

THE RENT REFORM DEMONSTRATION

SUPPORTING STATEMENT – PART A

OMB CLEARANCE PACKAGE

April, 25, 2014

Submitted to:

U.S. Department of Housing and Urban Development

Contract No: DU205NC-12-D-02
Task Order: DU205NC-12-D-02-001

Part A: Justification

This supporting statement provides information on the data collection activities associated with the Rent Reform Demonstration administered by the U.S. Department of Housing and Urban Development (HUD). The alternative rent policy was developed by a design team, which includes: MDRC and its subcontractors at the Urban Institute, Quadel Consulting, the Bronner Group, and independent and academic consultants; HUD; and participating housing agencies. MDRC is leading the evaluation effort covered under Task Order 1.

A1. Circumstances Necessitating Data Collection

The primary goal of the project is to test the effects of an alternative rent policy on voucher holders and housing authorities that issue them. HUD authorized the evaluation of the Rent Reform options following the Office of Policy Development and Research statement of policy objectives and initiatives for 2011 (“2011 report”)

(http://hud.gov/offices/cfo/reports/2011/cjs/Research_and_Technology_2011.pdf).

Under Title V of the Housing and Urban Development Act of 1970, as amended, the Secretary is authorized and directed to conduct demonstration projects, evaluations, and research that relate to the mission of the Department. The policy objectives for 2011 set forth the Office’s proposal to support the government-wide initiative to strengthen program evaluation by underwriting rigorous evaluations of three demonstrations, including the Rent Reform option demonstration (2011 report). The Office’s proposed support would supplement funding from the Transformation Initiative.

The report referenced the approval by the Office of Management and Budget of specific evaluation proposals for 2011, which included the study of Rent Reform options. Further, it underscored HUD’s commitment to “strong, independent evaluations that can inform policy and program management decisions” (2011 report, page 0-12).

The evaluation of Rent Reform strategies was designed to test, and “systematically observe,” methods for creating incentives, and removing related disincentives, for tenants to increase their earnings (2011 report, page 0-13).

This information collection request is focused on research activities (Baseline Information Form (BIF) and the burden on housing agency staff in the study enrollment process) covered by the first task order. Future data collection requests will cover research activities covered by subsequent task orders. At this point, MDRC is not funded to conduct that work.

A.1.1 Background and Policy Context

Overview

Since the passage of the Brooke Amendment in 1969, rents in subsidized housing have been directly tied to income. A variety of stakeholders have advocated reform of the rent system, some emphasizing its adverse impacts on beneficiaries (and eligible non-beneficiaries) and others emphasizing its impacts on public housing authorities (PHAs) and their finances. Rent reform has been elusive, however, because moving to a new system involves some fundamental

**RENT REFORM DEMONSTRATION
SUPPORTING STATEMENT – PART A (FINAL)**

tradeoffs around which agreement has been hard to achieve. For example, simplifying the rent structure may make it more difficult to ensure that tenants with the greatest need receive the most assistance. At the same time, offering deep subsidies for an unlimited term makes it difficult to serve equally needy families on waiting lists -- given a fixed appropriation level. Also, the advantages of standards and protections built into a common federal approach must be weighed against the benefits of allowing local agencies to set rent rules based on local conditions. And finding the right balance in the mission of housing assistance between a strict focus on providing decent affordable housing versus other objectives, such as family self-sufficiency, is another source of tension among stakeholders.

In September 2012, HUD commissioned a national evaluation of alternatives to the current rent structure for households receiving vouchers from Moving-to-Work (MTW) PHAs, *which have the legislative authority to change rent rules*. While the current income-based system protects most tenants against excessively burdensome rents (in general, the portion of rent that the voucher holder is responsible for is 30 percent of the household's adjusted income), it may also encourage underreporting of income and a reduction in work effort leading to lower earned income.

The key goals considered in the design of the alternative policy include: increasing work effort and earnings for voucher families, simplifying administration of vouchers, and cost-neutrality for Moving-to-Work housing authorities via administrative efficiencies or restructuring (simplification) – all while sustaining the voucher program's important role in reducing homelessness and serving more families with housing assistance.

A. Origins and features of the current rent system

Initially, public housing construction was funded through federally guaranteed, tax-free bonds while rent revenues from tenants covered public housing operations. In the 1960s, however, operating costs began to rise, and at the same time public housing authorities were pressured to serve even lower-income households. These changes contributed to growing financial stress both among the residents of public housing developments and the PHAs that managed them. In response, Congress established federal operating subsidies for PHAs and new rules were instituted governing the amount households could be charged in order to protect them from having to pay excessive rents. The so-called "Brooke amendments" limited tenant payments to a specified percentage of their adjusted household incomes. In the 1970s, when the Section 8 program was enacted, it also utilized the same percent-of-income rent policy for households receiving and utilizing rental certificates, which later become the Housing Choice Voucher (HCV) program.

The current public housing and HCV rent system is complicated. For example, (a) PHAs must give tenants the *option* (in public housing) of paying a flat rent *or* 30 percent of their adjusted income, (b) PHAs may require minimum rents (except in cases of hardship), (c) payment standards allow HCV recipients to pay more than 30 percent of their incomes for rent, and (d) a variety of other rent system variations apply to a small number of Moving to Work (MTW) demonstration agencies and some HOPE VI developments. These complications aside, the vast

majority of public housing residents and HCV beneficiaries operate under a percent-of-income rent system.

The rent system for voucher holders essentially limits their rent payments to no more than 30 percent of household income adjusted for deductions and disregards. However, households are allowed to pay up to 40 percent of their incomes for housing units with rents above the established payment standards for their area (although the subsidy does not cover rent gross rent above the applicable payment standard). Since enactment of the Quality Housing and Work Responsibility Act (QHWRA) in 1998, PHAs can set minimum rents of up to \$50.

Neither public housing nor vouchers are entitlements. Hence, only a fraction of eligible households receive assistance while other, equally eligible households do not. In recent years, with no expansion in housing assistance, the only way that a new household can be assisted is through turnover. Thus, the longer current recipients receive assistance, the longer that assistance is unavailable to others. Many PHAs report long waiting lists, with the waiting period exceeding three to four years for the large PHAs (for example, in 2008, the reported waiting period for vouchers in cities like Chicago, New York, and San Diego exceeded 50 months). There is tremendous need, therefore, for reforms that can help stretch housing assistance dollars further.

B. Rationale for and criticisms of the current rent system

Protecting low and very-low income households from paying excessive rents is the primary rationale for, and benefit of, the percent-of-income system. It is staunchly defended on these grounds by advocates of low-income housing. Previous efforts to modify the system, such as by allowing PHAs to establish minimum rents, have required them also to establish policies exempting those for whom minimum rents would pose severe hardship.

