Supporting Statement for
U.S. Department of Education,
Budget Information Non-Construction Programs
Form and Instructions, ED-524
OMB Control Number 1890-New

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

The ED-524 Budget Information Non-Construction Programs Form and Instructions were previously part of another collection, OMB Control number 1890-0004. The 1890-0004 collection currently includes three distinct information collection instruments, the ED 524 Budget Form, the ED 524B Grant Performance Report and the administrative requirements in the Education Department General Administrative Regulations (EDGAR). The 1890-0004 collection expires on 10-31-2007. As part of the renewal of these instruments, we are requesting that each of the instruments be approved under separate OMB Control numbers. Separating these instruments into three information collections will make it easier to make additions deletions, revisions or other needed changes to each instrument throughout the approval period and eliminate any potential confusion when changes are made to only one of the instruments. We are requesting a new OMB Control number for the ED 524, Budget Form and a three year approval for this form and instructions. Please note that the ED 524B, Grant Performance Report will retain the 1890-0004 number.

The ED 524 form and instructions are included in U.S. Department of Education (ED) discretionary grant application packages and are needed in order for applicants to submit summary-level budget data by budget category, as well as a detailed budget narrative, to request and justify their proposed grant budgets which are part of their grant applications. At the time of application, ED applicants submit this budget information on the ED 524 for both Federal funds requested and for the non-Federal match or cost-sharing funds they are committing to the proposed project (either statutorily required or provided as a voluntary commitment) for each budget period of a multi-year project. Please note that EDGAR, 34 CFR 75.117 requires that an applicant that proposes a multi-year project must include in its application a budget narrative accompanied by a budget form prescribed by the Secretary, that provides budget information for each budget period of the proposed project period.

As part of this information collection package for the ED 524, we propose to revise the ED 524 instructions by providing information to grant applicants on the types of information that they must include about the non-Federal portion of their proposed budgets, if applicable. The non-Federal portion of the budget includes non-Federal funds or resources that the applicant is using to meet cost-sharing or matching requirements or is proposing as a voluntary cost-sharing or matching commitment. Specifically, the applicant is instructed to include the specific costs or contributions by budget category; the source of the costs or contributions; and in the case of third-party in-kind contributions, a description of how the value was determined for the donated or contributed goods or services. In order to prepare the non-Federal portion of the budget for the ED 524, the applicant must already have had this information on hand in their internal grant accounting records. Under EDGAR, 34 CFR 74.23 and 80.24, as applicable, a grantee is required to maintain this information regarding cost-sharing and matching resources.

Please note that ED is not requesting to increase from previous estimates the total number of burden hours per respondent that is estimated to complete the ED 524. The current burden hour estimates already account for the time the applicant has always been required to spend on developing their non-Federal budgets in order to submit summary cost-sharing information on the ED 524. With the revised instructions, applicants are now being asked to provide the "back-up" information noted above with their ED 524 budget submission. While the response time per respondent will increase by a few minutes to account for applicants transferring information they have on file into their grant budgets on the ED 524, we believe that sufficient burden has already been calculated for this collection to cover this minimal increase. As noted in our response to question 12 below, we estimate that the burden hours per response for the ED 524 Budget Form averages 17.5 hours (based on 13 - 22 hours per response). We would anticipate that only a few very complex programs with multiple activities and sub-projects that have separate budgets would actually come close to the high end of the estimated burden hour range.

