

SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION

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.

Sections 704(m)(4)(D), 706(d), 721(b)(3) and 725(c) of the Rehabilitation Act of 1992, as amended, and the corresponding regulations at 34 CFR parts 364, 365, and 366 require centers for independent living (CILs), Statewide Independent Living Councils (SILCs) and designated State units (DSUs) to submit an annual performance report (704 Report) to the Commissioner of the Rehabilitation Services Administration (RSA) to receive funding under the SILS (IL Part B) and CIL (IL Part C) programs. RSA's approval of grantees' 704 Reports is the major prerequisite for the granting of annual IL Part B and IL Part C continuation funding.

As provided in the Terms of Clearance, RSA has continued to monitor the implementation of the IL program's Government Performance and Results Act (GPRA) performance measures. No implementation issues have arisen, as the accuracy of the collected performance data continues to improve as a result of ongoing RSA technical assistance to its grantees. RSA is monitoring stakeholder efforts to develop alternative performance measures. At this time RSA is not proposing any performance measure modifications because suitable alternatives have not yet been developed. Also, modifications to the performance measures would not be advisable this year given the uncertainties related to the pending reauthorization of the Rehabilitation Act and the FY 2012 President's budget proposal to consolidate the SILS and CIL programs.

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.

Part I of the 704 Report is submitted annually by the SILC and DSU in all states receiving Part B funds. Part II of the 704 Report is submitted annually

by all CILs receiving IL Part C funds. The 704 Reports are used by RSA to assess grantees' compliance with title VII of the Act, with sections 364, 365 and 366 of the Code of Federal Regulations and with applicable provisions of the Education Department General Administrative Regulations (EDGAR). The 704 Report serves as the primary basis for RSA's monitoring activities in fulfillment of its responsibilities under sections 706 and 722 of the Act. The 704 Report also enables RSA to track performance outcomes and efficiency measures of the SILS and CIL programs with respect to the annual and long-term performance targets established in compliance with GPRA. The 704 Report is also used by RSA to design CIL and SILC training and technical assistance programs authorized by section 721 of the Act.

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.

RSA has endeavored to make the 704 Report easy for grantees to complete and submit. Beginning with the FY 2008 reporting period, grantees have completed and submitted the 704 Report directly through the RSA Management Information System (MIS). The MIS has expanded RSA's capacity to achieve its program improvement and public accountability goals for the IL programs. RSA is using MIS data to improve IL grantees' program performance and accountability. The MIS produces detailed reports about IL grantee performance based on each of the 704 Report data elements. RSA analyzes individual and/or comparison data for grantees. The analysis allows RSA to identify grantees that may require monitoring and/technical assistance. RSA uses this information during its on-site reviews of CILs and state agencies.

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 704 Report is submitted annually and is a unified collection instrument covering a wide range of reporting requirements. It is the only data collection instrument used for this purpose.

5. If the collection of information impacts small businesses or other small entities (Item 8b of IC Data Part 2), describe any methods used to minimize burden.

The current 704 Report was significantly simplified and streamlined in 2006. Though the instrument is unchanged from 2006, grantees' actual burden has been reduced through RSA's continual 704 Report training and technical assistance and customer-friendly improvements in the RSA MIS.

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.

Federal statute and regulations require the annual collection of this information. If the data collection were not conducted, RSA would not be authorized to fund the SILS or CIL programs authorized by title VII of the Act.

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;**

None.

- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**

None.

- **requiring respondents to submit more than an original and two copies of any document;**

None.

- **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**

None.

- **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;**

None.

- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**

None.

- **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;**

None.

- **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.**

None.

- 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.**

N/A

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 60-day Federal Register Notice for this collection was published on Thursday, March 10, 2011 (Vol. 76, No. 47, page 13137). Shortly after

this 60-day period is completed, the 704 Report will be submitted to the Federal Register for the required 30-day notice.

