

## Supporting Statement for Paperwork Reduction Act Submissions

### General Instructions

**A Supporting Statement, including the text of the notice to the public required by 5 CFR 1320.5(a)(1)(iv) and its actual or estimated date of publication in the Federal Register, must accompany each request for approval of a collection of information. The Supporting Statement must be prepared in the format described below, and must contain the information specified in Section A below. If an item is not applicable, provide a brief explanation. When Item 17 of the OMB Form 83-I is checked, "Yes," Section B of the Supporting Statement must be completed. OMB reserves the right to require the submission of additional information with respect to any request for approval.**

### Specific Instructions

#### 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.**

Sections 704(m)(4)(D), 706(d), 721(b)(3) and 725(c) of the Rehabilitation Act of 1973, as amended (the Act) and the corresponding regulations in 34 CFR parts 364, 365, and 366 require centers for independent living (CILs), Statewide Independent Living Councils (SILCs) and designated State units (DSUs) supported under Parts B and C of Chapter 1 of title VII of the Act, respectively, to submit annual performance reports to the Commissioner of the Rehabilitation Services Administration (RSA). Approval of grantees' annual performance reports (704 Report) is the major prerequisite for RSA's approval of the annual State grant awards (part B funds) and CILs continuation grant awards (part C funds).

A revised 704 Report data collection instrument was approved by the Office of Management and Budget (OMB) on May 16, 2006. The approval was for a period of two years ending May 31, 2008. The content of the revised 704 Report being submitted at this time is identical to the one approved in 2006, except for required changes in the race and ethnicity data collection protocol based on the *Final Guidance on Maintaining, Collecting, and Reporting Racial and Ethnic Data to the U.S. Department of Education* published in the Federal Register on October 19, 2007. In addition, beginning with the FY 2008 reporting period, grantees will have the option to complete and submit the 704 Report directly through the RSA Management Information System (MIS). Information about the race and ethnicity data collection protocol and about the MIS submittal option have been incorporated in the revised 704 Report instructions.

OMB's terms of clearance for the 704 Report in 2006 required RSA to continue monitoring the implementation of the new performance measures and to work with OMB to resolve any implementation issues that arise. A statistical analysis of FY 2006 704 Report, conducted by an independent consultant, suggests that the current performance measures are adequate and do not require modification at this time. However, the analysis also revealed that grantees' inadequate understanding of the new reporting requirements significantly undermined the FY 2006 data's reliability, uniformity and usefulness. In response, RSA intensified its training and technical assistance efforts with regard to the 704 Reports for FY 2007. These training and technical assistance (T&TA) efforts featured two national teleconferences and web casts hosted by RSA and its grantee, the Independent Living Research and Utilization (ILRU) program. Representatives from approximately 300 DSUs, SILCs and CILs participated in these national trainings.

RSA's preliminary analysis of the FY 2007 Reports, suggests that the quality of data has improved in several areas in which RSA provided grantee training and technical assistance. RSA will continue to provide 704 Report training and technical assistance in the fall of FY 2008, based on RSA's FY 2007 data analysis. The focus areas will include grantee staffing, funding source and amounts, IL services and goals, and consumer demographics. At the same time, RSA will continue to assess the feasibility of alternative and/or additional measures in the future, in collaboration with IL stakeholders and in consultation with Budget Services and OMB.

RSA does not expect to significantly modify the 704 Report or the IL performance measures in the near future, pending reauthorization of the Rehabilitation Act.

**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.**

Part I of the 704 Report is submitted annually by the SILC and DSU in all states receiving Part B funds. Part II of the 704 Report is submitted annually by all CILs receiving Part C funds.

Both the Part I and II 704 Reports are used by RSA to assess grantees' compliance with title VII of the Act, with sections 364, 365 and 366 of the Code of Federal Regulations and with applicable provisions of the Education Department General Administrative Regulations (EDGAR). The 704 Report serves as the primary basis for RSA's monitoring activities in fulfillment of its responsibilities under sections 706 and 722 of the Act. Part I of the 704 Report, for example, verifies SILC compliance with their membership and composition requirements. Part II verifies CILs' compliance with the standards and indicators outlined in section 725(b)(c) of the Act. Parts I and II also serve as key information-gathering tools for RSA's on-site compliance reviews of the state agencies and the CILs.

The 704 Report also enables RSA to fulfill its commitments deriving from the State Independent Living Services (SILS) and Centers for Independent Living (CIL) programs' Program Assessment Rating Tool (PART) evaluation in 2004. The outcomes data in the 704 Report allows RSA to track the performance outcomes and efficiency measures of the SILS and CIL programs with respect to the annual and long-term performance targets established for the programs. RSA also uses this information to prepare its annual report to Congress.

The 704 Report is also used by RSA and ILRU to design CIL and SILC training and technical assistance programs authorized by section 721 of the Act. These programs are designed to address the training and technical assistance needs identified by the CILs and SILCs in their respective 704 Reports. In addition, the data and narrative sections of the 704 Report provide useful information on best practices, trends and potential issues. Finally, RSA encourages DSUs, SILCs and CILs to use the 704 Report as an information tool for IL program self-evaluation, management and improvement.

