

## 2021 SUPPORTING STATEMENT

0570-0074

### **Rural Development Cooperative Agreements (RDCA)**

#### **A. Justification for Request of an Emergency Approval for this New Collection**

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

Pursuant to the Federal Agricultural Improvement Act of 1996 (P.L. 104-127), the U.S. Department of Agriculture (USDA) received authorization from Congress under 7 U.S.C. 2204b(b)(4) to enter into cooperative agreements for the purpose of improving the coordination and effectiveness of programs that benefit rural areas. This authority is referred to as the Rural Development Cooperative Agreement (RDCA) program. There are three agencies within USDA that administer programs that specifically target rural areas: the Rural Business-Cooperative Service (RBS), the Rural Housing Service (RHS), and the Rural Utilities Service (RUS).

Each year, USDA receives proposals from the public that are not in response to a specific program announcement. These proposals are called unsolicited proposals. If a proposal is related to one or more programs administered by RD, it will be routed for review and possible consideration for a cooperative agreement using the RDCA authority. If the proposal is unique or innovative, then an agency has authority to enter into a cooperative agreement without competition (see 2 CFR § 415.1(d)(6)).

USDA may, alternatively, issue an invitation to submit applications for a cooperative agreement using the RDCA authority. These proposals are called solicited proposals. Solicited proposals would typically be announced via a Federal Register Notice. An example of a solicited proposal is an initiative covered under this new collection package called the Rural Placemaking Innovation Challenge (RPIC). RPIC is a technical assistance and planning process rural community leaders use to create places where people want to live, work and play. This initiative provides planning support and technical assistance to foster placemaking activities in rural communities. Funds will help enhance capacity for broadband access; preserve cultural and historic structures; and support the development of transportation, housing, and recreational spaces. RPIC is awarded through a competitive solicitation procedure – and proposals are evaluated using a Scoring Process. The scoring criterion is targeted to applications that support communities that would address (1) Distressed Areas as defined by the Economic Innovation Group Distressed Communities Index (DCI) proposal and (2) Broadband Infrastructure Planning.

In FY 20 based on the criteria that applicants were being required to meet, there was a very small group (i.e. 8-9) of high capacity technical assistance providers who would have the technical expertise to make application. Instead, the Agency received more applications than anticipated. Moreover, it was not anticipated that Congress would provide funding in FY 21 for the RPIC initiative. Approval of this collection package will also cover any future solicited as well as unsolicited proposal invitations.

The U.S. Department of Agriculture (USDA) has indicated that awarding available FY 21 funds is important because projects funded under the RPIC initiative can play a vital role in the economic recovery created by time, distance, location, and lack of resources, which has been severely compounded by the COVID- 19 pandemic.

The Agency received emergency approval on May 17, 2021. This submission is for a regular three-year renewal. Failure to collect proper information from awardees could hinder the government’s selection of funding recipients, and result in improper determinations of assistance, increase legal costs to the recipients as well as encumber customer service and, ultimately, slow the deployment of assistance to Distressed Areas as defined by the Economic Innovation Group Distressed Communities Index (DCI) and Broadband Infrastructure Planning.

**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.**

The Agency provides forms and/or guidelines to assist in collection and submission of the information required. In some cases, use of Agency forms is optional and the applicant may submit the information required on other forms. The Agency will utilize standard and existing Rural Development forms to the greatest extent possible to continue to meet the needs of the program. The forms or related items completed by the applicant are submitted to and evaluated by the Agency. Failure to collect proper information from applicants could result in improper determinations of servicing assistance, hinder the government’s recovery of such loans as well as encumber customer service.

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

**REPORTING REQUIREMENTS FOR THIS COLLECTION – Written/Non Forms**

**Executive Summary**

Provide the applicant entity name, duration of project (in months), amount of Federal funding requested, amount of non-Federal cost-share/match funding committed, and project title. Identify geographic locations and describe, in non-technical language, the placemaking approach to be used including the objectives and strategies to be utilized; the public, private and philanthropic partnerships developed or to be developed; the innovative approach to be employed (including the role of participating partners); how impact will be quantified; and the predicted benefits or deliverables of the project.

**Work Plan**

The Work Plan must break down the project objectives, background, key task and time frames, implementation, and detailed budget/budget justification.

