

March 28, 2007

Supporting Statement for Paperwork Reduction Act Submissions

OMB Control Number: 1660-0033

Title: Residential Basement Flood Proofing Certification

Form Number: FEMA form 81-78

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 (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.

The National Flood Insurance Program(NFIP)administered by the Federal Emergency Management Agency (FEMA), regulation 44 CFR 60.3, Floodplain management criteria for flood-prone areas, ensures that communities participating in the NFIP, in Special Flood Hazard Areas (SFHAs), have basement construction at the lowest floor elevation or above the 100 year flood elevation, or Base Flood Elevation. This requirement is to reduce the risks of flood hazards to new buildings in SFHAs and reduce insurance rates. However, 44 CFR 60.6,c, regulation allow communities to apply for an exception to permit and certify the construction of flood proof residential basements in SFHAs. This certification must ensure that the community has demonstrated that the areas of special flood hazard, in which residential basements will be permitted, are subject to shallow and low velocity flooding and adequate flood warning time to notify residents of impending floods. This allows the

community to ensure that local floodplain management ordinances are met as well as a certificate that allow homeowners to receive a "discounted" flood insurance rate applicable to flood proof basements.

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: a) how the information will be shared, if applicable, and for what programmatic purpose.

FEMA form 81-78 is only used in communities that have been granted an exception by FEMA to allow the construction of flood proof residential basements in SFHAs. Homeowners must have a registered professional engineer or architect complete FEMA form 81-78 for development or inspection of a properly designed and constructed basement, and certify that the basement design and methods of construction are in accordance with floodplain management ordinances. In any case homeowners are responsible for the fees involved with these services. The local community may require that FEMA form 81-78 be used in the permitting process for new residential basement construction in SFHAs. Homeowners provide FEMA form 81-78 to their insurance agent to receive discounted flood insurance rates under the NFIP. The homeowner, the insurance agent, and the community official would all retain a copy of this form for recordkeeping purposes.

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.

FEMA Form 81-78 is submitted in conjunction with an application for National Flood Insurance Program insurance. There are no provisions for this form to be submitted electronically; however, it is available for downloading from the FEMA website at <http://www.fema.gov/pdf/nfip/manual200505/08cert.pdf>

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.

There are no duplications of FEMA Form 81-78.

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 collection does not impact any 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 this information is not collected, there would be difficulty in assuring that proper construction and flood proofing techniques are being utilized, and in providing lower flood insurance rates to homeowners.

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.

This information only needs to be collected when property owners in SFHAs build a flood proof basement in a community which has received a basement exception.

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

There is no request for a written response in fewer than 30 days.

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

There is no request to submit additional copies of documents.

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

This collection does not have recordkeeping requirements.

(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 collection does not employ statistical methodology.

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

The information collection will not use any statistical data classification not 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.

No assurance of confidentiality has been provided to respondents.

(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.

Respondents will not be asked to submit proprietary trade secrets.

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 was published for comments on January 23, 2007 Volume 72, Number 14, pp. 2894. There were no comments received for this collection.

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.

NFIP program personnel frequently discuss the certificate at meetings with involved users; e.g., insurance agents, company officials, surveyors, local officials, and others. FEMA worked very closely with the surveyors, engineers, architects, local community officials, and International Code Council during the development process.

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.

FEMA has a team of engineers who have certified a large proportion of all flood proof basements built in communities with exceptions. The engineers consult with local

community engineers and architects with respect to the amount of time necessary to certify flood proof basement construction and the cost to homeowners for certification.

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

No payment or gift was given to respondents.

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

Respondents were not provided with any assurance of confidentiality.

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.

There are no questions that are 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. 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.**

Data Collection Activity/Instrument	No. of Respondents	Frequency of Responses	Hour Burden Per Response	Annual Responses	Total Annual Hour Burden
	(A)	(B)	(C)	(D) = (AxB)	(E) = (Cx D)
FEMA form 81-78	150	1	3.25	150	487.5
TOTAL	150	1	3.25	150	487.5

FEMA Form 81-78 is submitted by the homeowner in conjunction with his or her application for National Flood Insurance Program insurance. The homeowner provides

his or her name and property address for the form. It is required that a registered professional engineer or architect complete Sections II and III of the form. The homeowner employs the services of the engineer or architect in completing the technical sections of the form.

