorded on the PHA timesheets. The observers will spend one week at each site, observing and using a stopwatch and paper and pencil to record the precise time taken by the voucher program staff to perform each task.

The advantages of using the traditional time and motion study technique include: accurate data collection, flexibility in modifying the data collection tool if administrative processes differ across programs (e.g., the sequencing and therefore the nature of elements of administrative tasks), and the personal interaction between the observer and the staff person performing the task that can be used to

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[1] Mireille L. Leger and Stephen D. Kennedy, Final Comprehensive Report of the Freestanding Housing Voucher Demonstration, prepared by Abt Associates for the U.S. Department of Housing and Urban Development, Washington, DC, May 1990.

clarify definitions of activities. The disadvantages include prolonged data collection, high use of resources, and manual data entry which can be lengthy or error-prone.

Random Moment Sampling. The third approach to be tested involves conducting random moment surveys of program staff using a specially-designed application on a smart phone or similar hand-held device. Each PHA staff person included in the beta-test will be provided a hand-held device that they will keep with them as they work. Each staff person will be sent several messages a day to which he or she will be asked to respond via the hand held device. The messages will likely begin with a question such as “What activity were you doing at [TIME]?” The staff person would answer using a drop down menu with the main activity categories (as identified in the PHA timesheets). The person would then be asked, “What sub-activity were you working on?” Again, the staff person would use a drop down menu to select the appropriate sub-activity. The system will record delays in responding to the message (e.g., first asked: 3:45 PM, actually answered at 5:10 PM) and if the interval exceeds a certain amount of time (e.g., 30 minutes), the system can prompt for a reason (e.g., battery died, was driving, interviewing a person and didn't want to be rude, etc.). The goal is to make the hand-held tool as easy as possible. With quality software, each message should take less than 30 seconds to answer. Ideally, the questions will be answered with simple touch strokes, requiring very little typing.

Following the completion of the beta-testing, we will use the test findings to help determine the optimal approach for the full national study. The design team will compare the administrative costs estimated across the three methods to assess how comparable they are and to assess the costs and benefits to using each approach. The direct observation approach is likely to be the most accurate but also the most costly. Thus, as part of the analysis we will assess whether we can use one of the less expensive methods for the national study. The decision will be made with input from HUD staff and the expert panel. If systematic biases are identified in the timesheet or random moment sampling approaches we may be able to control for them. An example of a potential bias in the timesheet method is staff consistently underestimating the time in which they take an informal break from work activities. For random moment sampling, a systematic bias might be staff consistently failing to respond to the random moment questions during certain types of activities, such as interviewing clients, when it would be intrusive to do so.

A2.3 Who Will Use the Information

HUD will use the findings from this phase of the project to design a rigorous national study of the activities and costs of administering the HCV program. HUD will then use the results of the national study to develop a new formula for allocating administrative fees in the HCV program. The results of the study will also provide additional information to the public housing industry and to policymakers about the costs of administering the HCV program and the factors that affect administrative costs.

A2.4 Instrument Item-by-Item Justification

Exhibit A-2 describes the target respondents, content, and reason for inclusion for each data collection activity that involves individuals: topic guide for interviews with PHA staff, HCV staff timesheets, random moment sampling questionnaire, and direct observation. Copies of the first two instruments are included in the Appendices.

