

**Supporting Statement  
2008-2009 Student Aid Internet Gateway (SAIG)  
Enrollment Form**

## **A. Justification**

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

In order to manage the federal student aid programs authorized by the Higher Education Act of 1965, as amended (HEA), Federal Student Aid must electronically transact business with –

- Postsecondary schools that participate in federal student aid programs
- Organizations (third-party servicers) that provide services to postsecondary schools
- State scholarship agencies
- Guaranty agencies for the Federal Family Education Loan (FFEL) Program or their servicers
- Lenders for the Federal Family Education Loan (FFEL) Program or their servicers
- Others approved by the U.S. Department of Education

The Student Aid Internet Gateway (SAIG) is the vehicle the U. S. Department of Education and the institutions listed above use to electronically transmit and receive data about the federal student aid programs on behalf of financial aid applicants and recipients. Institutions that need access to the SAIG and/or Federal Student Aid systems must enroll with Federal Student Aid through the Participation Management System, at the FSAwebenroll Web site, or by using the SAIG Enrollment Forms (paper), to establish a location, called a Destination Point, (or electronic mailbox) from which to transact business electronically with Federal Student Aid.

In order to protect privacy information contained in the Federal Student Aid systems, Federal Student Aid has established security procedures that include requiring institutions that need access to those systems to designate individuals to serve as a Primary Destination Point Administrator (DPA) in order to conduct transactions on behalf of the institution. Once a DPA is established, he or she may enroll additional organizational members for selected electronic services and for access to Federal Student Aid systems.

Before a DPA is granted access to the SAIG, the individual must enroll with Federal Student Aid by providing his or her name, date of birth, address, e-mail address, telephone number, Social Security Number, certain confidential information that only the DPA knows, the name of the institution the DPA represents, and by indicating the specific services the institution wants to participate in through the DPA.

Most of the enrollment process can be completed from the FSAwebenroll Web site; however, enrollment is not considered complete until Federal Student Aid receives a hard-copy certification page signed by the DPA and the official authorized to bind the institution to the DPA's enrollment agreement. The DPA may enroll additional organizational members and select different services to be conducted by each of those individuals. Each DPA that enrolls other organizational members must provide the same confidential information about each of

those individuals that he or she provided (e.g., name, Social Security Number, etc.).

An enrolled DPA is able to –

- Electronically exchange files of financial aid data
- Access services of the Direct Loan Program
- Perform data transmissions for the Campus-based programs for FISAP
- Access services of the Federal Pell Grant Program
- Access the Central Processing System (CPS) database or Web-based systems through FAA Access to CPS Online
- Access to the Campus-based system through FISAP Online
- Access the National Student Loan Data System (NSLDS) and receive cohort default rate (CDR) notification packages
- Access the Lender Reporting System (LaRS) to send financial reporting information to Federal Student Aid's Financial Management System (FMS)

With access to Federal Student Aid systems, a DPA can –

- Complete and send electronic initial and renewal financial aid (FAFSA) applications to the CPS
- Receive electronic Institutional Student Information Records (ISIRs) from the CPS
- Send electronic corrections of applicant data to the CPS
- Exchange payment and required reporting information from the Federal Pell Grant Program
- Receive Electronic Statements of Accounts (ESOA) from the Federal Pell Grant Program
- Exchange data with the Direct Loan Program to originate loans; draw down, disburse, and reconcile loan funds; and report student statuses
- Exchange data with the NSLDS
- Receive Electronic Cohort Default Rate Reports from Default Management

On November 29, 1996, the Secretary published final regulations in the Federal Register (61 FR 60603) that required institutions to participate in the electronic processes identified by the Secretary in order to improve the administration and delivery of Federal Student Aid program funds to students and institutions, and to protect Federal fiscal interests. Institutions must use software developed by the institution, or its vendor, in accordance with the specifications provided by the Secretary in the regulations. The Secretary believes that the savings and benefits from these electronic business processes are more than offset by any necessary initial investments by both the U.S. Department of Education and by institutions.

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

The Participant Management System manages a participant database, which is a collection of data from the SAIG Enrollment Form. The enrollment process enables institutions to receive, transmit, view, and update student financial aid data available through the SAIG or online. The enrollment form is available on the Web at [FSAwebenroll.ed.gov](http://FSAwebenroll.ed.gov). Information collected via the

enrollment form is used to assign institutions a SAIG ID and associate the application services selected to that institution and its DPA.

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

The enrollment process for electronic services and access to Federal Student Aid systems is on the Internet, and the design of the Web site is based on the SAIG Enrollment Form (paper). Customers can enroll and change services via the SAIG enrollment Web site at [FSAwebenroll.ed.gov](http://FSAwebenroll.ed.gov). This Web site reduces and virtually eliminates paper collection for enrollment (the paper enrollment form and process will continue to be available upon request for institutions having difficulties accessing the Internet). Institutions may use the Web enrollment process to complete and submit applications to participate in the Federal Student Aid electronic services currently available. The U.S. Department of Education is sensitive to the concerns of institutions and individuals regarding the security of their application data. Users will be prompted to enter confidential authentication identifiers in order to validate their identity before being allowed to change or update Federal Student Aid services. In addition, users will be advised via the Web site to check the security configuration of their browser to ensure that the information they transmit to ED is protected.

