

College Affordability and Transparency Explanation Form (CATEF) 2015-2017

Supporting Statement Part A **OMB Paperwork Reduction Act Submission**

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Table of Contents

A.	Justification.....	1
A.1.	Circumstances Necessitating Collection of Information.....	1
	a. Related background information.....	1
	b. Statutory Requirements	2
A.2.	Purpose and Use of College Affordability and Transparency Form.....	3
A.3.	Use of Technology and Other Technological Collection Techniques.....	3
A.4.	Efforts to Identify and Avoid Duplication.....	3
A.5.	Methods Used to Minimize Burden on Small Businesses/Entities.....	4
A.6.	Consequences of Not Collecting Data.....	4
A.7.	Special Circumstances.....	4
A.8.	Consultations Outside the Agency.....	4
A.9.	Paying Respondents.....	4
A.10.	Assurance of Confidentiality.....	4
A.11.	Justification for Sensitive Questions.....	4
A.12.	Estimate of Burden.....	4
A.13.	Estimate of Cost Burden.....	5
A.14.	Cost to the Federal Government.....	6
A.15.	Reasons for Change in Burden.....	6
A.16.	Publication Plans/Project Schedule.....	6
A.17.	Request to Not Display Expiration Date.....	7
A.18.	Exceptions to the Certification.....	7
Attachment 1.	Exceptions to the Certification.....	7
B.	Collection of the Information Employing Statistical Methods.....	1
B.1.	Respondent Universe.....	1
B.2.	Statistical Methodology.....	1
B.3.	Methods to Maximize Response Rate.....	1
B.4.	Tests of Procedures and Methods.....	2
B.5.	Reviewing Individuals.....	3

Part A. Justification

A.1. Circumstances Necessitating Collection of Information

The Office of Postsecondary Education (OPE) is seeking a three-year extension for the College Affordability and Transparency Explanation Form (CATEF) data collection. Since 2011-12, the collection of information through CATEF is necessary pursuant to §132 of the Higher Education Act of 1965 as amended (HEA), 20 U.S.C. §1015a, with the goal of increasing transparency of college tuition prices for consumers. This submission is for the 2014-15, 2015-16, and 2016-17 collection years.

a. Related background information

Section 132 of the HEA includes provisions designed to improve transparency in college tuition for consumers. In response to these provisions, the Department of Education (ED) created the College Affordability and Transparency Center (CATC) website (<http://collegecost.ed.gov/>), which can be accessed through College Navigator. The CATC website includes information for students, parents, and policymakers about costs at America's postsecondary institutions. The website also includes several lists of institutions based on the tuition and fees and net prices (the price of attendance after considering all grant and scholarship aid) charged to students.

This request is to continue to survey institutions using the CATEF, which collects follow-up information from a specific subset of institutions. The specific institutions are those that appear on the tuition and fees and/or net price increase CATC Lists for being in the five percent of institutions in their institutional sector that have the highest increases, expressed as a percentage change, over the three-year time period for which the most recent data are available. The lists published on the CATC website are generated using data collected by the National Center for Education Statistics (NCES) through the Integrated Postsecondary Education Data System (IPEDS). IPEDS is a mandatory data collection for institutions that participate in any federal student financial aid program authorized by Title IV of the HEA (20 USC § 1094, Section 487(a)(17) and 34 CFR 668.14(b)(19)).

The information collected through CATEF is used to write a summary report for Congress that is also posted on the CATC website (accessible through the College Navigator). The report summarizes the general and sector specific findings from the CATEF responses using descriptive statistics.

There are six sections to CATEF. Section 1 of CATEF asks for general information of the individual who is completing the form on behalf of a CATC institution. Section 2 preloads the cost areas showing the greatest increases over a three-year period from data reported on the IPEDS Finance survey component. Section 3 requires institutions to provide an explanation for the three cost areas with the highest percentage change increase over the same three-year period. Section 4 asks the institutions to explain steps that have been taken or will be taken toward reducing the identified areas of increased costs. Section 5 provides the opportunity for institutions to describe the extent to which they participate in setting tuition and fees and net prices for students and identify the agencies outside of the institution that decide those student charges. Section 6 asks institutions to estimate the burden to complete the CATEF. The two CATEF forms have the same questions with the only difference being that one is focused on changes in tuition and fees and the other is focused on changes in net prices.

b. Statutory requirements for College Affordability and Transparency Center Explanation Form (CATEF)

Section 132 of the HEA which mandates the CATEF collection requires the Department to collect additional information from the institutions in the top five percent of their institutional sector for increases in either tuition and fees and/or net price to students over the most recent three-year period for which data are available (see §132(e) of the HEA). The additional information that must be collected from the institutions includes:

- (A) A description of the major areas in the institution's budget with the greatest cost increases.
- (B) An explanation of the cost increases.
- (C) A description of the steps the institution will take toward the goal of reducing costs in the areas described.

