

2019 SUPPORTING STATEMENT
Agriculture Innovation Center Demonstration Program
7 CFR Part 4284 Subpart K
OMB No. 0570-0045

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.

USDA's Rural Business-Cooperative Service, Cooperative Programs administers the Agriculture Innovation Center Demonstration (AIC) Program. The primary objective of this program is to provide funds to Agriculture Innovation Centers (Centers) which provide agricultural producers with technical and business development assistance. Cooperative Programs collects information from applicants to confirm eligibility for the program and to evaluate the quality of the applications. Recipients of awards are required to submit reporting and payment request information to facilitate monitoring of the award and disbursement of funds.

The Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171) authorized the Secretary of the U.S. Department of Agriculture (USDA) to award grant funds to Centers. The Food, Conservation, and Energy Act of 2008 reauthorized the program through September 30, 2012. The Agricultural Act of 2014 (Pub. L. 113-79) reauthorized the program through September 30, 2018. It is unknown at this time if the program will be reauthorized through a Farm Bill in fiscal year (FY) 2019.

Funds were appropriated for this program in FYs 2002, 2003, 2009, and 2018. Awards were made in FYs 2003 and 2009 using the procedures outlined in 7 CFR Part 4284 Subpart K. Awards were not made in FY 2002 and 2018 due to insufficient resources to administer the program and/or legal and policy questions that could not be resolved in sufficient time to allow administering the program in those years.

2. Indicate how, by whom, and for what purposes 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.

Information is collected by Cooperative Programs, with the assistance of Rural Development State and Area Staff, as needed. The application information is used to confirm that the applicant and use of funds meet the eligibility requirements for the program as well as to assess the quality of the proposed project. The recipients are required to submit financial status and performance reports to confirm funds are being expended as approved and requests for advance or reimbursement to request payment.

REPORTING REQUIREMENTS – FORMS:

Form AD-1047, “Certification Regarding Debarment, Suspension, and Other Responsibility Matters – Primary Covered Transactions” (0505-0027), to be completed once at the time of grant award. This form is submitted by the recipient and is used by the Agency to confirm that the applicant organization and its principles are not debarred, suspended, or otherwise excluded from receiving Federal assistance.

Form AD-1048, “Certification Regarding Debarment, Suspension, and Other Responsibility Matters – Lower Tier Covered Transactions” (0505-0027), to be completed each time the recipient will be entering into financial transactions with third-parties using grant or matching funds. This form is completed by any subrecipients or contractors and is used by the Agency to confirm that these organizations are not debarred, suspended, or otherwise excluded from receiving Federal assistance.

Form AD-1049, “Certification Regarding Drug-Free Workplace Requirements (Grants)” (0505-0027), to be completed once at the time of grant award. This form is submitted by the recipient and is used by the Agency to confirm that the recipient will provide a drug-free workplace in accordance with 2 CFR Part 421.

Form AD-3030, “Representations Regarding Felony Tax Conviction and Tax Delinquent Status for Corporate Applicants” (0505-0025), to be completed once at the time of application. This form is submitted by the applicant and is used by the Agency to confirm that the applicant is compliant with a provision in the annual Appropriation Law.

Form AD-3031, “Assurance Regarding Felony Conviction and Tax Delinquent Status for Corporate Applicants” (0505-0025), to be completed once at the time of grant award. This form is submitted by the recipient and is used by the Agency to confirm that the recipient is compliant with a provision in the annual Appropriation Law.

Form RD 400-4, “Assurance Agreement” (0575-0018), to be completed once at the time of grant award. This form is submitted by the recipient and is used as an assurance that the recipient will comply with the requirements of Title VI of the Civil Rights Act of 1964.

Form RD 1940-1, “Request for Obligation of Funds” (0570-0062), to be completed once at the time of grant award. This form is submitted by the recipient and used by the Agency to obligate funds.

Form RD 1942-46, “Letter of Intent to Meet Conditions” (0570-0062), to be completed once when the Agency issues the Letter of Conditions. This form is submitted by the applicant and used by the Agency to confirm that the recipient has met or will meet by a certain date all conditions of an award.

Form RD 4280-2, “Rural Business-Cooperative Service Financial Assistance Agreement” (0570-0067), to be completed once at the time of grant award. This form is submitted by the recipient

and must be signed by the Agency to indicate that an award is approved. It contains the terms of the award.

REPORTING REQUIREMENTS – NO FORMS – Narratives

Project Proposal, to be completed once at the time of application. This narrative is submitted by the grantee to provide information that the Agency uses to assess the eligibility of the applicant organization and use of funds and to evaluate the quality of the proposed project.

Certification Regarding Lobbying, to be completed once at the time of grant award. Recipients must certify that they have not expended nor will expend any Federal funds to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement. The certification must include the language prescribed by 2 CFR Part 418, Appendix A.

