

Agency
Title of Information Collection
OMB Control Number, (If applicable)
Justification – Part A Supporting Statement

Overview of Information Collection: Provide a brief overview of the information being collected, disclosed, or the recordkeeping requirement imposed by the agency

- Identify whether this is a request for approval of a New Collection, a Revision to an Existing Collection, an Extension, or a Reinstatement.

This is request for approval of an extension.

- If a form is not being used (i.e., no collection instrument accompanies this statement), list what information is being collected or disclosed, or the recordkeeping requirement imposed by the agency.

As described and approved previously by OMB, SBA utilizes registrations, surveys and post-event interviews to collect information from attendees and participants related to the Regional Innovation Cluster events. The events are as followed:

- Webinars
 - Trade Shows
 - Workshop
 - Program Engagements
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- If this request is related to a previously approved collection, please summarize any existing changes to instruments (e.g., forms, questions, instructions), method of collection, burden estimates, or other material changes of importance that have occurred since the last approval/request and provide a redline mark up or a table to show the questions and/or other information that the agency has changed.

No changes were made to the previously approved submission.

1. Need & Method for the Information Collection. Explain the circumstances that make the collection of information necessary.

The U.S. Small Business Administration's (SBA) statutory mission is to "aid, counsel, assist and protect, insofar as is possible, the interests of small business concerns." The Agency's Office of Entrepreneurial Development (OED) helps to carry out this mission by providing training and counseling programs and initiatives, such as the Regional Innovation Clusters (RIC) initiative, to existing and prospective small businesses.

Through the RIC initiative, SBA is investing in regional clusters—geographic concentrations of interconnected companies, specialized suppliers, academic institutions, service providers, and associated organizations with a specific industry focus—throughout the United States that span a variety of industries, ranging from energy and manufacturing to advanced defense technologies. The three primary goals of the initiative are to (1) increase opportunities for small business participation within clusters, (2) promote innovation in the industries on which the clusters are focused, and (3) enhance economic development and growth in cluster regions. This information collection is necessary for SBA to understand the progress of the RIC initiative toward achieving those goals.

2. Use of the Information. Indicate how, by whom, and for what purpose the information is to be used (e.g., program administration, application for benefits or services, regulatory compliance, inform policy development).

In December 2019, SBA published *The Evaluation of the U.S. Small Business Administration's Regional Innovation Cluster Initiative, Year 5 Report*. Prepared by contractors, the evaluation consisted of two key components: an implementation evaluation and an outcome evaluation. The implementation evaluation focused on how the Initiative was implemented across the 7 clusters active in Year 5 and on the services that each cluster provided to its small businesses. The outcome evaluation focused on short- and intermediate-term outcomes linked directly to the cluster services provided, as well as on longer-term economic outcomes that can be reasonably expected to result from the short- and intermediate-term outcomes achieved. Data in the report suggest the RIC has supported important and widespread growth in both revenue and employment. Over the years, study data and revised surveys have helped to streamline the report. Furthermore, data from the survey also helped SBA to focus on rural and agricultural small businesses for the latest group of seven RICs. More detailed analysis is available in the full report cited above.

SBA plans to continue collecting satisfaction and business economic data from program participants annually. Changes in key measures, such as revenue and employment growth, will

be benchmarked against the average change in similar firms in the same regions. In addition, the participants' satisfaction with the program and its effects on their short-term goals (and the goals of the Initiative) will be tracked from year to year. SBA will hire an independent contractor, to plan and conduct this performance evaluation of the RIC Initiative.

The RIC Initiative capitalizes on the theory of regional cluster development by supporting "actively managed" clusters (i.e. clusters that are administered by a team of individuals and possess a form of governance rather than a cluster that occurs naturally without intervention in a regional economy). The teams provide a host of services to the target population of small and emerging businesses within their regional and industry focuses. Services include direct business advising and support and sponsoring events, such as networking opportunities with investors, large businesses and other stakeholders in the regions.

