

# NATIONAL POSTSECONDARY STUDENT AID STUDY: 2008

Supporting Statement  
Request for OMB Review (SF83i)  
Reinstatement with Change of Previously Approved  
Collection (OMB # 1850-0666)

Submitted by  
National Center for Education Statistics  
U.S. Department of Education  
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## **Preface**

This document supports the clearance of the 2008 National Postsecondary Student Aid Study (NPSAS:08), a nationally representative study of how students and their families finance education beyond high school. NPSAS:08 also will serve as the base year study for Baccalaureate and Beyond (B&B), a longitudinal study of baccalaureate recipients that will focus on the value of the bachelor's degree for further education and employment.

This submission requests reinstatement of the previously obtained clearance for the 2004 cycle of the National Postsecondary Student Aid Study (OMB No. 1850-0666). Following a field test study in 2007, the National Center for Education Statistics (NCES) will provide the Office of Management and Budget (OMB) with a copy of the field test report and summarize any changes planned for the full-scale data collection, including changes to estimated response burden. As with previous NPSAS submissions, we are requesting clearance for data elements and procedures.

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# ***The 2008 National Postsecondary Student Aid Study (NPSAS:08)***

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## **A. Justification**

### **1. Circumstances Making Collection of Information Necessary**

#### **a. Purpose of this Submission**

This document supports the clearance of selected data elements, materials, and procedures under the Paperwork Reduction Act of 1995 and 5 CFR 1320, as amended, for the 2008 National Postsecondary Student Aid Study (NPSAS:08). This study is being conducted by RTI International<sup>1</sup> and its subcontractor, MPR Associates, under contract to the U.S. Department of Education's (ED's) National Center for Education Statistics (NCES) (Contract Number ED-05-R-0005).

NPSAS was first implemented by NCES during the 1986–87 academic year to meet the need for national-level data about significant financial aid issues. Since 1987, NPSAS has been fielded every 3 to 4 years, most recently conducted during the 2003–2004 academic year. This implementation is the seventh in the series and will be conducted during the 2007–2008 academic year.

Previous studies related to or based on data from NPSAS or its longitudinal spin-offs are listed in appendix A. Appendix B lists the study's Technical Review Panel (TRP). A sample of the confidentiality pledge and affidavit of nondisclosure completed by all project staff having access to individually identifying data are provided in appendix C, along with documents related to other security measures that will be implemented. Introductory letters to institutions and students selected for participation in the NPSAS study are found in appendix D. Appendix E provides a summary of the sample design for the field test and full-scale NPSAS:08 studies. A list of endorsing institutions and associations supporting NPSAS:08 is provided in appendix F.

#### **b. Legislative Authorization**

NPSAS:08 is conducted by NCES within the Institute of Education Sciences (IES) in close consultation with other offices and organizations within and outside the U.S. Department of Education (ED). NPSAS is authorized under the Education Sciences Reform Act of 2002 (P.L. 107-279, Title 1 Part C), which requires NCES to:

“collect, report, analyze, and disseminate statistical data related to education in the United States and in other nations, including:

(1) collecting, acquiring, compiling... and disseminating full and complete statistics on the condition and progress of education, at the preschool, elementary, secondary, and postsecondary levels in the United States, including data on—

(E) educational access to and opportunity for postsecondary education, including data on financial aid to postsecondary students;”

Section 183 of the Education Sciences Reform Act of 2002 further states that:

<sup>1</sup> RTI International is a trade name of Research Triangle Institute.  
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*“all collection, maintenance, use, and wide dissemination of data by the Institute, including each office, board, committee, and Center of the Institute, shall conform with the requirements of section 552A of title 5, United States Code [which protects the confidentiality rights of individual respondents with regard to the data collected, reported, and published under this title].” (Section 183)*

### **c. Prior NPSAS Studies**

As noted above, NPSAS:08 will be the seventh NPSAS in a series dating back to 1986–87. The first in the series, the 1987 National Postsecondary Student Aid Study (NPSAS:87), based on a sample of students enrolled in the fall term of 1986, is not completely comparable to later studies. Beginning in 1989–90, NPSAS surveys sampled students enrolled at any time during a full academic year, so that students enrolled only during the summer or spring terms, as well as those who began at any time in institutions (primarily vocational) not on a traditional calendar system, were included. Additional detailed information about each of the prior NPSAS studies and related longitudinal studies conducted by NCES can be found at <http://nces.ed.gov>.

Since the inception of NPSAS, the data collection techniques and sources used for these studies have improved and expanded over time. NPSAS:90 was based on institutional data transcribed on paper forms, computer-assisted telephone interviews (CATIs), and only one external data source, the Pell Grant payment file. NPSAS:93 introduced the computer-assisted data entry (CADE) system, allowing institutions to enter data from student records directly into electronic files. This facilitated matching student records to federal student loan and the Pell Grant files. NPSAS:96 made more use of electronic data files to supplement the survey information from CADE and CATI. In addition to the Pell Grant files, student records were matched with the electronic Institutional Student Information Records (ISIR) of the Central Processing System (CPS) for federal financial aid applications, the federal student loan history records of the National Student Loan Data System (NSLDS), and the files of the College Board and ACT for student test scores on the SAT and ACT tests. NPSAS:04 introduced a web-based student interview that allowed both self-administration and interviewer-administration via CATI. This multi-mode approach to data collection has increased flexibility and convenience for study participants and reduced burden. NPSAS:04 also saw more institutions submitting student-level data electronically for entire school systems, which reduced the burden for individual campuses and increased the efficiency of data submission.