The percent-of-income system has been criticized by public housing industry groups and others as allegedly having one or another unintended negative consequence on issues such as: (a) labor force participation, (b) resident/beneficiary turnover, which can affect horizontal equity, (c) tenant invasiveness, (d) reported income, (e) inclusion on the lease of additional working adults, (f) housing agency finances, and (g) housing agency administrative complexities and costs. With respect to the latter, PHAs have reported that the current system sometimes (a) confuses voucher applicants and recipients with respect to what rents they are expected to pay from year to year, (b) has adverse effects on HA staff morale as a result of having to (invasively) collect and verify incomes, and (c) makes it difficult to justify to stakeholders a different approach than that used by other federal programs such as TANF, Medicaid, and SNAP. Many of these criticisms are documented in HUD's Study of *Rents and Rent Flexibility* (2010).

A variety of stakeholders have advocated reform of the rent system, some emphasizing its adverse impacts on beneficiaries (and eligible non-beneficiaries) and others emphasizing its impacts on PHAs and their finances. Policy reform has been elusive, however, because moving to a new system involves some fundamental tradeoffs around which agreement is hard to achieve. For example, simplifying the rent structure may make it more difficult to ensure that tenants with the greatest need receive the most assistance. At the same time, offering deep subsidies for an unlimited term makes it difficult to serve equally needy families on waiting lists

-- given an annual appropriation that is set by Congress each year. Also, the advantages of standards and protections built into a common federal approach must be weighed against the benefits of allowing local agencies to set rent rules based on local conditions. And finding the right balance in the mission of housing assistance between a strict focus on providing decent affordable housing versus other objectives, such as family self-sufficiency (FSS), is another source of tension among stakeholders.

C. Ideas for reforming the current rent system

Alternative rent systems that have been contemplated and, in some instances, already adopted by MTW agencies include (a) modifications to the percent-of-income calculation (either to income adjustments involving deductions or disregards, or to the percentage itself such as a stepped/tiered percentage system), (b) modifications to the payment standard system, (c) various versions of stepped/tiered subsidies, such as a stepped-down subsidy with a subsidy floor, (d) a flat subsidy, (e) establishing ceiling rents, (f) varying the amount of the minimum rent, and (g) various hybrid models such as applying a flat subsidy until a household reaches an income threshold and then applying a percent-of-income rent.

Discussion of rent reform also has considered the use of time/term limits either in conjunction with other rent reforms or FSS initiatives, or not. Yet other types of options have also been contemplated, such as the proposals (in Section 8 Voucher Reform Act (SEVRA) and in successor bills) involving a three-year recertification for families on fixed incomes where rent is based on the prior-year's income except at initial eligibility, or involving limiting interim income recertifications for income changes of more than 10 percent. Finally, still other models include variations on FSS escrow accounts such as by limiting them to earnings above a minimum wage level to encourage more substantial wage increases that could feasibly result in families leaving housing assistance.

With respect to program simplification to deal with the issues of administrative burden and costs, a variety of ideas have been suggested. These include less frequent collection and verification of income given the fact that rent calculations are time consuming and complex (even more so when HCV recipients' incomes increase or decrease between annual recertifications), and reconsidering allowances for medical deductions, earned income disregards, disabled care deductions, etc. Recent legislative proposals – the SEVRA, and its successor, the Section 8 Savings Act (SESA), and now the Affordable Housing and Self-Sufficiency Improvement Act of 2012 (AHSSIA) – have sought changes in both of these dimensions of rent reform for Section 8. They also have included provisions for more rigorous evaluation.

At least one MTW agency proposed changing requirements for Housing Quality Standards (HQS) inspections and relying, instead, on city building code inspections to minimize the costs involved. Some housing professionals also advocate having different administrative requirements for smaller PHAs than for larger ones.

D. Lessons from MTW agencies and the rent flexibility study

**RENT REFORM DEMONSTRATION
SUPPORTING STATEMENT – PART A (FINAL)**

In terms of actual experimentation with respect to rent reform, MTW demonstration agencies have modified aspects of the rent system, although these generally have not been tried in ways that allowed for rigorous impact assessment. In some cases, such reforms encompass changes in rent formula; in others, they are limited to procedural reforms that could reduce administrative costs -- such as extending the time between recertifications.

The research undertaken as part of HUD's Study of *Rents and Rent Flexibility* suggests a few broad observations:

- ***HA officials have different ideas*** about how to deal administratively with hardship, say with respect to (a) whether households must request hardship consideration or hardship reviews should be done proactively and routinely, or (b) whether hardship reviews should be performed by agency staff or others. Each option has unknown cost implications.
- With respect to a different aspect of administrative simplification, some ***HA staff are skeptical that reforms can produce cost savings*** while introducing multiple program variations with different rules or procedures. Similarly, they suggest that agencies may have to compensate for reducing one benefit (such as increasing the percent of income charged for rent based on number of years of voucher receipt) with other benefits such as enhanced case management or second-stage reviews of initial hardship request denials.
- With respect to yet another potential impact of rent reform, the hypothesis has been that a percent-of-income, as opposed to a flat, subsidy system serves as a disincentive to marriage or cohabitation of multiple wage earners, resulting in mother-only households. The rent flexibility study suggests that ***rent reform may not have as large an effect on marriage and cohabitation*** as some have hypothesized.

A1.2 Overview of the Rent Reform Demonstration

Features of the Alternative Rent Model

The MDRC team has consulted extensively with HUD program and research staff, advocacy organizations, Moving to Work (MTW) housing agencies (PHAs), and consulting organizations that support the activities of PHAs. Following on this process, an alternative rent model is taking the shape of a framework with several fundamental features while leaving some room for HA discretion in adapting those features to local conditions.

RENT REFORM DEMONSTRATION
SUPPORTING STATEMENT – PART A (FINAL)

The alternative rent policy will apply only to HCV recipients¹ and include the following key features:

- **Simplifying the calculation of the household’s total tenant payment (TTP) and subsidy amount by:**
 - (a) Eliminating deductions and allowances,
 - (b) Changing the percent of income that a household pays for its share, from 30 percent of *adjusted income* to a maximum of 28 percent of *gross income*,
 - (c) Ignoring a household’s income from assets when the total value of its assets is less than \$25,000, and
 - (d) Simplifying the policy for determining utility allowances
- **Using *retrospective income* in setting a household’s TTP and housing subsidy** (to discourage intention reductions in income)
- **Establishing a minimum TTP of at least \$50 and requiring that all households pay a minimum amount of rent directly to the landlord**, to mirror the landlord-tenant relationship in the non-subsidized rental market
- **Conducting income recertifications triennially rather than annually**, so that earnings gains do not increase TTP for three years (thus creating a strong work incentive by eliminating, for an extended period, the implicit housing-subsidy-related “tax” on increased earnings)
- **Limiting interim recertifications to a maximum of one per year**, to protect households when their income drops while limiting the burden to the housing agency
- **Establishing a suitable hardship policy** that identifies a standard set of hardship conditions and remedies to protect households from excessive rent burdens.

