

May 14, 2007

Supporting Statement for Paperwork Reduction Act Submissions

OMB Control Number: 1660-0022

**Title: Community Rating System (CRS) Program – Application
Worksheets and Commentary**

**Form Number(s): FEMA Form 81-73, Community Rating System
Application.**

Headnote: Flood prone communities receive benefits of flood insurance such as insurance premium discounts by adopting sound local floodplain management via FEMA's National Flood Insurance Program/Community Rating System. The proposed IC includes a post-Katrina addendum to the manual. The presented supporting statement includes a report on the agency's activity for a coherent program assessment that addresses the impact of Hurricane Katrina as compliance to the Terms of Clearance of OMB-NOA dated 12/12/2005.

A. Justification

1. Explain the circumstances that make the collection of information necessary (give details as to why this information is being collected). 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.

(a) Background and Purpose of Community Rating System

The National Flood Insurance Program (NFIP) began in 1968. A central element in the NFIP is the promotion and implementation of 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) was designed by the Federal Emergency Management Agency (FEMA) to encourage, through the use of flood insurance premium discounts, communities to undertake activities that will mitigate flooding and flood damage beyond the minimum standards for NFIP participation (See Figure 1). The National Flood Insurance Reform Act (NFIRA) of 1994 (P.L. 103-325, Sec. 541.) [<http://www.fema.gov/pdf/nfip/riegle.pdf>] codified the CRS.

The CRS program has been very successful in encouraging communities to exceed the floodplain management standards required by the NFIP, and consequently, helping reduce future losses due to floods. As of October 2006, 1,049 of the 20,300 communities participating in the NFIP also participate in the CRS. These 1,049 CRS communities contain 66% of all of the flood insurance policies, indicating that a relatively small percentage of the total communities that participate in the NFIP contain most of the flood insurance policies

(b) How to join CRS program

Typically, communities learn about CRS participation through the State, the Insurance Services Office, Inc. (ISO), an experienced insurance industry service organization, or FEMA regional offices during normal business contacts, meetings, and conferences and related outreach efforts. Once the community is interested in the CRS, they contact the State or the particular FEMA regional office, which places them in contact with an ISO who guides them through the application process, either by visit or over the phone. Although the use of an ISO facilitates the CRS process, communities or their designated consultants are welcome to apply on their own.

CRS participation builds on NFIP's requirement that communities maintain an Elevation Certificate on record. This Elevation Certificate, FEMA Form (FF) 81-31 is covered under information collection OMB 1660-0008 (*Post Construction Elevation Certificate (FF 81-31) and Floodproofing Certificate (FF 81-65)*).

(c) The Community Rating System (CRS) Program – Activity Worksheets and Commentary

The Community Rating System (CRS) Program – Activity Worksheets and Commentary, also known as the “CRS Coordinator’s Manual”, is the key primary guidance document used by CRS communities. It provides detailed explanations of the program and its activities and provides the Worksheets used by communities. Based on experience with community participation, the program estimates that respondents (communities) will typically select 5 activities to apply for and receive credit. Activities vary with the community.

(d) Post Katrina Activity to the present

Since Hurricane Katrina made landfall along Gulf coast communities of southern Mississippi, Louisiana and Texas and many of these communities are CRS participants, we have been aware that the impact of Hurricane Katrina might provide an opportunity to evaluate elements of the CRS Program. The Office of Management and Budget (OMB) also recognized that a coherent program assessment that addressed the impact of Hurricane Katrina would be necessary for both the program and information collection. Consequently, a post-Katrina CRS activity evaluation and report has been completed for the CRS Task Force (CRSTF), which is the governing body that advises and provides recommendations on CRS program and policy changes. The report emphasizes post-Katrina CRS assessments, but it also includes findings from other hurricanes related CRS activity evaluations. The report was completed in a draft form in October 2006 (Appendix 1) for the CRSTF.

