

Evaluating MTW: Setting Baselines and Benchmarks and Developing Outcome Measures

January 29, 2009

Ivan Pour, MTW Program Director

Marianne Nazzaro, MTW Coordinator

Jennifer Stoloff, Social Science Analyst - PD&R

Questions:

202-708-0995

or

HUDTV@hud.gov



Welcome!

- Introductions
- Purpose and Format of the Training
- Logistics
 - Webcast Logistics
 - Questions
 - Break
 - Recording of Webcast

Training Format

- I. Overview of the Session
- II. Introduction to Evaluation
- III. Evaluating MTW Efforts
- IV. Examples of MTW Activity Evaluations
- V. Other Issues to Consider
- VI. Wrap-Up and Final Questions

I. Overview of the Session

Goals of this Training

This training will provide guidance on:

- the type of information needed to evaluate the effectiveness of a MTW strategy and how to collect it;
- how to present information in Sections V and VI of an agency's Annual MTW Plan and Report; and
- how to connect MTW waivers to activities so that MTW agencies can assess positive or negative outcomes.

Questions

II. Introduction to Evaluation

Why is evaluation important to Agencies?

- Provides information for the agency to determine success of initiative.
- Helps the Executive Director and Board determine if:
 - the MTW activity should be continued,
 - the objectives of the activity have been achieved, and
 - there have been unexpected and/or negative results of any activity.

Why is evaluation important to HUD?

- A 'demonstration' is a way to test new approaches that may lead to HUD program improvements benefiting all public housing agencies.
- Evaluation processes provide important information to HUD regarding the success and impact of MTW activities.

Why is evaluation important to HUD?

- To ensure that MTW is valued and supported by Congress, HUD leadership, and other interest groups, HUD must have details on MTW successes, impacts and lessons learned.
- HUD will use this information to recommend potential statutory or regulatory modifications to Congress.

Evaluation Terminology

- Attachment B requires that Sections V and VI of an agency's Annual MTW Plan and Report use the terms:
 - activity,
 - baseline,
 - benchmarks, and
 - metrics.
- What do these and other commonly used 'evaluation' terms mean?

MTW Statutory Objectives

MTW activities must be related to at least one of the three statutory objectives:

1. Reduce cost and achieve greater cost effectiveness in federal expenditures;
2. Encourage families to obtain employment and become economically self sufficient; or
3. Increase housing choices for low-income families.

Evaluation Terminology (cont)

1. GOAL

- Definition: A goal is a broad vision of what an agency hopes to achieve with its MTW authorization.
- Note: All agency goals should relate to at least one of the three statutory objectives.
- Example: An agency may adopt a goal of Streamlining the Rent Process.

Evaluation Terminology (cont)

2. OBJECTIVE

- Definition: An objective is a specific and tangible issue that will be addressed by an MTW activity.
- Objectives are measurable.
- Example: An agency's rent streamlining objective may be to reduce the staff time needed to conduct household recertifications.

Evaluation Terminology (cont)

3. MTW ACTIVITY

- Definition: An activity is the strategy to achieve the objective.
- Example: The agency may choose to transition to a biennial recertification schedule for fixed-income households.

Evaluation Terminology (cont)

4. METRIC

- Definition: A metric is the unit of measurement that quantifies the changes that might occur as a result of the MTW activity.
- Example: The agency may choose to measure the hours of staff time saved each year by transitioning to a biennial recertification schedule.

Evaluation Terminology (cont)

5. BASELINE

- Definition: A baseline is the performance level that was being achieved prior to the implementation of the MTW activity.
- Note: A good baseline is key to a good evaluation.
- Example: Prior to the adoption of biennial recertification, determine the number of staff hours annually that are spent to complete the recertifications of fixed-income households.

Evaluation Terminology (cont)

6. BENCHMARK

- Definition: A benchmark is the projected outcome of the MTW activity.
- If changes are expected to gradually occur over time, several benchmarks may be established.
- Example: If fixed-income households transition to a biennial recertification schedule, how many staff hours does the agency anticipate saving each year?