Copies of both the ED 524 form and revised instructions are included as part of this Information Collection Package. A track changes version of the ED 524 instructions is included as well.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

The ED 524 collection establishes uniform categories of cost and a standard format for requesting costs for all budget periods of a multi-year project. ED applicants that are applying for multi-year projects, submit a budget for all years of the grant's proposed project period (typically 3 to 5 years), with their initial grant applications (EDGAR, 34 CFR 75.117). The Department of Education (ED) uses this information to evaluate the reasonableness, allowability, and allocability of funds that the applicant requests to support ED-sponsored grant projects (EDGAR, 34 CFR 75.232). The applicant is required to submit a separate ED 524 for each application it submits to the Department.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision of adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

The Department continues to take part in the P.L.106-107 electronic government task forces and participates as a full partner in E-Gov/Grants.gov. The Department has increased its participation and the building and posting of grant application packages in the Grants.gov Web Portal. In FY 2006, the Department built and posted grant application packages for 108 grant competitions in Grant.gov, which was over 80% of the grant competitions announced by the Department of Education in FY 2006. In FY 2007, 100% of ED's discretionary grant competitions were available in Grants.gov FIND and all ED discretionary grant competitions that were able to, participated in Grants.gov APPLY.

In FY 2007 and beyond, the Department expects that the number of applications submitted by applicants via Grants.gov APPLY will continue to increase. Note that at the end of the 3rd quarter of FY 2007, approximately 50% of discretionary grant applications submitted thus far were submitted electronically through Grants.gov.

Please note that ED is an active participant in interagency efforts to streamline grant application forms and to create standard data elements that will be used by applicants and grantees in Grants.gov. In addition, over the last three years ED has made a concerted effort to move as many programs as possible that previously using a program-specific budget form to using the ED 524.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use of the purposes described in Item 2 above.

Consistent with Education Department General Administrative Regulations (EDGAR) requirements found in 34 CFR 75.117, the applicant submits the Budget Information Non-Construction form, ED 524, along with the grant proposal to describe the proposed budget layout to run a particular project. This information is unique to each project, which is specifically designed for a particular program competition, and thus is not available anywhere else.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.

Under EDGAR regulations, all requirements for small entities are minimized.

6. Describe the consequences 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.

Failure to collect the budget information on the Budget Information Non-Construction Programs form, ED 524, from each applicant would make it nearly impossible for the Department's to make a fair and accurate assessment of the reasonableness, allowability, and allocability of the applicant's request for Federal funds and to provide a level of funding that could be justified.

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

- **requiring respondents to report information to the agency more often than quarterly;**
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **requiring respondents to submit more than an original and two copies of any document;**
- **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- **in connection with a statistical survey, that is not designed to produce valid and reliable results than can be generalized to the universe of study;**
- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**
- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**

- **requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

The information will not be collected in a manner inconsistent with the general information collection guidelines in 5 CFR 1320.5.

8. If applicable, 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. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instruction and record keeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years – even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

Opportunity for comment is given through annual national conferences, regional and state meetings, frequent monitoring contacts with applicants/grantees (i.e., State Education Agencies (SEA's), Local Education Agencies (LEA's), Tribal Governments, Institutions of Higher Education (IHE's) and Non-Profit Organizations [NPO's]), which are the entities affected by the information collection. Individuals have expressed their views on the availability of data, frequency of collection, the clarity of instructions and disclosure of reporting format, and on the data elements to be disclosed or reported. These consultations have been effective in resolving any major problems related to the information collection. The Department will publish both 60 and 30-day Federal Register Notices inviting public comment.

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

There are no payments or gifts to respondents other than the allocation of federal funds that result from the information collection.

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

ED is not requesting any confidential information in this collection; therefore no assurances of confidentiality are required.

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. The justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

This information collection does not include information of a sensitive nature.

12. Provide estimates of the hour burden of the collection of information. The statement should:

- **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**

- **If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in item 13 of OMB Form 83-I.**

- **Provide estimates of annualized cost to respondents of the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of**

contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should not be included in Item 14.

Total Annual Burden Hour Calculation for Budget Information Form, ED 524:
Total annual burden hours for ED 524: 297,500

Approximately 17,000 respondents are estimated to submit a proposed budget with their grant applications in each of the next three fiscal years covered by this collection (based on over 12,000 applications already submitted as of mid third quarter of FY 2007; 15,388 applications submitted in FY 2005; and 13,191 applications submitted in FY 2006). The total annual hour burden estimate for each of the next three fiscal years (i.e., FY 2008, 2009, 2010) is 297,500. The burden hour per response is estimated to average 17.5 hours (based on 13 – 22 hours per response).

