

Supporting Statement for Paperwork Reduction Act Submission
OMB Control Number 3245-0403
Petitions for Governor-Designated Covered Areas

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.*

This collection of information is mandated by section 1701(e) of the National Defense Authorization Act for Fiscal Year 2018, Pub. L. 115-91 (2018 NDAA), which authorizes State Governors to petition the SBA Administrator to designate specific covered areas as qualified HUBZone areas. This section provides that “[f]or a covered area to receive a designation as a Governor-designated covered area, the Governor of the State in which the covered area is wholly contained shall include such covered area in a petition to the Administrator requesting such a designation. This authority, including a description of the information that a Governor will be required to provide in a petition for HUBZone designation, is incorporated into SBA’s HUBZone program regulations at 13 CFR 126.104. A copy of the statutory and regulatory authorities is attached.

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.*

Section 1701(e) provides that in reviewing a request for designation included in a petition, the Administrator may consider: (i) the potential for job creation and investment in the covered area; (ii) the demonstrated interest of small business concerns in the covered area to be designated as a Governor-designated covered area; (iii) how State and local government officials have incorporated the covered area into an economic development strategy; and (iv) if the covered area was a HUBZone before becoming the subject of the petition, the impact on the covered area if the Administrator did not approve the petition. Information provided by each Governor in response to these criteria will be evaluated by SBA’s Office of HUBZone Program staff to determine whether the request meets the criteria for designation as a HUBZone.

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 of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce the burden*

There is no prescribed form for submission. However, SBA’s preferred method for submitting Governors’ petitions would be through email.

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.*

The information submitted will be unique to a specific area within the state. Although SBA can identify which parts of a state qualifies as a “covered area,” until the Agency receives a request for designation as a HUBZone, it has no way of knowing what information would be available to meet the other statutory criteria discussed above.

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

No small businesses or other small entities will be directly impacted by this information collection. If SBA designates an area as a Governor-designated covered area, based on the information provided by the State Governor, there would be an indirect impact on businesses that may become eligible to apply for the HUBZone program through the expansion of the HUBZone areas.

6. *Describe the consequence 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.*

This information collection will only be required when a State Governor wishes to request that SBA designate a specified area as a HUBZone that would not otherwise qualify as a HUBZone. The frequency with which the information will be submitted is controlled by the requesting Governors and not SBA. If SBA reduces or does not collect the limited amount of information contained in the petitions, SBA would not be able to make an informed decision when reviewing requests to designate Governor-designated covered areas.

7. *Explain any special circumstances that would cause an information 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.*

None of these special circumstances are applicable to this information collection. This collection is only authorized up to once per year, as the statute provides that “[e]ach calendar year, a Governor may submit not more than 1 petition.” The statute also provides that if SBA grants a petition, the Governor of the Governor-designated covered area shall annually submit data to the Administrator certifying that each Governor-designated covered area continues to meet the requirements.

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. Describe efforts to consult with persons outside the agency to obtain their view.*

Pursuant to 5 CFR 1320.8(d), SBA published 60-day notice and request for comments on January 21, 2020. 85 FR 3467. SBA did not receive any comments on this notice. The comment period ended on March 23, 2020.

In addition, the Office of HUBZone Program has discussed this information collection with numerous stakeholders in conferences and webinars focused on the HUBZone program. The Office of HUBZone Program also plans to maintain continuing liaison with the State governmental departments that are charged with collecting and forwarding this information, particularly when the Governor’s office has a petition under consideration. SBA has not received any negative comments about this information collection, and no major problems with this information collection are anticipated.

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

No payments or gifts will be provided to respondents.

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

This is not applicable because no confidential information will be requested.

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, specific uses to be made of the information, explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain consent.*

No questions of a sensitive nature will be asked.

12. *Provide estimates of the hour burden of the collection of information, as well as the hour cost burden. Indicate the number of respondents, frequency of response, annual hour and cost burden, and an explanation of how the burden was estimated.*

The respondents are the Governors of each of the 50 states, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, and American Samoa.

The methods of collection and the time spent in collecting this information will be solely under the control of the States. However, SBA estimates that approximately 5 hours will be spent to gather the information needed, since preparing the petitions and the annual updates will primarily involve synthesizing information that each Governor already has. The total number of possible responses per year could be 56 because that is the total number of Governors. However, SBA estimates up to 53 responses per year, because the United States Virgin Islands, Guam, and the Commonwealth of the Northern Mariana Islands are entirely HUBZones.

Since each of these responses will require an estimated 5 hours to collect and compile the information, the total estimated annual burden is 265 hours ($53 \times 5 = 265$).

The cost to the State governments for this information collection is associated with gathering information, drafting petitions and updates, and submitting petitions and updates to SBA. Employees within State Governors' offices are involved in this. According to data from a salary analysis performed by SBA of the salaries paid to directors of Small Business Development Centers that are run by States, which SBA believes to be a comparable analysis, SBA estimates the salary of the individuals preparing the petitions to be roughly \$44.56 per hour. Based on the estimated time that will be spent preparing the petitions, SBA estimates that the total estimated annual cost to each State will be \$289.65. If SBA receives 53 petitions, the total estimated annual cost to all States will be \$15,351.45.

Annual hours per collection	5
Estimated salary (\$44.56/hr) + 30% for benefits	\$57.93
Total estimated annual cost to each State	\$289.65
Estimated number of responses	53
Total estimated annual cost to all States	\$15,351.45

13. *Provide an estimate for the total annual cost burden to respondents or record keepers resulting from the collection of information. Do not include hour cost burden from above.*

There is no additional cost burden imposed on the State to collect this information.

14. *Provide estimates of annualized costs to the Federal Government. Also provide a description of the method used to estimate cost, including a quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any expenses that would not have been incurred without this collection of information.*

The cost to the Federal Government for this information collection is associated with reviewing petitions, preparing recommendations for declaration/decline, obtaining approval, and updating the HUBZone maps as necessary. GS-12 personnel are involved in the Agency processing. There will be no additional costs as a result of this collection of information. However, based on the estimated time that will be spent processing the requests, SBA estimates that total processing time per response will be 1 hour.

53 responses * \$39.96 (GS 12, Step 1) per hour	\$2,117.88
Overhead cost of 20%	\$423.58
Total estimated annual cost to the Federal Government	\$2,541.46

15. *Explain reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-1.*

This is a new collection.

16. *For collection of information whose results will be published, outline plans for tabulation and publication. Address complex analytical techniques. Provide time schedules for the entire project.*

From time to time, aggregated data may be published as part of reports to Congress on the HUBZone Program. No other publication is anticipated.

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

No exception or waiver is being sought.

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

There are no exceptions.

B. Collections of information Employing Statistical Methods.

Not applicable.