

2018
SUPPORTING STATEMENT
0572-0150
7 CFR Part 1784,
Rural Alaska Village Grant Program

This package is submitted under a regular clearance as an extension of a currently approved collection.

A. JUSTIFICATION

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

The Rural Alaska Village Grant (RAVG) Program is authorized under Section 306D of the Consolidated Farm and Rural Development Act (CONACT), (7 U.S.C. 1926(d)), as amended. Governing regulations are codified in 7 CFR Part 1784. Under the RAVG program, the Secretary may make grants to the State of Alaska for the benefit of rural or Native Villages in Alaska to provide for the development and construction of water and wastewater systems to improve the health and sanitation conditions in those Villages. To be eligible to receive a grant under the RAVG program, the project must provide 25 percent in matching funds from the State of Alaska. The matching funds must come from non-Federal sources. The Secretary shall consult with the State of Alaska on a method of prioritizing the allocation of grants according to the needs of, and relative health and sanitation conditions in, each village. Not more than 2 percent of the amount made available for a fiscal year may be used by the State of Alaska for training and technical assistance programs relating to the operation and management of water and waste disposal services in rural and Native Villages. Appropriated funds shall be available until expended.

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.

RUS state and field offices collect the information from applicants, grantees, and consultants. They use the information to determine applicant eligibility and project feasibility. They also use the information to ensure that grantees operate on a sound basis and use the grant funds for authorized purposes.

The RAVG program regulation, 7 CFR Part 1784, is divided into five subparts, A, B, C, D, and E. Subpart A contains the general provisions for the grant program including definitions and the objective of the program. Subpart B contains the grant requirements such as eligibility and eligible grant purposes. Subpart C contains the grant application processing information and the types of applications accepted. Subpart D contains the grant processing information such as planning, development, and procurement; disbursement of funds; accounting methods and reporting; grant servicing and subsequent grants. Subpart E contains design, bidding, contracting, constructing, and inspections requirements.

The following information/forms are collected and accounted for under this collection package:

SF- 424, “Application for Federal Assistance.” (common form - burden is counted under this package/ form cleared under 4040-0004).

Applicants use this form as a required cover sheet for applications submitted for RAVG grants. The application is an official form required for all Federal grants and requests basic information about the applicant and the proposed project.

Form - RD Instruction 1940-Q, Exhibit A-1, “Certification for Contracts, Grants, and Loans”

Applicants read and sign this certification. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352.

Form - RD 400-1 “Equal Opportunity Agreement”

Applicants read and sign these forms to assure RUS that they agree to and will comply with Title VI of the Civil Rights Act of 1964, and the Equal Opportunity Clause under Executive Order 11246 of September 24, 1965.

Form - RD 442-22 “Opinion of Counsel Regarding Right of Way”

Applicants and their attorneys may use this form in obtaining continuous and adequate rights-of-way and interest in land needed for the construction, operation, and maintenance of a facility.

Written – Approved Contract Documents

Applicants must contract for the professional services rendered from an engineer, attorney, bond counsel, accountant, auditor, appraiser, or financial advisor. Contracts or other forms of agreement for services necessary for project planning and development are subject to RUS concurrence. Applicants must submit them to RUS for review and concurrence to ensure the needed services will be available at a reasonable cost.

Form - RD 400-4, “Assurance Agreement”

Applicants read and sign these forms to assure RUS that they agree to and will comply with Title VI of the Civil Rights Act of 1964, and the Equal Opportunity Clause under Executive Order 11246 of September 24, 1965.

Form - RD 1942-46 “Letter of Intent to Meet Conditions”

Applicants complete this form to indicate the intent to meet the conditions of the loan established previously by RUS. This information is necessary to determine whether the Agency should continue further processing of the loan application.

Written - Certification regarding prohibited tying arrangements.

Applicants that provide electric service must provide the Agency a certification that they will not require users of a water or waste facility financed under this part to accept electric service as a condition of receiving assistance.

Form AD-1047, “Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions.”

USDA regulations published at 2 CFR Parts 180 and 417 implement the government-wide debarment and suspension system for USDA’s non-procurement transactions. Applicants for RAVG grants are required to provide certification under these regulations. Form AD-1047 may also be used to obtain the required certification.