More than thirty suggested recommendations were identified. The report review process will involve the existing CRSTF which is a multi-disciplinary advisory body including experts from the local (Waveland, MS & Lincolnshire, IL), state (Florida, South Carolina), federal (NOAA, FEMA) and private (State Farm, Travelers) sectors. The report recommendations represent a wide range of suggestions, including some straight forward and easily implemented and others much more complex and requiring further evaluation and analysis. FEMA has decided to proceed to implement three of the total 31 recommendations during the 2nd quarter Federal Fiscal Year 2007 attributable to their clear and apparent values and less complicated functionality. The implementations constitute a form of revision to the Coordinator’s Manual. Additional recommendations will be evaluated by the CRS Task Force over the course of upcoming CRSTF meetings. The three recommendations include: (1) Incorporate new credits for mapping and regulating coastal A Zones; (2) Credit keeping copies of floodplain permit records in an off-site, flood-free location, and; (3) Provide bonus credit for protecting critical facilities. The addition of the new activities offers more activities to choose for CRS communities. Newly applying and the existing communities will need to review the additional activity choices; however, this will not raise the total annual hour burden estimate because the average number of activity choices for a community is anticipated to stay the same.

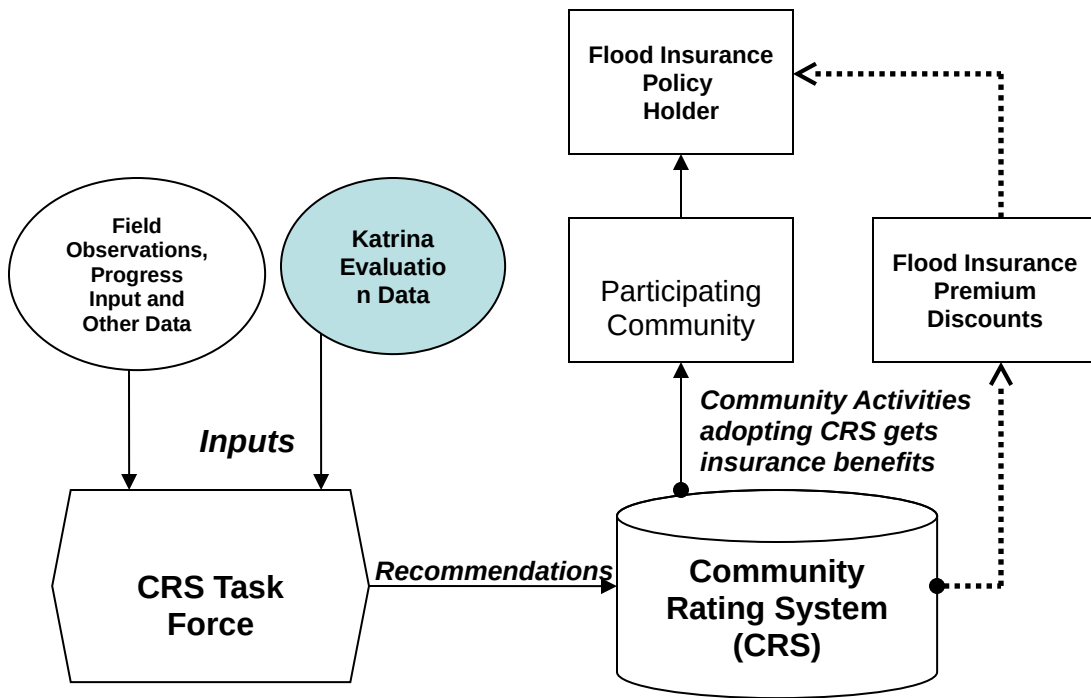


Figure 1. Conceptual diagram of Community Rating System: post Katrina.

(e) Post Katrina Activity continued: 3 year plan

The official CRS Task Force meeting is held 3 times per year. Though the task forces get together more than semi-annually, it is projected that at least 3 years will be necessary to evaluate, assess and conduct further necessary research and concur on additional recommendations for CRS Program based on Katrina impact as well as usual

updates. It is not desirable to update the manual too frequently, say more than once for every 3 years, because frequent updates may increase hour burden to the respondents who are already participating, due to their worksheet change. Continuing CRS participants, who compose more than 85% of the total respondents, usually need only annual recertification packages for maintenance (see table 1) if there is no change in the manual. Therefore, we request 3 full years of clearance for the proposed information collection due to the following reasons:

- (1) It has been FEMA CRS team's priority to keep public burden to be minimal (5 CFR 1320.8(d)(1)(iv)) for the respondents who are existing CRS participants by changing the CRS manual as little as possible.
- (2) An OMB clearance term less than 3 years for the proposed IC will cause the manual change more than once for 3 years, resulting possible increase of hour burden for the continuing CRS participants in preparing annual recertification package.

