

## Appendix A. Study Advance Letter and Frequently Asked Questions Document

### Study Advance Letter

Dear [Executive Director]:

We are writing to request your cooperation in HUD's Housing Choice Voucher (HCV) Program Administrative Fee Study. The goal of this study is to estimate the cost of administering a high-performing HCV program and to use that cost information to develop an administrative fee formula for all PHAs in the HCV program. Creating an objective basis for funding administrative costs could be an important step in ensuring adequate appropriations.

The study is being carried out in three phases. The first phase involves identifying high performing HCV programs to participate in a national study of administrative fees and costs. The sample is designed to reflect the diversity of high performing HCV programs by size, location, voucher types administered, and other factors that could affect the cost of administering the program. Through site visits conducted in 2011, we have identified approximately 35 programs that met the study's criteria for high performance and efficiency and are sufficiently large to be included in the study. We are testing the study's data collection procedures for the full study at 4 of these PHAs. The expected sample size for the full study is up to 60 PHAs, so we need to identify approximately 25 more PHAs that meet the study criteria and are willing to participate. Data collection for the full study is expected to begin in late summer 2012 and to continue through late 2013.

Your PHA has been selected for consideration for the study because of a consistent pattern of SEMAP high-performance over the past few years. We randomly selected 45 agencies from among the 755 agencies that received a High Performer designation on SEMAP in three of the past four years (2007-2010) or in all years in which the agency was scored (if it was not scored in all four years). We will be conducting site visits to these 45 agencies, including your agency should you agree to participate, to determine whether the HCV programs meet the criteria for inclusion in the full study.

The site visits will last one to two days and will include up to one day of interviews with HCV staff and up to one day of file review. The interviews will discuss how your PHA administers the HCV program, the factors that affect administrative costs for your program, and the impact on your program of the recent reduction in HCV administrative fees. The site visitors will also review written documents related to HCV program administration, such as the Administrative Plan, as well as HCV program staff rosters, and budget documents. On the second day of the visit, the site visitors will review a sample of approximately 25 client files.

While PHAs will not be compensated for these visits, we expect that PHAs participating in the full national study will receive monetary compensation as the full study will involve more staff time over a longer period of time. Up to 60 PHAs are expected to participate in the full national study, which will involve two months of data collection at each PHA, starting in late summer 2012.

The information collected from your agency through the site visits 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 administered according to the regulations, HUD will notify the agency to take corrective action, but will refrain from administrative sanctions unless the agency continues to operate the program in violation of the regulations. If selected for participation in the full national study, your agency will be identified as one of 60 PHAs participating in the study and mentioned at the aggregate level, but no individual cost data will be linked to or used to identify your PHA in any formal written products or published reports.

HUD has contracted with the research firm Abt Associates Inc. and with subcontractor Quadel Consulting Corporation to carry out the site visits for this part of the study. The enclosed “HCV Program Administrative Fee Study FAQ Sheet” provides more detail on what your agency’s participation in this phase of the study would entail. A staff member from the Abt Associates team will be contacting you within a few days to discuss the study further.

We thank you very much for your consideration to participate in this critical study. If you have any questions and would like to speak to PIH staff, please contact Milan Ozdinec (202-708-1480, [Milan.M.Ozdinec@hud.gov](mailto:Milan.M.Ozdinec@hud.gov)), Mike Dennis (202-402-6437, [Michael.S.Dennis@hud.gov](mailto:Michael.S.Dennis@hud.gov)), or Mike LaRiccia (216-357-7741, [MIKE.LARICCIA@hud.gov](mailto:MIKE.LARICCIA@hud.gov)).

If you have any additional questions about the study, please contact Dr. 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.

Sincerely,

Dr. Raphael W. Bostic  
Assistant Secretary for Policy Development and  
Research

Sandra B. Henriquez  
Assistant Secretary for Public and Indian  
Housing

## Frequently Asked Questions Document

### Housing Choice Voucher Program Administrative Fee Study Frequently Asked Questions

#### What is the purpose of the study?

The purpose of the study is to provide HUD with accurate information on the time and costs required to administer high performing HCV programs in different market settings and for PHAs of different sizes and types. The information will be used to develop a new formula for determining and allocating administrative fees in the program based on the actual costs of running the program.

