

The Moving to Work Reform Act of 2015

Summary

Background on Moving to Work

Moving to Work (MTW) is a demonstration program at the U.S. Department of Housing and Urban Development (HUD) that provides a limited number (currently 39) of public housing authorities with exemptions from most statutory and regulatory requirements related to the public housing and Housing Choice Voucher (HCV) programs. Currently, these 39 agencies manage 430,000 public housing and HCV units, representing over 13 percent of the total public housing and HCV stock.

MTW agencies have special funding formulas for the HCV program and in some cases a different formula for the Public Housing Operating Fund, as well as the ability to intermingle their HCV and public housing funds into a single, flexible fund. MTW allows participating agencies to impose “alternative” policies such as rent increases, work requirements, time limits, and other policy changes.

Concerns

Numerous studies have highlighted that the MTW demonstration program has serious shortcomings and is in need of reform. For example, the U.S. Government Accountability Office (GAO) as well as HUD’s Inspector General (IG) have raised concerns about HUD’s ability to adequately oversee the activities and outcomes of the current 39 participating agencies.¹ Additionally, HUD’s own report on the MTW demonstration program admits that the effects of the demonstration are “difficult to generalize”² and that “conclusive impacts of many MTW activities, particularly as they relate to residents, cannot yet be known.”³

Data also shows that several of the current MTW participants are serving substantially fewer families through the HCV program than they could with available funds; non-MTW agencies used approximately 96 percent of their funded vouchers in 2014⁴ while MTW agencies used only 81 percent.⁵ In 2013, MTW agencies used 86 percent of their funded vouchers⁶, representing a decrease in total funded vouchers used by MTW agencies from 2013 to 2014. This raises serious questions about how those additional funds are being spent as well as the cost effectiveness of the demonstration program.

¹ U.S. Government Accountability Office (April 2012). *Moving to Work Demonstration: Opportunities Exist to Improve Information and Monitoring.* and U.S. Department of Housing and Urban Development, Office of Inspector General. (September 2013). *HUD’s Oversight of its Moving to Work Demonstration Program Needs Improvement.*

² U.S. Department of Housing and Urban Development, Office of Policy Development & Research (2010). *Moving to Work: Report to Congress.* (p. 3).

³ *Id.*, p. 4

⁴ Fischer, Will (July 2015). *Senate Expansion of “Moving to Work” Block Grants Would Sharply Cut Number of Families with Housing Vouchers* (pp. 3-4).

⁵ HUD data provided to House Financial Services Committee Democratic staff.

⁶ Fischer, Will (January 2015). *HUD Seeks Significant Improvements to “Moving to Work” Demonstration, But Additional Changes Needed.* Center on Budget and Policy Priorities. (pp. 4-5).

Another issue of great concern is that the demonstration program allows participating agencies to impose rent increases, work requirements, time limits, and other policy changes that risk serious hardship for recipients. These alternative policies can result in greater cost burdens or evictions of tenants, and there is no corresponding requirement on PHAs to provide robust supportive services in conjunction with these policies or to conduct rigorous evaluations of the impacts on residents. These alternative policies effectively put tenants at great risk without any solid evidence of effectiveness.

Put simply, while the flexibility may provide participating housing authorities with increased opportunities to implement innovative reforms or approaches with regard to administrative streamlining and/or cost savings, this program has yet to produce a comprehensive and controlled evaluation and there is therefore no proof that MTW agencies perform any better than non-MTW agencies in terms of cost-effectiveness or self-sufficiency or other outcomes for residents. Unresolved concerns remain regarding the potential for harm to residents, the loss of units and vouchers, and the long-term health of the housing assistance programs.

What This Bill Does

This bill would address many of the known shortcomings of the current MTW demonstration program by requiring HUD to subject all future MTW agreements to the following terms and conditions:

- Rigorous evaluation of any major policy changes implemented by participating agencies, including time limits, work requirements, and raising rent burdens for participating families;
- More equitable formula allocations;
- Limitations on the percentage of voucher renewal funds that can be used for non-voucher purposes;
- Prohibition of reduction in the number of families assisted;
- Provide meaningful access to housing in areas of opportunity;
- Retains important provisions of the United States Housing Act of 1937 relating to: key tenant protections, rights, and grievance procedures; housing quality standards; income eligibility; designation of housing for elderly and disabled households; protections for victims of domestic violence; project-based voucher (PBV) cap requirements; and PBV portability.

The Moving to Work Reform Act of 2015 would also require the HUD Secretary to conduct a comprehensive evaluation of the MTW program, and provide a report to Congress detailing the risks and potential benefits of an expansion of the demonstration as well as identifying reforms that could improve the program's effectiveness while minimizing adverse effects on families and ensuring efficient use of federal resources.

Taken together, these reforms to the MTW demonstration program represent responsible and commonsense changes that would provide stronger tenant protections, increased accountability, and a more responsible use of federal resources.