

November 27, 2012

## Supporting Statement for Paperwork Reduction Act Submissions

**OMB Control Number: 1660 - 0022**

**Title: Community Rating System (CRS) Program**

**Form Number(s): FEMA Form 086-0-35, 086-0-35A, and 086-0-35B**

### General Instructions

A Supporting Statement, including the text of the notice to the public required by 5 CFR 1320.5(a)(i)(iv) and its actual or estimated date of publication in the Federal Register, must accompany each request for approval of a collection of information. The Supporting Statement must be prepared in the format described below, and must contain the information specified in Section A below. If an item is not applicable, provide a brief explanation. When Item 17 or the OMB Form 83-I is checked “Yes”, Section B of the Supporting Statement must be completed. OMB reserves the right to require the submission of additional information with respect to any request for approval.

### Specific Instructions

#### A. Justification

**1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information. Provide a detailed description of the nature and source of the information to be collected.**

The National Flood Insurance Program (NFIP) promotes and implements sound local floodplain management. Communities must adopt minimum floodplain management standards in order to participate in the NFIP and receive the benefits of flood insurance. The Community Rating System (CRS), codified in The National Flood Insurance Reform Act (NFIRA) of 1994 (P.L. 103-325, Sec. 541.) was designed by the Federal Emergency Management Agency (FEMA) to encourage communities to undertake activities that will mitigate flooding and flood damage beyond the minimum standards for NFIP participation. The Community Rating System (CRS) Program “CRS Coordinator’s Manual”, is the key primary explanatory document used by CRS communities. It provides detailed explanations of the program and its activities. Respondents (communities) will select activities to apply for and receive credit and Community

Certifications so that proper credit is applied for each. Communities that receive these credits become eligible for flood insurance premium discounts.

**2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection. Provide a detailed description of: how the information will be shared, if applicable, and for what programmatic purpose.**

**FEMA Form 086-0-35, Community Rating System Application Letter of Interest and Quick Check Instructions** - Communities submit a CRS Application Letter of Interest and supporting documentation with a Quick Check to apply for activity points leading up to a CRS rating and commensurate flood insurance premium discounts. The CRS Coordinator's Manual describes the floodplain management and insurance activities available that can be undertaken to reduce flood losses. To complete the application process, communities are interviewed about their floodplain management activities and submit the completed Letter of Interest and supporting documentation for review to FEMA. Approval of the application results in credits that can be applied to flood insurance rates.

**FEMA Form 086-0-35B, Environmental and Historic Preservation Certifications** – These certifications are completed and signed by community officials in CRS participating communities. These are required to raise awareness and understanding about various laws and regulations related to environmental protection and historic preservation. The information is not shared. It is used to reinforce the importance of community compliance with environmental and historic preservation laws.

**FEMA Form 086-0-35A, Community Rating System Community Certifications** – Each year a community must certify that it is continuing to perform the activities that are being credited by the CRS by certifying a summary of its activities. The summary of activities is provided to the community by FEMA for review and certification by the community. Successful certifications allows for continued qualification for flood insurance credits.

The following instructional documents provide instruction to the respondent as to how to best answer the questions to Elevation Certificate Reference Guide, CRS Credit for Outreach Projects, Using the Grid Overlay to Figure Areas, CRS Credit for Floodplain Mapping, CTP Credit, CRS Credit for Higher Regulatory Standards, CRS Credit for Coastal A Zone Regulations, Non-conversion Agreement for Certain Structures in the Floodplain, Protecting Building Utilities and Ductwork from Flood Damage, NAVD-NGVD, CRS Credit for Stormwater Management, Example Plans, CRS Credit for Drainage System Maintenance, CRS Credit for Flood Warning Programs, CRS Credit for Dam Safety, CRS Credit for Management of Coastal Erosion Hazards, CRS Credit for Mitigation of Tsunami Hazards, Special Hazards Supplement to the CRS Coordinator's Manual. NOTE: The Non-conversion Agreement for Certain Structures in the Floodplain is only provided as possible way for the community to make certain the

property characteristics that are in place at the time of the CRS application remain from that time forward. FEMA Form 81-31, Elevation Certificate, is required for this collection and is approved under OMB Control Number 1660-0008.

**3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.**

The CRS Coordinator's Manual describes in detail the specific information gathered and allows for strict consistency in how the information is entered. This new process saves time for the local official. The new approach allows a verbal submission that is entered into a data base by a FEMA representative along with necessary supporting documentation. The website and instructions explaining how to apply to CRS can be found at <http://crsresources.org/joining-the-crs/> The CRS Quick Check form's specific URL address is <http://crsresources.org/joining-the-crs/quick-check/>

**4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.**

This information is not collected in any form and therefore is not duplicated elsewhere.

