

Supporting Statement U.S. Small Business Administration

Part A – Justification

Overview

The Small Business Administration (SBA) was created in 1953 to aid, counsel, assist and protect the interests of small businesses and help families and businesses recover from physical disasters. A key function within the agency is providing technical assistance in the form of business counseling and training. The Office of Entrepreneurial Development (OED) oversees the majority of SBA's business counseling and training initiatives. OED houses three program offices, which offer information, education, training, counseling and technical assistance either directly at a service location or electronically through various Internet sites developed or facilitated by SBA. Each year, OED programs serve over a million small business clients. The principal assistance programs and resources are:

- SCORE (formally the Service Corps of Retired Executives)
- Small Business Development Centers (SBDC)
- Women's Business Centers (WBC)

SCORE

Under SBA's SCORE program, approximately 11,000 volunteers provide counseling and training to over 360,000 clients in 389 locations annually. SCORE provides special outreach to veterans and women. SCORE's online cyber counseling provides access to more than 1,500 business advisors with 800 business industry and functionality skill sets.

Small Business Development Centers (SBDCs)

SBA's SBDC program is administered through a network of 63 lead centers and nearly 950 service centers located in all states and territories, with facilities spread throughout the state for full coverage. SBDCs offer a full range of counseling and training services, including pre-business counseling and specialty consulting, to the nascent, start-up and in business entrepreneurs. In some locations, specialized assistance is available for small business interested in international trade and government procurement opportunities. SBDCs are the SBA's largest resource partner, with over 1,000 locations nation wide.

Women's' Business Centers (WBC)

SBA's Women's Business Centers are housed in a variety of facilities - from Chambers of Commerce and universities to non-profit organizations. WBCs provide long-term training, one-on-one counseling and mentoring opportunities to women interested in starting and growing a small business. But unlike the SCORE and SBDC programs the WBC program is not currently available in all locations.

Explanation for resubmission of cleared OMB package

Sample Size

Sample size was increased to compensate for changing data collection from mail to online which decreases response rate.

Sampling Frame

Based on increase sample size, we expanded the sampling frame to include more than one Fiscal year quarter.

Data Collection

Based on a successful pilot study, we have changed our data collection method from mailing out questionnaires to an online survey for all initial respondents.

Questionnaire

After extensive discussions with ED Office Directors, it was decided that some questions needed to be restated and reformatted to obtain more meaningful data.

1. Circumstances making the information collection necessary

The Government Performance and Results Act (GPRA) require all federal agencies to set standards for measuring their performance. In accordance with this statutory mandate, and with the President's Management Agenda (PMA) and the SBA's Performance Assessment Rating Tool (PART) evaluations and SBA's strategic plan, the Agency is seeking to measure the economic impact of its technical assistance programs on the clients it serves. Specifically, the agency, in the spirit of OMB's requirements, is seeking to determine if its programs and services are helping the economy by creating jobs and increasing business revenues. This survey complies with OMB Circular A-89 and Title 5, United States Code.

2. How, by whom, and for what purpose the information is to be used

This survey is necessary for the proper performance of Agency functions because it will provide essential information to support SBA's strategic plans with consistent economic outcome data. The information collection requested complies with 5 CFR 1320.9, the Paperwork Reduction Act of 1995, concerning collections of information, designed to reduce, minimize and control burdens and maximize the practical utility and public benefit of the information created, collected, disclosed, maintained, used, shared and disseminated by or for the Federal government.

The Office of Entrepreneurial Development (OED), in collaboration with a panel of distinguished academic and private sector researchers has developed the survey instruments and methodology. SBA will sponsor data collection efforts, and will use the information generated to assess the effectiveness of the assistance provided by OED's resources to client small businesses. SBA is planning to administer this survey

instrument, annually, among the sample described in Supporting Statement: Part B, outlining statistical methods. Data will be aggregated and analyzed using appropriate statistical analysis. All data necessary for analysis will be collected from questionnaires designed for each program area and will include both an initial and follow-up questionnaire.

Results of the analysis and the report itself will also be used by the Entrepreneurial Development (ED) managers and Agency leaders to respond to OMB and budget requests concerning program outcomes in compliance with OMB's Performance Assessment Rating Tool (PART) government-wide evaluation.

This survey is intended to extract data which will help SBA determine the impact of its various technical assistance programs on the clients that its resource partners serve. It is not intended as an evaluation of the programs, nor of their management and effectiveness.

3. Use of technology in the information collection

Initially, the survey instrument will be available online (<http://www.surveymonkey.com/survey/sbdcsurvey/> with weekly reminders mailed to SBA clients who have been randomly selected from SBA's resource partner's client database. The respondents will fill out the survey on line. The contractor will then conduct telephone follow-up calls and perform appropriate statistical analysis. The SBA is converting the data collection from mail to web based collection.

4. Efforts to identify duplication

SBA reviewed existing agency data efforts and found that none of the data gathered under this information collection effort is currently being collected. In addition, an effort to identify existing panel studies was undertaken and none were noted that would meet the needs of this data collection effort. Although all attempts were made to minimize duplication, some duplication of data collection will occur as a result of multiple databases.

5. Methods to minimize burden on small businesses

SBA's approach to collecting this information avoids unnecessary duplication by only asking a small subset of economic and business data and by reducing the burden on small entities by using pre-established response categories. Internal testing confirmed that the survey uses plain, coherent, and unambiguous terminology that is understandable to the business owners who will be asked to complete it, and can be answered in most cases without recourse to time consuming record searches. The survey's implementation is consistent and compatible with current small business reporting and record keeping practices. All data may be gathered from standard financial records that the IRS requires small businesses to maintain for longer periods than the span of the survey. The survey requires no additional recordkeeping by the responding small businesses.