**Organizational Capacity**

Summary of the qualifications of the applicant and key personnel organization is required. Interested applicant must have the organizational capacity, experience, and knowledge of rural placemaking and planning processes. Summary of the qualifications of each key person, including the project director, is required. Resumes or CVs will not be accepted. The summary should include relevant education, years of relevant experience, and key accomplishments. In addition, the summary should identify what each person's role will be on the project and a description of their relevant skills as they relate to the project. If the applicant expects to contract out a portion of the proposed work, but have not hired the contractor, the applicant must include a summary of the qualifications required from the contractor.

### **Description of Partnerships**

A description of the quantity and quality of the applicant's existing public, private, and philanthropic partnerships and proposed new partnerships for this effort.

### **Targeted Impact Area**

A description of the target area(s) the project may impact, which include economically distressed communities and broadband planning for infrastructure and deployment.

### **Performance Measures**

The applicant's proposal should include a description for how the results of the technical assistance will be measured, including the quality of life indicators and the benchmarks to be used for measuring effectiveness. This includes but not limited to the Benchmarks for implementation in the plans and any indicators that are to be used and should be specific and be quantifiable.

### **Verification of Matching Funds**

You must provide verification of all matching funds that will be contributed to the project. You must include a letter signed by the donating organization's authorized representative on the organization's letterhead that identifies the amount of matching funds or in-kind services, the time period during which matching funds will be available, and the source of the funds (e.g. cash on hand, etc.)

### **Conflict of Interest Disclosure**

Applicants must disclose any conflicts of interest or the appearance of any conflict of interest. Applications where a conflict of interest occurs are not eligible for funding. Conflict of interest can occur in a situation in which a person or entity has competing personal, professional, or financial interests that make it difficult for the person or business to act impartially.

### **Risk Review**

The Agency may request additional documentation from selected applicants in order to evaluate the financial, management, and performance risk posed by awardees as required by 2 CFR 200.205.

### **Report Suitable for Public Distribution**

A report suitable for public distribution that describes the accomplishments of the project is due within 90 calendar days of the completion of the project. There is no format prescribed for this report, but it is expected that it will be 1-2 pages in length and describe the project in such a way that a member of the public not familiar with the project would gain an understanding of the impact of the project.

**REPORTING REQUIREMENTS – FORMS APPROVED UNDER OTHER OMB CONTROL NUMBERS**

**Form RD 1942-46 “Letter of Intent to Meet Conditions” (Approved under 0575-0015)**

The applicant completes this form to indicate the intent to meet the conditions of the loan/grant previously established by Rural Development. This information is necessary in order to determine whether the Agency should continue further processing of the loan/grant application.

**Form RD 1940-1, “Request for Obligations of Funds” (Approved under 0570-0067)**

This form is completed by the grantee for each note or commitment requiring an obligation of funds.

**Form RD 400-4, “Assurance Agreement” (Approved under 0575-0018)**

The form is completed by the applicant and used to confirm that recipients of Rural Development loans and 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 400-1 “Equal Opportunity Agreement” (Approved under 0575-0018)**

This form is an agreement between Rural Development and a recipient of Federal financial assistance when a construction contract of \$10,000 or more is involved. The applicant agrees not to discriminate against any employee, or applicant for employment, and agrees to abide by the requirements of Executive Order 11246. The form is read and signed by the recipient.

**SF-424 “Application for Federal Assistance” (Approved under 4040-0004)** This form must be filled out as completely as possible. Make sure that you include your DUNS number and your CAGE code and expiration date on the form. The form must be signed by your authorized representative and dated. Electronic signatures are not accepted.

**SF-424A “Budget Information: Non-Construction Programs” (Approved under 4040-0006)**

This form must be filled out. Matching funds may be provided through the applicant organization in cash or by a third-party organization in cash or in-kind contributions. Additionally, nonprofit institutions, including institutions of higher education, are restricted to an indirect cost rate of 10 percent of direct charges. All other organizations may use their approved negotiated indirect cost rate. Organizations without an approved indirect cost rate must use a rate no greater than 10 percent of direct charges.

**SF-424B “Assurances—Non-Construction Programs” (Approved under 4040-0007)**

The form is completed and submitted by applicants to provide assurances to comply with the laws, regulations and policies to which the grant is subjected. This form is submitted as part of the pre-application and if the project is selected as part of the formal application.

