

Supporting Statement
Strategic Economic and Community Development
OMB No. 0570-0068

A. Justification

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

As authorized under the Agricultural Act of 2018 (2018 Farm Bill), the Strategic Economic and Community Development (SECD) program establishes reserved funds through Rural Development programs to fund projects that support the implementation of multijurisdictional and multisectoral strategic community investment plans. The covered programs for which reserved funds may be established) are:

- Community Facility Grants
- Community Facility Guaranteed Loans
- Community Facility Direct Loans
- Water and Waste Disposal Loans and Grants
- Water and Waste Disposal Guaranteed Loans
- Business and Industry Guaranteed Loans
- Rural Business Development Grants
- Community Connect Grant
- Rural Community Development Initiative Grant
- Tribal College Initiative Grants
- Intermediary Relending Program
- Mutual Self-Help Housing Technical Assistance Grants
- Rural Housing Site Loans
- Housing Preservation Grants
- Farm Labor Housing Direct Loans and Grants
- Multi-Family Housing Loan Guarantees
- Distance Learning and Telemedicine Loans and Grants
- Rural Energy for America Program
- Rural Economic Development Loans and Grants
- Rural Energy Savings Program
- Value-Added Producer Grants
- Household Water Well System Grant Program
- Solid Waste Management Grant

To be eligible for reserved funds, projects must first be eligible for funding under the covered programs. In addition, projects must be carried out in rural areas.

This collection of information is necessary in order for USDA – Rural Development to identify projects eligible for reserved funds s under the Section 6401 Program and to prioritize eligible applications. In accordance with the Paperwork Reduction Act of 1995 (P.L. 104-13, 44 U.S.C. Chapter 35), USDA – Rural Development is submitting this information collection package to

the Office of Management and Budget (OMB) for review and clearance to implement the Section 6401 Program.

2. Explain how, by whom, and for what purpose the information is to be used.

Applicants will submit information using the application form to describe the project and will attach appropriate letters from jurisdictional authorities indicating the Plan has been adopted and the project implements all or part of Plan objectives. This information will be submitted as part of the application material required for the covered program. USDA – Rural Development will use this information to determine project eligibility for SECD and to score the applications, with higher scoring applications receiving preference for reserved funding according to the award process of the covered program. If the information is not collected, USDA – Rural Development would not be able to fund projects that specifically implement all or part of strategic community investment plans and contribute to regional economic and community development.

USDA – Rural Development, through its Rural Housing Service, Rural Utilities Service, and Rural Business-Cooperative Service Agencies, in Washington, D.C., will be the primary user of the information collected. The information sought by this information collection will be stored in USDA – Rural Development files or computers. Under the Freedom of Information Act, the general public can request some of the data provided by the applicant to USDA – Rural Development, except data that are proprietary or confidential.

REPORTING REQUIREMENTS – NO FORMS

Measures, Metrics, and Outcomes

Applicants who receive Section 6401 reserved funds are required to submit information on the project's measures, metrics, and outcomes that the awardee would already be submitting to the covered program for program compliance.

REPORTING REQUIREMENTS - FORMS

Form 1980-88 – Strategic Economic and Community Development Application for Reserved Funding. The information collected on the form is used by USDA – Rural Development to determine project eligibility for Section 6401 reserved funding and to score the application. The form requires the applicant to submit the information identified below.

Applicant Information (Block I).

- The applicant's name, telephone number, and email address.
- Checking the applicable box to indicate whether or not the applicant is or includes one of the following: State government; County government; Municipal government; Tribal government; Non-profit; For Profit or Other.

Plan Information (Block II). Each application must include the following information:

- The name of the Plan the Project supports.
- The effective date of the Plan.

- The dates that Plan is in effect.
- Contact information for the entity(ies) approving the Plan, including name(s), telephone number(s), and email address(es).
- A description of the jurisdiction of the Plan.
- If available, a web site address link to the Plan.

