

2021 SUPPORTING STATEMENT

American Rescue Plan Act, 2021 Emergency Rural Health Care Grant Program OMB No. 0575-NEW

This Emergency Request for Approval for the Office of Management and Budget (OMB) review and clearance of a collection of information necessary for a Notice of Funds Availability (NOFA) for the American Rescue Plan's Rural Health Care Grants designated this regulatory action as Economically Significant and Major.

The Rural Housing Service (RHS) anticipates that the Notice of Funds Availability (NOFA) will be published in the *Federal Register* on or before August 6, 2021, in which a 60-day notice for public comment will be embedded. RHS expects that grantees will begin to submit applications no later than August 6, 2021 in order to meet the statutory deadline of 150 days to establish the emergency program.

Justification

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

On March 11, 2021, the President signed the American Rescue Plan Act that appropriated \$500 million in grant funding for the establishment of an Emergency Pilot Program for eligible Community Facilities (CF) applicants and eligible CF facilities to assist rural hospitals and local communities broaden access to COVID-19 vaccines, health care services, and food assistance through food banks and food distribution facilities, and projects supporting the long-term sustainability of rural health care. Under section 808(2) of the Congressional Review Act (5 U.S.C. 808(2)), making these funds available through the issuance of this NOFA, as authorized in Section 1002 of the American Rescue Plan Act, will provide funding to eligible applicants to offer support for rural health care services in the form of immediate relief, and longer-term funding to advance ideas and solutions to support the long-term sustainability of rural health and provide expeditious relief to address the current economic conditions arising from the COVID-19 emergency.

Community Facilities Programs, a division of the Rural Housing Service (RHS), hereinafter referred to as Agency, is part of the United States Department of Agriculture's Rural Development mission area. The Agency is authorized by Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926), as amended, to make grants to public agencies, nonprofit corporations, and Indian tribes to develop essential community facilities and services for public use in rural areas. The emergency Rural Health Care Grant NOFA outlines the policies and responsibilities, including the collection and use of information necessary to effectively implement this program.

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.

Pursuant to the American Rescue Plan Act of 2021, Public Law 117-2, the information will be collected by Rural Development field offices from applicants. This information is used to determine whether applicants meet the eligibility requirements to be a recipient of grant funds, project eligibility, conduct technical evaluation, calculate a priority score, and rank and compete the application, as applicable, in order to be considered. Lack of adequate information to make the determination could result in the improper administration and appropriation of the Federal grant funds. The grant funds will be administered in accordance with this NOFA and will be distributed between two Tracks of funding:

- Track I, Recovery grants will provide emergency grant funding for eligible CF applicants to help rural hospitals and local communities broaden access to COVID-19 staffing needs for vaccine administration and testing, medical supplies, lost revenue experienced during the pandemic, increased telehealth capabilities, construction and rehabilitation of temporary or permanent structure of health care services and food assistance through food banks and food distribution facilities in rural areas.
- Track II, Impact grants will enable eligible applicants to seek funding to plan, implement, and evaluate large scale projects to support the long-term sustainability of rural health care. With this Track II funding, the Agency seeks to identify and support replicable health-related projects focused on improving long term rural health outcomes, improving access to quality health care, and creating and maintaining health care as a key economic driver of small communities.

Applications must be submitted through the applicable USDA Rural Development State Office.

The Agency has made the instructions to forms available on the USDA eForms website at: <https://forms.sc.egov.usda.gov/eForms/welcomeAction.do?Home>.

The Following Information are Non-Form Collected and Accounted for Under This Collection Package for Track 1 And Track II:

Summary Page & Table of Contents

Applicants will prepare a brief summary page and table of contents to easily identify the funding track requested, summary of application request, and page numbers of supplemental documentation.

Evidence of Legal Existence and Authority.

The applicant must submit certified copies of organization documents and a certified list of directors and officers as evidence of the applicant's legal existence and authority for the proposed project. The organizational documents can be charters, bylaws, or articles of incorporation. RHS uses the information to determine if the applicant has the proper authority to enter into a binding agreement to use grant funds. RHS also uses the information to ensure ties to the local rural community for non-profit applicants.

