

**Supporting Statement for Paperwork Reduction Act Submissions**  
**Operating Fund Shortfall Program Financial Reporting and Monitoring**  
**OMB# 2577-0300**

**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.

The circumstances necessary for this Paperwork Reduction Act Submission came about due to the creation of FMD's Operating Fund Shortfall Program. The Shortfall Program has been in operation since FY 2021 and created through annual Appropriations laws providing \$25 million set-aside in the Public Housing Fund to assist Public Housing Agencies (PHA) experiencing or at risk of financial shortfalls. OMB requested that PIH begin to collect enough information from PHAs to evaluate the efficacy of the program.

The Code of Federal Regulations (CFR) 990.280 instructs that all PHAs "shall develop and maintain a system of budgeting and account for each project in a manner that allows for analysis of the actual revenues and expenses associated with each property." CFR 990.285 dictates that "Each PHA shall distribute project-based budgets and year-end financial statements to the Chairman and to each member of the PHA Board of Commissioners, and to such other state and local public officials as HUD may specify." This PRA is built upon CFR 990.280 and CFR 990.285 to include the mandatory completion of schedules for Shortfall in the Shortfall budget described below. FMD is also requesting collection of an Improvement Plan and formalized collection of the Shortfall Program Application and Appeal forms. These forms assist HUD to ensure that funds are being used by PHAs to meet the program's objective of stabilizing PHAs financially. This PRA is being submitted to improve the effectiveness of the program (through monitoring and risk management) which ultimately helps the PHAs reach sustainable financial success.

HUD requires PHAs to submit SF-425 annually until they expend the entire funding or the funding period of performance ends.

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 data collected through this PRA provides adequate reporting to allow for monitoring of the Shortfall Funding Program participants and the use of program funds. HUD requests the participants to identify strategies and actions to accomplish those strategies that improve the participants public housing finances and prevent future insolvency. HUD requests the participants' operating budget and actual financials to review the perceived impact of the participants' improvement strategies and actions. If the program participant is not meeting their strategies and actions, and their actual financials are trending below their budget, HUD can use take actions to effectively manage them.

The table below describes the four forms and one correspondence covered by this collection:

<b>No.</b>	<b>Form No.</b>	<b>Form Name</b>	<b>Form Description</b>
1	HUD-50093	Public Housing Operating Fund Shortfall Improvement Plan	A template for Shortfall PHAs to explain the strategies and actions they are going to take to improve their Months of Operating Reserve (MOR)
2	HUD-50094	Public Housing Operating Fund Shortfall Budget	An annotated budget for Shortfall Program PHAs to more easily update their budget while being a part of the Shortfall Program
3	HUD-50095	Public Housing Operating Fund Shortfall Application	A form for PHAs applying to the Shortfall Funding Program to complete
4	HUD-50096	Public Housing Operating Fund Shortfall Appeal	A form for PHAs appealing their Shortfall Funding eligibility to complete
5	SF-425	Federal Financial Form	A Federal Standard Form used by PHAs to report on the Shortfall Funding obligations and expenditures.

- 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.

HUD collects data through the web-based platform called the Public Housing Portal. This tool is currently being used to perform data collection for the Operating Fund program. Because of this, program participants are familiar with the user interface and the tool itself. The Public Housing Portal has an Authority to Operate issued on April 3, 2024. The portal possesses security and privacy controls that meet federal requirements.

- 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.

The forms capture data that is not collected by any other HUD systems or forms.

- If the collection of information impacts small businesses or other small entities describe any methods used to minimize burden.

Not Applicable.

- 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.  
The policy objective of the Shortfall Funding Program is to financially stabilize at-risk or insolvent PHAs. HUD to solvency through self-directed actions.
- Explain any special circumstances that would cause an information collection to be conducted in a manner:

- requiring respondents to report information to the agency more than quarterly; Not Applicable
  - requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it; Not Applicable
  - requiring respondents to submit more than an original and two copies of any document; Not Applicable
  - requiring respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records for more than three years; Not Applicable
  - in connection with a statistical survey, that is not designed to produce valid and reliable results than can be generalized to the universe of study; Not Applicable
  - requiring the use of a statistical data classification that has not been reviewed and approved by OMB; Not Applicable
  - 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; or Not Applicable
  - 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. Not Applicable
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 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 preclude consultation in a specific situation. These circumstances should be explained.