Form AD-1048, “Certification Regarding Debarment, Suspension, and Other Responsibility Matters -Lower Tier Covered Transactions.”

Form AD-1048 will be signed by the applicant’s suppliers, auditors, contractors, etc., and retained by the applicant in their files.

Form AD-1049, “Certification Regarding Drug-Free Workplace Requirements (Grants) Alternative I - for Grantees Other Than Individuals.”

USDA regulations published at 2 CFR Parts 180 and 417 implement the Drug-Free Workplace Act of 1988, which requires that grant recipients agree that they will maintain a drug-free workplace. Applicants are required to provide certification under these regulations. Form AD-1049 may also be used to obtain the required certification.

Written - Land Surveyors Certification and Opinion of Right of Way

The document will include legal descriptions of lands created for parcels and shown in referenced documents are true and correct.

Written - Civil Rights Compliance Assurance Self Certification

Applicant certifies that it will comply with Title VI of the Civil Rights Act of 1964. The certification can be a written self-certification statement.

Written - Approved Business Plan

The business plan will include the resolution adopting the plan and outline the proposed O&M costs, rate structures, short-lived asset rate schedule and associated materials.

Written - Preliminary Engineering Report

Applicants must submit a preliminary engineering report (PER) prepared by a qualified engineer. The PER indicates areas to be served, scope and need of the project, cost estimate, annual operating expenses, etc. This report is necessary for RUS to determine project feasibility.

RUS Bulletin 1780-12; RAVG - Grant Agreement

The Grant Agreement sets forth the terms and conditions under which the applicant receives a RUS grant. Applicants and RUS must execute the document before RUS disburses grant funds. Grant Agreements specific to RAVG program participants are added to the bulletin as follows:

3. RAVG Grant Agreement for Alaska Native Tribal Health Consortium (ANTHC)
4. RAVG Grant Agreement for State of Alaska, Department of Environmental Conservation (SOA-DEC)

Written - Audits

Grantees must submit audited financial statements annually in accordance with Generally Accepted Government Auditing Standards (GAGAS). The audit must comply with the requirements of OMB Circular A-133, "Audits of State, Local Governments, and Non-Profit Organizations" or Water and Waste Disposal audit requirements. The requirements for submitting an audit report under OMB Circular A-133 are based on the total amount of Federal financial assistance expended during a grantee's fiscal year from all Federal sources. Grantees that expend \$500,000 or more in a year in Federal awards must have a single audit conducted for that year under OMB Circular A-133. Those that expend less than \$500,000 in Federal awards and have an outstanding RUS loan balance equal to or greater than \$1,000,000 must submit an audit in accordance with Water and Waste Disposal audit requirements. Grantees expending less than \$500,000 in Federal assistance and having a RUS loan balance less than \$1,000,000 may submit a management report instead of an audit report. RUS will designate the type of audit grantees must submit.

The following information/forms are collected and accounted for under other collection packages:

SF-424A, "Budget Information--Non-Construction Programs." (cleared under 4040-0006)
Applicants project costs and expenses for the grant project. The form also provides information on matching funds. This form is submitted as part of the pre-application and if the project is selected, as part of the formal application.

SF-424B, "Assurances--Non-construction Programs." (cleared under 4040-0007)
Applicants read and sign this form to indicate the organization's intent to comply with the laws, regulations, and policies to which a grant is subject.

SF-424C, "Budget Information--Construction Programs." (cleared under 4040-0008)
Applicants estimate costs and expenses for the grant project. The form also provides information on matching funds. This form is submitted as part of the pre-application and if the project is selected, as part of the formal application.

SF-424D, "Assurances-Construction Programs" (cleared under 4040-0009)
Applicants will read and sign this form to indicate the organization's intent to comply with the laws, regulations, and policies to which a grant is subject.

SF-LLL, "Disclosure of Lobbying Activities" (cleared under 4040-0013)
Applicant will complete all items on the form that apply for both the initial filing and material change report.

RUS Form 266 "Compliance Assurance" (cleared under 0572-0032)
Applicants read and sign form to assure RUS that they are familiar with and will comply with Title VI of the Civil Rights Act of 1964, Section 504, Rehabilitation Act of 1973, and Age Discrimination Act of 1975.

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 and responses, and the basis for the decision for adopting this means of collection.

