

**OMB 83-1 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.

The Annual Vocational Rehabilitation Program/Cost Report (RSA-2) collects data on the vocational rehabilitation (VR) and supported employment (SE) program activities for agencies funded under the Rehabilitation Act of 1973, as amended (Rehabilitation Act). The RSA-2 captures:

- administrative expenditures for the VR and SE programs;
- VR program service expenditures by category;
- SE administrative expenditures and service expenditures;
- expenditures for the VR program by number of individuals served;
- the costs of types of services provided; and
- a breakdown of staff employed by the VR agencies.

These data are used to evaluate and monitor the financial performance and programmatic achievements of VR agencies.

The basic data comprising the Annual Vocational Rehabilitation Program/Cost Report (RSA-2) are mandated by the Rehabilitation Act. The Appendix to this document shows the applicable portions of the Rehabilitation Act that explicitly or implicitly require the recording and reporting of specific data elements by VR agencies to the Rehabilitation Services Administration (RSA).

Section 13 of the Rehabilitation Act requires the Commissioner to collect and report information specified in Section 101(a)(10) to the Congress and the President in an Annual Report. Section 626 requires the same information be reported for individuals who received SE services. Data on persons served also are needed to satisfy Section 131 calling for an exchange of data between RSA, the Social Security Administration (SSA), and the Department of Labor (DOL).

This is a request for a revision of an existing data collection. The revisions currently proposed will improve RSA's ability to monitor and analyze the performance of VR agencies and will eliminate redundancy between the RSA-2 and the federal financial report (FFR). In addition, the form's instructions will be revised to make them more clear and concise. Following approval by OMB, VR agencies will need time to re-program their data collection systems and conduct systems testing. RSA will implement the revised form in the 2014 federal reporting year.

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 RSA-2 is completed by state VR agencies electronically (see #3 below for more information). RSA has collected these data from states via the RSA-2 for over 20 years. The RSA-2 is designed to show how grant funds provided to state VR agencies have been spent by breaking their spending down by specific categories. This is the only source of detailed information on annual expenditures made by state VR agencies. Total expenditures from all funding sources -- federal funds, state matching funds, and funds derived from other sources expended for VR and SE purposes and under the control of the state VR agencies are reported. RSA uses this data to:

- assist with setting agencies' VR goals and determine whether those goals are being achieved;
- determine the average cost of the services the VR program provides;
- provide information necessary for the completion of ED's annual budget request;
- respond to inquiries from Congress, other federal agencies, states, organizations, and private individuals;
- respond to audits conducted by the Department of Education's Office of Inspector General and the General Accounting Office; and
- plan for the distribution of federal funds for training and manpower development.

In addition, when these data are analyzed in conjunction with data collected through other instruments (RSA-113, Quarterly Cumulative Caseload Report and the RSA-911 (1820-0508), Case Service Report), RSA can assess the accomplishments and fiscal practices of VR agencies, and compare these to data from prior years. This assessment allows RSA to identify problem areas and target technical assistance.

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 of using information technology to reduce burden.

RSA has a Management Information System (MIS) that agencies use to access the data collection directly through the internet by using the following URL: <http://rsa.ed.gov>. All VR agencies have submitted their RSA-2 data electronically into the MIS since FY 2010.

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

The RSA-2 is the only source of data that provides RSA with detailed annual financial expenditure information. Standard federal financial reporting forms provide some financial information, but it is of such a general nature that it is not sufficient to meet the purposes described in #2 above. However, two schedules with eight total data elements on the RSA-2 were found to be redundant with information collected on standard financial reporting forms, and have thus been eliminated. Additionally, RSA removed line item subtotals and totals that could be calculated electronically in the MIS. This reduces the effort required by the agency to complete the form and reduces calculation errors.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.

The collection of information does not involve small business or other small entities.

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.

The data cannot be collected less frequently than annually due to the fiscal year limitation on the use of federal funds by state VR agencies, because the data is used for the provision of the Department's annual budget request, and because the previously mentioned report to Congress is due annually. The most important use of the data is for monitoring state VR agencies. The need for that data collection could not be less frequently than annually in order to be as recent as possible.