Evaluation Terminology (cont)

7. OUTPUT

- Definition: An output is the product, service or event that is the result of an activity.
- Example: In transitioning to a biennial recertification schedule, the agency trains staff, informs residents and completes recertifications.

Evaluation Terminology (cont)

8. OUTCOME

- Definition: An outcome is the actual, measured result of the implemented MTW activity.
- Example: After the agency fully transitions to a biennial recertification schedule, how many staff hours were actually saved?

Questions on Introduction to Evaluation

The Evaluation Process

- Key MTW Evaluation Question
 - How do you know if an implemented activity has been as effective as envisioned?
- Different evaluation methods can be used to answer this question, but two basic elements should be part of any evaluation effort:
 - Success must be defined
 - Achievements must be measured

Critical Steps in the Evaluation Process

1. Determine clear objectives for the activity.
 - Be aware that an activity may have more than one objective.
 - Example: A rent policy change may be designed to both reduce administrative staff time and to encourage residents to increase their incomes or seek employment.

Critical Steps in the Evaluation Process (cont)

- It is also important to identify possible negative impacts that may result from an activity.
 - Example: A rent policy change may achieve the objectives of the policy, but may also result in a loss in rental income for the agency.

Critical Steps in the Evaluation Process (cont)

2. Pick appropriate metrics and benchmarks.
 - The metrics and benchmarks must measure if the objectives are being achieved. If the activity poses a potential risk for the agency, metrics should also be established to monitor possible negative impacts.

Critical Steps in the Evaluation Process (cont)

- The metrics and benchmarks chosen should not focus on the process used to implement the initiative or the number of those participating in the activity.
- The metrics and benchmarks should focus on the objectives of the initiative.
 - Example: Metrics and benchmarks for a rent policy change should not be the dates the policy is adopted or implemented. Instead, metrics and benchmarks should be selected to measure the impact of the policy itself (i.e. is the policy is meeting its pre-determined objectives).

Critical Steps in the Evaluation Process (cont)

3. Establish a monitoring methodology that uses available data and a reasonable data collection process.
 - The monitoring strategy selected should be realistic, effective and sustainable.
 - Example: Be sure that the data to be measured are (and will continue to be) relevant, obtainable and accurate, and be sure that appropriate staff and processes are (and will continue to be) available to gather, assess and report on the outcomes of the activity.

Questions on Introduction to Evaluation

III. Evaluating MTW Efforts

Purposes of MTW Evaluation

When developing an evaluation plan, keep in mind two purposes:

1. Primary Purpose: Provide the agency with evidence about the success of its MTW initiative and to identify if there have been any detrimental effects from the activity.
2. Secondary Purpose: Ensure that the information requirements to complete Sections V and VI of the Annual MTW Plan/Report are being addressed.

Completing Sections V and VI of the Annual MTW Plan & Report

- MTW agencies must provide information on specific aspects of each of their MTW activities in their Annual MTW Plans and Reports.
- This information will provide stakeholders and HUD with a clear understanding of what is being pursued and what is expected to be achieved.

Completing Sections V and VI of the Annual MTW Plan & Report (cont)

- Attachment B requires information on the following elements related to each MTW activity:
 - Description of the MTW Activity;
 - Relationship to the MTW Statutory Objectives (Goals);
 - Anticipated Impact(s);
 - Baselines, Benchmarks and Metrics;
 - Data Collection Process(es);
 - Relevant MTW Authorization(s); and
 - Hardship Policy (for rent policies).

Completing Sections V and VI of the Annual MTW Plan & Report (cont)

- Description of the MTW activity:
 - The activity should clearly identify what will be done, what the objectives of the activity are, and which specific MTW flexibilities are being utilized.
 - It is important to highlight why MTW is needed to pursue this initiative.
- Relationship to MTW statutory objectives:
 - Relate the MTW activity to one or more of the three MTW statutory objectives, as applicable.

