**SUPPORTING STATEMENT**

**SBA STEP Client report form**

**OMB CONTROL NO. 3245-xxxx**

Contents

[Part A. Justification 3](#_Toc51149686)

[1. Circumstances Making the Collection of Information Necessary 3](#_Toc51149687)

[2. Purpose and Use of Information Collection 3](#_Toc51149688)

[3. Use of Improved Information Technology and Burden Reduction 3](#_Toc51149689)

[4. Efforts to Identify Duplication and Use of Similar Information 4](#_Toc51149690)

[5. Impacts on Small Businesses or Other Small Entities 4](#_Toc51149691)

[6. Consequences of Collecting the Information Less Frequently 4](#_Toc51149692)

[7. Special Circumstances Relating to the Guideline of 5 CFR 1320.5 4](#_Toc51149693)

[8. Comments in Response to the Federal Register Notice and Efforts to Consult Outside Agency 5](#_Toc51149694)

[9. Explanation of Any Payment or Gift to the Respondents 5](#_Toc51149695)

[10. Assurance of Confidentiality Provided to Respondents 5](#_Toc51149696)

[11. Justification for Sensitive Questions 6](#_Toc51149697)

[12. Estimates of Hour Burden Including Annualized Hourly Costs 6](#_Toc51149698)

[13. Estimates of Other Total Annual Cost Burden to Respondents or Record Keepers 6](#_Toc51149699)

[14. Annualized Costs to Federal Government 7](#_Toc51149700)

[15. Explanation for Program Changes or Adjustments 7](#_Toc51149701)

[16. Plans for Tabulation and Publication and Project Time Schedule 7](#_Toc51149702)

[17. Reason(s) Display of OMB Expiration Date is Inappropriate 8](#_Toc51149703)

[18. Exceptions to Certification for Paperwork Reduction Act Submissions 8](#_Toc51149704)

[Part B: Collection of Information Employing Statistical Methods 8](#_Toc51149705)

[Appendix A. Federal Register Notice 9](#_Toc51149706)

[Appendix B: Relevant Statutes and Regulations 11](#_Toc51149707)

## Part A. Justification

### 1. Circumstances Making the Collection of Information Necessary

*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 Small Business Administration (SBA) requests approval from the Office of Management and Budget (OMB) of the collection of client data from grant recipients of the SBA’s State Trade Expansion Program (STEP). These data will be used to understand how states have improved their trade and export activities and revenue and to collect data for reporting as required in section 22 of the Small Business Act, 15 USC 649. This report is shared with the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives

STEP is a trade and export initiative to make matching-fund grants for states to assist “eligible small business concerns,” enter and succeed in the international marketplace. Services under the STEP Program are funded in part by SBA but are provided to eligible small business concerns—or “STEP Clients”—by STEP grant recipients located in most states and territories, and the District of Columbia.

STEP has two primary objectives: (1) increase the number of small businesses that are exporting and (2) increase the value of exports for small businesses that are currently exporting. STEP services are managed and provided at the local level by state government organizations. The program is managed at the national level by the U.S. Small Business Administration’s Office of International Trade. STEP was most recently authorized by Section 503 of the [Trade Facilitation and Trade Enforcement Act of 2015](https://www.congress.gov/bill/114th-congress/house-bill/644/text).

### 2. Purpose and Use of Information Collection

*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.*

The STEP Client Report form (see Appendix A) is completed by state administrators in states that receive an SBA STEP grant in order to report data on the quarterly progress of STEP grant recipients and their clients. These data are used to understand how states have improved the trade and export activities and revenue outcomes of clients. Data from the STEP Client Report provides SBA with critical information about the impact of various strategies used to advance trade and export activities in each state. These data also provide an understanding of the specific ways in which funded activities meet SBA’s goal of improving small business trade and export productivity. These data may inform strategies that can be replicated by other small businesses. These data are not currently being collected elsewhere and are critical to understanding the outcomes of STEP grant recipient activities.

### 3. Use of Improved Information Technology and Burden Reduction

*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 burden.*

SBA is committed to complying with the 2002 E-Government Act to promote the use of technology to lessen the burden of data collection on the public. The Client Report form is available to state-level grant recipients through Excel, which allows respondents to update information from previous quarters. STEP grantees email the form to the SBA each quarter. SBA is also exploring an online data collection system for this information.

### 4. Efforts to Identify Duplication and Use of Similar Information

*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.*

These data are specific to the STEP program and are needed to understand the results of SBA’s investment in the program. They are not collected elsewhere.

