

Supporting Statement for Paperwork Reduction Act Submissions

SBA 8(a) Business Development Program Web Survey

Summary

Section 8(a) of the Small Business Act (15 U.S.C. 637(a)) established the U.S. Small Business Administration (SBA) 8(a) Business Development (BD) program. The purpose of the 8(a) BD program is to assist eligible small disadvantaged business concerns compete in the American economy through business development. Specifically, the 8(a) BD program fosters the success and growth of socially and economically disadvantaged businesses so that they can eventually compete without assistance. This is accomplished by providing eligible businesses counseling, technical assistance, and access to Federal contracting opportunities to help them compete in the U.S. economy. Firms in the program may also obtain access to surplus government property and supplies, SBA-guaranteed loans, and bonding assistance. The 8(a) BD program does not guarantee that participants will be awarded contracts but allows them access to Federal contracting opportunities such as 8(a) sole-source and competitive 8(a) Federal contracts.¹

SBA selected Econometrica, Inc., to conduct a Web survey of the 8(a) BD program. Econometrica is a small business located in Bethesda, Maryland, which has conducted research for more than 10 years for various Federal Government agencies. Econometrica has a history of conducting surveys and analyzing survey results, including those of individuals, government business development programs, financial institutions, and other private firms.

The Web survey is intended to assist in the Agency's review, analysis, and ongoing examination of the 8(a) BD program.

The following is to request the Office of Management and Budget's (OMB) approval for a new information collection entitled "**SBA 8(a) Business Development Program Web Survey.**"

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 collection is necessary for the proper performance of Agency functions relating to the 8(a) Business Development (BD) program. SBA requires reliable, comprehensive information to broaden the Agency's framework for monitoring the 8(a) BD program in light of the goals and criteria set forth by the statute and regulatory authority. Survey results will help SBA create program performance metrics to measure program impact.

¹ The statutory authority for the 8(a) BD program is in §§ 7(j), 8(a), and 8(d) of the Small Business Act of 1953, as amended. Regulatory authority based on statutory authority is in Title 13 CFR, Parts 105,121, and 124.

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

SBA is using a contractor, Econometrica, Inc., to collect information from firms that were certified in the SBA 8(a) BD program between 1998 and 2009. Econometrica will use QuestionPro or a custom Web application that is streamlined, user-friendly, and secure to collect the survey data. The proposed survey is a *new collection* that is voluntary and confidential. The survey will allow SBA to create or improve program performance metrics that enhance SBA's ability to measure the program's impact. Econometrica will present the findings and recommendations resulting from this survey in a report to SBA.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological 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.

The information will be collected through a self-administered, Section 508 compliant Web survey of current and former 8(a) BD program participants. Although the survey invitation contains a link to a PDF file, all responses to the survey will be transmitted electronically. The respondents will have the ability to complete the survey using the Web at their convenience.

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

SBA maintains some existing data on Participant firms, such as the type of firm (i.e., NAICS code), status of firm (i.e., whether a firm is in the program or graduated from the program), minority code, firm location, and year of participation. The Web survey will help SBA to verify that such data are relevant, valid, reliable, and sufficiently complete to support the development of performance metrics that will enable SBA to measure the impact of the 8(a) BD program. The data collection instrument has been narrowly tailored to maximize the use of existing records already maintained by SBA, and does not represent duplication. There are also new data being collected through this survey that are critical to meeting SBA's performance measurement objectives. SBA is making an effort to improve the completeness and reliability of performance data to ensure that the data SBA relies on to make program-related decisions are as accurate and reliable as possible.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe the methods used to minimize burden.

This data collection is 100 percent targeted to small businesses that are current and former Participant firms of the 8(a) BD program. The information sought in this collection refers to their unique experience as Participant firms in the SBA 8(a) BD program. The survey uses language that is familiar and therefore easily understandable to respondents with experience in the 8(a) BD program. SBA does not foresee any barriers due to their status as small businesses. These entities routinely use the Web to communicate with SBA, as required annual reporting and updating now take place online.

The survey is designed to minimize burden on the respondent firms. It contains specific instructions, help screens, definitions, and other assistance that guide respondents through the process. The survey will contain several features to help the respondents, including radio buttons, drop-down lists, text boxes, and a help feature that enables respondents to see further explanations and definitions of technical terms referenced in the survey.