Exhibit A-2. Item-by-Item Justification of Data Collection Instruments

Instrument(s)	Respondents, Content, and Reason for Inclusion
Topic Guide for Interviews with PHA Staff	**Respondents:** HCV program manager and supervisory staff at 60 PHAs **Content**: • Voucher allocations and program components • Staffing • Utilization and success rates • Program monitoring • Quality control • Wait list management • Intake and Briefings • Recertification and termination • Tenant moves and portability processing • Housing quality inspections • Rent reasonableness • Expanding housing opportunities • Customer service • Use of automation • Program costs and overhead costs • Questions for the HCV Director • Beta-test follow-up questions **Reason**: To determine whether the HCV program is high-performing and efficient. Also used to collect information on aspects of HCV administration that affect program costs and that need to be taken into account in designing the national study, and on the allocation of overhead costs.
HCV Staff Timesheets	**Respondents:** Up to 15 HCV program staff at 5 PHAs **Content**: • Staff record time spent (in hours and minutes) on one or more work activities. Timesheets are completed on a daily basis and updated several times during the day. Staff will complete these timesheets over a five-day period. **Reason**: To evaluate the cost-effectiveness of staff timesheets (relative to direct observation and random moment sampling) as a means of collecting information on the staff time required to administer the HCV program.
Random Moment Sampling Questionnaire	**Respondents:** Up to 15 HCV program staff at 5 PHAs **Content**: • Staff respond to brief (30 second) surveys via hand-held device several times a day. The surveys consist of two to three questions about what activity staff are doing at specific points in time during the work day. Staff will complete the random moment surveys over a five day period. **Reason**: To evaluate the cost-effectiveness of random moment sampling

Instrument(s)	Respondents, Content, and Reason for Inclusion
	(relative to direct observation and staff timesheets) as a means of collecting information on the staff time required to administer the HCV program.
Direct Observation	**Respondents:** Up to 15 HCV program staff at 5 PHAs **Content**: • Staff are observed throughout the day by a researcher who measures and documents the time spent on a set of pre-defined activities and sub-activities, as well time spent on non-work related activities and breaks. The researcher may very occasionally ask the staff person a question to clarify what they are doing, but interactions between the researcher and staff person should be kept to a minimum. As a result, we have not estimated any PHA staff burden associated with direct observations. **Reason**: To evaluate the cost-effectiveness of random moment sampling (relative to random moment sampling and staff timesheets) as a means of collecting information on the staff time required to administer the HCV program.

A3 Use of Improved Technologies

Among the data collection activities for which OMB clearance is being sought, random moment sampling will make use of improved technologies. The random moment sampling data will be done through a specially designed hardware/software system, similar to an application on a smart phone, provided to PHA staff by the study team. The smart phone methodology for random moment sampling has several advantages, including:

- The ability to be carried around with PHA staff at all times.
- An embedded GPS chip that allows a location marker to be appended to each response.
- The ability to for the research team to monitor the responses of PHA staff in real time, helping to ensure completeness and accuracy.

Interviews with HCV program staff will be conducted in person and with minimal use of technology. These are intended to be interactive discussions. Staff timesheets at the beta-test sites will be completed using paper forms or a simple Access database designed for the project.

A4 Efforts to Avoid Duplication

The 60 sites selected for site visits will form the pool for selecting an initial set of sites for the full national study. Where possible, information collected through this Task Order will be retained for use in the full national study and updated as necessary. However, we anticipate needing to identify and recruit additional sites for the full study. This will be done as part of the next phase of the study, once we have determined the appropriate sample size for the full study.

The information on staff time per activity collected in the five beta-test sites will need to be collected again for these sites should they be selected for the final study. This is because the data collection methodology will likely evolve and the information for the national study will need to be collected from all sites over a similar length and period of time in order to be directly comparable.

A5 Involvement of Small Entities

Some PHAs participating in the study will be small entities. In setting up the site visits, we will work closely with the staff of the smaller agencies in the study to make sure that the data collection is done most efficiently and with the least burden on staff. We have a representative from a small PHA on the study advisory panel to review the data collection approach and instruments.

A6 Consequences of Less Frequent Data Collection

The site visits (and associated data collection) will only be completed once for this phase of the study. Additional data collection will be the subject of a second request for OMB clearance.

A7 Special Circumstances

The proposed data collection activities are consistent with the guidelines set forth in 5 CFR 1320.6 (Controlling Paperwork Burden on the Public—General Information Collection Guidelines). There are no special circumstances that require deviation from these guidelines.