In addition to the relevance to policy issues, NPSAS:08 is also important from a methodological standpoint. This is the second study in which NPSAS data collection will take place using self-administered web surveys along with the traditional computer-assisted telephone interviewing (CATI) data collection technique. With a sample of this size, the efficacy of such data collection methods can be assessed and used to aid in planning future studies.

NPSAS is the only periodic, nationally representative survey of student financial aid. There is no other single national database containing student level records for students receiving aid from all of the numerous and disparate programs funded by the federal government, the states, postsecondary institutions, employers, and private organizations. NPSAS:08 data will allow for the continued evaluation of trends regarding financial aid and postsecondary enrollment. This information is critical to the development of government policy regarding higher education. The NPSAS studies reflect the changes made in government guidelines for

financial aid eligibility and availability, and provide a good measure of the effect of those changes.

The NPSAS studies also inform policymakers what is working and what needs changing in the future. A central focus of all of the NPSAS studies is the effect of the federal financial aid programs. Major changes in federal financial aid policy are usually made every 5 to 6 years through Reauthorization of the Higher Education Act (HEA), the legislation establishing the basic rules for the federal grant, loan, and work-study programs, including eligibility criteria and need analysis requirements. The federal financial aid described in the NPSAS:90 and NPSAS:93 studies was awarded under the policies set in the 1986 Reauthorization of HEA. The Reauthorization of 1992 made many substantial changes. It established a single need analysis formula for Pell Grants and the other need-based federal programs, eliminated home equity from consideration in need analysis, created an unsubsidized student loan program for dependent students which has no need requirements, and increased borrowing limits in the federal loan programs. The results of the NPSAS:96 survey reflected these changes. For example, the proportion of middle-income students with federal loans increased substantially at four-year colleges, and annual student loan and cumulative debt amounts increased at all income levels and at all types of institutions.

NPSAS:2000 and NPSAS:04 reflected the Reauthorization of 1998 legislation, which made relatively few changes in the federal financial aid programs. The changes to need analysis were minor. The student income protection allowance increased somewhat, requiring a smaller contribution from prior year earnings. Student loan amount limits were kept at the same levels that had been in effect since 1993, although interest rates were lower. The Pell Grant maximum amounts were increased to \$4,050 for 2003–04. Since the basic financial aid programs and policies had not changed since NPSAS:96, the results of the NPSAS:2000 and NPSAS:04 surveys created a clearer picture of the underlying trends in the effect tuition increases had on various categories of students. In addition to documenting the continuing increases in college prices, these two surveys showed the parallel increases in grant awards and student loan borrowing. In 2003–04, three-fourths of all full-time undergraduates were receiving financial aid, and the average amount received was almost \$10,000. The percentage of full-time undergraduates receiving grant aid (62 percent) continued to be greater than the percentage with student loans (50 percent) in 2003–04. Cumulative student loan debt continued to increase: among graduating seniors at private not-for-profit institutions, nearly three-fourths graduated with an average student loan debt of \$22,000.

NPSAS:04 was innovative in a number of ways. The sample size was substantially increased to yield about 90,000 respondents (compared with 60,000 in NPSAS:2000). For the first time, the NPSAS sample was designed to provide representative state-level estimates of undergraduates in 12 selected states, which has provided data for comparisons of differences in college prices and financial aid programs among states. As noted above, in addition to the usual telephone interviews, for the first time the NPSAS:04 student interview was offered as a self-administered web survey. Also for the first time, the NPSAS survey data was used to estimate the average amounts of the federal education tax benefits (Hope, Lifetime Learning, and Tuition and Fees Deductions) and their distribution among students. Nearly one-half of all undergraduates were found to benefit from one of these federal tax reductions.

#### d. Prior and Related Studies

Two longitudinal studies conducted as part of the Postsecondary Longitudinal and Sample Survey Studies (PLSSS) within the Postsecondary Studies Division (PSD) of NCES were designed to address a variety of issues regarding higher education. Based on samples of students attending postsecondary education in a particular year regardless of age, each of these studies incorporates base year data from the cross-sectional NPSAS and extends it through longitudinal follow-up components focusing on first-time students and on recent college graduates in alternate NPSAS survey years: Beginning Postsecondary Students (BPS) and Baccalaureate and Beyond (B&B). The chronology of the previous administrations of the NPSAS study and its associated longitudinal components is presented in table 1.

**Table 1. Chronology of NPSAS and its longitudinal components**

Base year	First follow-up	Second follow-up	Third follow-up
NPSAS:90	BPS:90/92	BPS:90/94	—
NPSAS:93	B&B:93/94	B&B:93/97	B&B:93/03
NPSAS:96	BPS:96/98	BPS:96/01	—
NPSAS:2000	B&B:2000/01	—	—
NPSAS:04	BPS:04/06	BPS:04/09	—
NPSAS:08	B&B:08/09	B&B:08/12	—

— Not applicable.

