Supporting Statement for Paperwork Reduction Act Submissions
Stepped and Tiered Rent Demonstration Phase 2
OMB# 2528-0339

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

Note: this is a proposed revision of a current, approved information collection request. The previous initial request may be found here: https://www.reginfo.gov/public/do/PRAViewDocument?ref_nbr=202204-2528-001 and the previous revision may be found here: https://www.reginfo.gov/public/do/PRAViewDocument?ref_nbr=202401-2528-003.

Section 239 of the Fiscal Year 2016 Appropriations Act, P.L. 114-113 (2016 MTW Expansion Statute), authorizes HUD to expand the Moving to Work (MTW) demonstration program from the current size of 39 Public Housing Agencies (PHAs) to an additional 100 agencies over a period of 7 years. The Statute directs HUD to add new MTW PHAs in cohorts, with each cohort testing a specific policy change so that HUD can conduct a rigorous evaluation of that policy's effects. A copy of the relevant section of law authorizing the Department to undertake "such programs of research, studies, testing, and demonstration relating to the mission and programs of the Department" (12 USC 1701z-1 et seq.) is included as Appendix A.

The second cohort of MTW Expansion PHAs is testing alternative ways of setting rents in the public housing and Housing Choice Voucher programs. The traditional rent policy (the Brooke rent) typically sets each household's rent at 30 percent of their adjusted monthly income. This rent policy is administratively complex and burdensome for PHAs and assisted households. The Brooke rent is hypothesized to be a disincentive for households to increase their earnings, as $100 dollars of increased income would result in $30 of increased rent.

In this project—the Stepped and Tiered Rent Demonstration (STRD)—PHAs are implementing alternative rents that might be easier to administer and might incentivize assisted households to increase their earnings. Five PHAs are implementing a stepped rent, under which a household's rent will increase modestly each year regardless of their income. Five PHAs are implementing a tiered rent, under which households are assigned to income-based tiers and rents are set based on the tier. Both policies enable households to increase their income without causing an immediate rent increase. Both policies include hardship provisions to prevent high rent burdens. And both policies include less frequent income reexaminations, to reduce the amount of PHA staff time required to administer the program.

STRD is being implemented as a randomized controlled trial (RCT); eligible households (limited to non-elderly, non-disabled households) are being randomly assigned to the new rent policy, or to remain on the traditional rent policy. This design is the gold standard for program evaluation and will enable HUD to conclude whether the new rent policies caused any differences observed between the two groups over time. HUD's demonstration is expected to last 6 years.

The information collection request is focused on research activities covered by the second phase of the project. The additional data collection activities include 1) additional interviews with PHA staff to understand their implementation experiences with the alternative rent policies; 2) data collection activities to determine the costs associated with administering the alternative rent rules, including additional interviews with PHA staff to understand the cost of operating the alternative rent policies and a cost checklist; and 3) a 30-month follow-up survey for heads of households participating in the study to assess the effects of the alternative rent policies on key outcomes that cannot be captured with administrative records, including material hardship, and the program group's perspective on the alternative rent policies.

2. **Indicate how, by whom and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.**

This is a revision of a currently approved collection. The information is being used by HUD, HUD's contractor, MDRC, and any other HUD contractor that may be tasked with supporting the long-term evaluation of the STRD. The information will be used to continue to assess PHA implementation and costs associated with the new policies. The survey data is also being collected to estimate the effects of the alternative rent rules on employment, earnings, housing subsidy, and other key outcomes. From the current approved data collection, the following report was published in July 2024 (Rent Reform in Subsidized Housing: Launching the Stepped and Tiered Rent Demonstration | HUD USER). Additional information is also still being analyzed from the current approved information collection request, but the previously approved instruments (Baseline Information Form, Consent Forms, a Policy Implementation Tracking Tool, and multiple Interview Guides) are complete and will not be used for further data collection. New information to be collected under this revision will include PHA staff interviews, to document their experience implementing the new rent policies and the effects of the new policies; and a survey of assisted households to document their experiences under the new rent policies. This new information will be used to assess the effectiveness of the new rent policies through the third year of implementation.

3. **Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.**

Wherever possible, advanced technology will continue to be used in data collection efforts to reduce the burden on study participants and PHA staff. All proposed PHA staff interviews will be conducted virtually using secure electronic videoconference software (e.g., Zoom for Government). Interviews will be recorded for later transcription and analysis. The information collection for the follow-up survey will also involve electronic and automated collection techniques, specifically through web-based and email platforms. Respondents will be able to complete the survey online, which allows for electronic submission of responses. This method was chosen for its efficiency, cost-effectiveness, and accessibility, as it enables respondents to complete the survey at their convenience, reducing the time and effort required compared to paper-based or in-person methods. Additionally, respondents will also have the option to complete the survey over the phone.