- (D) In the case of an institution that is included on the same list for two or more consecutive years, a description of the progress made on the steps stated in item #3 of this list.
- (E) If the determination of any cost increase described above 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.

A.2. Purpose and Use of College Affordability and Transparency Explanation Form

The information collected using the CATEF is used to write an annual report to Congress that is also published on the College Navigator and CATC websites. This report summarizes information on 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 these costs. This summary report also includes information on whether the institutions have exclusive control of the increase in student charges and if not, which agency is responsible for determining those increases and to what extent the institution participates in that determination process.

Institutions that continue to appear on the list of the top five percent of institutions in their sector with the highest increases in tuition and fees and/or net price to students have to describe the progress they have made on the steps towards cost reductions they reported in the previous year.

A.3. Use of Technology and Other Technological Collection Techniques

The CATEF collection has employed several techniques to reduce respondent burden while improving the timeliness and quality of the information reported:

1. the institutional burden is reduced by identifying ahead of time which CATEF form an institution should complete – there are two CATEF forms (see supporting documents), the Net Price form and the Tuition and Fees form (an institution could appear on both the tuition and fees and the net price increase CATC Lists, and be required to complete both forms);
2. NCES preloads and/or calculates reported data in the CATEF Section 2 “Cost Area,” which is based on expense data reported on the IPEDS Finance survey component and full-time equivalent (FTE) student enrollment data reported on the IPEDS 12-Month Enrollment survey component;
3. edit checks and data verification procedures are built into the collection process, thus resolving errors at the time of data submission and making the process more efficient;
4. the institutions that appear on the CATC Lists change from year to year – however, for institutions that appear on CATC and complete a CATEF two years in a row, a PDF copy of the previous year’s completed CATEF is emailed to help these institutions explain the progress they made on the previous year’s steps to reduce costs; and
5. the use of a web-based form also reduces burden to the institutions by allowing for aggregation of the information they submit, leading to a timelier release of the summary report to Congress.

A.4. Efforts to Identify and Avoid Duplication

ED has made the effort to ensure that the CATEF does not duplicate other data collection activities. While some information on institutional finances are already collected in IPEDS, the level of detail and explanations required to satisfy the statute are not currently collected by ED outside of CATEF.

A.5. Methods to Minimize Burden on Small Businesses/Entities

Certain providers of postsecondary education identified in the CATC Lists, specifically operators of proprietary (private for-profit) schools, may be classified as small businesses. This collection, which fulfills the statutory requirements, is designed to minimize burden for all respondents through the use of technology.

A.6. Consequences of Not Collecting Data

Annual CATEF collection is required by the HEA. Without CATEF data ED would not be able to meet its legal obligation to report to Congress on institutions' progress towards the goal of reducing costs to students.

A.7. Special Circumstances

None of the special circumstances described apply to this collection.

A.8. Consultations Outside of the Agency

ED consulted with members of the National Postsecondary Education Cooperative (NPEC). NPEC's mission is to promote the quality, comparability, and utility of postsecondary data and information that support policy development at the federal, state, and institution levels. Members of NPEC include research and data specialists from associations that represent institutions of each institutional sector as well as institutional researchers from colleges and universities, system offices, and state higher education organizations. The current list of NPEC members is provided in Supporting Statement B.

Responses to public comments received during the 60-day public comment period are provided in *CATEF 2015-2017 Response to 60-day Public Comments.docx* that is part of this clearance package.

A.9. Paying Respondents

There are no payments or gifts offered to respondents.

A.10. Assurance of Confidentiality

Information for the CATEF is not collected under any pledge of confidentiality.

A.11. Justification for Sensitive Questions

This collection contains no questions of a sensitive nature.