NOTE: NPSAS = National Postsecondary Student Aid Study; BPS = Beginning Postsecondary Students; B&B = Baccalaureate and Beyond.

The six major issues addressed in these PSD studies are:

- undergraduate access/choice of institution;
- persistence;
- progress/curriculum;
- attainment/outcome assessment;
- graduate/professional school access; and
- rates of return to individuals and society.

These six issues are described further in appendix A. Specific studies that have been based on previous NPSAS, BPS, or B&B data are also listed in this appendix for reference.

#### e. Study Design for NPSAS:08

Data for NPSAS:08 will be collected from both postsecondary institutions and students. The target population includes all students enrolled in a sample of institutions in a given academic year (2006–07 purposive sample for the field test and 2007–08 nationally representative sample for the full-scale study). A stratified sample of students within the sampled institutions will be selected.

Institutions will be asked to provide information from student financial aid records and other institutional sources. Much of the required student financial aid data contained in institutional records is also available in the Central Processing System (CPS), which houses and

processes data contained in the Free Application For Federal Student Aid (FAFSA) forms; these data will be obtained through file matching/downloading with this system. This process will reduce the data collection burden on sampled institutions. As in NPSAS:04, institutions will be asked to verify institutional characteristics and financial aid program participation and to provide enrollment lists for sampling purposes. Data from students will be collected via a self-administered survey on the Internet or through web-based CATI.

Following student record data collection (also referred to as CADE data collection), additional data for the NPSAS:08 student sample are obtained from a variety of extant data sources. These include additional queries of CPS, the National Student Loan Data System (NSLDS), Pell loan and grant files, the National Student Clearinghouse (NSC), and vendors of national undergraduate, graduate, and professional student admission tests including ACT and SAT scores. Matching to these data sources occurs after CADE data collection to ensure the availability of the maximum number of verified social security numbers and to facilitate “batch mode” processing that is suitable to many of these resources. A description of the security procedures in place for the linkages to extant data sources is provided in Appendix G.

## **2. Purposes and Uses of the Data**

The fundamental purpose of NPSAS is to create a research data set that brings together information about a variety of programs for a large sample of undergraduate, graduate, and first professional students. NPSAS provides the data for comprehensive descriptions of the undergraduate and graduate/first professional student populations in terms of their demographic characteristics, academic programs, types of institutions attended, attendance patterns, employment, and participation in civic and volunteer activities. Demographic and enrollment data establish the appropriate context that allows research and policy analysts to address basic issues about postsecondary affordability and the effectiveness of the existing financial aid programs. These results are published in three descriptive reports: a profile of undergraduates, a profile of graduate/first professional students and their education financing, and a report on undergraduate financing, which describes tuition and price of attendance levels, the percentage of students receiving various types of financial aid and the average amounts received, the net price of attendance after aid, financial aid need, and remaining need after financial aid.

Another purpose of NPSAS is gathering base-year data on a subset of students who become the sample for a longitudinal study. NPSAS:08 will establish the base year cohort for a Baccalaureate and Beyond Longitudinal Study of college graduates with a follow-up survey 1 year later (B&B:08/09) and another follow-up in 2012. A section of the student interview will focus on describing aspects of the experience of these students in their last year of postsecondary education.

Many of the important research questions remain the same across all of the NPSAS studies. Price increases, net price levels, remaining need after financial aid, and increases in student loan debt will continue to be central issues. The NPSAS:04 data was also used to determine eligibility for the federal education tax credits and deductions, and to estimate the amounts and distribution of these tax benefits by income levels. In addition, the NPSAS:08 survey data will be used to address policy issues relating to the changes in federal financial aid programs resulting from the Higher Education Reconciliation Act of 2005 (HERA). These include eligibility for and receipt of the new federal Academic Competitiveness Grants (ACG) and National Science and Mathematics Access to Retain Talent (SMART) grants, increases in the

Stafford loan limits for 1st and 2nd year students, changes in the Expected Family Contribution (EFC) formulas, and expansion of eligibility for the Simplified and Automatic Zero EFC.

Some of the primary issues to be investigated in NPSAS:08 include:

Student demographics;

- What is the distribution of student enrollment among types of institutions by gender, race/ethnicity, age, dependency, and income?
- What types of institutions are serving the largest proportions of low-income, non-traditional, and ethnic minority students?
- What proportion of undergraduates are first generation college students, and what types of institutions are they attending?
- What proportion of students are immigrants or children of immigrants, and what types of institutions are they attending?
- How much are students with disabilities participating in postsecondary education?

Academic preparation and programs;

- What proportion of 1st and 2nd year undergraduates (with and without Pell grants) meet the “rigorous curriculum” eligibility requirements for the Academic Competitiveness Grants?
- What proportion of undergraduates were enrolled in college courses while still in high school?
- What proportion of college students have taken remedial courses?
- What types of students are enrolled in vocational certificate, associate’s, and bachelor’s degree programs, and what are their fields of study?
- What proportion of 3rd and 4th year students (with and without Pell grants) majoring in science, technology, engineering and mathematics (STEM), and foreign language fields are eligible for the National SMART grants?
- What is the extent of internet-based and other distance education, and what types of institutions and students are using it?
- What are students’ primary purposes for enrolling in postsecondary education and their educational goals?

