United States General Accounting Office

GAO

Report to the Chairwoman, Subcommittee on Housing and Community Opportunity, Committee on Financial Services, House of Representatives

October 2002

HUD MANAGEMENT

Impact Measurement Needed for Technical Assistance

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Accountability ★ Integrity ★ Reliability

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Highlights

HUD MANAGEMENT
Impact Measurement Needed for Technical Assistance

Why GAO Did This Study

Technical Assistance is an important means through which the Department of Housing and Urban Development (HUD) can influence how its program funds are spent; this assistance can range from training workshops to one-on-one assistance. GAO was asked to determine how many HUD technical assistance programs Congress has authorized and their cost; why HUD offers technical assistance programs and who provides and receives the services; and whether HUD program offices are overseeing and measuring the impact of their technical assistance programs as required.

What GAO Recommends

To determine whether HUD's technical assistance programs are helping HUD programs to meet their goals, GAO recommends that the Secretary of HUD require the program offices that provide technical assistance programs to determine the practicability of measuring the impact of these services and, where appropriate, establish objective, quantifiable, and measurable performance goals. In addition, GAO recommends that the Secretary provide guidance to the program offices on how to establish such impact measures.

What GAO Found

HUD administers 20 technical assistance programs through five program offices. Between fiscal years 1998 and 2002, the annual funding for HUD technical assistance ranged between $108 million and $181 million. The two offices that administer the largest number of programs have the largest share of the overall technical assistance budget. The following figure lists HUD's five program offices' number of technical assistance programs or initiatives administered, each program office's definition of technical assistance, their 5-year average total technical assistance funding for fiscal years 1998 through 2002, and the percentage of overall technical assistance funding.

Technical Assistance Programs and Funding

Program/Initiative	5-year average (millions)	Percentage of total funding
Office of Community Planning and Development: Eight programs help organizations successfully access and utilize HUD's programs and resources to help them accomplish local community development goals.	$68.9	45.0
Office of Public and Indian Housing: Eight programs help public and Indian housing agencies and residents improve their management, planning, and monitoring practices and resident services.	50.6	33.1
Office of Fair Housing and Equal Opportunity: Two programs help organizations reduce housing discrimination and provide an open and free housing market.	16.2	10.5
Office of Housing—Office of Multifamily Housing Assistance Restructuring: One program to help educate and assist tenants who are living in buildings that are undergoing financial restructuring to make meaningful decisions about their housing.	10.3	6.7
Office of Healthy Homes and Lead Hazard Control: One program is designed to help recipients evaluate and control housing-related lead-based paint hazards and provide outreach and educational activities.	7.2	4.7
Total	**$153.2**	**100**

Source: GAO analysis of HUD data.

The general purpose of HUD's technical assistance is to help program participants carry out HUD program goals. Technical assistance providers could be HUD officials; state or local governments; community-based, for-profit, and nonprofit organizations; or resident service organizations. Recipients of technical assistance could be states and units of local governments, public or Indian housing agencies, community- or faith-based organizations, or the public.

Although all five HUD program offices are overseeing technical assistance, HUD does not require them to measure the impact of technical assistance, has not developed guidance for its program offices to measure the impact of the assistance, and has no plans to develop such guidance. HUD cannot demonstrate the effectiveness of the assistance without some indication of its impact.

Contents

Abbreviations

CPD	Office of Community Planning and Development
FHOI	Fair Housing Organizations Initiative
GPRA	Government Performance and Results Act of 1993
HUD	Department of Housing and Urban Development
NOFA	Notice of Funding Availability
PEI	Private Enforcement Initiative
PHA	Public Housing Authority
SuperNOFA	Super Notice of Funding Availability

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Accountability ★ Integrity ★ Reliability

United States General Accounting Office
Washington, D.C. 20548

October 25, 2002

The Honorable Marge Roukema
Chairwoman, Subcommittee on Housing
  and Community Opportunity
Committee on Financial Services
House of Representatives

Dear Madam Chairwoman:

The U.S. Department of Housing and Urban Development's (HUD) fiscal
year 2002 budget is over $34 billion, most of which is passed on to state and
local governments and other agencies and organizations that carry out
HUD's programs. Providing these entities with technical assistance and
capacity building is an important means for HUD to influence how its
program funds are spent.

Congress and HUD sometimes use the terms technical assistance and
capacity building interchangeably, and the definitions overlap. Technical
assistance programs can be generally defined as training designed to
improve the performance or management of program recipients, such as
teaching one-on-one procurement regulations to housing authority staff.
Capacity building can be generally defined as funding to strengthen the
capacity or capability of program recipients or providers—typically
housing or community development organizations—thereby building the
institutional knowledge within those organizations. Some of the programs
have both technical assistance and capacity building aspects. The overall
goal of both technical assistance and capacity building is to enhance the
delivery of HUD's housing and community development programs. HUD
staff whose costs are covered by HUD's salary and expenses budgets
routinely provide a wide range of technical assistance as part of their day-
to-day activities, but our work focused on funding specifically authorized
by Congress to be used for technical assistance or capacity building. To
simplify matters, except when citing specific examples, we will use the
term technical assistance to refer to both.

To help you with your oversight of HUD programs, you asked us to
determine (1) how many HUD technical assistance programs Congress has
authorized and how much they cost, (2) why HUD offers technical
assistance programs and who provides and receives the services, (3) how
HUD selects technical assistance providers, and (4) whether HUD program

offices are overseeing the technical assistance programs as required and measuring their impact.

To respond to these objectives, we obtained data from HUD and congressional budget documents describing HUD's technical assistance programs and their funding. We met with headquarters and regional officials who administer these programs to determine how HUD oversees the technical assistance. In addition, we observed technical assistance providers delivering services to recipients to determine if the services were delivered as specified in the funding instrument. More details about our scope and methodology appear at the end of this letter. Appendix I provides specific information on each of the technical assistance programs that we identified.

We conducted our work from December 2001 through September 2002 in accordance with generally accepted government auditing standards.

Results in Brief

HUD administers 20 technical assistance programs through five program offices. From fiscal years 1998 through 2002, the annual funding for HUD's technical assistance ranged between $108 million and $181 million, which accounted for less than 1 percent of HUD's overall budget each year.

While the general purpose of HUD's technical assistance is to help program participants carry out HUD program goals, each program office designs technical assistance specifically related to its programs. For example, an Office of Healthy Homes and Lead Hazard Control technical assistance program might consist of classes to teach property owners and maintenance workers how to evaluate and control lead-based paint hazards. Similarly, an Office of Community Planning and Development capacity building program might involve funding for a community-based organization to help that organization improve its administrative capabilities. Recipients of technical assistance could be states and units of local governments, public or Indian housing agencies, community- or faith-based organizations, or the public. Technical assistance providers could be HUD officials or, more commonly, state or local governments; community-based, for-profit, and nonprofit organizations; or resident service organizations.

