

College Affordability and Transparency Explanation Form (CATEF) 2011-2014

Supporting Statement Part A OMB Paperwork Reduction Act Submission

Submitted by:

Office of Postsecondary Education
U.S. Department of Education

February 3, 2012

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SUPPORTING STATEMENT A

FOR PAPERWORK REDUCTION ACT SUBMISSION

Section A. Justification

A.1. Purpose of this submission

The Office of Postsecondary Education (OPE) is seeking a three-year clearance for a new survey data collection for the College Affordability and Transparency List Explanation Form (CATEF). The collection of this information is necessary pursuant to the Higher Education Opportunity Act (HEOA) Section 111, Part C (20 U.S.C. § 1015a) with the goal of increasing transparency of college tuition prices for consumers. The clearance should start with the 2011-12 collection year and extend through the 2012-13 and 2013-14 collections.

a. Related background information

Part C of Section 111 of HEOA included provisions for improved transparency in college tuition for consumers. In response to these provisions, the Department of Education created the College Affordability and Transparency Center (CATC), which can be accessed through College Navigator. This Center includes information for students, parents, and policymakers about college costs at America's colleges and universities. The Center also includes several lists of institutions based on the tuition and fees and net prices (the price of attendance after considering all grant and scholarship aid) charged to students.

The clearance being requested is to survey institutions using the College Affordability and Transparency Explanation Form (CATEF) to collect follow-up information from a subset of institutions. This subset of institutions are those appearing on the tuition and fees and/or net price increase lists for being in the five percent of institutions in their institutional sector that have the highest increases, expressed as a percentage change, over the three-year time period for which we have the most recent data. The lists appearing in the College Affordability and Transparency Center are generated using data collected by the National Center for Education Statistics (NCES) through the Integrated Postsecondary Education Data System (IPEDS). IPEDS is a mandatory data collection for institutions that participate in or are applicants for participation in any federal student financial aid program authorized by Title IV of the Higher Education Act of 1965, as amended (20 USC 1094, Section 487(a)(17) and 34 CFR 668.14(b)(19)).

The additional information to be collected will be used to write a summary report for Congress which will also be posted on the College Navigator website. The report will summarize the general and sector specific findings from the College Affordability and Transparency Explanation Form (CATEF) responses using descriptive statistics. The main cost areas showing the highest increases will be identified using the percent change information provided by institutions. The most commonly reported plans to reduce the increases in those cost increases will also be indicated. Finally, the extent to which institutions participate in setting tuition and fees and net prices for students will be described and the agencies outside of the institutions that decide those student charges will be identified.

b. Statutory requirements for College Affordability and Transparency List Explanations

The pertinent statutory requirements of HEOA for the College Affordability and Transparency collection state that additional information will be collected from the institutions in the top five percent of their institutional sector for increases in either tuition and fees and/or net price to students over the most recent three-year period for which data are available (see attached *CATEF - 20 USC 1015a.pdf* for HEOA Part C Section 111). The additional information that must be collected from the institutions includes:

1. A description of the major areas in the institution's budget with the greatest cost increases.
2. An explanation of the cost increases.
3. A description of the steps the institution will take toward the goal of reducing costs in the areas described.
4. If the determination of any cost increase described above is not within the exclusive control of the institution-
 - a. an explanation of the extent to which the institution participates in determining such cost increase;
 - b. the identification of the agency or instrumentality of State government responsible for determining such cost increase; and
5. Any other information the institution considers relevant to the report.

A.2. Purpose and Use of College Affordability and Transparency Explanation Form

The information collected using the College Affordability and Transparency Explanation Form (CATEF) will be used to write an annual report to Congress which will be published on the College Navigator website. This report will summarize information on the major areas of institutions' budgets with the greatest cost increases, the explanations for these increases, and the steps institutions have been or will be taking towards reducing these costs. After the first collection year, institutions that continue to appear on the list of the top five percent of institutions in their sector with the highest increases in tuition and fees and/or net price to students will have to describe the progress they have made on the steps towards cost reductions they reported the previous year. This summary report will also include information on whether the institutions have exclusive control of the increase in student charges and if not, which agency is responsible for determining those increases and to what extent the institution participates in that determination process.

A.3. Use of Technology and Other Technological Collection Techniques

The collection will be completed using a web-based form that will be completed online. This should reduce respondent burden and improve the timeliness and quality of the information reported. The institutional burden will be reduced by using screening questions so that the institutions are prompted to respond only to the items relevant to their institution. Edit checks and data verification procedures will be built into the collection process, thus resolving errors at the time of data submission and making the process more efficient. Also, in later years of the collection, the information provided in earlier years can be used to populate applicable parts of the form. The use of a web-based form will also reduce the government burden by allowing for aggregation of the information from institutions, leading to a timelier release of the summary report to Congress.

