

SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT SUBMISSION

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.

In order to manage the Title IV, HEA assistance programs, authorized by the Higher Education Act of 1965, as amended (HEA); 20 U.S.C. 1070 *et seq.*, Federal Student Aid (FSA) must electronically transact business with the following FSA systems and institutions that include, but are not limited to the following:

- Common Origination and Disbursement (COD) system
- Central Processing (CPS) system
- Electric Campus-Based (eCB) system
- National Student Loan Data System (NSLDS)
- Enterprise Complaint System (ECS)
- Data Challenges and Appeals Solution (DCAS) System
- Financial Management System (FMS)
 - Total and Permanent Disability (TPD) System (Total and Permanent Disability (TPD) Loan Holder Notification)
- Common Services for Borrowers (CSB)
- Debt Management Collection System (DMCS), under CSB
- Federal Loan Servicers (FLS)
- Access and Identity Management System (AIMS)
- Postsecondary Educational Participants System (PEPS)
- Institutions of higher education that participate in Title IV, HEA assistance programs.
- Third-party servicers that provide services to eligible institutions of higher education.
- State Scholarship and Grant Agencies
 - Guaranty agencies for the Federal Family Education Loan (FFEL) Program or their third-party servicers
 - Lenders for the Federal Family Education Loan (FFEL) Program or their third-party servicers
- Others approved by the U.S. Department of Education

The U.S. Department of Education, FFEL lenders and their third-party servicers, guaranty agencies and their third-party servicers, Federal Loan Servicers (FLS), local educational agencies (LEAs), public secondary schools, private secondary schools, State agencies and their third-party servicers, and institutions of higher education and their third-party servicers use the Student Aid Internet Gateway (SAIG) to electronically transmit and receive data with the Department's

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

contracted processors for Title IV, HEA assistance programs. The entities described above (the Entities) that need access to the SAIG and online Federal Student Aid (FSA) systems must enroll with FSA through the SAIG Participation Management System, at the <https://fsawebenroll.ed.gov> Web site, or by using the paper SAIG Enrollment Form, to establish a location, called a Destination Point (which is identified by a TG Number), from which to transact business electronically with FSA.

In order to protect privacy information contained in the FSA systems, FSA has established security procedures that include requiring the Entities that need access to FSA systems to designate individuals to serve as a Primary Destination Point Administrator (Primary DPA) in order to conduct transactions on behalf of the Entities. Once a Primary DPA is established, he or she may enroll additional Destination Point Administrators (Non-Primary DPAs) for selected electronic services and for access to FSA systems.

Before a Primary DPA is granted access to the SAIG, the individual must enroll with FSA by providing his or her name, date of birth, address, email address, telephone number, Social Security Number, certain confidential information that only the Primary DPA knows, the name of the Entity the Primary DPA represents and by indicating the specific services the Entity wishes to participate in through the Primary DPA.

Most of the enrollment process can be completed from the <https://fsawebenroll.ed.gov> Web site; however, enrollment is not considered complete until FSA receives a hard-copy certification page of the Primary DPA's enrollment agreement signed by the Primary DPA and the Entity's chief operating officer authorized to enter into written agreements for the Entity. Only the Primary DPA may enroll additional organizational members and select the specific services to be conducted by each of those individuals. Each Primary DPA that enrolls other Non-Primary DPAs must provide the same personally identifiable information about each of those individuals that he or she provided (e.g., name, Social Security number, etc.).

An enrolled Primary DPA is able to –

- Electronically exchange files of financial aid data
- Access services of the Federal Direct Loan Program
 - Perform data transmissions for the electronic Campus-Based (eCB) programs for Federal Work-Study (FWS), Federal Supplemental Educational Opportunity Grant (FSEOG) and the Federal Perkins Loan program
 - Access Grant services of the Federal Pell Grant program and the Teacher Education Assistance for College and Higher Education (TEACH) Grant program
 - Access the Central Processing System (CPS) database or Web-based systems through FAA Access to CPS Online
 - Access the Campus-based system through the Fiscal Operations Report and Application to Participate (FISAP) Online
 - Access the National Student Loan Data System (NSLDS) and receive cohort default rate (eCDR) notification packages
 - Access the Lender Reporting System (LaRS) to send financial reporting information to Federal Student Aid's Financial Management System (FMS)
 - Access the online NSLDS Enrollment Reporting (formerly SSCR) function for updating student enrollment and Gainful Employment data and Gainful Employment rates.

- Access the COD Website to create and modify loan and disbursement data or receive Electronic Income-Based Repayment (IBR)/Pay As You Earn/Income-Contingent Repayment (ICR) Plan Request.
- Re-disclose student's Free Application for Federal Student Aid (FAFSA) filing status to a state, local, or private entity designated by the Secretary of Education per written agreement.

