

## Appendix D. Study Advance Letter

Dear [Executive Director]:

Thank you for participating in the first phase of HUD's Housing Choice Voucher (HCV) Program Administrative Fee Study. Your participation has greatly enhanced the full national study of HCV program administrative costs and fees.

The overall goal of the study is to estimate the costs of administering a high-performing HCV program and to use those cost estimates as the basis for developing a new administrative fee formula. The study will carefully measure the time that PHA staff spend on each core activity needed to operate an effective HCV program and also collect accurate information on the non-labor costs of operating the program. The cost data collected through the study will be used to develop estimates of administrative costs per activity and to analyze the factors that cause costs to vary across PHAs. This information will form the basis for a new administrative fee formula.

The study is proceeding in three phases. We have now largely completed the first phase of the study, in which your agency participated. This first reconnaissance phase included site visits to 59 high-performing HCV programs across the country to confirm each program's high-performer status and collect information on HCV administrative processes and cost drivers. The second phase of the study, which we are now starting, is a pretest of the data collection methods that will be used in the final cost study across 50 PHAs. We have selected three high-performing HCV programs from the first phase of the study to participate in the pretest, and would like to invite your program to be one of the three.

The Department has contracted with Abt Associates Inc. and with subcontractors Resource Systems Group, Inc. and Phineas Consulting, LLC to carry out the pretest. The pretest will entail data collection at your PHA over a period of approximately two months between January and March 2012. If you participate in the pretest, your HCV program staff will be asked to carry a smart phone provided by the research team for a period of 40 working days. Several times a day, staff will receive notifications from the smart phone asking them a few simple questions about what they are working on at any given point in time. Staff will select the HCV activity they were working on from a preset list of activities on the phone's touch screen. Responding to the notifications takes less than a minute and the information is sent automatically to the research team. The purpose is to collect accurate information on the amount of time spent on different tasks related to HCV program administration.

In total, we expect each staff to spend less than 15 minutes per day responding to notifications from the smart phone, plus up to 90 minutes of training provided by the research team at the start of the data collection period. All PHA staff working directly on the HCV program activities will be asked to participate in the smart phone data collection, even if they work on other programs in addition to HCV. The research team will work closely with the HCV director to determine which staff should participate. In order to protect participating staff, the information provided by staff through the smart phones will be kept confidential by the research team and will not be shared with other staff or supervisors at the PHA or with HUD.

In addition to conducting the smart phone data collection over two months, members of the study team will also interview the HCV program director, finance department staff, and other HCV program staff as needed to learn about allocation of overhead and non-labor costs to the HCV program and the volume of program activity over the course of a year. Members of the study team will conduct up to three visits to your PHA, for about a day each, over the two-month data collection period.

Because we recognize that participating in the pretest will take time from your staff, we plan to compensate your agency for participating in the pretest. Your agency (and the other two agencies in the pretest) will receive a flat fee of \$2,800 in recognition of the time that your staff spends assembling data for and being interviewed by the research team. We will also provide an amount equal to \$300 per staff for the number of staff participating in the smart phone data collection. This per staff amount (as well as the flat fee) will be provided to your agency and not to individual staff. The exact amount for your agency will be based on the number of staff participating in the smart phone data collection. The payment of \$2,800 will be made at the start of the pretest and the payment equal to \$300 per staff will be made at the completion of the two-month time measurement period. The payment would come from the Abt Associates research team and would be unrestricted funds.

As a reminder, the information collected through the study will be used for this research study only and not for any other purpose. None of the information that you provide to the research team during any phase of the study will harm or count against your agency in any HUD performance assessment or funding decisions. In the unlikely event that the study uncovers an area where the program is not being operated according to the regulations, HUD will notify the agency but will not take further action unless the agency continues to operate the program in violation of the regulations.

We thank you for helping us. A member of the research team will be contacting you within the next few days to talk further about what is involved and to confirm your willingness to participate. In the meantime, if you have any questions, please contact Meryl Finkel, the Abt Associates Principal Investigator (617-349-2380, [Meryl\\_Finkel@abtassoc.com](mailto:Meryl_Finkel@abtassoc.com)) or Dr. Marina Myhre from HUD's Office of Policy Development and Research (202-402-5705, [Marina.L.Myhre@HUD.gov](mailto:Marina.L.Myhre@HUD.gov)).

Thank you in advance for your cooperation.