

## Appendix D. Small Program Interview Guide

Thank you for agreeing to participate in this interview. Your participation and comments are very important to determine the costs of administering a HCV program and we appreciate that time you have spent preparing the information and talking to me today.

The purpose of the HCV Administrative Fee Study is to measure the actual costs of administering the HCV program in order to develop a new administrative fee formula. This interview is an important part of the overall study and focuses on PHAs that administer less than 250 vouchers. Approximately 130 PHAs with small voucher programs are participating in interviews like this. These PHAs were randomly from among all PHAs with small voucher programs and a track record of high performance on SEMAP. Medium and large HCV programs are also part of the study, but for those PHAs we are doing site visits and directly measuring the time that staff spend on the program rather than collecting cost data over the phone.

The information that we are collecting will be used to produce overall estimates of the cost of administering the HCV program and will be used to revise the current administrative fee structure. 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. Also, no individual cost data will be linked to or used to identify your PHA in any published reports.

Do you have any questions about the study before we begin?

## Background Information

- I'd like to start with some basic background information on your PHA to make sure I have the big picture before we get into the details. *(Review the information the PHA has provided in advance and fill in any gaps or confirm the information.)*

Data Item	Explanation
Cities/counties served by the HCV program:	(List cities or counties)
Jurisdiction in square miles:	(Miles)
Distance from office to farthest voucher unit:	(Miles and drive time)
Distance from office to typical or average voucher unit:	(Miles and drive time)
Two-bedroom FMR:	(Dollars)
Current payment standard:	(Percent of FMR or dollars)
Percent of <i>new units</i> in past year that passed HQS on first inspection:	(Percent)
Percent of <i>units on program</i> in past year that passed HQS on first inspection:	(Percent)
Percent of clients in past year who received vouchers but did not lease up:	(Percent)
Fiscal year (FY) end date:	(Date)
Number of tenant-based vouchers under lease at end of last FY:	(Number)
Current number of tenant-based vouchers under lease:	(Number)
Number of special vouchers under lease at end of last FY:*	(Number under lease and type)
Current number of special vouchers under lease:	(Number under lease and type)
Number of households enrolled in FSS at end of last FY:	(Number, or N/A)
Number of households enrolled in FSS today:	(Number, or N/A)
Budget utilization rate at end of last FY:	(Percent = HAP dollars spent / HAP budget allocated)
Current budget utilization rate:	(Percent = HAP dollars spent / HAP budget allocated)
Unit utilization rate at end of last FY:	(Percent = units under lease / units allocated)
Current unit utilization rate:	(Percent = HAP dollars spent / HAP budget allocated)
Software used to submit PIC data:	(Name of software)

\*Special vouchers include: homeownership vouchers, VASH, FUP, Mainstream 1, Mainstream 5, non-elderly disabled, tenant protection, disaster voucher.

- Is your PHA a stand-alone agency, a unit of government, i.e., part of the city, county, or state government, a nonprofit contractor, or a for-profit contractor? *(If part of government, identify which agency and which level of government.)*
- Is your HCV program administered by another PHA?
  - If yes, what is the name of that PHA?
  - How many other PHAs does that PHA administer vouchers for?
  - How many vouchers in total does that PHA administer?

4. Does your PHA administer vouchers for any other PHA?
  - a. What PHAs do you administer vouchers for?
  - b. How many vouchers in total does your PHA administer?

5. What programs does your PHA operate in addition to HCV?

Other Programs	Number Vouchers Allocated/Units
Public Housing	
HOME tenant-based rental assistance	
State funded rental assistance	
Section 8 Mod-Rehab units	
Supportive housing program	
HOPWA	
Other state or local programs (SPECIFY)	

6. Do you provide any optional services to participants in your HCV program? (E.g., unit search assistance, youth/elderly services, etc.) If so, what are they?
7. *(If budget utilization is less than 90 percent.)* Do you know why your budget utilization rate is less than 90 percent?
8. Do participants have a hard time finding units to rent that meet program requirements? If so, why?
9. Do you administer any port-ins? If yes, how many are you administering now?
10. Why are you administering instead of absorbing?
11. Do you receive enough Admin Fee to administer incoming portables? If the port in Admin Fee does not cover the cost of administering port-ins, how are these costs paid?
12. Do you have any port-outs that are being administered by another PHA? If yes, how many?
13. Are you paying a higher HAP at that receiving PHA, because the receiving PHA has a higher payment standard? If so, do the outgoing portables limit the number of vouchers you can lease in your HCV program?