A.12. Estimate of Burden

The estimated time burden to respondent per form for the CATEF is 3.55 hours on average, which is based on feedback provided by the 589 institutions that responded to the 2013-14 CATEF collection. The form will be completed by the top five percent of institutions in each sector with the largest increases in tuition and fees and/or net prices to students. Thus, the exact number of institutions that will be included in the collection may vary slightly from year to year based on the number of institutions in each sector. The number of respondents may also vary depending on how many institutions are included on both the tuition and fees and net price increase lists, as that overlap would limit the number of other institutions included in the top five percent that would have to report data. The 2014-15 collection will have 578 institutions (267 on the Tuition and Fee increase list only, 279 on the Net Price Increase List only, and 32 on both of these lists) that will need to fill out a total of 610 forms (267+279+32+32), resulting in an estimated burden of 2,166 hours per year for all respondents. Because the institutions that will be on the CATC Lists in subsequent years have not yet been identified, we are using the 2014-15 number of respondents as the estimated number for subsequent years (table 2).

In all cases, if the data are readily accessible, then the time required is less than the estimated burden hours. Estimates include the time for reviewing instructions, gathering and maintaining the institution's general purpose financial statements for the corresponding first and third years used in the list calculation, and completing and reviewing the required information. This time burden was reviewed by the people noted in section A.8 and B.5 that provided consultation on the survey. Every year of the CATEF collection, ED asks the institutions how long it took them to complete the survey.

Because the burden time reported by responding institutions in 2013-14 varied widely from institution to institution and was higher than previous estimates, NCES plans to conduct debrief calls with a small sample of responding institutions to better understand the factors that influence the response burden time and to arrive at a more accurate burden estimate for future OMB submissions. There are 9 sectors among postsecondary institutions (public less than 2-year; public 2-year; public 4-year; private not-for-profit less than 2-year; private not-for-profit 2-year; private not-for-profit 4-year; private for-profit less than 2-year; private for profit 2-year; and private for-profit 4-year). NCES staff will draw up to 5 institutions per sector to enquire via a phone call about the amount of time it took the institution to complete the CATEF (see attachment 1 below for the burden debrief call script). Thus each year NCES will make up to 45 calls, each averaging about 8 minutes.

Table 2: Estimated annual burden to respondents

Collection year	Number of Respondents	Number of Responses	Average Burden Hours Per Response	Estimated Total Burden Hours
CATEF	578	610	3.55	2,166
Debrief call	45	45	0.1333	6
Total	578	655	-	2,172

The total cost to respondents is based on the estimated response burden (hours) multiplied by \$46.91¹ (in 2013-14), which was estimated using the median hourly wage (including benefits) for an operations research analyst and computer programmer (for running programs to extract data). The hourly wage is increased by an assumed two percent cost-of-living adjustment for subsequent years (table 3).

Table 3: Estimated costs to respondents, by collection year

Collection year	Estimated Total Burden Hours	Estimated cost per hour	Estimated Response Burden Cost
2014-15	2,172	\$46.91	\$101,889
2015-16	2,172	\$47.85	\$103,930
2016-17	2,172	\$48.81	\$106,015

A.13. Estimate of Cost Burden

There is no cost burden to respondents or record keepers for start-up or capital associated with this collection.

¹ The estimated response burden cost is derived from the median hourly wage rates of operations research analysts (\$35.88) and computer programmers (\$36.60) published by the U.S. Bureau of Labor Statistics 2014, and adjusting the median hourly rates by 30.2% to include benefits. Using the estimated response burden hours of 3.55 reported by institutions completing the CATEF in 2013-14, NCES estimates the work would take 2.8 hours of an operations research analyst and .75 hours of a computer programmer, resulting in an hourly rate of approximately \$46.91. Note: The position of operations research analyst (SOC code 15-2030) is the best proxy for institutional researchers.

A.14. Cost to the Federal Government

On an annual basis, over the three collection years, the Department's contract costs will average about \$100,000 per year to include both the collection of the data and analysis support for the final report; Federal S&E will be approximately \$24,500 per year. Therefore, the total Federal annual cost will average about \$124,500/year over the three collection years. More than 95% of this amount will be spent in direct support of the collection, analysis, and reporting of the College Affordability and Transparency information described herein. The contract amount includes the data collection system development and maintenance; programming and software modifications and documentation; data collection, review, and analysis; survey administration; file preparation; and other related activities. The costs include personnel, fringe benefits, supplies, computer related activities, consultants, other direct and indirect costs, plus overhead and G&A.

