

United States Department of Energy
Supporting Statement
OMB Number 1910-5162
Budget Justification

This supporting statement provides additional information regarding the Office of Energy Efficiency and Renewable Energy's (EERE) request for processing of the information collection, Budget Justification. The numbered questions correspond to the order shown on the Office of Management and Budget (OMB) Form 83-I, "Instructions for Completing OMB Form 83-I."

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.

The Energy Policy Act of 2005 (EPACT 2005; P.L. 109-58), the Energy Independence and Security Act of 2007 (EISA; P.L. 110-140), and the American Reinvestment and Recovery Act of 2009 (ARRA; P.L. 111-5) all generated numerous energy efficiency and renewable energy (EERE) research, development, demonstration, and outreach incentive programs. The DOE manages a large number of these EERE incentive programs, including a vast amount of public Financial Assistance in the form of Grants and Cooperative Agreements.

The 10 CFR 600 implements the Federal Grant and Cooperative Agreement Act, Pub. L. 95-224, as amended by Pub. L. 97-258 (31 U.S.C. 6301-6308), and establishes uniform policies and procedures for the award and administration of DOE grants and cooperative agreements. Subpart A sets forth the general policies and procedures applicable to the award and administration of grants, cooperative agreements, and technology investment agreements. 10 CFR 600.112 states that (b) DOE may request and the recipient shall submit the minimum budgetary information necessary to evaluate the costs of the proposed project; and that (c) DOE may, subsequent to the receipt of an application, request additional information from an applicant when necessary for clarification or to make informed pre-award determinations.

The aforementioned policies and procedures apply to applications, funding opportunity announcements (FOA), and new, continuation, and renewal awards. Any new, continuation, or renewal award (and any subsequent sub award) shall comply with any applicable Federal statute, Federal rule, Office of Management and Budget (OMB) Circular and Government-wide guidance in effect as of the date of such award.

This collection of information is necessary in order for the Office of Energy Efficiency and Renewable Energy to evaluate application budgets and projects that are eligible for Grants and Cooperative Agreements in compliance with uniform policies, procedures, administrative requirements, cost principles, and audit requirements within EERE programs.

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.

The information collected for the Budget Justification will be used by Department of Energy officials to evaluate application budgets for cost reasonableness and allowability. The Budget Justification will also be used to review recipient regulation compliance for DOE Grants and Cooperative Agreements. The information will be used for evaluation of continuation and renewal applications from recipients. The information received on current budget forms does not contain sufficient detail to justify the budget because only dollar values are on the forms (SF 424A and SF 424 R&R Budget Form). Without explanatory comments to accompany the budgets, it is difficult to evaluate the information consistently during application compliance reviews and when finalizing grant award agreements. Therefore, the use of the Budget Justification, with explanatory comment sections, is requested to be used.

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.

Funding Opportunity Announcement applications are submitted in electronic format through Grants.gov and EERE Exchange. In applications, the Budget Justification would be submitted in a MS Excel file. During the post-award phase, Recipients will send budget application documentation via email directly to EERE contacts. The 'Budget Justification' spreadsheet is in MS Excel format and utilizes budget formulas that provide summarizations and correspond to multiple sheets/tabs. This greatly reduces burden on users by eliminating redundant data entry and external calculation.

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.

EERE must evaluate each budget line item in sufficient detail, to ensure that application costs are reasonable and allowable. In order to conduct those evaluations, justification comments must be submitted to explain the costs. Therefore, the Budget Justification form was developed to get the explanations with the budget, so that subsequent requests for budget justifications can be avoided. To do so, it is necessary to have a consistent and reliable budget format that can be used to meet EERE's evaluation needs. Industry normally develops this budget information for new projects, yet each grant and/or cooperative agreement is very unique in nature. By utilizing the Budget Justification, users will be able to employ this tool to facilitate the compilation of cost and budget data in a clear and concise manner.

The most relevant OMB Approved form, the SF424 R&R Budget Form, is oriented more for educational institutions and does not parallel our budget process in an efficient or effective manner. Reviewers have found it difficult and cumbersome to employ. The SF 424A is another form that summarizes budget information. However, neither of these forms contains sections for comments or explanations for each budget line item.

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 burden.

Grants and Cooperative Agreements out of EERE typically have open funding eligibility to all organization sizes and types, including small businesses. The Budget Justification tool will assist the small organization in adherence to applicable Federal regulation by offering a standardized budget compilation tool to convey project cost projections with minimal negotiation and correspondence with EERE.

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

If the information is not collected, EERE will be unable to adequately implement the administrative guidance required by the 10 CFR 600, the Cost Principles by 2 CFR 220, 2 CFR 225, 2 CFR 230, FAR 31.2, and the audit requirements of OMB Circular A-133 and Policy Flash 2011-7. The lack of consistent budget submissions will hinder efficiency and prolong the award process for recipients and Federal staff. It also implies an unnecessary cost burden due to forgone savings resulting from streamlining efforts.

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

Requiring respondents to report information more frequently than quarterly.

None.

Requiring written response in less than 30 days.

None.

Requiring more than an original and two copies.

None.

Requiring respondents to retain records for more than 3 years.

If a specific Grant or Cooperative Agreement Project Period is longer than 3 years, budget, accounting, and payment records would be required for longer than 3 years.

Not utilizing statistical sampling.

None.

Requiring the use of statistical sampling which has not been reviewed and approved by OMB.

None.

Requiring a pledge of confidentiality.

None.

Requiring submission of proprietary trade secrets.