To increase the likelihood that the alternative rent policy encourages tenants to increase their work efforts, it will be important to inform them clearly and periodically of the implicit incentives associated with not having to report any earnings gains for three years. They must also understand the safeguards in place to protect them from excessive rent burdens if their incomes fall. The MDRC team, as part of its technical assistance role, will help housing authorities develop appropriate materials and strategies for communicating these incentives and safeguards.

¹ Eligible sample members will only include voucher holders with vouchers that are administered under the (MTW) demonstration. Non-MTW Vouchers (i.e., Veterans Assisted Special Housing, Moderate Rehabilitation, and Shelter Plus Care), Enhanced Vouchers, Project-Based Vouchers are excluded from the study. Additionally, the study is focused on work-able populations and will not include elderly households, disabled households, and households headed by people older than 56 years of age (who will become seniors during the course of the long-term study). Households currently participating in Family Self-Sufficiency and homeownership programs will also not be included in the study.

Local variations allowed

As previously indicated, the housing agencies intending to participate in the demonstration helped to develop and support this common framework. However, they also saw a need for some local adaptations of the model in response to local considerations. For example, the need to set the minimum TTP at different levels. The process for determining hardship remedies (although not the conditions defining a hardship or the remedies themselves) may also vary. The design team attempted to strike an effective balance between the extent of standardization that would be required in a national policy and the need to permit some local flexibility that may also be reasonable to include within a national policy.

Eligibility

The alternative rent policy will apply only to HCV recipients. Eligible sample members will include voucher holders with vouchers that are administered under the (MTW) demonstration. Non-MTW Vouchers (i.e., Veterans Assisted Special Housing, Moderate Rehabilitation, and Shelter Plus Care), Enhanced Vouchers, Project-Based Vouchers are excluded from the study. Additionally, the study is focused on work-able populations and will not include elderly households, disabled households, households headed by people older than 56 years of age (who will become seniors during the course of the long-term study), or households where the head does not have legal working status in the U.S. Households receiving a child care deduction at the time of random assignment will also be excluded from the study. Lastly, households currently participating in the PHA's Family Self-Sufficiency and homeownership programs will not be included in the study.

Evaluation design and components

The demonstration will use a randomized controlled experiment to compare the current rent subsidy policy for Housing Choice Vouchers to an alternative rent policy. Four MTW PHAs will participate in the study. The demonstration is being guided by a comprehensive research agenda structured around three study components: impacts, implementation processes, and benefit-cost.

In order to evaluate the impacts of the alternative rent policy, all households that meet the eligibility requirements for the demonstration will be randomly assigned to either a new policy group or an existing rent policy group (i.e., the control group). Households will not have an opportunity to switch their assignment from one rent policy group to the other. This approach is consistent with the MTW Demonstration's policy of authorizing PHAs to implement and test innovative rent policies to try to help voucher holders become self-sufficient and to reduce administrative costs. When MTW PHAs that are not part of the Rent Reform Demonstration have implemented their own rent reforms, they have not been expected to limit these new policies to tenants who volunteer for them.

A research design that includes the broader eligible population fits the compelling need for HUD and Congress to understand the effectiveness of the new rent policy for the full eligible population, not just for a subset of volunteers recruited for a special demonstration project. For a

variety of reasons, volunteers may not adequately represent the full eligible population. The new rent policy itself offers all tenants the possibility of becoming economically better off, while also including a number of safeguards intended to help prevent them from becoming economically worse off. (As described in later section in this document, all tenants will be given an opportunity to avoid having their personally identifiable data shared with the researchers if they wish that it not be disclosed.)

The evaluation plan includes an exception for one of its sites, the Louisville Metropolitan Housing Authority (LMHA). Households in this PHA that are randomly assigned to the new policy will be given the option to opt out of the new rent policy group in addition to opting out of the having their data disclosed to the researchers. HUD agreed to this exception to be responsive to concerns raised by LMHA and the local community. It is hoped that few tenants will choose to opt out of the new rent policy group; if that is the case, a valid comparison of outcomes between the new rent policy group and the control group will be possible. However, if a substantial proportion of tenants from the new rent policy group opt out (i.e., choose to switch to the existing rent rules), a bias may be introduced into the impact estimates. MDRC will conduct an analysis of the potential bias (using techniques similar to those used in a survey response bias analysis) to try to assess the extent of this problem. If the level of bias is deemed unacceptably high, the overall evaluation will rely more heavily on the results from the other three demonstration sites where a more robust research design is being implemented.

The study will examine the effects of the alternative policy from two perspectives: that of the housing authorities and that of the voucher holders (also summarized in the Table 1). Subsequent task orders from HUD will specify the final set of evaluation questions and the scope of work for the full evaluation. The following discussion outlines a preliminary set of questions likely to be addressed by the full study.

A. Research questions concerning PHAs

The goal of reducing the burden and costs that PHAs incur in administering the current rent rules is one of the primary motivations driving interest in rent reform. Indeed, it was a major reason why the MTW PHAs wanted to join MTW in the first place. For this reason, the demonstration will assess to what extent the alternative rent model actually *simplifies* the administration of rent subsidies, and improves *PHA finances*, without placing undue burdens on residents. Related goals concern PHAs' ability to stretch their budgets to serve more residents in need of housing assistance, such as by reducing average subsidy levels and the duration of subsidy receipt.

The evaluation will address these important issues in the following ways:

- **Document the alternative rent model as implemented in practice.** Once the alternative rent model and implementation strategy are developed for the demonstration sites, the four participating PHAs will implement this model, including any adaptations of the model to their local circumstances. The PHAs' experiences in operating the model are also likely to vary, given their different administrative systems, organizational capacities, and local contexts. Thus, what may seem like a uniform model on paper, may take on distinctive features as PHAs translate it into practice and incorporate it into their existing

organizations and communities. Consequently, a thorough understanding of the features of the alternative rent model *as implemented* will be an important component over the course of the full evaluation.