14. I want to make sure that all staff who work on the HCV program are captured in the chart. Can you tell me who does each of the following functions? *(Follow-up if any staff are mentioned who were not included in the staffing chart or if there are staff in the staffing chart but not on this table.)*

Activity/Task	Who performs it	Notes/comments
Waiting List/ Selection		
Initial eligibility determinations		
Voucher issuance		
Rent reasonableness		
HQS Inspections		
Informal reviews		
Annual re-certifications		
Move processing		
Executing HAP contracts		
Processing HAP payments		
Data entry		
Customer service/complaint resolution		
Landlord outreach		
FSS program		
Voucher homeownership		
Case management		
Clerical functions		

15. Are there any staff from the PHA’s other departments that spend time on the HCV program and that are not represented on the staffing chart?

- a. If so, what position? *(e.g., Deputy Director, Finance Director)*
- b. Is that person’s salary charged to the HCV program?
- c. If not, where is that person’s salary charged?
- d. Is that person’s listed in the Staff Position and Salary Chart?
  - If not, create an entry in the Chart for each person: What is person’s annual salary and benefits? What percent of time does he/she work on the HCV program?
- e. What tasks does that person perform for the HCV program?

16. Are there any staff from any other source (State or Local agency) that spend time on the HCV program?

- a. If so, what position?
- b. How is that staff persons’ time paid?
  - By the State/Local agency?
  - Is the time an “in-kind” service provided to the PHA?
- c. What tasks does that person perform for the HCV program?

17. Do you use any contract staff for any program activities? *(For both the contractor and temporary staff question, can use different time period than month if easier for respondent. Just be clear what the time period is and record it.)*

Activity	Contract Out (Y/N)	Service Provided	Estimated Hrs. per Month of Labor	Amount Contractor Paid per Month
IT				
Legal Services				
Human Resources				
Janitorial				
Security				
Accounting				
Inspections				
Other (SPECIFY)				

18. Do you use temporary staff for the HCV program?

- a. If so, what positions?
- b. How many hours per month do you usually use temporary staff?
- c. How much do you pay per month for temporary staff?
- d. Are the temporary staff paid out of the HCV budget? If not, what program/entity are they paid from?

Temporary Staff Position(s)	Number of hours per month	Amount paid per month	All paid from the HCV budget (Y/N)	Amount paid by other programs

19. How do you cover the work for someone who is out sick or on vacation for a week or longer?

20. Are staff represented by a Union or are they civil service?

21. Are there currently any positions vacant in the HCV program?

- a. If so, which?
- b. When do you expect them to be filled?

22. Does the PHA have complete discretion in determining the benefits provided?

- a. If not – describe the limitations (e.g., part of Gov. agency that has standard benefit package)

23. Has the staffing of the HCV program changed in any way since the end of the most recently completed FY? If yes, explain the changes.

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**Overhead Costs**

All the cost data collected in this section will be for the most recently completed FY.

