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New Report Reinforces Concerns About HUD's Moving to Work Demonstration

By Will Fischer

A recent report examines the performance of state and local housing agencies participating in the Department of Housing and Urban Development's (HUD) Moving to Work (MTW) demonstration, which allows 39 agencies to obtain broad waivers of federal statutes and rules governing the public housing and Housing Choice Voucher programs and to transfer funds from those programs to other purposes.¹ The report, which reflects the results of an effort to test MTW performance measures, draws qualified but generally positive conclusions about MTW agencies' performance. However, when the report's findings are examined in detail and considered in the context of other information available, they suggest that MTW's benefits fall well short of justifying its costs.

The report, published by Abt Associates and commissioned by organizations affiliated with local housing agencies, shows that in 2014, MTW agencies provided housing assistance to 8,000 families through "non-traditional" programs funded with transferred voucher or public housing funds. (A CBPP review of agency reports shows that these programs assisted about 9,000 families in 2015.) Considered in isolation, this might suggest that MTW agencies served *more* families than other agencies. HUD data not included in the report, however, show that MTW agencies provide vouchers to tens of thousands fewer families than they could with the funds they receive. In 2015, MTW agencies left about 68,000 families without vouchers because they shifted approximately \$600 million in voucher funds — 19 percent of their total voucher subsidy funding — to other purposes or left the funds unspent. The net result is that MTW agencies provided housing assistance to *close to 60,000 fewer families* than they could with the funds they received.

To be sure, some individual MTW agencies have used MTW flexibility to implement promising initiatives, and MTW could improve outcomes for families through alternative policies permitted by MTW waivers or activities funded with transferred funds. (Agencies use transferred funds for a wide range of purposes, such as supplementing administrative budgets, helping rehabilitate or maintain public housing, developing affordable housing, funding local housing assistance, providing services to low-income families, and accumulating reserves.) The results in the new report, however,

¹ Larry Buron, Melissa Vandawalker, and Tyler Morrill, "Testing Performance Measures for the MTW Program," Abt Associates, July 25, 2017,

https://www.housingcenter.com/sites/default/files/testing_performance_measures_for_the_mtw_program.pdf.

suggest that such benefits were modest, particularly compared to the likely harm from leaving nearly 60,000 families without housing assistance.

The report shows that MTW agencies maintained their public housing in somewhat better condition than a comparison group of non-MTW agencies, but does not indicate that they increased the number of families living in public housing. MTW agencies also connect more families (including families that received housing assistance through MTW and some additional families) to services; this may have improved outcomes but the report does not assess that. Beyond that, the report provides no evidence that MTW furthered two of the demonstration's three goals: expanding housing choice for low-income families and improving cost-effectiveness. And its findings are not sufficient to draw conclusions regarding the impact of policies intended to promote MTW's third goal, supporting self-sufficiency.

Legislation enacted in 2015 will extend MTW to 100 additional agencies by 2022, and there have been calls to add more agencies beyond that. At the same time, policymakers have begun to take steps to reform MTW, including to limit the loss of housing assistance at MTW agencies and ensure more rigorous evaluation of MTW policies. The findings of the Abt report strengthen the case for continuing and building upon those reforms while refraining from further expanding the demonstration.

MTW Agencies Provided Housing Assistance to Fewer Families Than They Could With Available Funds

The Abt report findings, when looked at together with HUD voucher data not discussed in the Abt report and other available information, show that MTW resulted in a large net loss of housing assistance for needy low-income families, leaving many of those families at risk of serious hardship.

MTW Diversion of Funds Denied Vouchers to 68,000 Families

MTW agencies receive voucher funds through block grant formulas that give them no incentive to provide vouchers to more families, and are permitted to shift an unlimited amount of voucher subsidy funds to other purposes. By contrast, non-MTW agencies are funded through formulas that provide strong incentives for them to issue as many vouchers as they can, and are prohibited from using voucher subsidy funds for anything except voucher subsidies. These differences in funding policy result in sharp differences in how MTW and non-MTW agencies use their funds.