4. **Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.**

HUD's evaluation of the STRD will rely heavily on existing administrative data, including data from HUD's Inventory Management System/Public and Indian Housing Information Center (IMS/PIC) or Housing Information Portal (HIP), PHA hardship request data, the National Directory of New Hires (NDNH), local Continuum of Care (CoC), and state TANF and SNAP data. Qualitative information on ongoing implementation experiences can only be obtained directly from PHA staff through semi-structured group interviews, as proposed in this information collection. These interviews will, for example, help the evaluation to gather staff perspectives on each PHA's longer-term, "steady state" operations of the new rent policy, providing more current and important contextual information for evaluating the new rent policies. The PHA staff interviews will also help the research team assess the costs associated with the alternative rent rules. The additional data collection does not duplicate administrative records because they have distinctive purposes and capture different types of information. For instance, survey data will gather job characteristics and employment not covered by administrative records. Similarly, the information gathered on cost data is not available from other administrative data sources. The household survey will also focus on collecting information not already collected by HUD or PHAs via administrative data systems. All these data sources are essential for providing a comprehensive understanding of the alternative rent rules' impacts on key outcomes and costs associated with the alternative rent rules and staff experiences.

5. **If the collection of information impacts small businesses or other small entities describe any methods used to minimize burden.**

This information collection will not affect small businesses. It will only affect PHA staff and individual recipients of HUD housing assistance.

6. **Describe the consequences to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

The STRD data collection aims to collect information only as frequently as needed (and leveraging technology) to achieve the study's aims. Eliminating any proposed data collection items would compromise the evaluation's ability to address key research questions and monitor the implementation of the rent rules. To minimize burden and achieve the study goals, MDRC plans to conduct one round of group interviews with staff at each of the 10 study sites. These interviews will be critical to understanding the implementation of each new rent policy and its context. Cost data collection activities will also be conducted once. Finally, the survey will be fielded approximately 30 months following the household's initial certification and will be designed to only collect one response per head of household. The survey will enhance the overall data collection effort by providing additional depth and detail.

7. **Explain any special circumstances that would cause an information collection to be conducted in a manner:**
   - requiring respondents to report information to the agency more than quarterly – "**Not Applicable**";
   - requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it – "**Not Applicable**";
   - requiring respondents to submit more than an original and two copies of any document – "**Not Applicable**";
   - requiring respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records for more than three years – "**Not Applicable**";
   - requiring the use of a statistical data classification that has not been reviewed and approved by OMB – "**Not Applicable**";
   - that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use – "**Not Applicable**"; or
   - requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law – "**Not Applicable**".

   The 30-month survey for this study is designed to produce valid and reliable results that can be generalized to the full study samples. It will follow rigorous methodological standards, including using a representative sample of the full study sample in all the PHA sites. Additionally, MDRC will use best practices to maximize the response rate for an online and phone survey. To ensure the results accurately reflect the experiences and outcomes of the study population, MDRC will conduct several analyses to assess the generalizability of the results to the non-respondent sample population and full-study sample.

8. **If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments**

received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

- **Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping disclosure, or reporting format (if any) and the data elements to be recorded, disclosed, or reported.**
- **Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years -- even if the collection of information activity is the same as in prior periods. There may be circumstances that preclude consultation in a specific situation. These circumstances should be explained.**

In accordance with 5 CFR 1320.8 (Paperwork Reduction Act of 1995), HUD published a 60-Day Notice of Proposed Information Collection in the Federal Register on January 7, 2025 (Docket No. FR-7090-N-10, pages 1183-1185) related to the data collection activities for the Stepped and Tiered Rent Demonstration Evaluation. The notice provided a 60-day period for public comments, and comments were due March 10, 2025. No comments were received. (See Appendix I for a copy of the Federal Register Notice.) The evaluation contractor, MDRC, supported HUD in the development of this information collection request.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

PHA staff will be asked to participate in data collection as part of each PHA's overall effort to implement the STRD and support the evaluation. Because interview participation represents a minimal burden and will be both voluntary and connected to each respondent's day-to-day job responsibilities, no compensation will be offered. For the follow-up survey, a $30 token of appreciation will be provided to respondents, with increased amounts to encourage early completion during the first two weeks of data collection and refusal conversion during the second half of data collection (up to $65).

10. Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation or agency policy. If the collection requires a system of records notice (SORN) or privacy impact assessment (PIA), those should be cited and described here.

Because of the nature of the information collected from and about study participants, strict confidentiality procedures will be followed for this evaluation. The information requested under this collection is protected and held confidential in accordance with 5 U.S.C. § 552a (Privacy Act of 1974). As required by 5 U.S.C. 552a (Privacy Act of 1974), HUD published a Systems of Record Notice (SORN) in the Federal Register (Docket No. FR-7062-N-16).

