Department of the Treasury

Information Collection Request – Supporting Statement

Emergency Rental Assistance Program (ERA1)

OMB No. 1505-0266

**A.  Justification**

1. Circumstances necessitating the collection of information

*Justification for Emergency Processing:*

On December 27, 2020, the President signed the Consolidated Appropriations Act, 2021 (the “Act”), Pub. L. No. 116-260. Division N, Title V, Section 501(a)(1) of the Act established the Emergency Rental Assistance (ERA1) program and provides $25 billion for the U.S. Department of the Treasury (Treasury) to make payments to States (defined to include the District of Columbia), U.S. Territories (Puerto Rico, U.S. Virgin Islands, Guam, Northern Mariana Islands, and American Samoa), Indian tribes or tribally designated housing entities, as applicable, the Department of Hawaiian Homelands, and certain local governments with more than 200,000 residents (collectively the “eligible grantees”) to provide financial assistance and housing stability services to eligible households.

Section 501(g) requires Treasury to provide public reports on a quarterly basis regarding ERA grantees’ use of ERA award funds, including but not limited to, the number of eligible households that receive ERA assistance, and the type or types of assistance provided to each eligible household. To create these public reports and fulfil its obligation under Section 501(g), Treasury needs to collect the data outlined in the interim reports from ERA grantees.

In addition, Section 501(e) directs Treasury to begin by September 30, 2021 identifying “excess funds” from payments made to eligible grantees for reallocation to areas with a demonstrated need for ERA assistance. Ensuring the effectiveness of the reallocation process, moreover, warrants the implementation of both voluntary and mandatory reallocation procedures, with the former requested by grantees and the latter driven by performance standards and criteria designed to ensure that each grantee’s funds best align with its jurisdictional needs and administrative capacity. To complete these functions, Treasury needs to collect critical information related to each eligible grantee’s ERA1 funding obligation rate, projected expenditures, and jurisdictional needs.

Due to the need to expeditiously have ERA1 grantees prepare and submit quarterly reports in order for Treasury to meet its public reporting obligation under Section 501(g), satisfy the Pandemic Response, Accountability Committee (PRAC) reporting requirements per section 15011 of the CARES Act (Pub. L. No. 116-136), as amended by Title VIII, Section 801(b) of the Consolidated Appropriations Act, 2021 (Pub. L. No. 116-260), complete the reallocation process required under Section 501(d), and continue to effectively monitor the recipients’ compliance with the ERA1 program requirements, Treasury requests emergency processing for the ERA1 quarterly report, bulk upload templates, instructions, Treasury’s Portal User Guide for ERA1 grantees, Obligated Funds Certification, Program Improvement Plan, Template Letter for Requesting Excess Funds to be Voluntarily Reallocation (“Voluntary Reallocation Letter”), and Request for Reallocated Funds.

**Acceptance of Award Terms Form**

An eligible grantee that elects to receive payment under the ERA program must complete and sign a form that will indicate its agreement to the award terms, including the requirement to comply with reporting requirements established by Treasury, in order for Treasury to comply with its reporting requirements under section 501(g), and its reallocation requirements under section 501(d). Treasury does not have rulemaking authority with respect to this program, so it must obtain the agreement of eligible grantees to require them to comply with these provisions.

**Recipient Payment Information Form**

In order to ensure proper payment by Treasury, each eligible grantee must supply basic identifying and bank routing information. This information should be readily available to officials completing the form.

**ERA Redirected Funds Form**

The ERA Redirected Funds Form will be used by local government grantees that no longer wish to implement an ERA program. The form will document the transfer of ERA funds and legal responsibilities therein from the local governments to their respective State government. The form must be signed by both the chief executive of the local government and an authorized official of the State government. The completed and signed form as well as a copy of the ACH or wire transfer must be submitted to Treasury as evidence of the transfer, cancellation of the local government’s ERA award, and modification of the State’s ERA award. We estimate a small percentage of local governments will choose to transfer the ERA funds therefore we expect to receive no more than 30 forms.

**ERA Interim Report and Interim Reporting Guidance**

Treasury developed the ERA interim report and the interim reporting guidance for ERA grantees to submit summary information on their utilization of ERA award funds to date to facilitate Treasury’s quarterly reporting obligations under Section 501(g) and to effectively monitor the ERA grantees’ compliance with the requirements of the ERA award. In addition to information required from ERA grantees pursuant to Section 501(g),[[1]](#footnote-1) Treasury will also be collecting information on the ERA grantees’ use of funds for administrative expenses to ensure compliance with the limitations on administrative costs under the ERA program. The interim report will capture zip code level reporting to enable Treasury to track which low-income zip codes are receiving a proportional amount of assistance under the ERA program as compared to zip codes that are not low-income.