Three components of the evaluation will document how the new rent policy is operationalized in each HA: (1) a time study proposed for a future task order; (2) ongoing technical assistance monitoring efforts that will begin as part of Task Order 1 (TO1); and (3) implementation research to be conducted as part of future task orders. Data collected through these methods (which combine direct observations, interviews, and more standardized measurement) would be used in computing the costs of operating the rent systems and in determining whether and how much the alternative system yielded costs savings. The data collection would also include explorations of the choices PHAs make, for example, with regard to hardship exemptions, and what procedures they establish to approve or deny exemption requests. The research will also document the kinds of changes in administrative processes, including data management systems and software, income verification procedures, and staff deployment, all of which are crucial for understanding whether the new policies simplify or complicate rent administration for the PHAs, and whether strategies adopted by some PHAs are more efficient and accurate than others and worthy of emulation. This documentation will begin under TO1 through the information we collect through our technical assistance to help PHAs implement the new policies and set up random assignment. Future data collection efforts will be expected to generate richer data for systematic comparisons of site implementation experiences and practices.

- **Measuring effects on tenant turnover and the availability of vouchers.** Changes in the rent rules could change tenant turnover in a number of ways. First, they may increase earnings and income and, in turn, *increase* or hasten exits from vouchers. But, second, and in contrast, the new rent policy could *reduce* tenant turnover if more voucher holders come to view voucher receipt as more attractive than unsubsidized housing on the private market than they would otherwise view it. As described later, we would compare lengths of stay and reasons for exit for the program and control groups, and we would try to discern the relative influence of different factors on that impact.
- **Measuring effects on tenant lease-up rates (or success rates).** Changes in the rent structure might affect the success at which households granted vouchers are able to use them, or find landlords willing to accept the vouchers.
- **Effects on tenants' housing-related hardships.** Changes in the rent rules affect tenants' rent burden and thus their likelihood of being evicted or having their utilities shut off. For example, families at the lower end of the income distribution may strain to afford a high minimum rent, or those with higher incomes may fall into arrears if their income drops, unless adequate hardship protections are included in the rent policy. As described below, we would assess the effects on housing hardships and rent burden in the impact analysis, comparing rates of several dimensions of material hardship and also eviction rates for families in the program and control groups. We will do this for all families and for certain subgroups of families thought to be most at risk for these hardships.

- **Effects on PHAs’ costs and ability to serve more eligible families.** The effect of rent reform on tenant turnover is a key question because it concerns not only the well-being of families with vouchers, but also the number of families PHAs can afford to serve with a given budget. In theory, a new rent policy may allow PHAs to stretch their budgets and fund subsidies for more families by causing tenants’ earnings to grow and/or more directly by reducing the amount of subsidy offered over time.

Alternatively, some policies could end up increasing rather than reducing PHAs’ costs. That might be the case, for example, if the policy causes some tenants to work less than they might have otherwise (e.g., because of a fear of the implications of the loss of deductions such as child care), despite the fact that they have a greater economic incentive to work in the following three years, while also having no effect on other tenants’ work rates. If that’s the case, (relative to the 30-percent rule) the aggregate amount of tenant contributions would be lower at the end of the three-year rent-freeze period and heading into the subsequent period, thus *costing* the HA more in subsidies. Although this result is not anticipated, it cannot be ruled out. The evaluation will determine whether it in fact occurs, or whether, as hoped, the new policy produces increases in tenant work effort. Whether or not a new policy is budget-neutral, and whether it achieves the broader goals of rent reform, will depend to a very important extent on the changes it causes in participants’ labor market and housing decisions.

- **Administrative reforms and HA cost savings.** The proposed alternative rent policy should reduce the administrative burden on the housing agency because it should be simpler to administer and require fewer tenant-staff interactions. This should produce administrative cost savings. It will thus be important document how the changes in rent policy affect a variety of administrative processes and the extent to which there is any offsetting increase in the administrative burden of dealing with hardship cases under the new policy.
- **Assessing administrative efficiencies with an eye toward “scaling-up.”** In any demonstration project, one must be concerned that the ways of operating a program or policy as a special research initiative may not mirror the ways it would operate as a scaled-up policy. In the rent reform demonstration, the PHAs will be required to operate *dual* rent systems – the current income-based system plus an alternative system. At the very least, this means that the PHAs will not be able to achieve the same efficiencies and economies of scale with the hybrid system as they could if the new policy were operated at full-scale for all voucher recipients.

Although it is not possible to avoid this problem in the context of the demonstration, we propose to include as part of a longer-term implementation study an assessment of where further operational efficiencies could be achieved if the rent policy were implemented at scale. For example, we would look for ways in which everything from staff deployment to information systems could be modified or consolidated if the new policy were adopted wholesale. In addition, as part of our proposed cost-benefit analysis (see below), we

would include sensitivity tests that build in reasonable assumptions about those possible economies of scale.

B. Research questions concerning individuals and families

A premise behind many rent reform proposals is that the reforms will benefit assisted families as well as PHAs. Thus, the evaluation is designed to assess whether this is true, using the following approach:

- **Assessing voucher recipients’ understanding of rent reform incentives.** Whether and how rent reform influences voucher holders’ behavior depends in part on what tenants actually understand about the new rent rules. As part of TO1, the MDRC team will conduct a small number of focus groups to get an early read on voucher recipients’ understanding of these. These focus groups would be conducted as part of our technical assistance work and would help us provide instructive formative feedback to the PHAs on their communication strategies. The information from these discussions will complement staff observations and discussions, where front-line workers will be asked their views on how well tenants understand the new rent policies, and what aspects of those policies are most difficult to communicate effectively. It would be especially important to determine whether tenants adequately understand how the new policy works, and whether they truly understand the increased financial returns to working.

Looking beyond TO1, more systematic research on this topic would be a valuable component of the longer-term evaluation. Tenants’ understanding of the new model and its implicit incentives will inform how they make labor market and housing choices. Using qualitative research methods, the evaluation will explore whether tenants understand the new rules, and the “frames” they use in interpreting them, such as whether they believe that “extra work is penalized.” We would also incorporate special questions into the tenant survey to be able to quantify tenants’ understanding.

Comprehensive measurement of tenant outcomes: We identify eight clusters of tenant outcomes, recognizing that HUD’s future task orders and funding will determine the actual scope of data collection and measurement.

- **Household Composition and Structure:** To explore effects on household composition and structure, the analysis would rely on information collected about all household members, including names, ages, employment status (if appropriate), and relationship to the head of household through the tenant surveys and the 50058 form.
- **Work behaviors:** Unemployment Insurance wage records and tenant surveys will include information on employment, earnings, job characteristics, and work search behaviors. Also, linking survey and UI administrative data to housing agency data (HUD 50058) would provide a basis for assessing underreporting of employment and earnings, the main source of underreported income.