HUD data show that in 2015, the most recent year for which complete data are available, MTW agencies received \$3.3 billion in voucher subsidy funds. If they had used all of their funds for vouchers, they would have assisted about 350,000 families. Instead, the HUD data show that they spent just \$2.7 billion (81 percent of the total) on voucher subsidies and provided vouchers to 282,000 families — or 68,000 fewer families than they could have assisted — while shifting about \$600 million to other purposes or leaving the funds unspent.² By contrast, non-MTW agencies used

² The degree to which voucher funds were diverted to other purposes or left unspent varied substantially from one agency to another. In 2015, six MTW agencies provided vouchers to more than 90 percent of the families they could have assisted with their funds, while at another six MTW agencies this share was below 70 percent.

nearly all their funds for vouchers subsidies, providing vouchers to 99 percent of the families they could assist with the funds they received.³

The Abt study notes that voucher utilization at MTW agencies is lower than at a comparison group of similar non-MTW agencies, but it does not incorporate the HUD data described above and focuses on a statistic suggesting that the loss of vouchers was much smaller than it actually was.⁴ The study finds that MTW agencies on average used 89.3 percent of the vouchers they were *authorized to administer* in 2015, just 1.4 percentage points below the corresponding share at comparison agencies. But this measure obscures more than it illuminates, because non-MTW housing agencies typically are authorized to administer more vouchers than they can actually provide to families with the funding they receive. For example, an agency may be authorized to administer 5,000 vouchers but only receive enough funding for 4,500 vouchers. By contrast, MTW agencies typically receive more than enough funding for all of their authorized vouchers.

As a result, comparing the share of *authorized* vouchers that MTW and non-MTW agencies provide to families leaves the incorrect impression that both groups of agencies have similar patterns of voucher use, even though MTW agencies provide vouchers to a far lower share of the families they could have helped with the funds they received. Comparing the utilization rate of *funded* vouchers — 81 percent at MTW agencies compared to 99 percent at non-MTW agencies — makes this contrast clear.⁵ (See Figure 1.)

³ These estimates exclude from MTW agencies' voucher subsidy funding an estimate of the administrative funds that some MTW agencies receive in a lump sum with voucher subsidy renewal funds.

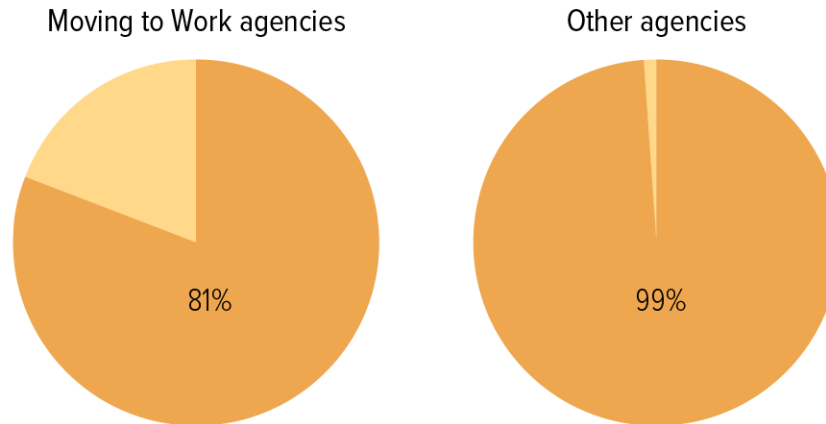
⁴ For this and other measures, Abt compared MTW agencies to a group of 118 comparison agencies matched to MTW agencies based on the following characteristics: geographic region (categorized by Census division); whether the agency administered only public housing, only vouchers, or both; number of public housing and voucher units; HUD's estimated two-bedroom fair market rent for the county or metropolitan area in which the agency is located; and the poverty rate, median county income, and unemployment rate for the county in which the agency is located.

⁵ Because MTW voucher funding formulas provide some agencies with more funding than they need to cover their authorized vouchers, about 29,000 of the 68,000 funded vouchers that MTW agencies left unused were above their authorized number. However, MTW agencies (but not other agencies) are free to use vouchers above their authorized level.

FIGURE 1

“Moving to Work” Agencies Use Smaller Share of Available Vouchers Than Other Agencies

Vouchers in use as share of vouchers agencies could use with annual funding, 2015



Source: CBPP analysis of Department of Housing and Urban Development data.

