

## **SUPPORTING STATEMENT**

Information Collections Under the Final Regulations Governing the Teacher Education Assistance for College and Higher Education Grants.

### **A. Justification**

#### **1. Necessity of Information Collected**

The Teacher Education Assistance for College and Higher Education Grant (TEACH Grant) final regulations provide for program administration.

This supporting statement has been revised consistent with the terms of clearance whereby OMB initially provided an emergency approval of this data collection on the condition that the Department would “incorporate updates to the burden estimates associated with this collection”. The burden data in this submission has been updated to reflect the Department’s best estimates of institutional participation in this new Title IV, HEA program.

These final regulations are a result of regulatory review to reduce administrative burden for program participants, provide benefits to Title IV, HEA program recipients, and protect the taxpayers' interest. This request is for approval of reporting and recordkeeping requirements contained in the attached final regulations related to the TEACH Grant administrative requirements for the Title IV, HEA programs. The information collection requirements in these final regulations are necessary to determine eligibility to receive program benefits and to prevent fraud and abuse of program funds.

**TEACH Grants:** (OMB control number: 1845-0084)

Sections 686.4, 686.10, 686.11, 686.20, 686.32, 686.34, 686.36, 686.37, and 686.38 contain information collection requirements.

Sections 686.12, 686.40, 686.41, 686.42 and 686.43 contain information collection requirements associated with forms approved by the Secretary and will be submitted separately for approval by OMB.

#### **Section 686.4 – Institutional participation.**

The final regulations require an institution that ceases to participate in the TEACH Grant program or becomes ineligible to participate during an award year, to report to the Department of Education within 45 days after the effective date of the loss of eligibility. The contents of the report include the name of each TEACH Grant eligible student; the amount of the TEACH Grant funds paid to each student for that award year; and the amount of TEACH Grant funds due each eligible student through the end of the payment period. Also, the institution must provide an accounting of all TEACH Grant expenditures for that award year to the date of termination.

### **Section 686.10 - Application.**

Under the final regulations, a potential TEACH Grant recipient must complete and submit an approved and signed application form, as designated by the Secretary prior to the published deadline. Currently, the Free Application for Federal Student Aid (FAFSA) is the designated application form. Since all undergraduate and most graduate applicants for Title IV, HEA program assistance complete and submit the FAFSA, some applicants interested in the TEACH Grant program will be required to complete a FAFSA that otherwise may not have previously submitted the completed FAFSA application thereby generating increasing the burden to individuals in the final regulations. The additional burden associated with these final regulations is contained in OMB Control Number 1845-0001.

### **Section 686.11 – Eligibility to receive a grant.**

The final regulations establish that in addition to meeting the student eligibility requirements, in order to receive a TEACH Grant the applicant must submit the designated application, sign a TEACH Grant service agreement, and enroll in a TEACH Grant eligible institution. In addition, the grant recipient must either maintain a cumulative grade point average of 3.25 on a 4.0 scale during each payment period or score above the 75<sup>th</sup> percentile on at least one of a battery of nationally-normed standardized test.

### **Section 686.20 – Submission process and deadline for a SAR or ISIR.**

The final regulations require that participating institutions who disburse TEACH Grant funds to students must electronically transmit data as required by the Secretary. The burden associated with the collection and transmission of the required data is assessed and attributed in 34 CFR 686.37. Therefore, there is no burden associated with this final regulation.

### **Section 686.32 – Counseling requirements.**

The final regulations require an institution to provide initial, subsequent, and exit counseling to each TEACH Grant recipient. The initial counseling is required prior to making the first disbursement of the grant. Initial counseling must include, but is not limited to explaining the terms and conditions of the TEACH Grant service agreement; to provide information on how to identify low-income schools and documented high need fields; to inform grant recipients of the possibility of a suspension of the eight-year period for completion of the service agreement and the conditions under which a suspension may be granted. In subsequent counseling, which must occur prior to the first disbursement of a TEACH Grant in a subsequent award year, it must include, but is not limited to reviewing the terms and conditions of the service agreement; and emphasize that if the student fails or refuses to complete the service agreement, the TEACH Grant will convert into a Federal Direct Unsubsidized Loan. Under the final regulations, institutions are required to provide

exit counseling before the recipient ceases to attend the institution. Written exit counseling materials may be provided within 30 days after completing a study abroad program or after a student withdraws without notifying the institution.