Three years of the IC clearance term will afford adequate time for the CRS Task Force to act on the recommendations of important lessons from Hurricane Katrina, and modify the CRS forms as necessary. Furthermore, this schedule upholds a long standing commitment to CRS communities of not making participation burdensome by changing program requirements or reporting requirements through new demands of "information collection" more frequently than every three years. The CRS Program expends considerable effort in having requirements that are clear and in place for at least three years at a time, thereby not changing the rules so often.

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.

Communities use the *CRS Activity Worksheets and Coordinator's Manual* to apply for activity points leading up to a CRS rating and commensurate flood insurance premium discounts. The manual describes the floodplain management and insurance activities available to qualifying communities that undertake the selected additional activities that will reduce flood losses. To apply, communities submit CRS Activity Worksheets and requisite documentation to FEMA. Once approved by FEMA, applications are reviewed and field verified by ISO. ISO is an insurance industry service organization with varied experience, especially with community fire rating. The fire rating program is similar to the CRS in that it affords less expensive homeowners insurance for those communities with the effective fire departments. All worksheets and documentation are kept in CRS community files for internal use only, but, available through standard Freedom of Information Act (FOIA) disclosures [<http://www.usdoj.gov/oip/index.html>]. The final recommended CRS classifications are forwarded to FEMA for approval, community notification, and application of insurance discounts to policyholders in the communities.

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.

Electronic technology has been used in the development of two products: 1) a computer application software (FEMA Elevation Certificate Software) allowing communities to attach their documentation to an application on a CD or diskette (Implementation of the Government Paperwork Elimination Act, Office of Management and Budget, Part I. Section 2. a. [<http://www.whitehouse.gov/omb/fedreg/gpea2.html#is2>], Section 3. a. (8) [<http://www.whitehouse.gov/omb/fedreg/gpea2.html#is2>]); and 2) a software program that captures community entry of the data on the CRS-required FEMA elevation certificate, which is fully recognized electronic form of such data (GPEA SEC. 1707 [<http://www.cdt.org/legislation/105th/digsig/govnopaper.html>]). Both products only require standard computer technology and are provided free of charge to communities upon request. Communities are encouraged to use the softwares through the provision of additional CRS points.

Both products facilitate the CRS process by making it easier for communities to manage and submit documentation as following:

- 1) FEMA Elevation Certificate Software facilitates the submission of the Elevation Certificate, a requirement for NFIP and CRS participation.
- 2) The data entry software allows communities to apply to and calculate credit points based on the selected individual activities. The information can be entered by a community representative or an ISO and submitted for an application on a disk (except one form that must be printed and signed by the community CEO). The software asks questions and the answers are transferred into the computer version of the CRS Activity Worksheets. In addition, the software allows communities to conduct “*What If*” scenarios to see how many points they could receive if they applied for different listed activities

Typically, communities select the activities for which they desire credit, and the FEMA consultant at ISO who processes the applications completes the worksheets (normally through a telephone interview). Completed applications are then mailed or e-mailed to respondents for review, signature, and printing. Based on experience communities have demonstrated overwhelming preference for having the ISO conduct the interview to collect the information, enter the data, and complete the paperwork (paper and/or electronic version).

The whole electronic package of the Activity Worksheets is available via internet [<http://www.training.fema.gov/emiweb/CRS/index.htm>] though we are yet too cautious

to plan an entirely web-based CRS application system at this point due to huge cost anticipated.

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.

Neither FEMA program office nor Federal government agency has information similar to the information that is needed.

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.

Since this collection deals exclusively with communities, there is no major impact on small businesses or other small entities. All communities, large and small, are treated equally and provided additional assistance by ISO consultants upon request.

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 collected through this application and verification process, there would be no verifiable mechanism to fairly ascertain the CRS classification level showing the degree to which, the community had implemented floodplain management activities above the minimum NFIP standards. Consequently, policyholders in those communities would not be able to benefit from insurance premium discounts.

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

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

No information reporting is required more often than quarterly. The information reporting is done occasionally at the time of application to the CRS program, and annual recertification afterwards.

