

Health Professions Student Loans (HPSL), Primary Care Loans (PCL), Loans for Disadvantaged Students (LDS), and Nursing Student Loans (NSL) Programs - Forms

SUPPORTING STATEMENT

A. Justification

1. Circumstances of Information Collection

This is a request for a revision of OMB approval for the administrative forms used by the Health Professions Student Loan (HPSL), Primary Care Loans (PCL), Loans for Disadvantaged Students (LDS), and the Nursing Student Loan (NSL) Programs of the Health Resources and Services Administration (HRSA). The forms are cleared under OMB No. 0915-0044 and are provided as attachments. The expiration date for the current approval is 05/31/12. There have been no changes to the financial accounting part of the forms (pages 2 – 6), but the first section (Page 1) has not only the questions from the last approved AOR, but has also incorporated some questions that had been asked previously on a PPR form and added a few new performance questions regarding students' and the schools' success.

The Health Professions Student Loan (HPSL) program, authorized by sections 721-735 of the Public Health Service (PHS) Act, 42 U.S.C. 292q-292y, provides funds to schools for long-term, low-interest loans to students attending schools of medicine, osteopathic medicine, dentistry, veterinary medicine, optometry, pediatric medicine, and pharmacy. The Loans for Disadvantaged Students (LDS) program, authorized by section 724 of the PHS Act, 42 U.S.C. 292t, gives HPSL schools access to funds for loans to students with financial need from disadvantaged backgrounds. The Primary Care Loan (PCL) program, authorized by section 723 of the PHS Act, 42 U.S.C. 292s, as amended by P.L. 111-148, provides funds to HPSL schools for long-term, low-interest loans to students pursuing a degree only in allopathic medicine or osteopathic medicine. Borrowers must agree to practice in primary care until the loan is repaid or for a period of 10 years, whichever comes first. The statute provides for a gradual redistribution of medical and osteopathic HPSL funds to schools that demonstrate a commitment to training primary care practitioners. The LDS and PCL programs are funded separately from the HPSL program but are governed by relevant requirements associated with the HPSL program including due diligence requirements, institutional contributions, reporting, etc. The Nursing Student Loan (NSL) program, authorized by section 835-842 of the PHS Act (42 U.S.C. 297a-i), provides funds to schools of nursing for long term, low interest loans to students in programs leading to a diploma in nursing, an associate degree, a baccalaureate degree, or a graduate degree in nursing.

Participating HPSL, PCL, LDS, and NSL schools are responsible for determining eligibility of applicants, making loans, and collecting monies owed by borrowers on their outstanding loans. Schools are required to: (1) invest their HPSL, PCL, LDS, and NSL funds; (2) identify and return to the Department excess cash from the HPSL, PCL, LDS, and NSL funds; and, (3) determine the collectability of defaulted loans and, for loans determined to be uncollectible, either obtain

approval to write off the loans or reimburse the fund for the amount that remains uncollected on the loans. The governing regulations for the HPSL program (§§ 57.201-57.218) and the NSL program (§§ 57.301-57.318) are included in 42 CFR 57, Subpart C - Health Professions Student Loans and Subpart D – Nursing Student Loans.

Approval – with changes is requested for HRSA-519, Certification of Deferment Status and approval with changes is requested for HRSA-501, HPSL, PCL, LDS & NSL Annual Operating Report (AOR) for the following administrative forms, which are included as attachments.

HRSA-519. Certification of Deferment Status is authorized by sections 722(c) (HPSL) and 836(b) (2) (NSL) of the PHS Act, and §§ 57.210 (HPSL) and 57.310 (NSL) of the regulations. The deferment form provides the school with documentation of a borrower's eligibility for deferment.

HRSA-501. HPSL, PCL, LDS & NSL Annual Operating Report (AOR) is authorized by section 799(e) and (h) of the PHS Act (42 USC 295o), and §§ 57.215 (HPSL) and 57.315 (NSL) of the regulations. The AOR provides the Federal Government with information from participating schools relating to HPSL, PCL, LDS & NSL program operations and financial activities.

2. Purpose and Use of Information

The following information collections are essential for reporting and retaining information, and for proper administration of the HPSL, PCL, LDS, and NSL programs:

HRSA-519. Certification of Deferment Status: The HPSL, PCL, LDS or NSL borrower completes the form and files it at the following intervals with the school which made the loan: (1) when the first payment falls due during the deferment period, (2) annually thereafter as long as the borrower's deferment status is in effect, and, (3) upon termination of deferment status. The school uses the information to determine the eligibility of the borrower for deferment and is able to temporarily suspend loan payments for an eligible borrower during the repayment period.

