

A. Justification

1. Explain the circumstances that make the collection of information necessary.

This is a request for clearance to conduct a series of semi-structure telephone interviews and site visits to a selection of HUD grantees necessary to complete an evaluation of the RIF program. HUD's Office of Policy Development and Research (PD&R), which provides the agency with research that influences agency policy development, has asked Econometrica to conduct this evaluation; the contract (Contract No. GS-10F-0269K) requires telephone interviews with RIF and RHED grantees, as well as a selection of site visits to specific grantees. Additionally, the RIF was authorized pursuant to the 2010 Consolidated Appropriations Act (Public Law 111-117) and included a provision for evaluation of the effectiveness of the RIF program compared to its predecessor, the RHED.

2. Explain how, by whom, how frequently, and for what purpose the information will be used. If the information collected will be disseminated to the public or used to support information that will be disseminated to the public, then explain how the collection complies with all applicable Information Quality Guidelines.

The information will be used by HUD to evaluate the effectiveness of the larger grants available under the RIF program compared to the RHED on leveraging, capacity building, and overall program outcomes and impact. The information collected will be presented in an evaluation conducted by Econometrica. The proposed telephone survey and site visits are a one-time-only occurrence and will not be repeated. The respondents of the survey will be RIF grantees—rural nonprofit housing and community development organizations and corporations and Federally Recognized Indian Tribes, State housing finance agencies, and State economic development agencies—who are beneficiaries of the HUD funds and as such are committed to reporting accomplishments to the Department.

The findings and recommendation resulting from this evaluation will be presented in a report to PD&R to disseminate how they see fit. PD&R typically disseminates studies and publications through HUDUSER. HUDUSER policies and procedures comply with all applicable Information Quality Guidelines.¹⁹

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.

This data collection effort includes telephone interviews and on-the-ground site visits. Telephone surveys and interviews are a widely used social science technique and this survey relies on basic survey techniques. Econometrica in general and the project PIs in particular have extensive experience conducting both telephone interviews and onsite evaluations and are not using any radical information technologies.

¹⁹ HUD Information Quality Guidelines were published on November 18, 2002. See: <http://www.hud.gov/offices/adm/grants/qualityinfo/fr4769n02-final.pdf>.

4. Describe efforts to identify duplication.

No comparable data have been collected for the recipients of RIF or RHED program funds. None of the information we seek on leveraging, capacity building, or program outcomes and impact from the grantees that participate in these programs is available from any other sources. We chose our sampling and survey procedures to compensate for a lack of consistent and reliable *administrative program data*, particularly in the RHED program. While some small amount of administrative data are consistently available across grantees and programs, the RHED administrative data are disorganized and unreliable. For example, the grant award amount frequently does not correspond between the Program Office's electronic records and hard copies in the administrative files. In another case, the Program Office has been unable to provide us with contact information for current or former grantees. This discrepancy was one of the initial findings of our study team and has heavily influenced the eventual research and data collection approach we propose.

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

Small businesses or other small entities are not part of the target population of the information collection. The information collection is limited to grantees—rural nonprofit housing and community development organizations and corporations and Federally Recognized Indian Tribes, State housing finance agencies, and State economic development agencies—receiving RHED and/or RIF funds from HUD. Some of these rural nonprofits, local governments, and Tribes are small organizations. However, we have attempted to reduce burden on these entities and the individuals that operate them by focusing our survey on our three major topics of interest—leveraging, capacity building, and program outcomes and impact—and handling most of the communication by telephone, as many rural organizations have limited or unreliable Internet access.

6. Describe the consequences to the Federal program or policy activities if the collection is not conducted or is conducted less frequently.

This is a one-time evaluation including a survey and site visits. HUD does not have any other means to collect the information we are pursuing, including onsite evaluation of grant recipients. The information is needed by HUD to assess the effectiveness of the changes in the RIF program compared to its predecessor the RHED.