RENT REFORM DEMONSTRATION
SUPPORTING STATEMENT – PART A (FINAL)

- **Income, assets, finances, and rent burden:** If rent reform increases tenants' disposable income, it may help them reduce debt and accumulate assets. The survey data are an important source to assess the effects of the new policy on household finances and financial behaviors (such as savings and debt reduction). Data on income combined with housing agency and survey data on tenant rent and utilities payments would be used to construct measures of rent burden. The study could also explore the feasibility of collecting credit scores. Further, funding permitting, an expenditure study will be designed to measure rent reform and rent burden.
- **Health, material hardship, homelessness, and family well-being:** As in Work Rewards, Jobs-Plus, and the HOPE VI surveys, we would use items from the National Health Interview Survey (NHIS) to estimate the effects of rent reform on residents' overall health and specific health conditions, and their access to medical and dental care, all of which may be affected, indirectly, by changes in residents' income, and by potential changes in their housing and neighborhood contexts. These factors may also affect mental health outcomes, such as depression. Increases in disposable income due to rent reform, may also produce reductions in material hardships, including housing-related hardships such as disconnection of phone and utilities, and reductions in food insufficiency. (MDRC observed such effects on poverty and hardship in its study of NYC's conditional cash transfer program.) We will also measure effects on homelessness.
- **Neighborhood conditions and safety, and housing quality:** Rent reform may affect the types of housing and neighborhoods in which voucher holders live. We would draw on our previous research for items on resident perceptions of social and physical disorder, violent crime, fear of crime, and victimization. And, we would include items on perceptions of access to and adequacy of neighborhood services including schools and amenities. We would also obtain aggregate data on neighborhood conditions, such as from the Urban Institute's National Neighborhood Indicators Project (NNIP) and the American Community Survey, to examine dimensions of neighborhood quality and context. Through surveys, we would collect information on housing quality and conditions. We would draw questions from the American Housing Survey (AHS), and other studies, including Jobs-Plus, HOPE VI, and Moving to Opportunity (MTO).
- **Other benefits:** Depending on the evaluation resources, HUD may want to consider collecting TANF, SNAP, and Medicaid data, since changes in the receipt of these public benefits may flow from any impacts that rent reform has on tenants' earnings. If so, it would be important to capture these effects as part of the proposed cost-benefit analysis. Having these data would also make it possible to examine the pattern of income supports received by the study sample, and also compare this to the income reported to the housing authorities.
- **Child outcomes:** Rent reform's effects on family income and neighborhood and housing conditions may, in turn, affect child outcomes. Through the tenant surveys, we would ask respondents about the children in the household, using items used in studies of child-wellbeing, including child care arrangements, social behaviors, school engagement,

school performance, and health. In addition, using SABINS administrative data, we would link each household to zoned elementary schools to assess whether any location effects caused by the intervention result in children being more likely or less likely to attend higher-performing schools.

- **Voucher use:** Using the HUD 50058 data and survey information, the study would examine the effects of alternative rent strategies on the duration of voucher receipt and exit reasons.
- **Knowledge and perceptions of rent rules:** In-depth qualitative data and surveys would be used to examine voucher recipients' perceptions, understanding, and awareness of the rent rules, and their attitudes toward the HA and frontline staff.

C. Counterfactual and service context

Knowing not only the control group's outcomes, but also the "*treatment*" they receive is crucial to making sense of impact findings in any random assignment trial. Put differently, what a randomized trial tests is not simply the effects of an intervention for the program group, but, rather, *the difference in treatment* between the program and control groups, which is what produces the *difference in outcomes* (or program "impacts" or effects) between those two groups. This is critical because it will influence what the experiment *actually* tests.

For this demonstration, how much the MTW sites have *already* implemented some features of rent reform was a subject of initial exploration. Our scan of MTW plans and reports indicated that MTW PHAs have taken some steps in this direction, and some have moved quite far down the road. Thus, the benchmark against which the sites' impacts would be judged differ, making the intervention (the alternative rent policy) a bigger change or a qualitatively different change in some sites than in others (to limit this problem, we have not selected sites that have already instituted wholesale rent reform). For instance, we know that in the sites we are selecting, the counterfactual will differ in terms of length of the current recertification period: some are annual, but some are already biennial, and we are considering creating two clusters (comparing 3 years recertification vs. 2 years, as well as 3 years recertification vs. 1 year).

The control group benchmarks could also differ across sites in terms of the intensity of services that housing authorities currently offer to help tenants work, such as the Family Self-Sufficiency (FSS) or equivalent programs. Or, the control group might receive more employment services in certain sites simply because those sites are located in "service-rich" environments, which might influence the effectiveness of the incentives. These circumstances of the control group will have very important implications for interpreting the impact findings and drawing lessons for policy.

The MDRC team would address this issue as part of its implementation research, drawing on information obtained in the HA site selection discussions and visits in which the alternative rent rules are discussed as part of TO1; through later interviews with HA staff; through HA data on participation in self-sufficiency programs (where appropriate); and through the tenant survey, which would ask control group and program group respondents about the extent to which they receive relevant work-related services.

D. Measuring the effects on place-based outcomes

Rent reform may affect the residential choices that voucher holders make. For example, because the tenants' rent share will remain fixed for each three-year recertification period, some tenants may choose to move to higher-cost apartments or neighborhoods if they increase their earnings and keep more of their extra income.

For the full evaluation, we may track neighborhood outcomes for both treatment and control groups in our participating PHAs by using geo-coded administrative data on tenant incomes and residential locations, linked to local administrative data (from NNIP partners where available) and American Community Survey data from the Census. For voucher holders, we would rely on PIC data to track the location of both voucher holders in treatment and control groups. We would then compare overall mobility rates for treatment and control groups and compare the characteristics of neighborhoods reached by each, using five-year, American Community Survey census tract averages as well as various sources of administrative data. We would also look at *changes* in neighborhood conditions experienced by voucher holders in treatment and control groups over time. For administrative data, we would examine such outcomes as the presence of other subsidized tenants and units, public assistance receipt, foreclosure rates, crime rates (where available), and test scores and student poverty levels at the elementary school for which tract residents are zoned.

Data on local schools are a particularly promising way to track changes in neighborhoods over time, given that they provide a reliable, annual snapshot of the demographics of most children living in each school zone. To construct these annual estimates, we would rely on a new dataset, School Attendance Boundary Information System (SABINS), which contains geo-coded attendance zones for over 200 school districts across the country, linked to data from the Common Core of Data (a product of the National Center for Education Statistics) and the National Longitudinal School-Level State Assessment Score Database. If we choose a housing authority site where SABINS attendance zones are not available, we will work with NYU's Furman Center to use an algorithm to identify the nearest elementary school(s).

