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## DEPARTMENT OF AGRICULTURE

### Cooperative State Research, Education, and Extension Service

#### 7 CFR Part 3418

RIN 0524-AA23

#### Stakeholder Input Requirements for Recipients of Agricultural Research, Education, and Extension Formula Funds

**AGENCY:** Cooperative State Research, Education, and Extension Service, USDA.

**ACTION:** Final rule.

**SUMMARY:** The Cooperative State Research, Education, and Extension Service (CSREES) adds new regulations for the purpose of implementing section 102(c) of the Agricultural Research, Extension, and Education Reform Act of 1998 (AREERA) (7 U.S.C. 7612(c)) which requires 1862 land-grant institutions, 1890 land-grant institutions, and 1994 land-grant institutions that receive agricultural research, extension, or education formula funds to establish a process for stakeholder input on the uses of such funds. Failure to comply with these stakeholder input requirements may result in the withholding of a recipient institution's formula funds and redistribution of its share of formula funds to other eligible institutions.

**EFFECTIVE DATE:** February 8, 2000.

**FOR FURTHER INFORMATION CONTACT:** Dr. Sally Rockey; Deputy Administrator, Competitive Research Grants and Awards Management; Cooperative State Research, Education, and Extension Service; U.S. Department of Agriculture; Mail Stop 2240; 1400 Independence Avenue, SW; Washington, DC 20250-2240; at 202-401-1761, or via electronic mail at srockey@reeusda.gov.

**SUPPLEMENTARY INFORMATION:**

### Background and Purpose

The Cooperative State Research, Education, and Extension Service (CSREES) adds this rule to implement section 102(c) of the Agricultural Research, Extension, and Education Reform Act of 1998 (AREERA) (7 U.S.C. 7612(c)) which requires 1862, 1890, and 1994 institutions (specific land-grant colleges and universities as defined by section 2 of AREERA (7 U.S.C. 7601)) receiving agricultural research, extension, or education formula funds from CSREES to establish a process for receiving input from persons who conduct or use agricultural research, extension, or education on the uses of such funds. For purposes of this rule, these persons are referred to as stakeholders. Section 102(c)(2) of AREERA required the Secretary of Agriculture to promulgate regulations specifying what those land-grant institutions had to do to meet this stakeholder input requirement, and what consequences would befall any institution that did not meet such a requirement.

Section 102(c) on its face only applies to land-grant colleges and universities established pursuant to the First Morrill Act, as amended (7 U.S.C. 301, *et seq.*) (1862 institutions), the Second Morrill Act, as amended (7 U.S.C. 321, *et seq.*) (1890 institutions), and the Equity in Educational Land-Grant Status Act of 1994, as amended (7 U.S.C. 301 note) (1994 institutions). CSREES has determined that the formula funds specified in section 102(c) are: Agricultural research funds provided to the 1862 institutions and agricultural experiment stations under the Hatch Act of 1887, as amended (7 U.S.C. 361a, *et seq.*); extension funds provided to 1862 institutions under sections 3(b) and 3(c) of the Smith-Lever Act, as amended (7 U.S.C. 343(b) and (c)), and section 208(c) of the District of Columbia Public Postsecondary Education Reorganization Act, Pub. L. 93-471, as amended; agricultural research and extension funds provided to 1890 institutions under sections 1444 and 1445, respectively, of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (NARETPA), as amended (7 U.S.C. 3221 and 3222); education formula funds provided to 1994 institutions under section 534(a) of the Equity in Educational Land-Grant Status Act of

1994 (7 U.S.C. 301 note); research funds provided for forestry schools under the McIntire-Stennis Act of 1962, as amended (16 U.S.C. 582a, *et seq.*); and animal health and disease research funds provided to veterinary schools and agricultural experiment stations under section 1433 of NARETPA, as amended (7 U.S.C. 3195).

The 1862, 1890, and 1994 institutions are not the sole institutions eligible to receive formula funds under all of these Acts. There is one agricultural experiment station that is not a college or university, and twelve forestry or veterinary schools that are not land-grant institutions. However, given that the number of such institutions is de minimus, and the impracticality of trying to segregate stakeholder comments with respect to these few institutions, CSREES has determined to apply this rule to any recipient of the aforementioned formula funds.