**ERA1 Quarterly Report, Bulk Upload Template, Instructions, and Treasury’s Portal User Guide**

Treasury developed ERA1 quarterly report forms and the accompanying bulk upload templates and instructions to enable ERA1 grantees to submit the required information on their utilization of ERA1 award funds quarterly. This information can be submitted electronically via Treasury’s Portal. Treasury has developed a Portal User Guide to help grantees use the Portal. The information collection is important to fulfill Treasury’s statutory reporting requirements and will permit Treasury to effectively monitor the ERA1 grantees’ compliance with the requirements of the ERA1 award.

**Obligated Funds Certification**

Treasury published guidance addressing the reallocation process on October 4, 2021. This guidance requires each eligible grantee to report the amount of funds the eligible grantee has obligated from its ERA1 allocation. Eligible grantees who have not reached a minimum obligation threshold will be required to implement administrative improvements or risk losing funds through reallocation. Treasury has developed a standard form Obligated Funds Certification for collecting the information needed to determine whether an eligible grantee has reached the minimum threshold. This form must be submitted by November 15, 2021.

**Program Improvement Plan**

Under Treasury’s reallocation guidance, funds may be declared excess either because there is insufficient need for assistance in a particular jurisdiction or an eligible grantee lacks the administrative capacity to fully obligate its award prior the statutory deadline of September 30, 2022. A key component of Treasury’s reallocation guidance is the option for eligible grantees to adopt administrative improvements as an avenue for mitigating, in whole or in part, an excess funds determination based on capacity concerns. Treasury has developed a Program Improvement Plan template that focuses on certain “best practices” identified and encouraged by Treasury’s other ERA1 guidance. Eligible grantees who have not met certain minimum obligation and expenditure thresholds must provide a plan by November 15, 2021 in order to reduce the amount Treasury would otherwise recapture as excess funds.

**Voluntary Reallocation Letter**

Treasury anticipates that certain eligible grantees will determine their allocated funds exceed their jurisdictional needs, or that other grantees in the same state or jurisdiction may be better positioned to administer all or part of the grantee’s ERA allocation. Treasury has developed a template request letter that will be used by grantees to initiate this voluntary reallocation process.

**Request for Reallocated Funds**

Treasury has developed a standard form for eligible grantees to utilize when requesting an award of additional funds from those Treasury has determined to be excess among those initially allocated for use in other jurisdictions. Per the statutory requirements, excess funds may only be reallocated to grantees who (i) have obligated at least 65% of their own initial awards and (ii) operate in areas with a demonstrated need for ERA1 assistance. The form will allow Treasury to collect the information needed to confirm that a requesting eligible grantee meets both these requirements. The form also includes a special exhibit facilitating the form’s use in the voluntary reallocation process.

**Administrative Expenses Letter Template and Financial Report**

Under Treasury’s ERA1 reallocation guidance, a grantee that has obligated less than 30% of its initial allocation by September 30, 2022 may spend up to 10% of its initial allocation on administrative costs, but only if it can demonstrate that those costs are related to the delivery of the ERA1 program. Treasury has developed a suggested set of materials with which grantees obligating less than 30% of their initial allocations by September 30, 2022 may show that their administrative costs are related to ERA1 program delivery. The notice describing these materials asks grantees to submit both a template letter and a short financial report regarding their administrative costs.

1. Use of the data

The information reported will allow Treasury to fulfill its reporting requirements under Section 501(g), satisfy the PRAC reporting requirements, permit Treasury to continue to effectively monitor recipients’ compliance with the program requirements, and provide Treasury with a better understanding of the recipients’ ERA program activity. Further, the reporting data collected through September 30, 2021, along with the information provided through the reallocation forms, will permit Treasury to identify and reallocate excess funds in accordance with the requirements of Section 501(d0.

3.  Use of information technology

Treasury will manage the submission process with the use of existing and widely available technology such as a web portal and e-mail.

4.  Efforts to identify duplication

The information collections are under new statutory mandates.  The information is not known to overlap with any other data collected under any other information collections at Treasury.  Furthermore, the information collection is tailored to leverage data that already exists and require only additional data that is necessary.

5.  Impact on small entities

The collection of information will not affect small entities as they were not eligible under the statute.

6.  Consequences of less frequent collection and obstacles to burden reduction

Treasury will collect only the information required to make any payments to the eligible grantees, to identify excess funds, and to reallocate such funds in accordance with the statutory requirements.  The eligible grantees will submit a limited amount of information that should be readily available to the entity in the ordinary course of business.  If the eligible grantees are unable to provide their completed recipient payment information form and acceptance of award terms form, Treasury would not be able to make payment to those eligible grantees.  If ERA grantees fail to complete and submit their interim reports to Treasury, Treasury will not be able to meet its public reporting obligations under Section 501(g) and monitor ERA grantees’ compliance with the ERA program requirements.  Likewise, if ERA1 grantees fail to complete and submit their quarterly reports to Treasury, Treasury will not be able to meet its public reporting obligations under Section 501(g), satisfy the PRAC reporting requirements, or continue to effectively monitor each ERA1 grantee’s compliance with the ERA1 program requirements. If eligible grantees do not provide the forms related to reallocation, Treasury will not be able to effectively identify excess funds or provide for their timely reallocation to areas with demonstrated needs for assistance as the statute directs. And if certain grantees do not provide further information on their administrative costs, Treasury will not be able to ensure that those costs are permissible uses of ERA1 funds.