**SF-425 “Federal Financial Report” (Approved under 4040-0014)** must be submitted quarterly based on the following time periods: January 1 – March 31, April 1 – June 30, July 1 – September 30, October 1 – December 31. Quarterly reports are due within 30 calendar days of the end of the reporting period. A final report is due within 90 calendar days of the completion of the project or the end of the period of performance, whichever comes first. Both quarterly and final reports must be submitted electronically to Agency Contact in the For More Information section above.

**SF-270 “Request for Advance or Reimbursement” (Approved under 4040-0012)**  
This form is used to request funds for all grant programs when letters of credit or predetermined advance methods are not used. The Federal awarding agencies and OMB use information reported on this form for general management of the Federal assistance awards programs.

**SF-LLL “Disclosure Form to Report Lobbying” (Approved under 4040-0013)**  
This form is submitted by the grantee and used by the Agency to obtain disclosure of lobbying activities by the grantee.

**AD-1047, “Certification Regarding Debarment, Suspension, and Other Responsibility Matters-Primary Covered Transactions.” (Approved under 0505-0027)**  
The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals are not presently debarred, suspended, or proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency.

**AD-1048, “Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion. Lower Tier Covered Transactions.” (Approved under 0505-0027)**  
The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

**AD-1049, “Certification Regarding Drug-Free Workplace Requirements (Grants).” (Approved under 0505-0027)**  
The grantee certifies that it will or will continue to provide a drug-free workplace.

**AD-3031, “Assurance Regarding Felony Conviction or Tax Delinquent Status for Corporate Applicants.” (Approved under 0505-0025)**  
By accepting this award the corporation recipient acknowledges that it does not have a Federal tax delinquency, meaning that it is not subject to any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability,

**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.**

RD is committed to complying with the E-Government Act, to promote the use of the Internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes. Applications must be submitted electronically using [Grants.gov](http://Grants.gov), and as such, all reporting requirements noted above, both written/non forms and forms approved under other OMB control numbers, are submitted electronically at [Grants.gov](http://Grants.gov). To apply electronically, applicants must follow the instructions for this funding announcement at [Grants.gov](http://Grants.gov). Applicants can locate the [Grants.gov](http://Grants.gov) downloadable application package for this program by using a keyword, the program name, or the Catalog of Federal Domestic Assistance Number for this program.

**4. Describe efforts to identify duplication.**

There is no duplication of information requested. If applicants are applying for other programs where similar information is required, the Agency would make every effort to use that information which is the same.

**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 USC 601(6). The Small Business Administration (SBA) establishes a Table of Small Business Size Standards which matches to industries described in the North American Industry Classification System (NAICS). According to the established SBA standards, it is estimated that 100 percent of applicants will be small businesses. RD is conscious of the needs of small entities and does not prohibit transmission of the information electronically. The information collected is unique to each applicant and is the minimum necessary to administer the assistance program and is collected in a format designed to minimize the paperwork burden on small businesses and other 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. Information is collected when needed or required by departmental regulations. Information cannot be collected less frequently and 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 cause an information collection to be**

**conducted in a manner:**

- a. Requiring written responses in less than 30 days.

This collection does not require a response in less than 30 days.

- b. Requiring more than an original and two copies.

The Agency does not request more than an original and two copies of any document.

- c. Requiring respondents to retain records for more than 3 years.

Unless otherwise noted by statute, the Agency does not require applicants to retain records for more than 3 years beyond the designated action's effective date.

- d. Not utilizing statistical sampling.

This collection does not involve statistical information.

- e. Requiring use of statistical sampling which has not been reviewed and approved by OMB.

This collection does not involve statistical sampling.

- f. Requiring a pledge of confidentiality.

This collection does not require a pledge of confidentiality.

- g. Requiring submission of proprietary trade secrets.

This collection does not require submission of proprietary trade secrets.

**8. 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.**

In accordance with 5 CFR 1320.8(d), a 60-day notice for public comment was embedded in the NOFA which will be published in the Federal Register on May 27, 2021, FR citation 86 FR 28526. No comments were received.

Consultations were held with program applicants. Their views on the information collection burden were the following:

**Susan Elks**  
**Program Manager**  
**The Conservation Fund**

I didn't feel anything was specifically duplicative. Obviously, there were multiple components to the application, but I don't believe any were duplicative. I would say that the requested breakdown of the proposed budget seemed slightly different from the narrative portion of the application versus the 424 form, so that was somewhat duplicative, or at least requesting very similar information in a re-organized manner. I felt the narrative portion of the application, as requested in the NOFA, was fairly logical and flowed from one component to another. Again, many parts, but none seemed overly duplicative, and all seemed necessary for a comprehensive evaluation.

