MEMORANDUM

DATE: October 30, 2006

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               Office of Management and Budget

THROUGH: James Hyler
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SUBJECT: Three-Year Reinstatement of OMB #1810-0021,
               Formula Grants to Local Educational Agencies Program

The Office of Indian Education (OIE) is requesting a three-year reinstatement of the OMB #1810-0021, Formula Grants to Local Educational Agencies program. This grant can be given for up to five years at a time; therefore, we are requesting the maximum clearance time of three-years. The Department last used this collection in March 2006 and OMB approved the Department's request for discontinuation in April 2006. Our January 2006 request for full discontinuation of this information collection was premature because we only included the Indian Student Count submissions (Part I of the revised formula grant application system) in the recently approved 2006-07 ED*Facts* collection (IC #1875-0240). The new application system is an Education Data Exchange Network (EDEN) Survey Tool called the Formula Grant Electronic Application System for Indian Education (EASIE), which is a component of ED*Facts*.

Ultimately, it was determined that separating the Formula Grant to Local Education Agencies information collection into two distinct parts would enhance the application process for grantees as follows:
- *Grantee Input:* Submitting the request for reinstatement of Part II (budget and program information) later than Part I enabled OIE to gather feedback from grantees before preparing this information collection. OIE recently held nine regional technical assistance workshops in eight different states from August through October 2006. At these workshops, OIE staff communicated the proposed changes to the formula grant application process to current and potential grantees. They were more accepting of the revised process when they realized that their input had real value, and that they would benefit from helping design the new application system. Their suggestions are

incorporated into this package. Because of the timing of these regional workshops and the importance of grantee feedback in our design, Part II of the formula grant application system was not included in the 2006-07 ED*Facts* data collection package.

- *Higher Public Comment Participation:* Because the 2006-07 ED*Facts* OMB package covers multiple collections and is geared towards state education agencies submitting to the EDEN Submission System, rather than local education agencies submitting through the EDEN Survey Tool, we feared that the large package would deter our grantees from participating in the public comment period. We believe that this smaller package will target our grantees and ensure higher participation in the public comment period.

- *More Meaningful Data Collection:*
  o The data tables have been simplified to solicit only meaningful and useful data. Several data forms have been eliminated in this revised version.
  o Due to the richness of ED*Facts* data, OIE will be able to provide more information and assistance to local education agencies while requiring them to provide less information directly. Formula Grant EASIE is a part of ED*Facts*; which provides OIE access to a wealth of state- and local-level student performance and grants data, which they will use to help their grantees understand their data trends and improve their Formula Grant programs.

- *Easier, Faster Application Process:* OIE and the ED*Facts* team reengineered the format and collection mode to greatly enhance the accessibility of the application system. Formula Grant EASIE will:
  o Lessen data gathering and entry time for applicants by prepopulating student performance and demographic data from information already in ED*Facts*.
  o Reduce errors and therefore accelerate the grant award process by providing drop down menus to help applicants select approved responses.
  o Expedite the grant award process because applicants will only need to submit their Part II budget and program information once to receive grants. The electronic, two-part system will enable OIE to verify the student counts, calculate the award amounts, and provide the award amounts to applicants (Part I) before they submit their budgets and design their programs (Part II). Previously, applicants submitted programs based on an estimated dollar amount that required applicants to adjust their programs and budgets once the final award amount was calculated.
  o Increase responsiveness because OIE will provide feedback to applicants electronically, and the entire grant application review and approval process will be expedited as a result.

Though this new process may raise concerns about Internet access, the streamlined process undoubtedly reduces burden for states, and school district representatives overwhelmingly approve of the new process. This new collection reduces the complicated hard-copy application forms to simple data tables that offer clear definitions and a concise list of all the elements required for the online application. As a result, this total collection will be reduced from an average of 45 hours per applicant to not more than 5 hours for the most novice applicants.