7.  Circumstances requiring special information collection

There are no special circumstances that require the collection to be conducted in a manner inconsistent with OMB guidelines.

8.  Solicitation of comments on information collection and justification for expedited processing pursuant to 5 C.F.R. § 1320.13

This ICR is being submitted under emergency clearance procedures in order to comply with statutory deadlines, expedite payments to eligible grantees, and to facilitate the recipients’ timely submission of quarterly reports to Treasury, in order for Treasury to satisfy its obligations under Section 501(g), satisfy the PRAC reporting requirements, provide for reallocation under Section 501(d), and continue to effectively monitor recipients’ compliance with the program requirements.  As such, advance public notice and comment is not possible.

9.  Provision of payments to respondents

No payments or gifts are provided to respondents.

10.  Assurance of confidentiality

Information collected will be kept confidential to the extent appropriate and consistent with the Freedom of Information Act and other applicable laws.

11.  Justification of sensitive questions

No sensitive questions will be asked of eligible grantees.

12.  Estimate of the hour burden of information collection

The Recipient Payment Information form, Acceptance of Award Terms form, ERA1 Interim Report, ERA1 Quarterly Report, ERA Redirected Funds Form, Obligated Funds Certification, Program Improvement Plan, Request for Reallocated Funds, and all associated record keeping burden estimates are as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  **Reporting**  | # Respondents  | # Responses Per Respondent   | Total Responses  | Hours per Response  | Total Burden in Hours  | Cost to Respondents ($47.50 per hour\*)  |
| Recipient Payment Information Form | 1,150 | 1 | 1,150 | 0.25 (15 minutes) | 288 | $13,680 |
| ERA Redirected Funds Form and Recordkeeping | 30 | 1 | 30 | 1 hour | 30 | $1,425 |
| Acceptance of Award Terms Form | 1,150 | 1 | 1,150 | 0.25 (15 minutes) | 288 | $13,680 |
| ERA1 Interim Report | 438 | 1  | 438 | 4 hours | 1,752 | $83,220 |
| ERA1 Quarterly Report  | 377 | 4 | 1,508 | 30 hours | 45,240 | $2,148,900 |
| Obligated Funds Certification | 1,150 | 1 | 1,150 | 0.5 (30 minutes) | 575 | $27,313 |
| Program Improvement Plan | 550 | 1 | 550 | 2 hours | 1,100 | $52,250 |
| Voluntary Reallocation Letter | 200 | 1 | 200 | 1 hour | 200 | $9,500 |
| Request for Reallocated funds | 400 | 1 | 400 | 1.25 hours | 500 | $23,750 |
| Letter and Financial Report on Administrative Costs | 30 | 1 | 30 | 2 hours | 60 | $2,850 |
| **Total**  | 5,475 |  | 6,606 |  | 50,033 | $2,376,568 |

\* Bureau of Labor Statistics (BLS), U.S. Department of Labor, Occupational Outlook Handbook, Accountants and Auditors, on the Internet at https://www.bls.gov/ooh/business-and-financial/accountants-and-auditors.htm (visited December 30, 2020).  In 2019, the median pay for accounts and auditors was $34.40/hour.  To account for the fully-loaded employer cost of employee compensation, the median pay is increased by 38%, resulting in a fully-loaded wage rate of $47.50.  According to BLS’s Employer Cost for Employee Compensation from September 2020 at https://www.bls.gov/news.release/pdf/ecec.pdf (released on December 17, 2020), employers provided 38% of total employee compensation in the form of non-wage compensation (i.e., benefits such as paid leave, health insurance, etc.) for state and local government workers.

13.  Estimated total annual cost burden to respondents

There are no annualized capital/startup costs for the eligible recipients to provide the information in the form or certification.

14.  Estimated cost to the federal government

As this is a new program being set up in response to emergency circumstances, Federal costs have not been estimated yet.

15.  Reasons for change in burden

The revision is to add the ERA1 Quarterly Report, bulk upload templates, instructions, and Treasury’s Portal User Guide, Certification of Obligation, Program Improvement Plan, and Request for Reallocated Funds to the PRA package, which increases the burden estimates by 2,175 hours.

 16.  Plans for tabulation, statistical analysis and publication

Treasury plans to publish the data for disbursements.

17. Display of the expiration date for OMB approval

Treasury plans to display the expiration date for OMB approval of the information collection on all instruments.

18.  Exceptions to submission requirements

There are no exceptions to the submission requirements.

 **Part B.  Describe the use of statistical methods such as sampling or imputation**

This collection does not employ statistical methods.

1. Section 501(g) reporting and research requirements are exempt pursuant to paragraph (5) of that section from Paperwork Reduction Act requirements. [↑](#footnote-ref-1)