

SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT SUBMISSION

Information Collections under the Final Regulations Governing the Federal Pell Grant Program
– Two Scheduled Pell Grants in an Award Year

A. Justification

1. Necessity of Information Collected

As provided by the Higher Education Opportunity Act, the final regulations would establish that a student would be eligible for a second Scheduled Award of a Pell Grant in a single award year if the student earned in the award year at least the credit hours or clock hours of the first academic year of the student's eligible program, and the student is enrolled on at least a half-time basis (see section 401(b) (5) (A) of the HEA).

The final regulations are a result of regulatory review of the program regulations to provide benefits to students, and protect the taxpayer's interest. This request is for approval of the recordkeeping requirements contained in the attached final regulations related to the administrative requirements of the two scheduled Pell Grants in a single award year program. The information collection requirements in the final regulations are necessary to determine eligibility to receive program benefits and to prevent fraud and abuse of the program funds.

Pell Grant Program: (OMB control number 1845-NEW5)

Sections 690.63, 690.64 and 690.67 contain information collections requirements. Under the Paperwork Reduction Act of 1995 (44 U.S.C. 3507 (d)), the Department of Education is submitting a copy of this section to the Office of Management (OMB) for its review. We are making the following changes to those sections:

Section 690.63 – Calculation of a Federal Pell Grant for a payment period

This section of the regulations identifies circumstances under which a student may qualify to be paid from two Scheduled Awards in a payment period and provide guidance for calculating the student's payments for that period.

Section 690.64 – Calculation of a Federal Pell Grant for a payment period which occurs in two award years

This section of the regulations identifies the how an institution determines a student's eligibility to receive payments in a payment period that crosses two award years.

Section 690.67 – Receiving up to two Scheduled Awards during a single award year

This section of the regulations identifies how eligibility is determined, how a transfer student is treated, allowances for special circumstances, and the treatment of non-applicable credit or clock hours.

2. Purpose and Use of Information Collected

Under the final regulations, the institution will gather eligible Pell student information, including enrollment data, and appropriate Pell payment schedules to determine a student's eligibility for a second Pell award during a single award year. This additional eligibility will be processed through the Department's COD system for payment to the student.

3. Consideration of Improved Information Technology

All payment and disbursement information will be exchanged electronically between the institution of higher education and the Department.

4. Efforts to Identify Duplication

There is no duplication of data as a result of the collection of this information.

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 information collection requirements require no special circumstances.

8. Consultation Outside the Agency

These regulations were discussed with members of the higher education community and other interested parties in a series of Negotiated Rulemaking sessions in March, April and May of 2009. Additionally, we published 60 and 30-day *Federal Register* notices allowing the public to provide their comments.

9. Payment or Gift to Respondents

No payments or gifts will be provided to respondents.

10. Assurance of Confidentiality

The final requirements do not cover any confidential information.

11. Questions of a Sensitive Nature

ED is not requesting any sensitive data.

12. Annual Hour Burden for Respondents/Recordkeepers

We estimate that 5,422 institutions will provide this extended eligibility to its students and anticipate it will take a maximum of 70 minutes to calculate the eligibility for those students.

Affected Entities and Burden:

690.63(h) Payment from Two Schedule Awards

	# of Respondents	# of Responses	# of Hours Burden
Institutions:			
Proprietary	1,999	12,536	X .25 hours = 3,134 hours
Private	1,534	9,486	X .25 hours = 2,372 hours
<u>Public</u>	<u>1,889</u>	<u>11,858</u>	<u>X .25 hours = 2,965hours</u>
Total	5,422	33,880	8,471 hours

690.64 Payment Period in Two Award Years

	# of Respondents	# of Responses	# of Hours Burden
Institutions:			
Proprietary	1,999	25,071	X .50 hours = 12,536 hours
Private	1,534	18,973	X .50 hours = 9,487 hours
<u>Public</u>	<u>1,889</u>	<u>23,716</u>	<u>X .50 hours = 11,858 hours</u>
Total	5,422	67,760	33,881 hours

690.67(a) Student Eligibility for a Second Scheduled Award

	# of Respondents	# of Responses	# of Hours Burden
Institutions:			
Proprietary	1,999	219,373	X .08 hours = 17,550 hours
Private	1,534	166,012	X .08 hours = 13,281 hours
<u>Public</u>	<u>1,889</u>	<u>207,515</u>	<u>X .08 hours = 16,601 hours</u>
Total	5,422	592,900	47,432 hours

690.67(b) Transfer Students

	# of Respondents	# of Responses	# of Hours Burden
Institutions:			
Proprietary	1,999	31,339	X .17 hours = 5,328 hours
Private	1,534	23,716	X .17 hours = 4,032 hours
Public	1,889	29,645	X .17 hours = 5,040 hours
Total	5,422	84,700	14,400 hours

690.67(c) Special Circumstances

	# of Respondents	# of Responses	# of Hours Burden
Institutions:			
Proprietary	1,999	15,670	X .08 hours = 1,254 hours
Private	1,534	11,858	X .08 hours = 949 hours
Public	1,889	14,822	X .08 hours = 1,186 hours
Total	5,422	42,350	3,389 hours

690.67(d) Non-applicable Credit or Clock Hours

	# of Respondents	# of Responses	# of Hours Burden
Institutions:			
Proprietary	1,999	9,402	X .08 hours = 752 hours
Private	1,534	7,115	X .08 hours = 569 hours
Public	1,889	8,894	X .08 hours = 711 hours
Total	5,422	25,410	2,032 hours

Annual Cost of Burden to Respondents

We estimate that the cost to the institutional respondents will be:

	# of Respondents	Est. \$ per Hour	Est. \$ Burden
Institutions:			
Proprietary	1,999	\$15	x 40,554 hours = \$608,310
Private	1,534	\$15	x 30,690 hours = \$460,350
Public	1,889	\$15	x 38,361 hours = \$575,415
TOTAL	5,422		\$1,644,075

13. Start-up Cost Burden to the Respondents

There is no new system start-up costs associated with the final regulations.

14. Estimated of Annual Cost to the Federal Government

There are no additional costs to the Federal government as a result of the final regulation.

15. Reasons for Changes to Burden Hour Estimated

This is a new collection that is required by a change in regulation due to implementing the statutory changes made by the Higher Education Opportunity Act (HEOA) (Pub. L. 110-315) that amends the Higher Education Act of 1965, as amended (HEA). A summary is provided below.

Respondents, Responses and Burden Hours:

	<u># of Respondents</u>	<u># of Responses</u>	<u># of Hours Burden</u>
New Inventory	5,422	847,000	109,605 hours

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” of OMB Form 83-1.