The current 704 Report was developed and approved after extensive RSA outreach to IL stakeholders. RSA conducted a series of meetings and teleconferences involving CIL, DSU and SILC representatives as well as other interested parties to ensure that stakeholders understood the new performance measures. This outreach effort included nine state and regional teleconferences featuring the participation of SILC, CIL and state agency representatives, as well as the RSA IL unit supervisor's participation at plenary presentations/question & answer sessions at National Council on Independent Living (NCIL) board meetings, Association of Programs for Rural Independent Living (APRIL) national conference, and the SILC Congress. Participants at the teleconferences and conference sessions totaled over 650 people. In addition to these outreach activities, RSA convened a workgroup of CIL directors, DSU staff and SILC representatives to recommend further improvements in the 704 Report.

In 2008, the 704 Report was published in the Federal Register on May 12, 2008 with revisions to Subpart II, Section G to conform with the *Final Guidance on Maintaining, Collecting, and Reporting Racial and Ethnic Data to the U.S. Department of Education*. No comments were received during the ensuing public comment periods. In November of that year, RSA conducted two national 704 Report trainings providing additional opportunities for CIL, SILC and DSU representatives to comment on and ask technical questions about the 704 Report. The trainings and subsequent RSA technical assistance have significantly increased stakeholders' understanding of the information collection's reporting requirements. The trainings and ongoing technical assistance since then have also resulted in steady and significant increases in the completed 704 Reports' accuracy, timeliness and reliability, and corresponding improvements in RSA's ability to assess IL program effectiveness relative to its performance measures. Stakeholder familiarity with and acceptance of the current 704 Report are demonstrated by the increasing percentage of reports submitted by the December 31 deadline, from under 50% in FY 2008 to 80% in FY 2009 to well over 90% in FY 2010.

RSA has decided to defer discussion of any 704 Report revisions until the next renewal period, given the continual improvements in stakeholder familiarity with and data reliability from the current data collection instrument, as well as the uncertainties related to the pending reauthorization of the Rehabilitation Act and the FY 2012 President's budget proposal to consolidate the SILS and CIL programs.

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

None.

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

None.

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.

None.

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

- **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. 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.**

The 704 Report's estimated hour burden per respondent each for the Part I (IL Part B) and Part II (IL Part C) in 2011 remain unchanged at 35 hours from 2008, because the current data collection instrument is identical to the one approved in 2008.

However, the total estimated hour burden will increase because the number of respondents has increased from 392 in 2008 to 412 in 2011. The current number includes 20 new CILs established in 2010 through a competitive

process using IL Part C funds provided by the American Recovery and Reinvestment Act of 2009.

- **If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in item 16 of IC Data Part 1.**

The aggregate total hour burden for 412 Parts I and II 704 Report is estimated at 14,420, as follows:

704 Report, Part I

Fifty-six IL Part B grantees will spend an estimated 35 hours completing the 704 Report, Part I, for an estimated total of 1,960 hours per year.

704 Report, Part II

Three hundred and fifty-six IL Part C grantees will spend an estimated 35 hours completing the 704 Report, Part II, for an estimated total of 12,460 hours per year.

- **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 cost during the year in which the 704 Report is submitted is estimated to be 14,420 hours x \$25/hour = \$360,500.

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.)

No additional costs are incurred by respondents other than those specified in #12.

- **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	:	N/A
Total Annual Costs (O&M)	:	N/A
Total Annualized Costs Requested		N/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 average review and approval of a 704 Report takes approximately one hour. RSA staff reviewing the completed reports is paid at an average rate of \$25 per hour. The cost of the review and approval process is estimated at one hour x \$25/hour x 412 reports = \$10,300 annually. No additional operational expenses are expected.

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

The difference in total hour burden between 2008 and 2011 is due to an adjustment stemming from the increased number of respondents, as explained in #12, above.

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.

Upon Office of Management and Budget approval, RSA plans to formally transmit the approved 704 Report with instructions to SILCs, DSUs and CILs by September 2011. RSA staff will review and approve the FY 2011 704 Reports by March 31, 2012. (The due date is December 31, 2011.) The 704 Report data will be tabulated, verified for accuracy and published in the RSA MIS by May 1, 2011.

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 OMB expiration date will be displayed.

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

There are no exceptions to the certification statement.