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Office of Management and Budget (OMB)

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Administration for Children and Families (ACF)

Date: February, 4 2020

Subject: NonSubstantive Change Request – Microenterprise Development Program Indicators under the ACF Generic Program-Specific Performance Progress Report (PPR) (OMB #0970-0490)

This memo requests approval of nonsubstantive changes to the approved generic information collection, Microenterprise Development Program Indicators under the ACF Generic Program-Specific Performance Progress Report (PPR) (OMB #0970-0490).

Background

The Office of Management and Budget approved the Microenterprise Development Program Indicators on November 7, 2019. After speaking with the organizations that would be responsible for collecting the data it became apparent that five of the fifteen indicators required clearer instructions to ensure accurate reporting. Another indicator was slightly different from a Small Business Administration (SBA) version, so we decided to standardize the indicator across agencies. We also chose to disaggregate our lending outcomes by funder in order to provide the Office of Refugee Resettlement (ORR) with important programmatic information.

Overview of Requested Changes

1. **Indicator Disaggregation:** We disaggregated our loan disbursement indicators by funder (Number and amount of loans financed through ORR’s revolving loan fund versus number and amount of loans financed through leveraged funds)¹. We also added the accompanying instructions to help grantees understand the data disaggregation². This data disaggregation will be a key element for funding level decisions going forward. It will require no extra effort for grantee reporting.
2. **Historical Loan Loss Rate:** We changed an indicator from ‘Write-Off Rate’ to ‘Historical Loan Loss Rate’ to better match the Small Business Administration’s reporting requirements and microfinance industry standards³. We also added instructions to help define the indicator⁴.
3. **More Detailed Instructions:** We provided more detailed instructions in order to ensure more accurate reporting:
 - a. ***Pre-loan TA Hours:*** We added, “*Note: Pre-loan TA hours are counted regardless

¹ MED Semi-Annual Report: Indicators 4a/b; 5a/b; 6a/b; 7a/b; 8a/b; 9a/b

² MED Semi-Annual Report Instructions: Indicators 4a/b; 5a/b; 6a/b; 7a/b; 8a/b; 9a/b

³ MED Semi-Annual Report: Indicator 10

⁴ MED Semi-Annual Report Instructions: Indicator 10

of whether or not a client is taking out a repeat loan”.⁵

- b. *Number of Start-up Loans Disbursed (MED):*** We helped define a ‘start-up business by adding the language, “(businesses operating for two years or less)”.⁶
- c. *Number of Stabilization/Expansion Loans Disbursed:*** We helped define a ‘Stabilizing/Expanding’ business by adding the language, “(businesses operating for two years or more)”.⁷
- d. *Number of Jobs Created:*** We provided more detailed instructions on how to count part time versus full-time jobs by adding the language, “(e.g., 1 part-time job + 2 full-time jobs = 3 jobs created)”.⁸
- e. *Avg. Change in Net Income:*** We specified the time that a business’s net income would be measured by adding the language, “yearly”.⁹

Time Sensitivities

We would like to have these indicators approved by March 30, 2020 so that grantees can use the updated form for their next semi-annual report.

⁵ MED Semi-Annual Report Instructions, *Note: Pre-loan TA hours are counted regardless of whether or not a client is taking out a repeat loan

⁶ MED Semi-Annual Report Instructions, Indicator 4, *(businesses operating for two years or less)

⁷ MED Semi-Annual Report Instructions, Indicator 5, *(businesses that have been operating for two years or more)

⁸ MED Semi-Annual Report Instructions, Indicator 13, *(e.g., 1 part-time job + 2 full-time jobs = 3 jobs created)

⁹ MED Semi-Annual Report Instructions, Indicator 15, *(added ‘yearly’)