

DOCUMENT RESUME

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Testimony before the House Committee on Science and Technology: Domestic and International Scientific Planning, Analysis and Cooperation Subcommittee; by Henry Eschwege, Director, Community and Economic Development Div.

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Organization Concerned: Department of Housing and Urban Development.

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A 1978 report, "An Assessment of the Department of Housing and Urban Development's Experimental Housing Allowance Program (EHAP)," recognized that carefully designed and operated social experiments offer useful techniques for gaining information necessary to make informed decisions on major public policy issues. The report cautioned, however, that social research and development is in its early stages and, by its very nature, has certain limitations when projecting beyond the experiment. The EHAP Program represented a major effort on the part of the Department of Housing and Urban Development (HUD) to experiment with the concept of direct cash assistance to determine the feasibility and desirability of a national housing allowance program. Although EHAP will provide a wide range of information on housing markets and the behavior of low-income persons that has not been available before, it will not provide answers to the principal research questions initially posed. The experimental sites lacked the characteristics typical of major urban areas where a housing allowance program would be most needed. HUD did not clearly apprise the Congress from the outset of the experimental limitations and raised its expectations too high. The question of confidentiality in social research became a real issue; until other review methods are developed, the extent to which data provided as part of a social experiment are to be considered confidential must be determined on a case-by-case basis. (BFS)

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STATEMENT OF
HENRY ESCHWEGE, DIRECTOR
COMMUNITY AND ECONOMIC DEVELOPMENT DIVISION

BEFORE THE

SUBCOMMITTEE ON DOMESTIC AND INTERNATIONAL SCIENTIFIC
PLANNING, ANALYSIS AND COOPERATION
HOUSE COMMITTEE ON SCIENCE AND TECHNOLOGY

ON
SOCIAL RESEARCH AND EXPERIMENTATION

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

WE ARE HERE AT YOUR INVITATION TO DISCUSS OUR EFFORTS IN THE AREA OF SOCIAL RESEARCH AND EXPERIMENTATION, ESPECIALLY AS IT RELATES TO IMPROVING THE QUALITY OF URBAN LIFE. OUR MOST RECENT REPORT ON THIS SUBJECT WAS ISSUED TO THE CONGRESS ON MARCH 8 OF THIS YEAR AND WAS ENTITLED "AN ASSESSMENT OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT'S EXPERIMENTAL HOUSING ALLOWANCE PROGRAM" (CED-70-29). THIS REPORT DEALT WITH THE BROAD ISSUE OF SOCIAL RESEARCH PER SE AND ITS VALUE TO DECISIONMAKERS AS WELL AS SOME OF THE MORE SPECIFIC PROBLEMS RELATED TO HUD'S EXPERIMENTAL HOUSING ALLOWANCE PROGRAM, COMMONLY REFERRED TO AS EHAP. THIS STUDY WAS PROBABLY OUR MOST INTENSIVE EFFORT IN THIS AREA AND SURFACED A NUMBER OF DIFFERENCES OF OPINION BETWEEN THE SOCIAL RESEARCH COMMUNITY

AND OURSELVES AS TO THE USE OF SOCIAL RESEARCH AND WHAT THE ROLE OF GAO SHOULD BE IN MONITORING OR AUDITING THAT RESEARCH.

OUR MARCH 1978 REPORT RECOGNIZES THAT CAREFULLY DESIGNED AND OPERATED SOCIAL EXPERIMENTS OFFER VERY USEFUL TECHNIQUES FOR GAINING INFORMATION NECESSARY TO MAKE INFORMED DECISIONS ON MAJOR PUBLIC POLICY ISSUES INVOLVING MULTIBILLION DOLLAR PROGRAMS. WE CAUTIONED, HOWEVER, THAT SOCIAL RESEARCH AND DEVELOPMENT IS IN ITS EARLY STAGES WHEN COMPARED WITH THE PHYSICAL OR BIOLOGICAL SCIENCES AND BY ITS VERY NATURE HAS CERTAIN LIMITATIONS WHEN PROJECTING BEYOND THE EXPERIMENT. THE VARIOUS ANALYTICAL TECHNIQUES USED TO EXTRAPOLATE AND INFER INVOLVE MANY ASSUMPTIONS AND SUBJECTIVE JUDGMENTS. FEW LARGE SOCIAL EXPERIMENTS HAVE BEEN COMPLETED AND THE TECHNICAL CAPACITY TO CARRY OUT SUCH EXPERIMENTS IS NOT WELL DEVELOPED IN MOST U.S. AGENCIES AND INSTITUTIONS. ONLY A LIMITED NUMBER OF RESEARCH INSTITUTIONS, USUALLY CONNECTED WITH UNIVERSITIES, HAVE THE COMBINATION OF PROFESSIONAL STANDARDS, MANAGEMENT CAPABILITY, AND STAFF CONTINUITY NECESSARY TO EXECUTE A LONG-TERM SOCIAL EXPERIMENT.

