

April 2009

SUPPORTING STATEMENT

7 CFR part 25 Rural Empowerment Zones and Enterprise Communities
(EZ/EC)
OMB No. 0570-0027

A. Justification1. Explain the circumstances that make the collection of information necessary.

The Community Renewal Tax Relief Act of 2000 (Pub. L. 106-554, Section 111, signed December 21, 2000) authorized the Secretary of the U.S. Department of Agriculture (USDA) to designate 2 rural Empowerment Zones (Round III) and extended the duration of the designation for all Empowerment Zones through December 31, 2009, including the 3 Empowerment Zones from Round I (Pub. L. 103-66 approved August 10, 1993). The Taxpayer Relief Act of 1997 (Round II) authorized 5 rural Empowerment Zones and section 766 of Pub. L. 105-277, the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of 1999 authorized 20 rural Enterprise Communities. In addition, USDA currently has designated 45 Champion Communities from the EZ/EC applicant communities that have agreed to implement their strategic plans in accordance with the principles of the EZ/EC Program and report regularly on progress in achieving their performance benchmarks.

Ongoing Reporting: The statute contemplates revocation of the designation where progress is not made in implementing the strategic plan. Accordingly, the Secretary collects such periodic data as is necessary for the review of the designees' progress.

These periodic reviews provide the basis for USDA to continue or revoke a designation during the life of the federal program.

A. Data for Periodic Reports. These data consist of a short narrative of progress by the designee and individual progress reports on each project that they have specified in their implementation plans. These data are collected from all designees.

- B. Data for Administering USDA EZ/EC grants. These data consist of requests for advances and accounting records. These data are collected for recipients of USDA EZ/EC grants only.
- C. Data Rebutting a Negative Determination or Grant Termination or Suspension. In the event a designee area receives a warning letter from the Secretary regarding noncompliance or insufficient progress in implementing the strategic plan, the designee area may respond within 90 days. These data would be collected from only the recipients of a revocation warning letter. In the few instances where such a letter may be sent to a designee, the information collected would consist of narrative and data they would select to refute the USDA justification for revoking an area's designation.

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.

Required Certifications and Assurances

The EZ/EC Program contemplates partnerships between entities in the communities (particularly the lead entities) and federal and state agencies. The certifications and assurances are needed to identify who speaks for the community, and who is authorized to obligate whom in these partnerships.

Ongoing Reporting and Rebuttal Requirements

The authorizing statute contemplates the possibility that the Secretary of Agriculture may revoke a designation. The regulation provides that circumstances that might lead to revocation include modifying its boundaries without approval from USDA, failure to make progress in implementing its strategic plan, etc. The designee areas' progress reports provide management information for USDA and status reporting for Congress. These periodic reviews also provide the basis for USDA to continue or revoke a designation during the applicable designation period. For potential revocations, USDA would consider the designee's rebuttal information in making its decision regarding revocation.

The ongoing reporting requirement applies to each participant during the duration of the EZ/EC Program, as determined by Congress.

Ongoing Grant Program Requirements

The regulation provides that grant funds be used for approved strategic plan activities. Only those grant program requirements that are specific to the EZ/EC Program are incorporated in this burden package. Cross-reference is made to the generic departmental regulations, and the reader is directed to the paperwork control numbers for those burdens. This package is not intended to be duplicative of those requirements.

The ongoing grant program requirement applies to 22 participants of the EZ/EC program, specifically 10 Round I, II, and III Empowerment Zones and 12 Enterprise Communities, and continues as funds are authorized by Congress.

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.

USDA has an electronic reporting system in place, the Benchmark Management System, for ongoing reporting requirements, as an electronic means for complying with grant program requirements. The agency estimates that approximately 50 percent of the applicants have been submitting electronically.

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 are no other rural EZ/EC programs, and thus no duplication with this unique community development program.

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.

Not applicable.

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

It is the opinion of USDA that the requirements developed in 1994 were generally adequate for administering the program. For Rounds II and III, some modifications were made to augment the information on which to judge whether designated areas are making timely progress in implementing their strategic plan.

If reporting data are not collected on a timely basis, a designated area's failure to comply with its strategic plan will not necessarily come to the timely attention of USDA. Funding which might otherwise be more closely monitored could be released without needed assurances that the strategic plan objectives will be realized. The statute does not provide for remedies other than revocation of a designation.

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. There are no information collection requirements that require specific reporting on more than a quarterly basis.
- b. Requiring written responses in less than 30 days. Where a deadline for a previous request for compliance information has been ignored.
- c. Requiring more than an original and two copies. None.
- d. Requiring respondents to retain records for more than 3 years. None.
- e. Not utilizing statistical sampling. Not applicable.
- f. Requiring use of statistical sampling which has not been reviewed and approved by OMB. Not applicable.
- g. Requiring a pledge of confidentiality. Not applicable.
- h. Requiring submission of proprietary trade secrets. Not applicable.

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 Notice was published on January 8, 2009 [74 FR 794]. No comments were received.

The type of data collected was decided upon in consultation with the Department of Housing and Urban Development (HUD), the Department of Health and Human Services (HHS), the Department of Treasury. Consultations include:

Housing and Urban Development
Pamela Glekas Spring
(202) 708-6339

Aspen Systems (HUD Contractor)
Lorraine Drolet
(202) 708-0614, ext. 4389

Office of Management and Budget
Alex Gianinno
(202) 395-1483

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.

There is no assurance of confidentiality 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 are no questions or information collections of a sensitive nature.

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

The total number of designated communities is estimated to be 67, comprised of 10 rural Empowerment Zones, and 12 rural Enterprise Communities and 45 Champion Communities. An annual report and mid-year report is required of all respondents; other ongoing reporting requirements are applicable on a case-by-case basis. Of the total 1,452 hour estimated yearly reporting burden, 1,000 are attributable to the annual and mid-year progress report requirement. The assumed hourly wage rate for each respondent is \$20.00; the total annual respondent cost is estimated to be \$29,040.

13. Provide an estimate of the total annual cost to respondents or record-keepers resulting from the collection of information:

There are no capital or startup costs.

14. Provide estimates of annualized cost to the Federal Government:

State-level Rural Development Staff at the GS-11 initiate the work and Desk officers at the GS-13 level would typically review the information described in this package.

The total number of designated communities is 67, comprised of 10 rural Empowerment Zones, 12 rural Enterprise Communities and 45 Champion Communities. The total number of hours estimated in the federal collection and review of the ongoing reporting requirement is 4,171 hours, for a total annual cost of \$105,565.

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

The number of respondents has decreased from 110 to 67, due to 35 Champion Communities and 8 Enterprise Communities graduating, thereby, decreasing the burden hours from 2,402 hours to 1,452 hours.

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

USDA has no plans for publication, but may elect to issue occasional national reports of overall progress of EZ/EC and Champion designees for management purposes, or at the request of the USDA Secretary.

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.

Not applicable.

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

There are no exceptions requested.

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?

The Empowerment Zones and Enterprise Communities will not normally be serviced from Service Centers. In some cases, Rural Development Staff located at USDA Service Centers will service Champion Communities. However, there is relatively little information that could be provided jointly with other programs, given the uniqueness of the "lead entities" for the Empowerment Zones, Enterprise Communities and Champion Communities, and since these particular organizations are not ordinarily applicants for other USDA assistance.