There have been minor changes to this form. The content contained within this form is close to that of the previous form. In the new form, all the instructions have been consolidated onto a single sheet that is located at the beginning of the document and clear labeling and formatting is used.

HRSA-501. Annual Operating Report (AOR): The AOR is the basic instrument available to the HPSL, LDS, PCL, and NSL programs for collecting essential program data and monitoring financial activities, including proper debt management. The Department requires a lending school to file an AOR at the end of each school year in order to assist the participating institutions and the Federal Government to better manage the loan programs. The Federal Government uses this report to determine the fiscal soundness of the institution's loan programs. This report is also being used to determine how well the schools are increasing diversity in the health professions and managing the loan program in terms of their ability to recruit, retain, train, and graduate the students and the graduates' service in medically underserved areas and rural areas and in primary care.

The majority of the form (Pages 2 – 6) are the same. Additional questions were added to Page 1 for this renewal package—some questions from a previous PPR form that these programs had used and other questions that were developed from questions the programs had received from the Department, OMB, and Congress. These questions were added to collect information necessary to adequately answer program questions from these entities and to better evaluate and manage the programs. The questions are similar to other Bureau of Health Profession performance report questions so that performance data may be aggregated across the Bureau.

3. Use of Improved Information Technology

Annual Operating Report (AOR): All institutions for the loan programs are required to submit an AOR that includes legislatively mandated data to support program performance and monitoring functions. The data is currently collected using a web-based system through the use of an Electronic Handbook (EHB). The schools must enter accounting information by personal computer, but all calculations based on the information (e.g. default rates) and all cumulative numbers are calculated automatically. (For most of the cumulative figures, the program provides the schools with their previous data in an electronic report format; the schools enter only the current figures.) The AOR is submitted by the institutional grantee through the use of HRSA's EHB, which is used by all of HRSA's grantees.

Deferment Form: The Certification of Deferment Status form is available as an example that grantees may use. It is determined by the grantee whether to utilize this example of the Certification of Deferment status electronically or as a paper form should they chose to use the form. Grantees may use another form for their students to request deferment, but some form is necessary to document the deferment request.

4. Efforts to Identify Duplication

These requirements will not result in duplication since schools and borrowers would not be reporting loan program information elsewhere.

5. Involvement of Small Entities

The information collection does not involve small businesses or other small entities.

6. Consistency if Information Collected Less Frequently

It is necessary to collect this information annually for proper financial oversight and administration of the HPSL/PCL/LDS/NSL programs' revolving loan funds. Deferment forms are submitted by the student to the institution when a deferment is needed by the student. This allows the school to temporarily suspend loan payments to assure that the borrower does not go into default. No individual data is being collected by the government on this form. Institutions provide aggregate data on the number of deferments granted for that Annual Operating Report period.

7. Consistency with the Guidelines in 5 CFR 1320.5

Data is collected in a manner consistent with guidelines contained in 5 CFR 1320.5.

8. Consultations Outside the Agency:

The notice required by 5 CFR 1320.8(d) was published in the *Federal Register* on January 25, 2012 (77 FR 3782-3783). One comment was received, considered, and almost all changes requested (format and labeling) were incorporated into the Deferment Form. No comments were received on the AOR.

The following HPSL and PCL schools were contacted by program staff regarding various aspects of the HPSL and PCL programs. They reported no problems and there are no unresolved issues.

Health Professions Student Loan Contacts

Judith Archambault
Bursar
University of Maryland
Student Accounting
601 W. Lombard Street
Suite 206
Baltimore, MD 21201
410-706-2929

Ruth Hoch
Associate Director
Student Financial Assistance
The George Washington University
2121 I St. NW #301
Washington, DC 20052
202-994-1577

Primary Care Loan Contacts

Judith Archambault
Bursar
University of Maryland
Student Accounting
601 W. Lombard Street
Suite 206
Baltimore, MD 21201
410-706-2929

Ruth Hoch
 Associate Director
 Student Financial Assistance
 The George Washington University
 2121 I St. NW #301
 Washington, DC 20052
 202-994-1577

9. Remuneration of Respondents

Respondents will not be remunerated.

10. Assurance of Confidentiality

The student records associated with these requirements are protected by the Family Educational Rights (FERPA) and the Privacy Act. The HRSA Privacy Act Officer has determined that a system of records is not needed for the information collections included in this request because all information on individual students is maintained by the schools.

11. Questions of a Sensitive Nature

There are no questions of a sensitive nature.

