

SURVEYS TO MEASURE CUSTOMER SATISFACTION

1. **Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

On September 11, 1993, President Clinton issued Executive Order 12862, "Setting Customer Service Standards" which clearly define his vision that the Federal agencies will put the people first. To do that, a revolution within the Federal government to change the way it does business was needed. FSA has successfully used customer surveys to continually reform practices and operations to the end that, when dealing with FSA, all people receive service that matches or exceeds the best service available in the private sector.

Section 1(b) of Executive Order 12862 requires government agencies to "survey customers to determine the kind and quality of services they want and their level of satisfaction with existing services" and Section 1(e) requires agencies "survey front-line employees on barriers to, and ideas for, matching the best in business." These Presidential requirements establish an interactive process of collecting information and using it to improve program services and processes.

In order to improve student financial aid services nationwide, the Higher Education Amendments of 1998 established Federal Student Assistance (FSA) as the first federal Performance-Based Organization. Congress specified in that legislation that one purpose of the PBO is to improve service to students and other participants in the student financial assistance programs authorized under title IV, including making those programs more understandable to students and their parents. To do that, FSA has committed to ensuring that all people receive service that matches or exceeds the best service available in the private sector. The legislation's requirements establish an ongoing need for FSA to be engaged in an interactive process of collecting information and using it to improve program services and processes.

As part of this submission, FSA is including a proposal for customer surveys and focus groups for FY 2007. These surveys, focus groups, and survey plans comprise further steps for FSA to improve and continue as a customer-oriented agency. The main purpose of this submission, however, is to obtain OMB re-approval of the concept of an internal FSA clearance of all future customer satisfaction surveys with a final FSA approved copy of the collection activity forwarded to OMB as an update to the file under the assigned clearance number. All observations and suggestions by OMB for possible improvements in this series of FSA information collection activities are welcomed.

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 President's primary objective and one of Congress's primary objectives in passing the PBO legislation was to ensure that all entities and individuals directly served by FSA will receive the highest quality of service, comparable to that service delivered by private organizations. These individuals and entities are defined as our "customers."

In FSA, senior management has clearly defined our ultimate customer as the students who attend or plan to attend postsecondary institutions. This ultimate customer might be classified in primary groups: secondary students, postsecondary and graduate students, and adult learners. Besides these customers, FSA also provides funds and services directly to parents, state education agencies, institutions of higher education, accreditation agencies, lenders, guarantee agencies, national special interest groups with an interest in postsecondary education, contractors, grantees, and individuals seeking employment with FSA. Each of these groups, while often also a partner

in the postsecondary education process, is to be considered an FSA customer. As such, the expectations and requirements of each of these groups will need to be understood. The series of customer satisfaction surveys to be conducted by FSA will assess the needs at a level that matches or exceeds the best service available in the private sector.

FSA has established a process where customer satisfaction is regularly monitored and measured. The results will assist FSA in the planning and decision-making processes to improve the quality of FSA's products and services. Results from surveys and focus groups will be used to measure against established baseline standards and for measuring FSA progress toward defined goals. This will be a continuous process of measuring customer satisfaction and then using that information to redefine FSA processes and programs. Without this institutionalized process, FSA will have no basis in reality for planning and implementing program improvements and other customer satisfaction initiatives.

- 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 of using information technology to reduce burden.**

There are neither legal nor technical obstacles to the use of technology in these information collection activities. The determination to use technology, and which technology to use, will be based on the type of information collected and the utility and the availability of specific technology to each respondent in a proposed customer satisfaction survey.

- 4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use of the purposes described in Item 2 above.**

The information to be supplied on these surveys will not be duplicated on any other information collection. Since initial OMB approval of FSA's umbrella clearance for customer satisfaction surveys, FSA has been careful to ensure the streamlining in number of surveys, number of questions, and type of questions proposed for approval. An internal group of FSA employees will continue to review the proposed surveys to verify that the information sought is not already available and that the survey is part of a coordinated FSA-wide customer satisfaction program. There is no information available from any other source that will enable FSA to evaluate the satisfaction of our customers under the provisions of the Higher Education Amendments of 1998.

- 5. If the collection of information impacts small business or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.**

The information collected in these surveys will represent the minimum burden necessary to evaluate customer satisfaction with FSA programs and processes.

- 6. Describe the consequences to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

The series of customer surveys will be coordinated to insure that most individual respondents will not be asked to respond to more than one survey instrument or to participate in more than one focus group. The total number of surveys and the schedule for those surveys will be monitored and approved by the Chief Operating Officer of FSA. Without a regular program of customer satisfaction surveys, FSA will not be able to achieve the commitment to raise FSA's customer satisfaction scores.

7. **Explain any special circumstances that require the 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 that can be generalized to the universe of study;

Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated.

Requiring the use of 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 which 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.

