

SUPPORTING STATEMENT

Information Collections under the Final Regulations Governing the Student Assistance General Provisions

RIN 1840-AD02 and RIN 1840-AD03

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.

Necessity of Information Collected

The General Provisions regulations revise current regulations in the areas of program administration. These final regulations are a result of regulatory review of the program regulations to reduce administrative burden for program participants, provide benefits to Title IV, HEA program recipients, and protect the taxpayers' interest. This request is for approval of reporting requirements contained in the attached final regulations related to the General Provisions administrative requirements for the Title IV, HEA programs. The information collection requirements in these final regulations are necessary to determine eligibility to receive program benefits and to prevent fraud and abuse of program funds.

The proposed regulations establish the standards to participate in the student financial aid assistance programs authorized by Title IV of the Higher Education Act of 1965, (HEA), as amended. The proposed regulations assure the Secretary that the integrity of the programs are protected from fraud and misuse of program funds. These proposed regulations modify the standards of administrative capability and propose new requirements for institutional disclosures to enrolled students and prospective students on written arrangements entered into with other institutions who will not be granting the degree or certificate. These proposed regulations also expand disclosures to students and prospective students so those students have contact information in order to make complaints to the institution's accreditor, approval and licensing agencies. The proposed regulations consolidate the satisfactory academic progress standards in 34 CFR 668.34, therefore we are administratively transferring the attributable amount of burden that was in 34 CFR 668.16(e) to 34 CFR 668.34. The proposed regulations in 34 CFR 668.13 require that the period of participation for a private, for-profit foreign institution expires after three years rather than the six year period for a domestic institution. The proposed regulations in 34 CFR 668.171 require that in order for an institution to be considered financially responsible, the institution must notify the Secretary that it is designated as a public institution by the country or other governmental entity that has the legal authority to make that designation. That entity must confirm that the institution is a public institution and is

backed by the full faith and credit of the governmental entity, as documented. This proposed regulation also includes a requirement that the foreign public institution must not be in violation of the past performance requirements in 34 CFR 668.174.

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.

Purpose and Use of Information Collected

General Provisions:

The information collected and reported in Subparts B and D of Part 668 – Student Assistance General Provisions will continue to be used for program participation and for student consumer information purposes. If we did not require the collection and reporting of information in Subparts B and D, we would not be able to conform the program participation agreements with the statute, nor would we be requiring participating institutions to provide the required disclosures to prospective and enrolled students.

General Provisions: (OMB control number: 1845-0022)

Team I – Program Integrity Issues - (RIN 1840-AD02)

Sections 668.8, 668.16, 668.22 and 668.43 contain information collection requirements. Under the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)), the Department of Education is submitting a copy of these sections to the Office of Management (OMB) for its review. We are finalizing the following changes to these sections:

Section 668.8 – Eligible program.

Section 668.8(k) & (l): The final regulations in §§668.8(k) & (l) require that when an institution offers an undergraduate educational program in credit hours, the institution must use the formula contained in §668.8(l) to determine whether a one academic year training program that leads to a certificate or other non-degree recognized credential and prepares students for gainful employment in a recognized occupation has sufficient credits hours for students in that program to receive Title IV, HEA funds. These final regulations are also applicable to proprietary and postsecondary vocational programs as provided in §668.8(d).

Programs that are at least two academic years in length and provide an associate degree, a bachelor's degree, a professional degree, or an equivalent degree, as determined by the Secretary, are exempt from the final clock hour to credit hour conversion. Also exempted are programs when each course within the program is acceptable for full credit toward that institution's associate degree, bachelor's degree, professional degree, or equivalent provided that the institutional degree requires at

least two academic years of study and the institution demonstrates that students enroll in, and graduate from, the degree program.

