

GAO Highlights

Highlights of [GAO-13-724T](#), a testimony before the Subcommittee on Housing and Insurance, Committee on Financial Services, House of Representatives

Why GAO Did This Study

Implemented in 1999, HUD's MTW demonstration program gives participating PHAs the flexibility to create innovative housing strategies. 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 has been considering expanding MTW.

This testimony discusses (1) the program's progress in addressing the three purposes, (2) HUD's monitoring efforts, and (3) potential benefits of and concerns about expansion.

This testimony draws from a prior report on the MTW program ([GAO-12-490](#)). For that report, 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. For this testimony, GAO also reviewed actions HUD has taken in response to the report's recommendations.

What GAO Recommends

GAO recommended that HUD improve MTW information and monitoring. HUD partially agreed with these recommendations and has since issued new guidance to MTW agencies.

View [GAO-13-724T](#). For more information, contact Mathew J. Scire` at (202) 512-8678 or sciremj@gao.gov.

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MOVING TO WORK DEMONSTRATION

Improved Information and Monitoring Could Enhance Program Assessment

What GAO Found

Opportunities existed to improve how the Department of Housing and Urban Development (HUD) evaluated the Moving to Work (MTW) program, which is intended to give participating public housing agencies (PHA) flexibility to design and test innovative strategies for providing housing assistance. GAO reported in April 2012 that HUD had not (1) developed guidance specifying that performance information collected from MTW agencies be outcome-oriented, (2) identified the performance data needed to assess results, or (3) established performance indicators for the program. The shortage of such standard performance data and indicators had hindered comprehensive evaluation efforts; such evaluations are key to determining the success of any demonstration program. In addition, HUD had not developed a systematic process for identifying lessons learned from the program, which limited HUD's ability to promote useful practices for broader implementation. Since the GAO report, HUD has revised reporting requirements for MTW agencies. These requirements were approved by the Office of Management and Budget in May 2013. GAO is reviewing this new guidance.

In 2012, GAO also reported that HUD had not taken key monitoring steps set out in internal control standards, such as issuing guidance that defines program terms or assessing compliance with all the program's statutory requirements. As a result, HUD lacked assurance that MTW agencies were complying with statutory requirements. Additionally, HUD had not done an annual assessment of program risks, although it had a requirement to do so, and had not developed risk-based monitoring procedures. Without taking these steps, HUD lacked assurance that it had identified all risks to the program. Finally, HUD did not have policies or procedures in place to verify the accuracy of key information that MTW agencies self-report. For example, HUD staff did not verify self-reported performance information during their reviews of annual reports or annual site visits. Without verifying at least a sample of information, HUD could not be sure that self-reported information was accurate. According to HUD, the recently approved reporting requirements will result in more standardized data that HUD can verify either through audits or during site visits.

Finally, GAO noted in 2012 that expanding the MTW program might offer benefits but also raised 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 produce more lessons learned. However, data limitations and monitoring weaknesses raised questions about expansion. HUD had reported in 2010 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. Since the GAO report was issued, four additional agencies were admitted into the program. HUD required these agencies to implement and study rent reform activities through partnerships with local universities and a research organization. Until more complete information on the program's effectiveness and the extent to which agencies adhered 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.