Project Information (Block III). Each application must include the following information:

- Project name.
- Sufficient detail to allow USDA – Rural Development to determine whether the project is carried out in a rural area as defined in §1980.1005.
- A letter from the appropriate governing entity(ies) indicating that the Project is consistent with the Plan and the Plan has been adopted.

Scoring Information (Block IV). To enable USDA – Rural Development to score the application, the applicant must provide information on each Plan objective the proposed project directly supports and on the Plan itself.

Scoring the Project (Attachment A). As found in the most current version of the Plan, the applicant must provide the name of each Plan objective that the Project will directly support; a description of each such Plan objective; and a description of how the proposed Project directly supports the objective. The applicant will fill out and include an additional Attachment A for each Plan objective identified as being implemented by the Project.

Scoring the Plan. To enable USDA – Rural Development to score the Plan, the applicant must provide documentation that addresses each of the following five areas:

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- The Plan was developed through the participation of multiple stakeholders, including local and regional partners, in the jurisdiction of the Plan;
- The Plan demonstrates an understanding of, and leverages, the applicable region’s assets that could support the Plan;
- The Plan includes investments (monetary or non-monetary) from strategic partners, such as private organizations, cooperatives, other government entities (other than USDA – Rural Development), Indian Tribes and philanthropic organizations;
- The Plan proposes a variety of activities designed to facilitate the vision of a rural community for the future, including considerations for improving and expanding broadband services; and
- The Plan contains clear objectives with performance measures, action steps for implementation and methods to track progress toward achieving the Plan's objectives.

Agency Coordination (Block V). To help ensure coordination among the programs included in this subpart, each application must contain the following, as applicable:

- Identify the program area(s) (e.g., Community Facilities, Water and Waste, Rural Business Development Grant) from which funds are being sought.

- If the applicant is submitting, in the same fiscal year, more than one application for Section 6401 reserved funding, identify in each application the other application(s) by providing:
 - The name(s) of the project(s);
 - The program area(s) for which funds are being sought; and
 - The date that each application was submitted to USDA – Rural Development.
- If the applicant has previously submitted one or more applications for reserved funding under this subpart, the applicant must provide, using Attachment B, in the current application the following information for each previous application:
 - The date the application was submitted;
 - The name of the project;
 - The program area(s) from which funds were sought; and
 - If the project was selected for funding, the specific program(s) that provided the funding; the date and amount of the award; and whether any portion of the funding came from the funds reserved under this subpart.

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. Also describe any consideration of using information technology to reduce burden.

Section 6401 relies on the covered programs’ methods for program administration. Thus, to the extent the covered programs use collection techniques other than the submittal of written material, this program will follow suit.

With regard to the covered programs, USDA – Rural Development has considered the use of improved information technology to reduce the burden on the applicants. The information involved is unique to each particular case. Automating the written narrative portion of the application assists the applicant and USDA – Rural Development because most is completed on a computer.

4. Describe efforts to identify duplication.

USDA – Rural Development anticipates that the application material submitted for the covered program will be able to provide information to determine project eligibility. If similar information is found to be available from another Federal agency, every effort is made to utilize that information as is or in an appropriately modified form for this program.

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

Eligible projects for Section 6401 reserved funds will be the same as those for covered programs

and the distribution of businesses applying for the reserved funds are anticipated to be the same as found in the covered programs. Of the estimated 100 applicants, approximately 30 percent are estimated to be small businesses. The information collection required places little or nominal burden on all entities, including these small businesses.

6. Describe the consequences 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.

Application information is only collected once. If this information is not collected, USDA – Rural Development would not be able to give proper preference to projects seeking reserved funding as required by the authorizing statute.