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

The CRS always allows communities at least 30 days with an extra 60 days extension possible to provide any requested information. After 90 days communities will lose credit for whatever activity is affected risking losing the benefit provided by CRS.

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

The CRS never requires more than one copy 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.

All NFIP participating communities must retain elevation data on buildings in the FEMA identified floodplains indefinitely (CFR §60.3 [[http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?](http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=807ee5c8a4bdcb62a2905082f8e6c14b&rgn=div8&view=text&node=44:1.0.1.2.27.1.25.3&idno=44)

[c=ecfr&sid=807ee5c8a4bdcb62a2905082f8e6c14b&rgn=div8&view=text&node=44:1.0.1.2.27.1.25.3&idno=44](http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=807ee5c8a4bdcb62a2905082f8e6c14b&rgn=div8&view=text&node=44:1.0.1.2.27.1.25.3&idno=44)] and Privacy Act of 1974: Proposed New Routine Use, Expansion of an Existing Use and Revision of an Existing System of Records, January 23, 2002, Federal Register / Vol. 67, No. 15, pp 3193-3200

[[http://frwebgate2.access.gpo.gov/cgi-bin/waisgate.cgi?](http://frwebgate2.access.gpo.gov/cgi-bin/waisgate.cgi?WAISdocID=172512267297+1+0+0&WAISaction=retrieve)

[WAISdocID=172512267297+1+0+0&WAISaction=retrieve](http://frwebgate2.access.gpo.gov/cgi-bin/waisgate.cgi?WAISdocID=172512267297+1+0+0&WAISaction=retrieve)]). The CRS strictly builds on this existing requirement. Therefore, as a participation requirement, communities agree to keep and maintain NFIP elevation data (in a medium they desire) from the start of their application. The recordkeeping of building elevation data is considered a normal business activity at a community level.

(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.

This information collection does not involve any survey technique or statistical methodology.

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

There is no requirement of using a statistical data classification that has not been reviewed and approved by OMB for this information collection does not involve statistical methods. The information is strictly used to verify the adoption and implementation of selective activities aimed at expanding the minimum standards of floodplain management required by the NFIP.

(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.

There is no confidentiality pledge that would impede sharing of information with the public, related organizations/industry, or other state, local, or federal agencies.

(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.

The CRS does not require disclosure of trade secrets or other confidential information, although some activities may require submission of building information specific to a property for mitigation verification purposes.

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 60-day Federal Register Notice inviting public comments was published on March 12, 2007, Vol. 72, No. 47, pp. 11030 ~ 11031. There was a request of the Information Collection Request package; however, no comment was followed.

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.

The program receives wide-spread attention from the media, community, state, federal officials, and floodplain management experts with extensive feedbacks usually regarding the nature of collection, the clarity of the manual and instructions to the Federal Insurance Administration (FIA) and the task force. We consult with local, State, FEMA and professional associations through periodic workshops which lead to wide-ranging interaction on the CRS and its data collection requirements. (See FEMA report, "National Flood Insurance Program Community Rating System – Biennial Report to Congress", dated October 2004 in Appendix 2.)

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 conferences, and community contacts. In addition to the triennial Federal Register Notice for OMB clearance, CRS communities receive annual newsletters, e-mail, and phone contact for updated information on the program. Additional feedback may be received

through contracts with independent technical evaluations of specific community application issues.

Every effort is taken to refine the CRS process to request only the information that FEMA needs to determine fair and accurate CRS classifications. FEMA utilizes the Community Rating System Task Force that is a multi-disciplinary group composed of local, state, and federal governments and insurance industry representatives (see A.1.(d)) to oversee the initial, current, and future development of the CRS. This group constantly evaluates all aspects of the program for possible improvements. All recommendations go to FEMA's Mitigation Division Director (Federal Insurance Administrator).

Although not a part of this collection, CRS program officials benefit from further community-level feedback via information collected on FEMA Forms 81-69 (Community Assistance Contact Report) and 81-68 (Community Assistance Visit Report) aimed at identifying floodplain management compliance problems and the ways in which FEMA can assist in the solution of those problems. Both forms (81-68 and 81-69) were approved under OMB 1660-0023 (*Effectiveness of a Community's Implementation of the NFIP Community Assistance Program (CAC and CAV Reports)*). Every community is visited every 3 to 5 years to renew its classification providing a major opportunity for feedback. All documentation requirements were framed to take maximum advantage of that information easily available to community officials incurred during the normal course of their duties.