HUD published a Notice of Proposed Information Collection for public comments in the Federal Register, Volume 90; Number 50; Page 12335 on March 17, 2025. The public was given until May 16, 2025, to submit comments on the Proposed Information Collection. HUD received one public

comments on this Proposed Information Collection. HUD addressed the comments in the 30-day Notice of Proposed Information Collection for Public Comments in the *Federal Register* and below.

**On addressing chronic underfunding:** HUD must acknowledge that the core problem is decades of chronic federal underfunding of public housing. This program is a band-aid; the real solution is full funding and expansion of public housing to ensure every family has a safe and affordable home.  
**HUD response:** Congress appropriates the amount of funding for Operating Funds, Capital Funds and Shortfall. This PRA focusses on data collection associated with the Shortfall program as funded by Congress.

**On burden to small PHAs:** The information collection should not add administrative burden to smaller, understaffed PHAs already stretched thin. Streamline requirements, provide technical assistance, and offer grants to help PHAs with compliance.

**HUD response:** HUD recently modified the forms to request the minimal amount of information possible to administer Public Housing Shortfall program. HUD continues to refine the process to further streamline requirements and reduce burden where possible.

**On equity and racial justice:** The rule must ensure that funding distribution prioritizes PHAs serving communities of color and marginalized groups, who are disproportionately harmed by housing insecurity.

**HUD response:** HUD appreciates the comment, however; its content is beyond the scope of this PRA action. This PRA action focusses on data collection associated with the Public Housing Shortfall program funded by Congress. Historically, Congress has directed that funding be prioritized based upon the size of the PHA and its level of financial distress.

**On tenant voice and participation:** The regulation should mandate that PHAs include tenants and resident associations in creating Improvement Plans and reporting budgets, giving those most affected a real voice.

**HUD response:** PHA's must seek and include residents and the public comment and the PHA's Board of Commissioners approval when finalizing the PHA's policies, programs, operations, and budget for each fiscal year. The PHA's final policies, programs, operations, and budget direct how the PHA utilize the Public Housings Operating Shortfall Funds.

**On preventing privatization:** Ensure program requirements do not incentivize PHAs to privatize or convert public housing assets under threat of financial distress.

**HUD response:** This PRA action focusses on data collection associated with the Public Housing Shortfall program as funded by Congress. Historically, Congress has not incentivized privatization through the Public Housing Shortfall program, but rather directed that funding be prioritized based upon the size of the PHA and its level of financial distress.

**On data privacy:** Guarantee that personal and financial information collected from PHAs is protected and not used for punitive measures against tenants or local housing authorities.

**HUD response:** HUD does not collect personal or financial information through this collection.

**On program transparency:** HUD must publish aggregate data on funding allocations, PHA performance, and outcomes so the public can hold the agency and local PHAs accountable for results.

**HUD response:** HUD publishes the Public Housing Shortfall Operating Fund allocations for public view. Similarly, HUD publishes all funding allocations and PHA performance scores for public view. HUD publishes this data to HUD.gov.

**On expanding resources:** In addition to paperwork reforms, HUD should use this process to push Congress for a major reinvestment in public housing capital repairs and construction to address the real crisis.

**HUD response:** HUD appreciates the comment, however; its content is out of scope for the Public Housing Operating Shortfall Program and this collection.

**On monitoring and risk management:** Improvement Plans should require PHAs to address not only fiscal issues but also health and safety repairs, climate resilience, and tenant well-being.

**HUD response:** Through the Public Housing Shortfall program, HUD encourages PHAs to take all appropriate steps to ensure the PHA's long-term financial solvency. Financial solvency is a foundational requirement for ensuring PHA's comply with statutory requirement to provide decent, safe and sanitary housing to its residents.

**On automation and technology:** Electronic forms must be accessible for all PHAs, with training for those lacking digital literacy or internet access, ensuring no agency is left behind.

**HUD response:** All PHAs obtained the appropriate system credentials to access these forms. Additionally, HUD provides virtual training sessions to all PHAs on obtaining access and completing the forms in this information collection.

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

No payments or gifts to respondents are provided.

10. Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation or agency policy. If the collection requires a system of records notice (SORN) or privacy impact assessment (PIA), those should be cited and described here.

No assurance of confidentiality is needed nor are any provided.

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.

No sensitive questions are being asked.

12. Provide estimates of the hour burden of the collection of information. The statement should:

- Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. 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 desirable. 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;

- If this request covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in chart below; 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 or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 13.