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

- a. Requiring respondents to report information to USDA – Rural Development more often than quarterly. There are no information collection requirements that require respondents to report more often than quarterly.
- b. Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it. There are no information collection requirements that require less than 30 days response.
- c. Requiring respondents to submit more than an original and two copies of any document. There are no information requirements that require more than an original and two copies.
- d. Requiring respondents to retain records for more than 3 years. There are no such requirements.
- e. Not using statistical sampling. There are no such requirements.
- f. Requiring use of statistical data classification that has not be reviewed and approved by Office of Management and Budget (OMB). No such requirements exist.
- g. Requiring a pledge of confidentiality that is not supported by authority 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. There are no such requirements.
- h. Requiring respondents to submit proprietary trade secrets or other confidential information unless USDA – Rural Development can demonstrate that it has instituted procedures to protect the information’s confidentiality to the extent permissible by law. Because of the technical nature of the applications, some proprietary/confidential trade information is reviewed by USDA – Rural Development’s contractor, the National Renewable Energy Laboratory (NREL). The information is sent directly to NREL by

USDA – Rural Development personnel. When their review is complete, the technical information is returned to USDA – Rural Development.

8. Comments on USDA – Rural Development’s notice in the Federal Register and efforts to consult with persons outside USDA – Rural Development to obtain their views on the availability of data, frequency of collection, the clarity of the instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

A 60-day notice to request comments was published in the Federal Register on September 15, 2021, Vol. 86, page 51338, No.176. No comments were received.

The program consulted with the following respondents regarding the program requirements and feedback from all three showed that there was no issues nor complaints regarding the instructions or the data elements that are collected.

Regional Economic Development Director – Region 1
Wisconsin Economic Development Corporation
312 S. Barstow St., Suite 2
Eau Claire, WI 54701
(608) 210-6791

Solvang Senior Center
1745 Mission Drive #A
Solvang, CA 93463
ssctr@verizon.net
(805) 688-3793

DQE Communications
424 South 27th Street, Suite 220
Pittsburgh, PA 15203
(412) 393-1038

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

No payments or gifts were provided to respondents, including no remuneration of contractors or grantees.

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

No assurance of confidentiality was provided to respondents for the information required. When necessary, USDA – Rural Development will process any and all requests for release of records

and information in accordance with the Privacy Act of 1974. However, in some instances, the information collected under the provisions of this program is not considered to be of a confidential nature. For example, organizations, such as not-for-profit entities and public bodies from which information is collected, are ordinarily required to make their activities available for public scrutiny.

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

The information collected does not contain any questions of a sensitive nature such as sexual behavior, religious beliefs, or other matters commonly considered private.

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

The average annual number of applicants seeking Section 6401 funding is estimated to be 275 applicants. The average annual number of applicants receiving Section 6401 funding is estimated to be 195 awardees. Table 1 presents the estimated number of applicants and awardees by program.

Table 1. Estimated Number of Applicants and Awardees

Program	Number of Applicants per Year	Number of Awardees per Year
Community Facilities Grants	81	52
Community Facilities Loans	35	27
Community Facilities Guaranteed Loans	3	3
Community Connect Grants	11	2
Water and Waste Disposal Loans and Grants	65	55
Water and Waste Disposal Guaranteed Loans	1	1
Business and Industry Guaranteed Loans	41	38
Rural Business Development Grants	38	17
Total	275	195

The estimated annual burden of this information collection is 2,290 hours and 470 annual responses. The cost to the public for applying for and receiving Section 6401 reserved funds is estimated to be \$73,280, of which \$54,560 is associated with applying for the funds and \$18,270 is associated with awardees submitting information on measures, outcomes, and other metrics to USDA – Rural Development. In making the cost estimates, an average cost (\$32 per hour) per applicant was estimated based on the individual covered programs’ cost per hour per respondent, which vary program to program, and those values were based on the most recent burden packages for each covered program. Table 2 represents the total estimated annual

burden.