A8 Consultations Outside the Agency

The data collection approach and instruments for this project were developed in consultation with two advisory panels: an *expert panel* consisting of PHA staff, housing researchers, industry representatives, and time measurement experts, and an *industry panel* consisting of representatives from housing industry groups, PHA staff, and an expert on low-income housing and special needs populations. Exhibit A-3 shows the membership of each panel. The two panels reviewed a draft version of this OMB package in November 2011 and reviewed the Research Design, Analysis and Data Collection Plan developed for this phase of the study in February 2011.

In accordance with the Paperwork Reduction Act of 1995, the Department of Housing and Urban Development provided to OMB a notice for publication in the Federal Register announcing the 30-day notice for public comment on the proposed data collection.

Exhibit A-3. Advisory Panels for HCV Program Administrative Fee Study

Panel	Members
Expert Panel	• MaryAnn Russ, President and CEO, Dallas Housing Authority

Panel	Members
	• Lourdes Castro-Ramirez, CEO, San Antonio Housing Authority • Mary-Anne Morrison, Associate Director of Public Housing and Rental Assistance, Massachusetts Department of Housing and Community Development • Patti Webster, HCV Director, Housing Authority of Billings • Deloris Sawyer, Director of Housing Programs, Southern Nevada Regional Housing Authority • James Stockard, Lecturer, Harvard Graduate School of Design • Barrett Caldwell, Professor of Industrial Engineering, Purdue University[2] • Elizabeth Calhoun, Professor of Health Policy and Administration, University of Illinois - Chicago • John Washek, Founder, Edgemere Consulting • Edgar Olsen, Professor of Economics, University of Virginia
Industry Panel	• Jonathan Zimmerman, Policy Analyst for Housing, NAHRO • James Armstrong, Policy Analyst, PHADA • Leah Staub, Research and Policy Analyst, CLPHA • Mike LaRiccia, Program Advisor, Office of Field Operations, HUD • Sherri Scheetz, Deputy Director, Akron Metropolitan Housing Authority • Steve Beam, Executive Director, Raleigh Housing Authority • Douglas Rice, Senior Policy Analyst, Center on Budget and Policy Priorities • Peggy Morales, HCV Administrator for the Housing Authority of the City of Tucson and Pima County • Dianne Hovdestad, Deputy Director, Sioux Falls Housing and Redevelopment Commission • Marion Morris, PHA Liaison, National Leased Housing Association • Keely Jones Stater, Research Analyst, Housing Authority Insurance Group[2] • Ophelia Basgal, Regional Director, Office of Field Policy Management, HUD[2]

A9 Payments to Respondents

We will not be compensating the PHAs for their participation in the phase of the study. We think that PHAs will be willing to participate in the study because they will want to provide their input into the determination of the administrative fee formula. However, we do expect to provide payments to PHAs participating in the full national study, which we expect to involve more PHA staff time. Payments to PHAs for participation in the full national study will be discussed in the separate request for OMB approval that we will prepare for that study.

[2] Added to the panel in January 2011.

A10 Arrangements and Assurances Regarding Confidentiality

HUD's contractor, Abt Associates, takes seriously the responsibility to protect the subjects they interview. Abt Associates' Institutional Review Board (IRB) conducted an informal review of the project in December 2010 and determined that the project does not require further review by the IRB because it does not meet the definition of research under the federal human subject regulations. The purpose of the project is to develop an administrative fee formula, rather than to create generalized knowledge.

Participating PHAs will be notified that the information collected through interviews and on-site data collection will be used for this study only and not for any other purpose. They will be told (through the advance letter, telephone script, and introductory language for the PHA interviews) that none of the information they provide to the research team during any phase of the study will harm or count against their agency in any HUD performance assessment or funding decisions. They will also be told that in the unlikely event that a violation of program regulations is uncovered as part of the site visit, the research team will inform HUD, and HUD will then notify the agency but will not take further action unless the agency continues to operate the program in violation of the regulations. A copy of the study advance letter is provided in Appendix C and a copy of the telephone script is provided in Appendix D.

For the beta-test sites, the introductory letter and telephone script will include additional language stating that the information collected through staff timesheets, direct observation, and random moment sampling (referred to in the letter as text messaging for simplicity) will not be shared with any other staff (including supervisors) at the PHA.