A2. How, by Whom, and for What Purpose Are Data to be Used

How the Information will be used?

The findings from the study will be used to inform the Federal government, housing authorities, and other stake-holders about the effectiveness of the alternative rent policy.

Who will collect the information?

Under the first task order, baseline data will be collected through interviews administered by housing agency staff during recertification and from housing agency or HUD data. The contractor for the longer-term evaluation, will also collect follow-up data through phone or face-to-face interviews with key informants and access to housing agency or HUD data.

Baseline information

Baseline information will be collected from all study participants. The Baseline Information Form (BIF – see Appendix B) will provide general information about participants that will ensure the comparability of the program and control groups, obtain data needed for subgroup analyses, and facilitate contact for subsequent follow-up surveys. The BIF will collect identifying information about sample members enrolling in the study, including social security number and date of birth. It is also designed to collect basic demographic information such as primary language spoken, marital status, and duration of voucher receipt. The form also includes questions about participants’ education, employment history, child care, barriers to employment, involvement with public assistance, and health status and well-being. Contact information will also be collected on the BIF. In addition to study participants’ own name, address, and phone numbers, participants will be asked to provide information for two additional individuals who are likely to be in future contact with them and can assist the research team in locating them for the follow-up survey. Overall, and in an effort to limit data collection burden on participants and HA staff, the BIF prioritizes information that is not readily available in housing agency data (or not available in the format required for the evaluation).

Baseline forms will be administered to individual sample members by HA staff in one-on-one settings. MDRC will design a special web-based module to capture the BIF data, and program staff will be trained to use this tool.

To ensure that all study participants receive a clear, consistent explanation of the project, the evaluation team will train HA staff on how to introduce and discuss the goals and design of the evaluation, the random assignment process, and data collection efforts.

Study participants will also be provided a brief information sheet (see section A.10. and Appendix A). This form will ensure that participants understand the demonstration, as well as their role and rights within the study.

Impact analysis data sources

Table 1 provides a summary of the impact analysis outcome clusters described above and the associated data sources. As shown, these data will come from a few data sources, including UI wage records, HUD data, and a survey.

Table 1: Evaluation Topics by Task Order		
Topic	Data Source and Timing	
PHA’s perspective	Task Order 1	Future Task Order
Experiences operating and implementing rent reform; relationship with participants	Ongoing TA observations and monitoring; staff discussions	Time study Implementation research
Tenant turnover, availability of vouchers,		HUD 50058

**RENT REFORM DEMONSTRATION
SUPPORTING STATEMENT – PART A (FINAL)**

reasons for exit		Tenant survey
Tenant lease-up rates		HUD data
PHAs’ costs and ability to serve more eligible families		Cost-analysis data Interviews with administrators
Administrative efficiencies and scaling-up		Cost-analysis data Interviews with HA staff
Tenant’s perspective		
Understanding, knowledge, awareness of rent reform; perceptions of and relationship with HA	Interviews or focus groups with tenants	Ongoing in-depth interviews / focus groups with tenants Tenant survey
Household Composition and Structure		HUD 50058 Tenant survey
Employment and earnings		UI data ²
Job characteristics		Tenant survey
Income and income supports		Tenant survey HUD 50058 TANF, SNAP, and Medicaid data
Assets and finances		Tenant survey HUD 50058 Credit scores
Rent burden		Tenant survey Expenditure study
Health		Tenant survey Medicaid
Material hardship		Tenant survey
Homelessness		Tenant survey
Neighborhood conditions and safety, and housing quality		Tenant survey; Neighborhood data
Child outcomes		Tenant survey SABINS administrative data
Voucher use		HUD 50058 Tenant survey
Counterfactual service context	Field research; site selection data	Interviews with HA staff; HA data on self-sufficiency initiative participation (where appropriate); and the tenant survey
Neighborhood outcomes		
Neighborhood conditions		HUD 50058 SABINS Other aggregate data

Through these various data sources, the analysis will address the types of topics listed above. The analysis will take a comparative approach, examining the similarities and differences across PHAs in how they structure and implement the alternative rent policy. (Additional details about the analytic approach are outlined in Supporting Statement B).

² HUD’s interest in tracking employment and earnings information of those in the Rent Reform Demonstration can be accomplished directly through agreement with the state labor agency, indirectly through the local housing authority, or via the National Directory of New Hires (NDNH). The NDNH is a national database of wage and employment information that was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). As the central location for earnings and employment data, NDNH data offers advantages over seeking data from separate state labor or employment agencies. MDRC is exploring these options with HUD.

A.3. Use of Information Technology for Data Collection to Reduce Respondent Burden

Wherever possible, advanced technology will be used in data collection efforts to reduce burden on study participants and on site staff. The following methods will be used:

1) HA program staff members will record baseline data directly into MDRC’s online BIF database. Accordingly, problems with missing BIF records for a study participant would occur infrequently, most likely when the data entry process is interrupted (for example, when the provider loses the connection to MDRC’s data entry website). MDRC will test the data entry safeguards (required field designators, range limits for responses, and automated skip patterns) programmed into the system. We will make sure that these safeguards are working properly before the system is used. Finally, our procedures manual and any advance training will include guidance to program staff members on recording BIF data items. All efforts will be made to reduce data collection burden on HA staff.

2) Computer-assisted survey interviews (CATI/CAPI) will be used during the follow-up survey (conducted as part of a subsequent task order). This helps to reduce respondent burden, as interviewers can proceed more quickly and accurately through the survey instrument, minimizing the interview length and the need for subsequent call backs. Computer programs enable respondents to avoid inappropriate or non-applicable questions. CATI/CAPI also improves data quality through more uniform administration of survey questions, more accurate implementation of the skip patterns, and immediate application of range checks, edit checks, and consistency checks of item-by-item responses.³

3) In a future submission, we will describe full details on the technology that will be used during survey fielding. Briefly, we will utilize survey tracking systems. The survey firms have databases that track the location of the participants throughout the project. Database changes come from mailings to participants and passive tracking of participants through the U.S. Postal Service Change of Address database. In addition to being an inexpensive method for contacting a respondent, this passive collection approach reduces the need for the respondent to continually provide their most recent address information. It also reduces the probability of seeking alternate contacts in order to find the respondent.