HUD awards funding for 16 of the 20 technical assistance programs competitively. The funding for the remaining programs is awarded noncompetitively. HUD uses three funding instruments (contracts, grant

agreements, and cooperative agreements) and determines which funding instrument to use according to its relationship with the awardee and the level of federal involvement anticipated. Depending on the complexity of the individual program office's funding instrument requirements, this process can take from 3 months to over 1 year to complete. Noncompetitive technical assistance funding is either specified by statute or is based on a formula set by HUD.

All five HUD program offices perform basic oversight of the technical assistance they administer, such as visually observing the technical assistance or reviewing reports submitted by the providers to ensure that the technical assistance was provided. In addition, some program offices also have impact measures in place. In line with the Government and Performance Results Act of 1993, HUD program officials are required to develop measures and track the performance of its overall programs relative to the goals in its strategic and annual performance plans. However, HUD does not require the officials to measure the impact or outcomes of technical assistance and does not offer any central guidance on how the program offices should measure its impact. Although some headquarters and field officials said that it was difficult to measure the impact of technical assistance, other officials said that they had developed and were using impact measures in some locations. Some of these measures—including tests of technical assistance recipients' retention of information learned in technical assistance classes or comparisons of the number of grant applications that had to be returned for correction before and after technical assistance was provided—seemed to demonstrate the impact of the services provided. Because HUD spends substantial sums for technical assistance and uses it to improve program goals and influence far greater expenditures of program funds, we are recommending that HUD, where possible, measure the impact of the technical assistance and develop consistent guidance for program offices to follow.

We provided HUD with a draft of this report for its review and comment. HUD's Director, Office of Departmental Operations and Coordination, said that the department would take the necessary steps to implement our recommendations.

HUD Administers 20 Technical Assistance Programs at an Annual Total Cost of between $108 Million and $181 Million

Between fiscal years 1998 and 2002, five HUD program offices administered a total of 20 technical assistance programs. The majority of these programs are administered through the Offices of Community Planning and Development (CPD) and Public and Indian Housing. The other three offices that administer technical assistance programs are the Offices of Housing, Fair Housing and Equal Opportunity, and Healthy Homes and Lead Hazard Control.

Table 1 lists the 20 technical assistance programs and initiatives, by program office, and their budgets. See appendix I for details on the description and purpose of each as well as the providers, recipients, funding instruments, and oversight processes used. Information on how technical assistance is provided also is contained in appendix I.

Table 1: Technical Assistance Programs and Budgets by Program Office, Fiscal Years 1998-2002

Dollars in millions

	Budget, by fiscal year				
Program/Initiative	1998	1999	2000	2001	2002 (estimate)[a]
A. Office of Community Planning and Development					
1. HOME Investment Partnership Program - Technical Assistance[b]	$22.0	$22.0	$22.0	$22.0	$12.0
2. Section 4 – Capacity Building[c]	18.0	25.0	26.3	32.4	31.0
3. Section 107 - Technical Assistance[c]	4.0	7.5	0.0	0.0	0.0
4. Youthbuild Program - Technical Assistance[c]	1.8	2.1	2.1	3.0	3.3
5. Housing Assistance Council[d]	2.1	3.0	3.0	3.0	3.3
6. Homeless Assistance Grants - Technical Assistance	0.0	9.8	10.2	7.7	6.6
7. Rural Housing - Capacity Building	0.0	4.0	2.8	12.0	12.0
8. Housing Opportunities for Persons with AIDS	0.0	2.3	1.7	2.6	2.0
B. Office of Public and Indian Housing					
9. Office of Troubled Agency Recovery	8.9	17.3	15.4	11.0	11.5
10. HOPE VI Urban Revitalization	10.0	15.0	10.0	10.0	6.3
11. Resident Opportunities and Self-Sufficiency	0.0	11.0	11.0	11.0	11.0
12. Drug Elimination[e]	10.0	10.0	5.0	3.0	0.0
13. Native American (Indian) Housing Block Grant Technical Assistance	5.0	6.0	4.0	6.0	5.0
14. National American Indian Housing Council[c,d,f]	1.5	1.8	4.2	2.6	4.8

Program/Initiative	Budget, by fiscal year				
	1998	**1999**	**2000**	**2001**	**2002 (estimate)[a]**
15. Capital Fund Program	2.5	2.5	2.5	4.8	2.5
16. Housing Choice Voucher Program (Section 8)	0.0	0.0	0.0	0.0	10.0
C. Office of Fair Housing and Equal Opportunity					
17. Fair Housing Assistance Program	7.5	8.3	11.0	12.1	15.4
18. Fair Housing Initiative Program[g]	3.4	4.8	6.1	5.4	6.7
D. Office of Housing - Office of Multifamily Housing Assistance Restructuring					
19. Mark-to-Market Program – Technical Assistance Grants	10.0	10.0	10.0	10.0	11.3
E. Office of Healthy Homes and Lead Hazard Control					
20. Lead-Based Paint Hazard Reduction	1.0	3.0	5.0	22.0	5.0
Total	**$107.7**	**$165.4**	**$152.3**	**$180.6**	**$159.7**

Note: This table does not include technical assistance or capacity building services paid for by HUD's staff salaries and expense budgets.

[a]Fiscal year 2002 actual amounts were not available during the time of our review.

[b]These amounts include technical assistance funds for the Community Housing Development Organization Program.

[c] Technical assistance funds that are set aside within the Community Development Block Grant.

[d]Also administered through HUD's Office of Policy Development and Research.

[e]This program was discontinued in fiscal year 2002.

[f]Technical assistance funds set aside within the Indian Housing Block Grant.

[g]These amounts are percentages of Education and Outreach, Private Enforcement, and Fair Housing Organizations Initiatives.

Source: GAO analysis of HUD data.

As shown in figure 1, between fiscal years 1998 and 2002, the annual funding for all of HUD's technical assistance programs ranged from $108 million to $181 million. These sums accounted for less than 1 percent of HUD's overall budget, which averaged about $28 billion in each of those years.

Figure 1: Funding for Technical Assistance, Fiscal Years 1998-2002
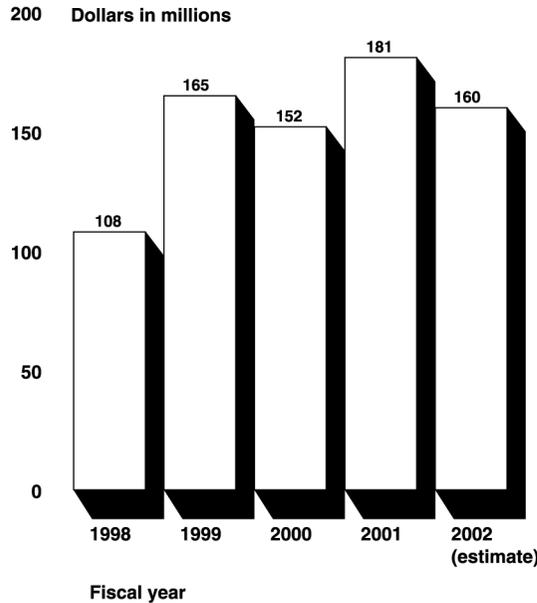
Source: GAO analysis of HUD data.