With access to FSA systems, a Primary DPA can –

- Complete and send electronic initial and renewal financial aid (FAFSA) applications to the CPS
- Receive electronic Institutional Student Information Records (ISIRs) from the CPS
- Send electronic corrections of applicant data to the CPS
 - Exchange payment and required reporting information from the Federal Pell Grant program and the TEACH Grant program
- Receive Electronic Statements of Accounts (ESOA) from the Federal Pell Grant Program
 - Exchange data with the Federal Direct Loan Program to originate loans; draw down, disburse, and reconcile loan funds; and report student status.
- Exchange data with the NSLDS
- Receive eCDR Rate Reports from Default Management

On November 29, 1996, the Secretary published final regulations in the Federal Register (61 FR 60603) that required institutions to participate in the electronic processes identified by the Secretary in order to improve the administration and delivery of FSA program funds to students and institutions and to protect Federal fiscal interests. Institutions must use software developed by the institution, or its vendor, in accordance with the specifications provided by the Secretary in the regulations. The Secretary believes that the savings and benefits from these electronic business processes are more than offset by any necessary initial investments by both the U.S. Department of Education and by institutions.

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 Participant Management System manages a participant database, which is a collection of data from the SAIG Enrollment Form. The enrollment process enables entities to receive, transmit, view, and update student financial aid data available through the SAIG Mailbox system and other FSA online Web services (e.g. NSLDS online and FAA Access). The enrollment form is available on the Internet at <https://fsawebenroll.ed.gov>. Information collected via the enrollment form is used to assign entities a SAIG Mailbox ID (TG Number) and associate the application services selected to that entity and its Primary DPA, as well as its non-Primary DPAs.

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 enrollment process for electronic services and access to FSA systems is on the Internet, and the design of the Web site is based on the SAIG Enrollment Form (paper). Customers can enroll and change services via the SAIG enrollment Web site at <https://fsawebenroll.ed.gov>. This Web site reduces and virtually eliminates paper collection for enrollment (the paper enrollment form and process will continue to be available upon request for entities having difficulties accessing the Internet). Entities may use the Web enrollment process to complete and submit applications to participate in the FSA electronic services currently available. The U.S. Department of Education is sensitive to the concerns of entities and individuals regarding the security of their application data. Users will be prompted to enter confidential authentication identifiers in order to validate their identity before being allowed to change or update FSA services. In addition, users will be advised via the Web site to check the security configuration of their browser to ensure that the information they transmit to ED is protected.

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.

The SAIG enrollment form is the only means that Title IV, HEA participating schools and other eligible entities can use to enroll for the previously mentioned data exchange services.

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.

No small businesses are affected by this information collection.

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.

If this collection is not conducted, no new participants will be able to enroll for electronic services. Existing participants will not be able to change their existing services, including deactivating individuals who no longer need access to the services, or who are no longer employed by an Entity.

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;
N/A – Respondents report as needed.
- requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;\nN/A – Respondents report as they need to enroll or make changes to an enrollment.

- requiring respondents to submit more than an original and two copies of any document;
 N/A – Only the originals are submitted.
 - requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
 The Office of Inspector General periodically audits schools. Schools must keep copies of the participation information with signatures for review as well as the FSA User of Electronic Services Statement with original signature. These documents are required to protect the security of the FSA's systems of records.
 - 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;
 N/A – These data are not collected to conduct statistical surveys.
 - requiring the use of a statistical data classification that has not been reviewed and approved by OMB;
 N/A – These data are not collected to conduct statistical surveys.
 - 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
 N/A – These data collection is supported by disclosure and data security polices consistent with the pledge.
 - 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 SAIG Enrollment Form collects the Social Security number, the date of birth, and the mother's maiden name from every Destination Point Administrator. Two of these identifiers (Social Security number and date of birth) are used to authenticate the customer when they request a password reset from the SAIG/CPS Technical Support Help Line. Electronic authentication is now conducted through the Access and Identity Management System (AIMS) and users are required to enter their FSA User ID to use protected pages on the Web enrollment site.
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.

FSA consults with all applicable application systems during the requirements phase to solicit comments and suggestions for improving the enrollment form. These meetings address problems and enhancements to the existing form. FSA has enhanced the enrollment form to simplify the enrollment process for all participating institutions.

A 60-day Federal Register notice was published on July 14, 2016 seeking public comment. No public comments were received under that notice. This is a request for a 30-day public comment notice.

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

The Department of Education does not allow any 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.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 confidentiality of the data on the enrollment form is discussed in the enrollment procedures. The citations that authorize the collection of the information are Executive Order 9397 and Executive Order 13478.