**5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize.**

This information collection does not have an impact on small businesses or other small entities.

**6. Describe the consequence to Federal/FEMA program or policy activities if the collection of information is not conducted, or is conducted less frequently as well as any technical or legal obstacles to reducing burden.**

If the community information were not provided through this application and verification process, FEMA would not be able to provide the flood insurance premium discount credits mandated by statute. Without these credits, communities would be adversely affected by higher flood insurance premiums.

**7. Explain any special circumstances that would cause an information collection to be conducted in a manner:**

The special circumstances contained in item 7 (a) thru (h) of the supporting statement are not applicable to this information collection.

**(a) Requiring respondents to report information to the agency more often than quarterly.**

**(b) Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it.**

**(c) Requiring respondents to submit more than an original and two copies of any document.**

**(d) Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years.**

**(e) In connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study.**

**(f) Requiring the use of a statistical data classification that has not been reviewed and approved by OMB.**

**(g) That includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use.**

**(h) Requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

## **8. Federal Register Notice:**

**a. Provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.**

A 30-day emergency approved Federal Register Notice inviting public comments was published on November 27, 2012, volume 77, number 228, pp 70798-70799. There were not comments received for this collection. FEMA plans to follow this emergency request with the normal OMB process Date.

**b. Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.**

Several types of forums are conducted during the year which fosters consultation with local government officials on the CRS application and field verification process. A national conference hosted by the Association of State Floodplain Managers occurs annually. A CRS Program Update workshop is held each year at the conference that fosters an open discussion about the CRS with emphasis on suggestions for improvement. At the national conference there are abundant opportunities for informal discussions with local officials. Many state floodplain management associations conduct state-level annual forums in which CRS is highlighted, affording time for input. In 2011, three newsletters were distributed with articles that highlighted the new changes and sought input from communities participating in the CRS. Thirty-four two-hour webinars with a total of 1,000 participants were hosted in 2011 that provided details on the changes and 45 written comments were received about the changes. Comments acknowledged the need to move in the direction the new manual is going, which achieve greater flood loss reduction. The new manual has involved a very inclusive process to involve as much input from stakeholders as possible and integrate their suggestions.

**c. Describe consultations with representatives of those from whom information is to be obtained or those who must compile records. Consultation should occur at least once every three years, even if the collection of information activities is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.**

Continuous consultation with respondents is a part of CRS program, which includes reviews of feedbacks from communities through state workshops, professional forums, and community contacts. CRS communities receive annual newsletters, e-mail, and phone contact for updated information on the program. Respondents are offered opportunities to provide feedback through the information provided in these outreach efforts. The CRS Task Force, a working group of individuals that provide input on CRS operations, includes representatives of the CRS participating communities. The views of these CRS community representatives is directly integrated with any changes to the CRS.

**9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

FEMA does not provide payments or gifts to respondents in exchange for a benefit sought.

**10. Describe any assurance of confidentiality provided to respondents. Present the basis for the assurance in statute, regulation, or agency policy.**

A Privacy Threshold Analysis (PTA) was submitted for this collection on October 19, 2012. A System of Record Notice (SORN) was approved and published in the Federal Register on December 19, 2008 at 73 FR 77747.

**11. Provide additional justification for any question of a sensitive nature (such as sexual behavior and attitudes, religious beliefs and other matters that are commonly considered private). This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

There are no questions of a sensitive nature.

**12. Provide estimates of the hour burden of the collection of information. The statement should:**

**a. Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated for each collection instrument (separately list each instrument and describe information as requested). Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desired. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**

To facilitate the collection of information about a community's floodplain management program, FEMA uses representatives from Insurance Services Office as Field Specialists who work one-on-one with community officials. The Insurance Services Office (ISO) representative may visit communities in person at the community, speak with them over the phone or assist community representatives at other locations such as training venues and workshops. The previous CRS Application process required community officials to complete individual worksheets and submit them for review. That process has been greatly simplified. Beginning with the 2013 CRS Manual, community officials will complete an interview with FEMA representatives that allows the FEMA representative to gather information verbally and enter it into a data base thereby reducing the amount of time a community official has to spend trying to understand requirements and fill out forms.

For **FEMA Form 086-0-35**, Community Rating System Application Letter of Interest and Quick Check Instructions, it is estimated that 190 community engineers will complete the form. Each response will require an estimated 45 hours to complete. The total annual hour burden is  $190 \times 45 = 8,550$  hours.