Completing Sections V and VI of the Annual MTW Plan & Report (cont)

- Anticipated impact(s):
 - Identify the projected impact of the MTW activity. For a given activity, there may be one or multiple.
 - Relate the MTW activity to the anticipated impact(s).
 - An anticipated impact can be general or specific. For example, a general impact could be an increase in family income. A more specific impact could be a 5% increase in family income.

Completing Sections V and VI of the Annual MTW Plan & Report (cont)

- Anticipated impact(s):
 - From the beginning, it is also important to think through any potential negative impact so that the agency is prepared to address them.
 - Anticipating potential negative impacts will aid in the development of proactive solutions.
 - Understanding and thinking through solutions to negative impacts can help in obtaining the buy-in of residents and advocacy groups.

Completing Sections V and VI of the Annual MTW Plan & Report (cont)

- Baselines, benchmarks and metrics:
 - Identify the baselines, benchmarks and metrics that will be used to evaluate the impact of the activity.

Completing Sections V and VI of the Annual MTW Plan & Report (cont)

- Baselines, benchmarks and metrics:
 - HUD recognizes that in certain situations providing specific baselines, benchmarks and metrics may be difficult.
 - For new activities, it may be necessary to provide general information on the baselines, benchmarks and metrics and note that more specific indicators will be established once the activity is finalized.
 - For previously implemented activities, where baselines were not established and cannot now be determined, the current level of performance should be utilized as the baseline.

Completing Sections V and VI of the Annual MTW Plan & Report (cont)

- Data collection process(es):
 - Outline the process that will be used to monitor the impact of the activity.
 - Using this process, the agency must be able to assess the metrics and benchmarks in order to measure performance and progress.

Completing Sections V and VI of the Annual MTW Plan & Report (cont)

- Citing the relevant MTW authorization(s):
 - The specific authorization in the agency's MTW Agreement should be noted in order to confirm that MTW flexibility is necessary to pursue the initiative.
 - In cases where more than one authorization is being utilized, each of the authorizations used should be cited.

Completing Sections V and VI of the Annual MTW Plan & Report (cont)

- Hardship policy (if a rent policy activity):
 - Agencies must develop a hardship policy for any alternative rent policy.

Questions on Evaluating MTW Efforts

10-Minute Break

IV. Examples of MTW Evaluations

Example MTW Activities and Evaluation Methodologies

- Two examples:
 - Elimination of Asset Income from Rent Calculations
 - Establishment of a Graduating Minimum Rent
- Please note that these examples are hypothetical, and by sharing them, HUD is not necessarily endorsing any activity described.

Example 1: Elimination of Asset Income from Rent Calculations

A. MTW Initiative Description

Utilizing MTW flexibilities authorized in Sections C.11 and D.2 of Attachment C of the Amended and Restated MTW Agreement, the income received from assets of less than \$15,000 will be eliminated from public housing and housing choice voucher household rent calculations.

D. Baseline and Benchmarks

A benchmark of reducing recertification staff time by 167 hours per year has been established. If revenue losses or HAP increases significantly exceed administrative savings, an analysis will be completed to determine if a lower asset threshold (\$5,000 or \$10,000) should be established.

B. MTW Statutory Objective

This addresses the MTW statutory objective to reduce costs and achieve greater cost effectiveness in Federal expenditures and to assist families achieve economic self-sufficiency.

E. Data Collection Metrics and Protocols

A new sampling will be taken by the Recertification Supervisor to determine the new average time used to complete a recertification, once the asset income task has been eliminated. A financial report will be established to evaluate rental revenue and HAP impacts.

C. Anticipated Impacts

This policy is projected to generate significant staff time reductions.

Possible unanticipated reduction in rental revenue or increase in Housing Assistance Payments (HAP) to landlords.

F. Authorization Cited

Sections C.11 and D.2 of Attachment C of the Amended and Restated MTW Agreement.

G. Hardship Policy

Not Applicable

Example 2: Establish a Graduating Minimum Rent

A. MTW Initiative Description

Minimum rents for employable households will start at \$50/month and will increase by \$50/month every year until a cap of \$250/month is reached.

