

SUPPORTING STATEMENT
U.S. Small Business Administration
SMALL BUSINESS ADMINISTRATION AWARD NOMINATION

INFORMATION COLLECTION 3245-0360
SBA FORMS 3300-3316
AWARD NOMINATION FORM

A: JUSTIFICATION

1. Circumstances necessitating the collection of information

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.

Section 8(b)(1)(A)(iv) of the Small Business Act, 15 U.S.C. 637(b)(1)(A)(iv), and § 132(a), Div. K, of Pub. L. 108-447, as currently continued by the Consolidated Appropriations Act, 2020, Pub. L. 116-93¹, authorize the Administrator of the U.S. Small Business Administration (SBA) to recognize achievements of small businesses through appropriate events and activities. (Copies of these provisions are attached). In recognition of the small business community's contributions to the nation's economy and society, the President of the United States designates one week each year as Small Business Week. Leading up to that week, the U.S. Small Business Administration seeks nominations for various recognition awards honoring the nation's small business owners and entrepreneurs, small business advocates, and small businesses. Recognition awards are presented by SBA to winners at the district, regional, and national levels. Potential award recipients are nominated by banks, SCORE, Women's Business Centers, Small Business Development Centers, employees, spouses, or self-nomination. This information collection, *Small Business Administration Award Nomination Form*, and other information set out in the Awards Nominations Guidelines, (copy attached) is used to facilitate the award selection process.

2. How, by whom, and for what purpose information will be used

The SBA will use the nomination packages to select National Small Business Week winners on the state, district, regional, or national levels.

The information collected on Form 3300 is used to identify an actual or apparent conflict of interest, to verify the accuracy of the information submitted with the nomination packets, and to apply defined evaluation criteria to each nominee's background to determine whether a nominee is eligible for a recognition award.

All nominees must be cleared by the U.S. Small Business Administration's Office of Diversity, Inclusion & Civil Rights (formerly the Office of Equal Employment Opportunity) and Office of Inspector General. These clearances are required to help verify the accuracy of the nomination

¹ This authority originally provided by Pub. L. 108-447 is generally reauthorized in the annual appropriations act.

packet and to preclude any potential conflict of interest or embarrassment to the nominee, the U.S. Government or the President of the United States. Once a nominee is cleared, the information collected is reviewed by a panel of SBA and non-SBA judges that evaluates nominees to determine whether they meet the evaluation criteria outlined in the Awards Nomination Guidelines.

In addition, if a visit to the White House has been approved for the winner of a particular award, certain information collected is forwarded to the White House to be used for clearance purposes.

The information collected on Forms 3301-3315, inclusive, will be used to evaluate the nominations and select the winners based on the criteria outlined in the nomination guidelines.

3. Technological collection technique

Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce the burden.

The guidelines for eligibility and submission of information Forms 3300-3315 are currently available as PDFs online at the agency website. In the past, the agency accepted hard copy submissions via traditional mail or hand delivered to the appropriate SBA district office. We are currently in the process of converting these forms to fillable pdfs, so that the information may be submitted electronically through box.com. We expect that this conversion will be completed by Nov 1, and the next round of submissions (for NSBW 2021) will be submitted electronically. This will allow for the entire process - from application submissions, uploading to internal systems, and evaluations- to be digitized, thereby easing burden on nominees, limiting errors, speeding evaluation, and allowing for centralizing and evaluation of data/outcomes.

4. Avoidance of Duplication

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.

Those award nominees who have applied for, or received, SBA assistance may have previously provided some of the information requested. However, because applications for SBA assistance are not centrally located, it is not always possible to readily match up any prior collection of information. In addition, it is important to obtain information that is as current as possible. SBA minimizes the burden by requesting only the minimal information necessary to make informed selections.

5. Impact on small businesses or other small entities

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

The only small businesses impacted by the collection of this information are those owned or operated by the award nominees. This information collection will not have a significant

economic impact on the approximately 500 who respond to this collection of information. In any event, the information requested should be readily available from the nominees' personal and business records.

6. Consequences if collection of information is not conducted

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

The information collected is required to determine whether an award nominee has an actual or apparent conflict of interest. The information is also used to evaluate the nominations and select the winners based on the criteria outlined in the nomination guidelines. If the information is not provided, the Agency would be unable to vet or evaluate the nominees. In addition, a credible recognition awards program would not be possible, and the SBA would be hampered in its efforts to recognize outstanding small businesses.

7. Existence of special circumstances

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

A respondent may be required to respond to the request for the collection of information on Form 3300 in less than thirty days only if the person who nominates the respondent nominates the respondent within the thirty days prior to the due date for the completed nomination packet for the particular recognition award.

Confidential financial or personal information is requested, but the Agency can demonstrate that it will protect the confidentiality of the information to the extent permitted by the law. The information collected is kept in a locked area, with access restricted to a limited number of employees who are directly responsible for the award nomination process. When we move to electronic submission, access to applications will be limited to the number of employees who are directly responsible for the award nomination process or who have been asked to evaluate particular proposals. During the evaluation process, access to the electronic system can be granted and removed as necessary, and access to Box.com system is protected with passwords that will be updated quarterly.

8. Solicitation of Public Comment

If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received. Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format, and the data elements to be recorded, disclosed, or reported.

A request for public comment was published in the Federal Register at 85 FR 18202 on March 13, 2020. The comment period ended on 5/12/2020; no comments were received.

9. Payment of gifts

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

No payment or gift will be provided to respondents for completing this information collection. However, award winners will receive some tangible item of nominal value, such as a trophy, plaque, or award certificate to commemorate their achievements.