24. How do you determine the overhead charges made to the HCV program (select one): *(Note: Most small programs will use option c.)*
- a. Fee-for-service (COCC) arrangement as allowed by HUD under Asset Management? *(go to Q24)*
  - b. Cost allocation system as directed by HUD under the rules of asset management? *(go to Q25)* OR
  - c. Cost allocation system but not using the requirement of HUD's allocated overhead as required under asset management? *(go to Q26)*
25. *If overhead costs are charged through a fee for service (COCC) method, how is the fee rate determined?*
- a. For a HCV management fee, HUD allows a maximum rate of \$12.00 per leased voucher or 20% of HUD's administrative fee.
    - a. What option and rate is the PHA using?
    - b. How/why did the PHA choose this option and rate?
    - c. What was the annual HCV management fee that was charged to the HCV program in the most recently completed FY?
  - b. For a HCV bookkeeping fee, HUD allows a maximum rate of \$7.50 per leased voucher.
    - i. Is the HCV program charged a bookkeeping fee and at what rate?
    - ii. How/why did the PHA choose this rate?
    - iii. What was the annual HCV bookkeeping fee that was charged to the HCV program in the most recently completed FY?
  - c. Is this management / bookkeeping fee more than, lower than, or about the same of the overhead costs charged to the HCV program prior to the establishment of a COCC?
26. *If overhead costs are charged through a cost allocation system (allocated overhead FDS Line 91810) as directed by HUD under the rules of asset management:*
- a. How does your agency determine the amount of costs charged to the HCV program?
  - b. What costs are included in the cost pool that is allocated? Are these costs compliant with HUD's guidance as to the establishment of what constitutes front-line vs. fee expenses?
  - c. When your agency reports its financial data to HUD (FASS\_PH submission) does the PHA report its overhead on the allocated overhead FDS line item?
  - d. Can you provide a report that shows the detailed costs associated with the cost pool prior to the amount being allocated out to the different programs?

- e. Are there costs in the cost pool that are being allocated to the HCV program that should not (for example new MIS software upgrade that is for public housing)?
- f. Can you provide a copy of your current cost allocation plan?
- g. What was the latest annual overhead cost charged to the HCV program?

27. *If overhead costs are charged through a cost allocation plan but PHA does not use requirement of HUD's allocated overhead as required under asset management:*

- a. How does your agency determine the amount of overhead costs charged to the HCV program?
- b. Does your accounting system differentiate between allocated overhead costs and allocated costs that are considered front-line expenses of the program?
- c. Can you provide a report that shows the detailed costs associated with the cost pool prior to the amount being allocated out to the different programs?
- d. Are there costs in the cost pool that are being allocated to the HCV program that should not?
- e. Can you provide a copy of your current cost allocation plan?
- f. What was the latest annual overhead cost charged to the HCV program?

28. Does the PHA provide direct operating services or overhead services to the HCV program for which it does not charge the program? If so, what are these services or costs? Why aren't these charged?

29. Does local or state government or another third party provide additional services or direct funding to specifically supplement the administrative fees of the HCV program?

- a. If yes, who provides the services or direct funding?
- b. What are these services or how much direct funding is provided?
- c. For the direct funding, is it for a specific purpose or purposes, or to generally provide more funding for program administration? If for a specific purpose, what is that purpose?

### **Other Program Costs**

*All the cost data collected in this section will be for the most recently completed fiscal year.*

### **Office Building Costs**

*The PHA will be asked to complete the following table in advance (or provide the information in the form of a trial balance). The questions will be used to confirm the information provided and understand how the costs were allocated to HCV program.*



Office Building Costs (FY ending: _____)	Total Cost to PHA	Cost Charged to HCV	How Cost to HCV Was Determined
Annual lease payment on leased space			
Annual principal and interest payment on owned space			
Annual Payment in Lieu of Taxes (PILOT) on owned space			
Utilities (water, sewer, electric, gas, garbage, other)			
File Storage (if PHA rents additional space)			
Building/office repairs			
Maintenance (includes grounds, janitorial)			
Capital expenses of buildings and grounds			
Security costs			
Costs related to EIV compliance			
<b>Total</b>	<b>\$</b>	<b>\$</b>	

