

**1SUPPORTING STATEMENT A
FOR PAPERWORK REDUCTION ACT SUBMISSION**

Indian Business Incubator Program (IBIP), 25 CFR 1187

OMB Control Number 1076-0199

Terms of Clearance: None.

Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.

On October 20, 2020, Congress enacted the Native American Business Incubators Program Act, Pub. L. 116-174, which establishes a Native American Business Incubator Program within the Office of Indian Economic Development (OIED), under the Office of the Assistant Secretary – Indian Affairs. Under the Act, OIED is to solicit and award grants to eligible business incubators who will provide services to Native American entrepreneurs in Tribal reservation communities. The Act defines a “business incubator” to be an organization that provides physical workspace and facilities resources to startups and established businesses; and is designed to accelerate the growth and success of businesses through a variety of business support resources and services. Those business support resources and services range from providing advice on how to access capital to networking opportunities.

The Act requires the Secretary of the Interior to promulgate regulations to implement the Act. Both the statute and regulations set out the requirements for what must be included in a grant application and the requirement for an annual report. OIED is using “Indian Business Incubator Program (IBIP)” as an alternative to “Native American Business Incubator Program” because the acronym “NABIP” would be too close to similar acronyms for other OIED programs.

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. Be specific. If this collection is a form or a questionnaire, every question needs to be justified.

With regard to application contents, OIED will use each item to assist in its determination of whether to award a grant to the applicant. Specifically:

- The certification that the applicant is an eligible applicant, has an executive director or program manager to manage the incubator, and agrees to a site evaluation and annual examinations – *OIED will rely upon this certification as a legal representation that the applicant is eligible, has the appropriate staff to lead the incubator, and has consented to OIED’s site evaluation and annual examinations.*
- The description of the one or more reservation communities the incubator will serve – OIED will use this information in its evaluation of whether reservation communities will be served by the applicant’s incubator and to ensure that it meets the statutory requirement to achieve broad geographic distribution of awarded incubators.
- The three-year plan describing the number of Native entrepreneurs to participate in the incubator, the industry focus (if any) of the incubator, the services to be offered to entrepreneurs participating in the incubator, and the services to be offered to any Native

entrepreneurs not participating – *OIED will use this information to evaluate whether the services to be provided and plan for providing them are likely to meet the objectives of supporting Native entrepreneurs' ability to bring their services and products to market in Tribal reservation communities.*

- Information demonstrating effectiveness and experience of the applicant in conducting assistance programs to improve business skills of participants, working in and providing services to Native American communities, providing assistance to entities conducting business in reservation communities, providing technical assistance under Federal development programs to Native entrepreneurs, and managing finance and staff effectively – *OIED will use this information to evaluate the capabilities of the applicant to serve as a successful incubator for Native entrepreneurs.*
- Site description of the location at which the applicant will provide workspace to participants, including a description of the technologies, equipment, and other resources that will be made available or, if the applicant is not yet in possession of the site, a site proposal with sufficient detail for OIED to ensure the site will allow the applicant to meet program requirements and a timeline for possession – *OIED will use this information to ensure that there is a physical workplace for providing resources to Native entrepreneurs.*

With regard to the annual report, OIED will use the information provided to measure the success of the grant program:

- A detailed breakdown of the Native businesses and Native entrepreneurs receiving services from the business incubator, including, for the year covered by the report:
- The number of Native businesses and Native entrepreneurs participating in or receiving services from the business incubator and the types of services provided to those Native businesses and Native entrepreneurs; -- *OIED will use this information to evaluate the quantity of Native entrepreneurs the incubator has served and the types of services.*
- The number of Native businesses and Native entrepreneurs established and jobs created or maintained – *OIED will use this information as a measure of the short-term success of the incubator.*
- The performance of Native businesses and Native entrepreneurs while participating in the business incubator and after graduation or departure from the business incubator – *OIED will use this information as a measure of longer-term success of the incubator.*

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 burden and specifically how this collection meets GPEA requirements.

OIED will accept the information only through Grants.gov. All applicants will have to use the Department of the Interior's electronic Grant Solutions tool (<https://www.doi.gov/grants/grantsolutions>) to manage their applications, and for awarded grants, reporting, extensions, notification of change of personnel, and other information impacting the status of the grant.

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 in the information provided because the information is specific to business incubators, and the Department does not collect

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

Some of the business incubators applying for grants may be small entities (categories of eligible applicants are Indian Tribes, Tribal colleges and universities, institutions of higher education, Tribal organizations, and nonprofit organizations). OIED is collecting only the minimum that is specifically required by statute from these entities. The entrepreneurs that the business incubators will serve using the IBIP grants are all expected to be small entities, but the IBIP does not require any information or reporting from those entrepreneur small entities served by the business incubators.

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 collection burden cannot be reduced any further because the information is required by the Native American Business Incubator Program Act and is collected only on an annual basis while appropriations are available (the Act provides appropriations only through Fiscal Year 2024).

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.

This information collection does not involve any of these special circumstances.