The rule does not require recipient institutions to adopt any particular format for soliciting stakeholder input. It only requires that recipient institutions report annually to CSREES (1) the actions taken to encourage stakeholder input; (2) a brief statement of the process used by a recipient institution to identify individuals or groups as stakeholders and to collect input from them; and (3) a statement of how collected input was considered.

Failure to comply with the requirements of this rule may result in the withholding of a recipient institution's formula funds and redistribution of its share of formula funds to other eligible institutions, as authorized by law.

### Public Comments and Changes to the Final Rule

#### Summary of Statutory Changes

CSREES has added the definition of *seek stakeholder input* to the Final Rule. This definition has already been included in the Final Guidelines for State Plans of Work for the Agricultural Research and Extension Formula Funds that was published in the **Federal Register** on July 1, 1999, 62 FR 35910-35919.

CSREES revised § 3418.4, Reporting Requirement, by adding a third reporting requirement as follows: "(3) a statement of how collected input was considered." The third and final revision was to change the title of

§ 3418.5, from "Failure to Report" to "Failure to Comply and Report."

CSREES also will be conducting an evaluation of how the stakeholder input requirements in section 102(c) of AREERA are being implemented by both CSREES and the affected colleges and universities after a 2-year implementation period. Part of this evaluation will be to determine whether this Final Rule will need to be revised.

#### Background

CSREES developed the proposed rule for stakeholder input requirements in consultation with the State partners at the 1862 and 1890 land-grant institutions. Since the enactment of AREERA on June 23, 1998, CSREES has engaged in these consultations under an exemption to the Federal Advisory Committee Act (7 U.S.C. 3124a(e)), with members of the Federal and State partnership, not only on this rule, but on other aspects of implementation of AREERA requirements including the Guidelines for State Plans of Work for Agricultural Research and Extension Formula Funds. This consultation process was consistent with the consultation process required by Executive Order 13132, Federalism, issued by the President on August 4, 1999 (64 FR 43255).

The proposed rule for stakeholder input requirements was published in the **Federal Register** on April 14, 1999, 64 FR 18534–18536, with a 30-day comment period. The proposed rule did not require recipient institutions to adopt any particular format for soliciting stakeholder input. It only required that recipient institutions report annually to CSREES (1) the actions taken to encourage stakeholder input; and (2) a brief statement of the process used by the recipient institution to identify individuals or groups as stakeholders and to collect input from them.

In the preamble to the proposed rule, CSREES encouraged interested parties to review the Proposed Guidelines for State Plans of Work which were published in the **Federal Register** for a 30-day comment period on April 19, 1999, 64 FR 19242–19248. The Proposed Guidelines for State Plans of Work explained in greater detail the stakeholder input requirements, especially how they relate to the development of the 5-Year Plans of Work. These 5-Year Plans of Work include the reporting requirement on the stakeholder input process for the 1862 and 1890 land-grant institutions and these plans apply to the agricultural research and extension formula funds received under the Hatch Act of 1887,

sections 3(b) and 3(c) of the Smith-Lever Act, and under sections 1444 and 1445 of NARETPA. These Proposed Guidelines for State Plans of Work did not apply to the agricultural education formula funds received by the 1994 land-grant institutions or to the research or extension formula funds received by colleges and universities under section 3(d) of the Smith-Lever Act, the McIntire-Stennis Act of 1962 for cooperative forestry research, and section 1433 of NARETPA for animal health and disease research.

The 1862 and 1890 land-grant institutions will fulfill their annual reporting requirement on the stakeholder input process via the Annual Report of Accomplishments and Results as outlined in the Final Guidelines for State Plans of Work. The reports on the stakeholder input process for the 1994 land-grant institutions will be required as part of their Tribal College Education Equity Grant proposals and their stakeholder input processes will be reviewed at the time these grant proposals are evaluated. The recipients of the Smith-Lever Act (section 3(d)) formula funds, McIntire-Stennis Cooperative Forestry Research funds, and the Animal Health and Disease Research funds will be required to submit an annual report on their stakeholder input processes prior to the distribution of formula funds each fiscal year. This report will be reviewed by the appropriate program official to determine whether the stakeholder input requirements have been met.

