

**SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
Gainful Employment Recent Graduates Employment and Earnings Survey
Standards and Survey Form**

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.

The National Center for Education Statistics (NCES) of the U.S. Department of Education (Department) is required by regulation to develop an earnings survey to support gainful employment (GE) program evaluations (see 34 CFR 668.406 as specified in final regulations published in the Federal Register in October 2014). The regulations specify that the Secretary of Education will publish in the Federal Register the survey and the standards required for its administration. NCES has developed the Recent Graduates Employment and Earnings Survey (RGEES) Standards and Survey Form. The RGEES can be used in a debt-to-earnings (D/E) ratio appeal under the GE regulations as an alternative to the Social Security administration earnings data.

Postsecondary programs subject to the gainful employment regulations may appeal program-level D/E ratios calculated by the Department (34 CFR Parts 600 and 668). The earnings component of the D/E ratio is provided by the Social Security Administration, but institutions may calculate an alternative earnings measure by administering a survey to program graduates. Institutions that choose to submit alternate earnings appeal information will survey all Title IV funded students who graduated from GE programs during the same period that the Department used to calculate the D/E ratios, or a comparable period as defined in 668.406(b)(3) of the regulations. The survey will provide an additional source of earnings data for the Department to consider before determining final D/E ratios for programs subject to the gainful employment regulations. Programs with final D/E ratios that fail to meet the minimum threshold may face sanctions, including the possible loss of Title IV federal student financial aid program funds.

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.

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

The RGEES standards must be used by any institution that wishes to appeal their D/E ratio using the RGEES survey. The institutions may either implement the survey using the RGEES Platform, that will be made available by the government, or administer the survey in another way. If an institution administers the survey using another way, it must adhere to the survey standards and must present the survey respondents with the same survey items in the same order and manner (See 34 CFR 668.406(c)(1)). This information will be used by the Department to determine whether the earnings of students who completed the GE program are sufficient to pass the D/E ratio measure. Successful appeals will allow the institution to continue to participate in the federal student aid programs for those GE programs with successful appeals.

Based on the public comment, the RGEES survey and/or standards are being revised prior to posting on the Department's website on December 2015.

The Department is also providing a Best Practices Guide (BPG) with recommendations to help institutions administer the RGEES. The BPG was developed based on OMB's "Guidance on Agency Survey and Statistical Information Collections", dated 1/20/2006. The BPG was posted on the Department's website in August 31, 2015.

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.

The survey and standards will be made available electronically. The regulations and standards allow for institutions to employ electronic survey methods. The RGEES Platform that will be made available at the time of the December posting of the final RGEES survey will facilitate the electronic collection and/or processing of the RGEES survey data. The regulations and standards also allow for paper based collections, however the Department expects the majority of institutions will utilize electronic methods.

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.

There is no similar information that is being collected by the federal government that can be used for this purpose at this time. This collection is intended to serve as one of two alternative sources of graduates' earnings to be used in possible appeals to the SSA earnings obtained by the Department (the other being data from States' unemployment insurance records).

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.

This information collection does not involve small businesses 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.

This information collection is for the survey and related standards as required in the regulations at 668.406, D/E rates alternate earnings appeal. If the survey and standards are not released, institutions will not be able to use the regulatory options available to them under the debt to earnings ratio appeal and current and prospective students could lose access to Title IV student financial assistance that would otherwise be available to them.

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.

The collection of this information will be conducted in a manner that is consistent with these guidelines.

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 regulations requiring the survey and standards were developed through the Negotiated Rulemaking process where the public, institutions, and other affected entities provided input.

The initial survey and plans for its testing were developed with input from a Technical Review Panel (TRP) that met on December 2, 2014. The results of cognitive testing were shared with a second panel of earnings experts convened by the National Institute of Statistical Sciences (NISS) on February 27, 2015. The standards were developed based on NCES and OMB statistical standards with input from a NISS panel of survey experts on December 9, 2014.

