

## **SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT SUBMISSION**

Information Collection under the Regulations Governing the Student Assistance General Provisions - Student Right-to-Know Provisions

### **A. Justification**

#### **1. Necessity of Information Collected**

As provided by the Higher Education Opportunity Act, the proposed regulations would amend the existing Student Right-to-Know (SRK) regulations that require an institution that participates in a Title IV, HEA federal student financial assistance program to disclose the employment and placement rate, retention rate of first-time, full-time undergraduate students, and completion and graduation rate data disaggregated by gender, race, and grant or loan assistance in addition to the currently required reporting to prospective and enrolled students. The proposed regulations also requires a participating institution to provide an annual fire safety report to all prospective and enrolled students and employees in addition to the annual security report. The relevant regulations are 34 CFR 668.41 and 668.45.

These proposed regulations are a result of regulatory review of the program regulations to provide benefits to students, and protect the taxpayers' interest. This request is for approval of reporting requirements contained in the attached proposed regulations related to the administration of the existing SRK information collection that is required to be disclosed by Section 485 of the Higher Education Act of 1965, as amended (HEA). The information collection requirements are necessary to prevent fraud and abuse of program funds.

#### **General Provisions:** (OMB control number: 1845-0004)

Sections 668.41 and 668.45 contain information collections requirements. Under the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)), the Department of Education is submitting a copy of this section to the Office of Management and Budget (OMB) for its review. We are proposing the following changes to that section:

#### **Section 668.41(d) –General disclosures for enrolled or prospective students.**

The proposed regulations specify the additional information that is required to be provided to current and prospective students to include retention rates as reported to the Integrated Postsecondary Education Data System (IPEDS), the placement and employment obtained by graduates of the school, and the type of graduate or professional education programs that graduates of a four year degree program enroll.

#### **Section 668.45 – Information on completion or graduation rates.**

The proposed regulations modify the type of full-time undergraduate to be used in the calculation of these rates as a "...first-time, full-time...", adds retention rate to what must be reported and requires a disaggregation by gender, major racial and ethnic sub-groups (as defined in IPEDS) and by certain financial aid program types, unless such disaggregation will allow for identification of personally identifiable information about an individual student.

Previously, this collection package had a term of clearance (TOC) connected to its approval. In response to the TOC language for version 3 of 1845-0004 included the following statement, "Education will submit the user's guide, which is currently being prepared, to OMB..." An electronic user's guide on OPE's Equity in Athletics Disclosure Act web page at <http://surveys.ope.ed.gov/athletics/> was forwarded to OMB's desk officer in response to this requirement.

## **2. Purpose and Use of Information Collected**

Institutions are required under this regulation to gather and distribute information about employment, placement and retention rates and must provide that information to current and prospective students and employees. This can be done through appropriate publications mailed or provided directly or posted to the Internet or an Intranet web site. This information will inform the current and prospective campus community members and be provided to the Secretary to be disseminated to the public as well as being reported to Congress.

## **3. Consideration of Improved Information Technology**

Institutions are allowed to provide the information to their current and prospective students using web based technology.

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

There is no duplication of data as a result of the collection of this information. This is additional information that has not previously been collected.

## **5. Burden Minimization as Applied to Small Business**

No small businesses are impacted by this collection.

## **6. Consequences of Less Frequent Data Collection**

Per statute, the information must be collected annually.

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

The information collection requirements require no special circumstances.

**8. Consultation Outside the Agency**

The data obtained by this collection is specifically required by statute. These regulations were discussed with members of the higher education community and other interested parties in a series of Negotiated Rulemaking session in March, April and May of 2009. Additionally, we will allow for public comment by all interested parties using the publication of the Notice of Proposed Rulemaking and the Notice of Final Rulemaking.

**9. Payment or Gift to Respondents**

No payments or gifts will be provided to the respondents.

**10. Assurance of Confidentiality**

These requirements do not cover any confidential information.

**11. Questions of a Sensitive Nature**

ED is not requesting any sensitive data.

**12. Annual Hour Burden for Respondents/Recordkeepers**

We estimate the hours required for institutions to meet the proposed regulatory requirements will be approximately 3hours 40 minutes per institution annually.

Note that the current 668.41(d)(3) has been redesignated as 668.41(d)(4) with new requirements placed in 668.41(d)(3).

Affected Entities and Burden:

New 668.41(d)(3) – new retention rate reporting

|               | # of Respondents | # of Responses | # of Hours Burden       |
|---------------|------------------|----------------|-------------------------|
| Institutions: |                  |                |                         |
| Public        | 1,897            | 1,897          | X .17 hours = 322 hours |
| Private       | 1,744            | 1,744          | X .17 hours = 296 hours |
| Proprietary   | 2,058            | 2,058          | X .17 hours = 350 hours |
| <b>TOTAL</b>  | <b>5,699</b>     | <b>5,699</b>   | <b>968 hours</b>        |

New 668.41(d)(4) – (redesignated from 668.41(d)(3)) – completion/graduation/transfer out rate

|               | <u># of Respondents</u> | <u># of Responses</u> | <u># of Hours Burden</u>  |
|---------------|-------------------------|-----------------------|---------------------------|
| Institutions: |                         |                       |                           |
| Public        | 1,897                   | 1,897                 | X .50 hours = 949 hours   |
| Private       | 1,744                   | 1,744                 | X .50 hours = 872 hours   |
| Proprietary   | 2,058                   | 2,058                 | X .50 hours = 1,029 hours |
| TOTAL         | 5,699                   | 5,699                 | 2,850 hours               |