RUS is committed to complying with the requirements of the E-Government Act and the Government Paperwork Elimination Act. The E-Government Act requires Government agencies in general to provide the public the option of submitting information or transacting business electronically to the maximum extent possible. RUS continues to review its short and long-range plans and the requirements to collect data from our grantees. Rural Development and Agriculture Department forms that are part of this collection are provided as fillable PDFs on the USDA eForms and USDA OCIO websites. The Standard Forms are available on Grants.gov.

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.

RUS has reviewed all financial assistance programs it administers to determine which programs may be similar in intent and purpose. If applicants or grantees are applying to or participating in more than one RUS program simultaneously, the Agency would make every effort to accommodate the requests within the same set of applications and processing forms. If applicants are applying for or receiving a loan or other financial assistance from another Federal agency, RUS would use the forms and documents furnished by the other agency as much as possible.

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

The term “small entity” has the same meaning as the terms “small business,” “small organization,” and “small governmental jurisdiction” in accordance with 5 U.S.C. 601(6). The Small Business Administration (SBA) has established a Table of Small Business Size Standards, which matches to industries described in the North American Industry Classification System (NAICS). According to the small business size standards, 25 of the applicants and grantees of the RAVG program, or 100 percent, are classified as small entities. Information to be collected is in a format designed to minimize the paperwork burden on small businesses and other small entities. The information to be collected is the minimum RUS needs to approve grants, monitor grantee performance, and carry out the authorized programs. No unique methods will be used to minimize the burden to small entities.

6. Describe the consequence to 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 information collected under these programs is the minimum necessary to conform to the requirements of the program regulations established by law. Information is collected when needed and cannot be collected less frequently to meet the requirements of the programs. Failure to collect proper information could result in improper determinations of eligibility or improper use of funds.

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

- a. Requiring respondents to report information more than quarterly. During the duration of the construction project, a copy of the Daily Inspection Report must be provided to the Agency in one-week intervals.
- b. Requiring written responses in less than 30 days.
There are no information requirements for written responses in less than 30 days.
- c. Requiring more than an original and two copies. There are no requirements for more than an original and two copies.
- d. Requiring respondents to retain records for more than 3 years. There are no requirements for respondents to retain records for more than 3 years.
- e. 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. This collection is not a survey.
- f. Requiring use of statistical sampling which has not been reviewed and approved by OMB. The collection does not employ statistical sampling.
- g. Requiring 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. No pledge of confidentiality is required.
- h. Requiring submission of proprietary trade secrets. There is no requirement for submission of trade secrets.

8. If applicable, identify the date and page number of publication in the Federal Register of the agency's notice soliciting comments on the information collection. Summarize public comments received and describe actions taken by the agency in response to these comments. Describe efforts to consult with persons outside the agency to obtain their views on 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.

As required by 5 CFR 1320.8(d), a Notice to request comments was published on in the *Federal Register* on May 29, 2018, 83 FR 24457. One public comment was received. The comment was of a general nature commenting on cutting government costs and did not reference the information collection.

Borrowers and grantees may consult with RUS headquarters staff at any time regarding comments or suggestions on procedures, forms, and/or regulations and consultations take place on an individual basis by telephone, e-mail, regular mail or fax. RUS contacted the following individuals in June 2018 to obtain their views on the paperwork burden imposed by this regulation:

1. Fritza Petluska, City Administrator, 9998 1st Street, City of Eek, Alaska, 99578, Tel: (905) 536-5128-Ms. Petluska is familiar with the forms and documents although she advised that the Alaska Native Tribal Health Consortium (ANTHC) usually handles most of the completion of the forms and documents and they are then sent over to the city for review and signature. An Eek city ordinance requires that 4 council members review and approved prior to signature by mayor. This procedure is standard, not just for the Rural Alaska Village Grant (RAVG) water and sewer projects. Ms. Petluska states that the burden on the city is minimal for the RAVG projects, as ANTHC takes care of most things. ANTHC does a good job with communication. The City Administrator and other Eek officers attend council and other community meetings.

2. Juliana Wasillie, City Administrator, City of Nunaptichuk, P.O. Box 190, Nunaptichuk, AK 99641, Tel: (907) 527-5327. Ms. Wasillie was not overly familiar with the application process for RAVG but stated that the instructions were fairly clear for the information which was required. Ms. Wasillie stated she thought a lot of information was needed but the instructions were clear and easy to understand.