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

There is no remuneration to respondents for their participation in this information collection.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy. Provide details on:

a. Whether respondents are informed on the mandatory or voluntary nature of providing the information,

The CRS is voluntary and this is clearly articulated on the CRS Application and CRS Coordinator's Manual, as well as in follow-up correspondence to the community. Potential and currently participating communities are advised of the documentation requirements of the respective activities for which they want to receive credit and the resulting inability to process applications and, consequently, receive CRS benefits without such documentation.

b. Opportunities to decline participation or to consent to particular uses in the information, and

As previously stated participation in the CRS is voluntary. Communities who chose to participate are aware of the reporting and recordkeeping requirements of the CRS and usually have previous knowledge of the use of the information for awarding credit points and the consequent benefit of premiums discount for policyholders. At any time, communities may chose to either not send in requested information for application or they may inform FEMA of their intention to withdraw from the CRS program.

c. How can respondents grant such consent?

Communities may chose to either not send in requested information for application or they may inform FEMA of their intention to withdraw from the CRS program. The information collected from a community determines flood insurance premium discounts for that particular community. Communities are required to send FEMA a written request to participate in the CRS. No community applications can be processed without the community's CEO signed approval.

d. State any administrative and/or technological control to secure the information.

All CRS related community files are maintained by the contractor and subject to FEMA control. Multiple layers of physical and electronic security along with two levels of quality assurance checking protect the CRS data. Verified field data is entered in a subset in two locations, transmitted in electronic format to the ISO office for future review by ISO IT staff members, and after final approval, it is merged with the complete data set and moved to secure storage. Database can only be accessed by a select number of authorized contractor and FEMA staff. Data is not released to external requestors without FEMA approval.

e. Will data findings be analyzed and reported in a way that protects respondents' anonymity?

There is no personally identifiable information involved in this collection. While all CRS community information is considered public, and available through FOIA, the only published information is the name of individual communities and their CRS Classification. In reality, most of the community-level data, although available to the public, is not normally requested.

f. For electronic information collections (web-based): In addition to the above information, provide a detailed description of the use of any agency-authorized tracking of respondents (due to a compelling need), and whether there is an intent to identify individual respondents in conjunction with other data elements (i.e., gender, race, age, geography, and other descriptors).

This information collection does not involve any web-based submission for application nor does it collect personally identifiable information that would allow tracking individuals (see A. 3.).

11. Provide additional justification for any questions 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.

The CRS does not collect information of this 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. 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.

Note: The CRS program has worksheets tied to each individual activity. Since communities voluntarily participate and select one or more activities from dozens of choices, the entire process is grouped into two broad categories, Application and Maintenance, to calculate hour burden for 5 most common activities. The current CRS Activities include

- 310 Elevation Certificates*
- 320 Map Information Service*
- 330 Outreach Projects*
- 340 Hazard Disclosure*
- 350 Flood Protection Information*
- 360 Flood Protection Assistance*
- 410 Additional Flood Data*
- 420 Open Space Preservation*
- 430 Higher Regulatory Standards*
- 430LD Land Development Criteria*
- 440 Flood Data Maintenance*
- 450 Stormwater Management*
- 501 Repetitive Loss List*
- 502 Repetitive Loss Requirements*
- 510 Floodplain Management Planning*
- 520 Acquisition and Relocation*
- 530 Flood Protection*

540 Drainage System Maintenance
610 Flood Warning Program
620 Levee Safety
630 Dam Safety

The total estimated annual hour burden is **8,450 hours** based on **1,100 respondents** (communities) participating in the CRS with an estimated response time of 31 hours per respondent (community) spent for the application and certification processes, and 4 hours for maintenance and recertification. Hour burdens include reviewing the manual as necessary.

Table 1 presents details of the hour burden per respondent (community) allocated to both the Application and Maintenance Phases of the CRS process. For the Application Phase, hours are averaged between three application categories. These three categories include: new application, modified application (already participating but making changes), and; cycle application (already participating and undergoing a technical assistance visit). The Maintenance Phase presents the breakdown of the balance of CRS communities maintaining floodplain management activities and providing annual recertification.