For **FEMA Form 086-0-35B**, Environmental and Historic Preservation Certifications is estimated 74 engineers will complete the worksheets and that it will require an average of 1.6 hours per respondent to complete when applying for the CRS. The total annual hour burden is  $74 \times 1.6 = 118$  hours.

For **FEMA Form 086-0-35A**, Community Rating System Community Annual Recertification it is estimated that 1010 engineers will complete the form and that it will require 8 hours per respondent. The total annual hour burden is  $1010 \times 8 = 8,080$  hours.

**b. If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.**

**c. Provide an estimate of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. NOTE: The wage-rate category for each respondent must be multiplied by 1.4 and this total should be entered in the cell for “Avg. Hourly Wage Rate”. The cost to the respondents of contracting out or paying outside parties for information collection activities should not be included here. Instead this cost should be included in Item 13.**

Estimated Annualized Burden Hours and Costs								
Type of Respondent	Form Name / Form Number	No. of Respondents	No. of Responses per Respondent	Total No. of Responses	Avg. Burden per Response (in hours)	Total Annual Burden (in hours)	Avg. Hourly Wage Rat	Total Annual Respondent Cost
State, local or Tribal Government	FEMA Form 086-0-35, Community Rating System (CRS) Application Letter of Interest and Quick Check Instructions	190	1	190	45	8,550	\$54.52	\$466,146
State, local or Tribal Government	FEMA Form 086-0-35B Environmental and Historic Preservation Certifications	74	1	74	1.6	118	\$54.52	\$6,433
State, local or Tribal Government	FEMA Form 086-0-35A Community Annual Recertifications	1,010	1	1,010	8-	8,080	\$54.52	\$440,521
<b>Total</b>		<b>1274</b>		<b>1,274</b>		<b>16,748</b>		<b>\$913,100</b>

• Note: The “Avg. Hourly Wage Rate” for each respondent includes a 1.4 multiplier to reflect a fully-loaded wage rate.

**Instruction for Wage-rate category multiplier: Take each non-loaded “Avg. Hourly Wage Rate” from the BLS website table and multiply that number by 1.4. For example, a non-loaded BLS table wage rate of \$42.51 would be multiplied by 1.4, and the entry for the “Avg. Hourly Wage Rate” would be \$59.51.**

According to the U.S. Department of Labor, Bureau of Labor Statistics website ([www.bls.gov](http://www.bls.gov)) the wage rate category for Local Community Engineer and Architects is estimated to be (\$38.94 x 1.4) \$54.52 per hour including the wage rate multiplier, therefore, the estimated burden hour cost to respondents Local Community Engineer and Architects is estimated to be \$913,100 annually.

**13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. (Do not include the cost of any hour burden shown in Items 12 and 14.)**

There are no recordkeeping, capital, start-up or maintenance costs associated with this information collection.

The cost estimates should be split into two components:

- a. **Operation and Maintenance and purchase of services component. These estimates should take into account cost associated with generating, maintaining, and disclosing or providing information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred.**
- b. **Capital and Start-up-Cost should include, among other items, preparations for collecting information such as purchasing computers and software, monitoring sampling, drilling and testing equipment, and record storage facilities.**

**Annual Cost Burden to Respondents or Record-keepers**

<b>Data Collection Activity/Instrument</b>	<b>*Annual Capital Start-Up Cost</b> (investments in overhead, equipment and other one-time expenditures)	<b>*Annual Operations and Maintenance Cost</b> (such as recordkeeping, technical/professional services, etc.)	<b>Annual Non-Labor Cost</b> (expenditures on training, travel and other resources)	<b>Total Annual Cost to Respondents</b>
<b>Total</b>	0	0	0	0

**14. Provide estimates of annualized cost to the federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing and support staff), and any other expense that would have been incurred without this collection**

of information. You may also aggregate cost estimates for Items 12, 13, and 14 in a single table.

**Annual Cost to the Federal Government**

Item	Cost (\$)
Contract Costs ISO Services contract – review of applications for completeness and make recommendation of appropriate action. Full 100% of contract cost is associated with this action.	4,100,000
Staff Salaries* [ 1 of GS 14 , step 9 employees spending approximately 10% of time annually verifying and approving CRS classes for this data collection (134,264 x 10% = \$13,426) 10 of GS 12 , step 9 employees spending approximately 10% of time annually providing informational resources to respondents and reviewing data for this data collection (\$94,837 x 10 x 10% = \$94,837). \$13,426 + \$94,837 = \$108,263	\$108,263
Facilities [cost for renting, overhead, ect. for data collection activity]	
Computer Hardware and Software [cost of equipment annual lifecycle]	
Equipment Maintenance [cost of annual maintenance/service agreements for equipment]	
Travel	
Printing Application and guidance booklet (1,500)	\$4,500
Postage \$2.50. x 1,500	\$3,750
Other	
<b>Total</b>	<b>\$4,216,513</b>

\* Note: The "Salary Rate" includes a 1.4 multiplier to reflect a fully-loaded wage rate.