Grants and Cooperative agreements may utilize new or original technologies and engage products or processes not yet on the market. Applicants may be required to submit proprietary budget data to justify the award costs of a Grant or Cooperative Agreement._

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), 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. 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. Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years - even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

The *renewal* publication in the Federal Register was Thursday, October 23, 2014 (Federal Register /Vol. 79, No. 205 /Thursday, October 23, 2014 /Notices)

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

No payment or gift to respondents is being proposed under this information collection.

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

Patentable ideas, trade secrets, proprietary or confidential commercial or financial information, disclosure of which may harm the applicant, should be included in an application only when such information is necessary to convey an understanding of the proposed project. To protect such data, each line or paragraph on the pages containing such data must be specifically identified and marked. DOE is responsible for the final determination with regard to disclosure or nondisclosure of the information and for treating it accordingly under the DOE Freedom of Information regulations at 10 CFR 1004.11.

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.

Questions of a personally sensitive nature, such as sexual behavior and attitudes, and religious beliefs are not included in this information request. The information collected is of a budgeting nature. Projected budget data that an organization may deem sensitive is reviewed only to assure that it is allowable, allocable, and reasonable and within the applicable Administrative Guidelines and Cost Principles.

12. Provide estimates of the hour burden of the collection of information.

The estimate of hour burden of the information collection is as follows: 24 hours per collection

Total number of unduplicated respondents: 400 per year (average)

Reports filed per person: 1

Total annual responses: 400

Total annual burden hours: 9,600

Average Burden	Per Applicant: 24 hours
	Per all Applicants: 9,600 hours per year

The public reporting burden for the collection of information is estimated to average 24 (total burden hours/total annual responses) hours per response. The respondents are applicants and recipients of Grants and Cooperative Agreements.

Note: The Current OMB Inventory number (1,218) is an **error** due to employing incorrect units (days instead of hours). As explained above, it can require 24 hours (3 working days) to complete the Budget Justification information collection instrument.

The total number of awards for the first year in which this form received OMB approval was 406. $24 \text{ hours} \times 406 \text{ awards} = 9,744 \text{ total burden hours per year}$. Dividing the current OMB Inventory number (1,218 hours) by 406 awards [$1,218 \text{ hrs.} / 406 \text{ awards}$] equals 3.0. The 24 hours required for the information collection also equals 3.0 working days. ***Hence, the math error that occurred was accidentally employing the unit of days instead of hours***, which is why the current OMB Inventory number is incorrect.

Additionally, if one multiplies the current OMB Inventory number by 8 (the number of hours in a work day) this yields a figure of 9,744 hours [$8 \times 1,218 = 9,744$]; proof that the unit days was employed, when hours was the desired unit.

For this renewal of the OMB control number for the Budget Justification, the average number of Financial Assistance awards (400) was used, as the original figure of 406 awards was for that one year only, and it was determined that the average was a better estimate than one lone year's data. Hence, the total annual hour burden declined by 6 awards or [$6 \times 24 = 144$] hours, reducing the total annual hourly burden of the information collection instrument from 9,744 to 9,600 as shown above.

13. Provide an estimate for 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).

All respondent costs will be associated with the compilation of data to be entered into the Budget Justification form. The recipient will not be required to perform any auxiliary business functions as a requirement in filling out the form. Thus, the only costs will be information gathering from the hourly burden described in item 12 above.

$\$37.46$ [Average of U.S. BLS Engineer and Cost Estimator ($\$44.31/\text{hr.} + \$30.61/\text{hr.}$)/2 Wages] $\times 24$ (hours) = $\$899.04$ (per award)

These wage estimates are based on the Bureau of Labor Statistics May 2013 National Occupational Employment and Wage Estimates (most recent data available).

Ongoing cost burden will only occur if the actual project costs greatly vary in comparison to the original budget projections entered into the Budget Justification and need to be revised.

14. Provide estimates of annualized costs to the Federal government.

There are no costs associated with this collection that will impact the Federal government. This budget information is required per DOE regulations, and would have been provided by the applicants in any case. Additionally, without this OMB approved document, the submissions are inconsistent, irregular, and in varying formats which requires more time for the Federal employee to read through. Hence, the use of a standard Budget Justification will save the Federal government money. However, if a cost estimate is required, the Federal employees using this document will require

approximately 2/3 the time required by the public (24 hours) which implies 16 hours per Federal employee, per award. There are approximately 250 Federal employees across the DOE EERE complex using this document. These employees are roughly evenly divided between GS-12 and GS-13 personnel. These personnel are located in the Washington, DC and Denver, CO metro areas. The average hourly wage of a GS-12 in these combined areas is \$40.79, $[(\$40.50 + \$41.07)/2]$ and the average hourly wage of a GS-13 in these combined areas is \$48.50 $[(\$48.16 + \$48.83)/2]$ which yields an average hourly wage of \$44.65. EERE processes approximately 400 Financial Assistance awards per year. Hence, the estimated annual cost to the Federal government of using this information collection instrument would be \$71,440,000 [$\$44.65/\text{hr.} \times 16 \text{ hrs.} \times 250 \text{ employees} \times 400 \text{ awards}$]. The Budget Justification format reduces Federal burden and labor costs by streamlining the review and approval process and employing only one standard budget document as opposed to the myriad individual budgets provided by each applicant. By employing the standard Budget Justification document, Grants and Cooperative Agreements can be awarded in a much more efficient and timely manner.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.

There has been an *Adjustment* in Item 13 since the collection was first submitted. This change is the difference between the average number of awards in any given year (400) and the total number of awards (406) from the year in which OMB approval was first sought for information collection. It was determined that the average number of awards per year was a better estimate than one lone year's data.

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.

The information collected is not intended to be published.

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

EERE is not seeking approval to not 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.

There are no exceptions to the certification statement.