

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 copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

The State Fiscal Stabilization Fund (SFSF) program is authorized in Title XIV of Division A of the American Recovery and Reinvestment Act of 2009 (ARRA) (Pub. L. 111-5), which President Barack Obama signed into law on February 17, 2009.

Under the SFSF program, the U.S. Department of Education awards funds to Governors to help stabilize State and local budgets in order to minimize and avoid reductions in education and other essential services, in exchange for a State's commitment to advance essential education reform in four areas: (1) making improvements in teacher effectiveness and in the equitable distribution of qualified teachers for all students, particularly students who are most in need; (2) establishing pre-K-to-college-and-career data systems that track progress and foster continuous improvement; (3) making progress toward rigorous college- and career-ready standards and high-quality assessments that are valid and reliable for all students, including limited English proficient students and students with disabilities; and (4) providing targeted, intensive support and effective interventions for the lowest-performing schools.

Section 14008 of ARRA requires each State receiving funds to submit an annual report to the Secretary, at such time and in such manner as the Secretary may require, that describes:

- (1) the uses of funds provided under this title within the State;
- (2) how the State distributed the funds it received under this title;
- (3) the number of jobs that the Governor estimates were saved or created with funds the State received under this title;
- (4) tax increases that the Governor estimates were averted because of the availability of funds from this title;
- (5) the State's progress in reducing inequities in the distribution of highly qualified teachers, in implementing a State longitudinal data system, and in developing and implementing valid and reliable assessments for limited English proficient students and children with disabilities;
- (6) the tuition and fee increases for in-State students imposed by public institutions of higher education in the State during the period of

availability of funds under this title, and a description of any actions taken by the State to limit those increases;
(7) the extent to which public institutions of higher education maintained, increased, or decreased enrollment of in-State students, including students eligible for Pell Grants or other need-based financial assistance; and
(8) a description of each modernization, renovation and repair project funded, which shall include the amounts awarded and project costs.

Each State will submit to the Department two SFSF annual reports. The initial report will be due to the Department by March XX, 2011. This report will cover the period from the State's receipt of SFSF funds through September 30, 2010. Each State must submit its final SFSF report by March XX, 2012. The final report will provide data for the period extending through September 30, 2011, the deadline for obligation of SFSF funds.

Approval of this information collection will enable the Department to collect from States the information required by statute.

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 will, with the assistance of a contractor, evaluate the information in each report and use the data to prepare for the Congress the Secretary's Report required under Section 14110 of the ARRA.

The data will inform the Department's administration and oversight of the program. In particular, it will provide useful information on the uses and impact of SFSF funds.

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.

The Department will enlist the services of a contractor to develop an electronic system to facilitate the collection of annual report data from States. States will be able to respond through a secured website and submit the required information electronically to the following site WWW.SFSF-APR.US.

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 majority of the data required by statute is not available. The information on jobs created or saved can be found on the 1512 Quarterly reports, the Department will use the information already provided by the States to populate this portion of the annual report.

5. If the collection of information impacts small businesses or other small entities (Item 8b of IC Data Part 2), describe any methods used to minimize burden.

The collection of information does not impact small business or other small entities.

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

If the collection is not conducted, ED will not meet the statutory requirement to report on the information required by statute.

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 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.

This collection is consistent with 5 CFR 1320.5.

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 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.

The public will have an opportunity to comment during the review process through the 60-day comment period (75 FR-35774-35775). Comments were received and have been addressed in the Response Summary document. The public will have another opportunity to comment during the 30-day comment period, at the same time this collection is pending at OMB.

The Department has consulted with the States that have commented during the 60-day comment period. During the consultations, the Department solicited their views on data availability and timing of the collection. Other topics were not discussed as the States contacted did not have pressing issues surrounding alternative topics.

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

No payments or gifts to respondents will be made.

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

There is no assurance of confidentiality.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. The justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

There are no questions of a sensitive nature.

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

- Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. 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 16 of IC Data Part 1.
- 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 not be included in Item 14.

Burden Hours for Respondents

The Department estimates that each State would spend approximately 74 hours of staff time to provide the information required in each annual report. The total number of hours spent nationally completing the initial reports would be 3,848 (74 hours per State x 52 States). In addition, the Department estimate it will take States the same amount of time (3,848 hours) to complete the final report. The total burden to States for completing the two reports would be 7,696 hours.

Cost to Respondents

The Department estimates that the per-hour cost for each State will average \$30.00 for an aggregate national cost of \$115,440 ($\$30.00 \times 3,848 \text{ hours} = \$115,440$) per report. The total estimated cost to States of completing the two reports is \$230,880.

Burden Hours and Costs to Complete Each Report

Reporting Activity	Hours	States Reporting	Estimated average cost/hour	Estimated cost per activity
Distribution of SFSF funds	4	52	\$30	\$6,240
Uses of SFSF funds	10	52	\$30	\$15600
Tuition and fee information	8	52	\$30	\$12,480
Public IHE student enrollment data	24	52	\$30	\$37,440
Tax increases averted	8	52	\$30	\$12,480
Jobs saved or created	0	52	\$30	0
Progress in advancing education reform	20	52	\$30	\$31,200
TOTALS	74	52	\$30	31200

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.

Total Annualized Capital/Startup Cost:	0
Total Annual Costs (O&M):	0
Total Annualized Costs Requested:	0

There are no start-up costs for this collection.

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 Federal costs involve drafting the report template; staff review of the submitted reports for completeness, working with contractor on analyzing the data submitted by States; having follow-up discussions with States, as necessary; and assisting in drafting the required report to Congress.

The contractor will provide an on-line system for annual performance report submission; provide technical assistance, as needed, to States in using the system; conduct data quality reviews and work with States, as necessary; and conduct an analysis of this annual data. The contractor will also submit an annual analysis of the data reported through the APRs as well as the raw data. The contractor will also submit a comprehensive report at the end of the contract period.

Burden Hours and Total Cost to Federal Government

Grade	Hours	Cost
9 (2)	352 hours @ \$24.74/hour	\$17,417
11 (2)	320 hours @ \$29.93	\$19,155
12 (1)	160 hours@ \$35.88/hour	\$5,741
14 (1)	104 hours @\$50.41	\$5,243
15(1)	52 hours @\$59.30	\$3,084
Contractor assistance		\$239,605
TOTAL COST		\$290,244

15. Explain the reasons for any program changes or adjustments to #16f of the IC Data Part 1 Form.

This is a new collection related to a new program.

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.

ED will report the information to Congress within 6 months of the deadline for the submission of State reports to ED.

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.

Approval to not display the expiration date for OMB approval of the information collection is not being sought.

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

There are no exceptions to the certification statement.