Technical assistance funds fluctuated each year because the funds for specific technical assistance programs increased or decreased or because technical assistance programs were introduced or discontinued in any given year. For example, technical assistance funding increased by about 53 percent from fiscal year 1998 to 1999. During this time, the technical assistance funds (1) increased from $9 million to $17 million for the Office of Troubled Agency Recovery, (2) were initiated in 1999 with $11 million for Resident Opportunities and Self-Sufficiency, and (3) increased from $18 million to $25 million for Section 4 capacity building. From fiscal year 2001 to 2002, estimated, technical assistance funding fell by more than 11 percent, primarily because the Lead-Based Paint Hazard Reduction funds returned to the $5 million level, following a one-time $17 million increase in fiscal year 2001 to build capacity to comply with a new regulation; the HOME funds were reduced from $22 million to $12 million; HOPE VI funds were reduced from $10 million to $6.3 million; and the Drug Elimination Grant Program and its technical assistance funds were abolished.

Figure 2 illustrates the breakdown of the cumulative technical assistance funding from fiscal years 1998 through 2002, by program office. Not

surprisingly, the two offices that administer the largest number of programs have the largest share of the overall technical assistance budget.

Figure 2: Five-Year Average Percentage of Total Technical Assistance Funds, by Program Office, Fiscal Years 1998–2002

Community Planning and Development

6.7%
Housing

4.7%
Healthy Homes and Lead Hazard Control

Fair Housing and Equal Opportunity

45.0%

10.5%

33.1%
Public and Indian Housing
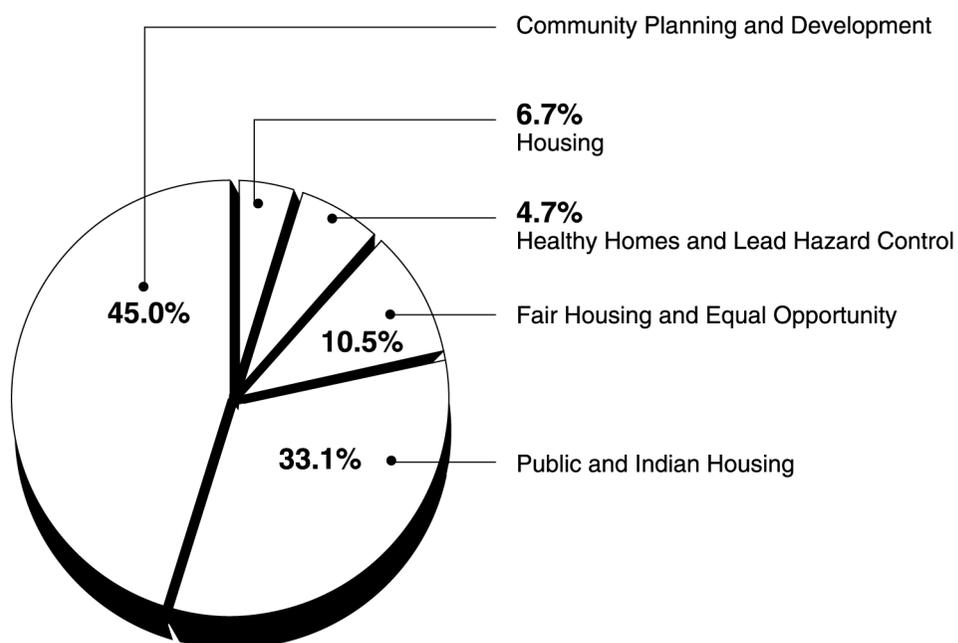
Source: GAO analysis of HUD data.

Technical Assistance Programs Vary by Program, Provider, and Recipient

While the overriding purpose of technical assistance is to improve the ability of program participants to administer HUD's programs more effectively, each HUD program office determines its own approach and administers technical assistance according to its program needs. Table 2 describes the purpose of the technical assistance as defined by the five HUD program offices.

Table 2: Purpose of Technical Assistance by Program Offices

HUD program office	Purpose of technical assistance
Office of Community Planning and Development	Help organizations successfully access and utilize HUD's programs and resources to help them accomplish local community development goals.
Office of Public and Indian Housing	Help public and Indian housing agencies and residents improve their management, planning, and monitoring practices and resident services.
Office of Fair Housing and Equal Opportunity	Help organizations reduce housing discrimination and provide an open and free housing market.
Office of Housing–Office of Multifamily Housing Assistance Restructuring	Help educate and assist tenants who are living in buildings that are undergoing financial restructuring to make meaningful decisions about their housing.
Office of Healthy Homes and Lead Hazard Control	Help recipients evaluate and control housing-related lead-based paint hazards and provide outreach and educational activities.

Source: HUD.

HUD provides appropriated funds for both its primary programs and related technical assistance programs. It distributes the program funds to program participants, such as state and local governments and other participating organizations, and it awards the technical assistance funds to providers, which use the money to deliver technical assistance to recipients. Figure 3 illustrates this process.

Figure 3: How HUD Delivers Technical Assistance

Technical Assistance Delivery Process

HUD

Technical assistance funds

Program funds

Technical assistance provider

Technical assistance

Program participant and/or technical assistance recipient
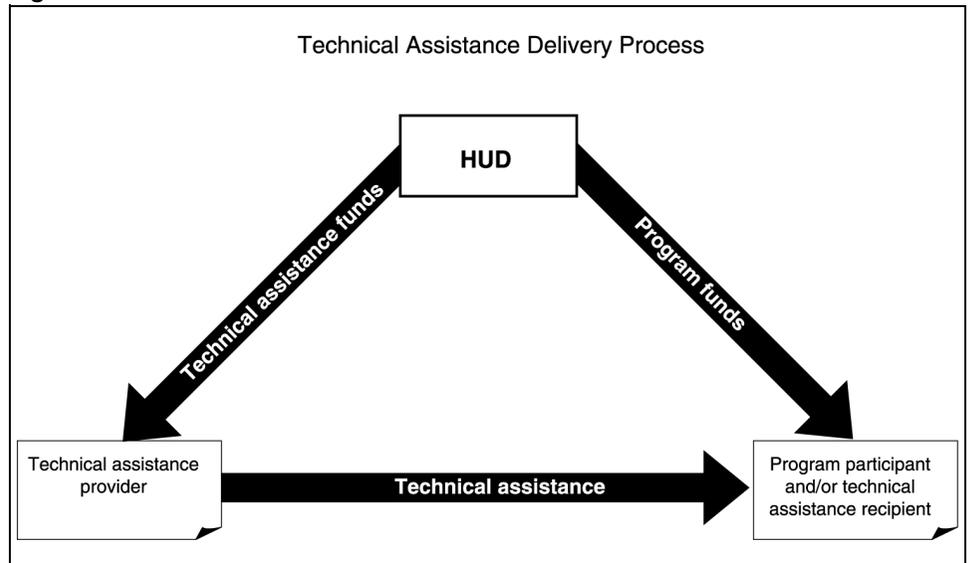
Source: GAO analysis of HUD data.

