

## Supporting Statement for Paperwork Reduction Act Submissions

### A. Justification

#### 1. Why is the information necessary?

This information collection is designed to collect information from recipients of covered HUD funding and eligible businesses regarding the Section 3 Business Registry pursuant to Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and the implementing regulations at [24 CFR § 135](#). Additional information about HUD's Section 3 Business Registry can be found at: [www.hud.gov/sec3biz](http://www.hud.gov/sec3biz).

#### 2. What information is to be collected?

This information collection contains two surveys that will provide insights about the Section 3 Business Registry that will inform the development of subsequent policies and procedures. It will also give a non-scientific overview of customer satisfaction from respondents. Previously, this information proved to be useful for developing policies regarding the Section 3 Business Registry.

These information collections will be limited to: 1) businesses that have self-certified their Section 3 eligibility to HUD; and 2) recipients of HUD funding (i.e., Public Housing Authorities and local government agencies) nationwide. Random sampling will not be used to identify potential respondents. Instead, the survey will be sent to all certified businesses and HUD funding recipients annually in an effort to produce the greatest amount of responses. Responding to the survey is voluntary.

#### 3. Is the information submitted electronically? If not, why?

Yes. These information collections will be distributed via a web-based survey mechanism such as SurveyMonkey.com.

#### 4. Is this information collected elsewhere? Review current information collection packages for potential consolidation.

No

#### 5. Does the collection of information impact small businesses or other small entities (item 5 of OMB form 83-i)? Describe any methods used to minimize burden.

The Department will not be submitting the survey to a random sample of these businesses. Instead, all firms will receive the survey to produce the greatest amount of responses, and responding to these surveys is voluntary. The first information collection will be distributed to self-certified businesses in HUD's Section 3 registry. Many of the businesses that will be contacted may be considered small in nature. The second information collection will be sent to all recipients of covered HUD funding nationwide. Agencies that receive the largest amount of HUD funding generate more jobs, training and contracting opportunities than smaller ones, so it is more likely that larger agencies will respond to the survey.

6. Why can't the information be collected less frequently – or not at all?

Without this information collection the Department would have no means of assessing outcomes from the Section 3 Business Registry, which may ultimately result in the development of new policies and procedures.

7. Explain any special circumstances requiring:

- response more than quarterly;
- response in fewer than 30 days;
- more than an original and two copies of any document;
- retain records for more than three years (*other than health, medical, government contract, grant-in-aid, or tax records*);
- statistical surveys not designed to produce results that can be generalized to the universe of study;
- statistical data classification not been approved by OMB;
- a pledge of confidentiality that is not supported by 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; or
- respondents to submit proprietary trade secret, or other confidential information.

No special circumstances exist

8. Date and page number of the *Federal Register* notice (provide a copy) soliciting comments and public input. Summarize any public comments and describe response to comments. Describe all efforts to consult with persons outside the agency to obtain their input.

The Notice was published in the Federal Register on Tuesday, August 22, 2013. Volume 78 and page 52208. The public comment period expired on Monday, October 21, 2013. HUD received no comments in response to the Notice.

9. Explain any payments or gifts to respondents, other than remuneration of contractors or grantees.

None

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

The following language will be incorporated into the web-based survey mechanism:

Your participation in this research study is voluntary. You may choose not to participate. If you decide to participate in this research survey, you may withdraw at any time. If you decide not to participate in this study or if you withdraw from participating at any time, you will not be penalized.

The procedure involves filling an online survey that will take approximately 30 minutes. Your responses will be confidential and we do not collect identifying information such as your name, email address or IP address. The survey questions will be used to help HUD determine outcomes from the Section 3 Business Registry and to assess overall customer satisfaction.

We will do our best to keep your information confidential. All data is stored in a password protected electronic format. To help protect your confidentiality, the surveys will not contain information that will personally identify you. The results of this study will be used for scholarly purposes only and may be shared with SurveyMonkey University representatives.

If you have any questions about the research study, please send an email to [sec3biz@hud.gov](mailto:sec3biz@hud.gov). This research has been reviewed according to SurveyMonkey University IRB procedures for research involving human subjects.

ELECTRONIC CONSENT: Please select your choice below.

