

Supporting Statement for
U.S. Department of Education
Grant Performance Report Form (ED 524B)
OMB Control Number 1890-0004

1. Explain the circumstances that make the collection of information necessary. Include identification of any legal or administrative requirement that necessitates the collection.

The U.S. Department of Education (ED) information collection package, OMB Control number 1890-0004, which expires on 10/31/07, currently includes three distinct information collection instruments: the ED 524 Budget Form, the ED 524B Grant Performance Report and the recordkeeping and reporting requirements in the Education Department General Administrative Regulations (EDGAR). As part of the renewal of these instruments, ED is requesting that each of these information collection instruments be approved under separate OMB control numbers. The ED 524B will retain the 1890-0004 control number. In this information collection package, ED is requesting a three-year renewal of the ED 524B with the understanding that once the government-wide performance progress report (PPR) is implemented, ED will transition to the new form. In separate information collection packages, ED is requesting a new OMB control number for the ED 524, Budget Information Form and Instructions and a new OMB control number for the EDGAR administrative requirements.

The ED 524B form and instructions are used in order for grantees to meet ED deadline dates for submission of performance reports for Department discretionary grant programs. Recipients of multi-year discretionary grants must submit an annual performance report for each year funding has been approved in order to receive a continuation award. The annual performance report should demonstrate whether substantial progress has been made toward meeting the approved goals and objectives of the project. ED program offices may also require recipients of "forward funded" grants that are awarded funds for their entire multi-year project up-front in a single grant award to submit the ED 524B on an annual basis. In addition, ED program offices may also require recipients to use the ED 524B to submit their final performance reports to demonstrate project success, impact and outcomes. In both the annual and final performance reports, grantees are required to provide data on established performance measures for the grant program (e.g., Government Performance and Results Act measures) and on project performance measures that were included in the grantee's approved grant application. The ED 524B also contains a number of questions related to project financial data such as Federal and non-Federal expenditures and indirect cost information.

Performance reporting requirements are found in 34 CFR 74.51, 75.118, 75.253, 75.590 and 80.40 of the Education Department General Administrative Regulations (EDGAR).

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Please note that ED continues to be an active participant in interagency efforts to streamline the grants management process including the creation of common data elements and reporting formats. In that vein, ED has been designated as a Consortia Lead for the Grants Management Line of Business (GMLOB). Further, as a member of the GMLOB Post-Award group ED has actively participated in the development of the draft governmentwide PPR. ED has reviewed the draft interagency performance report form to ensure alignment between the ED 524B and the interagency form. In addition, the GMLOB Post-Award group will be mapping the ED 524B to the PPR to note commonalities and differences in data elements and requested information.

As noted earlier, ED is requesting a three-year renewal of the ED 524B with the understanding that once the government-wide PPR is implemented, ED will transition to the new form. At this point, it is uncertain when the draft PPR will be approved for use and available for implementation by Federal agencies.

Lastly, as part of the Terms of Clearance for the ED 524B in October of 2004, approval was granted under the following conditions:

“Education is expected to gather feedback from program offices and grantees on the clarity, ease of use and effectiveness of the new sections of this form. To the extent possible, ED should provide assistance to its program offices so that they can better align project objectives, performance measurement information and data collection issues at the grant application stage. In doing so, the performance reports submitted by grantees using the form 524B can better reflect the Department's emphasis on demonstrating program and project outcomes. ED should also continue to participate with the E-Grant team to develop the government-wide grantee performance progress report (PPR) for use by all discretionary grant programs. Once the PPR is finalized, it will replace ED Form 524B.”

In order to gather feedback from grantees on the clarity, ease of use and effectiveness of the new sections of the ED 524B, ED developed an OMB-approved Customer Satisfaction Survey and disseminated the link to the web-based on-line survey to 4894 grantees that had completed the newly revised ED 524B as either an annual performance report or as a final performance report during the form's first year of use. In order to keep burden to a minimum, the majority of the questions on the survey required only a “yes” or “no” response from grantees, however, grantees also had the option of providing comments for each question.

There were 383 grantees that completed the survey that indicated that they had completed the ED 524B as an annual performance report and 99 grantees that indicated they had completed the survey as a final performance report. While the response rate for the “final performance report responders” was somewhat low, in general, the data provided by these grantees corresponded to the data provided by the “annual performance report responders.”