The recipients of HUD's technical assistance are generally those entities or organizations that administer HUD's programs. They also vary by program and include state and local governments, public and Indian housing authorities, tenants of federally subsidized housing, property owners receiving federal housing subsidies, special interest groups, institutions of higher learning, community- and faith-based organizations, national and civil rights and disability groups, industry groups, and the public.

The providers of technical assistance can be HUD officials, but typically they are entities or organizations that receive funding from HUD to deliver such assistance. Providers, which also vary by program, include state and local governments; community-based, for-profit, and nonprofit organizations; and resident service organizations.

We visited with technical assistance providers in selected locations across the country to observe the various methods that each of the five program offices used to deliver technical assistance to recipients. The following cases detail the recipients, providers, and purposes of the technical assistance provided.

- The recipients of CPD's technical assistance are local nonprofit organizations, state and local governments, and other organizations participating in and receiving funds through HUD's community development programs. The providers of these technical assistance programs are for-profit and nonprofit organizations and government agencies that have demonstrated expertise in providing the guidance and training that program participants can use. For 2 days, we observed a technical assistance provider for the HOME Program work with two community housing development organizations in Arkansas. The purpose of the technical assistance was to help the organizations plan for and improve their procedures for developing low-income rural housing. Over the 2 days, the technical assistance provider evaluated the housing built by the community development organizations with HOME Program funds and advised them on HUD-mandated procedures for counseling prospective low-income home buyers.

- The recipients of technical assistance provided through the Office of Public and Indian Housing's Resident Opportunities and Self-Sufficiency Program's capacity building funds are associations of public housing residents that HUD has determined lack the capacity to administer Welfare-to-Work Programs or conduct management activities. The providers of the technical assistance are resident and other nonprofit organizations. We observed a 1-day conference conducted by a Massachusetts statewide public housing tenant organization in conjunction with several other organizations. The training was designed to increase the knowledge and build the capacity of public housing agencies, their residents, and state and local officials involved in planning and rulemaking. The conference topics included income recertification, methods of influencing housing legislation, public housing safety and security, and private-market housing initiatives. A Boston HUD employee served as a panel member during one of the training sessions.

- The recipients of the Office of Fair Housing and Equal Opportunity's technical assistance include state and local fair housing enforcement agencies, public and private nonprofit fair housing agencies, and other groups that are working to prevent and eliminate discriminatory housing practices. According to an official from the Office of Fair Housing and Equal Opportunity, providers of technical assistance are HUD staff and qualified, established fair housing enforcement agencies. We observed a fair housing employee in HUD's San Francisco regional office provide technical assistance training to 10 employees of

California's Department of Fair Employment and Housing. The objective of the training was to help the state agency process fair housing complaints more effectively, and the topics included tips on investigating fair housing complaints, theories of discrimination, and case conciliation and evidence.

- The recipients of technical assistance provided through the Office of Housing's Outreach and Technical Assistance Grants are tenants living in federally subsidized properties affected by mortgage restructuring through the Mark-to-Market Program. The providers of technical assistance are small or large community-based organizations that focus on improving tenants' ability to understand the restructuring of their Section 8 property. In Columbus, Ohio, we observed a meeting between the potential new owners of a HUD property that was scheduled to undergo financial restructuring and two organizations representing the tenants who lived there. The purpose of the meeting, coordinated by a technical assistance provider, was to give tenants a role in the restructuring process and to keep them apprised of potential changes to their building. Topics discussed at the meeting included rent stabilization, building renovations, security systems, and modifications for handicapped accessibility.

- The recipients of technical assistance provided through the Office of Healthy Homes and Lead Hazard Control's Technical Studies Programs include state, local, and tribal governments; private property owners; and individuals who are maintenance and renovation workers. The providers of technical assistance include academic, for-profit, and nonprofit organizations and state and local governments. We observed a technical assistance provider conduct mandatory classroom training for about 50 owners and workers of federally subsidized properties at a Philadelphia housing authority maintenance facility. The recipients hoped to become qualified to remove lead-based paint hazards from their HUD-assisted properties by learning safe work practices at the training. The course covered such topics as lead exposure and maintenance work, lead safety, and quality assurance.

HUD Selects Most Technical Assistance Providers through a Competitive Process

HUD selects technical assistance providers both competitively and noncompetitively.[1] Sixteen of the 20 technical assistance programs used a competitive selection process. Since Congress specifies by statute that the organizations are to provide the technical assistance under three of CPD's programs, HUD distributes the funds for those programs noncompetitively. The fourth noncompetitive program, the Fair Housing Assistance Program, is noncompetitive because the funds, including those for technical assistance, are distributed through a formula grant to all eligible state and local fair housing enforcement agencies. The process for obtaining an award also varies by funding instrument. HUD has a set policy explaining the policies and protocols for using the various funding instruments (contracts, grants, and cooperative agreements).

Funding for Technical Assistance May Be Awarded Competitively or Noncompetitively

When HUD selects technical assistance providers competitively, it awards funding through contracts, grant agreements, and cooperative agreements. HUD refers to these three award mechanisms as funding instruments. The following text provides descriptions of these mechanisms:

- A contract is used when the principal purpose of the award is the acquisition by purchase, lease, or barter of property or services for the direct benefit of the government. According to the Director of the Office of Departmental Grants Management and Oversight, contracts are the award instrument that gives HUD the most control because HUD simply directs the contractor to do a specific task. For example, a program official in the Office of Native American Programs told us that her office retains decision-making authority by issuing contracts that enable her to control the technical assistance providers' use of funds and outreach to recipients.

- A grant agreement is used when the principal purpose of the relationship between the awardee and HUD is the transfer of money or property for a public purpose and substantial federal involvement is not anticipated.

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[1]Although some of HUD's major programs, such as the Housing Opportunities for Persons With AIDS and the Community Development Block Grant, are noncompetitive, the technical assistance components of these programs are competitive.

- A cooperative agreement's[2] purpose is similar to a grant agreement's purpose but is generally used when the awarding agency anticipates the need for close federal involvement over the life of the award. The cooperative agreement stipulates the nature, character, and extent of the anticipated involvement. A HUD official told us that a cooperative agreement generally gives HUD less control than a contract, but more control than a grant agreement.