**Section 686.34 – Liability for and recovery of TEACH Grant overpayments.**

The final regulations require the institution to promptly provide written notification to a student requesting repayment of any overpayment that the institution does not have responsibility to repay. These final regulations also require that the institution refer the student to the Department if the student does not take positive action to promptly resolve the TEACH Grant overpayment.

**Section 686.36 – Fiscal control and accounting procedures.**

The final regulations provide that participating institutions must account for the receipt and expenditure of Title IV, HEA program funds in accordance with generally accepted accounting principles. Further, participating institutions must disburse TEACH Grant funds consistent with the cash management regulations in 34 CFR 668.164.

**Section 686.37 – Institutional reporting requirements.**

Under the final regulations, a participating institution must provide the Secretary information about each TEACH Grant recipient that includes, but is not limited to; the student's eligibility for a TEACH Grant; the amounts of the TEACH Grant disbursed; the anticipated and actual disbursement dates and the disbursement amounts of the TEACH Grants provided. The initial disbursement information must be submitted to the Department no later than 30 days following the initial disbursement of TEACH Grant funds. Subsequent disbursements, cancellations, and adjustments must be submitted to the Department within 30 days of the transaction.

**Section 686.38 – Maintenance and retention of records.**

The final regulations require participating institutions to maintain the fiscal records for the TEACH Grant program for three years after the end of the award year for which the TEACH Grant was awarded.

**2. Purpose and Use of Information Collected**

**TEACH Grants:**

The Teacher Education Assistance for College and Higher Education Grant will be maintained at participating institutions of higher education. Recordkeeping requirements are imposed to assure accountability of program participants for proper program administration and to justify the payment of funds by the federal government.

Not collecting the information described would be likely to result in a loss of millions of dollars of Federal money due to waste, fraud, and abuse.

### **3. Consideration of Improved Information Technology**

#### **TEACH Grants:**

We maximize the use of available technology in determining the recipients for Title IV TEACH Grant funds.

### **4. Efforts to Identify Duplication**

A thorough review of procedures indicates that current requirements are minimal and avoid duplication. This review was done in conjunction with affected parties who have a vested interest in eliminating duplication.

### **5. Burden Minimization as Applied to Small Business**

No small businesses are impacted by this collection.

### **6. Consequences of Less Frequent Data Collection**

Recordkeeping requirements are imposed to assure accountability of program participants for proper program administration and less frequent collection could impair accountability of program participants.

### **7. Special Circumstances Governing Data Collection**

The collection of this information will be conducted in a manner that is consistent with the guidelines in 5 CFR 1320.5(d)(2).

### **8. Consultation Outside the Agency**

Under the Administrative Procedure Act (APA) (5 U.S.C.553), the Department is generally required to publish a noticed of proposed rulemaking and provide the public with an opportunity to comment on proposed regulations prior to establishing a final rule. In addition, all Department regulations for programs authorized under the title IV, HEA programs are subject to the negotiated rulemaking requirements of section 492 of the HEA.

### **9. Payments or Gifts to Respondents**

No payments or gifts will be provided to the respondents.

## **10. Assurance of Confidentiality**

A Privacy Act Notice is included on the Free Application for Federal Student Aid application form and the TEACH Grant service agreement. In this notice, the grant recipient is informed of the statutory authority for collecting the information requested. Although disclosure of the information is voluntary, the grant recipient is informed that in order to be considered for TEACH Grant funds, the information must be provided. The information provided is used to verify the grant recipient's identity, to determine the grant recipient's eligibility to receive TEACH Grant benefits, and if those cases where a TEACH Grant is converted into a Direct Unsubsidized Loan, to permit the servicing of the borrower's loan(s), and to locate the borrower and collect on the loan(s) if the loan(s) become delinquent or default. A listing of the persons and entities to which the information may be disclosed and for what purposes the information may be disclosed is also included.