**Sandi Curd, Ph.D.**  
**Promise Zone Coordinator**  
**Kentucky Highlands Investment Corporation**

We found the RPIC application straightforward and without undue burden. We appreciate the opportunity to supply feedback.

**Ines Polonius**  
**CEO**  
**Communities Unlimited**

I found the application process reasonable but RPIC did have the most number of forms and requirements for the closing process of any federal grant that we were fortunate to close this year. There were 17 separate documents involved in closing the grant. It would be enormously helpful to have one closing process for new entities and one for known entities. For example, in all of the years of partnering with USDA, I do not remember having to submit our articles of incorporation. The certification of compliance with the Funding Accountability and Transparency Act was also a first. There was not a form and there were no instructions on what the certification needed to include. I have always wondered why we have to submit signed forms with the application only to sign and submit the same forms with the closing. I don't know for which part of the process they are more important, but it would save a lot of time if the grantee only had to print, sign, scan, and upload each form once. Finally, COVID19 got the world comfortable with tools like DocuSign. Is that an option for the closing process? It could even require initials for particularly important sections to which you want to draw our attention.

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

There are no such payments or gifts.

**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 question of a sensitive nature, such as sexual behavior or attitude, religious beliefs, and other matters that are commonly considered private.**

There are no questions of a sensitive nature.

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

For a detailed breakdown of the burden for the forms and activities, please see the attached spreadsheet. The collection is summarized as follows:

Number of Respondents	Total Annual Responses	Total Burden Hours	Total Hourly Wage	Total Costs	Cost Per Customer
100	1,000	1,650	\$79.37	130,960	\$1,309

RD estimates a cost of \$130,960 for respondents to comply with the regulation. In calculating the respondent cost, RD estimates that the primary individuals requesting servicing actions will be Manager’s earning \$79.37 per hour. RD based this hourly wage estimate of 60.45 on the Bureau of Labor Statistics (“BLS”) May 2020 National Industry-Specific Occupational Employment and Wage Estimates (“OES”) at <https://www.bls.gov/oes/current/oes111021.htm>, Occupational Code 11-1021, General and Operations Managers. The standard rates are then multiplied by the fringe benefits published in the Employer Cost for Employee Compensation, Supplemental Tables, produced by the BLS. The publication lists the amount of total benefits as 31.3 percent of total hourly compensation for December 2020, which equates to \$18.92. Please reference <https://www.bls.gov/news.Release/pdf/ecec.pdf>.

**13. Provide an estimate of the total annual cost burden to respondents or record-keepers resulting from the collection of information.**

(a) Total capital and start-up cost component (annualized over its expected useful life); and

There are no capital or start-up costs required pursuant to this regulation. This is a servicing regulation, so all applicable parties would already be in existence.

(b) Total operation and maintenance and purchase of services component.

There are no operation and maintenance and purchase of services required.

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

The cost to the Federal Government is estimated to be \$125,317.50. See below.

National Office staff are responsible for all servicing regulation actions. Using the locality pay area, the National Office wage rates are \$55.75, based on the hourly wage rate for loan analysts (GS 13, Step 5). The estimated rate of cost of total benefits for civilian Federal Government

employees is 36.25 percent <sup>1</sup> for percentage of benefits as a portion of total hourly wage which equates to \$20.20. This figure was provided by the OMB Memoranda referenced in the footnote below. Thereby, the total rates for National Office employees is \$75.95.

Hours	1,650
Wage Rate	<u>x 75.95</u>

Total estimated cost to the Federal Government: \$ 125,317.50

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

There are no changes in estimated burden since the emergency approval.

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

There are no plans for publication of information collected.

**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.**

The agency is not seeking such approval.

**18. Collection of Information Employing Statistical Methods.**

This collection does not involve a survey. Thus, this collection does not employ statistical methods.

**19. Explain each exception to the certification statement identified in item 19 on OMB 83-1.**

There are no exceptions requested to the certification statement involved with this collection request.

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<sup>1</sup> Cost of total benefits as a percentage of total hourly compensation for civilian Federal Government employees exceeds that of private sector employees. OMB Memoranda indicate that the total Federal civilian position full fringe benefit cost factor is 36.25% See OMB Memoranda M-08-13(March 11, 2008).