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

The primary objective of this survey is for the Agency to obtain information from current and former 8(a) program participants that will enable SBA to develop technical, methodological, and analytical expertise to improve and broaden its framework for monitoring the 8(a) BD program. Failure to collect this information would impair SBA's ability to assess the effectiveness of the SBA 8(a) BD program. This is a one-time collection of information.

7. Explain any special circumstances that require the collection to be conducted in a manner:

- **requiring respondents to report information to the agency more often than quarterly;**
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **requiring respondents to submit more than an original and two copies of any document;**
- **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**
- **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 confidential use; or**
- **requiring respondents to submit proprietary trade secrets, 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.**

There are no special circumstances that would require this information collection to be conducted in any of the ways listed.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), 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. Specifically address comments received on cost and hour burden. 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, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported. Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years - even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

SBA published the required 60-day public comment notice in the Federal Register on Friday, April 9, 2010 (Vol. 75, No. 68, pp. 8728-9), announcing the Agency's intention to request an OMB review of data collection activities for the SBA 8(a) BD Program Web Survey. No comments were received in response to the 60-day notice by the Agency.

9. Explain any decisions to provide payments or gifts to respondents, other than remuneration of contractors or grantees.

SBA will not provide remuneration to Participant firms.

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

The data collection effort assures respondents that the raw data will be treated as proprietary. Econometrica has established stringent procedures and safeguards for securing and protecting the survey results against inappropriate disclosure or release of confidential information that will be collected. Participation is voluntary and confidential. Each Participant firm choosing to respond to the Web survey will be given a password to access and complete the survey. Only the person to whom the e-mail is addressed will be able to respond to the survey. There will be no link to the Participant firm's e-mail address; there will not be any way to individually identify or link results to individual firms. The report that Econometrica provides to SBA will be purged of information that would enable the Agency to identify specific firms or owners' responses.

The invitation to participate in the survey will contain a signed letter from SBA's Associate Administrator for the Office of Business Development that provides assurance about the legitimacy of the survey and endorses the survey's confidentiality and its voluntary nature.

For this Web survey, all Econometrica staff members with access to the data signed Non-Disclosure Agreements.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and 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 are no questions of a sensitive nature included in the survey.

12. Provide estimates of the hour burden of the collection of information. The statement should:

*** Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**

*** 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 13 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. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 13.**

SBA estimates there will be 1,000 respondents. This is a one-time survey. Staff members familiar with small business practices reviewed the paper version of the survey (included in this document) and estimated it would take each respondent approximately 30 minutes to complete the Web survey. The total annual burden hours are estimated at 500 hours (1,000 respondents*30 minutes).

The respondent costs are solely associated with the time to complete the survey. The costs are based on salary estimates. SBA estimates that the survey respondent makes, on average, \$52 per hour including overhead.² If the entire group of firms sampled responds to the survey, the total annual cost burden to the respondents is estimated at \$26,000 (1,000 respondents*\$52 average hourly wage including benefits*0.5 burden hours). The cost to each respondent is estimated at \$26 (0.5 burden hours*\$52).

13. Provide an estimate of the total annual cost burden to the respondents or record-keepers resulting from the collection (excluding the value of the burden hours in Question 12 above).

***The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life) and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and**

² Estimate is derived based on the national salaries of small business owners. See: Salary Snapshot for Owner / Operator, Small Business Jobs at: http://www.payscale.com/research/US/Job=Owner%2FOperator,Small_Business/Salary.

the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.

*** If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collections services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.**

*** Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.**

Except for the costs burden reported in number 12, there is no additional reporting or recordkeeping cost associated with this collection. Responding to the Web survey will not require the purchase of any capital equipment and will not create any start-up, operation and maintenance, or purchase of services costs.

14. Provide estimates of annualized costs to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies may also aggregate cost estimates from Items 12, 13, and 14 in a single table.

There are no additional costs to the Government beyond the expense of \$26,034.00 budgeted in the contract with Econometrica to conduct the survey. There are no other marginal costs to the Federal Government for this data collection.

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

This is a new information collection.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

The results of the survey will not be made public but rather will be used to inform internal programmatic decision making.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons why display would be inappropriate.

SBA is not seeking this exemption.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

There are no exceptions.