The estimated burden hours for the collection of this data reflects the PHA's experience with completing these forms from CY 2022 to CY 2024. During CY 2022 to CY 2024, there was an average of 187 respondents annually for HUD-50093, HUD-50094, and HUD-50095. HUD estimates that the annual information collection requirements for the collection for HUD-50093 is 187 burden hours (one hour per response, one response per year), the HUD-50094 is 280.5 burden hours (30 minutes per response, three responses per year), The HUD-50095 is 31.79 burden hours (10 minutes per response, one response per year). HUD averaged 4 respondents to HUD-50096 from CY 2022 to CY 2024 and amounted to four burden hours, at one hour estimated per response.

The estimated annualized cost to respondents is based on the latest available (May 2023) Bureau of Labor Statistics' national hourly mean rates for Financial Specialists (Occupation Code: 13-2000) which is \$46.37 per hour. ([https://www.bls.gov/oes/2023/may/oes\\_nat.htm#13-0000](https://www.bls.gov/oes/2023/may/oes_nat.htm#13-0000)).

Information Collection	Number of Respondents	Frequency of Response	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost Per Response	Annual Cost
HUD-50093	187	1	187	1	187	\$46.37	\$8,671.19
HUD-50094	187	3	561	0.5	280.5	\$46.37	\$13,006.79
HUD-50095	187	1	187	0.17	31.79	\$46.37	\$1,474.10
HUD-50096	4	1	4	1	4	\$46.37	\$185.48
SF-425	0	0	0	0	0	0	0
<b>Totals</b>	<b>565</b>		<b>939</b>		<b>503.29</b>		<b>\$23,337.56</b>

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden already reflected on the burden worksheet shown in Items 12 and 14).

- The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the 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. Capital and start-up costs include, among other items, preparations for

collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities;

- If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10) utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.
- Generally, estimates should not include purchases of equipment or services, or portions thereof made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

There will be no additional costs for the respondents.

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 not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

The estimated annualized cost to the federal government is based on the 2025 general pay schedule for a GS-13, Step 1 rate for Washington-Baltimore-Arlington, DC-MD-WV-PA which is the average salary for a management analyst and is \$57.78 per hour ([https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/24Tables/html/DCB\\_h.aspx](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/24Tables/html/DCB_h.aspx)). It is estimated that it takes approximately 1 hour to review the submission package from each PHA for the Shortfall Funding Program.

Information Collection	Number of Respondents	Frequency of Response	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost Per Response	Annual Cost
HUD-50093	187	1	187	1	187	\$57.58	\$10,767.46
HUD-50094	187	3	561	0.5	280.5	\$57.58	\$16,151.19
HUD-50095	187	1	187	0.17	31.79	\$57.58	\$1,830.47
HUD-50096	4	1	4	2	8	\$57.58	\$460.64
SF-425	0	0	0	0	0	0	0
	<b>565</b>		<b>939</b>		<b>507.29</b>		<b>\$29,209.76</b>

15. Explain the reasons for any program changes or adjustments reported in Items 12 and 14 of the Supporting Statement.

This request is to reinstate this PRA with changes. The changes reduced the estimated burden hours and increased the estimated costs the public, and reduced burden hours and reduced estimated costs to the Federal government.

- HUD removed the burden hours and costs associated with the HUD-52574. This form is part of OMB# 2577-0026.

- HUD removed sections in HUD-50095 which lessened the data collected in the form.
- The program refined the estimated burden hours using average participation for the last three years.
- The program increased the hourly costs for the public to align with May 2023 (latest) Bureau of Labor Statistics' national hourly mean rates for Financial Specialists to \$46.37 per hour. Previously, HUD used 2021 general pay schedule for a GS-11, Step 1, rate for Washington-Baltimore-Arlington, DC-MD-WV-PA which was \$34.86 per hour.
- The program increased the hourly costs for the Federal government to align with CY 2025 general pay schedule for a GS-13, Step 1 rate for Washington-Baltimore-Arlington, DC-MD-WV-PA which is \$57.78 per hour. HUD used CY 2021 general pay schedule for a GS-13, Step 1 rate for Washington-Baltimore-Arlington, DC-MD-WV-PA (an average salary for a management analyst) that was \$49.68

The estimated burden hours to the public reduced by 34.21 hours from 537.5 hours to 503.29 hours and the annual costs increased by \$4,600 from \$18,737 to \$23,337. The estimated burden hours to the Federal government decreased by 247.71 hours from 755 hours to 507.29 hours and the annual costs decreased by \$7,599.24 from \$37,509 to \$29,209.76.

16. For collection 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 collection will not 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.

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.

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

There are no exceptions to items 19 of OMB 83-I.

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