

October 11, 2017

## Supporting Statement for Paperwork Reduction Act Submissions

**OMB Control Number: 1660 - 0013**

**Title: Exemption of State-Owned Properties Under Self-Insurance**

**Form Number(s): None**

### 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. 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.**

State-owned properties covered under an adequate State policy of self-insurance satisfactory to FEMA are not required to purchase flood insurance in accordance with Section 102(c)(1) of the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4012a(c)(1)). NFIP regulations, 44 CFR Part 75, establish the standards State insurance plans must meet to be found exempt from the requirement of purchasing flood insurance coverage for State-owned structures and their contents. State properties located in areas identified by the Administrator as A, AO, AH, A1-A30, AE, AR, AR/A1-30, AR/AE, AR/AO, AR/AH, AR/A, A99, M, V, VO, V1-V30, VE, and E zones, in which the sale of

insurance has been made available, may be eligible for the State insurance plan exemption.

**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.**

Under NFIP regulations, to be eligible to receive an exemption from the requirement to purchase flood insurance, the State must provide proof of self-insurance, which specifies that the hazards covered by the self-insurance plan expressly include flood and flood related hazards and coverage to State-owned structures and their contents equal to that under a regular flood insurance policy. States are also required to provide FEMA with the following information: the location of the property/structures; an estimate of the replacement costs for the property/structures; an estimate of the annual losses to flood damage; flood loss experience of State-owned property/structures; and a certified copy of flood plain management regulations setting forth standards for affected State-owned property/structures. Application for exemption must be made by the Governor or other duly authorized official of the State accompanied by sufficient supporting documentation which certifies that the plan of self-insurance upon which the application for exemption is based meets or exceeds the standards in NFIP regulations at 44 CFR 75.11.

**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.**

The method of responding to this collection is via written correspondence. Respondents can utilize document creation software such as MS Word to create the letter and then send via e-mail attachment to [suzan.krowel@fema.dhs.gov](mailto:suzan.krowel@fema.dhs.gov).

**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.**

This information is not collected in any form, and therefore is not duplicated elsewhere.

**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 information collection does not have an impact on 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 FEMA did not collect the information required, FEMA could not provide for the exceptions granted by statute to States that qualify for exceptions to flood insurance requirements when applicable.

**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.**

There are no requirements for respondents to report information to the agency more often than quarterly.

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

There are no requirements for respondents to prepare a written response to this collection of information in fewer than 30 days after receipt of it.

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

There are no requirements for respondents to submit more than an original and two copies of any document.

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

FEMA does not place any additional requirements for respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years beyond what a State would normally maintain.

**(d) 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.**

There is no statistical survey involved with this data collection.

**(f) Requiring the use of a statistical data classification that has not**

**been reviewed and approved by OMB.**

There is no statistical data classification required for this data collection.

**(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 pledge of confidentiality that is not supported by authority established in statute or regulation required for this collection.

**(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.**

There are no requirements for respondents to submit proprietary trade secret or other confidential information for this data collection.

#### **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 June 27, 2017 at 82 FR 29090. FEMA received one comment. The commenter (1) recommended extending the State self-insurance exemption to everyone; (2) described a personal experience in which they felt that FEMA unreasonably denied a letter of map amendment (LOMA) request; and (3) recommended "revamping FEMA and the all current flood 'programs'." FEMA is unable to address the first comment because the State self-insurance exemption is prescribed by statute and FEMA does not have the authority extend it. The remainder of the comment is not germane to this collection.

A 30-day Federal Register Notice inviting public comments was published on November 3 201782 FR 51285. Comments/No comments were received.

**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.**

Due to the unique nature of the program and the fact that no private insurance companies or others outside of FEMA would deal with exemptions for flood insurance requirements, there are no consultations that occur other than those directly with the respondents. FEMA manages the information collection activities per regulation and makes every effort to keep the program as efficient as possible for the sake of the respondents.

**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 regularly consults with the States who respond to this collection throughout the year. These consultations are directly with regional or headquarters staff; these FEMA agents are known to the respondents and can be contacted directly through telephone or e-mail contact.

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

FEMA does not provide payments or gifts to respondents in exchange for a benefit sought.

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

A Privacy Threshold Analysis (PTA) was completed and submitted for renewal to the FEMA Privacy Office on June 20, 2017.

