**Supporting Statement for Paperwork Reduction Act Submissions**

**Allocation of Operating Fund Grant under the Operating Fund Formula**

**Data Collection**

**OMB No.: 2577-0029**

**A. Justification**

1. This is an extension of a currently approved information collection, the Allocation of Operating Fund Grants under the Operating Fund Formula: Data Collection. The two forms listed in this collection are electronic templates that Public Housing Agencies (PHAs) will send to HUD. PHAs submit forms HUD-52723, Operating Fund Grant: Calculation of Total Program Expenses and HUD-52722, Operating Fund Grant: Calculation of Utilities Expense Level and HUD-52719: Election of Participation in the Small Rural Frozen Rolling Base program through an electronic template.

Section 9 (42 U.S.C. § 1437g) of the United States Housing Act of 1937 (the 1937 Act) established the Operating Fund for purposes of making assistance available to PHAs for the operation and management of public housing (see **Exhibit A**). The Operating Fund Program provides Operating Funds of roughly $4.5 billion annually to approximately 3,000 PHAs to fund their operating and maintenance expenses associated with 1 million public housing units. The 1937 Act limits eligibility for public housing to low-income families and caps the public housing rents at 30 percent of a family’s income. Accordingly, PHAs rely on the HUD Operating Funds, as well as rental income, to cover a significant amount of the costs associated with operating their public housing units.

The funding formula in the Operating Fund Program rule, 24 CFR part 990 (the rule)(See **Exhibit B**), provides for funding directly to each of the approximately 7,000 asset management properties (or projects), and in accordance with the rule HUD allocates the funding directly to the approximately 7,000 asset management properties (or projects).

1. HUD is requesting Paperwork Reduction Act (PRA) approval to collect from each PHA, by project, information to calculate and fund the PHA’s share of the Operating Fund appropriation amount. The table below describes the two forms covered by this collection:

| **Allocation of Operating Fund Grants under the Operating Fund Formula: Data Collection** OMB Control Number: 2577-0029 | | | |
| --- | --- | --- | --- |
| **No.** | Form No. | Form Name | Form Description |
| 1 | HUD-52722 | Operating Fund Grant: Calculation of Utilities Expense Level | This form captures the utilities consumption levels by type of utility. The current utility rate is applied to the average consumption amounts over a four-year period to determine the PHA’s project’s utilities expense level. |
| 2 | HUD-52723 | Operating Fund Grant: Calculation of Total Program Expenses | This form determines a PHA’s project’s eligibility for Operating Funds, based on its non-utilities and utilities expense levels and rental income, and it is the document by which HUD obligates operating funds to PHAs. |
| 3 | HUD-52719 | Election of Participation in the Small Rural Frozen Rolling Base program | This form allows a Small Rural PHA to elect to freeze their three-year rolling base consumption level  (RBCL) that is used to calculate Operating Subsidy grants |

1. HUD collects information for the HUD-52723 and HUD-52722 through web-based forms in the Operating Fund Web Portal. HUD discontinued using VBA-enhanced Excel tools to collect this data after CY 2022. Web-based forms improve the availability of the forms to PHAs, improve data integrity, and secure transfer of the data from the PHA to HUD. Web-based forms should not increase the burden to complete.
2. Currently, HUD’s Public Housing Information Center (PIC) system, and specifically the Building and Unit module, captures some of the data elements used in the Operating Fund formula calculation for each project (e.g., number of PHA units). The templates on the required HUD forms are pre-populated with this information. However, the majority of elements that comprise the Operating Fund formula are not captured elsewhere; therefore, the submission of data contained in these forms is not duplicated.
3. The information being collected has no significant impact on small businesses or other small entities.
4. PHAs use the Operating Fund forms annually to request Operating Funds, and these funds are obligated to PHAs annually. Without the information provided in these forms, HUD would not be able to distribute the Operating Fund appropriations it receives each fiscal year.
5. There are no special circumstances that require the collection to be conducted in a manner that is incon­sistent with the guidelines in 5 CFR 1320.6.
6. HUD plans to publish a Notice of Proposed Information Collection for Public Comments in the Federal Register to collect comments on the proposed information collection.
7. No payments or gifts to respondents are provided.
8. No assurances of confidentiality are needed, nor are any provided.
9. No sensitive questions are being asked.
10. The estimated burden hours for the collection of this data reflect the PHAs’ experience with inputting data into the form and the fact that PHAs maintain some of this information as part of their operations. HUD estimates that the annual burden hours for collecting form HUD-52723 averages 0.33 hours per form (20 minutes per form), 1.0 hour per form for form HUD-52719 and 0.42 hours per form (25 minutes per form) for HUD-52722. After accounting for each of the approximately 6,200 affected projects, the total number of burden hours for both forms combined is 4,680. The estimated response time includes the time for preparation of the forms and any recordkeeping burden.