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.

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:

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)

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.

Frequency of response when an institution wants to enroll or change services.

Based on intrinsic and past experience in completing enrollment forms, we estimate that it takes a respondent approximately 20 minutes (.33 hours) to complete the online enrollment form, and 40 minutes (.66 hours) to complete a paper enrollment form, as noted earlier, nearly all initial enrollments are completed via the Web (94%). We also estimate that it takes a respondent approximately 10 minutes (.16 hours) to complete online enrollment updates and 15 minutes (.25 hours) to complete a paper enrollment update and 70 % of enrollment updates are completed via the Web.

The following is a breakdown of the amount of reporting burden by respondent type:

Private Sector - Business or Other For-Profit: *Institutions of Higher Education, Institutional Third-Party Servicers, FFELP Lenders and Lender Servicers*

.33 hours x 12,713 new web enrollments = 4,195 hours
 .16 hours x 20,627 update web enrollments = 3,300 hours
 .66 hours x 89 new paper enrollments = 59 hours
 .25 hours x 409 update paper enrollments = 102 hours

Subtotal of Respondents, Responses and Burden Hours for Business or Other For-Profit

<u># of Respondents/Responses</u>	<u># of Burden Hours</u>
12,713 + 20,627 + 89 + 409 = 33,838	4,195 + 3,300 + 59 + 102 = 7,656

Private Sector - Not-For-Profit: *Institutions of Higher Education, FFELP Guaranty Agencies and Guaranty Agency Servicers, Federal Loan Servicers*

.33 hours x 5,867 new web enrollments = 1,936 hours
 .16 hours x 9,521 update web enrollments = 1,523 hours
 .66 hours x 41 new paper enrollments = 27 hours
 .25 hours x 189 update paper enrollments = 47 hours

Subtotal of Respondents, Responses and Burden Hours for Not-For-Profit

<u># of Respondents/Responses</u>	<u># of Burden Hours</u>
5,867 + 9,521 + 41 + 189 = 15,618	1,936 + 1,523 + 27 + 47 = 3,533

Public Sector – State, Local, Tribal Government: *Institutions of Higher Education, State Scholarship and Grant Agencies*

- .33 hours x 5,864 new web enrollments = 1,935 hours
- .16 hours x 9,515 update web enrollments = 1,522 hours
- .66 hours x 41 new paper enrollments = 27 hours
- .25 hours x 188 update paper enrollments = 47 hours

Subtotal of Respondents, Responses and Burden Hours of State, Local, Tribal Government

<u># of Respondents/Responses</u>	<u># of Burden Hours</u>
5,864 + 9,515 + 41 + 188 = 15,608	1,935 + 1,522 + 27 + 47 = 3,531

Total of Respondents and Burden Hours for All Institutions

<u># of Respondents/Responses</u>	<u># of Burden Hours</u>
33,838 + 15,618 + 15,608 = 65,064	7,656 + 3,533 + 3,531 = 14,720

The annualized cost to respondents was estimated using the above figures to complete a form and a median annual salary of \$39,916 (\$19.20 per hour) for a Financial Aid Counselor (obtained from www.salary.com). 14,720 hours (calculated above) x \$19.20 per hour = \$282,624 annualized cost.

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 start-up costs.

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 following is a breakdown of estimated costs to the Federal government to produce, process, and update the 2015-2016 Student Aid Internet Gateway Enrollment Form. The estimated costs are based on the actual costs incurred for the most recent completed cycle year.

a. Projected Cost for the Virtual Data Center (VDC) to host Participation Management

The VDC hosts the Web servers on which the Web enrollment form runs. Part of the cost listed below includes hosting costs of the database at the Pearson Data Center.

FY 2015-

For costs incurred to house the Web servers at the VDC	\$52,089
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b. Projected Cost for Development/Annual Rollover Updates

\$538,508

c. Projected Cost to provide Maintenance/System Support

\$790,983

d. Projected Processing Cost

Enrollment Processing	\$337,352
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Total Costs

\$1,718,932

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 an extension of the current information collection package with the burden change as an adjustment to the current collection. The 2016 annual burden is estimated to be 14,720, based on 65,064 forms processed from January – December 2015. There is no change from the current number of respondents and responses and there is a decrease in burden of 1 hour. This is due to the shift in the number of entities in a specific classification and the change in the number of new versus updated forms as well as the use of electronic filing versus paper filings.

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.

Results of this collection of information will not be published.

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 OMB expiration date will be displayed on the form together with the standard request for comments.

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

The Department is not requesting any exemption, the certification statement will be included on the form.