#### Impact of Comments on the Related Final Guidelines for State Plans of Work on This Rule

Two comments were received on the Proposed Guidelines for State Plans of Work published in the **Federal Register** on April 19, 1999, 64 FR 19242–19248, regarding the stakeholder input process. One of the commenters supported the decision of CSREES to provide the maximum flexibility to institutions in the way they report their stakeholder input in their plans of work. The other commenter focused on the definition of *seek stakeholder input*. The notice of the Proposed Guidelines defined *seek stakeholder input* as "means an open and fair process which allows opportunities for individuals, groups, and organizations a voice in a process that treats all with dignity and respect." This commenter urged CSREES to adopt a new definition, building upon the concepts of "open and fair," "equality of service," and "ease of access" in the Final Guidelines, as follows: "*Seek stakeholder input* means an open, fair, transparent, accessible, inclusive,

accountable, and comprehensive process which provides opportunities for diverse individuals, groups, and organizations, especially the traditionally under-served and under-represented, to have a voice in a process that treats all with dignity and respect."

CSREES modified the definition of *seek stakeholder input* to "Seek stakeholder input means an open, fair, and accessible process by which individuals, groups, and organizations may have a voice and one that treats all with dignity and respect." However, although CSREES did encourage States to implement a stakeholder input process satisfying the above definition posed by the commenter, CSREES recognized in consultation with the State partners that each State or Tribe has unique characteristics and should implement a stakeholder input process that best suits the needs of their State or Tribe. CSREES had determined to use this modified definition of *seek stakeholder input* as the lowest acceptable threshold of stakeholder input process because CSREES wants to maintain an environment in which land-grant institutions may quickly modify their stakeholder input processes to respond effectively to existing and emerging critical agricultural issues. Also, CSREES did not want to place undue administrative burdens upon the land-grant institutions in meeting the stakeholder input requirements that potentially may interfere with the conduct and delivery of research and extension programs. This determination by CSREES is consistent with the policies set forth in Executive Order 13132, Federalism.

The above commenter made three additional comments. First, the commenter noted that while the definition for *under-served* is referenced once in the review criteria, the definition of *under-represented* did not appear in the Proposed Guidelines. As the commenter had thought, this was an oversight and had been included in the review criteria. Second, this commenter thought CSREES should address *under-served* and *under-represented* in the target audiences section under "Program Descriptions." Third, the commenter urged CSREES to broaden the definition of *under-represented* to specifically include "small farm owners and operators." CSREES revised the Guidelines to incorporate these last two suggestions.

The Final Guidelines for State Plans of Work were published prior to this Final Rule on stakeholder input requirements due to the urgency of the plans of work being received, reviewed, and approved prior to October 1, 1999,

to prevent any disruption in the delivery of research and extension programs. However, 1862 and 1890 land-grant institutions are required to comply with any additional requirements as set forth in this Final Rule.

#### *Comments on the Proposed Stakeholder Input Requirements Rule*

Eighty-nine comments were received. Eighty-four were received from individuals and stakeholder groups; four from deans or directors at the 1862 land-grant institutions; and one from the USDA Office of Inspector General (OIG).

#### A. Individuals and Stakeholder Groups

Sixty of the 84 comments received from individuals and stakeholder groups wrote that the proposed rule in the April 14, 1999, **Federal Register** did not provide adequate guidance as to what constitutes a reasonable and adequate stakeholder input process. These commenters felt that by not establishing minimal criteria for a satisfactory and adequate stakeholder input process, the proposed rule did not address the Congressional concern for increased accountability within the land-grant system. CSREES has included in this Final Rule the definition of *seek stakeholder input* which requires that a stakeholder input process be fair, open, and accessible. This definition was originally included in the Proposed Guidelines for State Plans of Work and had been developed in consultation with the 1862 and 1890 land-grant community. Failure to include the definition in the Proposed Rule for stakeholder input requirements was an oversight on the part of CSREES.

