

2022 SUPPORTING STATEMENT
Agriculture Innovation Center Demonstration Program
7 CFR Part 4284 Subpart K
OMB No. 0570-0045

Updated as part of Final Rule Amendment - January 2024

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 Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171) authorized the Secretary of 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. The Agriculture Improvement Act of 2018 reauthorized the program through FY 2023.

USDA's Rural Business-Cooperative Service (RBCS) 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. RBCS 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.

2. Indicate how, by whom, how frequently, 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 RBCS. 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. RBCS also uses the information to create data entries in its financial management system, GLS, to track application status and to obligate awards.

A. Application Submission - Burden (form and written) accounted for under this information collection.

Forms:

Form RD 4284-1, "Agriculture Innovation Center Application" (OMB No. 0570-0045), to be completed at the time of application. This form is submitted by the applicant and includes the

information needed to determine eligibility and assess the merit of the application. This is a new form that captures the majority of the application submission information on one form versus the applicant needing to prepare multiple documents. It will simplify the application process for the applicant. Supporting attachments that were originally part of the application have been moved to servicing so they only have to be provided if an award is offered.

Non-Form (written):

System for Award Management (SAM) Registration and General Certifications and Representations. At the time of application, each applicant must have an active registration in SAM before submitting its application in accordance with 2 CFR 25. This registration must be current, accurate and complete at all times during which the applicant has an active Federal award or an application under consideration.

B. Award and Servicing - Burden accounted for under this information collection.

Non-Forms (written):

Conflict of Interest Disclosure. In accordance with 2 CFR 400.2(b), recipients must provide, if applicable, written disclosure of any potential conflicts of interest. They must also maintain written standards of conduct covering conflicts of interest and governing the performance of its employees in the selection, award, and administration of Federal Awards.

Legal incorporation. The organization's legal documents and/or citations demonstrating the organization's type are required. Examples of required documentation include Articles of Incorporation, Certificates of Good Standing, and legal citations authorizing the establishment of the organization.

Board of Directors (BOD) Commitment Letters. Recipients are required to provide signed letters from each: (1) Organization represented on the Center's BOD confirming that the representative is authorized to represent the organization and that no conflict of interest exists due to the representation and (2) Required representative on the Center's BOD that indicate the representative is committed to serve on the BOD.

Agricultural organization support letters. Three support letters from the agricultural organizations identified in Form RD 4284-1 must be submitted.

Resumes for Key Personnel. Resumes for all Key Personnel identified in the application must be submitted.

Verification of Matching Funds. Verification of Matching Funds from any third-party organizations providing cash or in-kind Matching Funds must be submitted. The verification must be a written letter on the organization's letterhead and signed by the organization's authorized representative.

Additional support documentation that includes copies of the organization’s Negotiated Indirect Cost Rate Agreement, personnel standards, procurement standards, travel policies and procedures must be submitted.

Performance Report – Semi-Annual, to be completed twice a year. 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.

Performance Report – Final, 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.

Financial Report – Semi-Annual, to be completed twice a year. Recipients are required to submit reports that identify financial expenditures. The Agency uses the information to confirm that expenditures are consistent with the approved work plan and budget and to identify potential issues or deficiencies in performance.

Financial Report – Final, to be completed once at the completion of the period of performance. Recipients are required to submit a cumulative report that describes the total financial expenditures for the award. The Agency uses the information to confirm that expenditures are consistent with the approved work plan and budget.

Categorical Exclusion without Environmental Report, to be completed once at the time of award. RBCS 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.

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. These records must be retained beyond three years if audit findings have not been resolved.

Reporting Requirements – Forms Approved Under Other OMB Numbers – Burden Not Included in this Collection:

Form RD 1940-1, “Request for Obligation of Funds” (OMB No. 0570-0062), to be completed once at the time of 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” (OMB No. 0570-0062), to be completed once when the Agency issues the Letter of Conditions. This form is submitted by the recipient and is used by the Agency to confirm that the organization has met or will meet by a certain date all conditions of an award. The Agency is working to make this a common form and has a package pending in OIRA.

Form RD 4280-2, “Rural Business-Cooperative Service Financial Assistance Agreement” (OMB No. 0570-0067), to be completed once at the time of 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. The Agency is working to make this a common form and has a package pending in OIRA.

Form RD 400-4, “Assurance Agreement” (OMB No. 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 SF-424, “Application for Federal Assistance” (OMB No. 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, Unique Entity Identifier, and contact information. The Agency uses the information to set up a customer file and document the application.

Form SF-LLL, “Disclosure of Lobbying Activities” (OMB No. 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” (OMB No. 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 (OMB 4040-0014). – Recipients are required to provide financial reports on a semi-annual basis and after the period of performance has ended.

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.

Applicants will be required to submit applications via e-mail. Recipients will be required to submit all forms, reports, and work products via e-mail, unless special circumstances warrant submission in paper form. The organizations applying for assistance through this program are expected to have experience in receiving federal awards and be familiar with electronic recordkeeping and submission of information. The electronic submission allows applicants, recipients, and RBCS staff to efficiently communicate.

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 AIC program's application and award processes.