10. Assurance of Confidentiality

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

SBA informs nominees that their information will be protected to the extent permitted by law, including the Freedom of Information Act, 5 U.S.C. 552, and the Privacy Act, 5 U.S.C. 552a.

11. Questions of a sensitive nature

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.

Some of the information collected, such as criminal history, citizenship, and residential address may be considered sensitive or private. SBA protects the information to the extent permitted by law. The agency has a Privacy Act System of Records, SBA 28 -- Small Business Person and Advocate Awards, that covers this information (see attached copy). Information regarding the Privacy Act rights as outlined in this notice is provided to respondents as part of the information collection request. The notice was last published in the Federal Register at 74 FR 14890 (April 1, 2009).

12. Estimate the hourly burden of the collection of information

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

Each year, approximately 500 award nominees respond to this information collection as part of the annual recognition award program process. Each nominee submits Form 3300 regardless of the award, as well as the specific form that relates to the nominated award (i.e. from the 3301-3315 series of forms).

Respondents will spend an estimated average of 80 minutes responding to the information collection, including reading the questions, locating specific information in their business or personal files, and answering the questions. The burden for Form 3300 is 10 minutes and for each of the forms 3301-3315 the burden is 70 minutes. While electronic submission and fillable PDFs will not significantly lower the time needed to complete applications (down to 80 min

from 90 min in previous years), we do anticipate that it will slightly lower the time needed to complete the documents, will eliminate costs to send, and will significantly decrease the time and effort needed to submit the documents.

Total estimated annual hour burden based on one application per each of the 500 nominees = 667 hours

Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories

Generally, an administrative assistant, loan officer, Small Business Development Center personnel, or the nominee will collect and submit the information. SBA estimates that the wage level of such personnel is equivalent to the average wage for a GS-9 employee (Average of GS-9:1 – GS-9:3).

As such, the estimated hour cost burden is as follows:

Average hourly wage for person completing collection: \$29.48

Total cost per response: $\$29.48 \times 1.33 \text{ hours} = \39.21

Total estimated cost burden: $500 \times \$39.21 = \$19,605$

13. Estimate the total annual cost burden for submission

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

The estimated annual cost burden per respondent for submission is \$8.50 (Priority Mail Legal Flat Rate Envelope) or \$25.00 (courier – based on local DC costs) depending on respondent's choice of delivery. While it varies by year, of the approximately 500 applicants, there are generally approximately 300 nominees submit the information by first class mail and 200 by courier. The estimated aggregate annual cost burden is therefore \$8,375.00. ($\$8.50 \times 300 = \$2,550.00$) + ($\$25.00 \times 200 = \$5,000.00$).

14. Annualized Cost to the 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.

SBA, both field and HQ, employees will review the form and manage the entire nomination and selection process as part of their regularly assigned duties, though the hours spent on these tasks is significant. Generally, one headquarters staff member manages all incoming applications and spends over 300 hours managing the process. This process costs the agency \$15,000.

Staff members may also spend up to 30 hours reviewing applications (Each application may take up to an hour to review and evaluate). This process costs the agency \$1,500 per person.

In total, SBA staff costs are 90,000 for the application submission process. (\$15,000 +(500 x \$1,500))

That said, we expect that electronic submission will significantly reduce the processing time (though the first year may take additional time to learn the process), allowing staff to focus on new tasks, and speed evaluation time by limiting hard to read applications and applications with missing content.

Our goal is to have electronic applications (fillable PDFs) available for the 2021 application process, but this process may need to wait until the 2022 application process, depending on whether there is staff available to convert the document and whether there are higher priority assignments.

Once the electronic system is in place, we expect that initial intake will be significantly reduced, perhaps by as much as 150 hours, reducing agency costs for intake to \$7,500. The current system requires scanning of hard copies, rewriting of content that needs to be compiled – for example email addresses, on occasion reviewing difficult to read handwriting, etc. These issues are eliminated when materials are typed and submitted electronically.

15. Explanation of program changes in Items 13 or 14 on OMB Form 83-I

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

Adjustments for inflation related to the cost to mail or hire couriers to submit applications.

This year, we anticipate a change in approach to preparing, accepting, and processing applications. The most obvious component to this is the ability to submit applications electronically. In the past, applications had to be printed, filled in manually with print or type, and then mailed or hand delivered. Going forward, we anticipate a system that allows for electronic submission.

16. Collection of information whose results will be published.

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

Winners receive extensive local media coverage. Biographical and relevant business information pertaining to the winners will be provided to the media upon request.

The estimated project schedule for the 2021 Small Business Week award program is as follows:

- Nominations will be submitted to the nearest U.S. Small Business Administration district office in the nominee's state or district by a deadline of January 15, 2021.
- April 15: State winners will be announced.

- State and District winners will be honored at some time during calendar year 2021 on dates to be determined by the state or district offices. Traditionally, this has happened in May at the Small Business Week celebration.

The timeline for subsequent years will be similar, with national awards being presented in May. (Please note that NSBW was delayed in 2020 due to COVID pandemic. We will have a fall event – September 22-24.) That said, in recent years, Small Business Week events were held in May, and we anticipate that future events will also be held in May.

17. Expiration date for collection of information

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

Not applicable.

18. Exceptions to certification in block 19 on OMB Form 83-I

Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submission" of OMB Form 83-1.

Not Applicable.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Describe (including a numerical estimate) the potential respondent universe and any sampling or other respondent selection method to be used.

Not applicable. Statistical methods will not be employed to analyze the information collected or to determine award winners.