A.4. Efforts to Identify and Avoid Duplication A2

OPE has made the effort to ensure that the College Affordability and Transparency Explanation Form (CATEF) does not duplicate other data collection activities. While some information on institutional finances are already collected in IPEDS, the level of detail and explanations required to satisfy the statute are not currently collected by the US Department of Education (ED).

A.5. Methods to Minimize Burden on Small Businesses/Entities

Certain providers of postsecondary education identified in the College Affordability and Transparency lists - operators of proprietary (private for-profit) schools - may be classified as small businesses. Considering the minimal burden estimated for this collection (3 hours), along with the necessity of the information collected to fulfill the statutory requirements, and the efforts to minimize burden for all respondents through the use of technology, there is nothing that can be done to further minimize the burden for this specific subset of institutions.

A.6. Frequency of Data Collection

The collection of the College Affordability and Transparency Explanation Form (CATEF) is required to be completed annually according to the statutory requirements of HEOA. If the collection is conducted less frequently we would not be following the regulations set by the law and would not be able to provide updates on institutions' progress towards the goal of reducing cost increases to students to Congress.

A.7. Special Circumstances

None of the special circumstances described apply to this collection.

A.8. Consultations Outside of the Agency

ED consulted with members of the National Postsecondary Education Cooperative (NPEC) and the National Association of University Business Officers (NACUBO) for feedback on the form via e-mail and phone calls. NPEC's mission is to promote the quality, comparability and utility of postsecondary data and information that support policy development at the federal, state, and institution levels. Members of NPEC include research and data specialists from associations that represent institutions of each institutional sector as well as institutional researchers from colleges and universities, system offices, and state higher education organizations. NACUBO is a membership organizations focusing on financial aspects of higher education. Its staff are especially familiar with accounting practices and institutional finances. Reviewers were provided a draft copy of the survey instrument in order to give feedback on the availability of the data requested, clarity of instruction, and estimated burden to institutions. The list of people contacted and their contact information is provided in Supporting Statement B.

A.9. Paying Respondents

There are no payments or gifts offered to respondents.

A.10. Assurance of Confidentiality

Information for the College Affordability and Transparency Explanation Form (CATEF) is not collected under any pledge of confidentiality.

A.11. Justification for Sensitive Questions

This collection contains no questions of a sensitive nature.

A.12. Estimate of Burden

The estimated time burden to respondents for the College Affordability and Transparency Explanation Form (CATEF) is 3 hours on average. The form will be completed by the top five percent of institutions in each sector with the largest increases in tuition and fees and/or net prices to students. Thus, the exact number of institutions that will be included in the collection may vary slightly from year to year based on the number of institutions in each sector. The number of respondents may also vary depending on how many institutions are included on both the tuition and fees and net price increase lists, as that overlap would limit the number of other institutions included in the top five percent that would have to report data. The 2011-12 collection will have 528 institutions, leading to an estimated total burden of 1,584 hours per year for all respondents.

In all cases, if the data are readily accessible, then the time required is less than the estimated burden hours. Estimates include the time for reviewing instructions, gathering and maintaining the institution's general purpose financial statements for the two necessary years, and completing and reviewing the required information. This time burden was reviewed by those people noted in section A.8 and B.5 that provided consultation on the survey. This time amount is the total of the following estimates by section of the proposed survey form:

Table 1: Detailed calculations for the CATEF data collection time burden estimate

Section	Time Estimate	Section Requirements
1	10 to 20 minutes	Two paragraphs of instructions to read. Information on the institution and respondent are pre-loaded. The respondent has one or two "yes or no" questions to respond to, depending on which CATC list they were on. If the institution responds affirmatively they will have to enter an explanation that is expected to take 10 minutes. For those institutions that respond affirmatively to either question, this will be the end of the survey with a total burden estimate of 20 minutes.
2	45 minutes	One paragraph of instructions and up to twenty definitions to

		read. The respondent will need to have their financial statements for the first year and last year of the three-year period covered. The respondent will need to enter selected amounts for expenses from their financial statement into the survey. The reporting of revenue amounts is optional and those amounts will be available from the same financial statements as the expense amounts. The collection system will calculate the percent change for the amounts and the per FTE student amounts from existing information.
3	10 to 50 minutes	One sentence of instructions to read. Respondent will need to provide an explanation for each of the cost increases they indicated in section 2. It is estimated that each explanation will take 10 minutes. Respondents will have a minimum of one and a maximum of five explanations to provide.
4	10 to 50 minutes	Two sentences of instructions to read. Respondent will need to describe the steps the institution has taken to reduce the costs for each of the cost increases they indicated in section 2. It is estimated that each description will take 10 minutes. Respondents will have a minimum of one and a maximum of five descriptions to provide.
5	5 to 30 minutes	Up to five sentences of instructions to read. The respondent will need to respond to a "yes or no" screening question. If the institutions responds "no" they will have to enter two short responses (expected to take 10 minutes total). The respondent has the option to enter any additional information they would like to be included in their submission.
6	5 minutes	The respondent answers "yes" or "no" to whether they found the burden estimate for the survey to be accurate. If they indicate "no", then they must enter in how long the survey took them to complete.
Total	20-190 minutes	The variance depends on: 1)whether the respondent enters "yes" to either of the questions in the first section, which end the survey; 2)The number of cost areas that have increased over the three year period; 3)The amount of additional information the respondent decides to include