Financial aid;

- What proportion of students are receiving aid from states, institutions, employers, and private sources, and what are the average amounts received?
- Are the HERA changes in the EFC calculation and expanded eligibility for Simplified need analysis reflected in the amount of federal aid received by low-income students?
- What proportion of students are receiving need-based or merit-based aid?
- How does the amount and type of aid vary by dependency and income level?
- What proportion of Pell grant recipients have received federal ACG and National SMART grants, by class level, major, and type of institution?

- What is the ratio of federal to non-federal aid at various types of institutions?
- What is the ratio of grants to loans at various types of institutions?
- What proportion of students have financial aid need and what is the average amount of need by income?
- What proportion of students with need who receive financial aid have unmet need, and what is the average amount by income?

Price of attendance;

- What are the differences in the average tuition and total price of attendance by type of institution and among students by dependency, income, and full-time or part-time attendance status?
- What is the proportion of students at various income levels whose tuition and fees are completely covered by grants (zero net tuition)?
- What is the average net price of attendance (student budget minus financial aid) at various income levels at different types of institutions?

Student borrowing;

- What are the differences in the percentage borrowing and the average amounts borrowed through the federal student loan programs by institution type, attendance status, class level, and income?
- What proportion of students are borrowing the maximum Stafford loan amounts? How much have average loan amounts for 1st and 2nd year students increased as a result of the higher loan limits set in HERA?
- What is the difference in the proportion of students receiving subsidized or unsubsidized Stafford loans by dependency and income level?
- Are students receiving useful information about repayment options and future salaries in their major through student loan counseling?
- What is the average cumulative debt of students by class level, especially among graduating college seniors?
- How much are dependent undergraduates using credit cards to pay for educational expenses?

Student employment;

- What proportion of students work while enrolled and what are the average hours per week they work?
- What is the average amount earned from work while enrolled?
- Is there a relationship between the amount of work and the receipt of grants or loans?
- How do students perceive the effect of working on academic performance while enrolled?

- Are students with federal work-study jobs more likely to work in areas related to their majors, and are they working in community service, literacy, and tutoring activities?

Sources of funds;

- What types of financial support are dependent students receiving from their parents?
- What proportion of students are benefiting from the federal Hope and Lifelong Learning tax credits and the tuition and fees deductions, by family income levels? What are the average amounts of these benefits?

Civic participation;

- How much are students participating in community service and civic activities?
- What proportion of students are registered to vote, and what proportion of students have actually voted in a recent election?

Answers to these and other questions are vital if policymakers at the local, state, and national levels are to respond adequately to the changing environment of postsecondary education. As the publications listed in appendix A indicate, since inception, the NPSAS, BPS, and B&B series have resulted in numerous NCES publications addressing these issues. The data from these studies have also been used extensively to explore PSD program issues through the NCES Postsecondary Education Descriptive Analysis Report (PEDAR) series.

### **3. Use of Information Technology**

#### **a. Institutional Data Collection**

As was the case in NPSAS:04, electronic data for selected students will be downloaded directly from the CPS at ED. Preloading data from CPS into the CADE student record abstraction form greatly reduces the burden on sample institutions for abstracting data from student records. Student record abstraction will be accomplished using one of three methods, with the institution choosing the most convenient method.

The first option is for institutional staff to use a web-based version of CADE (self-CADE). The CADE program is flexible and allows the user to determine the best way of completing the task, either by entering all information for one student at a time or by entering data section by section for all students. The CADE program incorporates checks for consistency and valid values, which allows immediate correction or resolution of inconsistent or erroneous data.

In the event the institution does not have the time and/or staff to enter data into CADE, a trained contractor field staff member will be sent to the institution to enter the institutional data into the web-based CADE program, either by using equipment available onsite or via a laptop (field-CADE). The third option is for the institution to prepare a data file, based on RTI specifications, and submit the CADE data elements electronically (data-CADE). Upon completion, the institution will transmit the data through the NPSAS website. A more in-depth description of each of these options is provided later in section B.3, Methods of Maximizing Response Rates.

## **b. Student Interviews**

To improve the efficiency of data collection and virtually eliminate the need to burden the respondent with a recontact for data retrieval, both the NPSAS:08 field test and full-scale studies will use web-based student interviewing. The modes of data collection will be web-based self-administered surveys and web-based CATI. The survey instruments within these systems will be parallel, so the same question wording, item order, and range/consistency checks will be applied in either mode.

The survey instrument displays questions for the respondent or interviewer in program-controlled sequences on a computer screen. Computer control of the survey administration and the monitoring of responses offers substantial improvements in data quality and data collection efficiency over standard paper and pencil surveys. The incidence of missing or inconsistent data is greatly reduced because questionnaire skip patterns are computer controlled. Moreover, invalid entries or entries inconsistent with previous responses are rejected by the computer and must be corrected by the respondent or interviewer during the interview.

