SUPPORTING STATEMENT FOR
PAPERWORK REDUCTION ACT SUBMISSION

Experimental Sites Data Collection Instrument

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 section[1]. 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 is a request for a new collection. The U. S. Department of Education is requesting OMB clearance of the attached data collection instrument that constitutes paperwork requirements. The Secretary selects institutions for voluntary participation in the Experimental Sites Initiative. Institutions volunteer to become an experimental site to provide recommendations on the impact and effectiveness of proposed regulations or new management initiatives**.** Participants are exempt from specific statutory and regulatory requirements while conducting the experiments. The Department approved alternative approaches in 8 areas of student financial aid processes to test ways to address federal objectives and meet the needs of aid administrators and recipients. Those experiments are listed below:

   - Experiment 1--Federal Pell Grant Program--Eligibility of students with bachelor's degrees who enroll in vocational or career programs.
   - Experiment 2--Federal Pell Grant Program--Eligibility of students enrolled in certain short-term training programs.
   - Experiment 3--Direct Loan Program--Single disbursement of a one-term loan for study abroad students.
   - Experiment 4--Direct Loan Program--Early disbursement for study abroad students and for students enrolled in foreign institutions.
   - Experiment 5--Direct Loan Program--Unequal disbursements.
   - Experiment 6--Direct Loan Program--Limiting unsubsidized loan amounts.
   - Experiment 7--PLUS Loans for parents of students with intellectual disabilities.
   - Experiment 8--Student Eligibility--Eligibility of students with intellectual disabilities who are also enrolled in high school.

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

The experiments above relate to a number of programs authorized under Title IV of the Higher Education Act, such as the Federal Family Education Loan Program, the William D. Ford Federal Direct Loan Program and Federal Pell Grant Program. Institutions report annually on their experiences. The collection of this information is authorized under section 487A(b) of the Higher Education Act of 1965, as amended.

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.**

FSA and its partners can change the way policy fosters or impedes the administration of student aid. The elements of customer satisfaction, simplification, fewer burdens for students and institutions, and easy access to funds, are truly a part of regulatory reform. Thus, FSA has committed to reform current practices and operations by engaging in an interactive process of collecting information and using it to improve program services and processes. The Experimental Sites Initiative is one approach FSA can use for change.

Institutions are given the flexibility to test different procedures to carry out the intent of regulations, whereby the Department can analyze the data and obtain information for Title IV regulatory and legislative changes. Thus, the Department needs this information in its ongoing initiative to improve the financial aid delivery services to students and the postsecondary institutions they attend. Additionally, working with Congress, the Department can use this data to make informed decisions for future reauthorization.

To obtain uniform data, the Department and participating institutions developed this data collection instrument.

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.**

This data collection effort is a web-based format supported by the security architecture environment and staff from the Chief Information Office. This website requires institutions to securely logon and submit data.

There is an email address and telephone number available for participants to contact staff with questions or requests for assistance. The email address and telephone number is posted on the Experimental Sites website. Within the reporting tool is a database that collects information in order for institutions to meet their annual requirement. This database will help ensure the efficiency and

completeness of the data collection process.

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 reporting tool is the Department's effort to evaluate the experiments. The information necessary to review the experimental data focuses on "experimental" descriptions and therefore does not represent a duplication of other information collected for other purposes or by other entities.

There is no information available from any other source that will enable ED/FSA to evaluate the results of this data collection 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 is collected from 2-and 4-year institutions of higher education rather than from small businesses or by other 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 must be collected in order to implement the provisions of section 487A(b) of the HEA. Under Section 487A(b) institutions will participate as experimental sites to provide recommendations to the Secretary on the impact and effectiveness of proposed regulations or new management initiatives.

These data collection instruments provide needed information. These report formats will:

- Provide a more comprehensive picture of aggregated data
- Provide more detailed information
- Identify impacts of regulatory relief
- Examine impact on Federal student assistance programs

The results of these experiments will help the Department in its continuing efforts to improve Title IV program administration. When feasible, the Department will use the information gathered through this initiative to revise existing regulations

and to make recommendations to Congress for statutory changes. Failure to collect and analyze this information will prevent the Department from evaluating important information that may impact simplification in the Federal student assistance programs.

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.**

None of the special circumstances listed apply to this data collection.

8. **If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, 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.

Department staff members solicited informal views and comments on reporting measures from a participating institution. A separate 60-day Federal Register notice followed by a 30-day Federal Register notice will be published to solicit public comments.

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

The Department will not provide payment or gifts to the respondents participating in this initiative. All participation will be voluntary.

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 confidentially of the data.**

No assurance of confidentiality is provided to the respondents. There is no requirement for such an assurance in statute.

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.**

No questions of a sensitive nature will be included in the data collection

[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)

information package.

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

- **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. 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 item 16 of IC Data Part 1.**
- **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.**

Each of the 25 respondents will submit a report format for one or more of the eight experiments. The estimated total of the hour burden of the data collection effort is 275 hours or an average of 11 hours per respondent. The total cost for the reporting period is estimated at $9,350.00 or an average or $374 per institution.

Exhibit 1

RESOURCE	**HOURS/RATE**	**NUMBER**	**MONETARY COST**
Computer Personnel	4 hours/$50	25 Schools	$5,000
Financial Aid Personnel	5 hours/$30	25 Schools	$3,750
Clerical Personnel	2 hours/$12	25 Schools	$600
TOTAL			**$9,350**

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.**

There are no additional respondent costs associated with this data collection other than the hour burden estimated in item 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 annualized cost to the Federal Government is $6,975. This cost estimate was derived in the following manner:

Exhibit 2			
RESOURCE	**HOURS/RATE**	**NUMBER**	**MONETARY COST**
Program Analysts, GS-13	3 hours/$45	25 Schools	$3,375
Estimated cost for data analysis and final report (Program Analyst, GS-13)	80 hours/$45		$3,600
TOTAL			**$6,975**

15. **Explain the reasons for any program changes or adjustments to #16f of the**

IC Data Part 1 Form.

This is a new collection package we anticipate 25 respondents at 11 hours per response as indicated in Question 12.

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.**

Participating institutions are required to submit an annual report describing the results, any corrective actions taken, and specific information relating to the performance measure or alternative used in each experiment.

After each year of data collection, FSA will produce an annual report based on analysis of the data. These reports should provide critical information to help FSA/ED/Congress consider streamlining Title IV regulations and requirements.

With the automated data collection effort, the focus of the reports has moved toward judgments about impact and effectiveness and/or special reports.

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.**

All data collection instruments will include the OMB expiration date.

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

No exceptions are requested.