This collection is covered by an existing Privacy Impact Assessment (PIA), DHS/FEMA/PIA-011-National Flood Insurance Program (NFIP) Information Technology Systems (ITS), approved by DHS on October 12, 2012 and an existing System of Records Notice (SORN), DHS/FEMA-003-National Flood Insurance Program Files System of Records 79 FR 28747 approved by DHS on May 19, 2014.

There are no assurances of confidentiality provided to the respondents for this information collection.

**11. Provide additional justification for any question 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 of 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 for each collection instrument (separately list each instrument and describe information as requested). 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.**

It is estimated that 20 State Financial Managers will provide the information required to request an exception to flood insurance for a property/structure and that it will take 5 hours per request to complete. The total annual hour burden will be  $20 \times 5$  hours per response = 100 hours.

**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 information collection uses no forms.

**c. Provide an estimate of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. NOTE: The wage-rate category for each respondent must be multiplied by 1.46 and this total should be entered in the cell for "Avg. Hourly Wage Rate". The cost to the respondents 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.**

Estimated Annualized Burden Hours and Costs								
Type of Respondent	Form Name / Form Number	No. of Respondents	No. of Responses per Respondent	Total No. of Responses	Avg. Burden per Response (in hours)	Total Annual Burden (in hours)	Avg. Hourly Wage Rate	Total Annual Respondent Cost
State, local or Tribal Government	Letter of Application / No Form	20	1	20	5 hours	100	\$85.47	\$8,547
<b>Total</b>		<b>20</b>		<b>20</b>		<b>100</b>		<b>\$8,547</b>

- Note: The "Avg. Hourly Wage Rate" for each respondent includes a 1.46 multiplier to reflect a fully-loaded wage rate.
- "Type of Respondent" should be entered exactly as chosen in Question 3 of the OMB Form 83-I

According to the U.S. Department of Labor, Bureau of Labor Statistics the median hourly wage rate for State Financial Managers (<https://www.bls.gov/ooh/management/financial-managers.htm>) is estimated to be (\$58.54 x 1.46 =) \$85.47 per hour, including the wage rate multiplier, therefore, the estimated burden hour cost to respondents Financial Manager is estimated to be \$8,547 annually.

**13. Provide an estimate of the total annual cost burden to respondents or record-keepers 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. These estimates should take into account cost associated with generating, maintaining, and disclosing or providing information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred.**

**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 is no annual capital, start-up, operations or maintenance cost associated with 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 have been incurred without this collection of information. You may also aggregate cost estimates for Items 12, 13, and 14 in a single table.**

**Annual Cost to the Federal Government**

Item	Cost (\$)
Contract Costs [Describe]	0
Staff Salaries* [1 of GS 13 , step 7 employee spending approximately 3% of time annually processing the information received for this data collection] [1 GS 13 Step 7 = \$89,500 x 3% = \$2,685 x 1.46 = \$3,920.10]	\$3,920.10
Facilities [cost for renting, overhead, etc. for data collection activity]	0
Computer Hardware and Software [cost of equipment annual lifecycle]	0
Equipment Maintenance [cost of annual maintenance/service agreements for equipment]	0
Travel	0
Printing [number of data collection instruments annually]	0
Postage [annual number of data collection instruments x postage]	0
Other	0
<b>Total</b>	<b>\$3,920.10</b>

\* Note: The "Salary Rate" includes a 1.46 multiplier to reflect a fully-loaded wage rate.

**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.**

*A "Program increase" is an additional burden resulting from a federal government regulatory action or directive. (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).*



*"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 changes in the methods used to estimate burden or correction of errors in burden estimates.*

Itemized Changes in Annual Burden Hours						
Data collection Activity/Instrument	Program Change (hours currently on OMB Inventory)	Program Change (New)	Difference	Adjustment (hours currently on OMB Inventory)	Adjustment (New)	Difference
Letter of Application / No Form				100	100	0
<b>Total(s)</b>				<b>100</b>	<b>100</b>	<b>0</b>

***Explain:***

There are no changes to the annual hour burden previously reported and there has been no change to the information being collected.

***Itemized Changes in Annual Cost Burden***

***Explain:***

There is no cost burden for 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.**

There are no outline plans for tabulation and publication of data for this information collection.

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

This collection does not seek approval to not display the expiration date for OMB approval.

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

FEMA does not request an exception to the certification of this information collection.

**B. Collections of Information Employing Statistical Methods.**

There is no statistical methodology involved in this collection.