These surveys will be consistent with all the guidelines in 5 CFR 1320.6, especially those provisions in subsection (g) which require that a statistical survey be designed to produce results that can be generalized to the universe of study. There are no special circumstances that would cause this information collection to be conducted in an unusual or intrusive manner. All participation will be voluntary. Should FSA need to deviate from the requirements outlined in 5 CFR 1320, individual justification will be provided to OMB on a case-by-case basis.

8. **If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, 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 instructions 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.

These surveys are consistent and comply with the guidelines in 5 CFR 1320.8 (d). The customer service opinions of those individuals and organizations served by FSA are available upon request. In fact, the process of asking, by itself, if done well, will generate a positive atmosphere of partnership and cooperation.

FSA staff works throughout the year with the higher education community to hear their ideas and feedback on how to continue to fulfill the mandate of Congress to improve service to students.

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

There will be no payment or gift to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

These surveys and focus group instructions will provide all necessary assurances of confidentiality to the respondents. Although there is no requirement for such an assurance in statute, the quality of this type of information requires respondent candor and anonymity.

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. This 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 will be no questions of a sensitive nature in these customer satisfaction surveys. If any are used, FSA will submit justification for each question used as part of the completed package submitted to OMB.

12. Provide estimates of the hour burden of the collection of information. The statement should include:

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 Item 13 of OMB Form 83-I.

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 should not be included here. Instead, this cost should be included in Item 14.

Each survey respondent will submit only one response per survey which will take, on average, thirty minutes to complete. FSA estimates the number of responses to be 15,000 for a total burden of 7,500 hours. The average hourly cost per respondent time is estimated to be \$18.00. The total cost for each respondent for each survey is \$9.00, for a total of \$67,500 (7,500 hours x \$9.00 = \$67,500).

Each member of a focus group is expected to spend an average of three hours per group. FSA estimates that there will be 30 segmented focus groups held each year with an average of ten participants per group. The annual total paperwork burden for the focus groups is estimated to be 900 hours (30 groups x 10 participants x 3 hours). The average hourly cost per participant time is estimated to be \$18.00. The total cost for each participant for each focus group discussion is \$54.00, for a total of \$48,600 (900 hours x \$54.00 = \$48,600).

The estimated total of the hour burden of the collection of information equals 8,400 hours for an estimated cost of \$116,100.

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 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.

There is no increased cost burden to respondents or record keepers resulting from the collection of information.

- 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 estimated annualized cost to the Federal government is \$794,650. This includes the cost of performing 30 customer satisfaction surveys at the cost of 15 x \$30,000 and 15 x \$15,000. In addition, the time required to read and evaluate the surveys and focus groups discussions by FSA is estimated to be 5,000 hours. Given an average hourly rate of \$23.93 per hour, the total cost to the Department is estimated to be \$119,650.

- 15. Explain the reason for any program changes or adjustments reported in Item s13 or 14 of the OMB Form 83-I.**

The difference is due to a program change. The increase is due to FSA submitting more surveys and holding more focus groups in the next fiscal years.

- 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.**

The responsibility to measure customer satisfaction is not a project which has an assigned completion date. Instead, it is an interactive process which will become incorporated into the fabric and culture of FSA. The process will begin with the attached proposal for collecting information.

As the information is collected, the FSA Channel and program offices will evaluate and share it with any other program managers, support service managers and employees to whom it is relevant. Based on the results of some surveys and focus groups, other surveys and focus groups will be commissioned and the comparative results will be evaluated and tracked over time to determine the type and rate of progress FSA is making.

Experienced and trained FSA staff will be appointed by the COO to serve to evaluate the methodological strengths and weaknesses of the proposed survey instruments and plans. These staff members will make recommendations, as needed, to improve the research initiative. These recommendations will be implemented in the approved collection activity. The recommendations will be consistent with the guidelines provided in the OMB Resource Manual for Customer Surveys issued in October 1993. A brief summary, of how each of the requirements of Part B of the SF-83 Supporting Statement are met, will be included in the completed submissions that is conveyed to OMB for the official file on this clearance. If any survey methodology deviates from the OMB guidelines, FSA will submit a specific justification for that action as part of the completed package submitted to OMB.

OMB statistical experts, information collection experts, and program specialists will be invited to participate with and advise FSA staff as their time permits. FSA will consult with OMB about the expectations and standards of this important activity and will incorporate the OMB guidance in the ongoing internal clearance process. This feedback loop will enable FSA to continuously improve the usefulness of these collection activities.

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.

It is appropriate for the FSA customer satisfaction surveys to display the expiration date for OMB approval.

18. Explain each exception to the certification statement identified in Item 20, “Certification for Paperwork Reduction Act Submissions,” of OMB Form 83-I.

FSA takes no exception to the certification statement identified in Item 20, “Certification for Paperwork Reduction Act Submissions, “ of OMB Form 83-I.

Appendix A includes FSA listings of all individual customer surveys and focus groups that have been approved by OMB.

Appendix B includes OMB approved surveys.

- COD
- LaRS
- FOTW

Appendix C includes a few examples of OMB approved focus groups.

*EAC

*TIV Training Session