12. Estimates of Annualized Hour Burden

The reporting burden is as follows:

Form Number	No of Respondents	Responses per Respondent	Total Annual Response	Hours per Response	Total Burden Hours	Dollar Wage Rate	Total Hour Cost
Deferment HRSA- 519	3234	1	3,234	0.533 hrs.	1,725	\$20	\$34,500
AOR HRSA-501	834	1	834	12 hrs*	10,008	\$37.50	\$375,300
Total Burden	4,068		4,068		11,733		\$409,800

*There may be slight variances depending upon different populations collecting data from different time periods.

Basis for Estimates:

HRSA 519: An average of 3,234 HPSL, NSL, LDS, and PCL borrowers are expected to file this form to request deferment of repayment of their loans. It is estimated that it will take a borrower 32 minutes (or .533 hrs.) to complete this form (3,234 borrowers x 1 annual response x 0.533 hours = 1,724.8 hours, rounded to 1,725).

The Deferment form cost to the public is estimated to be \$34,500 (1,725 burden hours x \$20/hour = \$34,500). The variety of borrowers, and the corresponding variability in salaries, makes it difficult to estimate an average hour cost. This amount (\$20) was selected as a reasonable estimate for health professionals still receiving training.

HRSA 501: The HPSL, NSL, LDS, and PCL schools file an Annual Operating Report (AOR) with the Department at the close of the school year detailing their fiscal and program activities. It is estimated to take 12 hours to complete this report (834 schools x 1 annual response x 12 hours = 10,008 hours).

The AOR cost to the public is estimated to be \$375,300 (10,008 burden hours x \$37.50/hour = \$375,300). This amount (\$37.50) is a generally accepted rate for school personnel responsible for completing the AOR.

13. Estimates of Annualized Cost Burden to Respondents

There are no capital and start-up costs for the HPSL/PCL/LDS/NSL program forms. There are no operating or maintenance costs for the Annual Operating Report (AOR) other than the hourly labor costs. Most of the information is generated from data already maintained by the schools for their own monitoring purposes.

14. Estimates of Annualized Cost to the Government

Deferment forms (HRSA 519): Sample forms are on-line and are printable and downloadable.

Annual Operating Report form (HRSA 501): This report is submitted electronically via the internet. The following cost is paid to the contractor for maintenance of the user guide, instructions, processing data and e-mail notification to schools participating in the program.

\$ 10,800 (Task V) Annual Cost

15. Change in Burden

For the two forms (Deferment and AOR) in the OMB Inventory for 0915-0044, we are requesting 11,733 hours for an increase of approximately 7,325 burden hours. The current inventory for this

is 4,408 hours.

Specific form breakdown information follows.

Deferment form (HRSA-519)

We are requesting 1,725 total hours for the Deferment form (HRSA-519) which is an increase of 1,391 hours. Currently, there are 334 hours in the OMB Inventory for this form. The increase is due to:

(1) The additional 1,223 forms being filled out (3,234 forms this time as opposed to 2,011 last time) and

(2) Adding the university staff burden (0.367 hr. per form) as well as the student burden (0.166 hr. per form). The last OMB submission included only the student burden.

AOR (HRSA-501)

We are requesting 10,088 hours total for the AOR (HRSA-501) which is an increase of 6,380 hours for the AOR. There are 3,628 hours currently in the OMB Inventory for this form.

This change is due to the following:

There are more data to collect due to an increase in program evaluation questions not previously asked. The former AOR was almost entirely financial with data easily provided. This new version of the report requests the financial data and also some output information regarding the students' success and failure. The additional questions which include the need for student tracking and data collection over 1 to 4 years may increase the burden by 8 hours for each form for a total of 6,380 hours extra burden. There may be slight variances in time due to some respondent populations collecting data back only 1 or 2 years.

16. Time Schedule, Publication, and Analysis Plans

There are no plans for publication. However, we do plan to do minor analyses of the aggregate data (percentages and comparisons) to better evaluate the program and help us to make changes to the program if necessary. Examples are comparing the program students' drop-out rate against the school's total drop-out rate, comparing the programs' drop-out rate across the years, developing the graduation rate of program students and comparing it against the school's graduation rate, comparing the graduates' intent to serve in a medically underserved area, rural area or in primary care with the graduates' actual service, etc. Analysis of the actual recruitment and retention activities of successful schools are also of interest and the data gathered for recruitment and

retention is necessary in order to monitor this required activity of the Loans for Disadvantaged Student program. HRSA has pipeline programs for disadvantaged students so it is important to know if we are providing finances to those pipeline program students so that they can graduate and enter the health professions. The percentage of pipeline program students participating in the loan programs is a percentage that would also be done. Annual Operating reports are due annually between July 1 and August 15th for the prior academic year reporting period.

17. Exception for Display of Expiration Date

Expiration date will be displayed

18. Certifications

This information collection fully complies with the guidelines set forth in 5 CFR 1320.9. The certifications are included in this package.