3. City of Adak, Alaska, Layton Lockett, City Administrator, 100 Mechanical St., Suite B122, P.O. Box 2011, Adak, Alaska 99546-2011, Tel: (907) 592-4500. Mr. Lockett's view of the RAVG processing is unequivocally burdensome. He believes that the application process is not user friendly and sometimes doesn't mesh with State of Alaska at times. Lots of extra requirements that are not realistic for a given project. He feels it is too hard for small communities with limited resources. Mr. Layton added that RAVG is not like other grants he has used. In response to Mr. Lockett's comment, RUS has contacted the City of Adak, AK to provide assistance with understanding the application forms, and to answer any and all questions regarding program requirements.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors of grantees.

Payments or gifts are not provided to respondents.

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

No assurance of confidentiality is provided to respondents.

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 collection does not contain any questions of a sensitive nature.

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

This is a request for clearance as an extension of a currently approved collection and there are no agency adjustments or changes in burden. Based on the program level authority of \$21,488,724

for this program, RUS anticipates receiving 25 applications and making approximately 15 grants. Of these, RUS expects to make approximately 9 grants to state and local governments and 6 grants to non-profit corporations. Total estimated cost to respondents for the information collection is estimated at \$552,639. The burden for this collection is summarized as follows:

Regulation	Number of Respondents	Total Annual Responses	Total Annual Hours
7 CFR 1784	25	345	469

RUS estimates the cost to be \$22,106 for the respondents to comply with this regulation. The cost is based on 25 respondents annually.

Completion Costs:

Professional Time:	25 x 310 hrs. x \$44.90 hr. x 29.4% benefits (\$102,305) =	\$ 450,280
Clerical Time:	25 x 159 hrs. x \$19.90 hr. x 29.4% benefits (\$23,256) =	<u>\$ 102,359</u>
	Total	= \$ 552,639

The Department of Labor, Bureau of Statistics, State Occupational Employment and Wage estimates (May 2017) were used as the basis for the cost estimates. The hourly earnings for Professional Time (NAICS General and Operations Manager 11-1021) in a non-metropolitan area in Alaska are \$44.90 and Clerical Time (NAICS Office and Administrative Support 43-0000) is \$19.90.

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information.

There are no capital and start-up costs or purchase of services components involved with this collection.

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

The estimated annualized cost to the federal government is \$878,691. Wage rates used to calculate federal cost were found at the Office of Personnel Management, 2018 General Schedule Tables at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2018/general-schedule/>. The cost to the Federal Government is estimated as follows:

Preliminary contacts - 20 hrs. x 25 app. x \$44.22 hr. x 36.25% benefits(\$7,545)	= \$	29,655
App. rev. phase - 160 hrs. x 25 app. x \$44.22 hr. x 36.25% benefits(\$60,364)	= \$	237,244
App. processing phase - 90 hrs. x 15 app. x \$44.22 hr. x 36.25% benefits(\$20,373)	= \$	80,070
Techn. Docs. review phase - 70 hrs. x 15 app. x \$44.22 hr. x 36.25% benefits(\$15,845)	= \$	62,276
Grant closing phase -150 hrs. x 15 grantees x \$44.22 hr. x 36.25% benefits(\$33,954)	= \$	133,449
Startup & serv. actv. phase - 375 hrs. x15 grantees x\$44.22 hr. x36.25% benefits(\$84,886)	= \$	333,624
<u>Audits - 10 hrs. x 4 grantees x \$44.22 hr. x 36.25% benefits (\$604.00)</u>	= \$	<u>2,373</u>
<u>Total estimated cost to the Federal Government is:</u>		<u>\$ 878,691</u>

(The salary of \$44.22 per hour is based on a Community Programs Specialist (GS 12, step 5) in Alaska listed in OPM salary table 2018-AK, effective January 2018.)

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

This renewal package requests an extension of a currently approved collection. There is no change in the regulations, program operations or burden estimate.

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

There are no plans for publication.

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

The agency is not seeking such approval.

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

There are no exceptions requested.

B. Collection of Information Employing Statistical Methods.

This collection does not employ statistical methods.