Table 2. Estimated Annual Burden

Title	Form No.	Est. No. of Respondents	Reports Filed Annually	Total Annual Responses	Est. No. of Man Hours per Response	Est. Total Man Hours	Wage Class	Total Cost
Reporting Requirements - Forms								
Strategic Economic And Community Development Application For Reserved Funding	1980-88	275	1	275	6.2	1,705	\$32	\$54,560
Reporting Requirements -No Forms								
Submittal of measures, outcomes, and metrics report	Written	195	1	195	3	585	\$32	\$18,720
Total		470		470		2,290		\$73,280

Estimated burden for completing a single Form 1980-88

While some applicants are expected to submit more than one Form 1980-88 in a given year (because the applicant is applying for the Section 6401 reserved funding under more than one covered program), USDA – Rural Development estimates that the number of hours required to complete a single Form 1980-88 to be approximately 8 hours (7.78 hours) if the applicant must complete all sections of the form and the applicant’s project supports a single objective of the plan. However, not all applicants are expected to incur the same burden when completing this form because not all aspects of the form are applicable to each applicant or even to each program. Specifically, the variables are:

- If an applicant needs to describe the Plan’s jurisdiction, USDA – Rural Development estimates the burden to be 0.08 hours. Some of the covered programs’ applications already request this information and so not all applicants will incur this burden.
- If the applicant needs to describe how the project meets the definition of “carried out in a rural area,” USDA – Rural Development estimates the burden to be one hour. As for

describing the Plan’s jurisdiction, some of the covered programs’ applications already request this information and so not all applicants will incur this burden.

- If the applicant is submitting multiple applications in the same fiscal year, USDA – Rural Development estimates providing the associated information will take 0.25 hours. Most applicants are unlikely to fall into this category.
- If the applicant had received a previous award under Section 6401, USDA – Rural Development estimates that providing the associated information will take 0.25 hours.
- If an applicant applied for Section 6401 reserved funds previously, USDA – Rural Development estimates that providing the associated information will take 0.25 hours.

Table 3 shows by covered program how many applicants are expected to fill out which portions of the form.

Portion of Form 1980-88	Hours to Complete Portion	Number of Applicants per Covered Program							Cor C
		WEP Guaranteed Loans	WEP Loans and Grants	CF Guaranteed Loans	CF Direct Loans	CF Grants	B&I Guaranteed Loans	RBDG	
Basic Application Sections (applies to all applicants)	4.85	1	65	3	35	81	41	85	
Description of Plan Jurisdiction	0.08	0	12	1	6	13	7	13	
Documentation for “carried out in a rural area”	1.0	0	12	1	6	13	7	13	
Multiple applications in the fiscal year	0.25	0	7	0	1	3	0	4	
Applicant has received a previous 6401 Award	0.25	0	8	0	1	1	1	6	
Applicant has previously applied under 6401	0.25	0	17	0	1	3	2	17	
Weighted average hours per form		4.85	6.38	5.49	6.27	6.63	5.01	6.30	

Table 3. Estimated Form 1980-88 Burden by Program

NOTE: Basic application burden assumes that each project supports two objectives of the Plan.

As seen in Table 2, the estimated weighted average burden for filling out a single Form 1980-88 ranges from 4.85 hours to 6.63 hours. Using the estimated number of applicants per program, the weighted average time to fill out a single Form 1980-88 is 6.2 hours.

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

There are no capital and start-up costs or operations and maintenance costs associated with this collection.

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

The annual cost to the Federal Government to review and score the applications is estimated to be about \$138,600 per fiscal year (see attached spreadsheet). The 2021 OPM General Schedule and Step 5 for all GS levels was used for calculation purposes. Most of the application review and submission work is completed by State Loan Specialists GS-11 at \$30.28/hr. & GS-12 at \$36.29/hr.; State Program Directors GS-13 at \$43.15/hr., with Loan Technicians and clerks GS-7 at \$20.46/hr. & GS-8 at \$22.66/hr. doing most of the computer data entry and typing. The scoring is performed by USDA - Rural Development Innovation Center (IC) staff (GS-13) at \$43.15/hr. Due to rounding average rate was determined to be \$31/hr. x 36.25% benefits = \$11.24 round to \$11 = \$42/hr.

