

No material/Nonsubstantive Change Request – Justification
OMB Control No. 0610-0094

This request for a no material/nonsubstantive change will allow the Economic Development Administration (EDA) to change its grants approval process to require applicants to submit supplemental information required by the ED-900 “Application for Investment Assistance” at the time of initial application, instead of at the time EDA determines the application merits further consideration. The instructional changes to Form ED-900 will implement the grants approval process changes. The chart of proposed changes is recorded in ROCIS/IC List. EDA would like to implement these changes by August 1, 2010, so immediate review and approval is requested.

EDA is making changes in its approval process in order to create a more efficient, transparent, and competitive grant program. A key aspect of improving the process is providing timely responses to grant applications by cutting the amount of time EDA takes to evaluate and approve awards. In order to thoroughly review applications and respond to requests quickly, EDA would like to change the point in time in the approval process when it receives supplemental documents. The change to EDA’s approval process will not require any new information from the applicants. The change will discourage non-competitive applicants from applying and therefore, **decrease** the number of respondents from 1,525 to 1,408. However, for applicants who do apply, the average burden hours will increase slightly (9 percent) from 22 to 24 hours. The overall effect is that the **total** burden hours are expected to decrease by 1 percent.

In order to estimate what effect the revised process would have on the burden hours, Office of Regional Affairs staff investigated estimates that were produced when EDA adopted a single application in 2007. The figures were broken down by sections in the application and documentation required during the merits further consideration stage. The disaggregated estimates were used to create new estimates of burden hours for EDA’s approval process.

Because the new approval process will require additional information up front, EDA expects a slight decrease in applications because applicants with projects that blatantly do not fit with EDA’s mission and priorities will choose not to make the effort to apply. After consulting with regional offices as to what percentage of applications are completely out of line with the EDA’s requirements, EDA estimated that the number of applications received will decrease by approximately 10 percent. This estimate was used to arrive at the new number of responses.

| Table 1. Change in Burden Hours under Amendment Request | | | |
|--|----------------------------|-----------------------------|---------------------------|
| | Number of Responses | Average Burden Hours | Total Burden Hours |
| Current | | | |
| EDAP | 875 | 21.66 | 18,952.5 |
| CTAA – Implementation | 300 | 21.66 | 6,498 |
| CTAA – Petitions | 350 | 2 | 700 |

| | | | |
|--------------------------|--------------|------------|-----------------|
| Total | 1,525 | n/a | 25,975 |
| New | | | |
| EDAP | 788 | 23.75 | 18,715 |
| CTAA – Implementation | 270 | 23.75 | 6,412.5 |
| CTAA – Petitions | 350 | 2 | 700 |
| | | | |
| Total | 1,408 | n/a | 25,827.5 |