The self-administered web-based student interview adds considerable flexibility to the interviewing process. The wording and presentation of subsequent questions can be tailored to reflect answers already received as well as pre-loaded information. On-line help screens are also available to provide respondents with more in-depth explanations of questions and examples of the categories of answers listed. Perhaps the most important feature of the self-administered web-based student interview is that respondents can complete portions of the interview and save their responses. This allows them to return and complete the interview at a later time rather than requiring the interview be entirely completed at once. These features reduce participant burden while ensuring that the most accurate data are collected.

## **4. Efforts to Identify Duplication**

NCES has consulted with other federal offices, such as the ED's Office of Postsecondary Education, the Planning and Evaluation Service, the Congressional Budget Office (CBO), and the Office of Management and Budget (OMB). Consultations with non-federal associations such as the American Council on Education (ACE), the National Institute of Independent Colleges and Universities (NIICU), and the National Association of Student Financial Aid Administrators (NASFAA) confirm that the data to be collected through NPSAS are not available from any other sources. These consultations provide methodological insights from the results of other financial aid investigations and assure that the data collected through NPSAS meet the needs of the federal government and other relevant organizations.

## **5. Method Used to Minimize Burden on Small Businesses**

The student survey for NPSAS:08 does not involve small businesses or entities. However, some small businesses (for-profit schools) and other small public and private schools will be contacted as part of NPSAS:08. We will attempt to minimize the intrusion and burden to such schools by working closely with a school-appointed coordinator before the data collection effort to identify the sources of information within the school and the format in which records are kept. We are collecting electronic data from a central source at ED to minimize record abstraction burden. To accommodate any constraints imposed by staffing considerations or record-keeping systems, schools will be offered alternative methods of providing the requested data including: (1) using web-based instrumentation to enter requested information from student

records for all students sampled at the institution (self-CADE); (2) providing electronic data files to the contractor (data-CADE); and (3) having specially trained contractor field staff abstract student data (field-CADE).

## **6. Frequency of Data Collection**

This cycle of NPSAS will take place 4 years after the last data collection. The rationale for conducting NPSAS periodically is based on the historical need for information on financial aid programs. The large-scale and rapid changes in federal policy concerning postsecondary student aid necessitate frequent studies. Eligibility restrictions change, size of grant and loan amounts fluctuate, and the balance between various aid options changes dramatically. Since these changes affect students' ability to finance postsecondary education and the level of debt that students are accumulating, data collections every 3 to 5 years are necessary. A recurring study is essential to helping predict future costs for financial aid because loan programs create continued obligations for the federal government as long as the loans are being repaid.

Repeated surveys, such as NPSAS, are also necessary because of rapid changes in the postsecondary environment. The size, age, preparation, ability, and financial strength of the student population have changed as the result of changes in the size of the traditional postsecondary-age population and the increased likelihood of some demographic groups to seek postsecondary education (e.g., women, minorities, and older students). Postsecondary institutions themselves are also changing and private, for-profit institutions are becoming more frequently involved in federal programs. These institutions are increasing students' education costs because an increasing proportion of their income comes from tuition; hence, they are devoting greater efforts to recruiting and counseling on financial aid. Also, changes in the demographic characteristics of students may affect their ability to finance postsecondary education (e.g., older students typically have greater resources and a more extensive credit history, and minority students often have fewer resources).

The combination and magnitude of all these factors in postsecondary education underscores the need for periodic data collections. Effects of these changes on federal policy and postsecondary education participation create an opportunity, as well as a need, to monitor this rapidly changing situation on a regular basis.

## **7. Special Circumstances of Data Collection**

No special circumstances of data collection are anticipated.

## **8. Consultants outside the Agency**

Recognizing the significance of NPSAS data collection, several strategies have been incorporated into the project work plan that allow for the critical review and acquisition of comments relating to project activities, interim and final products, and projected and actual outcomes. These strategies include consultations with persons and organizations both internal and external to NCEES, the U.S. Department of Education (ED), and the federal government.

Previous NPSAS implementations have benefited from a standing federal review panel composed of staff from several offices in ED (the Office of Postsecondary Education [OPE] and the Office of Policy and Planning [OPP]) and representatives of OMB and CBO. Members of this panel also belong to the Technical Review Panel (TRP) for NPSAS:08. The membership of the TRP (see appendix B) represents a broad spectrum of the postsecondary and financial aid communities. The non-federal members serve as expert reviewers on the technical aspects of the

study design, data collection procedures, and instrument design, especially item content and format. The TRP reviewed the draft data elements during their July 2006 meeting and the revised data elements presented in Section C reflect this review.

## **9. Provision of Payments or Gifts to Respondents**

In an effort to maximize response rates, the use of incentives is proposed for two purposes—to encourage early response using the self-administered web survey, and to limit nonresponse bias through refusal conversion. The Tests of Procedures and Methods section of this document (section B.4) discusses in detail the specialized plans for improving response rates through (1) contacting efforts using United States Postal Service Priority Mail, (2) prompting, and (3) paying incentives to students. We propose to use the field test for NPSAS:08 to assess the benefits of two incentive amounts during the early response period<sup>2</sup> (\$10 vs. \$30) to encourage early interview participation and self-administration. Furthermore, we will evaluate the effectiveness of prepayment in the use of nonresponse conversion incentives (\$30) offered to those who refuse to participate or are difficult to contact.