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 in response to that notice and in response to the PRA statement

associated with the collection over the past three years, and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

On April 13, 2021, we published a proposed rule (86 FR 19162) and requested comments on this information collection. Comments were due accepted until June 14, 2021. OIED received two comments related to the information collection:

- A Tribe (Sault Ste Marie Band) recommended that the regulation also require awardees to submit reports detailing capital investments and revenue growth.
 - o Response: No change to the information collection has been made in response to this comment. The grantee is free to share information detailing capital investments and revenue growth in its report, but the rule does not require this information in the reports. Instead, the required annual report focuses on the number of Native businesses and entrepreneurs the incubator assists and their performance while participating and after graduation or departure from the incubator.
- A commenter (Nixyaawii Community Financial Services) stated that the requirement for reporting business performance could be a deterrent for small business startups who are wary of making financial disclosures, so other metrics such as number of new employees or customers should be used instead.
 - o Response: No change to the information collection has been made in response to this comment. Financial oversight will consist of Federal reporting toward the grant funding only. The applicant will be able to specify how they are going to oversee the incubator activities and justify use of the grant funding and can craft those metrics to avoid revealing any financial disclosures that it believes will deter Native businesses and entrepreneurs from participating in the incubator.

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 three 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.

This is a new information collection and OIED does not have any existing relationships with business incubators that it could seek input from.

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

We will not provide payments or gifts to respondents.

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

We do not provide any assurance of confidentiality. Information is collected and protected in

accordance with the Privacy Act (5 U.S.C. § 552a) and the Freedom of Information Act (5 U.S.C. 552). We will maintain the information in a secure System of Records, which is in the process of being approved for publication through our Bureau Privacy Officer.

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, 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.

We do not ask questions of a sensitive nature.

12. 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.**
- * 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.**

We estimate that there will be approximately 50 respondents annually and approximately 100 responses annually (each respondent responds twice – once for the application at an estimated 35 hours and once for the report at an estimated 5 hours), totaling 2,000 annual burden hours. We arrived at the estimate for respondents by assuming that each of the 32 Tribally controlled colleges and universities (TCUs) will apply either individually or in partnership with one of the other eligible applicants (particularly Tribes and non-profit organizations). We then rounded up to capture other institutions of higher education in states with the highest concentration of reservations (e.g., Arizona, California, Michigan, New Mexico, Nevada, and Washington) and reservation land (e.g., South Dakota, North Dakota, Montana, Utah) and a northeastern institution of higher education, given that a criterion to be considered is geographic diversity.

We arrived at the estimate for burden hours per response considering that the information collection will require the respondents to prepare and provide as part of their applications a three-year plan. We estimate it will take each respondent an average of 40 hours total, including 35 hours to prepare, compile, and submit the application, and an additional 5 hours to prepare and submit the annual report.

We estimate the total dollar value of the annual burden hours for this collection to be \$76,400 (rounded). We used the Bureau of Labor Statistics news release USDL-20-1736, September 17, 2020, Employer Costs for Employee Compensation—June 2020, to calculate the total

annual burden (See <https://www.bls.gov/news.release/pdf/ecec.pdf>). Table 1 of that release lists the hourly rates for all civilian workers as \$38.20, including benefits.

Table 12.1

Respondent	Activity	Annual No. of Respondents	Number of Submissions Each	Total Annual Responses	Avg. Time per Response (hours)	Total Annual Burden Hours*	Hourly Labor Costs Incl. Benefits	Dollar Value of Annual Burden Hours
Application								
Individuals	Reporting	50	1	50	35	1,750	\$ 38.20	\$ 66,850
Annual Reports								
Individuals	Reporting	50	1	50	5	250	\$ 38.20	\$ 9,550
Totals:		50		100		2,000		\$ 76,400

13. Provide an estimate of the total annual non-hour cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden already reflected in item 12.)

- * 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, maintenance, and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information (including filing fees paid for form processing). 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 collection 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.

The information collection will not require the purchase of any capital equipment nor create any start-up costs because no equipment purchase is contemplated. Any computers and software used to complete this information collection are part of the respondent's customary and usual business practices.

14. Provide estimates of annualized cost 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.

We estimate that the annual cost to the Federal Government to administer this information collection is \$201,990 (rounded). To determine average hourly rates, we used Office of Personnel Management Salary Table 2021-GS as an average nationwide rate (See https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2021/RUS_h.pdf).

This hour burden includes solicitation for applications, evaluation of applications, and monitoring of reports.

Activity	Grade/ Step	Hourly Rate	Hourly Rate w/ Benefits (x 1.6)	Total Responses	Time per Response (hours)	Total Annual Hours	Annual Cost
Solicitation and Evaluation of Applications	GS-12/05	\$ 42.08	\$ 67.33	50	50	2,500	\$ 168,325
Monitoring and Review of Reports	GS-12/05	\$ 42.08	\$ 67.33	50	10	500	\$ 33,665
Total							\$ 201,990

15. Explain the reasons for any program changes or adjustments in hour or cost burden.

This is a new information collection, required by statute.

16. 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.

There are no plans for publication of the results of these information collections.

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.

We will display the OMB Control Number and expiration date on appropriate materials.

18. Explain each exception to the topics of the certification statement identified in "Certification for Paperwork Reduction Act Submissions."

There are no exceptions to the certification statement.