

Notice Requirement

We estimate that the time required for each faith-based grantee to provide the required notice to each beneficiary is two minutes. We estimate that a total of 10,003,323 students and other beneficiaries are served by discretionary grant programs. Based on the 4.5% estimate stated above, we estimate that, of the total number of beneficiaries served under these programs, 450,150 ($10,003,323 \times 4.5\% = 450,150$) students and other beneficiaries are served by faith-based organizations. Thus, we estimate that the total time burden imposed to provide notice to beneficiaries is 15,005 hours ($450,150$ [beneficiaries] \times 2 [minutes per beneficiary] \div 60 [to convert minutes to hours] = $15,005$ hours).

We estimate that the Department's only State-administered program that authorizes subgrants to nonprofit, private organizations, including faith-based organizations, the Twenty-First Century Community Learning Centers program (TCCLC), served in fiscal year 2013 approximately 1,733,000 students. We estimate that approximately 77,985 ($1,733,000 \times 4.5\% = 77,985$) students are served by faith-based subgrantee organizations under that program. We estimate the total burden that would be imposed on faith-based organizations to provide notices under TCCLC by these proposed regulations is 2,600 hours ($77,985$ [students] \times 2 [minutes per beneficiary] \div 60 [to convert minutes to hours] = $2,600$ hours).

Therefore, we estimate that the total notice burden that would be imposed on faith-based organizations that are grantees or subgrantees under all service programs of the Department is 17,605 hours ($15,005$ [discretionary grant notice burden] + $2,600$ [TCCLC notice burden] = $17,605$).

Using the Bureau of Labor Statistics' total costs per hour worked for all workers in the private educational services industry through September, 2015 of \$41.66, we estimate the costs to faith-based grantees and subgrantees under all service grant programs of the Department is \$733,424 per year ($17,605$ [hours to provide notice under the TCCLC and discretionary grant programs] \times $\$41.66 = \$733,424$).

The total number of respondents (beneficiaries that would have to receive notices under the proposed regulations) served by grantees and subgrantees that are faith-based organizations is 528,135 ($450,150$ [beneficiaries served under discretionary grant programs] + $77,985$ [beneficiaries served under the TCCLC program]).

Referral Requirement

We estimate that 0.10% of students and other beneficiaries would request alternative placements. We will monitor our programs to assess the accuracy of this estimate.

As described in the PRA section of the preamble for this NPRM, we estimate that the time required for the faith-based organization to make a reasonable effort to identify an alternative provider and refer a beneficiary to that provider would average about two hours. This estimate includes the time required to identify service providers that have the capacity to provide similar services, preferably under the same or similar programs to the one under which the

beneficiary is being served by the faith-based organization. The estimate also includes the time required to determine whether one of the alternative providers is acceptable to the beneficiary. Also, depending on whether the beneficiary asked the faith-based organization to follow up either with the beneficiary or the alternative service provider to determine whether the referral is successful, this estimate includes the time required to do the follow-up.

Under the discretionary grant programs of the Department that provide services to beneficiaries, we estimate that faith-based organizations will have to make reasonable efforts to refer 451 students and other beneficiaries ($450,150$ [students served by faith-based grantees \times 0.10% [percent of students that would request referrals] = 451 referrals) and faith-based organizations will need 902 hours to identify alternative providers and make referrals to those providers (451×2 [hours per referral] = 902).

Under the TCCLC program, faith-based subgrantees would have to make reasonable efforts to refer 78 students ($77,985$ [students served by faith-based subgrantees] \times 0.10% [percent of students requesting referral] = 78 referrals) and faith-based organizations would take 156 hours (78×2 [hours per referral] = 156 hours) to make reasonable efforts to refer students to alternative service providers.

Adding the referral burden that would be imposed on faith-based grantees (902 hours) and subgrantees (156 hours) under the discretionary grant and the TCCLC programs, the total hourly burden of making reasonable efforts to refer students and other beneficiaries to alternative service providers is 1,058 hours. Using the Bureau of Labor Statistics' total costs per hour worked for all workers in the private educational services industry through September, 2015 of \$41.66, we estimate the costs associated with grantee and subgrantee referrals are \$44,076 per year ($1,058$ [referral hours under the TCCLC and discretionary grant programs] \times $\$41.57$ = $\$44,076$).

Thus, the total dollar burden for faith-based organizations to notify students (\$733,424) and make reasonable referral efforts (\$44,076) under the TCCLC and discretionary grant programs of the Department would be \$777,500 per year ($\$744,500 + \$44,076$).

The total number of respondents (beneficiaries for whom faith-based grantees and subgrantees would have to make reasonable referral efforts) is 529 (451 [beneficiaries served under discretionary grant programs] + 78 [beneficiaries served under the TCCLC program]).

Notice and Referral Burden for Faith-Based Contractors

These proposed regulations would impose a duty on grantees and subgrantees to include conditions in contracts with faith-based organizations that provide program services to students and other beneficiaries of Department programs. These conditions would require those faith-based contractors to notify beneficiaries of their rights under the Executive Order and to make reasonable efforts to refer beneficiaries to alternative service providers.

As explained more fully in the NPRM PRA section, the Department does not have credible information as to how many such contracts exist or how many beneficiaries might be

served by those faith-based organizations. However, we have made a preliminary estimate that 14,151 students and other beneficiaries are served by faith-based contractors. Using that number, we have estimated that faith-based organizations would be subject to a total notice and referral burden of 500 hours. The 500 hour burden is the result of the following calculations:

- $14,151$ [beneficiaries] \times 2 [minutes per beneficiary to provide notice] \div 60 [to convert to hours] = 472 hours to notify beneficiaries; plus
- $14,151$ [beneficiaries] \times 0.1% [referral percentage] = 14 beneficiaries that would request referrals, requiring 28 hours (14 [beneficiaries] \times 2 [hours per referral]) to make reasonable efforts to refer beneficiaries.

Based on these calculations, the total cost to faith-based contractors to provide notice and make referrals would be \$20,830 ($500 \times \$41.66 = \$20,830$). This estimate is a placeholder, and we sought comment on this estimate in the NPRM, however, we did not receive any comment on whether this minimal burden estimate was accurate and reasonable. Therefore, we continue to use this estimate, changed only by the fact that the total cost of labor in the education employment sector has risen slightly between September, 2014 and September, 2015.

Total costs

The total costs for grantee, subgrantee, and contractor faith-based organizations to notify beneficiaries and make referrals is \$798,330 ($\$777,500$ [grantee and subgrantee notice and referral burden] + $\$20,830$ [contractor notice and referral burden] = $\$798,330$).

Total number of respondents and burden hours

The total number of respondents to whom faith-based organizations would have to provide notice and make reasonable referral efforts under grants, subgrants, and contracts is as follows:

$542,829$ respondents ($528,135$ [beneficiaries provided notice by grantees and subgrantees] + 529 [beneficiaries referred by grantees and subgrantees] + $14,151$ [beneficiaries provided notice by contractors] + 14 [beneficiaries referred by contractors])

The total hour burden hours for providing notice and making reasonable referral efforts by grantees, subgrantees, and contractors is as follows:

$19,163$ hours ($17,605$ [grantee and subgrantee notice hours] + $1,058$ [grantee and subgrantee referral hours] + 500 [contractor notice and referral hours] = $19,163$).