The Department is requesting and will review comments provided by the public during the 30-day public comment periods. This is the request for the 30-day public comment period.

During the 60-day comment period 5 public comments were received. All of the comments and questions were reviewed closely. There were changes made to the survey itself to clarify the information that is being requested. The revised survey is attached in a separate document. The full responses to the comments are also attached in a separate document.

Additionally, item 12 below has been altered to increase the burden for the completion of the survey by the program graduates. This is in done in direct response to comments received.

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

No payment or gifts will be provided to respondents by the Department.

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.

The Department makes no pledge of confidentiality regarding the data because the survey results will only be reported to the Department in aggregate. Survey data collected by the institutions may be subject to the Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. 1232g) and any relevant state confidentiality or privacy laws that apply to personally identifiable information used or collected in the survey.

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.

The RGEES is a voluntary survey, and no persons are required to respond to it. In addition, respondents may decline to answer any question in the survey. At the same time, survey items verifying personal identity and asking about earnings may be considered sensitive by some respondents. Thus all of the five survey items on the RGEES may be considered sensitive.

The first and second questions asking the respondent to verify his or her identity is needed because earnings are being collected from a defined cohort of graduates negotiated between ED and the program. The mean and median earnings measures that will be submitted to ED as part of the appeals process must be based on actual earnings from the universe of cohort members responding to the survey. The second question clarifying if a respondent ever went by the name on the survey was added to clarify a point of confusion arising from the pilot survey instrument and instruction.

The next three questions ask about sources (from an employer, from self-employment, other) and amounts of earnings during the reference year. These questions are drawn from parallel items from the March Current Population Survey, which is developed and fielded jointly by the Census Bureau and the Bureau of Labor Statistics (BLS) and used for official poverty statistics, and from the National Longitudinal Survey of Youth fielded by BLS. These items are needed in order to calculate the mean and median of total earnings (and the number of true zeros) for the cohort during the reference period to submit to ED as part of the alternative earnings appeal process.

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)

Additional clarifying language was added to the instructions about reporting wages to “include earnings **from ALL jobs, even if they are not related to your degree or certificate.**” Again this was added based on the responses to the pilot survey instrument and instructions.

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 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 information collection package 1845-0122 identified the estimated institutional burden for the submission of D/E appeals. In that collection it was estimated that institutions with zone or failing GE programs would elect to submit survey appeals for 10 percent of those programs. We carry forward that 10 percent estimate here and apply it to graduates of GE programs that were zone or failing programs.

Upon review and reconsideration based on comments received, we are revising the individual respondent burden estimate upwards from 5 minutes to 20 minutes for an individual to review the survey, locate income documentation, record the data on the survey and submit it to the requesting institutions.

For institutions using the RGEES, we estimate that 22,123 graduates (221,227 x 10%) of those zone or failing GE programs would be sent the survey request. We anticipate that it would take each survey respondents 20 minutes (.3333 hours) to open, review, and reply to the survey request.

These are revised new burden hours.

	Respondents	Responses		Burden Hours
Individuals	22,123	22,123	X .3333 hours	7,374

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 capital/start-up costs to respondents.

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 cost to the federal government for developing the survey and the standards is \$555,570, which includes contractor labor and project materials.

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 is a request for a new information collection. This collection is necessary to meet regulatory requirements in 34 CFR 668.406. This new collection is a program change due to agency discretion. The Department is requesting an increase of 7,374 burden hours to 22,123 individuals for the completion of this survey.

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.

Any changes based on successful appeals utilizing the survey standards will be published on a public facing website by the Department. The data will only be reported at the program level, using survey data aggregated across all participating Title IV funded graduates from a gainful employment program.

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 Department is not seeking this approval.

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

The Department is not requesting any exceptions to the "Certification for Paperwork Reduction Act Submissions" of OMB Form 83-1.