Sixty-two commenters felt that while it is not USDA's role to dictate the particular style or format for stakeholder input process, it is vitally important for USDA to ensure that every stakeholder process meet certain minimal public accountability standards. Generally, all of these commenters felt that these public accountability standards should include:

*Fairness:* Basic fairness requires equal access to the process by all citizens and taxpayers.

*Transparency:* All aspects of the stakeholder process should be in the open and on public record.

*Accountability:* Those who take the time and effort to provide input and recommendations should be given the courtesy of reviewing the written record of any meeting they participated in for accuracy as well as some type of timely reporting as to how the stakeholder input was utilized, and if specific

recommendations were rejected, the reasons why.

*Balanced Representation:* Each institution should be required to demonstrate a good faith effort to solicit input from, and active engagement with, traditionally under-served and under-represented constituencies (e.g., the full range of farmers and ranchers).

*Comprehensive and Meaningful Role:* Stakeholder input should be sought on a variety of different levels, including but not limited to:

- Advice on priority setting and program development;
- Input on both immediate needs and long-term goals;
- Participation in relevancy and portfolio reviews;
- Guidance on monitoring, evaluation, and oversight systems employed to track performance and results; and
- Counsel on emerging technologies and recommendations for public education and discussion about the mission and directions of the institution.

The Rule applies not only to the 1862 land-grant institutions, but to the 1890 and 1994 land-grant institutions as well as to colleges and universities that are not land-grant institutions, but receive agricultural research, education, and extension formula funds. The 1994 land-grant institutions just started to receive formula funds from CSREES in fiscal year 1996, and the amount of funding per institution is very limited. For the non-land-grant institutions, funding is for a very specific purpose. In addition, there are other new AREERA requirements for the land-grant institutions in addition to section 102(c), such as the submission and approval of plans of work prior to the distribution of formula funds on October 1, 1999, and the establishment of either a merit review process or a scientific peer review process prior to October 1, 1999. Therefore, CSREES has determined at this time to require at the minimum a stakeholder input process that is fair, open, and accessible.

Representation was a particular concern to 34 commenters as summarized by one of the commenters: "I believe that the original intent of Congress when this Act was passed was to ensure that land-grant institutions are acknowledging their accountability to a larger public and simply not to the traditional land-grant stakeholders. \* \* \* Rather than giving up on stakeholder processes, I believe the land-grants must be encouraged to embrace multiple approaches and to specifically seek out the views of those who are seldom heard in the land-grants

such as the full range of farmers and ranchers.\* \* \*

As mentioned previously, minimal public accountability standards now include a fair, open, and accessible process. Although this Final Rule may not impose all of the public accountability standards desired by the commenters, this will be a new major requirement for many institutions; and it is anticipated that to meet this requirement, institutions will provide more opportunities for stakeholder input. As evident through some of the 5-year Plans of Work received, institutions are establishing processes that are more inclusive, more accessible, and reach beyond their traditional audiences. The concept of balanced representation also is incorporated in the Final Guidelines for State Plans of Work for the 1862 and 1890 land-grant institutions through plan of work reporting requirements and evaluation criteria that address giving attention to under-served and under-represented audiences.

Nine commenters felt that the land-grant institutions tended to serve the needs of agribusiness over the needs of the public good, and seven commenters criticized USDA for only requiring an annual report from the land-grant institutions. Eighteen commenters charged CSREES, by publishing the proposed rule, with "business as usual" at the land-grant institutions or supporting the "status quo," and thought that very little would change at the land-grant institutions. Two commenters felt that USDA was being pressured by the land-grant institutions to adopt the proposed rule.

CSREES does not agree that the land-grant institutions tend to serve the needs of agribusiness over the needs of the public but rather focus on meeting the needs of the public at large through the delivery of a wide range of agricultural research, education, and extension programs. In addition, many of the land-grant institutions have modified their stakeholder input processes to extend beyond the traditional advisory groups. Although it may appear that CSREES is only requiring an annual report on the stakeholder input process, CSREES has evaluated the 5-Year Plans of Work (FY 2000–FY 2004) and will continue to evaluate plans of work by reviewing the stakeholder input process and determining whether the input gathered during the process has been considered in developing the plan of work. By reviewing the plans of work in this context, CSREES is not conducting "business as usual" with the land-grant institutions.

