<u>Application for Initial Funding under the State Fiscal Stabilization Fund Program:</u>

SUPPORTING STATEMENT

FOR PAPERWORK REDUCTION ACT SUBMISSION

A. Justification

A.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.

On February 17, 2009, President Barack Obama signed into law the American Recovery and Reinvestment Act of 2009 (ARRA). This sweeping economic recovery package provides the largest Federal investment in education in our Nation's history. It is an investment that not only will provide needed aid to States and school districts to keep teachers in the classroom, prevent the cutting of valuable education programs, and help mitigate college tuition increases, but also provide resources that States and districts may use to implement important education reforms.

A major part of the ARRA is the State Fiscal Stabilization Fund (Stabilization) program.[1] The program provides substantial funding—$48,586,000,000—to States in exchange for a commitment to advance education reforms, such as launching strategies that address inequities in the distribution of highly qualified teachers, building robust data systems that allow districts to better track student achievement, raising standards and strengthening student assessments, and turning around failing schools.

Under the Stabilization program, the U.S. Department of Education (Department) has awarded grants to Governors on the basis of each State's relative shares of individuals aged 5 to 24 and of total population. This formula grant program has two distinct portions – the Education Fund and the Government Services Fund. By statute, we are awarding 81.8 percent, or $39,743,348,000, of each State's total Stabilization allocation under the Education Fund (CFDA No. 84.394) and the remaining 18.2 percent, or $8,842,652,000, under the Government Services Fund (CFDA No. 84.397). The Education Fund provides resources to help restore State support for public elementary, secondary, and postsecondary education, and, as applicable, early childhood education programs and services. The Government Services Fund provides support for public safety and other government services, which may include assistance for public elementary, secondary, and higher education.

[1] The excerpt from the American Recovery and Reinvestment Act of 2009 relevant to the State Fiscal Stabilization Fund may be accessed at: http://www.ed.gov/policy/gen/leg/recovery/statutory/stabilization-fund.pdf

In order to provide immediate assistance to help alleviate the substantial budget shortfalls that States are facing, we committed to providing the initial portion of each State's Stabilization program allocation within a very short timeframe, necessitating emergency clearance of the Stabilization initial program application. Specifically, we have awarded or will award each State with at least 67 percent of the total amount that it is to receive under the Education Fund and 100 percent of the Government Services Fund. Most applications have been processed within two weeks of our receipt of a complete application. As of July 1, 2009, all 50 states, Washington, D.C., and Puerto Rico had submitted initial applications using the application form approved under emergency clearance.

This application has been revised (specifically pages 7 and 9) in order to collect data from States for fiscal year (FY) 2011 regarding their level of support for elementary and secondary education and public institutions of higher education. In addition, we will need to collect updated data for FY 2009 and FY 2010 regarding maintenance-of-effort, state level of support, and restoration calculations for states in which there have been changes to the data provided in the application for initial funding. The collection of this information is necessary to ensure that States are meeting the requirements of the Stabilization program.

A.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 information collected is in the form of a single application submitted by state governors. To receive the initial portion of the State's allocation under the State Fiscal Stabilization Fund (Stabilization) program, a Governor submitted to the Department an application that provided the following information:

- A completed application cover sheet that includes the signature of the Governor or authorized representative. *(Part 1 of the Application)*
- Assurances that the State has committed to advancing education reform in four specific areas:

(1) achieving equity in teacher distribution;
(2) improving collection and use of data;
(3) enhancing the quality of standards and assessments; and
(4) supporting struggling schools *(Part 2 of the Application).*

- Confirmation that the baseline data identified in Appendix B of the application is acceptable for purposes of demonstrating the State's current status in each of the four education reform areas for which the State provides assurances, or submission of alternative baseline data. *(Part 3 of the Application)*
- The following maintenance-of-effort (MOE) information:
    - An assurance that the State will comply with the Stabilization program MOE requirements;
    - If applicable, an assurance that the State meets or will meet the eligibility criterion for a waiver of those requirements; and
    - MOE baseline data. *(Part 4 of the Application)*

- A description of how the State intends to use the funds allocated under (1) the Education Stabilization Fund – CFDA No. 84.394; and (2) the Government Services Fund – CFDA No. 84.397. *(Part 5 of the Application)*
- Accountability, transparency, and reporting assurances. *(Part 6 of the Application)*
- Other assurances and certifications. *(Part 7 of the Application)*

The Department has reviewed all initial applications. The Department will further review applications submitted to provide updated data on State support for elementary and secondary education and public institutes of higher education.[2] The Department used the information collected from this grant application to maintain a record of assurances that are required for the Stabilization fund and to maintain confirmation from the Governors that the proposed sources of baseline data are satisfactory. The baseline data were collected from Governors unless they voluntarily wished to submit a different source of data. States are not required to submit new baseline data at this point, but, as with any section of the application, may provide amendments to the current submission using this form. The Department has used existing sources of data that meet the baseline requirements of the Stabilization program in most cases, which reduces the collection burden on the Governors and provides data that are standardized and consistent. The baseline data will be used for monitoring and accountability purposes in determining the impact of the Stabilization funds.

