

**SUPPORTING STATEMENT  
FOR PAPERWORK REDUCTION ACT SUBMISSION  
Data Challenges and Appeals Solution (DCAS)**

**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<sup>1</sup>. 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 Department of Education (the Department) is requesting an emergency clearance approval for the use of the system described below due to the following conditions:

- The Department's contracting process experienced a seven month setback when a contractor solicitation had to be cancelled and re-issued. In order to allow the challenge and appeal process to be implemented on time, the system must be able to accept challenges to the completer lists by November 9, 2015.
- The Department believes that students will be harmed if there is a delay in implementing the challenge process which will ultimately delay the issuance of final rates. The schedule is to have the final rates published and available to disclose to students by January 2017.
- Trends in graduates' earnings, student loan debt, defaults, and repayment underscore the need for the Department to act swiftly. The Gainful Employment accountability framework takes into consideration the relationship between total student loan debt and earnings after completion of a post-secondary program.
- The Gainful Employment regulation was issued after both negotiated rulemaking and notice-and-comment procedures. The full challenge and appeals process is already detailed at 34 CFR 668.405 and 668.406. Burden calculations were likewise already promulgated. Stakeholders and other interested parties have already had significant opportunities to give input on the process.

The Department finalized new regulations for Gainful Employment (GE) programs on October 31, 2014. These regulations require schools to report GE data, program certifications, disclosure requirements, as well as guidance for submitting data challenges and appeals. The Data Challenges and Appeals Solution (DCAS) is a new system that will allow institutions to challenge their self-reported data as well as Department calculated metrics. The system will ultimately provide for the receipt, processing, data storage and archiving of data challenges received from institutions for challenges of GE metrics, Cohort Default Rates (institutional and programmatic), and Disclosure Rates and Metrics. This request is for a new collection for the first phase of DCAS, the institutional challenge to the GE completers list provided to institutions by the Department. The other

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<sup>1</sup> Please limit pasted text to no longer than 3 paragraphs.

aspects of DCAS will be made functional and available to institutions in stages, to allow for full development and testing, through subsequent updates.

The regulations in Section 668.405 state that the Debt-to-Earnings (D/E) rates for a GE program are determined by the Secretary. This begins by the Secretary creating a list of the students who completed the GE program during the cohort period and received title IV assistance then providing the listing to the institutions. The regulation allows the institution to correct the information about the students on the list. DCAS will handle the challenge in-take process and allow schools to submit their challenge information to the Department electronically. Per Section 668.405(c), “The Secretary presumes that the list of students and identity information for those students are correct unless, as set forth in procedures established by the Secretary, the institution provides evidence to the contrary satisfactory to the Secretary. The institution bears the burden of proof that the list is incorrect.” It is the completer listing challenge process portion of DCAS for which the Department is requesting approval.

The final regulations published on October 31, 2014 included burden calculations for Section 668.405. The information collection package that includes the calculation of institutional burden for the completer listing challenge is 1845-0123. Not all of the burden from 1845-0123 will transfer to this system. The burden identified for 668.405(c) contains the calculations for institutions that wish to propose corrections to the list is 175,081 hours. The Department is requesting that these hours be transferred to this new collection as DCAS will be the mechanism for the Department to accept and approve any changes to the completer listings.

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.

The information related to challenges to GE metrics beginning with the completer list will be used by the Department to recalculate the draft rate (where the data challenge is successful) and the final GE metrics will allow the Department to evaluate the outcomes of programs that lead to gainful employment in a recognized occupation, as well as, inform prospective students.

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.

This collection of data challenges and appeal information involves the electronic submission of cases by the institutions that provide the challenged data elements to be

corrected on the D/E Completer Listing. Subsequently DCAS will allow for challenges to the median loan debt used for the calculation of the D/E metric; corrections to the numerator and denominator of the Cohort Default Rate (both at the institution and program level); as well as data corrections to the loan and student data used to calculate the various disclosure metrics.

The DCAS system will ultimately allow institutions to electronically submit their data challenges and appeals with automated access to the GE back-up file (provides automated access to GE program and student records), allowing institutions on-line access to review the existing data and determine areas for correction, and provides an automated mechanism for entry of those records requiring data correction or challenge. Various elements of the challenge information are provided in a drop-down listing for selection, including elements such as type of adjustment requested (data correction, change student, or add student), the available CIP codes and credential levels available to each individual institution.

Once the challenge data is electronically submitted by the institutions, the individual data challenges and appeals are reviewed and adjudicated by the Department for a final determination. The challenge outcome results will be electronically transmitted to the National Student Loan Data System (NSLDS) for the recalculation of final rates based on successful challenge outcomes.

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.

The provisions of the regulations will not have a significant economic impact on a substantial number of small entities. We have minimized burden on all institutions by providing an automated mechanism for the submission of student and loan level data, as well as ensuring much of the back-up data on DCAS is pre-populated from NSLDS data.

