

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 hard copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information, or you may provide a valid URL link or paste the applicable section¹. Specify the review type of the collection (new, revision, extension, reinstatement with change, reinstatement without change). If revised, briefly specify the changes. If a rulemaking is involved, make note of the sections or changed sections, if applicable.

On September 11, 1993, President Clinton issued Executive Order 12862, “Setting Customer Service Standards” which clearly define his vision that the Federal agencies will put the people first. To do that, a revolution within the Federal government to change the way it does business was needed. Federal Student Aid (FSA) has successfully used customer surveys to continually reform practices and operations to the end that, when dealing with FSA, all people receive service that matches or exceeds the best service available in the private sector.

Section 1(b) of Executive Order 12862 requires government agencies to “survey customers to determine the kind and quality of services they want and their level of satisfaction with existing services” and Section 1(e) requires agencies “survey front-line employees on barriers to, and ideas for, matching the best in business.” These Presidential requirements establish an interactive process of collecting information and using it to improve program services and processes.

In order to improve student financial aid services nationwide, the Higher Education Amendments of 1998 established Federal Student Assistance (FSA) as the first federal Performance-Based Organization. Congress specified in that legislation that one purpose of the PBO is to improve service to students and other participants in the student financial assistance programs authorized under title IV, including making those programs more understandable to students and their parents. To do that, FSA has committed to ensuring that all people receive service that matches or exceeds the best service available in the private sector. The legislation’s requirements establish an ongoing need for FSA to be engaged in an interactive process of collecting information and using it to improve program services and processes.

Surveys to be considered under this generic will only include those surveys that improve customer service or collecting feedback about a service provided. The results of the

¹ Please limit pasted text to no longer than 3 paragraphs.

customer and topic surveys will help FSA managers to plan and implement program improvements and other customer satisfaction initiatives. Focus groups that will be considered under the generic clearance will assess customer satisfaction with a direct service, or will be designed to inform a customer satisfaction survey FSA is considering. Surveys that have the potential to influence policy will not be considered under this generic clearance. This clearance will also allow ED to submit more than one survey if the respondent type is the same (as a bundle submission).

FSA estimates there may be an additional 10,000 new respondents and 3,500 additional burden hours submitted under this generic clearance for new surveys or focus groups that are not already listed.

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 President's primary objective and one of Congress's primary objectives in passing the PBO legislation was to ensure that all entities and individuals directly served by FSA will receive the highest quality of service, comparable to that service delivered by private organizations. These individuals and entities are defined as our "customers."

In FSA, senior management has clearly defined our ultimate customer as the students who attend or plan to attend postsecondary institutions. This ultimate customer might be classified in primary groups: secondary students, postsecondary and graduate students, and adult learners. Besides these customers, FSA also provides funds and services directly to parents, state education agencies, institutions of higher education, accreditation agencies, lenders, guarantee agencies, national special interest groups with an interest in postsecondary education, contractors, grantees, and individuals seeking employment with FSA. Each of these groups, while often also a partner in the postsecondary education process, is to be considered an FSA customer. As such, the expectations and requirements of each of these groups will need to be understood. The series of customer satisfaction surveys to be conducted by FSA will assess the needs at a level that matches or exceeds the best service available in the private sector.

FSA has established a process where customer satisfaction is regularly monitored and measured. The results will assist FSA in the planning and decision-making processes to improve the quality of FSA's products and services. Results from surveys and focus groups will be used to measure against established baseline standards and for measuring FSA progress toward defined goals. This will be a continuous process of measuring customer satisfaction and then using that information to redefine FSA processes and programs. Without this institutionalized process, FSA will have no basis in reality for planning and implementing program improvements and other customer satisfaction initiatives.

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.

There are neither legal nor technical obstacles to the use of technology in these information collection activities. The determination to use technology, and which technology to use, will be based on the type of information collected and the utility and the availability of specific technology to each respondent in a proposed customer satisfaction survey .

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 information to be supplied on these surveys will not be duplicated on any other information collection. Since initial OMB approval of FSA's umbrella clearance for customer satisfaction surveys, FSA has been careful to ensure the streamlining in number of surveys, number of questions, and type of questions proposed for approval. An internal group of FSA employees will continue to review the proposed surveys to verify that the information sought is not already available and that the survey is part of a coordinated FSA-wide customer satisfaction program. There is no information available from any other source that will enable FSA to evaluate the satisfaction of our customers under the provisions of the Higher Education Amendments of 1998.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden. A small entity may be (1) a small business which is deemed to be one that is independently owned and operated and that is not dominant in its field of operation; (2) a small organization that is any not-for-profit enterprise that is independently owned and operated and is not dominant in its field; or (3) a small government jurisdiction, which is a government of a city, county, town, township, school district, or special district with a population of less than 50,000.

