

JUSTIFICATION FOR NONMATERIAL/NONSUBSTANTIVE CHANGE

2013-2014 Fiscal Operations and 2015-2016 Application (FISAP) and 2013-2014 Reallocation Forms (OMB-1845-0030)

The FISAP and Reallocation Forms (OMB-1845-0030) are specific to the award year and updated annually when the eCampus-Based system is rolled over.

The award year and date references on the form and the instructions are being updated. There are no other changes being made to the information collection.

Background

- **FISAP**

The Higher Education Opportunity Act (HEOA) (P.L. 110-315) was enacted on August 14, 2008 and reauthorizes the Higher Education Act of 1965 (HEA), as amended. It requires participating Title IV institutions to apply for funds and report expenditures for the Federal Perkins Loan (Perkins), the Federal Supplemental Educational Opportunity Grant (FSEOG) and the Federal Work-Study (FWS) Programs on an annual basis.

The data submitted electronically in the Fiscal Operations Report and Application to Participate (FISAP) is used by the Department of Education (the Department) to determine the institution's funding need for the award year and monitor program effectiveness and accountability of fund expenditures. The data is used in conjunction with institutional program reviews to assess the administrative capability and compliance of the applicant. There are no other resources for collecting this data. Sections of the Higher Education Act of 1965, as amended, that govern these programs can be found at <http://www2.ed.gov/about/offices/list/ope/library.html>.

The legislative authority governing the application for the distribution of Perkins funds is 20 U.S.C. 1087bb (34 CFR 673.3); for FWS funds it is 42 U.S.C. 2752 (34 CFR 673.3); and for FSEOG funds it is 20 U.S.C. 107b-3 (34 CFR 673.3).

The legislative authority governing the annual report on the uses made of funds provided under the previous sections is (20 U.S. C. 1094) enacted October 3, 1980, P.L. 96-374, sec. 451(a), 94 Stat. 1451; amended April 7, 1986, P.L. 99-272, sec. 16034, 100 Stat.356; amended October 17, 1986, P.L. 99-498, sec. 487(a), 100 Stat. 1486.

- **Reallocation Form**

The HEA requires that if an institution anticipates not using all of its allocated funds for the Perkins, FWS, and FSEOG programs by the end of an award year, it must specify the anticipated remaining unused amount to the Secretary, who reduces the institution's allocation accordingly. Unused amounts are reported in Section A of the Reallocation Form.

The HEA also requires the Secretary to reallocate these unexpended funds before the appropriations expire on September 30, immediately following their release in this form. The data collected in Section B provides the minimum information needed by the Secretary to determine a fair and equitable distribution of supplemental FWS allocations for the purpose of furthering the program's community service goals.

Purpose of the Form

- **FISAP**

The relative institutional financial need, which is the basis for computing by formula the amount of funds needed by each institution to operate one or more of the Campus-Based Programs during the application year, is determined by the data reported in the form. The data is used to assess program effectiveness and accountability of fund expenditures under the previously cited authority. In addition, the data is used in conjunction with institutional program reviews to help assess the administrative capability of the applicant and enforce compliance.

- a) Application data provides a standard measure of institutional need used to distribute a level of funds for institutions requesting participation in one or more of the Campus-Based Programs.
- b) Application data provides a data base that is sufficient, comprehensive and reliable to calculate annual funding formulas based on verifiable data input.
- c) Expenditure data is used to calculate past utilization of funds awarded for assessment of penalties, recovery of unexpended funds, and close-out of awards.
- d) Data regarding Perkins Loan collection activities are used to compute institutional cohort default rates, compile the Federal Perkins Loan Status of Default (Orange Book), and to track issuance of Perkins Loan cancellations for teaching; military; volunteer; law enforcement and corrections officer; child, family and early intervention; nurse and medical technician; pre-K or child care; public defender; fire fighter; Tribal College faculty; librarian; and speech pathology services.
- e) Data is maintained and made readily available to Department staff and other agencies for analysis, historical research, budget evaluations, audits, program reviews, and OIG inquiries.
- f) The eCB system processes all FISAP on the Web information in real-time into the database. Institutions with outstanding (required) hard-copy signature forms are automatically identified to withhold funding until the forms have been received and validated.
- g) The data collected is used to identify poorly administered operations that may require on-site monitoring, additional training of staff, or termination of funding in extreme

cases.

The information collected in this submission enables the Department to comply with legislation that authorizes and appropriates funds for the Campus-Based Programs.

- **Reallocation Form**

The unexpended funds reported in the Reallocation Form are distributed by the Department as supplemental awards to qualifying institutions in accordance with provisions of the HEA. FWS funds will be awarded to eligible institutions that used at least seven percent of their total FWS funds to compensate students employed as reading tutors to children or in family literacy activities as part of their community-service activities. Because FWS reallocated funds are distributed on a fair-share basis, institutions must have a fair-share shortfall to receive these funds. Institutions use the reallocated (supplemental) funds to compensate students employed in community service. Legislation requires the unexpended funds to be reported and redistributed. Collection of this information maximizes utilization of the appropriated funds, provides financial aid to needy students, and results in the Department's compliance with the reallocation provisions of the HEA.

Electronic Use of the Form

For the upcoming award year, institutions will continue to use the Department's electronic services to participate in the Title IV Programs. Institutions participating in the Campus-Based Programs must submit FISAP and campus-based funds reallocation data through eCB at <https://cbfisap.ed.gov>. The certification signature page is printed locally from eCB.

eCB processing of both the FISAP and the Reallocation Form has eliminated printing costs, distribution, expense, data entry time, and reduced the cycle time and input errors. This process reduces institutional burden by using three years of information already contained in the database to provide institutional characteristics to verify funding levels and reduce the number of staff necessary to process the information.