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 Department is responsible for evaluating whether students are receiving training in a recognized occupation where they can be gainfully employed. The intent of regulations is to allow institutions to submit corrections to their GE data prior to the calculation of the final GE metrics. Without this data collection, the institutions will not have a mechanism for challenging and correcting the data used in the metric calculations and the draft metric rates will be used to evaluate the outcomes of programs that lead to gainful employment.

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.

There are no special circumstances connected to this collection.

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.

This is a request for an emergency clearance to allow the collection of the information from the public by October 15, 2015.

The program regulations were developed through Negotiated Rulemaking and the community participated in those sessions and was able to comment on the Notice of Proposed Rulemaking. There will be both a 60 day and a 30 day public comment period to allow the public to review and comment on the system process for challenging the names included in the Draft Completers List. This is also the 60 day comment period request.

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.<sup>2</sup> 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.

A Privacy Act statement will be included on the system. The System of Records Notice for the Electronic Cohort Default Rate Appeals (18-11-18) is currently being altered to include the new system parameters.

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.

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<sup>2</sup> 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)

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.

When the regulations were finalized in October 31, 2014 the burden for reviewing and correcting the completer listing was included in information collection package OMB control number 1845-0123. The Department is now requesting a transfer of that estimated burden to this new information collection package supporting the system that will function as the collection point for the institution submissions. The previous burden calculated is listed below:

We have estimated that 89 percent of the 2010-2012 total enrollment in GE programs would be at for-profit institutions, 2 percent would be at private non-profit institutions, and 9 percent would be at public institutions. The 2010-2011 and the 2011-2012 total number of students enrolled in GE programs is projected to be 6,436,806 (the 2010-2011 total of 3,341,856 GE students plus the 2011-2012 total of 3,094,950 GE students). As indicated in connection with the 2011 Final Rules (75 FR 66933), we estimate that 16 percent of students enrolled in GE programs would complete their course of study.

We estimate that there would be 916,601 students who complete their programs at for-profit institutions (6,436,806 students times 0.89 at for-profit institutions times 16 percent completers).

On average, we estimate that it would take institutional staff 0.17 hours (10 minutes) per student to review the list to determine whether a student should be included or excluded under §668.404(e) and, if included, whether the student's identity information requires correction, and then to obtain the evidence to substantiate any inclusion, exclusion, or correction, increasing burden by 155,822 hours (916,601 students times 0.17 hours) under OMB 1845-0123.

We estimate that there would be 20,598 students who complete their programs at private non-profit institutions (6,436,806 students times 0.02 at private non-profit institutions times 16 percent completers).

On average, we estimate that it would take institutional staff 0.17 hours (10 minutes) per student to review the list to determine whether a student should be included or excluded under §668.404(e) and, if included, whether the student's identity information requires correction, and then to obtain the evidence to substantiate any inclusion, exclusion, or correction, increasing burden by 3,502 hours (20,598 students times 0.17 hours) under OMB 1845-0123.

We estimate that there would be 92,690 students who complete their programs at public institutions (6,436,806 students times 0.09 at public institutions times 16 percent completers).

On average, we estimate that it would take institutional staff 0.17 hours (10 minutes) per student to review the list to determine whether a student should be included or excluded under proposed §668.404(e) and, if included, whether the student's identity information requires correction, and then to obtain the evidence to substantiate any inclusion, exclusion, or correction, increasing burden by 15,757 hours (92,690 students times 0.17 hours) under OMB 1845-0123.

Collectively, the total number of students who complete their programs and who would be included on the lists that would be provided to institutions is a projected 1,029,889 students, multiplied by 0.17 hours increasing burden by 175,081 hours under OMB Control Number 1845-0123.

Section 688.405(c) - Burden:

	# of Respondents	# of Responses	Hours/Response	Burden Hours
For Profit Institutions	916,601	916,601	0.17 hours	155,822
Not for Profit Institutions	20,598	20,598	0.17 hours	3,502
Public Institutions	92,690	92,690	0.17 hours	15,757
Total	1,029,889	1,029,889	0.17 hours	175,081

The Department requests the transfer of the 1,029,889 responses and respondents and the 175,081 hours from 1845-0123 to this 1845-NEW collection request.

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/startup 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 system build is estimated to cost the Department 10 million dollars with the operation and maintenance component of the contract at an estimated 8 million dollars. The first and second releases for the project are estimated at 4.2 million dollars. The first release covers the first fiscal year.

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 an emergency request for a new information collection for DCAS. This program change is due to the establishment of a consolidated system for institutions to submit regulatory requirements to capture required data collections and appeals. This is the first stage of the system. This change is due to the implementation of regulations. The Department requests the transfer of the 1,029,889 responses and respondents and the 175,081 hours from 1845-0123 to this 1845-NEW collection request.

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.

Once all of the elements of DCAS are operational, the only information that will be publically available will be final rates calculated under the solution.

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 exemptions to the “Certification of Paperwork Reduction Act Submissions” of OMB Form 83-I.