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| --- | --- | --- | --- | --- |
| Total Estimated Annual Burden Hours | | | | |
| **HUD Form Number** | **Number of Respondents** | **Frequency of Response** | **Estimated Hours** | **Total Annual Burden Hours** |
| HUD‑52723 | 6,200 | 1 | 0.33 | 2,046 |
| HUD-52722 | 6,200 | 1 | 0.42 | 2,604 |
| HUD-52719 | 30 | 1 | 1.0 | 30 |
| Total | | | | 4,680 |

The estimated annualized cost to respondents is based on the 2023 general pay schedule for a GS-11, Step 1, rate for Washington-Baltimore-Arlington, DC-MD-WV-PA (an average salary for a financial analyst) which is $37.66 per hour.

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| --- | --- | --- | --- | --- | --- | --- |
| Total Estimated Annual Costs to Respondents | | | | | | |
| **HUD Form Number** | **Number of Respondents** | **Total Burden Hours** | **X** | **Hourly Rate** | **=** | **Annualized Cost** |
| HUD-52723 | 6,200 | 2,604 |  | $37.66 |  | $98,067 |
| HUD-52722 | 6,200 | 2,046 |  | $37.66 |  | $77,052 |
| HUD-52719 | 30 | 30 |  | $37.66 |  | $1,130 |
| **Total** |  | | | | | $176,249 |

This collection estimates about a 50 percent drop in annual burden hours and annualized cost compared to what HUD reported in its previous PRA submission on this matter at 85 FR 29473. HUD attributes this drop to its use of web-based data collection methods and fewer response due to PHAs’ project inventory decreasing by more than 11 percent since the previous PRA submission noted earlier. Additionally, enhancements to the web-based forms will assist respondents in completing the forms more quickly. These enhancements include the abilities to compare current data against historical trends and add comments and documents to support data, as well as more data automation.

1. There will be no additional costs to the respondents.
2. The estimated annualized cost to the federal government is based on the 2023 general pay schedule for a GS-11, Step 1 rate for Washington-Baltimore-Arlington, DC-MD-WV-PA (an average salary for a financial analyst) that is $37.66 per hour. It is estimated that it takes approximately 0.42 hours (25 minutes) to review each submission package. A submission package includes a project’s HUD-52723 and HUD-52722. In addition, the review of an election to participate in the Small Rural Frozen Rolling Base program takes 0.25 hours (15 minutes)

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| --- | --- | --- | --- | --- | --- |
| Total Estimated Annual Costs to the Federal Government | | | | | |
| **No. of Respondents** | **Burden Hours** | X | Hr. Rate | = | Annual Cost |
| 12,430 | 5,216 |  | $37.66 |  | $196,435 |

This collection estimates about a 60 percent drop in annualized cost compared to what HUD reported in its previous PRA submission on the matter at 85 FR 29473. This drop is attributable to the exclusive use of web-based data collection and HUD review, along with the decrease of more than 11 percent in PHAs’ project inventory, requiring fewer responses. The web-based forms include enhancements that will help HUD complete its review more quickly, such as the abilities to view the respondents’ data against historical trends and review comments and supporting documents, as well as improved workflow to allow collaboration between HUD and respondents to view data in real time over the web.

1. HUD discontinued issuing Excel Tools for data collection after CY 2022 and exclusively collects the data using web-based forms starting in CY 2023. Web-based forms reduced the average time for respondents to complete all three forms by 1 hour and for HUD to review forms by 45 minutes, as HUD reported in the previous PRA submission at 85 FR 29473. The web-based forms include enhancements to improve data integrity and transparency, as well as improved formatting and instructions.
2. The information collection will not be published. The information is made available to the respondent.
3. HUD is not seeking approval to not display the expiration date of the OMB approval. The OMB number and expiration date will be displayed on a “Disclosure Statement” on each template after OMB approval is received.
4. There are no exceptions to item 19 of the OMB 83-I.

## B. Collections of Information Employing Statistical Methods

There are no collections of information employing statistical methods.