Narrative - Project Proposal, Track I

Applicants will provide a written budget narrative that accounts for how the grant request was calculated, the time period for which assistance is requested, and the use of funds. The written

narrative will also include a description of how the funds requested will meet the intent of the statute.

Narrative - Project Proposal, Track II

Applicants will provide a written budget narrative that accounts for how the grant request was calculated, the time period of assistance, and the use of funds. The applicants will also submit a consortium agreement that outlines the experience, responsibilities, and expectations of an existing (or planned) consortium to carry out the grant activities. Applicants will also submit a workplan with goals, activities, outcomes, and time period for the grant. Finally, applicants will present an evaluation plan for measuring outcomes and sustainability.

Environmental Information in response to 7 CFR 1970

Applicants must submit documentation regarding the potential for environmental impact with the grant funding.

Preliminary Architectural Feasibility Report or Engineering Documentation

Applicants requesting funds for construction must submit associated architectural and engineering reports to justify the grant funding requested.

Matching Funds Certification & Documentation

Matching funds are required for all of the grants provided under this program. Applicants must provide a description and certification regarding the source of eligible matching funds.

Audits/Financial Statements

Applicants must submit audits or financial statements to validate the grant funds requested and to ensure the sound operations of awardees.

CPA Certifications Regarding Funds Requested

Applicants requesting funds for lost health care revenue and for staffing needs, must submit a CPA certification to ensure compliance with program requirements.

Intergovernmental Review Comments

Applicants must seek comments from their local planning district commission, as applicable.

Documentation of Assistance Provided to Rural Development Employees

Applicants must identify and report any known relationship or association with a RUS employee such as close personal association, immediate family, close relatives, or business associates. This includes any assistance provided to employees.

Indirect Cost Rate Agreement.

The applicant's indirect cost rate agreement with a cognizant Federal Agency must be submitted if their proposed budget includes indirect costs.

The following Information are Non-Form Reporting Requirement collected and accounted for under this collection package:

Lease/Management Agreement

2 CFR 200 as adopted by USDA through 2 CFR part 400 have use and disposition requirements for all Federal grant programs that require the grantee to meet certain provisions. Where the right of use or control of the facility/real property not owned by the applicant/grantee is essential to the successful operation of the facility during the term of the grant, such right will be evidenced by written agreements or leases between the owner of the property and the applicant/grantee, to protect the interest of the Government's investment and ensure services will continue. Also, contracts for services, such as management, operation, and maintenance, will be evidenced by a management agreement to ensure essential community facility services will continue to be available to the entire public.

Liens on real property

In accordance with 2 CFR 200 as adopted by USDA through 2 CFR part 400, and RD Instructions 3570-B and 1942-A, the Agency is required to be secured by the best position practicable to protect the Government's interest during the term of the grant. Security may include assignments, liens on real property, and equipment, etc.

Interim Financing

The grantee is expected to finance the construction phase of the project through commercial sources when financing can be arranged at reasonable rates and terms in accordance with RD Instruction 1942-A.

Audits/Financial Statements

Annual audits are required from all borrowers with gross incomes over \$100,000. The audits help Rural Development determine if the operations are sound and the intended services are being provided to the public. Often Rural Development can use the audits to predict developing financial problems and suggest corrective steps before the problems become serious.

The Following Application Submission Form is accounted for under this Collection Package:

AD Form 1047 – “Certification Regarding Debarment, Suspension, and Other Responsibility Matters”

USDA regulations published at 7 CFR Part 3017 implement the government-wide debarment and suspension system for USDA's non-procurement transactions. Grantees may use Form AD-1047 to provide the required certification.

The Following Forms are Cleared and Approved Under Other OMB Numbers:

Several standard forms, agreements, and reports that have been previously cleared under other burden packages are required. The information contained in these documents is required to properly evaluate eligibility, project feasibility, and to ensure prudent grant making and servicing.

Form SF 424 - “Application for Federal Assistance” (OMB No. 4040-0004)

This is the standard application required to be executed for all Federal grant programs. We have approval to collect this information under OMB Control number 4040-0004.