6. Consequences if the collection is not conducted or is conducted less frequently

Without this information collection effort, SBA cannot support the requirements of the Government Performance and Results Act and SBA's Strategic Plan. This collection will not take place more than once each year. Less frequent collections would make the resulting data ineffective and fail to give an accurate indication of the impact of the programs given the fluidity of the client base. This type of impact data is critical to management decision-making and policy recommendations for each program.

7. Special circumstances and requirements of the information collection

The proposed data collection activities pose no special circumstances or requirements. Specifically, the proposed information collection will not require respondents to:

- Report information more often than quarterly;
- Prepare a written response within 30 days of a request for information
- Submit more than an original and two copies of any document
- Retain records for more than three years; or
- Submit proprietary trade secrets or other confidential information without procedures to protect confidentiality to the extent permitted by law

Additionally, the information collection will not:

- Produce results that cannot be generalized to the universe of study;
- Require the use of a statistical data classification that has not been reviewed and approved by OMB;
- Include 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.

8. Publication of agency notice in the Federal Register

As required by 5 CFR 1320.8(d), public notice of this information collection was published in the Federal Register July 24, 2009 (Volume 74, Number 141). A copy of this notice is attached.

No comments of any sort have been received from the public or from any other entity as a result of the notice concerning the cost, hour burden, or any other aspects of this information collection.

9. Payments of gifts to respondents

No payments or gifts will be given to respondents as a result of this information collection.

10. Assurance of confidentiality provided to respondents

All data gathering efforts will be conducted in accordance with all relevant federal regulations and requirements, including the Privacy Act of 1974 (5 USC 552a), and the Freedom of Information Act (5 USC 552). All survey respondents will be treated confidentially, responses will not be attributed to specific individuals in any publicly disclosed document, and the information provided will not be used for any purposes other than for the purposes disclosed in this document and on the survey. The assurance of confidentiality is contained within the opening text of the survey instrument. The opening text of the survey instrument also describes the purpose of the study, the voluntary nature and length of the interview, and how the information will be used. The information collected will be kept confidential to the extent permitted by law. Only authorized SBA personnel will have access to the data. The contractor will not release any data without SBA approval.

11. Questions of a sensitive nature

Please note, that all sensitive data such as age, race, and gender and veterans status will be aggregated thus protecting individuals from being identified. Also, without demographic data and some organizational data, we can not ascertain whether the sample is representative to the total population. Generally accepted research methods allow for the collection of these data as long as client anonymity is protected and we are assuring such anonymity.

The revenue questions may be considered business sensitive under some circumstances. However, because of the use of bracketed response categories, the sensitive nature of these questions is diluted, and it would be difficult to specify the organization involved or otherwise identify it through an analysis of the data. In order to protect the privacy of the individuals and businesses that respond, SBA will maintain the individual level response database off-line so that individual responses cannot be accessed by outside parties through the Internet. In addition, the database will be password protected.

12. Estimate of the hourly burden of the collection of information

The estimated average annual burden to respondents is 2100 hours in year one and 2,625 hours in years two and 2756 hours in year three. This is based on 10,500 annual respondents taking 12 minutes apiece on average to complete a survey in year one and 13,125 respondents in years two and in year three, there would be 13,781 respondents. Note beginning in year two, 25 percent of the respondents from year one will complete and submit the follow-up questionnaire in year two and this process will repeat itself in year three. Evaluated at \$20.00 an hour, the annualized cost to respondents is \$49,880.

Annual number of respondents

[In year 1, 10,500 will respond]	10,500
[In Year 2, 10,500 will respond to the initial survey and 2,625 will respond to the follow-up survey from year 1]	13,125
[In Year 3, 10,500 will respond to the initial survey and 2625 will respond to the follow-up survey from year 2 and 656 will respond to the follow-survey from year 1]	13,781
Total	37,403
Annualized over three years (37,403/3)	12,368

Frequency of response per year: one
Instrument completion time: 12 minutes

Annual hour burden

Year 1	2,100
Year 2	2,625
Year 3	2,756
Average for three Years is	2494
Average hourly wage of respondents:	\$ 20.00

Annualized cost to respondents:

For this calculation, an hourly rate of \$ 20.00 was assumed. This is the equivalent to an annual salary of \$38,406 or a GS-9 Step 1. Thus \$20.00 X average for three years of 2494 = \$ 49,880

13. Estimate of total annual cost burden for submission

The proposed information collection requires no capital equipment purchases concerning systems and technology, nor any other purchases on the part of the respondents or affiliated record keepers. There is thus no associated capital or start-up cost.

14. Estimate annualized cost to Federal Government

Annualized costs to the Federal government for one fiscal year.

Contractor Costs	\$240,000
Staff Costs	\$ 20,000
Total	\$240,000

15. Explanation of program changes in Items 13or 14 on OMB Form 83-1

This submission to OMB is a resubmission of existing survey. Reasons for the request and the specific changes can be found in the section labeled “**Explanation for resubmission of cleared OMB package.**” Please note, the increase in burden hours is a

function of increasing sample size in order to obtain a larger sample in years two and three in order to get a higher confidence in reporting impact data.

16. Collection of Information whose results will be published

The results of the survey will be used for internal management purposes only and will not be published, but may be shared with SBA's resource partners. Findings will be discussed with OMB.

17. Expiration date for collection of information

The survey instruments will display the expiration date for OMB approval.

18. Exceptions to the certification statement in Block 19 of OMB Form 83-1

There are no exceptions to the certification statement identified in Item 19 of OMB Form 83-1.