HUD's Office of Departmental Grants Management and Oversight provides basic guidelines on when to use a contract, grant agreement, or cooperative agreement. According to HUD, a program office, when selecting the appropriate funding instrument to be used, should first look to the program's authorizing legislation for authority to enter into a contract or other type of arrangement.

Noncompetitive awards are specified by statute or based on a formula. Specifically, Congress appropriates technical assistance funds noncompetitively for the Local Initiatives Support Corporation, the Enterprise Foundation, Habitat for Humanity, and Youthbuild USA under the Community Development Block Grants Fund; these funds are administered by CPD.[3] The Housing Assistance Council also receives noncompetitive funds appropriated by Congress under the Community Development Block Grants Fund; these funds are administered by CPD and HUD's Office of Policy Development and Research. Congress also appropriates noncompetitive funds for the National American Indian Housing Council technical assistance programs; these funds are administered by the Office of Public and Indian Housing and the Office of Policy Development and Research. In addition, HUD's Office of Fair Housing and Equal Opportunity uses a formula to distribute Fair Housing Assistance Program funds. These noncompetitive, technical assistance programs totaled $50.1 million in fiscal year 2001, which was about 25 percent of the technical assistance funding for that year; they totaled about $54.5 million, or 30 percent of the fiscal year 2002 technical assistance funding.

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[2]Cooperative agreements for CPD are usually for 3 years and may be extended for an additional year.

[3]The Local Initiative Support Corporation and the Enterprise Foundation administer the funding for, among other purposes, the National Community Development Initiative under Section 4 of the HUD Demonstration Act of 1993, as amended.

Processes for Obtaining Competitive and Noncompetitive Funding Vary

For a contract, prospective technical assistance providers respond to a HUD request for a proposal; for a grant or cooperative agreement, providers respond to a Notice of Funding Availability (NOFA). In practice, HUD has issued the funding notices for the majority of its grants and cooperative agreements, including its technical assistance funding, in a single notice called the SuperNOFA (Super Notice of Funding Availability).

Applicants submit contract proposals, or grant or cooperative agreement applications, to HUD staff who use a deliberative decision-making process that is based upon established evaluation criteria contained in a formal request for proposal or SuperNOFA to make the final selections and announce the awards. Contract proposals are managed through HUD headquarters or designated contracting offices, while applications for grants or cooperative agreements for some technical assistance programs are submitted to both headquarters and the field office in which the applicant is seeking to provide services.

During the course of our review, HUD officials and technical assistance providers commented on the length of the competitive cooperative agreement awards process, particularly in CPD. The comments typically dealt with the time needed for technical assistance providers to negotiate with HUD field offices to complete the additional steps that CPD requires. The Director of HUD's Office of Departmental Grants Management and Oversight told us that she knew of instances in which contracts and grants, as well as cooperative agreements, had taken 1 year or more to complete. An assessment of this issue was beyond the scope of this review.

Any award, regardless of the type of funding instrument, has a fixed performance period. The contract request for proposal or NOFA will stipulate the proposed period of performance and whether additional funding can be provided beyond the period of performance without further competition.

Although Program Offices Have Oversight Procedures in Place, HUD Does Not Require Impact Measures for Technical Assistance

The five offices that administer technical assistance have basic oversight procedures in place. Such procedures usually include monitoring the technical assistance provider's performance by reviewing payment requests and financial reports and the recipient's written evaluation of the technical assistance provider's performance. Most program offices require technical assistance providers to submit quarterly, annual, or close-out reports—or a combination of these reports—on the status of their technical assistance programs, which are to be reviewed by HUD program staff. Headquarters or field office staff may be directly responsible for oversight, depending on which office administers the technical assistance, although headquarters offices are ultimately responsible for ensuring that the appropriate oversight is conducted.

HUD does not offer any central guidance on, or require its program offices to directly measure, the impact or outcomes of the technical assistance programs that they administer. The Government Performance and Results Act of 1993 (GPRA) requires that program officials develop performance measures and track performance relative to the goals in their strategic and annual plans. However, according to the Director of HUD's Office of Departmental Operations and Coordination, this requirement does not apply to the related technical assistance programs.[4] In his view, if the technical assistance supports the program and the program is doing well, then the technical assistance is having a positive impact. However, GPRA emphasizes the importance of establishing objective and quantifiable measures at each organizational level that can be linked to the overall agency program goals. Without specific measures on the impact of its technical assistance, HUD cannot demonstrate the incremental value of the assistance.

The Director of the Office of Departmental Grants Management and Oversight told us that her office is not planning any initiatives to coordinate how program offices are measuring the impact of their technical assistance programs because her office does not have jurisdiction over program policy in the establishment of technical assistance criteria. An official from HUD's Massachusetts CPD told us that without this guidance, it is unclear

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[4]CPD, through the SuperNOFA, requires that its technical assistance providers develop methodologies to be used for measuring the success of their programs. However, according to the Director of CPD's Office of Technical Assistance and Management, CPD is collecting the data needed to measure program impact but does not have the capacity to do anything with the information.

how the impact of these services should be measured. We found a wide range of HUD processes for measuring the impact of technical assistance, ranging from CPD's Section 4 capacity building organizations that document detailed evaluations of their accomplishments; to CPD's Rural Housing and Economic Development Program that collects annual outcome data; to the Public and Indian Housing's Resident Opportunities and Self-Sufficiency Program, which has no established process and measures on a grant-by-grant basis.

While some program officials have said that it is difficult or not even possible to measure the impact of technical assistance, other program offices do have impact measures in place.

- A Public and Indian Housing field official from the Office of Native American Programs told us that he has seen nationwide training courses that he believes are inefficient and expensive. While he believes that local one-on-one training would be more productive, he does not believe he could measure whether attendees are retaining the information received at the nationwide training courses or whether one-on-one training would be more effective. By contrast, a Public and Indian Housing official said that the office conducts evaluations after the technical assistance for drug elimination is provided and then follows-up with a 6-month evaluation to measure recipients' retention of information. We also spoke with a technical assistance provider who administers multiple questionnaires to measure recipients' retention of material taught at homeless training programs.

- Fair Housing and Equal Opportunity field officials in San Francisco said that they measure the success of their program—to educate state and local organizations on fair housing procedures—by the number of cases they have to send back for more information. They also said that the reduction in the number of cases sent back to local organizations from 42 in 1998 to 3 in 2001 after training was provided indicates that the technical assistance is working. Similarly, staff from HUD's Chicago CPD reported that they measure the success of technical assistance programs aimed at teaching local groups how to apply for federal grants by the number of grantees that submit proper paperwork.