4) Integration of other data sources. Finally, when relevant person-level data has been identified as available through an accessible, centralized and computerized source, the information has generally been excluded from the proposed data collection package. For example, UI data will be obtained through administrative records. While implementation data collection relies on evaluation staff efforts on-site, we have sought wherever possible to

³ Another benefit of CATI/CAPI is that interviewers can focus on the respondent rather than management of the survey instrument, creating a more pleasant experience for the respondent. The technology ensures that scheduled appointments are honored with respondents. CATI/CAPI also ensures adherence to dialing protocols, maintaining the integrity of the study without unduly burdening sample members. It eliminates many human errors, such as accidental calling of resolved sample records. Finally, CATI provides translated scripts for crisp script delivery to non-English speakers.

minimize overlap between questions we include in implementation questionnaires and protocols and questions that will be asked through computer-assisted surveys.

A.4. Efforts to Identify Duplication

The information collection will not duplicate information that is already available. Where possible, the evaluation will use available data sources, such as UI wage records. The BIF and survey will collect data on various other outcomes not available routinely or systematically in housing agency records.

A.5 Burden on Small Business

We do not anticipate that this study will burden small businesses.

A.6 Consequence If Data Collection is Not Conducted

This evaluation represents an important opportunity for the Federal government to build a body of knowledge about the effects of an alternative rent policy. This is consistent with the Administration's strong focus on evidence-based policymaking. If this study is not conducted and the data not collected, analyzed, reported, and disseminated, Federal and local program or policy decisions will not be informed by high quality evidence upon which to base critical decisions regarding future rent policy.

A.7 Special Data Collection Circumstances

The proposed data collection activities are consistent with the guidelines set forth in 5 CFR 1320 (Controlling Paperwork Burdens on the Public). There are no special circumstances that require deviation from these guidelines.

A8. Form 5 CFR 1320.8(d) and Consultations Prior to OMB Submission

a. Federal Register Notice and Comments

Please see Appendix C for a copy of the HUD's notice in the Federal Register, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB.

The notice appeared on Pages 14264 -14266, Vol. 79, No. 49, March 13, 2014

b. Consultations Outside of the Agency

The BIF data collection instrument included in this package has gone through extensive review by expert consultants and members of the research team. [The form also draws several key sections from the national FSS evaluation baseline form, which has been approved by HUD and OMB.] During study design, we have sought the input of nationally recognized experts on public housing and Section 8 housing support, including Professors John Goering (City University of New York) and Ingrid Gould-Ellen (New York University).

A.9 Justification for Respondent and Site Payments

Over the course of the evaluation, two types of payments to respondents are planned. The first will be distributed to participating households upon study enrollment and upon survey completion; the second will be distributed to the PHAs to provide them with compensation to offset costs they will incur to make necessary changes to their software systems. Justification for these payments is provided.

Payment to study participants upon study enrollment

This payment is intended as a small compensation for study participants for their time. Study participants have to take time to fill out the baseline information form before completing the study enrollment process. As a result, and consistent with the practice of other MDRC random assignment studies, MDRC expects to provide a \$25 dollar payment as an acknowledgment and appreciation for their time spent on the enrollment effort.

Payment to study participants upon completion of the survey

As noted, the survey and its associated details, including respondent payment, will be discussed in a later OMB submission. However, to summarize, as with the enrollment incentive payment upon survey completion is intended as a token of appreciation. As documented in the literature, this token of appreciation is likely to improve response rates by decreasing the number of refusals, enhancing respondent retention, and providing a gesture of goodwill to acknowledge respondent burdens. This technique is proposed in addition to many of the techniques suggested by OMB to improve response rates that have been incorporated into our data collection effort and are described in Section B3, because our experience has shown that small monetary amounts are useful when fielding data collection instruments with hard-to-employ populations as part of a complex study design. It is essential to include a token of appreciation in order to maximize the response rate, and it is particularly important with a challenging population and a demanding data collection strategy. In a seminal meta-analysis, Singer, et al. (1999) found that incentives in face-to-face and telephone surveys were effective at increasing response rates, with a one dollar increase in incentive resulting in approximately a one-third of a percentage point increase in response rate, on average. They found some evidence that incentives were useful in boosting response rates among underrepresented demographic groups, such as low-income and non-white individuals.⁴ This is a significant consideration for this study. Another important consideration is the burden posed by the data collection, which will take on average 30 to 40 minutes of the participant's time for the follow-up survey. The survey firm will also provide a small token (e.g. a \$2 bill) to compensate the respondent for their time updating contact information with the expectation that it will double the odds of a return (Edwards, et al., 2002, p. 3). About a quarter to a third of respondents will submit information for themselves and for their alternate contacts.

⁴ Berlin, M., L. Mohadjer and J. Waksberg (1992). An experiment in monetary incentives. *Proceedings of the Survey Research Section of the American Statistical Association*, 393-398; de Heer, W. and E. de Leeuw. "Trends in household survey non-response: A longitudinal and international comparison." In *Survey Non-response*, edited by R. M. Groves, D. A. Dillman, J. L. Eltinge, and R. J. A. Little. New York: John Wiley, 2002, pp.41-54; Singer, E. and Kulka, R. *Studies of Welfare Populations: Data Collection and Research Issues*, Panel on Data and Methods for Measuring the Effects of Changes in Social Welfare Programs. Ploeg, Robert A. Moffitt, and Constance F. Citro, Editors. National Academies Press, Washington, DC, 2000, pp. 105-128.

**RENT REFORM DEMONSTRATION
SUPPORTING STATEMENT – PART A (FINAL)**

We are aiming to achieve an 80 percent survey response rate for the follow-up survey. Even with the best data collection practices, it would be very difficult, if not impossible, to obtain such a high completion rate without providing a token of appreciation to participants.

Site payments to participating PHAs

HUD is in the process of executing a contract modification to add the IT system changes to the current task order. These system-wide changes are necessary to implement the Rent Reform Demonstration; i.e. rent calculation and data reporting changes for the HCV households that are randomly assigned to the alternative rent model. At the time of this writing, HUD is reviewing the best way to compensate the sites for the software modifications. To expedite the development and implementation of the modified systems, the PHAs have asked HUD to consider the possibility of providing them this funding to them in the form of direct grants. The IT system changes required to implement the demonstration are expected to cost approximately \$125,000 per PHA.

A.10. Assurances of Privacy

Strong protections will be implemented to maintain the privacy of tenants in all four demonstration sites, to the extent permitted by law. All tenants will be allowed to opt out of having their personally identifiable data shared with MDRC or its research partners. Tenants will be notified about this opportunity as part of the normal income certification process they undergo to receive vouchers or to renew vouchers. This process was approved by MDRC's IRB and by HUD, and it protects tenants from having their data disclosed without their knowledge and without any way to prevent that disclosure. Tenants may opt out of data disclosure by signing and submitting to MDRC an opt-out form that will be provided to them as part of the recertification process.