THE EXPERIMENTAL HOUSING ALLOWANCE PROGRAM REPRESENTS A MAJOR EFFORT ON HUD'S PART TO EXPERIMENT WITH THE CONCEPT OF DIRECT CASH ASSISTANCE TO DETERMINE THE FEASIBILITY AND DESIRABILITY OF A NATIONAL HOUSING ALLOWANCE PROGRAM. IT HAS BEEN OPERATING FOR ABOUT 5 YEARS WITH A PROJECTED TOTAL COST THROUGH 1981 OF ABOUT \$174 MILLION AND CONSISTS OF THREE SEPARATE BUT RELATED EXPERIMENTS--SUPPLY, DEMAND, AND ADMINISTRATIVE AGENCY.

ALTHOUGH WE CONCLUDED THAT EHAP WILL NOT PROVIDE ANSWERS TO THE PRINCIPAL RESEARCH QUESTIONS INITIALLY POSED AS TO THE FEASIBILITY OF A NATIONAL CASH ALLOWANCE PROGRAM, IT WILL PROVIDE A WIDE RANGE OF INFORMATION ON HOUSING MARKETS AND THE BEHAVIOR OF LOW-INCOME PERSONS THAT HAS NOT BEEN AVAILABLE BEFORE. SUCH INFORMATION WILL MAKE THE EVENTUAL POLICY DECISIONS BETTER INFORMED THAN IS TYPICAL OF PUBLIC POLICYMAKING. THE QUESTIONS "OF WHAT VALUE IS THAT INFORMATION?" AND "AT WHAT COST IS IT BEING OBTAINED?" ARE YET TO BE ANSWERED.

THE EXPERIMENTAL SITES, PARTICULARLY THE TWO SUPPLY EXPERIMENT SITES, LACKED THE CHARACTERISTICS TYPICAL OF THE MAJOR URBAN AREAS WHERE A HOUSING ALLOWANCE PROGRAM WOULD BE MOST NEEDED. FOR THE DEMAND EXPERIMENT HUD SELECTED CITIES WHERE THE EXPERIMENTAL CONDITIONS WERE CONDUCIVE TO A SUCCESSFUL EXPERIMENT: FOR THE ADMINISTRATIVE AGENCY EXPERIMENT, THE AGENCIES CHOSEN HAD ALREADY DEMONSTRATED VERY CAPABLE ADMINISTRATIVE ABILITY. THE LESS TYPICAL THE SITES, THE MORE DIFFICULT IT BECOMES TO EXTRAPOLATE AND INFER FROM THE EXPERIMENTAL RESULTS.

WE ALSO CONCLUDED THAT HUD DID NOT CLEARLY APPRISE THE CONGRESS FROM THE OUTSET OF THE EXPERIMENTAL LIMITATIONS AND RAISED ITS EXPECTATIONS TOO HIGH AS TO THE USEFULNESS OF THE FINAL RESULTS. OVER THE YEARS, HUD GAVE THE CONGRESS THE FIRM IMPRESSION THAT EHAP WOULD PROVIDE ANSWERS AS TO WHAT WOULD HAPPEN IF A NATIONAL HOUSING ALLOWANCE PROGRAM WERE ADOPTED. NO ATTEMPT WAS MADE TO CAUTION THE CONGRESS THAT EHAP HAD

CERTAIN INHERENT LIMITATIONS BROUGHT ABOUT BY THE SIMULATION MODELING AND OTHER ANALYTICAL TECHNIQUES THAT INVOLVE ASSUMPTIONS AND RELATIONSHIPS.

WITH REGARD TO EHAP, WE RECOMMENDED THAT THE CONGRESS HOLD OVERSIGHT HEARINGS TO REVIEW THE STATUS OF THE EXPERIMENT AND DETERMINE WHETHER IT SHOULD BE CONTINUED, MODIFIED, OR TERMINATED.