It is estimated that the average time required for completing and submitting this form is 3.25 hours. This time is allocated to the engineer or architect in obtaining the information required and completing the sections of the form that require professional expertise and certification.

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.

This request for approval does not cover more than one form.

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 14.

Table 2. Annual Cost to Respondents for Hour Burden.

Data Collection Activity/Instrument	Respondent's Occupational Category	Median Wage (\$)	Average Cost Per Respondent	Total Annual Hour Burden (hour)	Total Annual Cost Burden (\$)
		(F)	(FxC)	(E) from Table 1	(G) = (FxE)
FEMA Form 81-78					
	Architect & Engineers	\$28.94	\$94.06	487.5	\$14,108.25
TOTAL		\$28.94	\$94.06	487.5	\$14,108.25

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers 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.

The cost estimates should be split into two components:

a. Operation and Maintenance and purchase of services component.

The average cost paid to the architect or engineer employed by a homeowner to complete this form is \$325. For 150 respondents, the total annual cost burden is \$48,750, i.e., 150 forms x \$325 per form.

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.

There are no Capital and/or Start-Up Cost.

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.

ANNUALIZED COST TO THE FEDERAL GOVERNMENT	
Item	Cost (\$)
Contract Costs [Specify what is for and what is included, i.e. S/W development, survey, etc.] Contractor staff costs to process, manage, and review the forms	312.50
Staff Salaries [State number of employees involved, GS-level, Time spent w/ this collection] 1 GS 14: 20 hours @ \$45.00 an hour annually	900.00
Facilities	600.00
Computer Hardware and Software	0.00
Equipment Maintenance	0.00
Travel	0.00
Printing 6,000 copies (as inventory requires)	200.00
Postage	235.00
Other	0.00
Total	\$2247.50

The estimated annual cost to the Federal government, performed by the contractor, to process, manage and review this information is approximately \$ 312.50 (150 forms / 12 per hour = 12.5 hours x \$25.00/hour = \$312.50). This amount includes the review, validation, and data entry of the information necessary to rate the flood insurance policy.

The approximate cost is determined as follows:

- Total number of certificates processed = 150
- Production rate per hour = 12
- Underwriting Specialist Rate per hour = \$25.00

In addition, a GS-14 Federal employee may spend approximately 1% or 20 hours annually to review the form and to answer questions pertaining to the form. The approximate cost of \$900 is determined as follows: One Insurance Examiner GS-14 level may spend a total of 20 hours annually. The average rate per hour is \$45.00. The total annual cost for the GS-14 is \$900.

The Federal government may spend \$200 annually to print (as inventory levels require) approximately 6,000 copies of the Residential Basement Floodproofing Certificate. In

addition, the Federal Government may spend approximately \$235 annually for postage to mail approximately 600 of these forms. The cost of storing these forms is approximately \$50 per month, or \$600 annually. The total annualized cost to the Federal Government is \$2247.50.

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).

Itemized Changes in Hour Burden and Cost Burden.

Changes in Hour Burden		
Data Collection Activity/Instrument	Program Changes (hours)	Adjustments (hours)
Residential Basement Floodproofing Certificate		487.5 hrs -163 hrs
Total		+324.5hrs
Changes in Cost Burden		
Data Collection Activity/Instrument	Program Changes (\$)	Adjustments (\$)
Residential Basement Floodproofing Certificate		0+\$48,750.50=\$48,750.50
Total		+\$48,750.50

The previous burden hours for this collection were 163 hrs. There has been an increase in burden hours to 487.5 hours which equals an increase in hours of 324.5 hours. The previous cost in burden for this collection was none. This collection now has \$48,750.50 in cost burden. The adjustment in burden hours and cost burden is due to an increase in the number of FEMA forms 81-78 submitted along with applications form National Flood Insurance Program policies. This adjustment is also due to the cost burden not being captured in the previous submission of this 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.

This collection of information will not have any published results.

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

This collection is not seeking approval to not display the expiration date for an OMB approval. A valid OMB control number, expiration date and burden disclosure notice will be displayed in all collection's material.

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

This collection does not seek exception to the certification statement referenced above.

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.