D. Baseline and Benchmarks

Baselines will be the percentage of employable households receiving earned income and the level of rental income received monthly from minimum rents before this policy is implemented. Benchmarks of increasing the percentage of employed households by 10 percent each year and increasing the amount of rent revenue received by the agency from minimum rents by 15 percent each year has been established.

B. MTW Statutory Objective

This initiative addresses the MTW statutory objectives to reduce costs and achieve greater cost effectiveness in Federal expenditures and to provide incentives to families to obtain employment and become economically self-sufficient.

E. Data Collection Metrics and Protocols

Information received through the household recertification process will be used to determine the percentage of employed households and a financial report will be developed to determine the revenue received from minimum rents.

C. Anticipated Impacts

This activity should increase the number of employed households and increase the agency's rental revenue.

F. Authorization Cited

The MTW authorization provided in Section C.11 of Attachment C of the Amended and Restated MTW Agreement will be used to adopt a new minimum rent policy.

G. Hardship Policy

A Hardship Policy will allow for a temporary waiver of the minimum rent for brief periods if an adequate justification is provided.

Questions on MTW Activity Evaluation Examples

V. Other Issues to Consider

Additional Considerations

- Two additional topics must be considered when developing reporting metrics in Annual MTW Plans and Reports:
 - What are the effects of the MTW features of a larger agency activity?
 - What is considered a proposed MTW activity versus an ongoing MTW activity?

Identifying Effects of the MTW Features of a Larger Agency Activity

- Scenario: An agency may adopt an initiative with numerous features, only some of which require MTW flexibility.
- Goal: Isolate and measure the impacts of the MTW activity.
- Methodology: Establish a MTW pilot program and a control group that operates without MTW features to allow for comparison.

Distinguishing Between a Proposed MTW Activity and an Ongoing Activity?

- Proposed MTW Activities (Section V)
 - Waivers listed in Attachments C and D require HUD approval before they can be implemented.
 - Thus, any new MTW activity using a waiver from Attachment C or D must be listed as a Proposed MTW Activity.

Distinguishing Between a Proposed MTW Activity and an Ongoing Activity?

- Ongoing MTW Activities (Section VI)
 - Existing MTW activities that were approved by HUD in prior Annual MTW Plan submissions should be listed as ongoing activities in Section VI.
 - Baseline measurements should be taken from the point at which the agency starts reporting to HUD in the new Attachment B format. Benchmarks can then be created and measured using the associated metrics.

V. Wrap-Up and Final Questions

Main Points of Discussion

- Importance of Evaluation
 - MTW agencies are required to evaluate their MTW activities and share this information in their Annual MTW Plans and Reports
 - Evaluation provides important information to the agency and to HUD
- Understanding Evaluation Terms
 - Goal, Objective, Activity, Metric, Baseline, Benchmark, Output, Outcome

Main Points of Discussion

- Evaluation Process
 - Have clear objectives for the activity;
 - Select appropriate metrics and benchmarks; and
 - Establish a monitoring methodology that uses available data and reasonable data collection.
- Evaluating MTW Efforts
 - MTW activities should relate to the MTW statutory goals/objectives;
 - MTW evaluation is a tool for assessing success and impacts of MTW activities; and
 - Completing Sections V and VI of a agency's Annual MTW Plan and Report.

Additional Information

- Training Materials and Handouts
 - PowerPoint Presentation
 - Evaluation Terminology Handout
 - Sample Reporting Matrix Template
 - Evaluation Resources Handout
 - Evaluation Examples
- 2009 MTW Conference Sessions
 - Specific ideas or suggestions?

Contact Information

- Ivan Pour, MTW Program Director
202-402-2488
ivan.m.pour@hud.gov
- Marianne Nazzaro, MTW Coordinator
202-402-4306
marianne.nazzaro@hud.gov
- Jennifer Stoloff, Social Science Analyst, PD&R
202-402-5723
jennifer.stoloff@hud.gov