## **11. Questions of Sensitive Nature**

The Department is not requesting any sensitive data.

## **12. Annual Hour Burden for Respondents/Recordkeepers.**

### **TEACH Grants:**

#### **Section 686.4 – Institutional participation.**

The final regulations require an institution that ceases to participate in the TEACH Grant program or becomes ineligible to participate during an award year, to report to the Department of Education within 45 days after the effective date of the loss of eligibility. The report will include the name of each TEACH Grant eligible student; the amount of the TEACH Grant funds paid to each student for that award year; and the amount of TEACH Grant funds due each eligible student through the end of the payment period. Also, the institution must provide an accounting of all TEACH Grant expenditures for that award year to the date of termination.

Of the 5,665 institutions of higher education participating in the Title IV, HEA programs, 11% or 611 institutions currently participate in the TEACH Grant program. Of those institutions participating in the TEACH Grant program, we estimate that only 1% or 6 institutions will cease to participate or become ineligible to participate. Of the projected 5,821 TEACH Grant recipients, there would be an average of 10 students participating in the TEACH Grant program at each TEACH Grant eligible institution. In order to meet the reporting requirements, we estimate that the burden associated with these reporting requirements for institutions ceasing participation or becoming ineligible would be 18 hours.

# of Eligible Institutions		5,665	
% of Institutions participating in the TEACH Grant program	X	.1078	
# of Participating Institutions		<u>611</u>	
Projected % of Institutions ceasing participation or that become ineligible	X	.01	
# of Affected Institutions		6	
Projected # of TEACH Grant eligible Students		5,821	
Divided by # of Participating Institutions		<u>611</u>	
Average projected number of students participating in TEACH Grant program at each Institution		10	
Average projected amount of time to report student and funding data (record)	X	.25 hours (15 minutes per student record)	
Burden hours per affected Institution		<u>3 hours</u>	
Times the # of Affected Institutions	X	6	
Total Burden Hours		<u>18</u>	

Affected Entities:

INSTITUTIONS: 6

Respondents, Responses and Burden Hours:

# of Respondents	# of Responses	#Hrs/Response	#Hrs Burden
6	72	.25 hours	18

This is a decrease in burden of 63 hours.

## **Section 686.10 – Application.**

Under the final regulations, a potential TEACH Grant recipient must complete and submit an approved and signed application form, as designated by the Secretary prior to the published deadline. Currently, the FAFSA is the designated application form. All undergraduate and most graduate student applicants for Title IV, HEA program assistance must complete and submit the FAFSA. Because the TEACH Grant Program is not a need-based program, some applicants will be required to complete a FAFSA that otherwise may not have been required to complete a FAFSA, thereby generating additional burden. The estimated burden associated with these application requirements is contained in OMB Control Number 1845-0001.

## **Section 686.11 – Eligibility to receive a grant.**

The final regulations establish that in addition to meeting the student eligibility requirements, in order to receive a TEACH Grant, the applicant must submit the designated application, sign a TEACH Grant service agreement, and enroll in a TEACH Grant eligible institution. Grant recipients must either maintain a grade point average of 3.25 on a 4.0 scale during each payment period, score above the 75<sup>th</sup> percentile on at least one of a battery of nationally-normed standardized tests, or qualify as a current or retired teacher obtaining a master's degree in a TEACH eligible program. There are several categories of grant recipients where the cumulative grade point average of 3.25 must be maintained each payment period. Those categories are:

### **I. The initial payment period:**

The final cumulative high school GPA for a first term undergraduate recipient -

The TEACH eligible institution must document the student's secondary school GPA from an LEA, an SEA or other State agency, a public or private high school, or in the case of a home schooled student, obtain documentation of the secondary school GPA from the parent or guardian.

The undergraduate cumulative GPA for either the post-baccalaureate or graduate student recipient -

The TEACH eligible institution must document the student's undergraduate school GPA.

The transfer student cumulative GPA as determined by the current TEACH Grant eligible institution -

The TEACH eligible institution must document the student's GPA based upon the method established by the institution to accept coursework completed from any prior postsecondary institution that it accepts.