Conclusions

HUD spends millions of dollars each year on technical assistance, distributing the funding through several types of instruments to a wide variety of providers and recipients for a wide variety of purposes. Yet, HUD

does not require its program offices to measure the impact of this technical assistance, has not developed guidance for its program offices to measure the impact of the assistance, and has no plans to require its program offices to develop such guidance. Even though some officials maintain that they cannot measure the impact of technical assistance, other officials have developed and are using measures that seem to be reasonable indicators of the impact of their technical assistance programs. Although such measures may not be practicable for every program, HUD cannot demonstrate the effectiveness of its technical assistance without some indication of its impact. Furthermore, without such measures, HUD cannot (1) ensure accountability for the over $100 million that Congress sets aside each year for technical assistance or (2) demonstrate the incremental value of its technical assistance—that is, how much more its programs are achieving with the technical assistance than they would have achieved without it. Finally, since technical assistance is an important means through which HUD oversees and influences expenditures of program funds—which are about 100 times greater than expenditures of technical assistance funds—it would seem logical for each of its program offices to develop guidance to ensure that the technical assistance programs are producing the intended results.

Recommendations for Executive Action

To determine whether HUD's technical assistance programs are helping HUD programs to meet their goals, we recommend that the Secretary of Housing and Urban Development require the program offices that provide technical assistance programs to determine the practicability of measuring the impact of these services and, where appropriate, establish objective, quantifiable, and measurable performance goals. In addition, we recommend that the Secretary provide guidance to the program offices on how to establish such impact measures.

Agency Comments and Our Evaluation

We provided the Secretary of the Department of Housing and Urban Development with a draft of this report for his review and comment. In a letter dated September 25, 2002, HUD's Director, Office of Departmental Operations and Coordination, said that the department would take the necessary steps to implement the report's recommendations. He also provided four observations for our consideration.

First, the Director said that our draft did not clearly define capacity building programs before combining them with technical assistance. We

added more detailed definitions of technical assistance and capacity building to this report.

Second, he said that although both the Fair Housing Assistance Program and the Fair Housing Initiatives Program contain technical assistance components, they are not primarily technical assistance programs. We recognize that these programs contain functions that go beyond technical assistance and capacity building. The funding levels that we list in this report for these programs were supplied by HUD program staff on the basis of their best estimates of the percentages of the budgets that supply technical assistance and capacity building.

Third, he said that the department's performance-based funding instruments provide HUD with the means to measure performance and, in some cases, quantify the impact of its programs. We agree that HUD requires performance-based reporting. We state in this report that the five offices that administer technical assistance have basic oversight procedures in place, and that the procedures generally ensure that an activity was performed before payment is made. However, there is a difference between, for example, reviewing payment requests and reports to ensure that a funded activity took place and measuring the impact of that performance. Our draft report pointed out that while some HUD offices assess the impact of their technical assistance, others do not. Thus, while HUD's performance-based funding instruments may provide the means to measure performance, HUD's offices do not always do so.

Fourth, he believes that impact measures, such as improvements in a participant's proficiency in administering programs, could be difficult and expensive to develop and implement for many technical assistance programs. We agree that there are cases where measuring the impact of technical assistance may not be practical. We acknowledge that in this report; we recommend that HUD determine the practicability of measuring the impact of the services and, where appropriate, establish measurable performance goals. However, we do not believe that HUD should downplay the importance of measuring the impact of the technical assistance it provides. As stated in our report, technical assistance is an important means by which HUD can influence how billions of dollars of federal program funds that HUD passes through to other public and private organizations are spent. By measuring the impact of its technical assistance and demonstrating that the assistance is producing the intended impact, HUD can show that it is positively influencing the expenditure of program funds.

Also, HUD staff suggested technical corrections to the draft. In particular, HUD staff said that the Office of Housing's Housing Counseling Program should not be included as a capacity building program. Although HUD could award grants to build the capacity of local, nonprofit housing counseling organizations, the program officer said that HUD does not use the program to increase the administrative capabilities of the counseling organizations. She said that HUD requires that the counseling organizations be in operation for at least 2 years before receiving funds and only allows the funds to be used for direct service delivery. We agreed to remove Housing Counseling from our list of technical assistance programs. We made other technical corrections where appropriate. The full text of HUD's letter appears in appendix II.

Scope and Methodology

To determine how many technical assistance programs Congress has authorized and how much they cost, we reviewed agency and congressional budget documents that identified technical assistance programs HUD provided between fiscal years 1998 and 2002. The data included each program's funding authorization during the 5-year period; whether the services were to be provided through a contract, grant agreement, or cooperative agreement; and whether the award mechanisms were competitive or noncompetitive.

To determine why HUD provides technical assistance programs and who receives and provides them, we reviewed documents that included the notices of funding availability, congressional justification estimates, HUD's technical guidance memorandums, public laws, and other documents that described the purpose of the technical assistance programs and eligible providers and recipients. We interviewed officials in five HUD program offices in headquarters and four regional field offices to determine HUD's guidance on how the funding could be used. We also visited seven sites across the country to observe the provision of technical assistance programs.

To determine how HUD selects technical assistance providers, we reviewed applicable laws and HUD notices of funding availability. We obtained data related to HUD's selection process and were able to determine which programs HUD awards competitively and noncompetitively. For competitive awards, we discussed the scoring process and the length of time involved. We also identified the types of organizations that generally receive competitive awards for each of the programs in our review, such as nonprofit organizations. For

noncompetitive awards, we discussed the award process and identified the eligible recipients of funds, such as Indian tribes and other organizations. We did not evaluate the extent to which HUD complied with the applicable contracting statutes, regulations, and policies.

To assess how HUD oversees the programs and measures their impact, we reviewed applicable laws, interviewed HUD officials at headquarters and in the regional field offices to document impact measurement processes, and observed technical assistance providers during our site observations. We obtained information from technical assistance providers on how they adhere to HUD's reporting requirements and measure the impact of the technical assistance.

Unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days after the date of this letter. At that time, we will send copies of the report to interested congressional committees and Members of Congress; the Director, Office of Management and Budget; and other interested parties. We will also make copies available to others on request. In addition, the report will be available at no charge on the GAO Web site at http://www.gao.gov.

If you or your staff have any questions about this report, please contact me at (202) 512-7631. Key contributors to this report were Elaine Boudreau, Bess Eisenstadt, Andy Finkel, Diana Gilman, Julia Roberts, and Kathy Trimble.