MDRC will collect data on each household from HUD 50058 forms prior to random assignment and for a *minimum* of three full years after random assignment. Employment and earnings data will be sought through state agencies or the National Directory of New Hires (NDNH) data base, and public assistance data will be sought through state agencies. In all circumstances, MDRC will protect the confidentiality of the data it collects through its regular high-security safeguards and practices. All tenants will be informed that any personal information they provide or allow access to for the study will be used only for the purpose of this research (see Study Information Sheet, Appendix A). Individuals will not be identified in prepared reports. All research staff working on the project have been trained to protect private information and have signed a pledge stating that they will keep all information gathered private to the extent permissible by law. All papers that contain study participant names or other identifying information will be kept in locked areas and any computer documents containing identifying information will be protected with a password.

A. 11. Questions of a Sensitive Nature

Many of the questions in the Baseline Information Form (BIF) are potentially sensitive for respondents, but they cover some topics that are generally discussed with (and documented by)

housing agency staff at the time of recertification. For instance, voucher holders are asked to report on employment and income at the time of recertification. However, in addition, the evaluation is interested in documenting additional background characteristics that may influence participants' response to the alternative rent policy. Thus, it is crucial that MDRC collect the type of information included in the attached BIF (see Appendix B). Respondents will be informed by program staff prior to BIF data collection that their answers are confidential, that they may refuse to answer any question, that results will only be reported in the aggregate, and that their responses will not have any effect on any services or benefits they or their family members receive.

A.12. Estimates of the Hour Burden of Data Collection to Respondents

The hour burden estimates for data collection for Rent Reform operators and participants is outlined below in Table 2. We have assumed the maximum possible number of sites and study participants. The estimates included below are based on experience with previous random assignment studies involving similar populations and data collection instruments.

Cost to Respondents for collection of information

Potential respondents will range widely in employment position and earnings. For study participants, we have estimated the hourly wage at the federal minimum wage: \$7.25 per hour. Based on other research, we expect about 50 percent of the participants to be employed at the time of study entry. Also, based on a recent report by the Center on Budget and Policy Priorities, some 55 percent of non-elderly, non-disabled households receiving voucher assistance reported earned income in 2010. The typical (median) annual earnings for these families were \$15,600, only slightly more than the pay from full-time, year-round minimum-wage work.

- Based on this assumption, and the frequency and duration of responses listed in Table 2, the estimated total respondent costs are: Study Information Sheet: 4,500 employed sample members (50% of 9,000) * \$7.25 * .17 hours = \$5,546.25.
- Baseline Information: 4,500 employed sample members (50% of 9,000) * \$7.25 * 0.5 hours = \$16,312.50
- Total: \$21,858.75

**RENT REFORM DEMONSTRATION
SUPPORTING STATEMENT – PART A (FINAL)**

Information Collection	Number of Respondents	Number of responses per respondent	Burden Hour Per Response	Annual Burden Hours
Study information sheet	9,000	Once	Up to 10 minutes (or .17 hours)	1,530 hours (9,000 *.17)
Baseline Information	9,000	Once	30 minutes, on average (or .50 hours).	4,500 hours (9,000*.50)
Data on implementation of new rent model. Meet with HA staff	20 staff total (5 staff * 4 sites)	Four times	Incorporated into technical assistance and monitoring visits; 30 – 60 minutes.	80 hours (one- hour meetings* 20 staff)
TOTAL	9,020	18,080		6,110

Cost burden to PHA staff

As discussed in Supporting Statement B, participation in the evaluation will require PHAs to undertake research activities not normally required for their regular operations. These activities will span the duration of the study, although some activities, especially those involving program staff, will be more intensive in the earlier years. Required tasks will fall across four areas: planning for random assignment launch, BIF data collection and sample build-up, data extraction and transfer, and ongoing management and review.

For program staff, our estimate of annual burden uses the median hourly wages of selected occupations (classified by Standard Occupational Classification, SOC, codes) was compared using Occupational Employment Statistics from the U.S. Department of Labor’s Bureau of Labor Statistics. Potentially relevant occupations and their median hourly wages include:

Occupation	SOC Code	Median Hourly Wage Rate
Community and Social Service Specialist	21-1099	\$19.74
Social/community Service Manager	11-9151	\$29.98

Source: Occupational Employment Statistics, May 2012, accessed online May 21st, 2013 at http://www.bls.gov/oes/current/oes_stru.htm

To estimate cost burden to program staff respondents, we use an average of the occupations listed, or \$24.86/hr.

**RENT REFORM DEMONSTRATION
SUPPORTING STATEMENT – PART A (FINAL)**

Based on this assumption, and the frequency and duration of responses listed in Table 2, the estimated total PHA staff costs are:

- Data on implementation of new rent model: 20 staff (5 staff * 4 sites) *\$24.86 *1 hour * 4 meetings = \$ 1,988.80

Note, this estimate does not include fringe benefits or other overhead costs. This estimate also only pertains to staff directly involved in administering study protocols and participating in data collection activities, and does not include effort associated with other housing authority staff whose contribution will be needed to effectively implement the study at the site. Further that for staff included in this estimate, this calculation does not include any additional effort associated with their participation in the design and planning prior to the launch of random assignment, nor the time that will be required to check-in regularly with MDRC and to provide other regular status updates throughout the duration of the study.

Total estimated cost: \$ \$23,847.55

A.13. Other Cost Burden to Respondents and Record Keepers

The proposed data collection will require housing authorities to modify their existing data systems to capture the newly implemented rent rules. Therefore, there will be some additional costs for participating housing authorities, some of which they would have incurred independent of this evaluation (since many of the MTW housing agencies participating in the study were already considering changes to their rent policies).

A.14. Annualized Cost to the Government.

The total cost to the federal government for TO1 of the study is \$3,445, 461 – included in this task order are costs associated with background research, evaluation and rent reform design, site selection, random assignment, baseline data collection, and baseline data reporting. The data collection portion of this budget is \$2,415,461.

A.15. Reasons for Any Program Changes or Adjustments

This submission is a new request for approval.

A.16. Tabulation, Analysis, and Publication Plans and Schedule

To determine the effectiveness of the targeted programs, the evaluation is designed to collect four categories of data: 1) baseline data (current task order), 2) implementation and process data (some of which will support the cost effectiveness study), 3) surveys of study sample members, and 4) administrative records.

The data collected as part of TO1 will be analyzed from 2014 to 2015. MDRC is under contract to produce one formal report under TO1, slated for 18 months after the start of random assignment.

A.17. Reasons for Not Displaying OMB Approval Expiration Date

The expiration date for OMB approval will be displayed on any forms completed as part of the data collection.

A.18. Exceptions to Certification Statement

No exceptions are necessary for this information collection.