New 668.41(d)(5) – placement of and type of employment obtained by graduates of degree or certification programs

|               | <u># of Respondents</u> | <u># of Responses</u> | <u># of Hours Burden</u>  |
|---------------|-------------------------|-----------------------|---------------------------|
| Institutions: |                         |                       |                           |
| Public        | 1,897                   | 1,897                 | X .50 hours = 949 hours   |
| Private       | 1,744                   | 1,744                 | X .50 hours = 872 hours   |
| Proprietary   | 2,058                   | 2,058                 | X .50 hours = 1,029 hours |
| TOTAL         | 5,699                   | 5,699                 | 2,850 hours               |

New 668.41(d)(6) – types of graduate/professional degrees that 4 year degree graduates pursue

|               | <u># of Respondents</u> | <u># of Responses</u> | <u># of Hours Burden</u> |
|---------------|-------------------------|-----------------------|--------------------------|
| Institutions: |                         |                       |                          |
| Public        | 1,897                   | 1,897                 | X .50 hours = 949 hours  |
| Private       | 1,744                   | 1,744                 | X .50 hours = 872 hours  |
| Proprietary   | 103                     | 103                   | X .50 hours = 52 hours   |
| TOTAL         | 3,744                   | 3,744                 | 1,873 hours              |

New 668.45(a)(6) – disaggregation of graduation rates by specified groups

|               | <u># of Respondents</u> | <u># of Responses</u> | <u># of Hours Burden</u> |
|---------------|-------------------------|-----------------------|--------------------------|
| Institutions: |                         |                       |                          |
| Public        | 1,897                   | 1,897                 | X 2 hours = 3,794 hours  |
| Private       | 1,744                   | 1,744                 | X 2 hours = 3,488 hours  |
| Proprietary   | 103                     | 103                   | X 2 hours = 206 hours    |
| TOTAL         | 3,744                   | 3,744                 | 7,488 hours              |

### Annual Cost of Burden to Respondents

We estimate that the cost to the institutional respondents will be:

|               | # of Respondents |   | Est. \$ per Response | Est. \$ Burden            |
|---------------|------------------|---|----------------------|---------------------------|
| Institutions: |                  |   |                      |                           |
| Public        | 1,897            | X | \$15                 | X 3.67 hours = \$ 104,430 |
| Private       | 1,744            | X | \$15                 | X 3.67 hours = \$ 96,007  |
| Proprietary   | 2,058            | X | \$15                 | X 3.67 hours = \$ 113,293 |
| <b>TOTAL</b>  | <b>5,699</b>     |   |                      | <b>\$ 313,730</b>         |

### 13. Start-up Cost Burden to the Respondents

There is no new start-up costs associated with these regulations.

### 14. Estimated of Annual Cost to the Federal Government

There is no additional cost to the Federal government from previous submissions.

### 15. Reasons for Changes to Burden Hour Estimated

Changes to the burden hours incorporate both the fewer number of schools certified to participate in the Title IV federal student aid programs and changes in the data that is required to be provided to current and prospective students by a proposed change in the regulations due to implementing the statutory changes made by the Higher Education Opportunity Act (HEOA) (Pub. L. 110-315) that amends the Higher Education Act of 1965, as amended (HEA). A summary is provided below.

|  | # of Respondents | # of Responses | # of Hours Burden |
|--|------------------|----------------|-------------------|
| New 668.41(d)(3) – new retention rate reporting  | 5,699            | 5,699          | 968 hours         |
| New 668.41(d)(4) – (redesignated from 668.41(d)(3)) – completion/graduation/transfer out rate                    | 5,699            | 5,699          | 2,850 hours       |
| New 668.41(d)(5) – placement of and type of employment obtained by graduates of degree or certification programs | 5,699            | 5,699          | 2,850 hours       |
| New 668.41(d)(6) – types of graduate/professional degrees that 4 year degree graduates pursue                    | 3,744            | 3,744          | 1,873 hours       |

New 668.45(a)(6) – disaggregation of graduation rates by specified groups  
 3,744                                      3,744                                      7,488 hours

**Total Burden:**

| # of Respondents | # of Responses | #Hrs<br>Burden |
|------------------|----------------|----------------|
| 5,699            | 24,585         | 16,029         |

**Summary Current Burden Inventory:**

Respondents, Responses and Burden Hours:

| # of Respondents | # of Responses | #Hrs<br>Burden |
|------------------|----------------|----------------|
| 8,500            | 10,300         | 228,150        |

**Revised Burden Inventory:**

Respondents, Responses and Burden Hours:

| # of Respondents | # of Responses | #Hrs<br>Burden |
|------------------|----------------|----------------|
| 14,199           | 34,885         | 244,179        |

**16. Collection of Information with Published Results**

This information is available via the Department’s website if the public wishes to view the information.

**17. Approval to Not Display Expiration Date**

ED is not seeking this approval.

**18. Exception to the Certification Statement**

ED is not requesting any exceptions to the “Certification for Paperwork Reduction Act Submissions” of OMB Form 83-I.