

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.

This request is to extend the information collection for the requirements that are contained in the Student Assistance General Provisions regulations – Subpart K – Cash Management §668.164 – Disbursing funds. Institutions that participate in the Federal Pell Grant program are required to provide certain Federal Pell Grant eligible students with Federal Pell Grant funds to obtain or purchase their books and supplies when those students establish eligibility as provided in this regulation.

The regulations require institutions to provide a way for a Federal Pell Grant eligible student to obtain or purchase, by the seventh day of a payment period, the books and supplies required for the payment period when certain conditions are met. If, 10 days before the beginning of the payment period the institution could disburse Title IV, Higher Education Act of 1965, as amended (HEA) program funds for which the student was eligible, and if disbursed a credit balance would result, the institution is required to provide to the student the lesser of the presumed credit balance or the amount needed by the student for books and supplies, as determined by the institution.

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.

[Section 668.164\(i\)](#) contains information collection requirements approved by the Office of Management and Budget (OMB). Under the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)), the Department of Education is providing a link to the section above to the OMB for its review.

Section 668.164 – Disbursing funds.

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

supplies required for the payment period when certain conditions are met. If, 10 days before the beginning of the payment period the institution could disburse Title IV, HEA program funds for which the student was eligible, and if disbursed, a credit balance would result, the institution is required to provide to the student the lesser of the presumed credit balance or the amount needed by the student for books and supplies, as determined by the institution.

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 no legal or technical obstacles to the use of technology in this information collection activity. It is anticipated that many institutions will provide this information to eligible students through electronic means.

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.

This information is not duplicated on any other information collection.

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.

No small businesses are affected by this information collection.

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 regulation requires the institution to make a determination early in the student's payment period about the amounts of presumed credit balances in order to provide a way for these students to obtain or purchase their books and supplies within 7 days of the start of the payment period. If a determination is not made, a student who would have received sufficient Title IV, HEA program funds in excess of tuition and fees that could be used for books and supplies, may not receive those funds timely or be provided a way for the Pell Grant eligible student to obtain or purchase the required books and supplies by the seventh day of the payment period.

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.

This application is consistent with all of the guidelines in 5 CFR 1320.5(d)(2).

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.

The Department of Education (Department) developed these regulations using negotiated rulemaking committees with members of the community during 2010. There has been no change to the underlying statute or regulations affected. There was no public comment received on the 60 day filing. There will be a 30-day notice Federal Register seeking public comment on the burden calculations.

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

There are no payments or gifts to respondents.

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.

There is no assurance of confidentiality provided to institutions for the submission of this information.

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 are no questions of a sensitive nature in this application.

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 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

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)

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.

Section 668.164 – Disbursing funds.

Section 668.164(i): Under the final regulations, if 10 days prior to the beginning of the payment period, the institution could disburse Title IV, HEA program funds for which a student is eligible and if the presumed disbursed amount of Title IV, HEA funds exceeds the cost of tuition and fees, thus producing a presumed credit balance, the institution must provide a way for the Federal Pell Grant eligible student to obtain or purchase his books and supplies for the payment period within 7 days of the beginning of the payment period. The amount the institution must provide is the lesser of either the presumed credit balance or the amount needed by the student for books and supplies, as determined by the institution.

We estimate that of the 9,026,805 Federal Pell Grant recipients in the 2012-2013 award year, approximately 30% or 2,708,041 would have or did have a Title IV, HEA credit balance. Of that number, we estimate that 25% ($2,708,041 \times .25 = 677,010$) of the Federal Pell Grant recipients will have a presumed credit balance 10 days before the beginning of the payment period. Therefore, we estimate that institution will need to provide a way for 677,010 Federal Pell Grant recipients to obtain or purchase their books and supplies within 7 days of the beginning of the payment period.