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For most of the survey questions regarding the clarity and ease of understanding of the new questions and instructions on the ED 524B, the majority of the grantees responded with a positive response of “yes.” Some examples of positive responses from the Annual Performance Report Survey Respondents (n=383) include the following:

- **84%** of respondents indicated that their business office found the instructions for the new budget expenditure questions on the ED 524B Cover Sheet to be clear. (16 non-responses)
- **91%** of respondents indicated that the instructions were clear about the budget information they were to provide in Section B of the form if funds had not been drawn down to pay for the budget expenditure amounts that they entered on the ED 524B Cover Sheet. (11 non-responses)
- **88%** of respondents indicated that their business office found the instructions for the new indirect cost information questions on the ED 524B Cover Sheet to be clear. (16 non-responses)
- **76%** of respondents indicated that the instructions for Section A of the Project Status Chart (where grantees report project objectives and performance measures data) were clear and easy to follow. (18 non-responses)
- **89%** of respondents indicated that the instructions were clear about how they were to identify the reporting period for the report. (4 non-responses)
- **72%** of respondents indicated that the ED 524B covers all of the areas that they believe are important when reporting on the project. (14 non-responses)

Two survey questions, however, received significantly fewer positive “yes” responses from the Annual Performance Report Respondents and required further review:

- **55%** of respondents indicated that their original application was set up or designed in way to facilitate reporting the information in the format called for in Section A of the Project Status Chart (i.e., each performance measure was aligned or associated with a project objective). (11 non-responses)
- **61%** of respondents indicated that they have been collecting their quantitative performance measures data in a way that facilitates reporting in the format called for in the Quantitative Data Block of Section A. (5 non-responses)

With the last approval of the ED 524B, the form was totally redesigned so that grantees would enter project objective and performance measures data in the form in a specific format (Section A of the Project Status Chart). There are very specific instructions for how quantitative performance measures data should be reported on the form.

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The previous version of the ED 524B allowed grantees to report all performance and progress information in a purely narrative format.

For many grantees who filled out the new ED 524B for the first time in FY 2005, information was not given to them during the application process indicating that project objectives and performance measures should be aligned or that quantitative data (with baseline data and targets) needed to be established for project and program performance measures.

In order to ensure alignment between the information included in the grantee's original application and ED performance reporting requirements in the ED 524B, under ED internal grants policy, program offices are now required to 1) include program performance measures in both the application package and the application notice (published in the Federal Register) for the program. Grantees are informed in these documents that they are expected to collect data and report on the program's performance measures and 2) include a link in the application package to the performance reporting form that grantees under the program will be required to use. In many cases, the application notice also includes a link to the program's performance reporting form. Applicants now have the opportunity up-front to see what types of data they should be collecting and in what format – so they can design their projects to meet these requirements.

Further, many program offices have begun to provide information regarding performance measures in their pre-application technical assistance workshops and stress that grantees are expected to collect data and report on these measures. Some programs have even engaged evaluators to assist with discussing performance measurement at their pre-application workshops. Additionally, some programs have developed extensive technical assistance manuals and post-award training sessions for their grantees to help them understand what data they need to be collecting and how they should report the data.

With regard to collecting feedback on the new sections of the ED 524B from ED program staff, the Grants Policy and Oversight Staff of the Office of the Chief Financial Officer conducted numerous training sessions on the new ED 524B during and after the initial implementation of the form. During these sessions, program staff had ample opportunity to provide feedback on the form and any problems they had encountered with reviewing the data on the form or any problems their grantees had encountered with completing the form. In general, the feedback on the new form from program staff has been very positive; they particularly like the standard format so that they know exactly where to find certain data. Further, it has been very beneficial to them to receive quantitative data in a specific format on program performance measures, especially in

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programs where individual grantee data will be aggregated across the program and analyzed on a program-wide basis.

Program staff also noted that the new requirement in the ED 524B that the grantee's Business Office provide budget expenditure and indirect cost information has been particularly helpful. This requirement has helped to forge a partnership between project directors and their Business Offices since they need to communicate regarding financial matters in order to complete the ED 524B. Additionally, program staff feel more confident that the financial information provided in the ED 524B is accurate since the Business Office provided it.

