

## Why GAO Did This Study

HUD's MTW demonstration program gives participating PHAs the flexibility to create innovative housing strategies through their fiscal year 2018. MTW agencies must create activities linked to three statutory purposes—reducing costs, providing incentives for self-sufficiency, and increasing housing choices—and meet five statutory requirements. Congress is considering expanding MTW and has asked GAO to examine what is known about (1) the program's success in addressing the three purposes, (2) HUD's monitoring efforts, and (3) the potential benefits of and concerns about expansion. GAO analyzed the most current annual reports for 30 MTW agencies; compared HUD's monitoring efforts with internal control standards; and interviewed agency officials, researchers, and industry officials.

## What GAO Recommends

GAO makes eight recommendations to HUD: that HUD improve its guidance on reporting performance information, develop a plan for identifying and analyzing standard performance data, establish performance indicators, systematically identify lessons learned, clarify key terms, implement a process for assessing compliance with statutory requirements, do annual assessments of program risks, and verify the accuracy of self-reported data. HUD generally or in part agreed with seven of them. HUD disagreed with our recommendation that it create overall performance indicators. GAO believes, however, that they are critical to demonstrating program results and thus maintains its recommendation.

# MOVING TO WORK DEMONSTRATION

## Opportunities Exist to Improve Information and Monitoring

### What GAO Found

Public housing agencies (PHA) that participate in the Moving to Work (MTW) program report annually on the performance of their activities, which include efforts to reduce administrative costs and encourage residents to work. But this performance information varies, and the Department of Housing and Urban Development's (HUD) guidance does not specify that it be quantifiable and outcome oriented. Further, HUD has not identified the performance data that would be needed to assess the results of similar MTW activities or the program as a whole and has not established performance indicators for the program. The shortage of such analyses and indicators has hindered comprehensive evaluation efforts, although such evaluations are key to determining the success of any demonstration program. Further, while HUD has identified some lessons learned from the program, it has no systematic process to identify them and thus has relied primarily on ad hoc information. The absence of a systematic process for identifying lessons learned limits HUD's ability to promote useful practices that could be more broadly implemented to address the purposes of the program.

HUD generally follows its MTW monitoring policies and procedures, but they could be strengthened. HUD staff review and approve each MTW agency's annual plan to ensure that planned activities are linked to program purposes and visit each MTW agency annually to provide technical assistance. But HUD has not taken key monitoring steps set out in internal control standards, such as issuing guidance that defines program terms or assessing compliance with all of the requirements. Without clarifying key terms and establishing a process for assessing compliance with statutory requirements, HUD lacks assurance that agencies are actually complying with the statute. Additionally, HUD has not done an annual assessment of program risks despite its own requirement to do so and has not developed risk-based monitoring procedures. Without taking these steps, HUD lacks assurance that it has identified all risks to the program. Finally, HUD does not have policies or procedures in place to verify the accuracy of key information that agencies self-report. For example, HUD staff do not verify self-reported performance information during their reviews of annual reports or annual site visits. Without verifying at least some information, HUD cannot be sure that self-reported information is accurate.

Expanding the MTW program may offer benefits but also raises questions. According to HUD, affordable housing advocates, and MTW agencies, expanding MTW to additional PHAs would allow agencies to develop more activities tailored to local conditions and result in more lessons learned. However, data limitations and monitoring weaknesses raise questions about expansion. HUD recently reported that expansion should occur only if newly admitted PHAs structured their programs to permit high-quality evaluations and ensure that lessons learned could be generalized. Until more complete information on the program's effectiveness and the extent to which agencies are adhering to program requirements is available, it will be difficult for Congress to know whether an expanded MTW would benefit additional agencies and the residents they serve. Some researchers and MTW agencies suggested alternatives to expansion, including implementing a program that was more limited in scope.