

SUPPORTING STATEMENT
U.S Department of Commerce
Minority Business Development Agency
Online Performance Database System Renewal
OMB Control Number 0640-0002

A. JUSTIFICATION

This information collection request is to extend the Office of Management and Budget approval.

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

The Minority Business Development Act of 2021 (Division K – Infrastructure Investment and Jobs Act, P.L. 117-58), enacted on November 15, 2022, codified the Minority Business Development Agency (MBDA), its MBDA Business Center Program (Subtitle B, Sections 100111-10015), and other MBDA programs and priorities. The purpose of the MBDA Business Center (MBC) Program is to create a national network of Business Centers and Specialty Centers that assist minority business enterprises (MBEs) in accessing capital, contracts, and grants; and creating and maintaining jobs. To this end, MBDA awards grants for the delivery of MBC management and technical assistance services directly to minority entrepreneurs, as well as other MBDA technical assistance programs.

The purpose of the Online Customer Relationship Management (CRM)/Performance Databases System (System) is to provide an electronic system for (1) entering the accomplishments of MBDA's grant recipients. The System is maintained and accessible by MBDA and grantee staff through a unique cloud-based URL.

2. Explain how, by whom, how frequently, and for what purpose the information will be used. If the information collected will be disseminated to the public or used to support information that will be disseminated to the public, then explain how the collection complies with all applicable Information Quality Guidelines.

ONLINE CUSTOMER RELATIONSHIP/PERFORMANCE DATABASES

Specific uses of the System include:

- The documentation of actual performance accomplishments of each funded center (*i.e.*, MBDA grant recipient) compared with stated goals in the respective cooperative agreement and financial assistance award with MBDA. The System permits tracking of each center's goals using a number of general and specific variables. The flexibility of the System permits new variables to be added as needed.
- The verification of the summary performance accomplishments cited in the narrative reports. Based on the results, performance data and other qualitative information obtained

during MBDA quarterly monitoring will determine whether a specific cooperative agreement or grant should be terminated, or other actions are needed to improve program performance.

- Tracks weekly/monthly/quarterly performance. This enables managers to identify and address performance problems in early stages.
- Identifies minority business clients and MBEs receiving agency-sponsored business development services in the form of management and technical assistance, the kind of assistance each receives, and the impact of that assistance on the growth and profitability of the client firms.
- Generates special reports analyzing program activities and services by business types, industry trends, business starts, geographic profiles, successful capital and marketing opportunities, and other program elements.
- The system permits client identification using a unique computer-assigned identifier for each funded center. The identification is related to all client data fields. These data fields include number of clients assisted, types of assistance, number of hours of assistance, dollar value of all secured transactions, as well as the number of other variables available for analysis with respect to each client, funded center, or MBE.
- The system allows program participants (i.e., clients assisted) to complete a digital registration and program engagement and transaction verification forms that includes contact information, acknowledgement of services to be rendered by the MBDA program project, outcomes due to the services rendered and participant digital signature.

The purpose of this collection is to establish a framework for assessing and evaluating a project's performance. MBDA requires this information to monitor, evaluate, and plan Agency programs which effectively enhance the development of the minority business sector. Using the information collected, MBDA produces ad hoc and recurring reports on its technical assistance programs, including MBCs. Because MBDA's major funded activity is client service, the reports generated are a primary agency reporting and planning mechanism.

The data collection activity is comprised of quarterly accomplishments of each cooperative agreement or grant consistent with the terms and conditions of the funding instrument or announcement and provides MBDA with the grantee's actual accomplishments at the end of each reporting period. MBDA staff enters the grantee's yearly goals at the time of award.

The System enables reporting entities to update files in real time via secure Internet linkage. The graphic user interface (GUI) is simple to understand and operate and has a built-in capability to detect errors at the time of entry to ensure more accurate data input.

MBDA Managers have the capability to monitor progress of projects on a day-to-day basis instead of waiting for quarterly reports to be submitted. The online, real-time interface permits reporting entities to have full-time access to the System for internal management. This

standardizes the reporting methodologies throughout the system. This System has removed several steps from the reporting process, with attendant savings in paperwork-burden hours.