Form SF 425 - “Federal Financial Report” (OMB No. 4040-0014)

In accordance with 2 CFR 200 as adopted by USDA in 2 CFR part 400, and RD Instructions 1942-A and 3570-B, Standard Form 425, “Federal Financial Report,” and a project performance activity report are required of all grantees on a quarterly basis. We have approval to collect this information under OMB Control number 4040-0014.

Form RD 3570-3, “Community Facilities Grant Agreement.” (OMB No. 0575-0173)

This form is used as an agreement to be executed by the Agency and the grantee upon receipt of grant funds. The document sets forth the rights and responsibilities of both parties. The grantee is asked to carefully review the requirements and have the appropriate approval official execute the agreement. This form requires the grantee to also complete Standard Form SF 425 and Forms RD 400-1 and 400-4. Government-wide, there is no existing grant agreement that may be used for this purpose.

Form RD 400-1, “Equal Opportunity Agreement” (OMB No. 0575-0018)

All grantees are required to meet Executive Order No. 11246 regarding equal employment opportunities. Form is completed by the grantee when construction work is subject to the provisions of the Civil Rights compliance requirements that contractors cannot discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.

Form RD 400-4, “Assurance Agreement” (OMB No. 0570-0018; and (OMB No. 0570-0062)

Grantees are required to execute this form concerning compliance with the Civil Rights Act of 1964. The form is completed by the grantee and used to confirm that recipients of Rural Development grant assistance have been reminded of their obligation to comply with all provisions of the Civil Rights Act of 1964 and regulations of Rural Development.

Form RD 442-2, “Statement of Budget, Income and Equity,” (OMB No. 0575-0015, and 0572-0137).

Form RD 442-3, “Balance Sheet” (OMB No. 0572-0015, and OMB No. 0572-0137)

These forms provide a method by which applicants without audited financial statements can provide the requested financial information.

Form RD 442-7, “Operating Budget,” (OMB No. 0575-0015, and 0572-0137)

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.

Information needed is specific to each applicant and specific to each project and facility need. The Agency has many requirements that involve certifications from the borrower as well as other parties involved in the project. The Agency could not comply with legislative mandates without these certifications. All of the public use of the forms are available in a fillable and printable format on the Internet but are not available for electronic submission at this time.

The Agency has made the instructions to forms available on the USDA eForms website at: <https://forms.sc.egov.usda.gov/eForms/welcomeAction.do?Home>.

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.

There is no duplication of information.

The Agency has reviewed all grant programs it administers to determine which programs may be similar in intent and purpose. If there were simultaneous participation in more than one Agency grant and/or loan program, the Agency would make every effort to accommodate the requests within the same set of applications and processing forms. This effort is presently facilitated by assignment of management of these programs to the same program area of responsibility. If an applicant is applying for or receiving a loan and/or grant from another Federal agency, forms and documents furnished by the other agency would be utilized to the extent possible.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-1), describe any methods used to minimize burden.

Information to be collected is in a format designed to minimize the paperwork burden on small businesses and other small entities. The information collected is the minimum needed by the Agency to approve grants and monitor borrower performance. The agency estimates that 10 percent of the estimated 3,392 respondents may be considered small entities as this program targets public bodies, Federally recognized Tribes, and non-profit organizations. RHS has made every effort to ensure that the burden information collection on small entities is the minimum necessary to approve grants, monitor grantee performance, and carry out the authorized programs.

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

The information collected under this program is considered to be the minimum necessary to conform to the requirements of the program regulations established by law. Information is collected only when needed, and we believe no reduction of collection is possible. This minimum reporting of information is necessary for RHS to administer the program in an equitable and cost-effective manner. Failure to collect proper information could result in improper determinations of eligibility or improper use of funds.

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

(a) Requiring respondents to report information more than quarterly.

There are no information collection requirements for reporting on more than a quarterly basis.

(b). Requiring written responses in less than 30 days.

There are no specific information collections requiring a response in less than 30 days.

(c). Requiring more than an original and two copies.

There are no specific information collection requirements for submitting more than an original and two copies.

(d). Requiring respondents to retain records for more than 3 years.

Grantees are not required to retain records for more than 3 years, except in cases where there are unresolved audit findings.