Four comments were received that suggested this was an opportunity for USDA "to submit a new proposed rule for comment which will offer substantive, 'broad parameters and guidelines' for stakeholder input as called for by the legislative language and history \* \* \*. The 'broad parameters and guidelines' which CSREES is required to propose should take the form of general performance goal-statements for land-grant institutions' stakeholder input processes. Institutions, in turn, must be required to report their methods, plans and progress in meeting these performance goals."

By including the minimal standards of fairness, openness, and accessibility for stakeholder input processes, CSREES is establishing broad criteria to which performance goals can be established and outcomes and impacts measured. By requiring institutions to report on how the stakeholder input was considered, CSREES is ensuring that agricultural research and extension programs conducted are indeed a priority and are relevant to the critical agricultural issues in the States.

Seven commenters viewed the implementation of the stakeholder input requirement as an opportunity for the land-grant system to reinvigorate itself and to improve citizen estimation of them. One commenter stated: "A stakeholder input process that is inclusive, fair, comprehensive, and open should be viewed as an opportunity for the land-grant institution to demonstrate its relevance to the people of the State who support it \* \* \*."

CSREES does see the implementation of section 102(c) of AREERA for stakeholder input requirements as an opportunity for the land-grant system to make the public more aware of the existence and availability of agricultural research, education, and extension programs; reach new audiences; and deliver agricultural research, education, and extension programs more efficiently and effectively through multistate, multidisciplinary, and multi-institutional activities as well as integrated research and extension activities.

Ten commenters noted the range of stakeholder input processes in the States. They cited examples of processes that were successful as well as those they thought required improvement. Since CSREES is aware of the wide range of stakeholder input processes at the affected institutions, CSREES thought it prudent to establish minimal standards through the definition of *seek stakeholder input* for all affected

institutions, including the 1994 land-grant institutions and colleges and universities that are not land-grant institutions. And since the State Plans of Work for the 1862 and 1890 land-grant institutions encompass a significant portion of the Federal formula funds dedicated to agricultural research and extension (approximately \$500 million) and support a broad range of agricultural research, education, and extension programs, the Final Guidelines for State Plans of Work require that efforts be made to address traditionally under-served and under-represented audiences.

Three commenters suggested that there be a full array of methods to solicit stakeholder input including small groups, large groups with formal testimony, conventional and electronic contacts, posters at public institutions, and public service announcements on radio and television. CSREES expects that a broad range of methods will be used to solicit input from stakeholders as the definition of *seek stakeholder input* includes "accessible," but does not feel it is necessary to dictate any specific method to be used.

Two commenters referred to earlier drafts of the proposed rule as follows: "Earlier draft versions of the proposed rule, while far from adequate, at least made reference to the necessity of an open and fair process, encouraging participation of diverse individuals and groups, and demonstrating that stakeholder input was actually considered \* \* \*." CSREES assumes that these commenters were referring to the references in the Proposed Guidelines for State Plans of Work which included the definitions of *seek stakeholder input*, *under-represented*, and *under-served* as well as the evaluation criteria addressing the involvement of stakeholders in the planning process and the attention given to under-served and under-represented populations. Hence, CSREES has added the definition of *seek stakeholder input* to the Final Rule.

Four comments were received suggesting that the annual reporting requirement be changed to reporting on the actions taken and plans to meet the five public accountability standards identified above by sixty-two commenters as well as an assessment of the progress made towards fulfilling each of these public accountability standards. Two of the commenters suggested that the existing language in § 3418.4 be amended to refer not only to processes to "collect" input but also to utilize it, or in the words of the statute "solicit and consider input and recommendations." CSREES has

adopted the commenter's suggestion by adding the third reporting requirement under § 3418.4, Reporting Requirement, as follows: "(3) a statement of how collected input was considered."