The cost of total benefits as a percentage of total hourly compensation for Federal Government employees has been calculated by multiplying 36.25% by the hourly OPM wage in accordance with OMB Memorandum M-08 13.

	Number	Hours per item	Rate	Cost
Review and Score Section 6401 Applications	275	12	\$42	\$138,600

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

There is a slight increase in annual costs due to using 2021 OPM General Schedule to obtain hourly rates for GS levels and to calculate the estimated time to review Form 1980-88 and score the application.

There is a decrease in burden hours and respondents due to less applications submitted for this cycle.

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

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

The application form for Section 6401 reserved funding will be submitted with the application material for the applicable covered program. Because there are multiple covered programs with different expiration dates, it is not practical to include an OMB expiration date on this form. The public would have no way of knowing which burden package/expiration date applied to their particular program. RD is seeking approval to not display the OMB expiration date on this form.

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

There are no exceptions to the certification.

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?

The SCI calls for changes to improve services to the United States Department of Agriculture (USDA – Rural Development) customers. One aspect is providing one stop service for greater customer convenience in accessing USDA – Rural Development programs, including access to required forms.

Covered Program Data on Applicants and Awardees

Table A-1 presents basic covered program applicant information.

Table A-1. Covered Program Applicant Information

Program	Number of Covered Program Applicants	Source
Community Facilities Grants	1,085	Calculated by dividing the estimated number of awardees by past success rate.
Community Facilities Direct Loans	496	Calculated by dividing the estimated number of awardees by past success rate.
Community Facilities Guaranteed Loans	45	Calculated by dividing the estimated number of awardees by past success rate.
Community Connect Grant	100	Calculated by dividing the estimated number of awardees by past success rate.
Water and Waste Disposal Loans and Grants	829	Calculated by dividing the estimated number of awardees by past success rate.
Water and Waste Disposal Guaranteed Loans	15	Calculated by dividing the estimated number of awardees by past success rate.
Business and Industry Guaranteed Loans	600	Calculated by dividing the estimated number of awardees by past success rate.
Rural Business Development Grants	410	See Note 1 below
Program	Number of Covered Program Awardees	Source
Community Facilities Grants	693	Average number of awardees over FY18, FY19, and FY20
Community Facilities Direct Loans	385	Average number of awardees over FY1811, FY19 , and FY20
Community Facilities Guaranteed Loans	45	Average number of awardees over FY18 and FY19
Community Connect Grant	18	Average number of awardees over FY18, FY19 and FY20
Water and Waste Disposal Loans and Grants	707	Average number of awardees over FY18, FY19 and FY20
Water and Waste Disposal Guaranteed Loans	10	Average number of awardees over FY18, FY19 and FY20
Business and Industry Guaranteed Loans	550	Average number of awardees over FY18, FY19 and FY20
Rural Business Development Grants	297	See Note 1 below

NOTE 1: Both the number of applicants and awardees were derived from the number of applications and the number of awardees associated with FY 2020 for RBDG. The RBDG SECD allocation, application and award information is summarized below.

Program	FY2020 Section 6401 Funds (millions)	Fiscal Year	Awards Amount (millions)	Number of Applicants	Number of Awards	Average \$ per Award
RBEG	\$1.35	2020	\$1.37	32	13	\$ 106,005
RBOG	\$150,000	2020	\$151,898	6	4	\$ 37,974

Calculation of Section 6401 Applicants

To calculate the number of covered program applicants that would apply for Section 6401 reserved funds, the number of applicants for each program (except RBDG) was estimated using the following data/steps:

- (1) the number of applicants that are in an area covered by an Economic Development Administration (EDA) approved plan;
- (2) the percentage of applicants in an EDA-approved plan area versus all of the program's applicants;
- (3) multiplying the number of estimated covered program applicants by the percentage calculated under Step 2; and
- (4) multiplying the result from Step 3 by an estimate of how many such potential applicants would actually apply for Section 6401 reserved funds.