(e) Not utilizing statistical sampling.

There are no such requirements.

(f). Requiring use of statistical sampling which has not been reviewed and approved by OMB.

No such requirements exist.

(g). Requiring a pledge of confidentiality.

There are no such requirements.

(h). Requiring submission of proprietary trade secrets.

There are no such requirements.

8. If applicable, identify the date and page number of publications 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 the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, reporting format (if any), and on data elements to be recorded, disclosed, or reported.

This is a new information collection that is associated with a Notice of Funds Availability (NOFA). In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), the 60-day notice for public comment for this information collection is embedded in the NOFA and will be published in the *Federal Register*. The public will be given 60 days to submit comments on this collection. Suggestions and comments are always considered by the Agency, and RD remains committed to pursuing further reductions in both the burden placed upon our borrowers/customers and the total volume of regulations imposed.

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

No such decisions or payments were made.

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

The information collected pertains mostly to administering federal grant funds according to rules and regulations and to program and policy evaluation. The proprietary nature and confidentiality of information collected from program participants is specified in, 7 U.S. Code § 2276.

11. Provide additional justification for any question of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private.

The information collected under this NOFA is financial in nature. As a condition for the receipt of federal grant funds, RHS will handle financial information as part of the business operations. However, the information is required to properly administer federal funds.

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

This collection package submission estimates that there will be approximately 3,392 respondents with an estimated total of 44,693 responses and 198,792 burden hours. Please refer to the attached spreadsheet for details.

The cost of the regulations as a burden to the public was computed on the basis of \$46.46 per hour for completing the SF 424, "Application for Federal Assistance" and other standardized forms, as well as collecting and submitting all of the necessary attachments to demonstrate eligibility and compliance with Federal requirements. A cost basis of \$60.45 per hour was used for activities associated with executing award agreements and preparing narrative project proposals. A cost basis of \$72.84 per hour was used for activities associated with CPA-level certifications.

The dollar amounts used for the wage grade come from mean hourly wages from the Bureau of Labor Statistics, May 2020 National Occupational Employment and Wage Estimates United States (https://www.bls.gov/oes/current/oes_stru.htm#27-0000). Mean wages by occupation for the

following classes: Financial Specialist 13-2098, General and Operations Managers 11-1021, and Financial Managers 11-3031. An additional 31% was added to account for employee benefits.

The total cost to the public, including benefits, is estimated at **\$13,698,234** as reflected in the table below:

Application Submission-Non-Forms - Written	Number of Respondents	*Average # of Responses per Respondent	Total Annual Responses	Burden Hours per Response	Total Hours	**Hourly Wage Class	Cost to the Public	Wage Incl benefits 31%	Total Annual Cost
Summary Page & Table of Contents – Written	3,392	1	3,392	0.167	566	\$46.46	\$26,316	\$60.86	\$34,474
Evidence of Legal Existence and Authority- Written	3,392	1	3,392	0.25	848	\$46.46	\$39,395	\$60.86	\$51,608
Narrative-Project Proposal, Track 1 Written	3,352	1	3,352	20	67,035	\$60.45	\$4,052,284	\$79.19	\$5,308,491
Narrative- Project Proposal, Track II - Written	40	1	40	120	4,800	\$60.45	\$290,160	\$79.19	\$380,110
Environmental Information in response to 7 CFR 1970 - Written	3,292	1	3,392	5	16,959	\$46.46	\$787,907	\$60.86	\$1,032,158
Preliminary Architectural Feasibility Report or Engineering Documentation - Written	279	1	279	10	2,786	\$60.45	\$168,438	\$79.19	\$220,653
Matching Funds Certification and Documentation-Written	3,392	1	3,392	1	3,392	\$46.46	\$157,581	\$60.86	\$206,432
Audits/Financial Statements - Written	3,392	1	3,392	7	23,742	\$46.46	\$1,103,070	\$60.86	\$1,445,021
CPA Certifications Regarding Funds Requested - Written	1,676	1	1,676	4	6,704	\$72.84	\$488,285	\$95.42	\$639,653
Intergovernmental Review Comments - Written	3,392	1	3,392	0.25	848	\$46.46	\$39,395	\$60.86	\$51,608
Documentation of Assistance Provided to Rural Development Employees - Written	3,392	1	3,392	0.25	848	\$46.46	\$39,395	\$60.86	\$51,608
Indirect Cost Rate Agreement- Written	2,544	1	2,544	1	2,544	\$46.46	\$118,186	\$60.86	\$154,824
Subtotal =			31,635		\$131,072		\$7,244,701		\$9,576,640
Application Submission - Forms	Number of Respondents	*Average # of Responses per Respondent	Total Annual Responses	Burden Hours per Response	Total Hours	**Hourly Wage Class	Cost to the Public	Wage Incl benefits 31%	Total Annual Cost
AD Form 1047 – “Certification Regarding Debarment, Suspension, and Other Responsibility Matters	3,062	1	3,062	0.25	765	\$46.46	\$35,561	\$60.86	\$46,585