7. Explain any special circumstance that would cause an information collection to be conducted in a manner:

- **requiring respondents to report information to the agency more often than annually;**
- **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 that 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 which 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.**

There are no special circumstances that cause the RSA-2 to be conducted according to the bullets above.

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.

RSA regularly consults with the Council of State Administrators of Vocational Rehabilitation (CSAVR) on developments affecting the RSA-2 system. CSAVR is an umbrella organization, headquartered in suburban Washington, DC, representing the 80 respondents (state VR agencies)

The current revision of the RSA-2 has been undertaken with the assistance of a Technical Work Group (TWG) comprised of state VR staff. The membership of this group was recommended by the CSAVR. The TWG has reviewed drafts of issue papers, revision plans, and revised the RSA-2.

Consultations also included representatives of the two major providers of third-party software for completing the RSA-2 form.

Finally, see attached document “*RSA-2 Comments and Analysis*” for RSA’s responses to comments received and subsequent changes as a result of the 60-day publication of the proposed revised RSA-2 data collection and instructions in the Federal Register on Monday July 2, 2012, page 39,224. A 30-day FRN will also publish seeking additional comments.

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

No payment or gift will be provided to respondents, other than remuneration of grantees.

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

The data to be collected on the RSA-2 report are not of a confidential nature, as the data only describe agency expenditures and do not include any personal information other than the signature block for the submitting official. There are no assurances of confidentiality provided.

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. This 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.

No sensitive data are required to be reported on the RSA-2.

- 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.**
 - **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 13 of OMB Form 83-I.**
 - **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 burden of collection of information for the revised form is estimated to be 320 hours for the 80 respondents submitting one report each per fiscal year (an average of 4.0 hours per submission). The total cost burden to the state VR agencies is estimated to be \$16,000 (320 hours multiplied by \$50.00 an hour).

The previous burden was estimated to be 385 hours for 80 respondents submitting one report each per fiscal year (average 4.8125 hours per submission). The proposed revisions remove approximately one-third of the items from the current RSA-2. Two complete schedules (Schedule IV for other VR funds and Schedule V for carryover) have been deleted to eliminate redundancy between the RSA-2 and other standard federal accounting forms. Additionally, the RSA-2 will now ask agencies to calculate expenditures on a cash basis using only their liquidated obligations, instead of including unliquidated obligations, which will simplify completion of the revised schedules that remain in the form. Twelve additional items have been added to the costs of purchased services section, but since the data collected in the RSA-2 are maintained by state VR agencies as part of their normal operations in order to prepare the RSA-911, these additions should require minimal new effort to report. As with the previous submission, the only burden factor considered is the amount of time required to copy and enter the information into the report form. This burden is included in the Information Collection Budget.

- 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 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.**

In regard to the programming necessary for the redesigned RSA-2, roughly half of the state VR agencies have service contracts with vendors or are scheduled to revise their internal data systems; therefore, the burden incurred from the revision of their systems to collect information on the redesigned RSA-2 will be borne by their vendors, not the VR agencies themselves. Approximately 20 percent of VR agencies will program the changes of the form in-house; consequently, costs will be minimal. The remaining agencies will have to contract for the changes to be made. The cost of the contracts should not be high considering that most of the changes consist of eliminating data elements and adding only nine services provided to individuals.

The estimated cost to those agencies effecting the changes in-house would be \$80,000 – based on 20 agencies multiplied by \$100 per hour multiplied by 40 hours effort. The estimated cost for contracting the changes to be effected could vary from \$10,000 to \$20,000.

This collection does not require capital costs, maintenance costs, or the purchase of services for the respondents. There are no start-up costs associated with this collection because the summary data are already collected by the VR agencies for the purpose of maintaining their federal grants.

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.

There are no additional annual costs to the federal government for the newly-redesigned RSA-2 form. The changes, for the most part, involve the elimination of data collection schedules and the addition of twelve service category fields. Most importantly, the in-house programmer will make the necessary initial changes to the form.