**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.**

RSA has endeavored to make the 704 Report easy for grantees to complete and submit. Beginning with the FY 2008 reporting period, grantees will have the option to complete and submit the 704 Report directly through the RSA Management Information System (MIS). The MIS has expanded RSA's capacity to achieve its program improvement and public accountability goals for the IL programs. RSA is using MIS data to improve IL grantees' program performance and accountability. The MIS produces detailed reports about IL grantee performance based on each of the 704 Report data elements. RSA analyzes individual and/or comparison data for grantees. The analysis allows RSA to identify grantees that may require monitoring and/technical assistance. RSA is already using this information during its on-site reviews of CILs and state agencies.

**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.**

The 704 Report is submitted annually and is a unified collection instrument covering a wide range of reporting requirements. It is the only data collection instrument used for this purpose.

**5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-1), describe any methods used to minimize burden.**

The revised 704 Report was significantly simplified and streamlined in 2006. The option to complete and submit the 704 Report directly through the MIS may further minimize grantees' reporting burdens.

**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.**

Federal statute and regulations require the annual collection of this information. If the data collection were not conducted, RSA would not be authorized to fund the SILS or CIL programs authorized by title VII of the Act.

**7. Explain any special circumstance(s) that would cause information collection to be conducted in a manner: (1) requiring respondents to report information to the agency more often than quarterly; (2) requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it; (3) requiring respondents to submit more than an original and two copies of any document; (4) requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years; (5) in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study; (6) requiring the use of a statistical data classification that has not been reviewed and approved by OMB; (7) 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 (8) 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.**

None.

**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.**

The revised 704 Report was approved in 2006 after extensive RSA outreach to IL stakeholders. RSA conducted a series of meetings and teleconferences involving CIL,

DSU and SILC representatives as well as other interested parties to ensure that stakeholders understood the new performance measures. This outreach effort included nine state and regional teleconferences featuring the participation of SILC, CIL and state agency representatives, as well as the RSA IL unit supervisor's participation at plenary presentations/question & answer sessions at National Council on Independent Living (NCIL) board meetings, Association of Programs for Rural Independent Living (APRIL) national conference, and the SILC Congress. Participants at the teleconferences and conference sessions totaled over 650 people.

In addition to these outreach activities, RSA convened a workgroup of CIL directors, DSU staff and SILC representatives to recommend further improvements in the 704 Report. As a result of feedback from the outreach sessions and work group recommendations, RSA made additional changes to the 704 Report in 2006 to maximize the quality and uniformity of data collected.

RSA will continue to reach out to the IL community with regard to the 704 Report. RSA will continually elicit their comments, provide technical assistance and training, and consider their suggestions for improving the IL performance measures and the 704 Report. Grantees have consistently requested RSA assistance on how to report all of their IL services and IL outcomes without duplication. This year, grantees will also require training and outreach on the new race and ethnicity reporting requirements in the revised 704 Report.

**There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.**

None.

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

None.

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

Confidentiality is assured because the 704 Report is an aggregate data collection and it includes no questions of a confidential nature.

**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 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.**

None.

**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.**

The estimated data collection hour burden from the revised 704 Report is unchanged from the current 704 Report.

Fifty-six part B grantees and 336 part C grantees will complete Part I and Part II, of the 704 Report in FY 2006. Parts I and II are very similar documents and thus will require approximately the same amount of completion time for both the part B and the part C grantees. It is estimated, then, that 392 respondents will spend an average of 35 hours in completing the 704 each year, equivalent to an aggregate total of 13,720 hours per year.

**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 be included in Item 14.**

The cost during the year in which the 704 Report is submitted is estimated to be 13,720 hours x \$25/hour= \$343,000. (The average salary of individuals preparing the report is approximately \$45,000 or about \$25/hour.)

**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.**

No additional costs are incurred by respondents other than those specified in #12.

**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.**

**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 may also aggregate cost estimates from Items 12, 13, and 14 in a single table.**

The average review and approval of a 704 Report takes 5 hours. RSA staff reviewing the completed reports is paid at an average rate of \$25 per hour. The cost of the review and approval process is 5 hours x \$25/hour x 392 reports = \$49,000. No additional operational expenses are expected.

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

No change is expected.

**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 the report, publication dates, and other actions.**

RSA will keep grantees informed of the revised 704 Report's progress through the public comment period and OMB review and approval process. RSA will formally transmit

electronic copies of the approved 704 Report with instructions to its SILCs, DSUs and CILs by September 2008. The 704 Reports due date is December 31, 2008. FY 2008 data will be tabulated and verified for accuracy by May 1, 2008. By May 31, the data will be entered into the Department's Visual Performance Suite.

**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.**

The OMB expiration date will be displayed.

**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. Collections 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 OMB 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.**

Item 17 on Form OMB 83-I is checked "No."

- 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 collection as a whole. If the collection had been conducted previously, include the actual response rate achieved during the last collection.**

Not applicable.

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



Not applicable.

- 3. 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.**

Not applicable.

- 4. Describe any tests, 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.**

Not applicable.

- 5. 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.**

Not applicable.