Table 1. Annual Hour Burden

Project/Activity	Number of Respondents	Frequency of Responses	Hour Burden per Response (hours)	Annual Responses	Total Annual Hour Burden (hours)
	(A)	(B)	(C)	(AxB)	(AxBxC)
Application * ¹ (see Note)			* ² (see Note)		
a. CRS Awareness, review new CRS Application and select 5 activities; or add/revise existing activities for current participants.	150	1	[6,4,2] 4	150	600
b. Prepare documentation for 5 initial activities, or 5 added activities.			[10,6,4] 7		1,050
c. Prepare repetitive loss information and/or plan (2 hours to locate properties & revise listing, including updating AW-501, Repetitive Loss Correction Worksheet; 5 hours to prepare plan, outreach project based on approximately 16 actual hours for 1/3 of applicants.			[8,2,8] 6		900
d. Complete worksheets.			[1,1,1] 1		150
e. Assemble application, collate approvals, and prepare correspondence.			[3,3,3] 3		450
f. Preparation for and attend ISO field visit.			[10,6,10] 9		1350
g. Record-organizing for record-keeping			[1,1,1] 1		150
Subtotal-Application			150		1
Recertification (Maintenance)					

h. Prepare annual recertification package, including obtaining all elevation certifications; preparing summary reports/evaluations of various activities; optionally updating AW-501, Repetitive Loss Correction Worksheet.	950	1	4	950	3,800
Subtotal-Recertification	950	1	4	950	3,800
Total	1,100	1		1,100	8,450

Note

*¹ : There are two categories in the application procedure; (1) New applicants initiating activities of their choice, and (2) Existing participants adding more activities.

*² : There are three categories for hour burden estimate for applications: (A1) New application--first time application; (A2) Modified application--already participating but making changes; and (A3) Cycle application--already participating and undergoing a technical assistance visit. Hour burden estimate for each category is shown in square brackets as ordered triple with the average of the three numbers underneath. The average reflects the average response time of the three application categories. For example, the triple in the brackets of Row a., [6, 4, 2], respectively shows hour burden estimate per application category in the same order as (A1), (A2) and (A3), and '4' is average hour burden in hours. Total annual hour burden is calculated with the average hour burdens.

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 estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost 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.

The total estimated cost to all respondents is \$244,543.00 for 8,450 hours of hour burden per year for the CRS Application and Maintenance process combined. Average cost to respondents range from \$897.14 to \$115.76 according to the CRS Application or Maintenance (Recertification) Phases, respectively. Respondents' cost estimate for hour burden is based on the median hourly rate for architecture and engineering occupations, who are the usual respondents, per Bureau of Labor Statistics November 2005 National Occupational Employment and Wage Estimates updated May 2006.

Table 2. Annual Cost to Respondents for Hour Burden

Program	Respondent's Occupational Category	Average Hourly Wage (\$)	Hour Burden (hours)	Average Cost per Respondent (\$)	Annualized Cost All Respondents (\$)
CRS Application	Architect or Engineer	\$28.94	4,650	\$897.14	\$134,571.00
CRS Recertification	Architect or Engineer	\$28.94	3,800	\$115.76	\$109,972.00
Total			8,450	\$222.31⁽¹⁾	\$244,543.00

⁽¹⁾ The 'Average Cost per Respondent' (AvgCR) is calculated using weighted average method as following:

$$\text{AvgCR} = ([\text{HB_A}] \times [\text{NR_A}] \times [\text{Avg_W}] + [\text{HB_M}] \times [\text{NR_M}] \times [\text{Avg_W}]) / (\text{NR_A} + \text{NR_M})$$

$$= (31 \times 150 \times 28.94 + 4 \times 950 \times 28.94) / (150 + 950) = 222.312 (\$)$$

, where

HB_A : Hour Burden for Application
 HB_M: Hour Burden for Maintenance
 NR_A: Number of Respondents for Application
 NR_M: Number of Respondents for Maintenance
 Avg_W: Average hourly Wage of Respondents

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14.)

There are no start-up, maintenance or operational costs to respondents as a result of this collection.

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 not have been incurred without this collection of information.

Total annual cost to the Federal government is estimated at \$2,288,792 with contract costs comprising approximately 79 percent of total government cost. See Table 3 for an itemization of the cost incurred by the government as a result of this collection.