Two comments were received that suggested that the title of § 3418.5, Failure to Report, be revised to include language about failure to comply. CSREES has revised the title of the section as suggested by the commenter to "Failure to Comply and Report."

Forty-four commenters felt that CSREES needed to either amend the proposed rule or rewrite the rule and hold another public comment period based on the above comments. CSREES has made three revisions to the Proposed Rule based on the comments received. Based on both the content and the number of comments received, CSREES will be conducting an evaluation of implementation of section 102(c) of AREERA by CSREES and the affected institutions after a 2-year implementation period. This should provide sufficient time for the affected institutions to implement a stakeholder input process based on the Final Rule.

#### B. Land-Grant Institutions

As mentioned previously, four comments were received from deans or directors at the 1862 land-grant institutions. Two of these commenters felt that the proposed rule as published in the **Federal Register** was adequate. However, one of these commenters thought that meeting the public accountability standards should be strongly encouraged rather than specifically spelled out in the rules. The other commenter was pleased that the proposed rule provided flexibility and noted: "States are unique in the organizations, structures and processes available in their area. Given the diversity among States it is important to provide flexibility so that each State can optimize stakeholder input in their State." As stated previously, CSREES agrees that all stakeholder input processes should be fair, open, and accessible.

One of the commenters stated that there should be maximum transparency and accountability while keeping the administrative costs to a minimum. The commenter continued by stating that AREERA reporting requirements diverted significant resources from the delivery of programs to administrative functions and that any additional requirements would place an unreasonable burden on the agricultural experiment stations. These comments were considered in establishing the minimum criteria for stakeholder input processes. Another commenter was

concerned that while the requirements for stakeholder participation can be accommodated by the land-grant institution, they are concerned about situations in which an individual or stakeholder group may proclaim stakeholder "rights" and proclaim that "no opportunity" was given to provide input. CSREES feels that stakeholders should be given reasonable opportunity to provide input and that issues such as this one may be addressed during the evaluation of the entire process.

One commenter noted that the clientele of the land-grant system is highly diverse with multiple and broad ranging needs and that it is recognized that resources will simply not be adequate to address all identified needs. Although CSREES agrees with this statement, CSREES feels that this is the primary reason for implementing and maintaining an adequate stakeholder input process. If resources were unlimited, there would be no need for priority setting processes which include soliciting and considering stakeholder input.

Another commenter wanted to know why the stakeholder input process only applied to the agricultural research and extension Federal formula funds and not all the funds supporting agricultural research and extension. Section 102(c) of AREERA only applies to agricultural research, education, and extension formula funds from CSREES.

#### C. USDA Office of Inspector General

The comment from the USDA Office of Inspector General (OIG) concentrated on three issues: Performance indicators identified in section 102(d) of AREERA, lack of criteria, and the recommendation that CSREES review the descriptions of the stakeholder input processes to assess the institutions' compliance.

The OIG commented "that the performance indicators prescribed by Congress as the 'management principles' of the priority setting process must be ensured by targeting stakeholders who can achieve this goal and setting priorities for research, education, or extension activities that meet these performance criteria." The OIG continued by stating that they found no reference in the Proposed Rule to the performance indicators listed in section 102(d) of AREERA and that they consider the indicators to be critical controls over the outcome of the recipients' solicitation process.

Section 102(d) of AREERA states that the Secretary shall ensure that federally supported and conducted agricultural research, extension, and education activities are accomplished in a manner that (1) integrates agricultural research,

extension, and education functions to better link research to technology transfer and information dissemination activities; (2) encourages regional and multistate programs to address relevant issues of common concern and to better leverage scarce resources; and (3) achieves agricultural research, extension, and education objectives through multi-institutional and multifunctional approaches and by conducting research at facilities and institutions best suited to serve those objectives. CSREES accomplished this task in the establishment of the Final Guidelines for State Plans of Work for Agricultural Research and Extension Formula Funds with evaluation criteria addressing these "management principles" and the development of requests for proposals which includes evaluation criteria for competitive research, education, and extension grant programs. Section 102(d) is the responsibility of CSREES and is evident in how CSREES establishes evaluation criteria and how they administer both the formula and competitive grant programs. It would defeat the whole purpose of the stakeholder input process if section 102(d) of AREERA was applied to the stakeholders themselves.