Sincerely yours,

Stanley J. Czerwinski
Director, Physical Infrastructure
 Issues

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Technical Assistance/Capacity Building Program Details

HUD program/initiative	Program description	Purpose	Recipients
A. Office of Community Planning and Development			
1. HOME Investment Partnership Program	Provide formula funds to states and local governments (participating jurisdictions) to implement local housing strategies designed to increase the supply of housing for low-income persons.	Technical assistance training improves the ability of participating jurisdictions to effectively design and implement HOME strategies.	Participating jurisdictions and their subrecipients, including community housing development organizations
2. Section 4, Capacity Building	Provide assistance to develop the capacity and ability of community development corporations and community housing development organizations to undertake community development and affordable housing projects and programs.	Technical assistance training, and capacity building funding are used to enhance the administrative capabilities of community development corporations and community housing development organizations.	Community development corporations, community housing development organizations, Habitat for Humanity, for-profit and nonprofit organizations
3. Section 107	Provide grants to metropolitan cities, urban counties, consortia, and states for technical assistance, program management, and analytical support.	Technical assistance training improves the skills, knowledge management, and administration practices of participating jurisdictions.	Participating jurisdictions and their subrecipients, including community housing development organizations
4. Youthbuild Program	Provide disadvantaged young adults with education and employment skills through rehabilitating and constructing housing for low-income and homeless people.	Technical assistance training is used to teach agencies how to help youths learn housing construction job skills and complete their high school education.	Public or private nonprofit agencies, public housing authorities (PHA), state and local governments, and Indian tribes
5. Housing Assistance Council	Increase the availability of decent and affordable housing for rural, low-income people.	Capacity building funding provides local housing organizations with seed money and technical assistance training to teach the skills needed to improve communities.	State and local governments, nonprofits, for-profits, and rural PHAs
6. Homeless Assistance	Fund projects that will fill gaps in locally developed systems to assist homeless persons move toward self-sufficiency and permanent housing.	Technical assistance training promotes the development of housing and supportive services as part of the "continuum of care" approach.	Nonprofit organizations, government agencies, and other homeless providers
7. Rural Housing Capacity Building	Build capacity at the state and local level for rural housing and economic development and support innovative housing and economic development activities in rural areas.	Capacity building funding is used to carry out functions, including the hiring/training of staff, purchasing software, obtaining expertise from outside sources, and developing accounting systems and strategic plans.	Local rural nonprofit organizations, community development corporations, and Indian tribes

Technical assistance and/or capacity building			
Providers	**Funding instrument**	**How service is provided**	**Oversight method**
States and local governments, nonprofits and for-profit professional and technical service companies	Cooperative agreement (competitive)	Workshops, training, one-on-one assistance, and operating assistance	On-site monitoring and review of monthly, quarterly, and annual reports
National Community Development Initiative, Local Initiatives Support Corporation, Enterprise Foundation, Habitat for Humanity, and Youthbuild USA	Grant and cooperative agreement (noncompetitive)	Workshops, training, one-on-one assistance, and operating assistance	Review of quarterly and annual reports
States and local governments; nonprofits; colleges and universities; and for-profit professional and technical service companies	Grant, contract, and cooperative agreement (competitive)	Workshops, training, and one-on-one assistance	On-site monitoring and review of monthly, quarterly, and annual reports
Public or private nonprofit organizations	Contract (competitive)	Workshops, training, and one-on-one assistance	Determined on a case-by-case basis
Housing Assistance Council headquarters and field office staff	Cooperative agreement (noncompetitive)	National conference, regional training sessions, and one-on-one assistance	Review of quarterly and annual reports
States and local governments, nonprofits, colleges and universities, and for-profit professional and technical service companies	Cooperative agreement (competitive)	Training sessions	On-site monitoring and review of monthly, quarterly, and annual reports
Local rural nonprofit organizations, community development corps, and Indian tribes	Grant (competitive)	Direct funding	On-site monitoring and review of quarterly and annual reports

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HUD program/initiative	Program description	Purpose	Recipients
8. Housing Opportunities for Persons with AIDS	Provide housing assistance and supportive services to address the needs of persons living with HIV/AIDS and their families.	Capacity building funding is used to train communities to create comprehensive housing strategies and responsive area programs in sound management practices.	States and local governments, and nonprofits
B. Office of Public and Indian Housing			
9. Office of Troubled Agency Recovery	Coordinate and support the recovery of troubled PHAs, thereby ensuring the provision of decent, safe, and affordable housing for all public housing residents, and provide support to the Department of Housing and Urban Development (HUD) regional offices for nontroubled PHAs with identified or suspected deficiencies.	Technical assistance training is used to help troubled PHAs and PHAs with identified deficiencies to develop and implement solutions to improve performance.	Troubled PHAs with identified deficiencies and PHAs in receivership
10. HOPE VI Urban Revitalization	Replace and revitalize severely distressed public housing with physical, management, and social and community service improvements.	Technical assistance trains PHAs and their residents by assessing the needs for resident services and planning for community and economic development.	PHAs
11. Resident Opportunities and Self-Sufficiency	Link public housing residents with supportive services, resident empowerment activities, and assistance in becoming economically self-sufficient.	Technical assistance training and capacity building funding increases resident participation in housing development management decisions.	Public housing resident groups, tribes, and nonprofits
12. Drug Elimination	Provide grants for antidrug and anticrime efforts.[a]	Technical assistance training combats drug abuse and related crime in public and Indian housing communities.	PHAs, tribes, tribally designated housing entities, and resident organizations
13. Native American (Indian) Housing Block Grant	Support the inspection of Indian housing units and assist in the training, oversight, and management of Indian housing and tenant-based assistance.	Technical assistance training provides contractual services to tribes or tribally designated housing entities.	Tribes or tribally designated housing entities
14. National American Indian Housing Council	Provide culturally relevant, decent, safe, sanitary, and affordable housing for native people in American Indian communities and Alaskan native villages.	Technical assistance trains in specialized areas of Indian housing management, finance, and budgets.	Tribes or tribally designated housing entities
15. Capital Fund Program	Provide grants to PHAs for capital improvement and management activities, including modernization and development of public housing.	Technical assistance training ensures effective implementation and monitoring of the Capital Fund Program and assists in the delivery of services to eligible PHAs.	HUD offices and PHAs

Technical assistance and/or capacity building			
Providers	**Funding instrument**	**How service is provided**	**Oversight method**
States and local governments, and nonprofits	Contract and cooperative agreement (competitive)	Training, conferences, and leadership events	Quarterly reports and submission of all products for review
Contractors and Troubled Agency Recovery Center staff	Contract and cooperative agreement (competitive)	Guidance and training	Review of expenditures and monitoring contractor's deliverables and compliance with HUD requirements
Consulting groups, universities, and national and community-based organizations	Contract and cooperative agreement (competitive)	Training, project design, project inspections, and program evaluation	Review of expenditures and monitoring of contractor's deliverables and compliance with HUD requirements
Resident organizations, tribes, nonprofits, and national and community-based organizations	Grant (competitive)	Group training, one-on-one assistance, and conferences	Monitoring and reviewing of payment requests
Consultants, PHAs, and tribally designated housing entities	Grant and contract (competitive)	Training conferences and workshops	On-site monitoring and evaluations
Contractors	Contract (competitive)	Courses, workshops, conferences, and other support services	Monitor provider's work and performance and review payment requests
National American Indian Housing Council staff	Contract (noncompetitive)	Training courses and scholarships	Monitor courses and review training material, reports, and payment requests
For-profit organizations and the Army Corps of Engineers	Contract, interagency agreement, and cooperative agreement (competitive)	Training sessions, construction inspections, and capital fund program implementation review	Track fund obligations and expenditures