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Abt Findings Show Other Housing Assistance Offsets Only Small Fraction of Lost Vouchers

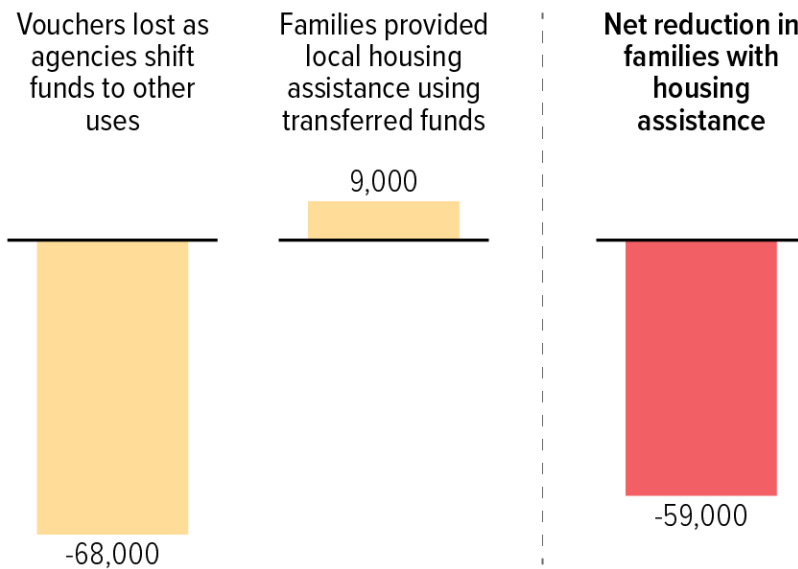
MTW agencies have used diverted funds for a wide range of purposes, including supplementing administrative budgets, helping rehabilitate or maintain public housing, developing affordable housing, funding local housing assistance, providing services to low-income families, and accumulating reserves. Some of these activities provide housing assistance to additional families (and, as discussed below, some could benefit families in other ways). Abt’s findings indicate, however, that MTW agencies did not provide housing assistance to nearly enough additional families through transferred funds to offset more than a fraction of the number left without vouchers.

- **Non-traditional programs.** MTW agencies use some diverted voucher funds to provide housing assistance to families outside the voucher and public housing programs, for example through affordable housing development or rehabilitation projects, down-payment assistance to homeowners, and short-term rental assistance. Abt reports that in 2014, MTW agencies assisted just under 8,000 families through such “non-traditional” local housing programs. Similarly, a CBPP review of MTW agency reports for 2015 shows that agencies assisted about 9,000 families through local non-traditional programs. (See Figure 2.) These figures likely overstate the degree to which non-traditional housing assistance offsets the loss of vouchers; the limited information available in MTW agencies’ reports suggests that a substantial share of this non-traditional assistance consists of affordable housing developments that charge higher

rents and serve different (and less needy) populations than the public housing and voucher programs.⁶

FIGURE 2

Moving to Work Resulted in Loss of Housing Assistance for 59,000 Families



Note: The Moving to Work demonstration allows certain state and local agencies to waive federal statutes and rules governing the public housing and Housing Choice Voucher programs and transfer funds from those programs to other purposes. Data are for 2015.

Sources: Department of Housing and Urban Development data and MTW agency reports

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- **Public housing.** MTW agencies also used transferred voucher funds to help maintain or rehabilitate public housing developments, but these investments do not appear to have enabled more families to receive housing assistance. The Abt report did find that public housing at MTW agencies had somewhat lower unmet renovation needs and was in modestly better condition, scoring an average of 83.9 percent on HUD physical inspections, compared to 82.0 percent at comparison agencies. This is a fairly small difference (with both scores falling toward the low end of the middle tier in HUD’s monitoring system),⁷ particularly since

⁶ A sizeable number of these units receive assistance through the Low-Income Housing Tax Credit, which allows rents well above those paid by typical voucher holders and public housing residents. For example, in both 2014 and 2015 more than 2,600 non-traditional housing assistance units (over a quarter of the total at all agencies) were reported by the Atlanta Housing Authority and described as “LIHTC-only.” The Abt report states that non-traditional assistance is “often used to serve special populations such as families experiencing homelessness or domestic violence survivors,” but it gives no indication of how many families the programs reach in these categories.

⁷ Under HUD’s Public Housing Assessment System, developments with inspection scores below 80 are inspected annually, those with scores between 80 and 90 every two years, and those with scores of 90 or more every three years.

some MTW agencies not only transfer voucher funds into public housing but also have special public housing formulas that raise their funding far above other agencies'.⁸ These improvements should nonetheless result in somewhat better quality of life for MTW public housing residents.

