



## 19. Certification for Paperwork Reduction Act Submissions

On behalf of this Federal Agency, I certify that the collection of information encompassed by this request complies with 5 CFR 1320.9.

**Note:** The text of 5 CFR 1320.9, and the related provisions of 5 CFR 1320/8(b)(3). Appear at the end of the instructions. The certification is to be made with reference to those regulatory provisions as set forth in the instructions.

The following is a summary of the topics, regarding the proposed collections of information, that the certification covers:

- (a) It is necessary for the proper performance of agency functions;
- (b) It avoids unnecessary duplication;
- (c) It reduces burden on small entities;
- (d) It uses plain, coherent, and unambiguous terminology that is understandable to respondents;
- (e) Its implementation will be consistent and compatible with current reporting and recordkeeping practices;
- (f) It indicates the retention periods for recordkeeping requirements;
- (g) It informs respondents of the information called for under 5 CFR 1320.8(b)(3):
  - (i) Why the information is being collected;
  - (ii) Use of the information;
  - (iii) burden estimate;
  - (iv) Nature of response (voluntary, required for a benefit, or mandatory);
  - (v) Nature and extent of confidentiality; and
  - (vi) Need to display currently valid OMB control number;
- (h) It was developed by an office that has planned and allocated resources for the efficient and effective management and use of the information to collected (see note in item 19 of the instructions);
- (i) It uses effective and efficient statistical survey methodology; and
- (j) It makes appropriate use of information technology.

If you are unable to certify compliance with any of these provisions, identify the item below and explain the reason in item 18 of the Supporting Statement.

Signature of Program Official:  X Deborah A. Hernandez, General Deputy Assistant Secretary for Public and Indian Housing	Date:
Signature of Senior Officer or Designee:  X Colette Pollard, Departmental Reports Management Officer Office of the Chief Information Officer	Date:

# Supporting Statement for Paperwork Reduction Act Submissions

## A. Justification

1. What information is being collected, from whom, and why is it needed? Explain what the information is and why it's necessary. Identify any legal or administrative requirements that necessitate the collection.

Under current law, non-profit organizations receiving federal tax exemptions are required to report to the IRS annually the names and compensation of their five current highest compensated employees. Public housing authorities (PHAs) receive significant direct federal funds, and to promote similar public transparency and to enhance oversight by HUD and by state and local authorities, the same information should be collected and made available as to public housing authorities. After collecting this compensation information and deleting individual names, HUD plans to make it available on a publicly accessible website. Information will be retained for approximately one year, until it is replaced by more current information.

This collection is also important because of Congressional oversight. The Chairman and staff of the House Appropriations Subcommittee on the Departments of Transportation and HUD have specifically communicated to HUD that, especially in light of recent publicized instances concerning high salaries paid to some PHA directors, it is very important that HUD collect, review, and make compensation information publicly available. When HUD recently reported to the Subcommittee at a hearing that it had initiated a 60-day notice with respect to the collection of this information, the Chairman praised the action and emphasized the importance of HUD carrying it out expeditiously.

The collection is authorized pursuant to HUD's specific oversight of the public housing operating fund that is found in the U.S. Housing Act of 1937 as amended, 42 U.S.C. 1437 *et seq.*, particularly 42 U.S.C. 1437c(a)(1) and (f) and 42 U.S.C. 1437f(b)(1). Authority is also found in the Department of Housing and Urban Development Act (42 U.S.C. 3531 *et seq.*) (Department of HUD Act). Under the Department of HUD Act, HUD is provided general oversight and monetary authority over its funded programs. In particular, section 7(r)(1) of the Department of HUD Act (42 USC 3535(r)(1)) authorizes the Secretary to expend funds "for evaluating and monitoring" housing programs, including public housing and all other programs authorized under the U.S. Housing Act of 1937 and other HUD statutes, and for "collecting and maintaining data for such purposes."

Additionally, the governmentwide regulations governing grants and cooperative agreements to state, local, and federally recognized Indian tribal governments, which for HUD are found in 24 CFR part 85, provide in 24 CFR 85.42(e) as follows: "(e) Access to records —(1) Records of grantees and subgrantees. The awarding agency and the Comptroller General of the United States, or any of their authorized representatives, shall have the right of access to any pertinent books, documents, papers, or other records of grantees and subgrantees which are pertinent to the grant, in order to make audits, examinations, excerpts, and transcripts."