A11 Sensitive Questions

The data collection instruments prepared for this study do not contain any sensitive questions, although some PHA staff may be reluctant to provide information perceived to reflect negatively on their HCV program or agency. Interviewers will be trained to be sensitive to respondents' concerns and to remind respondents that none of the information they provide to the research team during any phase of the study will harm or count against their agency in any HUD performance assessment or funding decisions.

A12 Estimate of Annualized Burden Hours

Exhibit A-4 provides information on the estimated time necessary to complete the data collection to develop the research design for the HCV Administrative Fee Study. Total burden for data collection for the study is estimated at 950 hours.[3]

[3] We expect that the direct observation will not place any time burdens on agency staff other than the one hour of training for all staff involved in the beta-test.

Exhibit A-4. Respondent Burden

	A	B	C	D	E	F	G
Data Collection Activity	Number of Respondents	Average Burden per Respondent (Minutes)	Total Annual Burden (Minutes) (A*B)	Number of Responses per Respondent	Total Respondent Burden (Minutes) (C*D)	Total Burden per Respondent (Minutes) (B*D)	Total Respondent Burden (Hours) (E/60)
PHA staff (interviews and file review prep)	300 (on average 5 respondents per site, 60 sites)	150	45,000	1	45,000	150	750
Training for HCV staff in beta-test sites	75 (up to 15 respondents per site, 5 sites)	60	4,500	1	4,500	60	75
HCV staff timesheets in beta-test sites	75 (up to 15 respondents per site, 5 sites)	15 per day	1,125	5 days	5,625	75	94
HCV staff random moment sampling in beta-test sites	75 (up to 15 respondents per site, 5 sites)	5 per day	375	5 days	1,875	25	31
Total							**950**

A13 Estimated Record Keeping and Reporting Cost Burden on Respondents

There is no cost to respondents other than the time required to prepare for the site visits, complete the interviews, and participate in the beta-test activities.

A14 Estimated Cost to the Federal Government

The total contract amount for the reconnaissance phase of the study is $3,080,974. Of this total, $1,914,125 will be used for the data collection activities described in this request.

A15 Reasons for Changes in Burden

This submission to OMB is a new request for approval; there is no change in burden.

A16 Tabulation Plan, Statistical Analysis, and Study Schedule

A16.1 Tabulation Plan and Statistical Analysis

The work conducted in this phase of the study will not include statistical analysis. The goal for this phase is to confirm (or deny) the high-performing and efficient status of the group of 60 HCV programs selected for site visits and to understand the drivers of HCV program administrative costs, rather than to generate national estimates of administrative fees. The estimation of administrative fees will be done under later task order through the full national study.

For the reconnaissance phase, we will follow a rigorous protocol at each of the sites to ensure that all sites are assessed in a similar manner and to collect consistent information across sites on program costs. We will also conduct beta-tests at 5 of the 60 sites to assess alternative methodologies for estimating the time needed to carry out tasks associated with operating a HCV program.

All HCV programs visited will be evaluated for their performance based on common criteria. Exhibit A-5 presents the main metrics for evaluating PHA performance. We will also use the cost data collected on site and through interviews with PHA staff to evaluate the efficiency of the HCV programs in the sample. The metrics for defining efficiency will likely include whether the PHA fully uses the subsidy resources made available to it, whether the PHA is able to whether the PHA is able to operate within its HAP contract funds so that it is neither under-utilized nor over-utilized for long periods of time, whether the PHA makes data-driven decisions on workflow and allocation of staff, and whether the PHA makes appropriate use of cost-saving technology in program operations. Site visitors also will assess whether the PHA is following an appropriate method for allocating overhead costs to the voucher program and whether those costs seem reasonable compared to the size of the voucher program and the costs of other PHAs. How the metrics on performance and efficiency will be used to qualify programs for inclusion in the full national study will be decided in consultation with HUD and the two advisory panels and detailed in the Research Design for the full study.