Table 3. Annualized Cost to the Federal Government

Item	Cost (\$)
Contract Costs (ISO services)	\$1,800,000
Staff Salaries ⁽¹⁾ : HQ: 1 GS-14- Step 4 devoting 8% (4 wks) of workload in collection-related activities (\$7,912.00); RO: 1 GS-12-Step 4 devoting 77% (40 wks) in collection-related activities for each one of 10 regions (\$474,880)	\$482,792
Printing	\$5,000
Postage	\$1,000
WEB Management	\$0
Total	\$2,288,792

(1) Based on 2007 Office of Personnel Management (OPM) Pay Tables for General Schedule positions.

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.

Definitions

Program changes should not be confused with adjustments.

i) Program change

A "**Program increase**" is an additional burden resulting from an action or directive of a branch of the Federal government (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).

ii) An "**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 how (e.g., changes in the methods used to estimate burden or correction of errors in burden estimates).

Table 4. Itemized Changes in Hour Burden (hours). Refer to table 1 for the detailed description of the project/activity.

Project/Activity	Current Hour Burden	Proposed Hour Burden	Program Change	Adjustment
Application Description				
a. CRS Awareness --	960	600		-360
b. Prepare documentation --	1,680	1,050		-630
c. Prepare repetitive loss information --	1,440	900		-540
d. Complete worksheets --	240	150		-90
e. Assemble application --	720	450		-270
f. Preparation for and attend --	2,160	1,350		-810
g. Recordkeeping --	240	150		-90
Subtotal-Application	7,440	4,650		-2,790
Recertification Description				
h. Prepare annual recertification --	3,840	3,800		-40
Subtotal-Recertification	3,840	3,800		-40
Total	11,280	8,450		-2,830

The requested total time burden estimate is 8,450 hours, which is 2,830 hours less than the 11,280 hours approved for OMB 1660-0022 in the current OMB inventory. The decrease is mostly due to the re-estimation according to the last 3 year average number of respondents for the first time applicant communities. The number of communities participating CRS during the last 3 years are shown in the following table.

Table 5. The number of communities participating CRS during the last 3 years.

End of FY	Total number of CRS Communities	Increase from the previous year
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Sept, 2004	1,006	
Sept, 2005	1,028	+22
Sept, 2006	1,038	+10
Sept, 2007	1,055 (expected)	+17

There is no cost burden involved in this Information collection.

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.

Though it does not present direct results of the information collected, FEMA produces a Biennial Report to Congress on National Flood Insurance Program Community Rating System. The National Flood Insurance Reform Act of 1994 requires that a report on the CRS be submitted to Congress on a biennial basis. CRS community class changes and updates occur twice per year on May 1st and October 1st. Class changes, data and other program trends described in narrative form comprise the majority of the report content. The most recent report is attached in Appendix 2. The time line for CRS activities and development of the Biennial Report to Congress is reflected in Table 6.

Table 6. Timeline to Prepare NFIP Community Rating System Biennial Report to Congress.

Date	Activity
Dec 2004	Submit 2004 Biennial Report to Congress
Jan 2006 – Jun 2007	Information Collection and Assessment Including Katrina Data
May 1 st , 2006	Community Participation Class Changes/Updates
Oct 1 st , 2006	Community Participation Class Changes/Updates
Oct – Dec 2006	Prepare 2006 Biennial Report to Congress*
Jan 2007	Submit 2006 Biennial Report to Congress
May 1 st , 2007	Community Participation Class Changes/Updates
Oct 1 st , 2007	Community Participation Class Changes/Updates
May 1 st , 2008	Community Participation Class Changes/Updates
Oct 1 st , 2008	Community Participation Class Changes/Updates
Oct – Dec, 2008	Prepare 2008 Biennial Report to Congress*
Jan 2009	Submit 2008 Biennial Report to Congress

- * : The preparation for CRS Biennial Report to Congress includes, but not limited to
- Updated CRS activity description,
 - CRS community analysis by class,
 - State profiles of CRS participation distribution and their communities scores,
 - Cost analysis,
 - Program management analysis and implementation plan.

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

The OMB approval expiration date will be displayed on all documents related to this collection.

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

This information collection is not seeking any exception to the certification statement identified in Item 19 “Certification for Paperwork Reduction Act Submissions,” of OMB Form 83-I.