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

While the most likely eligible applicants and recipients for the AIC program are Institutions of Higher Education, Local Governments, and State Governments, smaller Nonprofit Organizations and Commercial Organizations are eligible to apply and receive awards. Therefore, we have consolidated the required information into a single form to reduce burden and make the application process as simple as possible.

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 financial assistance agreement.

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 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 respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it.

There are no expected circumstances requiring a written response in fewer than 30 days.

- c. Requiring respondents to submit more than an original and two copies of any document.

No special circumstances exist.

- d. Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax 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. In connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of the study.

No special circumstances exist.

- f. Requiring the use of a statistical data classification that has not been reviewed and approved by OMB.

No special circumstances exist.

- 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 use.

No special circumstances exist.

- 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.

No special circumstances exist.

- 8. If applicable, 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.

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, and on data elements to be recorded, disclosed, or reported.

As required by 5 CFR 1320.9(d), the Agency published a 60-day Notice in the *Federal Register* on January 26, 2024; Vol 89, No. 18, Page 5204. The public was given until March 26, 2024, to submit comments on the collection. Suggestions and comments are always considered by the Agency, and RBCS remains committed to pursuing further reductions in both the burdens placed upon our borrowers/customers and the total volume of regulations imposed. The Agency did not receive any comments.

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.

Executive Director
Eastern Shore Entrepreneurship Center, Inc.

Executive Director
Franklin County Community Development Corporation

Program Coordinator
Institute for Rural Vitality

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. RBCS does support maintenance of confidentiality when appropriate. The Agency published a Privacy Act of 1974, System of Records (SORN) in the **Federal Register** on May 14, 2019 (84 FR 21315). A copy of that document can be found at <https://www.govinfo.gov/content/pkg/FR-2019-05-14/pdf/2019-09874.pdf>.

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. 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 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. The statement should:

- Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. 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 14 of OMB Form 83-I.
- Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories.

While this program has been authorized since the 2002 Farm Bill, it did not receive funding for competitive awards between FY 2004 and FY 2017. Due to insufficient resources as well as legal and policy issues, the Agency has only made awards in three of those years. Thus, very little data is available upon which to base estimates.

In terms of applicants, we estimate that there are 29, based on an average of the three most recent funding cycles. 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 on the three most recent appropriations for the program. Given the maximum award amount of \$1 million and annual appropriations of \$3 million, we anticipate three (3) recipients.

Table 1, Total Cost of Burden, shown below, summarizes the estimated average annual burden associated with the AIC Program. The burden worksheet prepared for this collection provides details on the estimates on the Burden Tab.

Table 1, Total Cost of Burden					
Number of Respondents	Total Responses	Burden Hour Per Response	Total Annual Burden Hours	Hourly Cost	Total Cost
29	100	12.725	1273.	\$72.53	\$92,290

Table 2: Estimated Wages, shows the positions and wages used to estimate the burden costs for this information collection. Additional details can be found in the burden worksheet on the Wage Rate tab.

Table 2. Estimated Wages				
Position	Occupation Code	Mean Hourly Wage	Benefits (38.1%)	Total Wage Rate
Management Analyst	13-1111	\$50.32	\$19.17	\$69.49
Agricultural Sciences Postsecondary School Teacher	25-1041	\$62.86	\$23.95	\$86.81
Financial Specialist	13-2000	\$44.37	\$16.90	\$61.27
Average Hourly Wage				\$72.53

The Agency used an average hourly wage of \$72.53 as shown in Table 2 for the applicant burden section. The mean hourly wage rates were obtained from the Bureau of Labor Statistics, May 2022 National Occupational Employment and Wage Estimates United States (http://www.bls.gov/oes/current/oes_nat.htm). The fringe benefit rate of 38.1% was obtained from <https://www.bls.gov/news.release/pdf/ecec.pdf>. These positions are expected to be the most common contributors to developing applicant proposals as well as filling out forms and preparing reports.

13. Provide estimates of the total annual cost burden to respondents or record keepers resulting from the collection of information. (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. 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. Also, 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 \$47,460.93. 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 2023 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.

We used the following wage rates to estimate costs:

<u>Geographic Location</u>	<u>Wage GS Level/ Title</u>	<u>Fringe Benefits %</u>	<u>Hourly Wage Rate</u>	<u>Adjusted Wage Rate</u>	<u>Total Cost to the Federal Government</u>
Rest of U.S.	GS-13 (step 5) Program Specialist	36.25	\$53.49	\$72.88	\$8,454.09
WDC	GS-09 (step 5)	36.25	\$35.27	\$48.06	\$3,243.74
WDC	GS-13 (step 5) Management and Program Analyst	36.25	\$60.83	\$82.88	\$35,763.10
Total:					\$47,460.93

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

This submission includes an increase in the number of burden hours and responses since the previous submission. The number of respondents increased from 25 to 29, the number of responses from 89 to 100, and the number of burden hours from 1,053 to 1,273. The following are reasons for the change: an increase in the number of applications received than in previous years, hours being added for applicants to gather and input information into SAM.gov, and requirements at award were included that had been left out previously.

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.

RBCS will display the expiration date of OMB approval.

18. Explain each exception to the certification statement identified in Item 19 “Certification for Paperwork Reduction Act.”

There are no exceptions to the certification statement.

19. How is this information collection related to the Customer Service Center?

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