BECAUSE OF THE INCREASING IMPORTANCE OF SOCIAL SCIENCE RESEARCH IN INFLUENCING PUBLIC POLICY DECISIONS, WE RECOMMENDED THAT THE CONGRESS, IN AUTHORIZING FUTURE SOCIAL SCIENCE RESEARCH PROGRAMS, REQUIRE FEDERAL AGENCIES TO

- CLEARLY DEFINE EXPERIMENTAL OBJECTIVES AT THE OUTSET,
- ALERT THE CONGRESS TO ANY LIMITATIONS ON THE RELIABILITY OF THE RESULTS, AND
- REPORT PERIODICALLY ON RESULTS IN TERMS OF ORIGINAL OBJECTIVES.

THE QUESTION OF CONFIDENTIALITY IN SOCIAL RESEARCH BECAME A REAL ISSUE IN OUR REVIEW OF EHAP. HUD AND ITS CONTRACTORS HAD MADE A PLEDGE OF CONFIDENTIALITY TO PARTICIPANTS IN THE PROGRAM AND CONTENDED THAT IF WE OBTAINED THE NAMES AND ADDRESSES OF THESE PARTICIPANTS, THE PLEDGE WOULD BE BREACHED AND SERIOUS DAMAGE WOULD RESULT TO THE EXPERIMENT. TO ALLAY THE CONCERNS EXPRESSED BY HUD AND ITS CONTRACTORS THAT OUR REVIEW WOULD BE DISRUPTIVE, WE HIRED FIVE CONSULTANTS WITH EXPERTISE IN THE FIELD OF SOCIAL AND EVALUATION RESEARCH AND ECONOMICS. WE WERE ULTIMATELY ABLE TO REACH A COMPROMISE IN

THIS CASE BUT OUR AUDIT EFFORTS WERE HAMPERED AND OUR REVIEW WAS CONSIDERABLY DELAYED. WE COULD NOT DRAW VALID CONCLUSIONS FROM THE RESULTS OF OUR WORK BECAUSE THE PARTICIPANT RESPONSE RATE WAS LOW AND THE APPROACH USED TO OBTAIN THE SAMPLE INVOLVED POSSIBLE BIAS.

THIS QUESTION IS OF REAL CONCERN BECAUSE IT IMPACTS UPON THE NEED FOR ADEQUATE REVIEW OF FEDERALLY FUNDED EXPERIMENTS, PARTICULARLY THOSE THAT MAY HAVE MAJOR POLICY IMPLICATIONS. THE PROBLEMS WE ENCOUNTERED IN OUR EHAP STUDY ON THE RIGHT OF ACCESS TO CONFIDENTIAL DATA PROVIDED BY THE PROGRAM PARTICIPANTS INDICATE A MUCH BROADER PROBLEM THAT WILL IMPACT ON OUR ABILITY OR THAT OF OTHER INDEPENDENT EVALUATORS TO EFFECTIVELY MONITOR FUTURE SOCIAL RESEARCH EXPERIMENTS SPONSORED BY FEDERAL AGENCIES. AS A GENERAL RULE, WE NEED ACCESS TO ALL EXPERIMENTAL DATA TO EFFECTIVELY CARRY OUT OUR RESPONSIBILITIES TO THE CONGRESS. HOWEVER, WE RECOGNIZE THAT THIS NEED FOR ACCESS MIGHT VARY DEPENDING UPON THE NATURE AND SUBJECT MATTER OF A GIVEN EXPERIMENT.

WE ARE WORKING WITH VARIOUS MEMBERS OF THE RESEARCH COMMUNITY TO IDENTIFY AND DEVELOP EFFECTIVE REVIEW METHODS THAT WILL MEET OUR NEEDS AND THOSE OF THE CONGRESS WITHOUT RISK TO AN EXPERIMENT'S RESEARCH OBJECTIVES. WE ENTERED INTO A CONTRACT WITH THE SOCIAL SCIENCE RESEARCH COUNCIL IN MARCH 1977 TO MAKE A STUDY WHICH WOULD ASSIST US IN DEVELOPING METHODS

AND TECHNIQUES FOR AUDITING SOCIAL EXPERIMENTS. THIS STUDY IS STILL UNDERWAY. UNTIL OTHER REVIEW METHODS ARE DEVELOPED, WE BELIEVE THAT THE EXTENT TO WHICH DATA PROVIDED AS PART OF A SOCIAL EXPERIMENT IS TO BE CONSIDERED CONFIDENTIAL MUST BE DETERMINED ON A CASE-BY-CASE BASIS BEFORE A GRANT OR CONTRACT IS AWARDED.