A.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 information requested under this collection will be gathered by email, fax, or other non-electronic means such as courier or postal service. The Department is not employing electronic means beyond email for this collection. The employment of electronic means such as an online grants application or data warehouse would require additional time to set up the appropriate structure. The Department expects States to submit updates to the 52 applications already received and to submit amendments as necessary, and therefore has sufficient capacity to deal with the number of email or paper-based submissions. The information gathered through this process is detailed in A.2.

A.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 assurances and financial information requested under the initial collection are unique to the Stabilization program, and the Department has not collected such information in the past. Given that all eligible grantees have already applied, they will not need to duplicate affirmations of this information unless any relevant data changes. Grantees will, however, need to provide information regarding fiscal year 2011, which will constitute new information the Department has not yet collected.

[2] Estimated state allocations for the Education Fund and Government Services Fund are available at: http://www.ed.gov/programs/statestabilization/fy09statestabilizationfund.xls

The Department has made every effort to avoid the duplication of effort in the collection of information. In fact, all the non-financial baseline data required under the Stabilization program have been drawn from existing data sources so as to reduce burden on applicants, allowing for fast turnaround in addition to consistent sources of data. The baseline data requirements are matched with the available sources in the following table:

Baseline Data Requirement	**Available Baseline Data**
Achieving Equity in Teacher Distribution	As part of the annual Consolidated State Performance Report (CSPR), each State provides data on the number and percentage of core academic courses that are taught by highly qualified teachers in high- and low-poverty schools. (*See* http://www.ed.gov/admins/lead/account/consolidated/index.html.) The Department is using data from the most recent CSPR to establish a State's baseline for achieving equity in teacher distribution.
Improving Collection and Use of Data	In September 2008, the Data Quality Campaign and the National Center for Education Achievement conducted a survey that assessed the status of State educational data systems. (*See* http://www.dataqualitycampaign.org/survey) The survey identified ten essential elements of a longitudinal data system. Five of the elements are aligned with the five statutory elements in the America COMPETES Act for "Preschool through grade 12 and postsecondary education" (20 U.S.C. 9871(e)(2)(D)(i)), and the remaining five elements are aligned with the five statutory elements for "Preschool through grade 12 education." (20 U.S.C. 9871(e)(2)(D)(ii)) The Department used the results of the survey to establish a State's baseline for improving the collection and use of data.
Standards and Assessments: Enhancing the Quality of Academic Assessments	In January and February 2009, the Department sent letters to States that contained detailed information on specific components of their assessments and accountability systems. (*See* http://www.ed.gov/admins/lead/account/cornerstones/index.html.) The State-specific attachments to those letters and the State assessment approval status as reflected in the State Information Chart at http://www.ed.gov/policy/elsec/guid/stateletters/ssc.xls identify the each State's current baseline for enhancing the quality of assessments. As noted above, if the Department changes a State's status for its assessment system on or before September 30, 2009, the Department will consider the updated status as the State's baseline in this area.
Standards and Assessments: Inclusion	The Department is using the information in the State-specific

of Children with Disabilities and Limited English Proficient Students	letters referenced above (*see* http://www.ed.gov/admins/lead/account/cornerstones/index.html) and the State Information Chart at http://www.ed.gov/policy/elsec/guid/stateletters/ssc.xls as the State's current status related to the inclusion of children with disabilities and limited English proficient students in State assessments, the validity and reliability of the assessments for such children, and the provision of accommodations. If the Department changes a State's status for its assessment system on or before September 30, 2009, the Department will consider the updated status as the State's baseline in this area.
Standards and Assessments: Improving State Academic Content and Student Achievement Standards	The Department is using Achieve's 2009 report on "*Closing the Expectations Gap*" to establish the baseline for this assurance. (*See* http://www.achieve.org/closingtheexpectationsgap2009.) The report, based on a survey of States, provides information on State efforts to align their standards, graduation requirements, assessments, and accountability systems with college and career expectations.
Supporting Struggling Schools	The Department currently has preliminary data in the CSPR on the number and names of schools in corrective action and restructuring for the 2008-09 school year (based on assessments in 2007-2008). As part of its application, a State may provide updated information on the numbers and names of schools in corrective action or restructuring, but is not required to do so. Each State will later submit, as part of its comprehensive plan for meeting the education reform assurances, detailed information on the State's specific strategies for assisting these struggling schools.

A.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.

The eligible applicants for the Stabilization program are State governors. No small businesses or entities will be impacted by this collection.

A.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.