Regarding the annual cost to the federal government, these revisions will effectively streamline the form for both grantee submission and for RSA staff to maintain. RSA staff will review submitted forms on an annual basis, follow up with agencies when corrections are needed, and approve the form on the RSA MIS system. The collection of data on the revised RSA-2 form will not require additional

costs associated with equipment, overhead, printing or support staff, other than the in-house programmer's initial revisions to the form.

To calculate the annual cost, RSA staff will spend approximately 1.0 hour annually related to the RSA-2 form (reviewing each submission, following up with grantees when corrections are required, and approving the form). At an average rate of \$60/hour for salary and fringe benefits, 1.0 hours X \$60/hour equals \$60 per submission. Since the RSA-2 is a required form for all 80 grantees that receive VR and SE awards, the total estimated cost to the federal government to maintain this form is \$60 X 80 grantees, or \$4,800 total.

15. Explain the reasons for any program changes or adjustments reported in Item 16 of the OMB Form 83-I.

There is a program change burden reduction of -65 annual burden hours. Four of the revisions to the RSA-2 will decrease the overall burden on state VR agencies. The first two of these revisions are the removal of two schedules or sections of the form. These sections were found to be redundant with other fiscal data collection forms. The third revision is the change in the method of calculating expenses by eliminating the need to include unliquidated obligations. The fourth revision is to remove data elements that RSA could calculate based upon other information provided by the agency in the form (subtotals and totals).

The revisions to the section of the form that collects information on funds spent on purchased services will include twelve more items than are currently present. These revisions will align the service categories on the RSA-2 with those on the RSA-911 (1820-0508) data collection instrument and should reduce confusion and effort on the part of state agencies.

The one-time costs of revising programming will be minimal and is expected to decrease the time spent on collecting the purchase services information since many of the revisions bring the information collected on services to VR customers in line with those included on the RSA-911.

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.

Data from the RSA-2 is used in monitoring agency performance and for the Annual Report to the Congress required by Section 13 of the Rehabilitation Act.

The RSA-2 report is submitted by the state agency via RSA's MIS. These submissions in the MIS are reviewed by RSA staff and are then either approved or sent back to the agency for correction and/or revision. The RSA-2 data is approved based on the reviewer's familiarity with the agency as well as by RSA's analysis of differences with prior year data. When the 80 agency submittals have been approved, the database of all submittals are published for display in the MIS.

The due date for the RSA-2 is December 31. The approval process is time-intensive and state agency submittals are frequently late, adding to the timeline needed for an approved and useable database. The

anticipated date of approval is March 31 or three months following the required submittal date. The use of the data contained in the RSA-2 for monitoring reports will generally be available immediately from RSA's MIS, but may take a month or more for specialized queries.

RSA anticipates that this revised RSA-2 form will be available for distribution to agencies by January 31, 2013, thus allowing agencies one year to accomplish programming necessary to collect the information requested on the form, prior to implementation of the 2014 federal reporting year. The first submittal of the RSA-2 using the revised form will be due December 31, 2014.

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 expiration date for OMB approval will be displayed.

18. Explain each exception to the certification statement identified in Item 20, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

We made no exceptions to the certification statement identified in Item 20, "Certification for Paperwork Reduction Act Submissions."

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This information collection does not employ statistical methods.

Appendix

How the Data Collected, via the RSA-2, Address Statutory Requirements of the Rehabilitation Act of 1973, as amended

1. Section 3(b) of the Rehabilitation Act requires RSA to "take whatever action is necessary to ensure that funds appropriated pursuant to this Act are expended only for the programs, personnel, and administration of programs carried out under this Act."

Schedule I of the RSA-2¹ captures the total VR and SE program funds under the control of and expended by state VR agencies.

Schedule II of the RSA-2 provides a total number of labor hours for VR agency staff working on the VR program. This schedule provides a breakdown of staff effort related to the VR program.