In summary, paying incentives is expected to encourage respondents to respond early primarily via self-administration on the web and to encourage nonresponding sample members to participate in the study. The use of incentives provides significant advantages to the government in terms of increased overall response rates and timely data collection. In addition, the use of incentives can also result in decreased data collection costs.

## **10. Assurance of Confidentiality**

NCES assures participating individuals and institutions that any data collected under NPSAS and related programs shall be in total conformity with NCES's standards for protecting the privacy of individuals.

NPSAS:08 is authorized under the Education Sciences Reform Act of 2002 (Public Law [P.L.] 107-279, Title 1 Part C), which requires NCES to:

“collect, report, analyze, and disseminate statistical data related to education in the United States and in other nations, including:

(1) collecting, acquiring, compiling... and disseminating full and complete statistics on the condition and progress of education, at the preschool, elementary, secondary, and postsecondary levels in the United States, including data on—

(E) educational access to and opportunity for postsecondary education, including data on financial aid to postsecondary students;”

Section 183 of the Education Sciences Reform Act of 2002 further states that:

"all collection, maintenance, use, and wide dissemination of data by the Institute, including each office, board, committee, and Center of the Institute, shall conform with the requirements of section 552A of title 5, United States Code [which protects the confidentiality rights of individual respondents with regard to the data collected, reported, and published under this title]." (Section 183)

<sup>2</sup> The early response period refers to the first 3 weeks from when a sample member is invited to complete the student interview.

The assurance of confidentiality plan for the project was developed by NCES and the contractor for this project. NPSAS:08 will conform totally to federal regulations, specifically the Family Education Rights and Privacy Act of 1974 (5 USC 522a), Privacy Act Regulations [34 CFR Part 5b], Section 506(d) of the General Education Provisions Act, as amended by the Hawkins-Stafford Amendments of 1988 [P.L. 100-297], and NCES *Standards and Policies*, which denote four separate laws to protect the confidentiality of individually identifiable information collected by NCES: the Privacy Act of 1974, the Education Sciences Reform Act of 2002, the USA Patriot Act of 2001, and the E-Government Act of 2002.

The plan for maintaining confidentiality includes notarized nondisclosure affidavits obtained from all personnel who will have access to individual identifiers (copies of the agreement and affidavit are provided in appendix C). Also implemented are personnel training regarding the meaning of confidentiality; controlled and protected access to computer files under the control of a single data base manager; built-in safeguards concerning status monitoring and receipt control systems; and a secure, staffed, in-house computing facility.

Furthermore, the Department has established a policy regarding the personnel security screening requirements for all contractor employees and their subcontractors. The contractor must comply with these personnel security screening requirements throughout the life of the contract. The Department directive that contractors must comply with is OM:5-101, which was last updated on 7/7/05. There are several requirements that the contractor must meet for each employee working on the contract for 30 days or more. Among these requirements are that each person working on the contract must be assigned a position risk level. The risk levels are high, moderate, and low based upon the level of harm that a person in the position can cause to the Department's interests. Each person working on the contract must complete the requirements for a "Contractor Security Screening." Depending on the risk level assigned to each person's position, a follow-up background investigation by the Department will occur. Materials related to these security features are provided in appendix C.

For NPSAS:08 a new secure method of transferring sensitive data will be implemented. A new secure server at NCES has been made available for this new data transfer system. The system requires that both parties to the transfer be registered users of the NCES Members Site and also that their Members Site privileges be set to allow use of the new service. This service is designed for the secure transfer of electronic files containing personally identifying information (i.e., data protected under the Privacy Act or otherwise posing risk of disclosure) and can be used for NCES to/from Contractor; Contractor to/from (Sub)Contractor; and Contractor to/from Other Agency data transfers. Data will remain on the server until deleted by the uploader or an administrator.

The new secure server has been used successfully and without incident on the BPS:04/06 study, another study currently being conducted for NCES by RTI. The following procedures have been put into place for using the server to transfer confidential data. Before we place the file(s) on the server, we will encrypt the file(s) with 256-bit AES encryption using WinZip 10 and the password will be a strong password of 10 or more characters containing no dictionary words, no acronyms, at least one of each of 4 character types (uppercase, lowercase, digits, symbols) and in a pseudo-random pattern. Passwords will be communicated by telephone to the recipient and will not be written down. Once the file is confirmed as being picked up by the recipient, the file will be removed from the server by the sender. At the time of the transfer, we will send an e-

mail to the project COR at NCES, copying both the ED/IES/NCES Chief Technology Officer, and the NCES Deputy Commissioner, alerting them to the file transfer.

Additionally, RTI maintains a standing Committee on Human Subjects to ensure that all Institute surveys of human populations comply with applicable regulations concerning informed consent, confidentiality, and protection of privacy. This group serves as the Institute's Institutional Review Board (IRB) as required by law (45 CFR #46). RTI policy requires that the IRB independently review and approve the study design, instruments, and procedures, and monitor the study annually to ensure that sample members' rights are fully protected.

