


Date: October 19, 2012

To: Sharon Mar  
Office of Management and Budget

From: David A. Bergeron   
Acting Assistant Secretary, Office of Postsecondary Education,  
U.S. Department of Education

Subject: Simplification of the College Affordability and Transparency Explanation Form (CATEF)  
2012-2014 Change Request (OMB # 1840-0822 v.2)

The Office of Postsecondary Education at the U.S. Department of Education requests approval to revise the College Affordability and Transparency Explanation Form (CATEF), approved by OMB in March 2012 (OMB# 1840-0822 v.1) to better align the information collected through CATEF with requirements in the statute and to decrease institutional burden associated with reporting this information.

The collection of information in CATEF 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 HEOA requires that postsecondary institutions that fall in the top 5% of increases in tuition and fees or in net price as calculated in the U.S. Department of Education's Integrated Postsecondary Education Data System (IPEDS) provide additional information to the Secretary. Specifically, Section 132(e) of the HEOA requires such institutions to report to the Secretary the following information:

- (A) A description of the major areas in the institution's budget with the greatest cost increases.*
- (B) An explanation of the cost increases described in subparagraph (A).*
- (C) A description of the steps the institution will take toward the goal of reducing costs in the areas described in subparagraph (A).*
- (D) In the case of an institution that is included on the same list under subparagraph (C) or (D) of subsection (c)(1) for two or more consecutive years, a description of the progress made on the steps described in subparagraph (C) of this paragraph that were included in the institution's report for the previous year.*
- (E) If the determination of any cost increase described in subparagraph (A) is not within the exclusive control of the institution—*
  - (i) an explanation of the extent to which the institution participates in determining such cost increase;*
  - (ii) the identification of the agency or instrumentality of State government responsible for determining such cost increase; and*
  - (iii) any other information the institution considers relevant to the report.*

CATEF was designed to collect the above information to develop an annual report to Congress that will also be made available to the public on the College Navigator website. The annual report summarizes 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 costs.

Upon reviewing institutional responses at the conclusion of the first year of data collection, the Department learned that institutions indicated that completing CATEF required an average of 5.23 hours, 2.23 hours more than the estimated 3 hours submitted in the original clearance package. Upon further analysis, the Department determined that CATEF collection can be simplified and institutional burden associated with completing CATEF reduced (see Table 1 below) without compromising the information required by the statute.

This request is to simplify CATEF by reducing the number of fields in the instrument and automatically pre-populating fields with data previously reported by the institution in IPEDS (see Table 2 below). The Department estimates that institutional reporting burden will be reduced by 50%. No changes to the administration of the data collection, including timing and the annual cost to the federal government, are being proposed. A revised version of the CATEF based on the proposed changes is attached.

Table 1: Revised estimated burden and 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
2012-13	528	1.5	792	\$42.84	\$33,929
2013-14	528	1.5	792	\$43.70	\$34,610

Table 2: Proposed changes to CATEF.

Section	Proposal	Rationale
<b>Section 1</b>	Eliminate question 3	Not required by statute
	Eliminate question 4	Not required by statute
<b>Section 2</b>	In part A, use the established cost areas in the IPEDS Finance component and prepopulate them with data that institutions reported in IPEDS previously so they will not need to input Year 1 and Year 3 information manually. The 3-year percent change will continue to be automatically calculated for institutions.	Using the cost areas in the IPEDS Finance component and prepopulating them will represent a substantial decrease in reporting burden, since institutions currently have to enter manually amounts for Year 1 and Year 3 in at least five cost areas. We received feedback from institutions that the cost areas in CATEF are not consistent with the cost areas in the IPEDS Finance component, and that not all institutions categorize their cost areas the way the CATEF does. Using the established cost areas in the IPEDS Finance component will improve the consistency and quality of data.
	In part A, eliminate the "Cost area per FTE student" table	Not required by statute
	In part B, eliminate the "Revenue source" and "Revenue source per FTE student" tables	Not required by statute

Section	Proposal	Rationale
<b>Section 3</b>	Require institutions to provide explanations for three rather than five cost areas. The three cost areas with the largest increases will be automatically identified and prepopulated.	Requiring institutions to identify and explain five cost areas was too burdensome for institutions and resulted in duplicative responses. Statute requires only "a description of the major areas in the institution's budget with the greatest cost increase," and does not require a specific number of such areas. The Department believes that identifying three cost areas is sufficient.
	Create an optional field for institutions to provide information about other cost areas that contribute to increases in tuition and fees or net prices charged to students.	Providing an optional field will allow institutions to identify cost areas other than the established cost areas in the IPEDS Finance component that may have contributed to increases in tuition and fees or net prices charged to students.
<b>Section 4</b>	Require institutions to provide steps toward cost reduction for three rather than five cost areas. The three cost areas with the largest increases will be automatically identified and prepopulated.	Requiring institutions to provide steps toward cost reduction for five cost areas was too burdensome for institutions and resulted in duplicative responses. Statute requires only "a description of the steps the institution will take toward the goal of reducing costs in the areas [identified]," and does not require a specific number of such areas. The Department believes that identifying three cost areas is sufficient.
	Create an optional field for institutions to provide information about steps toward cost reduction in other cost areas that contribute to increases in tuition and fees or net prices charged to students.	Providing an optional field will allow institutions to provide information about steps toward cost reduction in cost areas other than the established cost areas in the IPEDS Finance component that may have contributed to increases in tuition and fees or net prices charged to students.
<b>Section 5</b>	Move the last field ("Please use this space to provide any other information...") into the box that will appear only if an institution answers "no" to the first question ("Are student charges (tuition and fee rates)...").	To ensure alignment with the statutory language (Sec. 132(e)(1)(E)(iii))
<b>Section 6</b>	Change the estimated burden hours from 3 hours to 1.5 hours	With the simplification of the form, the Department expects that institutional reporting burden associated with CATEF will be reduced by 50%.
	Slight wording change (Change "How long did it take you to complete this survey?" to "How many hours did it take you to complete this survey?")	To improve the clarity of the question