Clicking on the "agree" button below indicates that:

- you have read the above information
- you voluntarily agree to participate
- you are at least 18 years of age

If you do not wish to participate in the research study, please decline participation by clicking on the "disagree" button.

- ELECTRONIC CONSENT: Please select your choice below. Clicking on the "agree" button below indicates that: • you have read the above information • you voluntarily agree to participate • you are at least 18 years of age If you do not wish to participate in the research study, please decline participation by clicking on the "disagree" button. agree
- disagree

11. Justify any questions of a sensitive nature, such as sexual, religious beliefs, and other matters that are commonly considered private

These information collections do not contain any sensitive questions.

12. Estimate public burden:

With respect to the 'Participant Survey', there are approximately potential 58,000 Section 3 businesses nationwide<sup>1</sup>. The Department estimates the following:

- Approximately 20% of certified Section 3 businesses (11,600) will respond to the survey;
- Mean hourly wage for construction workers is \$16.43<sup>2</sup>;
- On average, 30 minutes is estimated to complete survey

ESTIMATED COST BURDEN ON PARTICIPANTS: \$95,294.00

With respect to the 'Recipient Survey', there are approximately 5,000 recipients of HUD funding nationwide. The Department estimates the following:

- Approximately, 20% of recipients of HUD funding (1,000) are estimated to respond to the survey<sup>3</sup>;
- Average hourly wage for local government workers is: \$20.32
- On average, 30 minutes is estimated to complete the survey

ESTIMATED COST BURDEN ON RECIPIENTS: \$10,160.00

**COMBINED TOTAL ESTIMATED COST BURDEN: \$105,454.00**

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<sup>1</sup> Source: SBA Small Dynamic Contractor Listing at: [http://dsbs.sba.gov/dsbs/search/dsp\\_dsbs.cfm](http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm)

<sup>2</sup> Source: Bureau of Labor Statistics Occupational Employment and Wages

<sup>3</sup> This number is based on the response rate during the pilot program.

13. Estimate of the average, annual cost beyond the cost of hour burden shown in Items 12. Read the complete instructions on the form 83i.

None

14. Estimate annualized costs to HUD of collecting the information, including processing the information.

HUD estimates the following costs to the federal government:

- Average hourly wage of employees conducting data analysis: \$58.21<sup>4</sup>
- Estimated number of hours worked on designing the electronic survey tool, notifying respondents, data analysis, and drafting reports: 1,530 hours
- Other estimated costs (equipment, printing, overhead): \$5,500

**TOTAL ESTIMATED COST TO THE FEDERAL GOVERNMENT: \$94,561.30**

15. Explain any program changes or adjustments reported in items 13 and 14 of the OMB Form 83i. Also explain any other changes/revisions to the information collection.

The burden estimate increased from the previous submission because the original Pilot Program was only limited to five Metropolitan areas. Based on the results of the Pilot Program, HUD has decided to expand the Section 3 Business Registry nationwide. Since the responses to the original surveys provided useful information to the Department, they will continue to be used to help inform the development of subsequent policies and procedures.

The information collection for Section 3 businesses was revised to incorporate questions related to a new and relevant White House Initiative on young men and boys of color “[My Brother’s Keeper](#)”. Additionally, some of the original survey questions were removed because they did not produce valuable data and to improve user-friendliness.

16. If the information will be published, outline plans for tabulation and publication.

HUD will use web-based survey mechanisms such as [surveymonkey.com](#) to tabulate data and produce charts and other graphic displays which may be incorporated into annual reports to the Congress and general public.

17. Explain any request to not display the expiration date.

None

18. Explain each exception to the certification statement identified in item 83i-19. This includes, specifically, providing the required information to respondents:

- The OMB control number and expiration date;
- Why the information is being collected;
- Use of the information;
- Burden estimate;
- Nature of response (voluntary, required for a benefit, or mandatory);
- Nature and extent of confidentiality; and

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<sup>4</sup> Source: Office of Personnel Management Hourly Salary Table for Washington, DC (GS-13/4; GS-14/7 and GS-15/5)

- The requirement to display currently valid OMB control number.

None

Even if no forms are used to collect the information, respondents must be provided this information. Be prepared to explain how this requirement is met.