### **II. Subsequent payment periods:**

The cumulative GPA based on courses taken at the TEACH eligible institution through the most-recently completed payment period, or

### **III. Alternatives to the cumulative GPA:**

Scoring above the 75<sup>th</sup> percentile of at least one of the battery of tests from a nationally-normed standardized test, or

The grant recipient is currently a teacher or retiree who is applying for a TEACH Grant to obtain a master's degree in an eligible TEACH Grant program.

**Burden Assessment:**

Currently, 24% of applicants for the 2008-2009 award year have indicated an interest in the TEACH Grant on the FAFSA form. On an annualized basis, that would yield 3.611 million applicants for the TEACH Grant. Considering an applicant to enroll ratio of 50%, the number of applicants for the TEACH Grant program would be 1.805 million, however, early participation data indicates that 10% of the 1.805 million or approximately 180,500 will actually apply. The burden assessment below breaks out burden attributable to projected applicants as well as projected recipients.

Initial payment period:	# of Respondents	Hours/response	Total Hrs.
High school GPA			
Applicants	16,590	.250	4,147
Recipients	522	.250	131
Undergraduate GPA			
Applicants	47,860	.017	814
Recipients	1,570	.017	26
Transfer student GPA			
Applicants	16,590	.167	2,771
Recipients	522	.167	87
Subsequent payment periods:	# of Respondents	Hours/response	Total Hrs.
All recipients X.80	4,657	.017	79
Standardized tests			
Applicants	81,011	.017	1,377
Recipients	2,627	.017	45
Current Teachers/Retirees			
Applicants	18,433	.167	3,078
Recipients	580	.167	97
Sub-totals			
Applicants	180,484		
Recipients	5,821		
Subsequent recipients	4,657		
TOTALS:	190,962		12,652

Affected Entities:	# of Respondents	Hours/response	Total Hrs.
<b>INDIVIDUALS:</b>			
High school GPA home school parents	16	.250	4
<b>INSTITUTIONS:</b>			
High school GPA	17,112	.250	4,278
Undergraduate GPA	49,430	.017	840
Transfer student GPA	17,112	.167	2,858
Subsequent payment Periods	4,657	.017	79
Standardized tests	83,638	.017	1,422
Current Teachers/Retirees	19,013	.167	3,175
<b>TOTAL:</b>	<b>190,978</b>		<b>12,656</b>

Respondents, Responses and Burden Hours:		
# of Respondents	# of Responses	#Hrs Burden
<b>190,978</b>	<b>194,662</b>	<b>12,656</b>

This is decrease in burden of 70,019 hours.

**Section 686.20 – Submission process and deadline for a SAR or ISIR.**

The final regulations require that participating institutions who disburse TEACH Grant funds to students must electronically transmit data as required by the Secretary. The burden associated with the collection and transmission of the required data is assessed and attributed in 34 CFR 686.37. Therefore, there is no burden associated with this final regulation.

**Section 686.32 – Counseling requirements.**

The final regulations require an institution to provide initial, subsequent, and exit counseling to each TEACH Grant recipient. The initial counseling is required prior to making the first disbursement of the grant. Initial counseling must include, but is not limited to explaining the terms and conditions of the TEACH Grant service agreement; to provide information on how to identify low-income schools and documented high need fields; to inform grant recipients of the possibility of a suspension of the eight-year period for completion of the service agreement and the conditions under which a suspension may be granted. In subsequent counseling, which must occur prior to the first disbursement of a TEACH Grant in a subsequent award year, it must include, but is not limited to reviewing the terms and conditions of the service agreement; emphasizes that if

the student fails or refuses to complete the service agreement, the TEACH Grant will convert into a Federal Direct Unsubsidized Loan. Under the final regulations, institutions are required to provide exit counseling before the recipient ceases to attend the institution. Written exit counseling materials may be provided within 30 days after completing a study abroad program or after a student withdraws without notifying the institution.

Types of TEACH Grant counseling:

In-person: We project that an in-person presentation (group or individual) will take approximately .33 hours (20 minutes) per presentation. We project that all 611 participating institutions will have to develop an in-person presentation materials that will require 10 hours for development.