#### Who is conducting the study?

HUD has contracted with Abt Associates Inc. to conduct the study. Abt has assembled a team of site visitors and researchers with extensive knowledge of the HCV program for the study, including many staff with experience running HCV programs. Abt's partners for the study include Quadel Consulting Corporation, Phineas Consulting, Research Systems Group Inc., and a team of independent consultants. The Abt Associates Principal Investigator is Meryl Finkel ([Meryl.Finkel@abtassoc.com](mailto:Meryl.Finkel@abtassoc.com)) and the Project Manager is Jennifer Turnham ([Jennifer.Turnham@abtassoc.com](mailto:Jennifer.Turnham@abtassoc.com)). Dr. Marina Myhre of HUD's Office of Policy Development and Research ([Marina.L.Myhre@hud.gov](mailto:Marina.L.Myhre@hud.gov)) is overseeing the study, with support and assistance from many staff at HUD's Office of Public and Indian Housing.

#### What is the timeframe for the study?

The study will proceed in three phases. The first phase—the reconnaissance phase—began in October 2010 and will continue through mid-2012. The goal of this phase is to design a rigorous national study of the costs of administering the HCV program and identify 50-60 high-performing and efficient PHAs to participate in the study. The second phase is a pretest of the research methodology for the full study. The pretest will take place at four PHAs in spring 2012. The full study is the final phase of the study and will begin in late summer 2012. PHAs that participate in the reconnaissance phase and that meet the study criteria are expected to participate in the full study.

#### Who was involved in developing the study?

In designing the reconnaissance phase of the study, HUD and the Abt Associates team have consulted extensively with HCV Directors across the country, representatives from PHADA, CLPHA, NAHRO, and NLHA, and other researchers and housing experts. This industry and expert input has played a critical role in shaping the study thus far and will continue to do so in the future.

#### How were PHAs chosen for the study?

The PHAs selected for the reconnaissance phase of the study were selected randomly by HCV program size from among all PHAs designated high performers in SEMAP in three of the past four years and a small number of PHAs nominated as high performers by HUD Field and Regional Offices. If PHAs certified in fewer than four years, then they would have to be a "high" performer in every year in which they reported to the SEMAP.

### **What is involved for PHAs that choose to participate?**

Members of Quadel Consulting will conduct a site visit to each PHA. Between April and August 2012, the team will conduct site visits to 30 sites. The visits will last up to two days and will involve up to one day of interviews with PHA staff that work on the HCV program and up to one day of file review (approximately 25 client files). The research team will ask PHAs to provide written documentation, such as the Administrative Plan, for their review prior to the site visit. PHAs will be provided a copy of the interview questions, documents requested, and file review procedures at the time of scheduling the site visit.

PHAs that meet the study's criteria for high performance are expected to participate in the full study of HCV administrative fees, which will begin in late summer 2012. For the full study, we will conduct further interviews with PHA staff all PHA staff that work on the HCV program will be asked to record the time they spend on different program activities over a two-month (40-day) period. The method used to record staff time will be Random Moment Sampling (RMS), in which staff will carry around specially-programmed smart phones that will ask them what they are working on at different points during the day, each day for two months. Staff will complete each "survey" within seconds, so the overall burden will be no more than 15 minutes per day. We expect that PHAs that participate in the full study will receive financial compensation to defray personnel costs associated with participating in the study.

***Our expectation is that PHAs who meet the study criteria will also be part of the full national study. Agencies that are not willing to be part of the full study (and participate in the RMS data collection) should not agree to be part of this current phase.***

### **How will the information PHAs provide to the study be protected?**

The information collected through the study will be used for research purposes only. Any findings published from the study will be presented in aggregate form only, not at the individual PHA level. HUD will not use any of the information collected through the study to the detriment of individual PHAs. The information will not affect HUD performance assessments or funding decisions for PHAs in the study. If the research team uncovers an area where the program is not being operated according to the regulations, they will report that information to HUD. HUD will notify the PHA but will not take further action unless the agency continues to operate the program in violation of the regulations.

### **What are the next steps?**

Staff from Quadel Consulting will contact the Executive Director and/or HCV Director to discuss the study further and provide more information as needed on what will be required from participating PHAs. PHAs that agree to participate will be asked to designate a PHA contact for the study. The Abt team will then work with the PHA contact to set up the site visit, including sharing the interview questions and identifying who should be interviewed, determining which documents can be provided in advance, and developing a process for conducting the file review.