The System documents “successes” in an accurate and definitive fashion. Each contract, loan and other minority business benefit is tabulated chronologically in the System so that a progress history of each client can be tracked throughout the life of the client’s association with MBDA. The increases in number of employees and minority employees, size, number and type of contracts, increase in capitalization, export and domestic market data, advancement in certification, North American Industry Classification Standards and Standard Industry Industrial Codes-related information, and other growth and programmatic criteria is collected. The System is designed to meet the goals and objectives of the Government Performance Results Act (GPRA), and the technological construct of the system ensures accurate, timely reporting and ensures the strict security of privacy-protected data while maintaining a focus on the reduction of paperwork burden to the public.

MBDA estimates that the overall cost savings and paperwork reduction enabled by the System is significant as compared to collecting such information via paper submissions. The information collected is for MBDA internal analysis and programmatic decision-making and is not generally disseminated to the public.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological techniques or other forms of information technology.

The subject information collection is captured electronically via a cloud-based system form where data is gathered from all MBDA clients, funded centers, and program participants. MBDA makes every effort, through training and publications for the System, to educate the minority business community on the use of this system and to minimize the amount of time organizations spend on data entry. The System enables input on a daily basis by the project using a two-factor authentication. The Manager is able to track project performance from their desktops in real time.

MBDA has an integrated World Wide Web site and intranet portal to provide information to the public, the Department, and other interested entities. Minority business growth is tracked by increases in employment, gross revenue (i.e., sales, service agreement, contract size, task order), financing (i.e., loans, credit, trade credit, subordinated debt, capital investments and bonding) and industry. Because the System organizes information in a standard format, it can be used, and shared, with data from other sources (Census, Labor Department, etc.) to measure various elements of evaluative interest.

The System automatically generates performance tabulations and integrates that information into the online program narrative reports. As part of MBDA’s ongoing mission, this feature helps to reduce the paperwork burden on MBDA projects and their respective clients.

4. Describe efforts to identify duplication.

The requirements in the System does not duplicate other MBDA program reporting requirements. Funding information is incorporated into the System within the project's block of data fields. Status of account, time left on grant, amount of grant, and details about the project, such as name of contact, address, phone, fax, email address, website, and a number of other variables permit budget and program evaluation criteria to be reported in a more timely and cost-effective manner. The System flags duplicate entries to the user and offers the user a choice to accept the identified existing record, update the existing record or create a new record.

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

MBDA provides standard guidelines for entering information into the System. These guidelines apply to all client service programs and impose equal burden on all respondents. The collection effort is required "across the board" and affects all companies working with MBDA projects. MBDA has streamlined basic information needed to record the beneficiary (i.e., minority business) of the project. MBDA deployed a standard template engagement form. The form captures basic contact information of the minority business including affirmation of services sought from the project. The minority business can complete the form digitally or in paper format. The System enables the project to complete the digital form and submit it to the minority business to be served to affirm, edit and digitally sign the engagement agreement. The System records the information to facilitate the ease of collection online.

6. Describe the consequences to the Federal program or policy activities if the collection is not conducted or is conducted less frequently.

The data collected through the System are used to regularly monitor and evaluate the progress of MBDA's funded centers and financial assistance programs, to provide the Department and OMB with a summary of the quantitative information that it requires about government supported programs, and to implement the GPRA and the Evidence Act. This information is also summarized and included in the MBDA Annual Performance Report, which is made available to the public through www.mbda.gov. If collected less frequently, the information would likely not be as timely, which would result in the missing of opportunities to proactively identify and resolve programmatic deficiencies. If the information collection is not conducted, then MBDA would be unable to conduct program evaluate or apply data/evidence for decision making purposes.