As grantees expressed in the survey, program staff also indicated that the first year or two of implementation of the form was initially difficult because all grantees had not been collecting quantitative data in the format required and had not aligned project objectives and performance measures so that they could report on them in the format called for in the ED 524B. As noted earlier, ED has made significant efforts to ensure better alignment between the information provided in the grantees' applications regarding performance measures and the data they are required to report on in the ED 524B.

2. Indicate how, by whom, how frequently and for what purpose the information is to be used.

As an annual performance report, ED uses the information submitted by grantees in the ED 524B to evaluate grantee performance and progress and to determine whether non-competing continuation funds should be awarded in multi-year grants. Only recipients making substantial progress (or those that have submitted an acceptable plan for meeting their objectives in subsequent budget periods) are eligible for continuation of funding.

As a final performance report, ED uses the information submitted in the ED 524B to determine whether grantees whose projects have ended have achieved project objectives, met or exceeded Government Performance and Results Act and/or other program performance measures, and have met all grant requirements and can be closed out in compliance.

3. Describe any consideration of information technology use to reduce burden, as well as any technical or legal obstacles for reducing burden.

Currently grantees may submit the ED 524B (both annual and final performance reports) electronically through the ED's e-Reports module of the Grant Administration and Payment System. There are a number of pre-populated fields and drop-down menus on the electronic ED 524B that eliminates data entry.

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Further, expandable fields give grantees flexibility to provide the amount and level of detail needed to describe their progress on their program and project performance measures.

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 ED will continue to work closely with interagency efforts aimed at developing a government-wide performance reporting solution.

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

Consistent with EDGAR requirements found in 34 CFR 74.51, 75.118, 75.590, 75.720, and 80.40, the grantee is required to submit annual grant performance reports and a final performance report (ED 524B) that describes project performance, substantial progress, and outcomes. Information about project activities and performance are unique to each funded project and thus is not available anywhere else.

- 5. If the collection of information has a significant impact on a substantial number of small businesses or other small entities, describe the methods used to minimize burden.**

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

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

EDGAR, 34 CFR Part 75.253, requires that substantial progress toward meeting the objectives in the approved application must be made for a grantee to receive continuation funds. The Grant Performance Report, ED 524B is used on an annual basis as one of the primary monitoring tools for determining whether substantial progress has been made by grantees.

- 7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with the general information collection guidelines in 5 CFR 1320.5.**

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

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8. **Describe any effort 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, and on the data elements to be recorded, disclosed, or reported.**

We will publish both 60 and 30-day Federal Register notices inviting public comment.

As part of the October 2004 Terms of Clearance for the previous approval of the ED 524B, OMB required that ED gather feedback from grantees on the clarity, ease of use, and effectiveness of the new sections of the ED 524B (which had been totally redesigned at that time). After the first year of use of the ED 524B (FY 2005), ED conducted a grantee survey to gather feedback on the new ED 524B. A discussion of the results is included under question 1 of this supporting statement.

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.**

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

12. **Provide estimates of hour burden of the collection of information and analyzed costs to the respondents.**

Total Annual Burden Hour Calculation for the Grant Performance Report, ED 524B: 201,000 total annual burden hours

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ED estimates that over the next three years, approximately 9,000 respondents each year will be required to use the ED 524B as either an annual or final performance report (estimate based on actual usage in FY 2006 and planned usage in the next two years by additional ED discretionary grant programs). Approximately 6000 non-competing continuation grantees will use this form as an annual performance report and approximately 3000 grantees whose project periods have ended will use this form as a final performance report. The annual burden hours per response is estimated to average 22 hours for annual performance reports and reflects the estimated time grantees spend reporting on project progress and performance and addressing administrative requirements. The annual burden hours per response is estimated to average 23 hours for final performance reports and reflects the estimated time grantees spend reporting on project progress and performance and addressing administrative requirements. It is estimated that it will take respondents slightly longer to complete the final performance report than the annual performance report because the ED 524B requires final performance report respondents to provide additional summary information for the entire project period relating to project impact and success. The burden hour averages for annual and final performance report respondents listed above are based on it taking respondents 19 to 25 hours to complete the ED 524 B.

Please note that the ED 524B Customer Satisfaction Survey noted in #1 of this Supporting Statement did ask survey respondents how many hours it took them to complete the ED 524B (including the time spent by their business offices). For annual performance report survey respondents the mean burden hours for completing the ED 524B was 27.2 hours (n=383; 29 non-responses). For the final performance report survey respondents the mean burden hours for completing the ED 524B was 18.3 hours (n=99; 6 non-responses).