1. What is the approximate square footage of space used by the HCV program, including file storage?
2. Is the space used exclusively by the HCV program, or are other PHA programs located in the same space? If shared, what is the total square footage of space used by the PHA as a whole?
3. Is the building owned by the HCV program, the PHA, or is the space rented?
4. If the HCV program or PHA OWNS the building:
  - a. If the PHA (or HCV program) owns its own building purchased through debt, what is the annual principal and interest payment for the whole building and what is the amount paid by the HCV program?
  - b. Does the PHA (or HCV program) pay PILOT (payment in lieu of taxes) on this building and if so how much is the annual PILOT payment for the agency as a whole and paid by the HCV program?
  - c. If the PHA owns the building, how much rent is charged to the HCV program? And how is that determined?
  - d. If the HCV program owns its own building does it rent out space to other PHA programs or other outside entities? If so, what is the rent charged?
  - e. If the HCV program owns its own building, does the building have extra capacity that is not being leased to other programs or outside entities?
5. If the PHA (or HCV program) RENTS the building, how much is the annual rent charged to the PHA as a whole and to the HCV program?
6. What utility types (i.e., water, sewer, electric, gas) are charged to the HCV program?
7. What is the annual cost for each utility type for the PHA as a whole and for the HCV program? How is the share of costs charged to the HCV program determined?

8. How is the HCV program charged for maintenance and upkeep costs (building/office repairs, maintenance expenses, grounds, janitorial services, garbage, etc.) that are associated with the building? What is the total cost for the PHA as a whole and what is charged to the HCV program?
9. What are the average annual costs associated with capital expenses of the building and grounds for the PHA as a whole? What is the amount charged to the HCV program?
10. How are these initial capital outlays paid for and how does the HCV program get charged or contribute to funding these costs?
11. Are costs charged to the HCV program for security for the PHA office?
12. Who provides the security (PHA employees or contract) and what security service are provided?
13. What is the annual cost of security charged to the HCV program and how are these costs determined? What is the total security cost for the PHA as a whole?
14. Were there costs to the HCV program associated with retrofitting office access security for EIV compliance?

**Office Expenses**

*The PHA will be asked to complete the following table in advance (or provide the information in the form of a trial balance). The questions will be used to confirm the information provided and understand how the costs were allocated to HCV program.*

Office Expenses (FY ending: _____ )	Total Cost to PHA	Cost Charged to HCV	How Cost to HCV Was Determined
IT/Telephone costs			
Supplies and other costs			
Services and fees (including audit costs)			
Membership and training			
<b>Total</b>	<b>\$</b>	<b>\$</b>	

15. What are the annual costs associated with offices supplies and expenses to the PHA? What amount is charged to the HCV program? How are these costs determined?
16. What are the annual costs of office equipment, including new purchases, maintenance contracts on copiers, printers, and fax machines, etc., to the PHA? What amount is charged to the HCV program? How are these costs determined?
17. What are the annual costs of telephones, blackberries, cells phones and other communication devices, including new purchases and maintenance contracts, to the PHA? What amount is charged to the HCV program? How are these costs determined?

18. What are the annual costs of servers, computers, software, software licensing, internet access, and other like costs to the PHA? What amount is charged to the HCV program? How are these costs determined?
19. What are the annual postage and other mailing costs for the PHA? What amount is charged to the HCV program? How are these costs determined?
20. What, if any, are the annual costs, if any associated with Limited English Proficiency (LEP), 504 compliance, fair housing laws, translation of documents, and interpretation services, for the HCV program? If there are costs for the PHA as a whole, how is the share charged to HCV determined?
21. What, if any are the annual banking fees for the HCV program, including cost associated with services such as direct deposits, costs of check runs (both to property owners and utility reimbursement checks to eligible tenants)? If this amount is based on costs for PHA as a whole, how is the share charged to HCV determined?
22. What, if any are the off-site storage costs for archiving and retrieval of records, for the PHA as a whole and for the HCV program? How are the costs to the HCV program determined?
23. What, if any are the costs of shredding sensitive records containing social security or other sensitive information, for the PHA as a whole and for the HCV program? How are the costs to the HCV program determined?
24. What was total cost of PHA's last audit?
25. What was the cost of the audit charged to the HCV program?
26. How was the amount charged to the HCV program determined?
27. What if any are the annual costs of training / conferences / professional association affiliation; publications and administrative expenses associated with pertinent training, conferences and membership in affiliated associations for the PHA as a whole and for the HCV program? How are the costs to the HCV program determined? This cost should also include any amounts associated with travel costs.