Abt found, however, that MTW agencies did not achieve significantly higher public housing occupancy rates in 2015 than comparison agencies, so the quality improvements at MTW agencies did not result in more families being assisted.⁹ There is also no indication that MTW has enabled participating agencies to retain more of their total public housing units, which could allow more families to receive assistance even if occupancy rates were the same. In fact, HUD data show that the number of public housing units at MTW agencies has dropped much *more* rapidly than at non-MTW agencies.¹⁰

- **Preservation.** Abt also reports data on the number of affordable housing units that MTW agencies and comparison agencies “preserved,” but these data do not indicate that MTW agencies assisted additional families. Abt’s data count as preserved those units in developments originally subsidized through other housing programs (such as the Low-Income Housing Tax Credit or Section 202 Housing for the Elderly) where the housing agency took measures to renovate the projects or place them on a firmer financial footing. Families living in units that MTW agencies preserved using voucher or public housing funds, however, would presumably already be counted above as families assisted through vouchers (because agencies sometimes preserve affordable housing by entering into a “project-basing” agreement attaching vouchers to the development for an extended period) or through non-traditional programs (which includes any housing assistance outside the voucher and public housing programs funded even in part with voucher or public housing funds). In any case, the report found that MTW agencies and comparison agencies preserved units at the same rate, after adjusting for the larger size of MTW agencies.¹¹

Taken together, this indicates that MTW agencies provided housing assistance to nearly 60,000 fewer total families in 2015 than they could have if they had not diverted funds away from the

⁸ In 2015, the 11 MTW agencies with special formulas received 99 percent more operating funding per unit than other agencies. A portion of this difference may be explained by factors such as the age of developments and the incomes of residents, which affect operating subsidy needs, but much of the difference appears to reflect the terms of the MTW formulas.

⁹ The report found that public housing occupancy rates averaged 92.7 percent at MTW agencies and 92.5 percent at comparison agencies. The 0.2 percent difference was statistically insignificant, but even if MTW did result in an improvement of this magnitude, it would only cause about 200 additional families to receive public housing assistance.

¹⁰ In recent years MTW agencies have converted a larger share of their public housing than other agencies under the Rental Assistance Demonstration (RAD), which replaces public housing assistance with long-term Project Based Voucher or Section 8 Project-Based Rental Assistance contracts that retain the units as affordable housing even though the number of public housing units declines. Most public housing lost at MTW agencies, however, was removed before substantial RAD conversions began in 2014, and most of the difference between MTW and non-MTW agencies in the rate at which public housing was removed also occurred in that pre-RAD period.

¹¹ The report’s executive summary notes only that MTW agencies preserved more *total* units than non-MTW agencies, but the full report explains on page 23 that “Although the MTW average share of units preserved is significantly higher (200 versus 126 at comparison PHAs), the number of units preserved at both sets of agencies is the same at 2.3 percent of their [public housing and voucher] portfolio.”

voucher program. This large-scale loss of housing assistance appears to have persisted over many years. HUD data show that MTW agencies have diverted large amounts of voucher funds for over a decade, and there is no evidence that in the past they provided housing assistance to a greater number of additional families in other ways. As a result, MTW agencies likely provided housing assistance to tens of thousands fewer families than they could have throughout that period.

Rigorous research shows that rental assistance can sharply reduce homelessness and housing instability, lower the chances that a child will be removed from his or her family and placed in foster care, and reduce the frequency with which children must switch schools.¹² Three in four eligible households receive no federal rental assistance due to funding limitations, so the loss of assistance at MTW agencies makes already long waiting times for assistance even longer.¹³ Many of the families left without assistance due to MTW likely experience significant hardship, which could include shifting resources from other basic needs to pay their rent, eviction from their homes, and even homelessness.

Report Shows Little Evidence of Success in Furthering MTW's Goals

Beyond its impact on the *number* of families with housing assistance, MTW could benefit families in other ways, both through waivers of statutes and regulations and through expenditures of diverted voucher funds. The Abt report provides some evidence of such benefits, including the improvement in public housing quality noted above and measures to connect families (including some that receive MTW-funded housing assistance and some that do not) to services that could potentially improve outcomes. But the benefits demonstrated by the Abt report appear modest compared to the magnitude of the loss of housing assistance.

In particular, the report includes little evidence that MTW has succeeded in promoting its three statutory goals: increasing housing choice for low-income families, improving the cost-effectiveness of rental assistance, and supporting self-sufficiency. The report, while acknowledging that the data available to Abt were imperfect and that non-MTW agencies outperformed MTW agencies on some measures, states that MTW agencies “tend to outperform their peers on outcomes related to the goals of MTW such as self-sufficiency and housing choice.”¹⁴ However, the actual outcomes covered in the report provide no evidence that MTW significantly expanded choice, show that MTW agencies are less cost-effective than other agencies, and are inconclusive regarding the effects of MTW policies designed to support self-sufficiency.