For all non-exempt programs, the institution must perform the clock to credit hour conversion to establish whether the required minimum credit hours are met in order for students enrolled in those programs to be eligible to receive Title IV, HEA program assistance. The affected entities will be the institutions who will be required to make the calculations for the applicable programs to measure whether there are sufficient contact hours in the programs for students enrolled to obtain Title IV, HEA program assistance. Under final §668.8(l)(2)(i), outside student work may be combined with the clock hours of instructional time.

Section 668.16 – Standards of administrative capability.

Section 668.16(e): The final regulations in §668.16(e) currently address standards of satisfactory academic progress. These standards along with some new requirements will be transferred to §668.34. As a result, the burden associated with this portion of currently approved OMB 1845-0022, as well as the burden associated with the newly final requirements will be administratively transferred to OMB 1845-NEW2 where all the recordkeeping, record maintenance and notification requirements under the final regulations will be located.

Section 668.16(p): The final regulations in §668.16(p) require an institution to develop and follow procedures designed to evaluate the validity of a student's high school completion. If the institution or the Secretary has reason to believe that the high school diploma is not valid or was not obtained from an entity that provides secondary school education, the final regulations require the institution to evaluate the validity of the diploma.

Section 668.22 – Treatment of title IV funds when a student withdraws.

Section 668.22(a) & (f): The final regulations clarify when a student is considered to have withdrawn from a payment period or period of enrollment. In the case of a program that is measured in credit hours, the student would be considered to have withdrawn if he or she does not complete all the days in the in the payment period or period of enrollment that the student was scheduled to complete. In the case of a program that is measured in clock hours, the student would be considered to have withdrawn if he or she does not complete all of the clock hours in the payment period or period of enrollments. The final change in §668.22(f) clarifies that for credit hour programs, in calculating the percentage of the payment period or period of enrollment completed, it is required to take into account the total number of calendar days that the student was scheduled to complete prior to withdrawing without regard to any course completed by the student that is less than the length of the term. These final regulations would affect all programs with courses that are less than the length of the term, including, for example, a semester-based program that has a summer nonstandard term with two six-week sessions within the term.

Section 668.43 – Institutional information.

Section 668.43(a)(12): The final regulations require that institutions who enter into written agreements with other institutions to have the other institution provide a portion of the educational program, to disclose a variety of information about the written arrangement to the student. That disclosure includes a description of the written arrangement explaining the portion of the educational program that the institution that grants the degree or certificate will not be providing. The disclosure must also provide the name and address of the other institutions or organizations that are providing the portion of the educational program that the institution that grants the degree or certificate is not providing. In addition, the disclosure of the written arrangement must include the method of delivery and any estimated additional costs that a student may incur as a result of enrolling in an educational program that is provided, in part, under a written arrangement.

Section 668.43(b): The current regulations in §668.43(b) require an institution to make available for review to any enrolled or prospective student, upon request, a copy of the documents describing the institution’s accreditation and its licensing. Under the final regulations, these requirements are expanded to also include contact information for filing complaints with the institution’s accreditor and approval or licensing entity.

Team II – Foreign Schools Issues – (RIN 1840-AD03)

Sections 668.13, 668.15, and 668.171 contain information collection requirements. Under the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)), the Department of Education is submitting a copy of these sections to the Office of Management (OMB) for its review. We are proposing the following changes to those sections:

Section 668.13– Certification procedures.

Section 668.13(b): The final regulations in §668.13(b) require that the period of participation for a private, for-profit foreign institution expires three years after the date of the Secretary’s certification (rather than the six year period of participation for domestic institutions). While the duration of the approval process is reduced from six years to three years and therefore the time associated with the submission for recertification will be filed more often, this final change in the regulations does not represent a substantive impact on the amount of annual burden generated by this final regulation.

Section 668.15– Factors of financial responsibility.

Section 668.15(h): There is no burden currently attributed to §668.15(h) in OMB Control Number 1845-0022, therefore there will not be the expected burden reduction as a result of the removal of this section and its transference to §668.23. However, the transfer of these regulations to §668.23 will generate an increase in burden which will be reflected in OMB Control Number 1845-0038.