Exhibit A-5. Metrics for Evaluating PHA Performance

Performance Area	Standard for High Performance
A. Consistently achieving High Performer status under HUD's SEMAP system and other preliminary screens are a prerequisite for inclusion in the sample	
SEMAP High Performer or Field Office Nomination	The PHA received a "High Performer" rating in SEMAP in 2007, 2008, and 2009, OR received a "High Performer" rating in all years scored between 2006 and 2009 if not scored every year, OR was nominated by a HUD Field Office as a high-performer.
No waiver in 2010 to reduce payment standards	The PHA was not granted a waiver to immediately reduce payment standards for calendar year 2010. A need for a waiver indicates that the PHA does not have effective practices for managing subsidy funds.
No outstanding major audit findings	Review of PHA audit history by HUD Field Office staff indicates that there are no unresolved major audit findings related to the HCV Program from audits done by Independent Public Accountants (IPAs).
B. The site visits will confirm that the PHA has effective policies and procedures in place	
The PHA maintains an accurate, complete, and up to date waiting list.	• Applicants are ordered on the waiting list in accordance with the PHA's selection policies, list includes information on local preferences (if used), and application dates are consistent with staff descriptions about the length of time applicants are on the list. • The PHA updates the waiting list regularly. The frequency of updates is consistent with how quickly the PHA is running through its waiting list, the number of families that need to be considered to result in a positive eligibility determination, and the length of the waiting list.
Processing program participant moves in compliance with HUD rules and PHA policies without causing delays.	• The PHA follows PHA policies regarding participant moves. • The PHA provides participants paperwork to initiate moves in a timely manner. We expect that the PHA will provide the paperwork within 14 days of the tenant's request or the PHA's determination that unit is not suitable.
The PHA conducts HQS inspections in a timely manner, provides adequate notification to owners, and takes appropriate action for failed inspections.	• For any new unit (initial or move), payments are made only for a period beginning no earlier than the date the unit passed inspection. • Program units receiving payments are re-inspected within 365 days of the last passed inspection. • If a unit fails inspection, the PHA notifies the tenant and landlord of the reasons for failure and the time within which repairs were required. The unit is either re-inspected and passes or payments are abated. • Payments are abated for units with routine violations attributed to the owner that are not corrected within 30 days or within extension authorized by PHA. • If the failure involves a life-threatening situation as defined by HUD or the PHA, the unit is re-inspected and passes within 24 hours or payments are abated. • PHA has a certification protocol if it does not require reinspections.
The PHA processes Request for Tenancy Approvals (RFTAs) within reasonable timeframes.	• Review of PHA procedures shows that the RFTA process is effective. • The timeframe between RFTA receipt and first inspection is 15 business days or less for HCV programs up to 1,250 units and within a reasonable timeframe for larger programs. • If the timeframe exceeds 15 business days, PHA staff provide reasons why the turnaround time is longer, such as large city systems which vet and qualify owners prior to the inspection, or frequent inspection failures. PHA explanation can be substantiated from other sources.
The PHA makes efforts to expand housing opportunities for HCV tenants.	PHAs with jurisdiction in metropolitan areas meet the six criteria for SEMAP Indicator 7: Expanding Housing Opportunities (see Form HUD-52648).