¹² Center on Budget and Policy Priorities, “Chart Book: Rental Assistance Reduces Hardship, Promotes Children’s Long-Term Success,” July 5, 2016, <https://www.cbpp.org/research/housing/chart-book-rental-assistance-reduces-hardship-promotes-childrens-long-term-success>.

¹³ Center on Budget and Policy Priorities, “Three Out of Four Low-Income At-Risk Renters Do Not Receive Federal Rental Assistance,” August 2017, <https://www.cbpp.org/three-out-of-four-low-income-at-risk-renters-do-not-receive-federal-rental-assistance>.

¹⁴ Larry Buron, Melissa Vandawalker, and Tyler Morrill, “Testing Performance Measures for the MTW Program: Executive Summary,” July 25, 2017, https://www.housingcenter.com/sites/default/files/testing_performance_measures_in_mtw_program_executive_summary.pdf.

No Evidence That MTW Agencies Have Significantly Expanded Choice

Abt's findings indicate that MTW agencies were, if anything, *less* successful than comparison agencies at enabling low-income families to move to lower-poverty areas, which research shows can have major positive effects on adults' health and children's long-term life chances.¹⁵ According to the report, families assisted by MTW agencies were significantly less likely than families at comparison agencies to live in lower-poverty neighborhoods (those where 10 to 20 percent of residents were poor) and significantly more likely to live in higher-poverty neighborhoods (those where 20 to 30 percent of residents were poor). MTW voucher holders were also less likely to live in neighborhoods with poverty rates below the median for the metropolitan area (a more meaningful measure of the agencies' effectiveness in providing access to lower-poverty areas), but this difference was just below the level needed to achieve statistical significance.

The report's section on expanding geographic choice examines two other outcomes, but neither shows that MTW agencies provided families with greater choice about where to live. First, the report looks at families' use of the voucher program's "portability" option, which allows families to move with their voucher anywhere in the country where there is a voucher program. Abt found that, relative to comparison agencies, MTW agencies had more "port-ins" (vouchers issued by another agency but administered by the MTW agency because the families moved to the MTW agency's jurisdiction) and fewer "port-outs" (issued by the MTW agency but administered by another agency), with both measured as a percentage of the agencies' total number of vouchers.¹⁶

There are several possible explanations for these findings, none of which would show that MTW increased choices for voucher holders. One possibility is simply that more voucher holders wish to move to the communities served by MTW agencies than to move away, for example because those communities have more jobs or available housing. In addition, some MTW agencies restrict voucher holders' right to move to another agency's jurisdiction. Those restrictions, which reduce rather than increase voucher holders' choices, are likely one reason MTW agencies have fewer port-outs.

Abt also found that MTW agencies "project-base" 3 percent more of their vouchers than comparison agencies, meaning that they entered into agreements requiring that the vouchers be used in certain developments. The most direct effect of project-basing is to reduce choice, since project-based vouchers replace "tenant-based" vouchers, which families can use in a unit of their choice in the private market. While project-basing can under some circumstances expand choice, particularly if the project-based developments are located in desirable areas where tenant-based vouchers are

¹⁵ Jens Ludwig *et al.*, "Long-Term Neighborhood Effects on Low-Income Families: Evidence from Moving to Opportunity," *American Economic Review*, 103(3), 2013, 226-231. Raj Chetty, Nathaniel Hendren, and Lawrence F. Katz, "The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment," August 2015, http://www.equality-of-opportunity.org/images/mto_paper.pdf.

¹⁶ Because of limitations on available data, Abt's analysis excludes some portability vouchers: those that were "absorbed" by the receiving agency. When a family moves with a voucher, the agency in the community to which the family moves must either administer the voucher while billing the issuing agency for the subsidy cost, or fully absorb the voucher into its program and pay the subsidy cost itself. Abt's comparison between MTW and comparison agencies includes only "unabsorbed" portability vouchers — that is, those where the receiving agency administers the voucher but the subsidy cost is paid by the issuing agency.

difficult to use, Abt's report does not assess whether MTW agencies used project-basing in this manner.