As in Phase 1, strong confidentiality protections will continue to be implemented to maintain the privacy of respondents in STRD data collection activities, to the extent permitted by law. All interview and survey respondents will be informed that any personal information they provide will be used only for the evaluation and will not be shared with PHAs or HUD in a way that may be

used to identify them. Individuals will not be identified in prepared reports. All research staff working on the project will be trained to protect private information and will sign 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. All identifying information will be separated from survey responses early to protect participant's privacy.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

Questions that are potentially of a sensitive nature are minimized on the data collection tools. Through a consent process that will be reviewed by MDRC's Institutional Review Board, interview respondents (staff and study participants) will be informed about the voluntary nature of their participation in interviews and the fact that the responses to individual questions are not required.

12. Provide estimates of the hour burden of the collection of information. The statement should:

- **indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices;**
- **if this request covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in the chart below; and**
- **provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead this cost should be included in Item 13.**

The Head of Households 30-Month Survey will be fielded to 8,000 study participants. MDRC anticipates a response rate of 50 to 60 percent, but for a conservative burden estimate we assume that all individuals invited to complete the survey will do so. The hourly cost per response for the household survey ($10.72) is based on an estimate of the average prevailing minimum hourly wage across the 10 sites. MDRC will interview 40 PHA staff at the Program Director/Manager level; these interviews are estimated to last 1.5 hours and hourly cost per response ($41.39) is based on mean hourly wage rate for the Social and Community Service Managers class in the Bureau of Labor Statistics Occupational Employment Statistics. MDRC will interview 40 PHA staff at the Housing Specialist level; these interviews are estimated to last 1.5 hours and hourly cost per response ($28.06) is based on mean hourly wage rate for the Community and Social Service

Specialists, All Others class in the Bureau of Labor Statistics Occupational Employment Statistics. The Cost Study Questionnaire will be administered to 40 PHA staff and will take 1.5 hours per response. The Cost Study Checklist will be administered to 40 PHA staff and will take 6 minutes per response. The Cost Study Questionnaire and Cost Study Checklist are assumed to be completed by a mix of PHA staff in at the Manager and Specialist level, so the hourly cost per response is an average of the two hourly rates for the occupational classes noted above. Burden hours per response are estimated based on pre-testing of instruments and MDRC's experience with similar information collections.

Burden Estimates for Data Collection Research Activities							
Information Collection	**Number of Respondents**	**Frequency of Response**	**Responses Per Year**	**Burden Hour Per Response**	**Annual Burden Hours**	**Hourly Cost Per Response**	**Annual Cost**
Head of Households 30-month Survey	8,000	1	8,000	.25	2,000	$10.72	$21,440
PHA Program Director/Manager Group Implementation Interview Guide (Round 3)	40	1	40	1.5	60	$41.39	$2,483.40
PHA Housing Specialist Group Implementation Interview Guide (Round 3)	40	1	40	1.5	60	$28.06	$1,683.60
Cost Study Questionnaire	40	1	40	1.5	60	$34.73	$2,083.80
Cost Study Checklist	40	1	40	.10	4	$34.73	$138.92
Total	**8,160**				**2,184**		**$27,789.72**

This project includes several information collections that were previously approved, and are now complete (Baseline Information Form, Consent Forms, a Policy Implementation Tracking Tool, and multiple Interview Guides). Those instruments will not be used for further data collection and are not included in the table or narrative above.

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information (do not include the cost of any hour burden shown in Items 12 and 14).

- **The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s) and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities;**
- **If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10) utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.**

- **generally, estimates should not include purchases of equipment or services, or portions thereof made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.**

There will be no cost burden to respondents resultant to the data collection from the head of household 30-month survey, the PHA staff group implementation interviews, the PHA staff group cost interviews, or the PHA staff cost checklist.

14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

HUD has entered into a contract with a research firm, MDRC, to collect and analyze the information covered by this proposed collection. The contract includes $1,873,287 to administer the information collection.

15. Explain the reasons for any program changes or adjustments reported in Items 12 and 14 of the supporting statement.

This submission is a revision of a currently approved collection. The increase in total cost to the federal government (item 14) is to account for the additional data collection activities required for conducting Phase 2 of the evaluation (and described in this application). This project includes several information collections that were previously approved, and are now complete (Baseline Information Form, Consent Forms, a Policy Implementation Tracking Tool, and multiple Interview Guides). Those instruments will not be used for further data collection and are not included in the table or narrative above.

16. For collection of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

Using various data sources, MDRC will develop two reports during Phase 2 of the evaluation. The information collection described in this document will support the Interim Report and Final Comprehensive 3-Year Report.

Report Schedule

DELIVERABLE	SCHEDULE
Interim Report	12/24/2027
Comprehensive 3-Year Report	7/20/2029

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

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