### **Vehicle Expenses**

*The PHA will be asked to complete the following table in advance (or provide the information in the form of a trial balance). The questions will be used to confirm the information provided and understand how the costs were allocated to HCV program.*

Vehicle Expenses (FY ending: _____)	Total Cost to PHA	Cost Charged to HCV	How Cost to HCV Was Determined
Annual Lease Payment (if PHA leases vehicle(s))			
Total expenses associated with vehicles (i.e. gas, maintenance, etc.)			
<b>Total</b>	<b>\$</b>	<b>\$</b>	

28. Does the HCV program have any automobile and trucks? If so how many vehicles are in the fleet used by the HCV program?
29. Does the HCV program own or lease/rent these vehicles?
30. If the HCV program leases/rents the vehicles what is the annual lease payment?
31. If the HCV program purchases its vehicles, what is the typical cost (at purchase) of a vehicle?
32. If the HCV program purchases its vehicles, how many years on average does the HCV program keep the vehicle?
33. How are gas and insurance costs for these vehicles charged to the HCV program?
34. How are maintenance costs associated with these vehicles charged to the HCV program?
35. What are the annual costs associated with the HCV vehicle fleet?

**Insurance Expenses**

*The PHA will be asked to complete the following table in advance (or provide the information in the form of a trial balance). The questions will be used to confirm the information provided and understand how the costs were allocated to HCV program.*

Vehicle Expenses (FY ending: _____)	Total Cost to PHA	Cost Charged to HCV	How Cost to HCV Was Determined
Property Insurance			
Liability Insurance			
Worker’s Compensation			
Other (specify)			
<b>Total</b>	<b>\$</b>	<b>\$</b>	

36. What insurance costs are billed directly to the HCV program? How are the insurance costs charged against the HCV program determined?

**Local Cost Drivers**

37. Do you have any local factors or features of your program that you think it make it more costly to administer the HCV program for your PHA? If so, describe.

38. Do you have any local factors or features of your program that you think it make it less costly to administer the HCV program for your PHA? If so, describe.

### **Challenges in Meeting Program Requirements**

39. What are your biggest challenges in meeting HUD requirements for the HCV program?

40. *(If not already mentioned)* Some small PHAs have trouble getting the annual recertifications done on time. Is that also a problem for your agency? If so, describe.

41. Do you think it's possible to run a small HCV program on Admin Fees alone?

42. Do you think there is a size that is too small (i.e. number of vouchers), that the Admin Fees alone would not cover the costs of running the HCV program?

### **Impact of Recent Reductions in Administrative Fees**

43. Do you currently have any administrative fee reserves (unrestricted net assets, UNA)?

- a. If so, what is the balance?
- b. Will your UNA increase or decrease this year?
- c. If decrease, when will the reserves run out?
- d. Are you using UNA to cover HCV admin expenses?

44. Did you have to take any actions as a result of the reduced administrative fee for 2011?

45. *If actions were taken*, what actions were taken in response to the 2011 fee cuts? What was the impact of those actions (if any) on the quality of your service delivery?

46. What will happen to program operations and compliance when the admin fee reserves run out and/or admin fee are continued to be reduced?

47. What areas of your program operations would you invest in if you had additional administrative fees?

- a. Why those areas?
- b. What would the effect be? *(Describe in detail the program investments and what the effects would be.)*

### **Closing**

48. Is there anything we haven't discussed that has a significant impact on the costs of running the HCV program? (IF YES) Please explain.

*Thank you very much for your help. We may need to follow up with you as we do our analysis. Do you have any questions?*