The report also suggests that MTW agencies could increase housing choice in two ways other than expanding geographic choice: "increasing the quantity and quality of housing" and "providing services to help people stabilize their housing and avoid institutional settings." But as noted, MTW agencies provided affordable housing to many fewer families than they could have, and the modest improvements the report found in public housing quality, while likely improving residents' quality of life, did not significantly increase the housing choices available to families. MTW agencies were more likely to hire service coordinators and enter into partnerships with outside entities to provide services to housing assistance recipients, reaching 8 percent of their caseload with such services compared to 4 percent at comparison agencies and serving some families that did not also receive MTW-funded housing assistance. But the report does not indicate whether these services increased housing choice or improved other outcomes for these families.

MTW Agencies Are Less Cost Effective

Abt examined three measures of MTW agencies' cost-effectiveness: average voucher subsidy costs (adjusted for local market rents), the average cost of operating a public housing unit, and the average cost of administering a voucher (the latter two adjusted for local labor costs). It found that MTW agencies spent 21 percent more to administer a voucher than comparison agencies, on average. MTW agencies also had higher voucher subsidy costs and public housing operating costs, but the differences were statistically insignificant.

The finding that administrative costs were substantially higher at MTW agencies is striking because MTW proponents have long argued that MTW would allow agencies to streamline administration of rental assistance and become more cost effective. Instead, the opposite seems to have occurred. It is possible that MTW agencies used added administrative expenditures to benefit families, but the report provides little evidence of this. For example, administrative staff are needed to issue vouchers to needy families, and added staff resources can help families find housing in high-opportunity areas. As noted, however, MTW agencies use a much smaller share of the vouchers they could support with their funds than comparison agencies, and they were no more effective at enabling families to move to low-poverty neighborhoods. Service coordinators and partnerships could add to administrative costs, but the report does not indicate how much of agencies' extra administrative costs went toward these activities.

There is also some indication that MTW agencies expend administrative funds in ways that do not directly benefit low-income families. For example, HUD data show that 36 percent of MTW agencies had an employee with total compensation above \$200,000 in 2014, the most recent year for which data are available, while just 11 percent of the comparison agencies listed in Abt's report did.¹⁷

¹⁷ This includes salaries and bonuses funded from all sources. Both MTW and non-MTW agencies were prohibited in 2014 from providing an employee more than \$155,000 in salary directly from public housing and voucher funds (although they were permitted to use such funds to provide bonuses above that amount). In addition, all agencies were allowed to provide additional salary or bonuses from other sources, and MTW would make this easier, since it would allow an agency to use voucher subsidies to pay for items that other funds would have been used for, freeing up those other funds. MTW agencies were also more likely to provide employees relatively high direct public housing and

Findings on MTW Self-Sufficiency Policies Are Not Conclusive

The Abt report finds that, overall, earnings among non-elderly, non-disabled households assisted by MTW agencies in 2014 had grown more slowly since those families started receiving assistance than earnings among corresponding families at comparison agencies.¹⁸ The difference, however, was statistically insignificant and was largely driven by the fact that *non*-MTW agencies served a substantially higher number of families that had no earnings when they first received assistance; those families tend to see greater income gains at both MTW and non-MTW agencies. When the results are broken down into families that initially had earnings and those that did not, families in both groups were significantly more likely to have experienced earnings growth at MTW agencies.

In order to understand the impact of MTW policies on earnings, however, researchers would need to compare families subject to the policies to similar families that were not subject to the policies, and track families over time whether or not they continue to receive assistance. Abt's analysis only includes data for families that continued to receive assistance in 2014, not those that left. Moreover, it does not seek to measure or control for differences between the families served by the two groups of agencies (other than examining results separately for families with and without earnings when they first received assistance). As a result, while MTW agencies might have been more effective at fostering earnings growth, the findings in Abt's study do not necessarily show that.

For example, if families where workers could not find jobs or raise their earnings were more likely to leave assistance quickly at MTW agencies, this could explain Abt's finding that the families that continue to receive housing assistance at MTW agencies in 2014 had experienced greater earnings gains. But Abt's finding would not mean that MTW agencies had been more effective in helping families raise their earnings. And it is quite possible that such families would leave assistance more quickly at MTW agencies, many of which have established policies (such as work requirements for non-elderly and non-disabled recipients or higher rent charges for lower-income families) that make it difficult or impossible for the lowest-income families to continue to receive assistance.