Categorical Exclusion without Environmental Report, RD officials use the information in each application to evaluate and document the potential environmental impacts of the proposal, and to ensure that proper consultation with local, state, and Federal natural resource and environmental regulatory agencies and tribes has been conducted and concluded in accordance with the various environmental and historic preservation statutes and regulatory requirements. The actions listed in §§1970.53 through 1970.55 are classes of actions that the Agency has determined do not individually or cumulatively have a significant effect on the human environment (referred to as “categorical exclusions” or CEs). These actions include projects involving no or minimal disturbance, small scale development, and multi-tier action projects. Generally small scale development projects require an environmental report (ER). This program’s purpose is technical assistance which falls under Categorical Exclusion per 7 CFR 1970, subpart B.

Semi-Annual Performance Report, to be completed on a semi-annual basis. Recipients are required to submit reports that identify project objectives and accomplishments, as well as any problems or deficiencies. The Agency uses the information to confirm that the recipient is making appropriate progress on the project.

Final Performance Report, to be completed once at the completion of the period of performance. Recipients are required to submit a cumulative report that describes the objectives of the award and the accomplishments of the project, including any performance measures. The Agency uses the information to confirm that the recipient has completed the project to the extent that it can, and it may use some or all of the performance measure data to assess the effectiveness of the program.

FORMS APPROVED UNDER OTHER OMB NUMBERS:

Form SF-424, “Application for Federal Assistance” (4040-0004), to be completed once at the time of application. This form is submitted by the applicant and includes essential and legally-required information, such as the grant funds requested, DUNS number, and contact information. The Agency uses the information to set up a customer file and document the application.

Form SF-424A, “Budget Information for Non-Construction Programs” (4040-0006), to be completed once at the time of application. This form is submitted by the applicant to show the project's anticipated budget breakdown in terms of expense categories and division of Federal and non-Federal sources of funds. The Agency uses the budget to assess the proposed use of funds and establish an approved budget if an award is approved.

Form SF-424B, “Assurances for Non-Construction Programs,” (4040-0007), to be collected once at the time of application. This form is submitted by the applicant. The Agency uses the form to obtain assurances regarding the applicant organization’s legal authority to apply for Federal assistance, its financial capability to pay the non-Federal share of project costs, and its compliance with legal and regulatory requirements.

Form SF-LLL, “Disclosure of Lobbying Activities” (4040-0013), to be completed once at the time of grant award. This form is submitted by the recipient and is used by the Agency to obtain disclosure of lobbying activities on the part of the grantee, as required by 2 CFR Part 418.

Form SF-270, “Request for Advance or Reimbursement” (4040-0012), to be completed no more frequently than monthly. This form is submitted by the recipient to request advance or reimbursement of grant funds obligated under the grant agreement. The Agency uses the information to identify the amount to be disbursed and to track expenditures during the period of performance.

Form SF-425, “Federal Financial Report” (4040-0014), to be completed on a semi-annual basis and after the period of performance for the project has ended. This form is submitted by the recipient so that the Agency can track Federal and non-Federal expenditures, cash on hand, unliquidated obligations, and indirect costs.

RECORDKEEPING REQUIREMENTS

USDA Administrative Requirements require that financial records, supporting documents, statistical records and all other records pertinent to the award will be retained for a period of at least three years after the period of performance has ended. Records must be retained beyond three years if audit findings have not been resolved.

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.

Applicants will be required to submit applications through Grants.gov. Recipients will be required to submit all forms, reports, and work products via e-mail, unless special circumstances warrant submission in paper form.

4. Describe efforts to avoid duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

There is no similar information available, as described in Item 2 above. All information collected is specific to the application and grant award.

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 burden.

The collection of information does not impact small businesses or other small entities.

6. Describe the consequences to Federal program or policy activities if the collection is not conducted or conducted less frequently, as well as any technical or legal obstacles to reducing burden.

The reporting burden is consistent with the minimum information necessary to assess applicant eligibility and monitor recipient performance. Without collecting the listed information, the Agency cannot be assured that the applicants meet the statutory requirements for eligibility, that the Centers will have the capacity to provide the intended services, and that the Centers are providing services in accordance with the approved grant agreement.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- a. Requiring respondents to report information more than quarterly.

Recipients would only be required to submit reports more frequently than quarterly if they have demonstrated poor performance under past awards and/or have failed to comply with the terms of the award and the Agency believes that more frequent reporting would help bring the recipient into compliance.

- b. Requiring written responses in less than 30 days.

If a grant recipient requests an extension to the grant period and the Agency needs additional information to process the request, the recipient would be given less than 30 days to provide the additional information needed.

- c. Requiring more than an original and two copies.

No special circumstances exist.

- d. Requiring respondents to retain records for more than 3 years.

There are no requirements to retain records for more than 3 years, unless an audit finding has not been resolved.

e. Not utilizing statistical sampling.

No special circumstances exist.

f. Required use of statistical sampling which has not been reviewed and approved by OMB.

No special circumstances exist.

g. Requiring a pledge of confidentiality.

No special circumstances exist.

h. Requiring submission of proprietary trade secrets.

No special circumstances exist.

8. 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, reporting format (if any), and on data elements to be recorded, disclosed, or reported.