Audiovisual presentation: We project that it will take 10 hours to develop an audiovisual presentation that will cover the three types of counseling required and we project that the AV presentation will take approximately .33 hours (20 minutes) per presentation. We project that 225 institutions will develop AV presentation materials.

Interactive (on-line): We project that it will take 10 hours to develop an on-line (that in some cases will simply link to on-line materials that will be provided by the Department) presentation that will cover the three types of counseling required and we project that the on-line presentation will take approximately .33 hours (20 minutes) per presentation. We project that 270 institutions will develop their own on-line counseling presentations.

Affected Entities:

INDIVIDUALS:

Initial counseling:

Recipients:

We project that 5,821 recipients will require Initial Counseling.

Recipients	5,821
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Subsequent counseling:

Recipients:

We project that 80% of the recipients will need Subsequent counseling in the initial year of the TEACH Grant program.

Recipients	5,821	
	X	.80
	4,657	

Exit counseling:

Recipients:

We project that 80% of the recipients will need Exit counseling in the initial year of the TEACH Grant program.

$$\begin{array}{r} \text{Recipients} \quad 5,821 \\ \quad \quad \quad \quad \quad \times \quad .80 \\ \hline \quad \quad \quad \quad \quad 4,657 \end{array}$$

Respondents:

Initial Counseling

Responses:

5,821

Subsequent Counseling

4,657

Exit Counseling

4,657

Total # Respondents

15,165

X .33 hours = 5,004 hours of  
burden

INSTITUTIONS:

In-person counseling:

611 institutions

Presentation development

X 10 hours

6,110 hours

Providing in-person counseling

We project that 10% of the recipients will want In-person counseling and that the counseling will average 20 minutes (.33 hours).

$$\begin{array}{r} 5,821 \text{ recipients} \\ \times \quad .10 \\ \hline \end{array}$$

582

X .33 hours

192 hours

AV counseling:

225 institutions

Presentation development

X 10 hours

2,250 hours

Providing AV counseling

We project that 10% of the recipients will want AV counseling and that the counseling will average 20 minutes (.33 hours).

5,821 recipients
X .10
582
X .33 hours
192 hours

On-line counseling:	270 institutions
Presentation development	X 10 hours
	2,700 hours

Providing on-line counseling:

We project that 80% of the recipients will want On-line counseling and hat the counseling will average 20 minutes (.33 hours).

5,821 recipients
X .80
4,657
X .33 hours
1,537 hours

DEVELOPMENT:

In-person counseling	6,110 hours
AV	2,250 hours
On-line	2,700 hours

Total Development: 11,060 hours of burden

ACTUAL COUNSELING:

In-person counseling	192 hours
AV	192 hours
On-line	1,537 hours

Total Development: 1,921 hours of burden

Respondents, Responses and Burden Hours:

# of Respondents	# of Responses	#Hrs/Response	#Hrs
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INDIV.	15,135	15,135	.33	Burden 4,995
INST.	611	611	28.50	17,414
	<hr/>	<hr/>		<hr/>
Total	15,746	15,746		22,409

This is a decrease of 28,419 burden hours.

**Section 686.34 – Liability for and recovery of TEACH Grant overpayments.**

The final regulations require the institution to promptly provide written notification to a student requesting repayment of any overpayment that the institution does not have responsibility to repay. We project that .1% of the estimated 5,821 recipients will owe a TEACH Grant overpayment. However, all eligible institutions will develop the written notice for requesting repayment of a TEACH Grant overpayment when a student has responsibility to repay along with notification that the student will become ineligible for additional Title IV, HEA program funds. The participating institutions must establish procedures to refer an overpayment when a student fails to make satisfactory repayment arrangements or fully repay the overpayment.

Affected Entities:

INDIVIDUALS:	6
Estimated time for the student to read the written notification and respond to the TEACH Grant overpayment notice	X .167 hours (10 minutes)
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Burden hours	1 hour

INSTITUTIONS:	611
Estimated time to establish written notification and make referrals	X 1.0 hour
	<hr/>
Burden Hours:	611 hours

Respondents, Responses and Burden Hours:				
	# of Respondents	# of Responses	#Hrs/Response	#Hrs Burden
	6	6	.167	1
	611	611	1.000	611

This is a decrease of 243 burden hours.