Abt also found that non-elderly, non-disabled voucher holders received assistance for about 11 fewer months at MTW agencies than at comparison agencies, on average. This is not surprising, since some MTW agencies implemented time limits and other policies requiring or encouraging families to leave assistance more rapidly. The effects of such policies, however, are complex. They could benefit low-income families by freeing up assistance slots for families on waiting lists, or harm them by undermining the housing stability that is one of the chief benefits of rental assistance, bouncing children from one school to another and making it harder for workers to hold jobs. The Abt report sheds no light on how these policies' benefits compare to their costs.

The limitations of the report's analysis in these areas result in part from limitations on the data available to Abt. For example, the report recommends gathering data on the share of families that exited assistance for "positive" reasons that suggest the families had become self-sufficient — a potentially useful measure that, if well-designed, would provide some context for the report's other

voucher compensation. In 2014, 38 percent of MTW agencies had an employee who received at least \$155,500 funded through public housing and voucher funds, compared to 13 percent of comparison agencies.

¹⁸ Abt's report does not define "non-elderly, non-disabled households," but likely used a HUD definition that includes households where neither the household head nor the head's spouse is over 62 or has a disability. Abt's earnings analysis only includes families admitted after 2006 or the date the agency entered MTW, whichever occurred later.

findings. Abt was unable to include such information, however, because most housing agencies do not gather it.

More generally, the report's inconclusive results regarding MTW's impact on self-sufficiency reflect a central shortcoming of the demonstration: it allows agencies to implement policies that pose significant risks to low-income families (including major changes in tenant rent payments, work requirements, and time limits on assistance) but has not required the rigorous evaluation needed to determine how those policies affect families.¹⁹ For each of these policies, it is difficult to distinguish the effects of the policy from those of unrelated economic or demographic factors without a random assignment evaluation, and it is impossible to understand the policy's impact without tracking families after they leave assistance (since the policies could force families off assistance). The Abt report, which provides broad statistics on earnings and length of stay based on a snapshot of families receiving assistance in 2014, does not fill this gap.

Study Underscores Need to Reform MTW and Refrain from Further Expansion

Overall, the Abt study provides data that, together with other available information, confirm that MTW has resulted in substantially fewer families receiving housing assistance, while showing little evidence of benefits in other areas. To be sure, some individual MTW agencies have administered their funds in ways that do not reduce the number of families assisted and some have used MTW flexibility to implement promising alternative policies. Nonetheless, there is a strong case for instituting reforms to MTW, including reforms to limit the loss of assistance and ensure careful evaluation of policies that pose risks to low-income families.

Policymakers have already taken steps to reform MTW. Legislation enacted in 2015 will add 100 new MTW agencies but also requires HUD to ensure rigorous evaluation of key policies that those agencies implement. It also prohibits new MTW agencies from restricting voucher portability (with limited exceptions) and leaves HUD broad authority to apply other reforms to the new MTW agencies. A January 2017 HUD proposal (reissued in May 2017 with modest changes) would, among other reforms, require the new agencies to use at least 90 percent of their voucher funds for vouchers.²⁰ HUD has less ability to apply reforms to current MTW agencies, whose participation is governed by agreements that run through 2028, but it has proposed to strengthen enforcement of an existing requirement that all MTW agencies assist “substantially the same” number of families as they would without MTW. HUD should promptly finalize and rigorously implement these reforms.

In addition, there have been some calls to expand MTW to even more new agencies.²¹ Policymakers should refrain from any such expansion, at least until the 100-agency expansion has been implemented and evaluated and strong measures to reform MTW have been put in place.

¹⁹ HUD is currently sponsoring a controlled evaluation of alternative rent policies at four MTW agencies, but that evaluation will not be completed until 2019.

²⁰ “Operations Notice for the Expansion of the Moving To Work Demonstration Program Solicitation of Comment,” *Federal Register*, Vol. 82, No. 13, January 22, 2017, pp 8056-8080; “Operations Notice for the Expansion of the Moving To Work Demonstration Program Solicitation of Comment; Waiver Revision and Reopening of Comment,” *Federal Register*, Vol. 82, No. 85, May 4, 2017, pp 20912-20916.

²¹ Will Fischer, “‘Moving to Work’ Bill Would Harm Rental Assistance, Undercut Recent Legislation,” Center on Budget and Policy Priorities, May 11, 2016, <https://www.cbpp.org/blog/moving-to-work-bill-would-harm-rental-assistance-undercut-recent-legislation>.