Study notification materials sent to students and institutions (see appendix D) will describe the voluntary nature of the NPSAS:08 survey and convey the extent to which respondent identifiers and all responses will be kept confidential. Similarly, the scripts to be read by telephone staff will be very specific in the assurances made to respondents and contacts.

### **11. Sensitive Questions**

The student interview collects information about earnings, assets, and marital and dependency status. Regulations governing the administration of these questions require (a) clear documentation of the need for such information as it relates to the primary purpose of the study, and (b) provisions to clearly inform respondents of the voluntary nature of participation in the study, as well as assurances that their responses will be treated confidentially.

Financial data related to earnings and assets, as well as marital and dependency status, are key items used in calculating need for financial aid, parental contributions, and financial aid awards. Consequently, the data elements are critical to the conduct of policy-related analyses and to the modeling and projection of the effects of federal program changes on students and on program costs. Several procedures have been implemented (see section A.10) to provide assurances to respondents about the voluntary nature of participation in the study as well as the confidential treatment of survey responses.

### **12. Estimates of Response Burden**

Two data collection activities will take place: (1) the collection of financial and administrative data for sampled students from institutions; and (2) self-administered and telephone interviews of sampled students. The respective burden estimates for each data collection activity are provided in table 2.

The response time for participating institutions is expected to vary widely. Institutions will be offered three different methods for providing responses, including:

- web-based instrumentation for data entry of information requested for sampled students;
- transmitting or shipping electronic data files or hard copy documents prepared according to contractor-provided specifications; and
- abstraction of information from school records by specially trained contractor field staff who will enter student record data onsite and transmit the data to the contractor's central office using the CADE software.

**Table 2. Maximum estimated burden on respondents**

Data collection activity	Sample	Expected eligibles	Percent expected response rate	Number of respondents	Average time burden per response	Range of response times	Total time burden (hours)
<b>NPSAS:08 Field Test</b>							
Institutional records abstraction	300	294	83	244	13 hrs.	1 to 40 hrs.	3,172
Student interview	3,000	2,761	70	1,933	25 min.	20 min. to 1 hr.	805
Student reinterview	195	195	80	156	15 min.	10 to 20 min.	39
<b>Total</b>							6,998
<b>NPSAS:08 Full-Scale Study</b>							
Institutional records abstraction	1,667	1,646	83	1,374	25 hrs.	1 to 40 hrs.	34,350
Student interview	120,000	110,995	70	77,697	25 min.	20 min. to 1 hr.	32,374
<b>Total</b>							66,549

NOTE: NPSAS:08 = 2008 National Postsecondary Student Aid Study.

Based on results from the NPSAS:04 full-scale study, about 21 percent of schools are expected to provide electronic data files to the contractor (data-CADE), resulting in an average estimated response burden of about 18 hours. Another 66 percent are expected to use self-CADE to enter the requested information themselves at 30 hours per response (on average), while about 13 percent of schools will request assistance from field data collectors (field-CADE), resulting in an average response burden of 4 hours. This distribution of responses results in an estimated average of 25 hours per institution response for the full-scale study. The estimated burden for field test institutional data collection is lower (approximately 13 hours) due to the smaller sample size for each institution. Table 3 presents estimated costs to respondents (both institutions and students) participating in the NPSAS:08 field test and the full-scale studies.

**Table 3. Maximum estimated costs to respondents for the NPSAS:08 field test and full-scale implementations**

Data collection activity	Sample	Response rate (percent)	Number of respondents	Average burden (time)	Total burden (time)	Rate per hour	Total cost
<b>Institutions (NPSAS:08)</b>							
Field test	300	83	244	13 hrs	3,172 hrs.	\$14	\$44,408
Full scale study	1,667	83	1,374	25 hrs	34,350 hrs.	14	480,900
<b>Student interview (NPSAS:08)</b>							
Field test	3,000	70	1,933	25 min.	805 hrs.	10	8,050
Full scale study*	120,000	70	77,697	25 min.	32,374 hrs.	10	323,740
<b>Student reinterview (NPSAS:08)</b>							
Field test	195	80	156	15 min.	39 hrs.	10	390

NOTE: NPSAS:08 = 2008 National Postsecondary Student Aid Study.

**13. Estimates of Cost**

There are no capital, startup, or operating costs to institution or student respondents for participation in the project. No equipment, printing, or postage charges will be incurred.

**14. Costs to Federal Government**

A summary of estimated costs to the federal government for NPSAS:08, shown in table 4, are categorized by field test, full-scale study, and total costs. Included in the contract estimates are all staff time, reproduction, postage, and telephone costs associated with the management, data collection, analysis, and reporting for which clearance is requested. A more detailed breakdown of contract costs is provided in table 5.

**Table 4. Individual and total costs to the National Center for Education Statistics (NCES) for the NPSAS:08 field test and full-scale implementations**

Costs to NCES	Amount
NPSAS:08 Field Test	
Salaries and expenses	\$48,000
Contract costs	4,537,493
Total	4,585,493
NPSAS:08 Full Scale Study	
Salaries and expenses	173,255
Contract costs	17,137,338
Total	17,310,593
Total costs	
Salaries and expenses	221,255
Contract Costs	21,674,831
Total	21,896,086

NOTE: NPSAS:08 = 2008 National Postsecondary Student Aid Study.

