

SUPPORTING STATEMENT

Notice Inviting Applications for Participation in the Quality Assurance Program

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.

Section 487A(a) of the Higher Education Act of 1965, as amended, authorizes the Secretary to select institutions for voluntary participation in a Quality Assurance (QA) Program. The information collected is necessary for continued Program expansion and to permit eligible institutions of higher education to apply to participate in the QA Program.

Although all institutions that meet the standards for selection are free to apply to participate in the QA Program, the Secretary will select institutions that demonstrate a commitment to high standards of stewardship in their administration of Title IV, HEA Programs, and are willing to continuously make improvements in the quality of services to students. Once accepted, institutions are granted flexibility to determine their procedures for selecting the students/application data they will verify, based on their analysis of their verification data. In keeping with the Secretary's plan for expansion of the Quality Assurance Program, there is no limit on the total number of Program participants.

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 Secretary needs to know that an applicant understands and is committed to quality assurance. Entry into the QA Program will be facilitated by submission of a letter of application. The letter of application shall demonstrate that basic procedures are in place, for the applicant institution, to control for and correct weaknesses in its financial aid operations. The statement also will demonstrate an institution's intent and capacity to administer program activities.

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 given to using technology to reduce burden.

The paperwork burden that consists of several descriptive paragraphs is minimal. An institution may submit an application in response to this Notice by mail, electronic mail, or by fax.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

The QA Program focuses on quality assurance and overall improvement. Therefore, the descriptive information sought is not collected for other purposes or by other entities, thus there is no duplication.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

The information is collected from institutions of higher education, e.g., 2- and 4-year Public, Private, and Proprietary institutions. No small businesses or other entities are impacted by this collection.

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.

Section 487A(a) of the HEA authorizes the Secretary to select institutions for voluntary participation in the QA Program. The burden of this data collection is borne by different entities each year, i.e., those institutions newly applying to participate in the QA Program. A less frequent collection of this data would impede the expansion in the number of institutions of higher education participating in the QA Program.

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

ED cannot identify any circumstances that would require the collection of this information to be conducted in a manner inconsistent with the guidelines in 5 CFR 1320.5(d)(2).

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.

This information collection is an extension of a previous collection. The Department has previously requested and considered input from representatives of the higher education community in a variety of ways i.e., training workshops, conferences, offices within the Department such as: FSA Policy Development Office and the Office of General Counsel. The Department continues to consult with participants through regional meetings and numerous informal discussions. No public comments were received on the Notice that was published August 13, 2007 and closed on October 12, 2007. A 60-day notice was published

on September 14, 2010; Vol. 75, FR 55782. A 30-day notice was published in the federal register for public comment.

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

The Department will not provide payments or gifts to the respondents participating in the QA Program.

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

No assurance of confidentiality is provided to the respondents. Therefore it is not applicable.

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.

The Department is not requesting any sensitive data.

12. Provide estimates of the hour burden of the collection of information. The statement should:

- Indicate the number of respondents by affected public type (federal government, individuals or households, private sector, business or other for profit, not-for-profit institutions, farms state, local or tribal government), frequency of response, annual hour burden, and an explanation of how the burden was estimated, including identification of burden type: recordkeeping, reporting or third party disclosure. 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.
- If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burden.
- 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 total annual burden is estimated to be approximately 125 hours (125 x 1 hour per response). This figure represents an estimated time of 125 hours needed by approximately 125 respondents.

The annualized cost per respondent is \$30. This cost estimate was derived in the following manner:

One Professional staff member at \$30 per hour (30 x 1 = \$30)

Total Cost = \$3,750.00

Institution	Respondents	Hours
Public	100	100
Private	20	20
Proprietary	5	5

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 acquiring and maintaining record storage facilities.
- 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.

Total Annualized Capital/Startup Cost :

Total Annual Costs (O&M) :

Total Annualized Costs Requested :

There is no additional cost burden to respondents. There is no start-up cost component, as respondents are preparing a letter of application.

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 collected information is stored and used only as reference materials. There is no additional cost to the federal government. Applicants are screened through the routine eligibility process in response to their letter of application.

15. Explain the reasons for any program changes or adjustments. Generally, adjustments in burden result from re-estimating burden and/or from economic phenomenon outside of an agency's control (e.g., correcting a burden estimate or an organic increase in the size of the reporting universe). Program changes result from a deliberate action that materially changes a collection of information and generally are result of new statute or an agency action (e.g., changing a form, revising regulations, redefining the respondent universe, etc.). Burden changes should be disaggregated by type of change (i.e., adjustment, program change due to new statute, and/or program change due to agency discretion) and include both changes in burden hours and changes in cost burden.

The total burden hours estimated annually has not changed. It will remain at 125 hours. This represents an estimated time of 125 hours, the equivalent of 1 burden hour per respondent.

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.

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

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.

ED is not seeking this approval as we routinely display this information.

18. Explain each exception to the certification statement identified in the "Certification of Paperwork Reduction Act Submissions".

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

B. Collections of Information Employing Statistical Methods

This collection of information will not employ any statistical methods.