17.5 hours/response (average) X 17,000 responses/year = 297,500 total annual burden hours

Estimated Total Annualized Cost to Respondents for completing and submitting the ED 524: $7,437,500

17.5 hours/response (average) X 17,000/year X $25/hour = $7,437,500

13. Provide an estimate of 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 shown in Items 12 and 14.)

- **The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.**

- **If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the**

variance. The cost of contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.

- **Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.**

Total Annualized Capital/Startup Cost	:	$ .00
Total Annual Costs (O&M)	:	.00
Total Annualized Costs Requested	:	$ .00

No start-up costs.

14. Provide estimates of annualized cost 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. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

<u>Total Annual Cost to the Federal Government for Budget Information form, ED FORM 524:</u> $1,088,000

The total annual cost is based on the following:

2 hours per response x 17,000 responses x $32/per hour (GS-12 hourly rate) = $1,088,000

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.

Please note that the Budget Information and Non-Construction Programs, ED-524 Budget Form and Instructions is an information collection instrument that is currently part of OMB Control Number 1890-0004. The current 1890-0004 collection includes three distinct information collection instruments; separating them into three information collections will make it easier to make additions deletions, revisions or other needed changes to each instrument throughout the approval period. The number of respondents and corresponding burden hours for the ED 524 and EDGAR Administrative Requirements collections (which will now have new OMB control numbers) will be subtracted from the numbers for OMB control number 1890-0004, which will now be used only for the ED 524B, Grant Performance Report.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

No plans exist to publish the results of this information collection.

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

We are not seeking approval to not display the expiration date for this information collection.

18. Explain each exception to the certification statement identified in Item 20, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

There are no exceptions to the certification statement.

B. Collection of Information Employing Statistical Methods

The agency should be prepared to justify its decision not to use statistical methods in any case where such methods might reduce burden or improve accuracy of results. When Item 17 on Form 83-I is checked "Yes," the following documentation should be included in the Supporting Statement to the extent that it applies to the methods proposed:

1. **Describe the potential respondent universe (including a numerical estimate) and any sampling or other respondent**

selection method to be used. Data on the number of entities (e.g., establishments, state and local government units, households, or persons) in the universe covered by the collection and in the corresponding sample are to be provided in tabular form for the universe as a whole and for each of the strata in the proposed sample. Indicate expected response rates for the proposed sample. Indicate expected response rates for the collection as a whole. If the collection had been conducted previously, include the actual response rate achieved during the last collection.

2. **Describe the procedures for the collection of information, including:**

    - **Statistical methodology for stratification and sample selection.**
    - **Estimation procedure.**
    - **Degree of accuracy needed for the purpose described in the justification.**
    - **Unusual problems requiring specialized sampling procedures, and**
    - **Any use of periodic (less frequent than annual) data collection cycles to reduce burden.**

1. **Describe methods to maximize response and to deal with issues of non-response. The accuracy and reliability of information collected must be shown to be adequate for intended uses. For collections based on sampling, a special justification must be provided for any collection that will not yield “reliable” data that can be generalized to the universe studied.**

2. **Describe any tests of procedures or methods to be undertaken. Testing is encouraged as an effective means of refining collections of information to minimize burden and improve utility. Tests must be approved if they call for answers to identical questions from 10 or more respondents. A proposed test or set of tests may be submitted for approval separately or in combination with the main collection of information.**

3. Provide the name and telephone number of individuals consulted on statistical aspects of the design and the name of the agency unit, contractor(s), grantee(s), or other persons who will actually collect and/or analyze the information for the agency.

The results of this information collection will not be published for statistical purposes.