These statutory and regulatory authorities together form the basis for the information collection proposed by HUD. As explained in the 83i and elsewhere, the executive compensation collection is designed to help HUD monitor and conduct oversight of public housing, section 8 vouchers, and other housing programs operated by PHAs.

2. What's it for; and for whom? What information is collected and how is it collected. Explain how the information is to be used; for what purpose and by whom.

The information that will be collected annually from PHAs will be similar to that required by the IRS from all non-profit organizations receiving federal tax exemptions. The collection will include the PHA name, identifying PHA code, and the following information for each of the PHA's five most highly compensated employees: Name, title, and compensation (including reportable compensation from the PHA and related organizations, contributions to employee benefits plans and deferred compensation from the PHA and related organizations, and other compensation or allowances). The executive compensation collection instrument will be an attachment to the existing and approved HUD-52723 form, which most PHAs are required to annually complete and submit.

The information will be used for several purposes. Initially, the information will be used by HUD officials as part of their oversight and review of PHAs. One of the important factors that HUD officials consider with respect to PHAs is how they handle administrative and related expenses. Having data available on the five highest compensated employees of all PHAs will allow HUD officials to review this aspect of PHA administrative expenses and compare such expenses across the range of all PHAs. This will be particularly useful in evaluating PHAs that are considered troubled because of administrative or other problems. It is anticipated that state and local authorities, which also oversee PHAs and often appoint their boards of directors, will also find this information useful for oversight purposes. (A relatively small number of PHAs do not administer public housing units, administer only housing choice vouchers, and are state and local governmental units that perform other functions and receive less than 50% of the funding for employees from HUD; employee compensation from these agencies will be requested but not required in the collection).

In addition, the information will be used to promote transparency. HUD intends to publish on its website the job title and total compensation paid to the five highest compensated employees of each PHA, just as such information is available for tax-exempt organizations, federal employees, and many private corporations. As HUD Secretary Donovan has stated, this will further enhance HUD's efforts to promote transparency concerning the use of federal funds. The information will thus be available to the public across the country.

3. Is the information submitted electronically? Will it ultimately reside in an automated system? Describe whether, and to what extent, the collection of information is automated (item 13b1 of OMB form 83-i). Under the Government Paperwork Elimination Act (GPEA), the public must be provided with the option of responding electronically. If that is not feasible, explain why. This must be addressed.

Yes. The collection of information will be accomplished through a template form that PHAs will complete and submit electronically. PHAs will download the collection form from HUD's website, complete it, and return it to their local field office, in most cases along with HUD form 52723. The information collection responses will be consolidated at HUD headquarters and reside in an automated system under HUD control.

4. Is this information collected elsewhere? Also, review current information collection packages for potential consolidation.

Similar information is collected by the Internal Revenue Service from all entities required to file Form 990s, which may include some PHAs or their affiliates. Similar information is or will be collected by the General Services Administration from many federal grantees, including many PHAs, under the American Recovery and Reinvestment Act of 2009 and the Federal Funding Accountability and Transparency Act of 2006. As discussed above, this information collection will be consolidated with information collection under HUD form 52723 in order to promote efficiency.

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

Some small entities (i.e. small PHAs) will be affected by the information collection requirement. Methods have been adopted to minimize the burden on these and other entities by consolidating the collection with the annual collection of information under HUD form 52723, limiting the information collected to the same information collected by the IRS and other entities that collect similar information, and thus limiting the amount of time that the collection will take to approximately 20 minutes per PHA. There is no significant economic impact on a substantial number of entities within the meaning of the Regulatory Flexibility Act.

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

The information is collected only once per year. Less frequent collection would make the information significantly less useful for the intended purposes, since compensation information often changes on an annual basis. Not collecting the information at all would completely preclude the intended purposes of providing increased oversight and transparency concerning the administrative functions and expenses of PHAs, which receive significant direct federal funding.