**15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I in a narrative form. Present the itemized changes in hour burden and cost burden according to program changes or adjustments in Table 5. Denote a program increase as a positive number, and a program decrease as a negative number.**

*A "Program increase" is an additional burden resulting from an federal government regulatory action or directive. (e.g., an increase in sample size or coverage, amount of information, reporting frequency, or expanded use of an existing form). This also includes previously in-use and unapproved information collections discovered during the ICB process, or during the fiscal year, which will be in use during the next fiscal year.*

*A "Program decrease", is a reduction in burden because of: (1) the discontinuation of an information collection; or (2) a change in an existing information collection by a Federal agency (e.g., the use of sampling (or smaller samples), a decrease in the amount of information requested (fewer questions), or a decrease in reporting frequency).*

*"Adjustment" denotes a change in burden hours due to factors over which the government has no control, such as population growth, or in factors which do not affect what information the government collects or changes in the methods used to estimate burden or correction of errors in burden estimates.*

<b>Itemized Changes in Annual Burden Hours</b>
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Data collection Activity/Instrument	Program Change (hours currently on OMB Inventory)	Program Change (New)	Difference	Adjustment (hours currently on OMB Inventory)	Adjustment (New)	Difference
<b>FEMA Form 086-0-23</b> Community Rating System Application Form and Manual	4,650	0	-4,650			
<b>FEMA Form 086-0-23A</b> Community Rating System Annual Recertification	3,800	0	-3,800			
<b>FEMA Form 086-0-35</b> Community Rating System Application Letter of Interest, Quick Check and Instructions	0	+8,550				
<b>FEMA Form 086-0-35A</b> Community Rating System Annual Recertification	0	+8,080				
<b>FEMA Form 086-0-35B</b> Environmental and Historic Preservation Certifications	0	+118				
<b>Total(s)</b>	<b>8,450</b>	<b>16,748</b>	<b>-8,450</b>			

**Explanation:** There are several reasons for a change in form use and burden hours. (1) The previously used Application FEMA Form 086-0-23 and Annual recertification FEMA Form 086-0-23A will become obsolete and they will be replaced by new forms. The new forms offer an electronic submittal option and incorporate critical information related to the Endangered Species Act. (2) The estimated time required to complete the forms has been increased based upon input received from responders about how much time is required to complete the forms. (3) CRS communities are choosing to seek CRS credit for increasingly complicated floodplain management programs, requiring the submittal of more detailed information in return for receiving their more favorable CRS premium discount.

Itemized Changes in Annual Cost Burden						
Data collection Activity/Instrument	Program Change (cost currently on OMB Inventory)	Program Change (New)	Difference	Adjustment (cost currently on OMB Inventory)	Adjustment (New)	Difference

	Inventory)					
Community Rating System Application Form and Manual, FEMA Form 086-0-23	0	-\$227,060.	-\$227,060.			
Community Rating System Annual Recertification, FEMA Form 23A	0	-\$185,554.	-\$185,554.			
FEMA Form 086-0-035 Community Rating System Application Letter of Interest, Quick Check Instructions	0	+\$466,146.				
FEMA Form 086-0-35B Environmental and Historic Preservation Certifications	0	+\$6,433.				
FEMA Form 086-0-35A Community Rating System Community Certifications	0	+\$440,522.				
<b>Total(s)</b>	<b>0</b>	<b>+\$913,101.</b>	<b>-\$412,614.</b>			

**Explanation:** The changes in Annual Cost Burden reflects the added costs associated with the increased labor hours required to submit the required information.

**16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.**

This information collection will not be published for statistical purposes.

**17. If seeking approval not to display the expiration date for OMB approval of the information collection, explain reasons that display would be inappropriate.**

FEMA will display the expiration date for OMB approval of this information collection.

**18. Explain each exception to the certification statement identified in Item 19 “Certification for Paperwork Reduction Act Submissions,” of OMB Form 83-I.**

FEMA does not request an exception to the certification of this information collection.

**B. Collections of Information Employing Statistical Methods.**

When Item 17 on the Form OMB 83-I is checked “Yes”, the following documentation should be included in the Supporting Statement to the extent it applies to the methods proposed:

**THERE IS NO STATISTICAL METHODOLOGY INVOLVED IN THIS COLLECTION**