## 15. Reasons for Changes in Response Burden and Costs

Projected estimates for response burden and costs for NPSAS:08 are based on experiences from NPSAS:04. Institutional response burden is difficult to estimate due to the wide variation in response times experienced in NPSAS:04, particularly since student sample sizes and record abstraction methods vary widely. Furthermore, accurate timing data are not available for institutional record abstraction. However, the figures presented in tables 2 and 3 are believed to portray an accurate assessment of the estimated time required for participation.

Certain assumptions guide the estimates for response burden. We assume that each institution will need approximately 2 hours to prepare and review instructions prior to performing record abstractions. Then, we are assuming an average of approximately 20–40 minutes per student. It is expected that institution response burden in the field test will be lower than in NPSAS:04 because we are accounting for the reduced sample size (averaging approximately 16.5 students per institution). In the full-scale study, we are anticipating an average of 72.1 students per institution. Given the increased use of data-CADE (electronic submission of data files containing student record data), institutions will benefit from an economy of scale that will reduce the overall average for institutional data collection.

Estimated response burden for students is based on extensive timing analysis conducted in NPSAS:04. While there are some minor modifications, the overall number of items included in the student interview is similar to NPSAS:04; therefore, it is expected that the timing of the NPSAS:08 student interview will be comparable.

**Table 5. Contract costs for NPSAS:08**

Study area and task		Budgeted amount (in \$)
110	Post award conference	37,609
120	Schedules	62,532
130	Monthly reports	416,886
140	Integrated monitoring system	789,145
150	Technical review panels	973,822
Field test (FT)		
210	Sampling	276,379
212	Institution Contacting	264,919
220	FT RIMG/OMB forms clearance	67,221
231	Instrumentation	903,611
232	Tracing	91,769
233	Training for institution level data collection	271,097
234	Training for CATI data collection	164,369
235	Institution level data collection	291,273
236	Web/CATI data collection	340,367
237	Data processing	673,047
240	Methodology report	170,395
Full-scale (FS) data collection		
310	Sampling	564,937
312	Institution contacting	506,256
320	FS RIMG/OMB forms clearance	71,517
331	Instrumentation	866,277
332	Tracing	1,313,728
333	Training for institution level data collection	439,228
334	Training for CATI data collection	469,850
335	Institution level data collection	1,068,587
336	Web/CATI data collection	7,214,750
337	Data processing	1,095,125
338	Weighting, imputations & nonresponse bias analysis	619,719
339	Data disclosure planning and prevention	54,942
340	Methodology report	216,603
Descriptive reporting		
410	ED tabulations	226,749
420	Data analysis system	348,352
430	Additional special tabulations	193,542
440	Descriptive reports	433,255
450	Respond to information requests	157,906
460	Final technical memo	19,067
<b>Total</b>		<b>21,674,831</b>

NOTE: Costs presented here do not include base or award fee. CATI = computer assisted telephone interview.

## 16. Publication Plans and Time Schedule

The formal contract for NPSAS:08 requires the following reports, publications, or other public information releases:

descriptive summaries of significant findings for dissemination to a broad audience;

a detailed methodological report describing all aspects of the full-scale study design and data collection procedures (a working paper detailing the methodological findings from the field test will also be produced);

complete data files and documentation for research data users in the form of both a restricted-use electronic codebook (ECB) and a public-use Data Analysis System (DAS);

special tabulations of issues of interest to the higher education community, as determined by NCES.

The operational schedule for the NPSAS:08 field test and full-scale study is shown in table 6.

**Table 6. Operational schedule for NPSAS:08**

Activity	Start date	End date
<b>NPSAS:08 Field Test</b>		
Contacts with institutions to request enrollment lists	9-06-2006	6-07-2007
Select student sample	1-16-2007	6-07-2007
Collect student data from institution records	2-05-2007	6-29-2007
Self-administered web-based data collection	3-05-2007	6-29-2007
Conduct telephone interviews of students	3-16-2007	6-29-2007
Process data, construct data files	2-01-2007	9-28-2007
Prepare/update field test reports	3-01-2006	7-31-2007
<b>NPSAS:08 Full-Scale Study</b>		
Contacts with institutions to request enrollment lists	8-02-2007	7-15-2008
Select student sample	1-16-2008	7-15-2008
Collect student data from institutional records	2-01-2008	8-29-2008
Self-administered web-based data collection	2-06-2008	8-29-2008
Conduct telephone interviews of students	2-27-2008	8-29-2008
Process data, construct data files	2-01-2008	5-01-2009
Prepare/update reports	8-31-2007	8-29-2008

NOTE: NPSAS:08 = 2008 National Postsecondary Student Aid Study.

## 17. Approval to Not Display Expiration Date for OMB Approval

The expiration date for OMB approval of the information collection *will be displayed* on data collection instruments and materials. No special exception to this request is requested.

**18. Exceptions to Certification for Paperwork Reduction Act Submissions**

There are no exceptions to the certification statement identified in the Certification for Paperwork Reduction Act Submissions of OMB Form 83-i.