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

The SAIG enrollment form is the only means that Title IV participating schools and other eligible institutions can use to enroll for the previously mentioned data exchange services.

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

No small businesses are affected by this information collection.

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

If collection is not conducted, no new participants will be able to enroll for electronic services. Existing participants will not be able to change their existing services, including deactivating individuals who no longer need access to the services.

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

The collection of this information will be conducted in a manner that does not involve any of the guidelines in:

- Requiring respondents to report information to the agency more often than quarterly.  
N/A – Respondents report as needed.
- Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it.  
N/A – Respondents report as they need to enroll or make changes to an enrollment.

- Requiring respondents to submit more than an original and two copies of any document.  
N/A – Only the originals are submitted.
- Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than 3 years.  
The Office of Inspector General periodically audits schools. Schools must keep copies of the participation information with signatures for review as well as the Federal Student Aid User Statement with original signature. These documents are required to protect the security of the Federal Student Aid’s systems of records.
- 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.  
N/A – These data are not collected to conduct statistical surveys.
- Requiring the use of a statistical data classification that has not been reviewed and approved by OMB.  
N/A – These data are not collected to conduct statistical surveys.
- 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.  
N/A – Does not meet any of the above-mentioned criteria.
- Requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.  
The SAIG Enrollment Form collects Social Security Number, date of birth, and mother's maiden name from every Destination Point Administrator. Two of these identifiers (Social Security Number and date of birth) are used to authenticate the customer when they request a password or change in SAIG services.

## **8. Consultations Outside the Agency**

Federal Student Aid consults with all applicable application systems during the requirements phase to solicit comments and suggestions for improving the enrollment form. These meetings address problems and enhancements to the existing form. Federal Student Aid has enhanced the enrollment form to simplify the enrollment process for all participating institutions.

## **9. Payment or Gift to Respondents**

The Department of Education does not allow any payments or gifts to respondents.

## **10. Assurance of Confidentiality**

The confidentiality of the data on the enrollment form is discussed in the enrollment procedures.

## **11. Additional Justification of Questions of a Sensitive Nature**

See Justification, paragraph 1.

## **12. Burden Hour Estimate**

### **Frequency of response when an institution wants to enroll or change services.**

It takes a customer approximately 20 minutes to complete the online enrollment form and 40 minutes to complete a paper enrollment form and, as noted earlier, nearly all enrollments are completed via the Web.

Annual hour burden for the year ending Dec 2006:

20 minutes x 17,806 new web enrollments 356,120 minutes/60 = 5,935 hours

40 minutes x 72 new paper enrollments = 2,880 minutes/60 = 48 hours

5,935 + 48 = 5,983 is the total annual hour burden

For the breakdown of respondents and responses by Sector, see the attached spreadsheet.

**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 annualized cost to respondents was estimated using the above figures to complete a form and an average yearly salary of \$33,592 (\$16.15 per hour) for a Financial Aid Administrator (derived average salary from two recent FAA job postings on [www.careerbuilder.com](http://www.careerbuilder.com)).

5,983 hours (calculated above) x \$16.15 per hour = \$96,625

## **13. Cost Burden to Respondents or Record keepers**

The only cost to respondents or record keepers resulting from the collection of information is the cost to store the SAIG Signature Pages and SAIG User Statement.

## **14. Annualized Cost to the Federal Government**

The following is a breakdown of estimated costs to the Federal government to produce, process, and update the 2007-2008 Student Aid Internet Gateway Enrollment Form. The estimated costs are based on the actual costs incurred for the most recent completed cycle year.

**a. Participation Management projected costs at Virtual Data Center (VDC)**

The VDC hosts the Web servers on which the Web enrollment form runs.

FY 2006

For costs incurred to house the Web servers at the VDC	\$42,976
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**b. Development/Annual Rollover Updates**

<b>SUBTOTAL</b>	<b>\$403,930</b>
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**c. Maintenance/System Support**

<b>SUBTOTAL</b>	<b>\$593,273</b>
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**d. Processing**

Enrollment Processing	\$265,079
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<b>Total Costs</b>	<b>\$1,305,258</b>
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**15. Reasons for Changes to Burden Hour or Cost Estimates**

The 2007 annual burden is estimated to be 5,983 hours, which is based on the actual number of forms processed from January – December 2006. The current OMB inventory of 6,221 hours was based on 86% of the respondents in 2003 using the web-based enrollment form. In 2006 99.6% of respondents used the online form, reducing the overall effort to complete the SAIG enrollment process to 5,983 hours.

This results in a decrease of 238 hours to the OMB inventory. We expect future enrollment volumes to remain consistent with past volumes.

**16. Collection of Information for Publication**

Results of this collection of information will not be published.

#### **17. Display of Expiration Date for OMB Approval**

The OMB expiration date will be displayed on the form together with the standard request for comments.

#### **18. Certification for Paperwork Reduction Act Submissions**

There is no exception to the certification.

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

ED does not use statistical methods to select a sample from which to collect information. The information is collected from every individual who uses the SAIG to conduct business with Federal Student Aid electronically.