3. Use of Information Technology. 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.

Survey data will be collected via web-based surveys and electronic templates, which facilitate the efficient collection and analysis of data. Web-based surveys reduce the burden placed on respondents, because the survey platform automates the skip pattern to ensure respondents do not need to read through instructions to bypass questions that are not relevant to them. The web-based survey requires no more than hitting a submit button to transfer the information. The platform selected will also allow respondents to stop at any time and resume the survey at the point at which they last stopped. The electronic templates are created in MS Excel and are programmed to operate with similar burden reduction methods as web-based surveys. For example, drop-down menus are used so that respondents do not have to type in the information, and skip patterns are implemented by "graying out" columns that are not applicable based on the responses to previous questions. In all surveys, a glossary of terms is provided, and in the case of the web-based survey, the glossary is hyperlinked to the instances of the term in the survey for quick reference. A glossary reduces confusion among respondents, thereby lessening their burden, and improves the consistency of the data collected by ensuring that respondents use the same definition.

4. Non-duplication. Describe efforts to identify duplication.

The surveys and cluster administrator interviews discussed in this packet were devised to fill gaps identified in the clusters' progress reports. SBA does not currently require the systematic collection of baseline or follow-up information about RIC participants from the clusters. They are only required to provide quarterly reports where they are asked about their aggregated progress on a few key metrics. Therefore, there is no duplication in the data collected via the surveys and cluster administrator interviews.

There is only one area where duplication exists; the small businesses and the clusters in which they participate are both asked to report on access to external financing (e.g., venture or angel capital, SBA and non-SBA loans, grants).

5. Burden on Small Business. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden. Did the agency consider any exemptions, alternate options, or partial or delayed compliance options for small businesses?

To minimize the burden on respondents, which will include small businesses and small entities, efforts have been made to simplify and streamline the survey. The estimated annual burden on small businesses or small entities is only 255 hours (of the 405 total burden hours of the collection) per year, largely due to the small number of service satisfaction questions and business information that does not require the respondent to retrieve data from a secondary source, such as a tax return. The survey will be disseminated via an online platform, which will allow small business owners to take the survey at a time that is convenient for them and only answer questions that pertain to their experiences.

Cluster administrators interact with many of their participating small business on a near daily basis, and are expected to collect information about the progress of their participants as part of their contracts with SBA. Many also collect and use this information to better assist their participants and identify resources that are best suited to support their growth. They are therefore well positioned to obtain and report on this performance area. However, they do not necessarily collect this information systematically, nor do they interact with all their participating small businesses on a regular basis. As a result, they may not provide data that is as complete and accurate as that provided by small businesses. The goal is to better understand which group of respondents can most reliably provide this information. Information provided by these two groups will be cross-

referenced and assessed for coverage based on each respondent group's overall response rate and item nonresponse rates.

6. Less Frequent Collection. 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 consequences of forgoing this data collection annually are twofold. First, without this data collection, SBA would not have systematic information on RIC participants' post service responses to monitor trends and determine whether the program is meeting its goals and effecting change in the growth of target businesses or whether particular sites are in need of extra oversight and support from program managers at SBA. Information about participants' satisfaction and level of involvement is also important to guide programmatic changes to the initiative by SBA, and adjustments by cluster administrators to the services they provide. Furthermore, the information collected is needed to produce OED's annual report discussing its various initiatives.

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

SBA requests that the data-submission period be fewer than 30 days (approximately 20 days). The shorter time frame, coupled with frequent notifications from multiple sources, would allow for the survey request to remain more prominent in clients' minds. Shortening the response time could help increase the response rate by reducing the likelihood that a client would choose to procrastinate.

8. Consultation and Public Comments. 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.

The required public comment notice was published in the Federal Register (see Appendix A-3) on February 16, 2022. No comments on this collection were received.

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

No payments or gifts will be made to respondents.

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

In the study reports produced for the public, participant data will be reported in the aggregate, and information obtained from the interviews will be attributed to participants without any identifying information. Any personal information collected will be protected to the extent permitted by law, including the Privacy Act of 1974 and the Freedom of Information Act (FOIA). In addition, to the extent permitted under FOIA, in particular exemption 4, confidential business information will only be disclosed to contractor or Agency personnel assigned to administer the Initiative services and surveys.