As required by the Paperwork Reduction Act of 1995, a 60-day notice soliciting comments was published on December 3, 2018, 62292. No comments were received.

In addition, the Agency contacted the following individuals at organizations that have participated in the program in the past to obtain their feedback on the amount of time needed to prepare a proposal and performance reports.

Lisa Gjerskvik, Senior Director of Strategy Management
Agricultural Utilization Research Institute
12298 350th Avenue
Post Office Box 251
Waseca, Minnesota
218-281-7600

No further comments or suggestions were reported, in response to our inquiry, since the last Supporting Statement renewal.

Abbey Willard, Agricultural Development Director
Vermont Agency of Agriculture Food & Markets
116 State Street

Montpelier, Vermont 05620-2901
802-272-2885

No further comments or suggestions were reported, in response to our inquiry, since the last Supporting Statement renewal.

Sheila Harsdorf, Secretary
Wisconsin Department of Agriculture, Trade and Consumer Protection
2811 Agriculture Drive
Madison, Wisconsin 53718-6777
608-224-5012

No further comments or suggestions were reported, in response to our inquiry, since the last Supporting Statement renewal.

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

There are no payments or gifts to respondents.

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

No assurance of confidentiality was provided to respondents.

11. Provide additional justification for any question of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private.

There is no collection of any information that would be considered sensitive in nature or commonly considered private.

12. Provide estimates of the hour burden of the collection of the information:

While this program has been authorized since the 2002 Farm Bill, it has only received funds in four of the past 17 years. Due to insufficient resources as well as legal and policy issues, the Agency has only made awards in two of those years. Thus, very little data is available upon which to base estimates.

In terms of applicants, we estimated that there will be approximately 25. The eligibility for the program is quite broad, but the matching requirements, legal structure requirements, and relatively narrow field of expertise required means that few organizations will either be eligible to apply or find it worthwhile to restructure to meet eligibility requirements.

In terms of recipients, we based our estimate of three on the most recent appropriation for the program in FY 2018. The program has been authorized for up to \$10 million, but only \$1 million was appropriated. At this fund level, we anticipate no more than three recipients.

While applicants need only submit their applications once each year, recipients need to submit financial and performance reports twice each year, along with a single submission of required forms as part of the award process, giving us an estimated 89 responses and 1,050.5 burden hours each year. See the attached spreadsheet for a more detailed breakdown of the number of respondents, frequency of response, and annual hour burden.

The Agency used a mean wage rate of \$57.88 for the applicant burden section from the Bureau of Labor Statistics, May 2017 National Occupational Employment and Wage Estimates United States (http://www.bls.gov/oes/current/oes_nat.htm). Mean wages by occupation for the following classes: Management Analyst \$44.92; Postsecondary School Teacher (University Professor) \$39.85; Financial Analyst \$47.80. These positions are expected to be the most common contributors to developing applicant proposals as well as filling out forms and preparing reports.

The burden was estimated by program staff worked with the program when it was originally administered in FY 2003 and who have almost 20 years of experience working on multiple other programs.

13. Provide an estimate of the total cost to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in items 12 and 14):

a. Total capital and start-up cost component (annualized over its expected useful life).

There are no capital and start-up costs involved.

b. Total operation and maintenance and purchase of services component.

There are no operation and maintenance and purchase of services involved.

14. Provide estimates of annualized cost to the Federal Government. Provide a description of the method used to estimate cost and any other expense that would not have been incurred without this collection of information.

The estimated annualized cost to the Federal Government is \$33,810.75. The method used to estimate cost was to rely on estimates from National Office program staff regarding how much time was spent by program staff on each component of the program. The GS wage rate tables for 2018 were used to estimate the wage rates for each type of Agency function, depending on the grade level of the person who typically performs that function. Wage rates were adjusted to include 36.25% for employee benefits and 28% for overhead costs.

We used the following wage rates to estimate costs:

Geographic Location	GS Level/Title	Hourly Wage Rate	Adjusted Wage Rate
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Rest of U.S.	GS-13 (step 5) Program Specialist	\$47.38	\$77.82
WDC	GS-09 (step 5)	\$30.54	\$50.16
WDC	GS-13 (step 5) Management and Program Analyst	\$52.66	\$86.49

15. Explain the reasons for any program changes or adjustments reported in items 13 or 14 of the OMB Form 83-I.

We have estimated a significant increase in burden. The primary reason for this increase is because there is some evidence that it may be utilized at a higher level than in previous years. Thus, we have increased the number of applicants from 2 to 25 and we expect to increase the number of recipients from 2 to 3. These increases, along with an increase in wage rates, account for the increase in burden.

16. For collection of information whose results will be published, outline plans for tabulation and publication.

The results of this 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 the display would be inappropriate.

We are not seeking approval to not display the expiration date.

18. Explain each exception to the certification statement identified in item 19 on OMB 83-I.

There are no exceptions to the certification statement.

19. How is this information collection related to the Service Center Initiative (SCI)? Will the information collection be part of the one stop shopping center?

This information collection is not related to the SCI, and it will not be part of the one stop shopping center.