7. Explain any special circumstance requiring:

- respondents to report information more than quarterly;
- a written response in fewer than 30 days;
- more than an original and two copies of any document;
- respondents to retain records other than health, medical government contract, grant-in-aid, or tax records for more than three years.
- a statistical survey not designed to produce results that can be generalized to the universe of study;
- the use of a statistical data classification that has not been reviewed and approved by OMB;
- 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 data with other agencies for compatible confidential use; or
- respondents to submit proprietary trade secret, or other confidential information.

There are no special circumstances that would cause information collection to be conducted in a manner as described above.

8. Identify the date and page number of the *Federal Register* notice (and provide a copy) soliciting comments on the information. Summarize public comments and describe

actions taken by the agency in response to these comments. Describe all efforts to consult with persons outside the agency to obtain their input.

This Information Collection was announced in the *Federal Register*, Volume 78; Page 5478 on January 25, 2013. In response to the 60-day Notice of Proposed Information Collection, HUD received comment from NAHRO, PHADA, Greensboro Housing Authority and ACC Wage Salary Study a Division of the Nelrod Company. Comments are attached.

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

Not applicable to this information collection requirement.

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

Not applicable to this information collection requirement.

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

No such sensitive information is sought through this information collection requirements.

12. Estimate public burden: number of respondents, frequency of responses, annual hour burden. Read the complete instruction form 83i. Explain how the burden was estimated. Generally estimates should not include burden hours for customary and usual business practices;

- If this collection uses more than one form, provide separate estimates for each form and aggregate the hour burdens in item 13 of OMB Form 83i; and
- 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 and paying outside parties for information collection activities should not be included here. Instead this cost should be included in Item 13.

There are 4,116 PHAs and thus 4,116 respondents, each of which will be called upon to respond annually. It is estimated that the burden hour per response would be 40 minutes or less, based upon the ready availability of the relatively little amount of employee information requested to each respondent. The total annual hour burden for all respondents collectively is thus 2,744 burden hours. This collection does not use more than one form.

**Total Annual Burden Hour Estimates**

Information Collection	Number of Respondents	Frequency of Response	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost Per Response	Annual Cost
<b>HUD 52723</b>	<b>4,116</b>	<b>1</b>	<b>4,116</b>	<b>.40</b>	<b>2,744</b>	<b>\$22.92</b>	<b>\$62,892</b>

13. Estimate of the annual cost to respondents or recordkeepers (do not include the cost of hour burden shown in Item 12 and 14). Read the complete instructions on the form 83i.

There will be no change in cost to respondents or recordkeepers and thus no additional costs to respondents.

14. Estimate annualized costs to the Federal government.

The estimated annualized costs to the federal government is based on the FY 2012 general pay schedule for a GS-7, Step 5 (an average salary for an Administrative Assistant) at a per hour rate. It is estimated that it will take approximately 40 minutes to complete the collection instrument.

**Total Estimated Cost to the Federal Government - Staff**

	Number of Respondents	Frequency of Response	Estimated Hours	Total Annual Burden Hours	Hourly Rate	Annual Cost
	<b>4,116</b>	<b>1</b>	<b>.40</b>	<b>\$1,646</b>	<b>\$22.92</b>	<b>\$37,726.32</b>

15. Explain any program changes or adjustments reported in items 13 and 14 of the OMB Form 83i.

Pursuant to PIH Notice 2011-48, HUD has been collecting information on the compensation provided by public housing authorities (PHAs) to their three highly compensated employees, similar to the information that non-profit organizations receiving federal tax exemptions are required to report to the IRS annually. Since PHAs receive significant direct federal funds, such compensation information has been collected by HUD to enhance oversight by HUD and by state and local authorities. After HUD began this information collection, Congress included a provision in its fiscal year 2012 appropriations legislation that placed a specific cap on the use of Section 8 and Section 9 funds to pay the salaries of PHA officials. To obtain information that will help HUD determine PHA compliance with this and future legislation, and to achieve the same overall objectives of the original information collection, HUD is revising the data collection instrument to collect information on base salary, and bonus and incentive compensation, and the extent to which such payments are made with federal funds.

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

HUD will consolidate all responses and publish the information on its website. For publication purposes, information will be tabulated into three categories: PHA name/code, title, and total compensation and benefits. HUD does not intend to publish the names of those holding the reported positions.

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

Not applicable to this request.

18. Explain each exception to the certification statement identified in item 19.

There is no exception to the "Certification for Paperwork Act Submissions" for this request.