We expect that institutions have completed the initial programming changes that would have been required to determine the number of students affected by these regulations. Therefore, we estimate that each institution will spend 1 hour validating current programming and making any changes to identify these Federal Pell Grant recipients with presumed credit balances, a decrease of 2 hours from the previous information collection filing. Once those recipients are identified, we estimate an additional .08 hours of burden to contact the student and make them aware of the way the institution provides for them to obtain or purchase their books and supplies within the first 7 days of the payment period.

AFFECTED ENTITIES and BURDEN:

PROPRIETARY INSTITUTIONS:

We estimate that 2,199 proprietary institutions participating in the Federal Pell Grant program will, on average, spend 1 hour to validate and make programming changes needed to identify Federal Pell Grant students with a presumed credit balance. Therefore, the total burden will be 2,199 hours, a decrease of 3,990 hours from the previous burden collection.

Additionally, these 2,199 institutions will be required to notify an estimated 139,711 Federal Pell Grant eligible students with a presumed credit balance at an average of .08 hours (5 minutes) or 11,177 hours of additional burden. This is a decrease in burden of 3,236 hours from the previous burden collection.

PRIVATE NON-PROFIT INSTITUTIONS:

We estimate that 1,743 private non-profit institutions participating in the Federal Pell Grant program will, on average, spend 1 hour to validate and make programming changes needed to identify Federal Pell Grant students with a presumed credit balance. Therefore, the total burden will be 1,743 hours, a decrease of 2,826 hours from the previous burden collection.

Additionally, these 1,743 institutions will be required to notify an estimated 88,288 Federal Pell Grant eligible students with a presumed credit balance at an average of .08 hours (5 minutes) or 7,063 hours of additional burden. This is a decrease in burden of 3,557 hours from the previous burden collection.

PUBLIC INSTITUTIONS:

We estimate that 1,896 public institutions participating in the Federal Pell Grant program will, on average, spend 1 hour to validate and make programming changes needed to identify Federal Pell Grant students with a presumed credit balance. Therefore, the total burden will be 1,896 hours, a decrease of 3,753 hours from the previous burden collection.

Additionally, these 1,896 institutions will be required to notify an estimated 449,011 Federal Pell Grant eligible students with a presumed credit balance at an average of .08 hours (5 minutes) or 35,921 hours of additional burden. This is an increase in burden of 23,025 hours from the previous burden collection.

of Responses: # of Respondents: Hrs/Response: # of Burden Hours:

PROPRIETARY INSTITUTIONS:

Analysis and programming -	2,199	2,199	X 1hr	2,199
Identifying and notification –	139,711	*	X .08hrs	11,177

PRIVATE NON-PROFIT INSTITUTIONS:

Analysis and programming -	1,743	1,743	X 1hr	1,743
Identifying and notification –	88,288	*	X .08hrs	7,063

PUBLIC INSTITUTIONS:

Analysis and programming -

	1,896	1,896	X 1hr	1,896
Identifying and notification –				
449,011		*	X .08hrs	35,921
<i>Total:</i>				
682,848		5,838		59,999
<i>Previous totals:</i>				
479,595		479,595		54,336
<i>Net change from previous burden calculation:</i>				
203,253		-473,757		5,663

*-To correct double counting of the responsible respondents, the institutions are only counted once while there are two distinct processes for them to perform for this regulatory requirement.

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 are no startup costs.

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 costs to the Federal government as a result of the final regulations.

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).

This information collection filing is an adjustment to the current burden assessment. Since the initial filing of this information collection package in 2010 there has been no change to the statute or regulations that created this burden calculation. The increase in the burden hours identified here is due to an increase in the number of Pell eligible students and an increase in the number of Title IV certified and eligible institutions that participate in the Pell program.

	Current	Proposed	Difference
Annual Number of Responses	479,595	682,848	203,253
Annual Hour Burden	54,336	59,999	5,663
Annual Cost Burden	0	0	0

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.

This information will not be published.

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.

ED is not seeking this approval. The OMB expiration dates will be displayed in the Federal Register once approved.

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

There are no exceptions.