The consequence of not conducting the collection of information under the Stabilization program application process would be that Governors would not be able to update applications to receive Stabilization funds. In such circumstances, the Department would not be able to implement the statutory requirements. The Department would be out of compliance with the Stabilization provision of ARRA if it does not conduct this information collection.

A.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 tht it has instituted procedures to protect the information's confidentiality to the extent permitted by law.*

This collection is consistent with 5 CFR 1320.5. The only instance in which states must report information more than quarterly is when state-level data changes due to internal state policy changes. States must submit amendments to their applications based on such changes as soon as possible. However, there is no requirement to submit any data more than once, so long as the initial submission is accurate and complete.

A.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.

The public will be given an opportunity to comment during the appropriate comment periods.

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

No payments or gifts to respondents have been made.

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

There is no assurance of confidentiality.

A.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.

There are no questions of a sensitive nature.

A.12. Provide estimates of the hour burden of the collection of information.

A. Burden hours for respondents

The Department estimates that approximately 52 applicants (State governors) will submit fiscal year 2011 data to supplement and/or amend their applications already on file. The average burden for the application is estimated to be 5 hours, 21 minutes per applicant, for 278 burden hours for inclusion of FY 2011 data. The original version of this application constituted a new collection, with no prior basis for calculation of burden for most portions of the application. Now that applicants have completed that application, updating the application to include FY 2011 should impose a less substantial burden than did the original collection. An estimate of burden was calculated based on program staff experience that it would take a typical governor's staff member or team of staff members the following amounts of time to complete each section of the application:

Part	Time burden	Basis for calculation

Part 1	6 minutes	Time taken to fill out form with readily available information
Part 2	0	Assurance already completed
Part 3	0	Assurance already completed
Part 4, Section A	0	Assurance already completed
Part 4, Section B	0	Assurance already completed
Part 4, Section C	45 minutes	Time taken to review prior application information, research, discuss, and provide or estimate budget support information for FY11 only, and to describe budget data sources (if they differ from those sources already listed).
Part 5, Section A	4 hours	Time taken to review prior application information, research, discuss, and provide or estimate budget support information for FY11 only, and to describe budget data sources(if they differ from those sources already listed).
Part 5, Section B	30 minutes	Time taken to review prior application data and submit changes if necessary.
Part 6	0	Assurance already completed.
Part 7	0	Assurance already completed.
Total burden	5 hours, 21 minutes	

The Department further estimates that up to twenty percent of applicants (approximately 10 states) may need to submit revisions to one or more portions of the application. The Department does not expect these revisions to include any of the sections devoted to Assurances. Rather, the Department allows that budgetary or contact information may change, potentially impacting Parts 1, 4, or 5. The total estimated burden for such an update is 2 hours, 41 minutes for a total burden of 27 hours.

Part	Time burden	Basis for calculation
Part 1	6 minutes	Time taken to fill out form with readily available information
Part 2	0	Assurance already completed
Part 3	0	Assurance already completed
Part 4, Section A	0	Assurance already completed
Part 4, Section B	0	Assurance already completed
Part 4, Section C	20 minutes	Time taken to review prior application information, research, discuss, and provide or estimate budget support information, and to describe budget data sources (if they differ from those sources already listed).
Part 5, Section A	2 hours	Time taken to review prior application information, research, discuss, and provide or

		estimate budget support information, and to describe budget data sources (if they differ from those sources already listed).
Part 5, Section B	15 minutes	Time taken to review prior application data and submit changes if necessary.
Part 6	0	Assurance already completed.
Part 7	0	Assurance already completed.
Total burden	2 hours, 41 minutes	

The Department estimates that the grand total burden of 305 (=278+27) hours.

B. Cost to Respondents

The Department estimates that the per-hour cost at the Governor's office staff level will average $40 per person (GS-13 equivalent) hour for a total of $12,200 (=305 hrs x $40).

A.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.)

There are no start-up costs for this collection.

A.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.

The Federal costs will involve reviewing any changes to the original applications, verifying the impact of those changes on grant awards, and revising awards from the Stabilization funds to States, if necessary:

- Grade 11: 20 hours at $29.99/hour = $600
- Grade 13: 20 hours at $43.04/hour = $861
- Grade 14: 3.33 hours at $50.86/hour = $170
- Grade 15: 10 hours at $61.76/hour = $618

Estimated Federal cost = $2,249

A.15. Explain the reasons for any program changes or adjustments to #16f of the IC Data Part 1 Form.

The burden hours have changed to reflect only those hours needed to submit FY 2011 data or to update information already submitted. All eligible applicants have already submitted all initial data required by this form.

A.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.

Some of the information collected in this grant application may be analyzed with performance data and shared on a government website such as recovery.gov or ed.gov.

A.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 expiration date will be displayed on the form.

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

The Department is not requesting any exception to the Certification.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

This information collection does not employ statistical methods.