The time estimates and costs associated with the activities described above are based on estimates from the contractors that currently support the CATEF collection and other College Affordability and Transparency operations. IPEDS in-house staff costs are based on FY2015 pay schedules. For FY2015, there is a 1% pay increase; however, for each of the subsequent fiscal years, we estimate a 0% increase due to the uncertainty of the federal budget's impact on wages and salaries for federal employees. We thus estimate the total cost to the government for the 2014-15, 2015-16, and 2016-17 CATEF data collections to be approximately \$373,500.

A.15. Reasons for Change in Burden

No changes are being requested to the data collection instruments approved in November 2012 (OMB# 1840-0822 v.2). We will continue to use the same two CATEF forms: (1) Net Price and (2) Tuition and Fees. However, because the responding institutions in 2013-14 reported a higher average time per response than what we estimated in the last approved submission, we are adjusting the total annual estimated burden to 3.55 hours per form. In order to better understand the factors that influence the response burden time per form and to arrive at a more accurate burden estimate for future OMB submissions, we plan to hold a small number of debrief calls (for an average of 8 minutes per call with up to 5 institutions per each of the 9 sectors). Thus this submission reflects a total burden time increase of an additional 1,374 hours due to burden estimate adjustment plus 6 hours due to program change.

A.16. Publication Plans/Project Schedule

a. Schedule of activities

<i>Previous Year</i>	
July 1	CATC Lists are released
<i>Current Year</i>	
Last week of January	Email sent to institutions on the highest tuition and/or net price increase CATC List with instructions to complete CATEF
Last week of January	CATEF collection opens for approximately 4 weeks
Last week of February	CATEF collection closes
End of April	CATEF summary report for previous collection is released along with the new CATC Lists

Annual survey activity is typically a 4 week collection cycle. Respondents will be the locking keyholders for the IPEDS data collection. They will be sent a UserID and randomly generated password to use for registration when the collection opens. Registration must take place (only once) before data can be entered into the system. Data will be entered directly into the system and will have to be entered for all required fields and have all errors resolved before data can be submitted. Once the collection closes for institutions, the survey administrators

review the data. Following ED approval of the file, data will be tabulated and analyzed and the summary report prepared.

The report will summarize the general and sector specific findings from the CATEF using a mix of descriptive statistics and explanatory information. The main cost areas showing the highest increases will be identified using the quantitative information provided by institutions. The most commonly reported plans to reduce those cost increases will also be indicated. Finally, the extent to which institutions participate in setting tuition, fees, and net prices for students will be described and the agencies outside of the institutions that decide those student charges will be identified. Following the statutory requirements, the summary report will then be submitted to Congress and posted on the College Navigator website.

A.17. Request to Not Display Expiration Date

The Department is not seeking approval to forego displaying the OMB approval expiration date.

A.18. Exceptions to the Certification

There are no exceptions to the certification statement.

Attachment 1. Response Burden Time Debrief Call Script

Hello, my name is [name] and I work on the College Affordability and Transparency Explanation Form (CATEF) information collection for the National Center for Education Statistics, part of the U.S. Department of Education. Thank you for completing the CATEF on [date]. I am calling you to ask about the time it took to complete the CATEF. You reported to have spent [number] hours to complete the CATEF. Last year, institutions reported taking an average of 3.55 hours to complete this form, and we would like to understand if there are any portions of the CATEF that took particularly longer for your institution to respond to.

There are six sections to CATEF

- 1) Contact Information;
- 2) Cost Increase Description that contains pre-populated Finance and Enrollment data from IPEDS reporting;
- 3) Cost Increase Explanation consisting of 3 open-ended boxes to explain the top three cost increases;
- 4) Steps Towards Cost Reduction consisting of 4 open-ended boxes to explain the steps to reducing costs (includes 1 open-ended box if the institution was on the CATC list for 2 years or more);
- 5) Control of Student Charges, which contains 3 questions (one yes or no, and two open-ended boxes) to explain the entity that controls student charges, plus one open-ended box for additional information relevant to either tuition/fees or net price; and
- 6) Burden estimate (one question).

Please tell me about the sections that took the most time to complete, and what aspects of the required information contributed the most to this time and why? What do you think contributed the most to your institution needing more time to provide this information?

Thank you for helping us better understand the factors that influence the time it takes to complete the CATEF.