Section 668.171– General.

Section 668.171(c)(2): The final regulations under Subpart L – Financial Responsibilities in §668.171(c)(2) establish that in order for a foreign public institution to be considered financially responsible, the institution must notify the Secretary that it is designated as a public institution by the country or other governmental entity that has the legal authority to make that designation. In addition, the foreign public institution must provide documentation from the country or other governmental entity confirming that the institution is a public institution and is backed by the full faith and credit of the country or other government entity. The final regulation also includes a requirement that the foreign public institution must not be in violation of the past performance requirements of §668.174. If a foreign public institution did not meet the new financial responsibilities requirements, the institution’s compliance would be determined under the general requirements of financial responsibility, including the application of the primary reserve, equity and net income ratios. Although the full faith and credit provision would provide an alternate way of meeting the financial responsibility standards for foreign public institutions, it would not excuse the institution from the required submission of audited financial statements.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision of adopting this means of collection. Also describe any consideration given to using technology to reduce burden.

Consideration of Improved Information Technology

Under the final regulations, the required disclosure information is generally made available to enrolled and prospective students via campus Web sites as an efficient and effective method of information disclosure at the lowest possible cost.

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

Efforts to Identify Duplication

A thorough review of procedures indicates that current requirements are minimal and avoid duplication. This review was done in conjunction with affected parties who have a vested interest in eliminating duplication.

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.

Burden Minimization as Applied to Small Business

No small businesses are impacted by this collection.

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.

Consequences of Less Frequent Data Collection

Recordkeeping requirements are imposed to assure accountability of program participants for proper program administration and less frequent collection could impair accountability of program participants.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- **requiring respondents to report information to the agency more often than quarterly;**
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **requiring respondents to submit more than an original and two copies of any document;**
- **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- **in connection with a statistical survey, that is not designed to produce valid and reliable results than can be generalized to the universe of study;**
- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**
- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or that unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
- **requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

Special Circumstances Governing Data Collection

The collection of this information will be conducted in a manner that is consistent with the guidelines in 5 CFR 1320.5(d)(2).

- 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.

Consultation Outside the Agency

The Department of Education announced in a September 9, 2009 Federal Register notice (74 FR 46399), the Department's intention to establish negotiated rulemaking committees to prepare final regulations under Title IV of the Higher Education Act of 1965, as amended (HEA). These committees were formed as a result of a Federal Register notice published on May 26, 2009 (74 FR 24728) which announced a series of three regional hearings at which interested parties could comment on topics suggested by the Department and suggest additional topics for consideration. Team I on Program Integrity Issues included the topic of ensuring that Federal Pell Grant recipients could obtain credit balances to obtain or purchase their books and supplies was among the additional topics considered and thereby included in the final list of topics for negotiated rulemaking. Team II – Foreign Schools Issues included certification procedures and financial responsibilities.

Two separate Notices of Proposed Rulemaking that impacted this information collection – 1840-AD02 and 1840-AD03 – were published seeking public comment. No comments were received specific to the PRA burden requirements.

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

Payments or Gifts to Respondents

No payments or gifts will be provided to the respondents.

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

Assurance of Confidentiality

There is no assurance of confidentiality provided to institutions for the submission of this information.

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.

Questions of Sensitive Nature

The Department is not requesting any sensitive data.

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 be included in Item 14.**

Annual Hour Burden for Respondents/Recordkeepers.

The additional burden hours calculated below include time for reviewing the changes in regulations for determining the method and means to incorporate changes; develop or update systems, forms and formats for gathering the required information. The burden is related to recordkeeping, reporting, and third-party disclosure as designated.

Team I – Program Integrity Issues - (RIN 1840-AD02)

General Provisions:

Section 668.8 – Eligible program.