This monitoring via the System assures time and work schedules are met in accordance with cooperative agreement requirements. MBDA requires Semi-Annual and Annual Narrative Reports from its projects. Should a problem arise with compliance, less frequent submissions would diminish the opportunity for project monitors to make a timely response with corrective action, and therefore, the System is critical. The programmatic deficiencies could remain unchecked prior to the process for making recommendations for renewal funding and would adversely impact the delivery of quality services to MBDA's constituency.

7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with OMB guidelines.

There are no special circumstances that require this collection to be conducted in a manner inconsistent with the general information collection guidelines.

8. Provide a copy of the PRA Federal Register notice that solicited public comments on the information collection prior to this submission. Summarize the public comments received in response to that notice and describe the actions taken by the agency in response to those comments. Describe the 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 (if any), and on the data elements to be recorded, disclosed, or reported.

MBDA published a notice in the Federal Register on September 1, 2022, ([87 FR 53730](#)), soliciting public comments. No comments were received.

Stakeholders, including MBDA financial assistance recipients and experts within the Department of Commerce, were consulted for input, which was considered during the renewal process.

9. Explain any decisions to provide payments or gifts to respondents, other than remuneration of contractors or grantees.

There are no payments of gifts to respondents.

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

There is no assurance of confidentiality provided to respondents of this information collection. However, MBDA will not release information collected through the System, other than in connection with a FOIA request and then only to the extent that the requested information is not protected from disclosure under FOIA. MBDA also notes that the security functions of the System enable the administrator to open and close access to information as directed by MBDA management and as necessary to respond to outside threats.

11. 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.

MBDA collects information regarding the minority status of persons receiving services from the Agency and from its funded centers. This information is collected via a self-certification in order to ensure that MBDA is operating within the parameters of Minority Business Development Act of 2021 (Division K – Infrastructure Investment and Jobs Act, P.L. 117-58).

12. Provide an estimate in hours of the burden of collection of information.

MBDA recalibrated its programming based on new guidance. It is estimated that 6,035 respondents (i.e., minority firms served) will participate in the System on an annual basis.

MBDA has placed majority of responsibility for the collection of information onto MBDA grantees, thereby reducing the burden of collection of information from their respective clients:

MBDA Grantee	3,055 Hours
Program Beneficiary (i.e., clients)	<u>1,976 Hours</u>
Total Burden Hours	5,032 Hours

13. Provide an estimate of the total annual cost burden to the respondents or record-keepers resulting from the collection (excluding the cost of any hour burden shown in Question 12).

This collection of information does not include any cost burden to respondents (i.e., minority businesses served under MBDA programs).

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

Online Performance Database System:

MBDA staff	\$ 534,820
MBDA IT Contractors	\$1,068,667
Licenses	<u>\$ 430,440</u>
Cost to government	\$2,033,927
Total Cost: \$2,033,927	

15. Explain the reasons for any program changes or adjustments.

The decrease in the estimated respondent burden is due to an adjustment since the collection was last cleared/approved.

	Annual Number of Respondents	Annual Number of Responses	Annual Total Burden Hours	Average Burden Hour Per Respondent
Current Data Collections	10,615	46,621	7,802	10 minutes
Revised Data Collections	6,035	17,683	5,032	7 minutes

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

Data from the System is collected primarily for internal review purposes; to monitor and evaluate the MBDA funded organizations, and for statistical purposes. The data are used to conduct federal research and studies on minority businesses to support policy and new program design. The data are also summarized and reported to the Department and to OMB as part of the GPRA

reporting process, Evidence Act for decision making purposes, and is also summarized in the MBDA Annual Performance Report (which is made publicly available at www.mbda.gov). Reports concerning the characteristics and performance of the MBDA funded centers will include statistical tables and charts generated from the System. When publishing the data, it will be clearly stated if the results are/are not statistically representative, and whether or not it can be generalized across any geographic, demographic or industry group.

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

The appropriate OMB control number and expiration date will be displayed.

18. Explain each exception to the certification statement.

No exceptions to the certification statement apply.

B. COLLECTONS OF INFORMATION EMPLOYING STATISTICAL METHODS

These information collections do not employ statistical methods.