As mentioned previously, CSREES plans to conduct an evaluation of implementation of section 102(c) of AREERA by CSREES and the affected institutions after a 2-year implementation period to determine both the adequacy of the stakeholder input processes in priority setting and the effectiveness of this Final Rule. Through the inclusion of the definition for *seek stakeholder input* in the Final Rule, CSREES has adopted the minimum standards or criteria for a stakeholder input process as being fair, open, and accessible.

#### *Estimated Burden Hours on the Information Collection*

The estimated burden hours per response for the information collection associated with the Final Rule was revised from the original estimate of 9.19 hours to 57.32 hours per response. This estimate was revised after the Office of Management and Budget questioned whether 9.19 hours were sufficient to report not only on the stakeholder input process but on the actual consideration of input and recommendations from stakeholders concerning the use of formula funds.

The estimate for the original burden hours was calculated at 9.19 hours and based mainly on preparing an annual report describing actions taken to seek stakeholder input that encourages their

participation and a brief statement of the process used by the recipient institutions to identify individuals and groups who are stakeholders and to collect input from them. The increase to 57.32 hours per response, or an additional 48.13 hours per response, is attributed to the requirement under § 3418.4 relating to how the collected input was considered. It is estimated that it will take 24.5 hours to review the stakeholder input gathered, 23.63 hours to determine whether the priorities for agricultural research, extension, and education activities conducted by the institution need to be adjusted, and 9.19 hours to write and edit the annual report.

#### **Classification**

This rule has been reviewed under Executive Order 12866 and has been determined to be non-significant as it will not create a serious inconsistency or otherwise interfere with an action planned by another agency; will not materially alter the budgetary impact of entitlement, grants, user fees, or loan programs, or the rights and obligations of the recipients thereof; and will not raise novel legal or policy issues arising out of legal mandates, the President's priorities, or principles set forth in this executive order. This rule also will not have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities.

#### **Regulatory Flexibility Act**

The Department certifies that this rule will not have a significant impact on a substantial number of small entities as defined in the Regulatory Flexibility Act, Pub. L. No. 96-534 (5 U.S.C. 601 *et seq.*). Accordingly, a regulatory flexibility analysis is not required for this proposed rule.

#### **Catalog of Federal Domestic Assistance**

The programs affected by this rule are listed in the Catalog of Federal Domestic Assistance under No. 10.203, Payments to Agricultural Experiment Stations Under the Hatch Act, No. 10.205, Payments to 1890 Land-Grant Colleges and Tuskegee University, No. 10.202, Cooperative Forestry Research, No. 10.207, Animal Health and Disease Research, No. 10.500, Cooperative Extension Service, and No. 10.221, Tribal Colleges Education Equity Grants.

#### **Paperwork Reduction Act**

Under the provisions of the Paperwork Reduction Act of 1995, as

amended (44 U.S.C. Chapter 35), the collection of information requirements contained in this Final Rule have been reviewed and approved by the Office of Management and Budget (OMB) and given OMB Document No. 0524-0035. Under the Paperwork Reduction Act of 1995, no person is required to respond to a collection of information unless it displays a valid OMB control number.

The public reporting burden for this collection of information contained in this rule is estimated at 57.32 hours per response. This includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Please send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Department of Agriculture, Clearance Officer, Office of the Chief Information Officer, Stop 7603, 1400 Independence Avenue, SW., Washington, DC 20250-7603, and to the Office of Management and Budget, Paperwork Reduction Project, Washington, DC 20503. This rule has no additional impact on any existing data collection burden.

#### Report to Congress

As required by 5 U.S.C. 801(a), CSREES submitted a report on this final rule to both houses of Congress and the Comptroller General prior to publication.

#### List of Subjects in 7 CFR part 3418

Agricultural education, Agricultural extension, Agricultural research, Colleges and universities.

