

Appendix F. Advance Letter for Full Study

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 spends 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.

The Abt Associates research team has now largely completed the first two phases of the study. This first reconnaissance phase, in which your agency participated, 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 was a pretest of the data collection methods to be used in the final cost study. The research team selected 4 high-performing HCV programs to participate in the pretest, which took place between February and May 2012.

We are writing to invite your agency to participate in the final phase of the study, which will be used to estimate what it costs to administer a high-performing HCV program. Agencies participating in the study will be asked to participate in data collection over a period of approximately two months. The data collection will take place sometime between October 2012 and December 2013, with the timing to be determined through consultation between the PHA and the research team.

The main component of the data collection is that your HCV program staff will be asked to carry a smartphone provided by the research team for a period of 40 working days. About twice per hour, staff will receive notifications from the smartphone asking 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 smartphone, plus up to 2 hours of training provided by the research team at the start of the data collection period over a 2-day period. All PHA staff working directly on the HCV program activities will be asked to participate in the smartphone 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 individual

staff through the smartphones 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 smartphone data collection, members of the study team will also collect data on personnel and other costs for the agency's overhead functions and for the HCV program. We will also request counts of the volume of program activity for the data collection period. We will collect these data through a combination of email, telephone interviews, and site visits.

Because we recognize that participating in the study will take time from your staff, we plan to compensate your agency for participating in the pretest. You 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. You will also receive an amount equal to \$300 per staff for the number of staff participating in the smartphone 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 smartphone data collection. The payment of \$2,800 will be made after the initial interviews are completed and the payment equal to \$300 per staff will be made at the completion of the time measurement period. The payment will come from Abt Associates and is intended to be used to defray personnel costs resulting from this information collection. We will develop an MOU with your agency to define the rights and responsibilities for this data collection effort.

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 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 Mike Dennis (202-402-6437, Michael.S.Dennis@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) or Dr. Marina Myhre from HUD's Office of Policy Development and Research (202-402-5705, Marina.L.Myhre@hud.gov).

Sincerely,

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

Sandra B. Henriquez
Assistant Secretary for Public
and Indian Housing

Telephone Script for Follow-Up

Hello, this is _____ calling from Abt Associates Inc. As you may recall, we are under contract to the Department of Housing and Urban Development to carry out the HCV Program Administrative Fee Study. We want to thank you again for your participation in the study's reconnaissance phase. That phase is now complete and we are now beginning the full study.

You should have received a letter from HUD describing the pretest a few days ago. Do you recall receiving that letter?

[IF PHA RECEIVED THE LETTER]: Good. Why don't I start by asking if you have any questions after reading the letter? [ANSWER QUESTIONS THAT COME UP.]

[IF PHA DID NOT RECEIVE THE LETTER]: No problem, it should be coming soon and I can also forward you a copy by e-mail.

The overall goal of this study is to estimate the cost of administering a high-performing and efficient HCV program. The study will provide HUD with insights into the factors that affect HCV program administrative costs, which will enable HUD to develop a new formula for providing agencies with administrative fees.

A sample of 60 high-performing HCV programs across the country has been chosen to be included in the study. Your PHA has been selected as one of these sites.

The study will entail data collection at your PHA for a period of two months. We can work with your agency on the timing of when this data collection takes place. If you agree to participate, your HCV program staff will be asked to carry a smartphone for a period of 40 working days and respond to notifications on the phone once or twice an hour. Staff will select the 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. All staff will be trained in how to use the smartphone and we will work closely with you throughout the two-month period to make sure the devices are working and staff are using them correctly.

In addition to the smartphone data collection, we will be working with your finance staff to collect information on personnel costs, overhead costs, and HCV program costs. We will also collect information on the different workflow activities you do over the two month period, such as how many inspections were conducted. We will collect this data via email, telephone calls, and site visits.

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 equivalent to \$300 per staff for the number of staff participating in the smartphone data collection.

Both payments are intended to be used to defray personnel costs resulting from this information collection.

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.

Do you have any questions about the study overall or the pretest in particular? [ANSWER ANY QUESTIONS]

Would your agency be willing to participate in the study?

[IF AGENCY SAYS NO:] Would you like me to provide more information on what will be required so you can think about it further?

[IF AGENCY SAYS NOT SURE:] I will send you some more information on what will be required of your agency. Then we can schedule a time to talk again.

[IF AGENCY SAYS YES:] Great, the next step is to start to schedule the two-month data collection period. Are you the right person to be the main source of contact for the study, or would you like to designate someone else? [IDENTIFY MAIN SOURCE OF CONTACT AND NEXT STEPS, E.G., TIME TO CALL BACK TO DISCUSS FURTHER.]

Thank you very much. We look forward to working with you on the study.