IN ADDITION TO THIS WORK ON LARGE SCALE SOCIAL EXPERIMENTS, WE WILL SOON BE ISSUING A REPORT ON OUR ASSESSMENT OF HUD'S PROGRAM EVALUATION EFFORTS. THIS IS THE FIRST IN A SERIES OF REPORTS ASSESSING OVERALL EFFECTIVENESS OF AN EVALUATION SYSTEM IN MEETING THE NEEDS OF DECISIONMAKERS AT DEPARTMENTAL AND CONGRESSIONAL LEVELS.

EVALUATIONS ARE BECOMING INCREASINGLY IMPORTANT IN DEVELOPING FEDERAL POLICIES AND MANAGING FEDERAL PROGRAMS. WE BELIEVE THAT A WELL-DIRECTED EVALUATION SYSTEM CAN SUPPLY THE NEEDS OF MANAGEMENT FOR EVIDENCE ON WHAT THE AGENCIES' PROGRAMS ACCOMPLISH, HOW THESE ACCOMPLISHMENTS COMPARE WITH INTENDED OBJECTIVES OF THE AUTHORIZING LEGISLATION, AND HOW EFFECTIVELY PROGRAM RESOURCES ARE MANAGED.

OUR ASSESSMENT OF HUD'S EVALUATION SYSTEM IS SIMILAR TO THE RESULTS OF OUR EHAP REVIEW IN THAT, ALTHOUGH THE SYSTEM ACCUMULATES USEFUL INFORMATION, IT IS NOT REALIZING ITS FULL POTENTIAL FOR PROVIDING DECISIONMAKERS WITH INFORMATION ON PROGRAM ACHIEVEMENT. WE FOUND MANY OF THE STUDIES WERE RESEARCH-ORIENTED AND WERE NOT DESIGNED TO DETERMINE A PROGRAM'S ACHIEVEMENT OF OBJECTIVES. MANY OF THESE STUDIES, LIKE

EHAP, USED SIMULATION MODELING AND OTHER ANALYTICAL TECHNIQUES THAT INVOLVE ASSUMPTIONS AND RELATIONSHIPS. THESE STUDIES, WHILE PROVIDING USEFUL INFORMATION, DID NOT PROVIDE THE KIND OF EVIDENCE AND DOCUMENTATION NEEDED TO REMOVE UNCERTAINTIES AND CONFIDENTLY SUGGEST SPECIFIC COURSES OF ACTION.

SOME OF THE ACTIONS WE ARE EXPLORING TO IMPROVE THIS SITUATION ARE:

- THE NEED FOR EVALUATION AND PROGRAM PERSONNEL TO WORK TOGETHER TO CLARIFY PROGRAM OBJECTIVES, DEVELOP STANDARDS FOR MEASURING ACHIEVEMENT AND IDENTIFY DATA REQUIREMENTS FOR EVALUATION;
- INCREASED EMPHASIS ON THOSE HOUSING AND URBAN DEVELOPMENT ISSUES IDENTIFIED BY HUD, THE CONGRESS AND OTHERS AS DESERVING ATTENTION;
- THE NEED FOR MORE INFORMATION ON THE EFFECTIVENESS OF PROGRAMS IN ACHIEVING OBJECTIVES; AND
- THE NEED TO IDENTIFY RESOURCES REQUIRED TO EVALUATE ONGOING PROGRAMS AND CONDUCT AND EVALUATE RESEARCH AND DEMONSTRATION PROGRAMS.

WHERE EVALUATIONS BECOME MANDATED BY LEGISLATION OR ARE NEEDED BY A CONGRESSIONAL COMMITTEE, THE AGENCY SHOULD WORK WITH THE COMMITTEE TO

- SEEK A COMMON UNDERSTANDING ON THE PROCESS OR APPROACH TO BE USED FOR CLARIFYING PROGRAM OBJECTIVES FOR EVALUATION;

--REACH AGREEMENT ON ACCEPTABLE EVALUATION MEASURES AND
DATA NEEDED FOR EACH PROGRAM TO BE EVALUATED; AND
--ESTABLISH A TIME SCHEDULE FOR THE AVAILABILITY OF
EVALUATIVE INFORMATION.

THIS CONCLUDES MY PREPARED STATEMENT BUT WE WILL BE GLAD
TO RESPOND TO ANY QUESTIONS YOU MAY HAVE.