The total cost to respondents is based on the estimated response burden (hours) multiplied by \$42 (in 2011-12), which includes average data analyst and associated computer costs (for running programs to extract data). The hourly wage is increased by an assumed two percent cost-of-living adjustment for subsequent years. Because the institutions that will be on the College Affordability and Transparency Lists in subsequent years have not yet been identified, we will use the 2011-12 hour burden estimate for subsequent years. Total estimated costs to respondents for the 2011-12, 2012-13, and 2013-14 collections are:

Table 2: Estimated costs to respondents, by collection year

Collection year	Number of Respondents	Average Burden Hours Per Institution	Estimated Total Burden Hours for All Institutions	Average Estimated Costs Per Institution	Estimated Cost to All Institutions
2011-12	528	3	1,584	\$126	\$66,528
2012-13	528	3	1,584	\$151	\$79,728
2013-14	528	3	1,584	\$181	\$95,568

A.13. Estimate of Cost Burden

There is no cost burden to respondents or record keepers for start-up or capital associated with this collection.

A.14. Cost to the Federal Government

We estimate the total cost to the government for the 2011-12, 2012-13, 2013-14 College Affordability and Transparency data collections to be approximately \$373,500.

On an annual basis, over the three collection years, the contract costs will average about \$100,000 per year to include both the collection of the data and analysis support for the final report; Federal S&E will be approximately \$24,500 per year. Therefore, total annual costs will average at about \$124,500/year over the three collection years. More than 95% of this amount will be spent in direct support of the collection, analysis, and reporting of the College Affordability and Transparency information described herein. The contract amount includes the data collection system development and maintenance; programming and software modifications and documentation; data collection, data review, and analysis; survey administration; file preparation and other related activities. The costs include personnel, fringe benefits, supplies, computer related activities, consultants, other direct and indirect costs, plus overhead and G&A.

The time estimates and costs associated with the activities described above are based on recent experience with the contractors that currently support other College Affordability and Transparency Center operations (primarily IT Innovative Solutions). IPEDS in-house staff costs are based on FY2011 pay schedules and an estimated 0% pay increase for each of the subsequent fiscal years due to current pay freeze for federal employees.

A.15. Reasons for Change in Burden

This is a new collection and as such it represents a burden increase for this collection. _

A.16. Publication Plans/Project Schedule

a. Schedule of activities (pending OMB approval)

Jan -Feb 2012	Software systems installed and related system design documentation provided to ED; Keyholder registration
Feb-March 2012	Collection opens
April 2012	Collection close and data migrated
April-May 2012	Data tabulated and analyzed; writing of summary report
June 2012	Summary report delivered and posted online to College Navigator.

In subsequent years, collection will begin in September and the final report will be posted on College Navigator by April.

Annual survey activity will include a registration period followed by a 6-7 week collection cycle. Respondents will be the locking keyholders for the IPEDS data collection. They will be sent a UserID and randomly generated password to use for registration when the collection opens. Registration must take place (only once) before data can be entered into the system. Data will be entered directly into the system and will have to be entered for all required information in order to be submitted. Respondents must resolve all errors before data can be submitted. Once the collection closes for institutions, the survey administrators review the data. Following ED approval of the file, data will be tabulated and analyzed and the summary report will be prepared.

The report will summarize the general and sector specific findings from the College Affordability and Transparency Explanation Forms (CATEF) using a mix of descriptive statistics and explanatory information. The main cost areas showing the highest increases will be identified using the quantitative information provided by institutions. The most commonly reported plans to reduce those cost increases will also be indicated. Finally, the extent to which institutions participate in setting tuition and fees and net prices for students will be described and the agencies outside of the institutions that decide those student charges will be identified. The summary report will then be submitted to Congress and posted online to College Navigator, following the statutory requirements.

A.17. Request to Not Display Expiration Date

The Department is not seeking approval to forego displaying the OMB approval expiration date.

A.18. Exceptions to the Certification

There are no exceptions to the certification statement.