An independent contractor, will be collecting, compiling, and analyzing all data collected from RIC participants and RIC initiative administrators. Data collected by the contractor will be stored and analyzed on secure servers. Secure intranets will be used to maintain project-related files, and secure servers employ industry-standard methods, such as firewalls, monitored-access logs, virus protection, encrypted connections, password-protected accounts, and user-authentication mechanisms, to ensure the privacy of personal data.

11. Sensitive Questions. Provide additional justification for any questions of a sensitive nature.

Cluster small businesses will be asked about their businesses' financial situations, including revenue and external financing obtained. These measures are essential to the mission of the RIC Initiative and for SBA to monitor business performance. As described in Part B, the information will be used to report on growth of participants, relative to a benchmark set of firms and relative to subsequent years of the initiative. Participants will also be asked for two unique business identification numbers, their DUNS and EIN numbers.

12. Burden Estimate. Provide estimates of the burden of the collection of information.

SBA estimates that 405 hours are needed to conduct this study over the course of a year. The affected respondent types for this data collection include RIC administrators (i.e., the contract awardees), small business participants, and cluster stakeholders (i.e., large organization participants, such as universities and corporations). Preliminary pretests were conducted for all data-collection instruments to derive the burden estimates. Subsequent testing has not been conducted as only minor revisions have been made to the survey.

Burden per Response:

	Time Per Response	Hours	Cost Per Response
Reporting	30 minutes	2	\$8.60
Record Keeping	2 minutes	.10	\$1.50
Third Party Disclosure	N/A	N/A	N/A
Total	32 Minutes	2.10	\$10.10

Annual Burden:

	Annual Time Burden (Hours)	Annual Cost Burden (Dollars)
Reporting	129	\$3,325.00
Record Keeping	22 Hours	\$416.00
Third Party Disclosure	N/A	N/A
Total	151 Hours	3,741.00

13. Estimated nonrecurring costs. Provide an estimate for the total annual cost burden to respondents or record keepers resulting from the collection of information. (Do not include the cost of any hour burden already reflected on the burden worksheet).

There is no other annual cost burden to respondents or record keepers.

14. Estimated cost to the 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.

The annualized cost to the federal government is \$285,512 (see Exhibit A2, below). This includes the costs associated with the contractor conducting the project and the salaries of the assigned SBA employees.

Exhibit A2. Estimated annualized cost to the federal government

Estimates	SBA COR	SBA program manager	Evaluation contractor	Total federal costs
Number of employees	1	1	NA	NA
Hours anticipated	80	80	NA	NA
Average hourly pay	\$65.06	\$70.80	NA	NA
Total cost	\$5,204	\$5,664	\$274,644	\$285,512

The cost of the Office of Entrepreneurial Development (OED) employee involved in administration of the survey and study (the SBA Contracting Officer’s Representative [COR]) is estimated at GS-13, Step 9, at \$65.06 per hour based on 2,080 hours per year. OED anticipates that this person will work 80 hours per year for 1 year on this initiative. The annual cost for this OED employee over the course of this study is \$5,204. The cost of the OED employee involved in study oversight (the SBA program manager) is estimated at GS-14, Step 6, at \$70.80 per hour based on 2,080 hours per year. OED anticipates that this person will work 80 hours per year for 1 year. The annual cost for this OED employee over the course of this study is \$5,664, although this would not be costs added. The annual cost for both of these OED employees over the course of this study is \$10,868. Federal employee pay rates are based on the 2022 General Schedule pay scale for the Washington, D.C

15. Reasons for changes. Explain the reasons for any program changes or adjustments reported on the burden worksheet.

We had had 14 Clusters in FY2019. We currently have 11 Clusters in FY2022.

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

This study will use quantitative (i.e., descriptive and inferential statistical techniques) and qualitative methods for analyzing the data. Other data gathered from the surveys will be presented in tables using descriptive statistics. Qualitative analysis will involve determining challenges, lessons, and the factors to which participants attribute their success.

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

SBA plans to display the OMB expiration date.

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

SBA is not requesting any exceptions to the certification.

19. Surveys, Censuses, and Other Collections that Employ Statistical Methods. If this request includes surveys or censuses or uses statistical methods (such as sampling, imputation, or other statistical estimation techniques), a Part B supporting statement must be completed.

SBA is not requesting surveys or censuses or uses statistical methods