Schedule III of the RSA-2 report provides a cost breakdown of the various services provided which serve multiple VR client needs in the administration of the public VR program. These data are collected for several purposes, including both programmatic and financial operations/expenditures tracking. For program management, the data provide a meaningful and critical insight into the extent to

¹ For the remainder of the appendix, a reference to a "schedule" means a schedule on the RSA-2.

which mandatory services are provided by a state program and by the VR program nationally. For fiscal management purposes, the data permit state agencies and RSA to assess the impact of expenditure levels for specific services on outcomes for agency clientele.

2. Section 13 requires that the RSA Commissioner submit an annual report that is full and complete to the President and Congress.

Information in the RSA-2 is necessary for this annual report. Two of the most critical activities carried out under the Act are the expenditure of appropriated monies in furtherance of the goals of the Act and the provision of a variety of services to individuals with disabilities. Schedules I, II, and III provide the bases upon which to inform the Congress fully and completely about these activities. These schedules call for dollars expended and the number of persons in receipt of service types for the fiscal year in question. RSA believes that the categories listed on Schedules I, II, and III satisfy the letter and spirit of the "full and complete" provision in Section 13(a).

3. Section 14(a) articulates a requirement for the conduct of cost/benefit studies when it says “. . . their general effectiveness in relation to their cost . . .” Additionally, OMB has mandated that total dollars must be used in such cost/benefit analyses.

The proper evaluation of program effectiveness (and impact) requires determination of the relationship between program outcomes and program inputs.

Determining effectiveness includes more than the obvious goal of the program, i.e. to rehabilitate persons with disabilities. Included would be, for example, such important goals as:

- (a) holding within reasonable bounds, the amount and proportion of expenditures devoted to agency overhead or to construction activities (and away from client services);
- (b) lowering, if necessary, amounts of money spent on and the number of clients in receipt of medical services since these services often indicate cases of persons who are not significantly disabled or who needed only a remedial medical service that could have been provided elsewhere; and
- (c) increasing, if necessary, the number of persons receiving on-the-job training, a service which has proven to be a valuable by-product of governmental and private sector cooperation.

Additionally, OMB requires that RSA project future capacity given proposed budget levels. This requires knowledge of the total amount of money available to and spent by state agencies. This projection activity would not produce sound estimates if millions of state VR agency dollars which are used to take clients into the caseloads, and to serve and rehabilitate them, are not completely accounted for. The availability of these data permits more effective and accurate budget projections to be made.

4. Section 101 provides that the Commissioner be assured that services providable under the Act are being provided in accordance with the individualized plan for employment. (Section 101(a) (9)(B)). Sections 103(a)(1) through (18) and 103(b)(1) through (6) identify and define those services which are available to eligible individuals by VR agencies under the Act.

The data collected on Schedule III measure the extent to which the listed services are provided by the state VR agencies in helping individuals with disabilities achieve employment outcomes.

5. Section 103(b)(2)(A) further includes as a service: "The establishment, development, or improvement of community rehabilitation programs, including, under special circumstances, the construction of a facility."

The data collected on Schedule I, Item 3.A and B of the RSA-2 are needed by RSA to determine the financial extent to which VR community rehabilitation programs (CRP) are established or constructed.

6. Sections 101(a)(24)(A) and (B) require the use of for-profit and non-profit organizations for the provision of services for the rehabilitation of individuals with disabilities.

The extent of such use is measured by the collection of the data on lines 2.B.1 and 2.B.2 of Schedule I of the RSA-2.

7. Section 103(a)(5) requires that no training services in institutions of higher education be paid for with funds from this title unless maximum efforts have been made to secure grant assistance from other funding sources.

The RSA-2 report contains data on the number of clients trained and funds expended for this purpose. These data are analyzed by RSA staff and used to monitor the extent to which VR funds are used for training purposes.

On a related topic, the labor hours reported on the RSA-2 are used as the basis for distributing discretionary training funds for in-service training of state agency personnel and for Rehabilitation Continuing Education Programs. This method of distributing these training funds has proven equitable.