Performance Area	Standard for High Performance
The PHA follows a strong rent reasonableness policy.	• PHA has a clear written rent reasonableness policy. Policy takes into account factors that the PHA determines impact cost, such as location, size, type, quality and age, amenities, housing services and maintenance, and utilities provided by the owner under the lease. Policy compares contract unit rent to similar unassisted rents and contract unit rent to similar units on the premises. • PHA has a rent database or other system to collect information on comparable units. Database is updated regularly. PHA has a system to collect comparable information on program units. • PHA does rent reasonableness before entering into a HAP contract, before an increase in rent, and if there is a 5% decrease in FMR 60 days before contract anniversary date. • Rent reasonableness decisions are documented in the client file. • Documentation in client files shows policy has been followed. • PHA's methodology results in reasonable rents.
The PHA calculates total tenant payment, family share, and HAP correctly.	• File includes documentation that reexamination is done annually. • File includes the required verifications. • File includes documentation of EIV use (e.g., EIV printout is in the file), if permitted by state law. • Household income is calculated correctly, including the appropriate deductions. • Contract rent, payment standard, and utility allowance correctly applied. • File includes proper notification to clients (30 days prior to effective date when an increase in family share occurs, and appropriate payment adjustments when 30 day notification does not occur due to no fault of the family).
The PHA monitors utilization and success rates.	• PHA monitors budget authority vs. HAP expense, lease-up rates, attrition rates, NRA and UNA balances, budget and unit utilization, success rates (that is, the proportion of those issued vouchers who become recipients), and PUC increases and decreases. • PHA uses HUD Projection spreadsheet for tracking utilization or an alternative tool or system. • PHA takes actions based on the findings from the utilization tool. • PHA takes action if success rates are low from the PHA's perspective.
The PHA demonstrates sound financial management practices.	• Due To's and Due From's are clear and in compliance. • No improper funds use. • Regular monitoring of budget and unit utilization. • Leasing/funding within budget (or resources such as NRA) • Maintaining suitable level of assets for costs (NRA, UNA levels), i.e., no negative UNAs. • PHA reports in a timely manner to PIC and FDS. • PHA makes timely payments to landlords. • PHA has clear Conflict of Interest and Disclosure policies
The PHA provides training for HCV staff, management, and Board members.	• The PHA requires initial training of technical staff (housing specialists and inspectors) and regular follow up training on program regulations. Technical staff maintains current knowledge of HCV program rules and regulations. • The PHA has an effective method for communicating program changes to all technical staff. • PHA has written standards of performance and expectations and an effective means to evaluate staff performance.

Performance Area	Standard for High Performance
Tenant files (paper or electronic) are well-organized and contain appropriate documentation.	The PHA has a written file protocol and/or worksheets to identify what is required in the file for each transaction, checklists for identifying what is in the file and what is missing, and a written policy regarding the archival and destruction of old file material. File review shows that files are well-organized.
The PHA has an informed Voucher Program Director	Responses to questions of Voucher Program Director demonstrate a detailed knowledge of the HCV Program, its status and current issues.
The PHA has rigorous program monitoring and reporting protocols.	Review of the 3 most recent months of QC reports and discussions with HCV management demonstrates that the PHA is measuring the correct functions; there is timely feedback to staff; and appropriate follow-up action is taken. Reporting to HUD is timely and accurate.
C. The site visits will include measures of efficient program management	
Use of subsidy resources	Responses by PHA staff explain satisfactorily any under or over-utilization of subsidy funds.
Efficient business practices	Responses by PHA staff interviewed confirm that actions are taken to adjust business processes to improve customer service and reduce administrative costs. Key functions such as recertification, HQS inspections, and rent reasonableness are conducted in a way that is consistent with efficient best practices of other PHAs.
Effective use of technology	The review verifies that the PHA has a highly effective and well functioning technology system. There are timely automated reports to supervisors and managers; accurate and timely reporting to HUD with minimal manual manipulation; use of system generated reports in program policy and decision-making; and use of technology to develop a variety of communications with program stakeholders.
Reasonable overhead costs	Review of program budgets indicates that the method for allocating shared overhead costs to the voucher program is reasonable and that overhead costs are not out of line with program size and with overhead costs of other PHAs.

A16.2 Study Schedule

Under the current study schedule, the site visits will be conducted over a three-month period. Assuming OMB approval, the site visits (including the beta-test visits) are scheduled to begin in April 2011 and end in late June 2011. The request for OMB clearance for the national study of HCV program administrative fees will be prepared in late June 2011, followed by the Research Design and Data Collection and Analysis Plan in August 2011. We hope that pretesting for the national study can begin in October 2011.

A17 Expiration Date Display Exemption

All data collection instruments will prominently display the expiration date for OMB approval.

A18 Exceptions to Certification

This submission describing data collection requests no exceptions to the Certificate for Paperwork Reduction Act (5 CFR 1320.9).