For reasons stated in the preamble, chapter XXXIV of Title 7 of the Code of Federal Regulations is amended by adding Part 3418 to read as follows:

#### PART 3418—STAKEHOLDER INPUT REQUIREMENTS FOR RECIPIENTS OF AGRICULTURAL RESEARCH, EDUCATION, AND EXTENSION FORMULA FUNDS

Sec.

- 3418.1 Definitions.
- 3418.2 Scope and purpose.
- 3418.3 Applicability.
- 3418.4 Reporting requirement.
- 3418.5 Failure to comply and report.
- 3418.6 Prohibition.

**Authority:** 5 U.S.C. 301; 7 U.S.C. 7612(c)(2).

##### § 3418.1 Definitions.

As used in this part:

*1862 institution* means a college or university eligible to receive funds

under the Act of July 2, 1862 (7 U.S.C. 301, *et seq.*).

*1890 institution* means a college or university eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321, *et seq.*), including Tuskegee University.

*1994 institution* means an institution as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note).

*Formula funds* means agricultural research funds provided to 1862 institutions and agricultural experiment stations under the Hatch Act of 1887 (7 U.S.C. 361a, *et seq.*); extension funds provided to 1862 institutions under sections 3(b) and 3(c) of the Smith-Lever Act (7 U.S.C. 343(b) and (c)) and section 208(c) of the District of Columbia Public Postsecondary Education Reorganization Act, Pub. L. 93-471; agricultural extension and research funds provided to 1890 institutions under sections 1444 and 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (NARETPA) (7 U.S.C. 3221 and 3222); education formula funds provided to 1994 institutions under section 534(a) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note); research funds provided to forestry schools under the McIntire-Stennis Act of 1962 (16 U.S.C. 582a, *et seq.*); and animal health and disease research funds provided to veterinary schools and agricultural experiment stations under section 1433 of NARETPA (7 U.S.C. 3195).

*Recipient institution* means any 1862 institution, 1890 institution, 1994 institution, or any other institution that receives formula funds from the Department of Agriculture.

*Seek stakeholder input* means an open, fair, and accessible process by which individuals, groups, and organizations may have a voice, and one that treats all with dignity and respect.

*Stakeholder* means any person who has the opportunity to use or conduct agricultural research, extension, or education activities of recipient institutions.

##### § 3418.2 Scope and Purpose.

Section 102(c) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7612(c)) requires land-grant institutions, as a condition of receipt of formula funds, to solicit and consider input and recommendations from stakeholders concerning the use of formula funds. This regulation implements this requirement consistently for all recipient institutions that receive formula funds.

##### § 3418.3 Applicability.

To obtain formula funds after September 30, 1999, each recipient institution shall establish and implement a process for obtaining stakeholder input on the uses of formula funds in accordance with this part.

##### § 3418.4 Reporting requirement.

Each recipient institution shall report to the Department of Agriculture by October 1 of each fiscal year, the following information related to stakeholder input and recommendations:

(a) Actions taken to seek stakeholder input that encourages their participation;

(b) A brief statement of the process used by the recipient institution to identify individuals and groups who are stakeholders and to collect input from them; and

(c) A statement of how collected input was considered.

##### § 3418.5 Failure to comply and report.

Formula funds may be withheld and redistributed if a recipient institution fails to either comply with § 3418.3 or report under § 3418.4.

##### § 3418.6 Prohibition.

A recipient institution shall not require input from stakeholders as a condition of receiving the benefits of, or participating in, the agricultural research, education, or extension programs of the recipient institution.

Done at Washington, DC, this 31st day of January, 2000.

**I. Miley Gonzalez,**

*Under Secretary, Research, Education, and Economics.*

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## DEPARTMENT OF AGRICULTURE

### Animal and Plant Health Inspection Service

#### 9 CFR Part 77

[Docket No. 99-063-2]

### Tuberculosis in Cattle and Bison; State Designations; California, Pennsylvania, and Puerto Rico

**AGENCY:** Animal and Plant Health Inspection Service, USDA.

**ACTION:** Affirmation of interim rule as final rule.

**SUMMARY:** We are adopting as a final rule, without change, an interim rule that amended the tuberculosis regulations concerning the interstate