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HUD program/initiative	Program description	Purpose	Recipients
16. Housing Choice Voucher Program (Section 8)	Allow low-income families to choose and lease or purchase safe, decent, and affordable privately owned rental housing.	Technical assistance trains PHAs to improve voucher program administration and management.	PHAs
C. Office of Fair Housing and Equal Opportunity			
17. Fair Housing Assistance Program	Encourage state and local fair housing enforcement agencies to assume a greater share of the responsibility for administration and enforcement of their fair housing laws and ordinances.	Capacity building funding is used to build enforcement capacity of existing and new state local fair housing enforcement agencies to enforce the rights granted under the Fair Housing Act.	State and local fair housing enforcement agencies governments, and general public
18. Fair Housing Initiative Program			
(a) Education Outreach Initiative	Assist projects that inform and educate the public about their rights and obligations under the Fair Housing Act and substantially equivalent State and local fair housing laws.	Technical assistance training increases the number of referrals to HUD of fair housing complaints and other information regarding discriminatory practices.	Public or private, profit and nonprofit organizations; civil rights groups; special interest groups; and faith-based organizations
(b) Fair Housing Enforcement (1) Fair Housing Organizations Initiative (FHOI) (2) Private Enforcement Initiative (PEI)	FHOI establishes new fair housing enforcement organizations in underserved areas and provides support to newly established fair housing enforcement organizations. PEI provides funding to private fair housing organizations for activities related to enforcing the Fair Housing Act and substantially equivalent state and local fair housing laws.	Capacity building funding increases the number of referrals to HUD of fair housing complaints and other information regarding discriminatory practices from new fair housing enforcement organizations.	Fair Housing Organizations and Qualified Fair Housing Organizations
D. Office of Housing—Office of Multifamily Housing Assistance Restructuring			
19. Mark-to-Market Program			
(a) Intermediary Technical Assistance Grants	Supports the Mark-to-Market program that restructures HUD's multifamily housing Section 8 properties by lowering their rents to market levels and reducing their mortgage debt if necessary to permit a positive cash flow.	Capacity building funding provides predevelopment grants to nonprofits to purchase Mark-to-Market properties with the aim of getting more nonprofits into property ownership and management.	Nonprofit organizations
(b) Outreach and Technical Assistance Grants	Same as above description.	Technical assistance training is used to educate Mark-to-Market property tenants about the restructuring process, how it may affect them, their rights, and what they can do to participate in the process.	Tenant groups, nonprofits, managers, community leaders, states and local governments, local social service agencies, coalitions, and legal aid

Technical assistance and/or capacity building			
Providers	**Funding instrument**	**How service is provided**	**Oversight method**
Small contractors and nonprofits	Contract (competitive)	Review procedures, identify weak processes, prepare action plan, streamline procedures, and conduct training sessions	Review of monthly and final reports, telephone correspondence, and on-site technical assistance
HUD field office staff,[b] public and private individuals, and organizations carrying out fair housing activities	Cooperative agreement-formula driven (noncompetitive)	One-on-one assistance, in-person visits, regional and multiregional training programs, and national conferences	Review quarterly reports and on-site inspection
States, nonprofits, units of general local government, resident organizations, colleges and universities, and for-profit professional technical service companies	Grant (competitive)	One-on-one assistance, in-person visits, and an educational seminar	On-site inspection and review of quarterly, annual, and final reports
Fair Housing Organizations and Qualified Fair Housing Organizations that carry out fair housing goals, nonprofits, and colleges and universities	Grant and cooperative agreement (competitive)	One-on-one assistance, in-person visits, educational seminars, and conferences	On-site inspection and review of quarterly, annual, and final reports
Nonprofit organizations	Grant (competitive)	Direct funding, meetings, workshops, site visits, and by telephone	Review quarterly and annual reports
Small and large community-based organizations, nonprofits, and public entities	Grant (competitive)	Tenant meetings	Review quarterly and annual reports

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HUD program/initiative	Program description	Purpose	Recipients
E. Office of Healthy Homes and Lead Hazard Control			
20. Lead-Based Paint Hazard Reduction	Evaluate and reduce lead-based paint hazards, especially in housing rented or owned by low-income families.	Technical assistance training and capacity building funding help recipients evaluate and control housing-related, lead-based paint hazards, and provide outreach and education activities.	State and local governments, private property owners, paint inspectors and maintenance workers, community housing agencies, and rehabilitation specialists

Technical assistance and/or capacity building			
Providers	**Funding instrument**	**How service is provided**	**Oversight method**
Nonprofit or for-profit organizations	Grant and contract (competitive)	Classes, individualized and group meetings, and delivery and discussion of evaluative reports	Review monthly and quarterly reports and on-site inspection

[a]Program discontinued in fiscal year 2002.

[b]HUD staff only use technical assistance funding for travel expenses.

Source: GAO analysis of HUD data.

Comments from the U.S. Department of Housing and Urban Development

U. S. Department of Housing and Urban Development
Washington, D.C. 20410-0003

OFFICE OF DEPARTMENTAL OPERATIONS
AND COORDINATION

SEP 2 5 2002

Mr. Stanley J, Czerwinski
Director, Physical Infrastructure Issues
U. S. General Accounting Office
441 G Street N. W.
Washington, DC 20548

Re: Draft Report: Impact Measurement Needed for Technical Assistance

Dear Mr. Czerwinski,

Thank you for the opportunity to comment on the draft report, <u>Impact Measures Needed for Technical Assistance</u>. A copy of the report was distributed to all major program organizations for their review and comment. A compilation of their responses is attached for you as a contribution to the final report.

As a matter of general assessment we offer the following observations and comments for your consideration.

- The report does not clearly define capacity building programs before combining them with technical assistance.

- Although both programs contain technical assistance components, the Fair Housing Assistance Program and Fair Housing Initiatives Program are not primarily technical assistance programs.

- The Department's performance-based contracts, grants and cooperative agreements with technical assistance providers provide us with the means to measure their performance and, in some cases, the impact of the technical assistance provided.

- Impact measures, such as improvement in a participant's proficiency in administering programs, could be difficult and expensive to develop and implement for many technical assistance programs.

Once again thank you for the opportunity to review the draft report. The Department will take the necessary steps to implement the report's recommendation. Please contact me if you have any questions.

Sincerely,
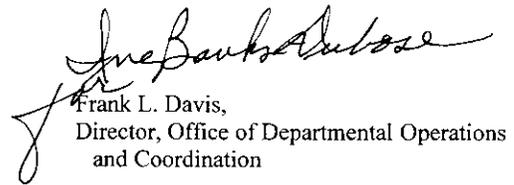
Frank L. Davis,
Director, Office of Departmental Operations
and Coordination

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