We believe that for annual performance reports the mean burden hours were higher than we have estimated for this collection, because of the significant learning curve that most grantees encountered in the first year of implementation of the new ED 524B. As noted earlier, many current grantees were not collecting quantitative data in the format required by the ED 524B and had not aligned their project objectives and performance measures in their original applications. Because of ED's efforts to provide better information to applicants/grantees up-front at the application stage and early-on in the project period regarding performance measurement and reporting requirements, we believe it will be significantly easier for grantees to complete the ED 524B in the future.

Regarding the final performance report, because the number of respondents was so small we do not believe the mean burden hours calculated from final performance report survey respondents is significant. Experience tells us that it will take longer for final performance report respondents to complete the ED

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524B than annual performance report respondents due to the additional information that is required of them.

Annual Burden Hour Calculations for the ED 524B:

Burden Hours for ED 524B when Used as an Annual Performance Report: 22 hours/response X 6000 responses/year = 132,000 total annual burden hours.

Burden Hours for ED 524B when Used as a Final Performance Report: 23 hours/response X 3000 responses/year = 69,000 total annual burden hours

Total Annual Burden Hours for ED 524B: 132,000 burden hours (annual performance report) + 69,000 burden hours (final performance report) = 201,000 total annual burden hours.

Total Annual Cost Burden to Respondents for the Grant Performance Report, ED 524B

201,000 total burden hours x \$25/hour = \$5,025,000

13. **Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information.**

No start-up costs.

14. **Provide estimates of annualized cost to the Federal Government.**

Total Annual Cost to the Federal Government for Grant Performance Report, ED 524B: \$912,000

The total annual cost is based on the following:

ED 524B as Annual Performance Report: 3 hours per response x 6,000 responses x \$32/ hour (GS-12 hourly rate) = \$576,000

ED 524B as Final Performance Report: 3.5 hours per response X 3000 responses X \$32/hour (GS-12 hourly rate) = \$336,000

15. **Explain reasons for change in burden, including the need for any increase.**

The information collection is not a new collection. There are no start-up costs.

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The total burden hours for the 1890-0004 collection are being reduced from 807,996 to 201,000 hours. A program change reduction of 336,678 burden hours has occurred due to the movement of the ED 524 and EDGAR Administrative Requirements to separate collections that will now have new OMB control numbers. A 298,620 burden hour reduction is from the ED 524 and a 38,058 burden hour reduction is from the EDGAR administrative requirements.

(Note that the actual burden hours requested for the new ED 524 collection are 297,500. This slight reduction from the current approved burden hours of 298,620 now contained within 1890-0004 is due to a projected decrease in applicants. Meanwhile, the burden hours requested for the new EDGAR administrative requirements collection are 33,395, a reduction from the current approved burden hours of 38,058 resulting from a decrease in the number of respondents (based on FY 2006 award data). Also please note that the administrative requirements burden hour estimates did increase for time extension notifications based on actual time extension data, but in total there was a reduction.)

There has also been a decrease in total annual burden hours requested for the ED 524B, which is the remaining information collection instrument in the 1890-0004 collection. In the previous clearance of 1890-0004, ED had cleared enough burden so that *all* discretionary grant programs could use the ED524B form; however, actual usage data indicates that a number of ED discretionary grant programs continue to clear their own program-specific performance report forms due to unique statutory data collection requirements that cannot be accommodated by the standard format and questions of the ED 524B. Based on projected program usage of the ED 524B for FY 2008 and 2009, we are requesting 201,000 total annual burden hours for the ED 524B (see calculations under #12). This is an adjustment decrease of 270,318 burden hours.

(Please note that ED has increased its per respondent burden hour estimate for grantees completing the ED 524B as a final performance report from an average of 22 hours to an average of 23 hours per response to reflect the fact that the grantee is required to provide additional information in the final performance report beyond what is required in the annual performance report. This increase, however, is reflected in the requested 201,000 total annual burden hours.)

16. **For collections of information whose results are planned to 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.**

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

17. **Seeking approval not to display the expiration date for OMB approval of this information collection.**

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 19.**

There are no exceptions to the certification statement.

B. **Collections of Information Employing Statistical Methods.**

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