7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with OMB guidelines.

- 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 3 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.
- 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 as part of this requirement.

8. Provide information on the PRA Federal Register Notice that solicited public comments on the information collection prior to this submission. Summarize the public comments received in response to that notice and describe the actions taken by the agency in response to those comments. Describe the efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, clarity of instructions and record keeping, disclosure, or reporting format (if any) and on the data elements to be recorded, disclosed, or reported.

A 60-day notice about this data collection was published in the *Federal Register* on March 21, 2013 to allow public comment. The 60-day notice has been published and is available here: <http://www.gpo.gov/fdsys/pkg/FR-2014-03-21/pdf/2014-06246.pdf>.

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

No payments, gifts, or remuneration are being provided to grantees.

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

Econometrica has established stringent procedures and safeguards for securing and protecting against inappropriate disclosure or release of confidential information that will be observed or collected during this study. The report that results from this study will not associate program outcomes with individual grantees. The data that Econometrica provides to HUD will be purged of information that would enable the Department to identify specific grantees.

The specific information gathered in this effort will be used only for the purposes of this research.

The statutory authority related to HUD's ability to conduct research through a contract with Econometrica is summarized below:

- 1) Section 3(b) of the Department of Housing and Urban Development Act, as amended, 42 U.S.C. 3532, authorizes the Secretary to “conduct continuing comprehensive studies, and make available findings, with respect to the problems of housing and urban development.”
- 2) Section 7(r)(1) of the Department of Housing and Urban Development Act, as amended, 42 U.S.C. 3535, provides that appropriated funds “shall be available to the Secretary for evaluating and monitoring of all such programs . . . and collecting and maintaining data for such purposes.” Subsection (r)(2) of the act indicates that programs authorized under title I of the Housing and Community Development Act of 1974 are subject to the above provision. Subsection (r)(4)(a) of the act further provides that the Secretary “may provide for evaluation and monitoring under this subsection and collecting and maintaining data for such purposes directly or by grants, contracts, or interagency agreements.”
- 3) Section 502(g) of title V of the Housing and Urban Development Act of 1970, as amended, 12 U.S.C. 1701z-2(g), authorizes the Secretary “to request and receive such information or data as he deems appropriate from private individuals and organizations, and from public agencies.” It further provides that “[a]ny such information or data shall be used only for the purposes for which it is supplied, and no publication shall be made by the Secretary whereby the information or data furnished by any particular person or establishment can be identified, except with the consent of such person or establishment.”

Finally, an assurance of anonymity has been included in the survey instructions and in the discussion guides for the site visits in Section 2 above. Econometrica will provide a clear overview of the study’s purpose, reasons why it would be in the interest of the program to respond, an assurance as to the legitimacy of the survey, and the name of a person the respondent can contact if the respondent has questions. Typically, Econometrica follows these procedures when conducting research on behalf of its Federal Government clients.

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.

None of the questions included in this survey are of a personally sensitive nature. However, some questions ask the grantees for their opinions on the administration or operation of the RIF or RHED programs. These questions are essential for understanding why the organizations choose to pursue the RHED or RIF grants and how the administration and operation of the award have affected their capacity and impacted their community. To protect anonymity, the grantees’ opinions will be categorized and classified in the aggregate. HUD will not be able to connect any grantee to their responses. We will purge the data files we submit to HUD of all confidential information.

12. Provide an estimate in hours of the burden of the collection of information.

Exhibit 1 demonstrates how the burden hours are calculated for the RIF survey, the RHED survey, and site visits. We have *pre-tested* both the survey instrument and discussion guide through a series of preliminary site visits conducted during March and April 2014. The estimates below are based on information from these preliminary site visits. We estimate that it will take grantees approximately 1.5 hours to respond to the survey and site visits will take 2 days. Given

our pre-testing, we believe these are overestimates.²⁰ However, we wanted to be consistent with the original estimates in the 60-Day Federal Register Notice and ensure that we did not underestimate the time burden. We estimate there will be 51 RIF survey respondents, approximately 51 RHED survey respondents and 15 total site visits.

