

**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 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.**

Based on public comments received during the 30 day public comment period, which closed January 18, 2018, Federal Student Aid (FSA) is incorporating 40 new questions across the Institutional Surveys for seven of the experiments. FSA is requesting an additional 30 day public comment period to ensure that all affected parties will have an opportunity to review and respond to these proposed additional questions. The additional questions are attached as a separate file. FSA has determined that responding to the additional questions will add on average only one hour of additional burden to schools. FSA has updated the tables of estimated burden and cost to the institutions as well as the federal government.

This is a request for a new collection. The U. S. Department of Education (the Department) is requesting OMB clearance of the attached data collection for the Experimental Sites Initiatives (ESI) Reporting Tool Item Listing. The Secretary is authorized under Section 487A(b) to periodically select a limited number of institutions for voluntary participation as experimental sites under the ESI to provide recommendations to the Secretary on the impact and effectiveness of proposed regulations or new management initiatives. Participating postsecondary educational institutions are exempt from specifically designated statutory and regulatory requirements while conducting the experiments.

The Department approved eight experiments to test ways to address federal objectives and meet the needs of financial aid administrators and federal financial aid recipients. The following are those eight experiments and are included in this collection of information request:

- Limiting Unsubsidized Loans (Announced in a 10/27/11 Federal Register)
- Prior Learning Assessment (Announced in a 7/31/14 Federal Register)
- Limited Direct Assessment (Announced in a 7/31/14 Federal Register)
- Second Chance Pell (Announced in a 8/3/15 Federal Register)
- Competency-Based Education:
  - Subscription Period Disbursement(Announced in a 7/31/14 Federal Register)
  - Split Disbursement (Announced a 11/18/15 Federal Register)
  - Satisfactory Academic Progress (Announced in a 11/18/15 Federal Register)

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

- Educational Quality through Innovative Partnerships (EQUIP) (Announced in a 10/15/15 Federal Register)
- Dual Enrollment (Announced in a 11/3/15 Federal Register)
- Loan Counseling (Announced in a 8/15/16 Federal Register)

**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 Department's Federal Student Aid (FSA) office can use information from these experiments to identify and propose changes to the administration of the federal student aid programs. Such changes could impact customer satisfaction, simplification, reduced burden for students and institutions, and improved access to federal financial aid funds. FSA is committed to the continuous improvement of program services, processes, and operational practices, in part, through the use of information obtained through the experiments.

Under the experiments institutions are given the flexibility to test alternatives to existing requirements so that the Department can analyze the data obtained from participating institutions to validate current practices or to obtain information supportive of regulatory changes or recommendations for legislative change. Thus, the Department needs this analysis to inform its ongoing initiative for continuous improvement to financial aid delivery services to students and to the postsecondary educational institutions they attend. Additionally, the Department can use this data to help make informed recommendations to Congress.

**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.**

To minimize burden on participating institutions, while at the same time maximizing the accuracy of reporting, this data collection is integrated within the Department's Common Origination and Disbursement (COD) environment. The existing web-based COD system is used for the origination and disbursement of all Title IV grants and loans. Therefore, all postsecondary institutions participating in any of the experiments will be familiar with COD's operations and requirements.

The Experimental Sites website includes an email address and telephone number for institutional participants to use to contact FSA staff with questions or requests for assistance. This reporting mechanism collects information using a spreadsheet specific to the experiments for institutions to meet their reporting requirement and help ensure the efficiency and completeness of the data collection process while minimizing burden for institutions participating in the experiments.

**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.**

Much of the information necessary to properly evaluate the experiments consists of data already available in other FSA systems. However, the information to be collected under this collection is also needed and is not otherwise available from existing systems.

- 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.

- 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 Higher Education Act of 1965, as amended (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 collected provides needed information to create administrative reports. These reports 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 collection 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. 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 new information collection. Based on public comments received during the 30 day public comment period, which closed January 18, 2018, Federal Student Aid (FSA) is incorporating 40 new questions across the Institutional Surveys for seven of the experiments. This is the request for an additional 30-day Federal Register notice to be published to solicit further public comments. Comments were received during both the 30 day and the 60 day public comment notice period.

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

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.<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.**

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 information package.

**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.**

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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)

- **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.**

Each of the estimated 300 postsecondary educational institutions participating in the experiments will submit data for one or more of the nine experiments. The estimated total of the hour burden of the data collection effort is 5,400 hours or an average of 18 hours per respondent.

Institutional Type	Est. Number of Institutions	Factor	Hours
Non-Profit	43	18 hours/report	774
Public	249	18 hours/report	4,482
For-Profit	8	18 hours/report	144
<b>Totals</b>	<b>300</b>		<b>5,400</b>

The total cost for the reporting period is estimated at \$181,200.00 or an average of \$604 per institution.

<b><u>Exhibit 1</u></b>			
RESOURCE	HOURS/RATE	NUMBER	MONETARY COST
Computer Personnel	5 hours/\$50	300 Schools	\$75,000
Financial Aid Personnel	11 hours/\$30	300 Schools	\$99,000
Clerical Personnel	2 hours/\$12	300 Schools	\$7,200
<b>TOTAL</b>			<b>\$181,200</b>

**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 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 \$98,000. This cost estimate was derived in the following manner:

<b>Exhibit 2</b>			
<b>RESOURCE</b>	<b>HOURS/RATE</b>	<b>NUMBER</b>	<b>MONETARY COST</b>
Program Analysts, GS-13	7 hours/\$50	300 Schools	\$105,000
Estimated cost for data analysis and final report (Program Analyst, GS-13)	175 hours/\$50		\$8,750
<b>TOTAL</b>			<b>\$113,750</b>

**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 new collection package we anticipate 300 respondents at 18 hours per response for a total of 5,400 hours. This is a program change due to agency discretion.

**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 will provide critical information to help in the consideration of streamlining Title IV regulations and requirements.

**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.