### 5. Impacts on Small Businesses or Other Small Entities

*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.*

The STEP program offers competitive grants to all 50 states; the District of Columbia; and the Territories of Puerto Rico, the U.S. Virgin Islands, Guam, and American Samoa. SBA provides state-level grantees (for example, state Departments of Commerce and state Departments of Economic Development) with funding for nine activities, including participation in foreign trade missions, design of marketing media, and trade show exhibitions.

The Client Report form is completed by state-level STEP grant recipients about small businesses with whom they have worked as part of the program (clients). The small businesses are not tasked with responding to the Client Report form. While some of the STEP grant recipients are small entities, this data collection is low burden and SBA is available to help answer questions regarding the data collection.

### 6. Consequences of Collecting the Information Less Frequently

*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.*

STEP grant recipients complete the Client Report form quarterly. Collecting the data on a regular basis throughout the year facilitates record keeping for grant recipients. Given the short, two-year period of STEP grants, this data collection schedule also allows SBA grants managers to understand the ongoing progress of grants and identify opportunities to aid grant recipients in maximizing program results.

### 7. Special Circumstances Relating to the Guideline of 5 CFR 1320.5

*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.*

There are no special circumstances for this information collection package. This request fully complies with the regulations of 5 CFR 1320.5. Furthermore, none of the survey responses are required.

### 8. Comments in Response to the Federal Register Notice and Efforts to Consult Outside Agency

*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.*

The 60-day notice to solicit public comments was published in the Federal Register on December 9, 2019, at 84 FR 66703 (see Appendix B).

No comments were received.

### 9. Explanation of Any Payment or Gift to the Respondents

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

No payments, gifts, or other incentives will be provided to respondents for the purposes of this data collection.

### 10. Assurance of Confidentiality Provided to Respondents

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

*No express assurances of confidentiality are provided to respondents; however, SBA protects the information collected to the extent permitted by law, including the Privacy Act, 5 U.S.C.* . § *552a, if applicable, and the Freedom of Information Act 5 U.S.C.* § *552.* .

### 11. Justification for Sensitive Questions

*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.*

The STEP Client Report form does not include questions of a sensitive nature. The data being collected are based on the work of state-level grant recipients to increase the number of eligible small business concerns or “STEP Clients” in their state that are exporting and increase the value of their clients’ exports.

### 12. Estimates of Hour Burden Including Annualized Hourly Costs

*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.*

Exhibit 1 details the burden associated with the Client Report form. SBA typically awards 45 two-year grants per year. There are, on average, 90 active grants each year. Based on feedback from grant recipients, the client report takes grant recipients approximately one hour to complete and is completed quarterly for an annual burden of 360 hours and $18,356.40.

Exhibit 1. Estimated Hour and Cost Burden

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Number of Respondents | Number of  Responses | Burden Hour Per Response | Total Annual  Hour Burden | Total Annual Cost Burden |
| 90 | 4 | 1 | 360 | $18,356.40 |

Note: Hourly wages are calculated using the annual salary of $106,050 (mean salary for U.S. administrative service managers) for an hourly wage of $50.99. Based on the Bureau of Labor Statistics: Occupational employment and Wages, May 2018. Retrieved from: https://www.bls.gov/oes/current/oes\_nat.htm#43-0000.

### 13. Estimates of Other Total Annual Cost Burden to Respondents or Record Keepers

*Provide an estimate for the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).*

*\* 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 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*.

There are no costs to respondents beyond those related to Client Report form completion time described in question 12.

### 14. Annualized Costs to Federal Government

*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.*

The cost to the Federal government is as follows:

Three SBA grant managers will spend approximately 4 hours per quarter on this data collection. The hourly rate for SBA grant managers is $49.36 (GS-13, Step 1, Washington D.C., Baltimore, Arlington). The annual cost to the Federal government is $592.32. These costs will be incorporated into the plans for running STEP.

### 15. Explanation for Program Changes or Adjustments

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

There are no changes; this is a new collection request.

### 16. Plans for Tabulation and Publication and Project Time Schedule

*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.*

SBA provides an annual report to Congress on STEP, which includes a state by state reporting of program outcomes, including those pertaining to new clients. Other than this report, the SBA does not have plans to publish the data.

### 17. Reason(s) Display of OMB Expiration Date is Inappropriate

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

This data collection does not seek exemption from displaying the expiration date for OMB approval.

### 18. Exceptions to Certification for Paperwork Reduction Act Submissions

*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 to the certification. These activities comply with the requirements in 5 CFR 1320.9.