Subtotal =	3,062	1	3,062	0.25	765	\$46.46	\$35,561	\$60.86	\$46,585
Reporting Req. – Non-Forms - Written	Number of Respondents	*Average # of Responses per Respondent	Total Annual Responses	Burden Hours per Response	Total Hours	**Hourly Wage Class	Cost to the Public	Wage Incl benefits 31%	Total Annual Cost
Lease Management Agreement - Written	253	1	253	5	1,267	\$46,46	\$58,844	\$60.86	\$77,085
Liens on Real Property – Written	279	1	279	1	279	\$46.46	\$12,946	\$60.86	\$16,959
Interim Financing – Written	279	1	279	4	1,115	\$46.46	\$51,782	\$60.86	\$67,835
Audits/Financial Statements - Written	3,062	3	9,185	7	64,294	\$46.46	\$2,987,122	\$60.86	\$3,913,130
Subtotal =			9,996		66,955		\$3,110,694		4,075,009
Estimated total for this collection =	3,392		44,693		\$198,792		\$10,390,956		\$13,698,234

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

There are no start-up costs involved with this collection. There are no requirements for respondents to report information other than what is project specific and associated with specific funding applications. Once a request for financial assistance has been approved, grantees will be required to provide information that is required of them, as indicated in the Grant Agreement. Additional information is information the applicant would have available and would not be expected to recreate and, only requested under limited situations where formal mitigations measures have been required.

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

The annual cost, which includes benefits, travel, communication, supplies, etc., for RHS to develop and administer this program is \$7,262,677. These costs are based on data from the of Personnel Management (OPM) 2021 pay tables at a GS-13/5 and GS-11/5 Loan & Grant Specialists in each State spending approximately 75 percent of his/her time on this program, and one GS-14/5 and 5 GS-13/5 Loan & Grant Specialists in the National Office spending 75 percent of his/her time (amounts based on the 2021 OPM Washington, DC and Rest of United States pay tables). The OPM 2021 pay table is available at the following web site: <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2021/general-schedule/>

National Office	Average Grade Level	Number of Staff	Annual Salary	% of Time	Cost to the Federal Government
Loan & Grant Specialist	14/5	1	\$138,866	.75	\$111,093
Loan & Grant Specialist	13/5	5	\$117,516	.75	\$470,064
				Subtotal =	\$581,157
State Office	Average Grade Level	Number of Staff	Annual Salary	% of Time	Cost to the Federal Government

Loan & Grant Specialist	13/5	47	\$104,429	.75	\$3,926,530
Loan & Grant Specialist	11/5	47	\$73,271	.75	\$2,754,990
Subtotal =					\$6,681,520
Total Cost =					\$7,262,677

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

This is an emergency approval request for a new information collection.

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

Rural Development has no plans to publish the information collected under the provisions of the program.

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

RD will display the OMB expiration date on the forms.

18. Explain each exception to the certification statement identified in item 19 of OMB Form 83-1.

RHS is able to certify compliance with all provisions under Item 19 of OMB Form 83-I.

19. How is this information collection related to the Service Center Initiative (SCI)? Will the information collection be part of the one-stop shopping concept?

This information collection is not related to the Service Centers Initiative. The information collection under this regulation is case specific.