The information collected in these surveys will represent the minimum burden necessary to evaluate customer satisfaction with FSA programs and processes.

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 series of surveys will be coordinated to insure that most individual respondents will not be asked to respond to more than one survey instrument or to participate in more than one focus group. The total number of surveys and the schedule for those surveys will be monitored and approved by the Chief Operating Officer of FSA. Without a regular program of customer satisfaction surveys, FSA will not be able to achieve the commitment to raise FSA's customer satisfaction scores.

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;
- 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 than 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 that 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.

These surveys will be consistent with all the guidelines in 5 CFR 1320.5, especially those provisions in subsection (g) which require that a statistical survey be designed to produce results that can be generalized to the universe of study. There are no special circumstances that would cause this information collection to be conducted in an unusual or intrusive

manner. All participation will be voluntary. Should FSA need to deviate from the requirements outlined in 5 CFR 1320, individual justification will be provided to OMB on a case-by-case basis.

8. As applicable, state that the Department has published the 60 and 30 Federal Register notices as 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.

These surveys are consistent and comply with the guidelines in 5 CFR 1320.8 (d). The customer service opinions of those individuals and organizations served by FSA are available upon request. In fact, the process of asking, by itself, if done well, will generate a positive atmosphere of partnership and cooperation.

The appropriate 60-day and 30-day federal register notices will be published soliciting comment on the information collections prior to submission to OMB.

FSA staff works throughout the year with the higher education community to hear their ideas and feedback on how to continue to fulfill the mandate of Congress to improve service to students.

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

There will be no payment or gift to respondents. If any are proposed for use, they will be small and FSA will submit specific justification for each proposed use as part of the completed package submitted to OMB.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy. If personally identifiable information (PII) is being collected, a Privacy Act statement should be included on the instrument. Please provide a citation for the Systems of Record Notice and the date a Privacy Impact Assessment was completed as indicated on the IC Data Form. A confidentiality statement with a legal citation that authorizes the pledge of confidentiality should be provided.² If the collection is subject to the Privacy Act, the Privacy Act statement is deemed sufficient with respect to confidentiality. If there is no expectation of confidentiality, simply state that the Department makes no pledge about the confidentiality of the data.

These surveys and focus group instructions will provide all necessary assurances of confidentiality to the respondents. Although there is no requirement for such an assurance in statute, the quality of this type of information requires respondent candor and anonymity.

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.

There will be no questions of a sensitive nature in these customer satisfaction surveys. If any are used, FSA will submit justification for each question used as part of the completed package submitted to OMB.

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

- Indicate the number of respondents by affected public type (federal government, individuals or households, private sector – businesses or other for-profit, private sector – not-for-profit institutions, farms, state, local or tribal governments), frequency of response, annual hour burden, and an explanation of how the burden was estimated, including identification of burden type: recordkeeping, reporting or third party disclosure. All narrative should be included in item 12. 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

² Requests for this information are in accordance with the following ED and OMB policies: Privacy Act of 1974, OMB Circular A-108 – Privacy Act Implementation – Guidelines and Responsibilities, OMB Circular A-130 Appendix I – Federal Agency Responsibilities for Maintaining Records About Individuals, OMB M-03-22 – OMB Guidance for Implementing the Privacy Provisions of the E-Government Act of 2002, OMB M-06-15 – Safeguarding Personally Identifiable Information, OM:6-104 – Privacy Act of 1974 (Collection, Use and Protection of Personally Identifiable Information)

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 the ROCIS IC Burden Analysis Table. (The table should at minimum include Respondent types, IC activity, Respondent and Responses, Hours/Response, and Total Hours)
- 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 respondent burden averages from five (5) minutes to thirty (30) minutes per response for each survey, dependent on the individual survey. This estimation has been based on previous surveys generated by FSA in the past years. The respondents are estimated to average 60-90 minutes in each focus group discussion.