**Section 686.36 – Fiscal control and accounting procedures.**

The final regulations provide that participating institutions must account for the receipt and expenditure of Title IV, HEA program funds in accordance with generally accepted accounting principles. Further, participating institutions must disburse TEACH Grant funds consistent with the cash management regulations in 34 CFR 668.164. Participating institutions must comply with these requirements for the other Title IV, HEA programs and therefore there is no additional burden placed upon institutions participating in the TEACH Grant program.

**Section 686.37 – Institutional reporting requirements.**

Under the final regulations, a participating institution must provide the Secretary information about each TEACH Grant recipient that includes, but is not limited to; the student’s eligibility for a TEACH Grant; the amounts of the TEACH Grant disbursed; the anticipated and actual disbursement dates and the disbursement amounts of the TEACH Grants provided. The initial disbursement information must be submitted to the Department no later than 30 days following the initial disbursement of TEACH Grant funds. Subsequent disbursements, cancellations, and adjustments must be submitted to the Department within 30 days of the transaction. Participating institutions must comply with these requirements for other Title IV, HEA programs and therefore there is no additional burden placed upon institutions participating in the TEACH Grant program.

**Section 686.38 – Maintenance and retention of records.**

The final regulations require participating institutions to maintain the fiscal records for the TEACH Grant program for three years after the end of the award year for which the TEACH Grant was awarded. Participating institutions must comply with these requirements for all the other Title IV, HEA programs and therefore there is no additional burden placed upon institutions participating in the TEACH Grant program.

**13. Annual Cost Burden to Respondents**

We estimate that there will be costs associated with the development of counseling materials as required to insure compliance with 34 CFR 686.32.

Cost of developing:

In-person counseling:

Estimated development time	10 hours
Hourly salary for a GS-8, Step 6	\$24.35
	\$243.50
	X 611 Institutions
	\$148,779.00

Audiovisual counseling:

Estimated development time	10 hours
Hourly salary for a GS-8, Step 6	\$24.35
	\$243.40

	X 225 Institutions
	<hr/> \$54,788.00
On-line (interactive) counseling:	
Estimated development time	10 hours
Hourly salary for a GS-8, Step 6	\$24.35
	<hr/> \$243.50
	X 270 Institutions
	<hr/> \$65,745.00
Total Cost for Institutions:	\$269,312.00

**14. Estimated Annual Cost to the Federal Government**

The estimated cost to the Department for programming changes to initially implement the TEACH Grant program is estimated to be \$12,500,000.00.

**15. Reasons for Changes to Burden Hour Estimated**

The implementation of these final regulations as a result of the Negotiated Rulemaking process reduced information collection burden. A summary below is provided:

**Current Burden Associated with the regulatory changes:**

Respondents, Responses and Burden Hours:

# of Respondents	# of Responses	#Hrs Burden
1,263,454	1,263,454	134,439

**Revised Burden Associated with the regulatory changes:**

Respondents, Responses and Burden Hours:

	# of Respondents	# of Responses	#Hrs Burden
Section 686.4 – Institutional Eligibility	6	72	
	18		
Section 686.11 – Eligibility to receive a grant	190,978	194,662	12,656
Section 686.32 - Counseling requirements	15,746	15,746	22,409

Section 686.34 – Liability for and recovery of TEACH Grant overpayments	617	617	612
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TOTAL:	207,347	211,097	35,695
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Difference:

Respondents, Responses and Burden Hours:

# of Respondents	# of Responses	#Hrs Burden
-1,056,107	-1,052,357	-98,744

**16. Collection of Information with Published Results**

The results of the collection of information will not be published.

**17. Approval to Not Display Expiration Date**

ED is not seeking this approval.

**18. Exception to the Certification Statement**

ED is not requesting any exceptions to the "Certification for Paperwork Reduction Act Submissions".