The burden hours are estimated at 391.5 hours in total for all the grantees including the burden for both surveys and the site visits; the total burden on surveyed grantees are estimated to be 76.5 for surveyed RIF grantees and 75 for surveyed RHED grantees.

Exhibit 1. Estimated Total Burden Hours for RIF and RHED Grantees

| Respondent Category | Number of Respondents | Total Number of Responses Required | Data Collection Burden | Total Burden Hours |
|---------------------|-----------------------|------------------------------------|------------------------|--------------------|
| RIF Grantees | 51 | 51 | 1.5 hours | 76.5 |
| RHED Grantees | 50 | 50 | 1.5 hours | 75 |
| Site Visits | 15 | 15 | 16 hours | 240 |
| Total | 116 | 116 | - | 391.5 |

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).

This collection will not require the purchase of any capital equipment and will not create any start-up costs.

Based on information from our own experience, our preliminary site visits, and previous similar evaluations, we estimate that the contact person in charge of answering the survey makes, on average, \$60 per hour including overhead. The total annual cost burden to the respondents is estimated at \$23,490: approximately \$4,590 for surveyed RIF grantees, \$4,500 for surveyed RHED grantees, and \$14,400 for grantees who participate in a site visit.

| Respondent Category | Number of Respondents | Hourly Wage, Including Benefits | Total Burden Hours | Total Grantee Cost |
|---------------------------|-----------------------|---------------------------------|--------------------|--------------------|
| RIF Grantees | 51 | \$60 | 76.5 | \$4,590 |
| RHED Grantees | 50 | \$60 | 50 | \$3,000 |
| Site Visits ²¹ | 15 | \$60 | 240 | \$14,400 |
| Total | 116 | - | 391.5 | \$21,990 |

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

There are no additional costs to the Government beyond the funds budgeted in the contract with Econometrica to conduct the evaluation, including the survey. There are no other marginal costs to the Federal Government for this data collection.

²⁰ Pre-testing indicates that the time requirements will be 45 minutes and approximately 12 hours for the site visits.

²¹ Cost and burden hours for this row are calculated for a 2 day Site Visit and 8 hours/day of grantee staff time. We will be interviewing multiple staff members during each visit. We averaged 9 interviews per site during the Preliminary Site Visits in addition to project tours, travel time, etc. and expect that we will interview similar numbers of staff during the Primary Site Visits.

15. Explain the reasons for any program changes or adjustments.

There are no program changes.

16. For collections whose results will be published, outline the plans for tabulation and publication.

The results of the evaluation will be reported in the Final Rural Innovation Fund Evaluation Report, which is scheduled to be delivered to HUD on March 6, 2015. In the final report, Econometrica will provide summary aggregated data and the evaluation results will not contain any personal information.

We will use SAS/Stata for most of the manipulations and analyses, while Microsoft Excel and Access will be used for data collection. Relevant project statistics include the following:

- Average grant amount.
- Average leverage ratio (non-grant funding divided by grant amount).
- Percentage of grant expended by category (e.g., 30 percent housing and 70 percent economic development).
- Average grant amount and leverage by purpose category.
- Average poverty and unemployment rate, broken out by purpose category.
- Average years of management experience, senior managers.
- Other statistics may be used, depending on the availability of data from the grantees.

At this time, we are unaware of any plans for publication, but Econometrica's final report will be provided to PD&R. PD&R typically disseminates studies and publications through HUDUSER. HUDUSER policies and procedures comply with all applicable Information Quality Guidelines. HUD Information Quality Guidelines were published on November 18, 2002. See <http://www.hud.gov/offices/adm/grants/qualityinfo/fr4769n02-final.pdf>.

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.

HUD is not seeking this exemption.

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

There is no exception identified.