Each survey respondent will submit only one response per survey. FSA estimates approximately responses 95,000 annually with a total burden of 20,583 hours annually ($95,000 * 13 \text{ minutes} / 60 = 20583 \text{ hours}$). The number of responses is higher than in recent umbrella clearance package requests because it is based on actual number of responses received in recent fiscal years. The total burden of hours requested increased based on average number of responses and average response time. FSA will continue to keep tracking the accurate burden in order to accurately report burden year to year. The average hourly cost per respondent time is estimated to be \$25.00, for a total of \$514,575 ($20,583 \text{ hours} * \$25.00 = 514,575$).

Each member of a focus group is expected to spend an average of seventy-five (75) minutes per group. FSA estimates that there will be 30 segmented focus groups held each year with an average of ten participants per group. The annual total paperwork burden for the focus groups is estimated to be 375 hours ($30 \text{ groups} * 10 \text{ participants} * 1.25 \text{ hours}$). The average hourly cost per participant time is estimated to be \$75.00. The total cost for each participant for each focus group discussion is \$75.00, for a total of \$28,125 ($375 \text{ hours} * \$75.00 = \$28,125$).

FSA estimates there may be an additional 10,000 new respondents and 3,500 additional burden hours submitted under this generic clearance for new surveys or focus groups that are not already listed.

The total estimates of **responses** are 105,300 (95,000 (surveys) +300 (focus groups) +10, 000 (additional)) and total **burden hours** is 24,458 ($20,583 + 375 + 3,500$).

The estimated total of the hour burden of the collection of information equals hours for an estimated cost of \$542,700 (\$514,575+\$28,125=542,700).

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 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. Also, these estimates should not include the hourly costs (i.e., the monetization of the hours) captured above in Item 12

Total Annualized Capital/Startup Cost :
Total Annual Costs (O&M) :
Total Annualized Costs Requested : _____

There is no increased cost burden to respondents except for costs under number 12.

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 estimated annualized cost required to read and evaluate the surveys and focus group discussions by FSA is estimated to be 5,000 hours. Given an average hourly rate of \$38.00 per hour, the total cost to the Department is estimated to be \$190,000.

15. Explain the reasons for any program changes or adjustments. Generally, adjustments in burden result from re-estimating burden and/or from economic phenomenon outside of an agency's control (e.g., correcting a burden estimate or an organic increase in the size of the reporting universe). Program changes result from a deliberate action that materially changes a collection of information and generally are result of new statute or an agency action (e.g., changing a form, revising regulations, redefining the respondent universe, etc.). Burden changes should be disaggregated by type of change (i.e., adjustment, program change due to new statute, and/or program change due to agency discretion), type of collection (new, revision, extension, reinstatement with change, reinstatement without change) and include totals for changes in burden hours, responses and costs (if applicable).

The number of responses is higher than in recent umbrella clearance package requests because it is based on actual number of responses received in recent fiscal years. The total burden of hours increased by 4,833 based on average number of responses and average response time. FSA will continue to keep tracking the accurate burden in order to accurately report burden year to year.

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.

The responsibility to measure customer satisfaction is not a project which has an assigned completion date. Instead, it is an interactive process which will become incorporated into the fabric and culture of FSA. The process will begin with the attached proposal for collecting information.

As the information is collected, the FSA offices will evaluate and share it with any other program managers, support service managers and employees to whom it is relevant. Based on the results of some surveys and focus groups, other surveys and focus groups will be commissioned and the comparative results will be evaluated and tracked over time to determine the type and rate of progress FSA is making.

Experienced and trained FSA staff will be appointed by the COO to serve to evaluate the methodological strengths and weaknesses of the proposed survey instruments and plans. These staff members will make recommendations, as needed, to improve the research initiative. These recommendations will be implemented in the approved collection activity. The recommendations will be consistent with the guidelines provided in the OMB Resource Manual for Customer Surveys issued in October 1993. A brief summary, of how each of the requirements of Part B of the SF-83 Supporting Statement is met, will be included in the completed submissions that are conveyed to OMB for the official file on this clearance. If any survey methodology deviates from the OMB guidelines, FSA will submit a specific justification for that action as part of the completed package submitted to OMB.

OMB statistical experts, information collection experts, and program specialists will be invited to participate with and advise FSA staff as their time permits. FSA will consult with OMB about the expectations and standards of this important activity and will incorporate the OMB guidance in the ongoing internal clearance process. This feedback loop will enable FSA to continuously improve the usefulness of these collection activities.

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.

It is appropriate for the FSA customer and topic surveys to display the expiration date for OMB approval.

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

FSA takes no exception to the certification statement identified in Item 20, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.