Table A-2 – Calculation of Section 6401 Applicants

Program	Average Number of Covered Program Applicants – FY18 through FY20 (a)	Number of Covered Program Applicants – FY18 through FY20 in an EDA-approved plan area (b)	Percentage of Covered Program Applicants in an EDA-Approved Area (c)	Number of Estimated Applicants for the Covered Program in an EDA-Approved Area (d)	Percentage of Applicants in an EDA-Approved Area that would actually apply for Section 6401 reserved funds (e)	Estimated Section 6401 Applicants (c) x (d) x (e)
Community Facilities Grants	1,085	868	79.86	693	0.1167	81
Community Facilities Direct Loans	496	385	77.78	300	0.1167	35
Community Facilities Guaranteed Loans	45	35	78.26	28	0.1167	3
Community	100	94	94.15	94	0.1167	11

Program	Average Number of Covered Program Applicants – FY18 through FY20 (a)	Number of Covered Program Applicants – FY18 through FY20 in an EDA-approved plan area (b)	Percentage of Covered Program Applicants in an EDA-Approved Area (c)	Number of Estimated Applicants for the Covered Program in an EDA-Approved Area (d)	Percentage of Applicants in an EDA-Approved Area that would actually apply for Section 6401 reserved funds (e)	Estimated Section 6401 Applicants (c) x (d) x (e)
Connect Grants						
Water and Waste Disposal Loans and Grants	829	663	80.16	531	0.1167	65
Water and Waste Disposal Guaranteed Loans	15	11	76.47	8	0.1167	1
Business and Industry Guaranteed Loans	600	459	76.52	351	0.1167	41

Calculation of Section 6401 Awardees

The number of Section 6401 awardees, except RBDG, was estimated by using the following data/steps:

- (1) the number of estimated Section 6401 applicants;
- (2) multiplied by the covered program success rates for all applications.

Table A-3 presents these calculations.

Table A-3 – Calculation of Section 6401 Awardees

Program	Estimated Number of Section 6401 Applicant (a)	Covered Program Success Rate Percentage (b)	Estimated Number Section 6401 Awardees (b) X (c)
Community Facilities Grants	81	.6438	52
Community Facilities Direct Loans	35	.7762	27
Community Facilities Guaranteed Loans	3	1.00	3
Community	11	.18	2

Program	Estimated Number of Section 6401 Applicant (a)	Covered Program Success Rate Percentage (b)	Estimated Number Section 6401 Awardees (b) X (c)
Connect Grants			
Water and Waste Disposal Loans and Grants	65	.8523	55
Water and Waste Disposal Guaranteed Loans	1	.6666	1
Business and Industry Guaranteed Loans	41	.9166	38

For RBDG, the amount of Section 6401 funding available for RBOG-related projects and for RBEG-related projects and the average size award in FY 2020 for RBOG and in FY 2020 for RBEG were used to estimate the number of Section awardees. These calculations are shown Table 4.

Table A-4 - Calculation of RBDG Awardees

Project Funding	FY20 Section 6401 Funds (a)	Average Size Award (b)	Estimated Section 6401 Awardees (a) / (b)
RBEG-type projects	\$ 1,350,000	\$ 106,005	13
RBOG-type projects	\$ 150,000	\$ 37,974	4
Total	\$ 1,500,000		17

NOTE: Section 6401 funds are limited to no more than 15% of the program's total funds - \$10 million times 15 percent = \$1,500,000. RBOG-types projects are limited to no more than 10 percent of RBDG program funds. Thus, RBOG-type funding for Section 6401 reserved funding is equal to \$150,000 with the remainder available to RBEG-type projects.