Section 668.8(k) & (l): The final regulations in §668.8(k) & (l) require institutions to measure whether certain programs in §668.8(c)(3) and (d) when converted from clock hours to credit hours have sufficient credit hours for students in these programs to receive Title IV, HEA program assistance. The affected entities are institutions, who will have to perform the conversion calculations to convert clock hours to credit hours. Generally, under final §668.8(l)(1) institutions will use the following conversion ratio of at least 37.5 clock hours of instructional time to 1 credit hour for programs measured in semester or trimester hours. For programs measured in quarter hours the conversion ratio is at least 25 clock hours to 1 quarter credit hour. Under final §668.8(l)(2), if neither the institution’s designated accrediting agency, nor the relevant State licensing authority for participation in Title IV, HEA programs has identified any deficiencies with the institution’s policies and procedures, or their implementation, for determining credit hours that the institution awards for programs and courses, the institution’s student work outside of class combined with the clock-hours of instruction must meet or exceed the numeric requirements of §668.8(l)(1).

We estimate that of the 4,587 institutions of higher education with less than 2 year programs that on average each institution has approximately 8 non-degree programs of study. Therefore, there are 36,696 programs that will need to be evaluated consistent with final §668.8(k) & (l). Of those 4,587 institutions with the affected non-degree programs, we estimate that 2,086 of the affected institutions are in the proprietary or for-profit sector which is 45% of the total number of affected institutions. We estimate that 250 institutions with the affected non-degree programs are in the private, not-for-profit sector which comprises 5% of the total number of affected institutions. We estimate that 2,251 of the affected institutions are in the public sector, which comprises the remaining 50% of the total number of affected institutions.

We estimate that on average, for each program it will take institution 30 minutes (.5 hours) to make the determination of whether the program is an affected program, to evaluate the amount of outside student work, where applicable, and to perform the clock hour to credit hour conversion.

As a result, we estimate that burden will increase for proprietary institutions by 8,257 hours, that burden will increase for private not-for profit institutions by 918 hours, and that burden will increase for public institutions by 9,174 hours.

All of the following burden is for recordkeeping.
AFFECTED ENTITIES:

# of Respondents:	# of Responses:	# of Burden Hours
PROPRIETARY INSTITUTIONS:		
36,696 non-degree programs X .45 = 16,513 programs X .5 hours = 8,257 hours		
2,086	16,513	8,257
PRIVATE NOT-FOR PROFIT:		
36,696 non-degree programs X .05 = 1,835 programs X .5 hours = 918 hours		
250	1,835	918
PUBLIC INSTITUTIONS:		
36,696 non-degree programs X .50 = 18,348 programs X .5 hours = 9,174 hours		
<u>2,251</u>	<u>18,348</u>	<u>9,174</u>
<i>TOTAL:</i>		
4,587	36,696	18,349

Section 668.16 – Standards of administrative capability.

Section 668.16(e): Currently, OMB 1845-0022 attributes 8,500 respondents, 8,500 responses and 51,000 burden hours to §668.16. We estimate that the sub-set of burden associated with the provisions of §668.16(e) related to standards of satisfactory academic progress impact 3,500 respondents, 3,500 responses and 21,000 hours of burden. As a result of the final regulations, the respondents, responses and burden hours attributable to §668.16(e) will be administratively transferred to §668.34 – Satisfactory academic progress.

# of Respondents:	# of Responses:	# of Burden Hours
-3,500	-3,500	-21,000

Section 668.16(p): The final regulations in §668.16(p) require an institution to develop and follow procedures designed to evaluate the validity of a student’s high school completion.

We estimate that burden will increase for each institution 3.5 hours on average in its development of the procedures. For the estimated 2,086 proprietary institutions, we estimate that burden will increase by 7,301 hours. For the estimated 1,731 private not-for profit institutions, we estimate that burden will increase by 6,059 hours. For the estimated 1,892 public institutions, we estimate that burden will increase by 6,622 hours.

All of the following burden is for recordkeeping.

AFFECTED ENTITIES:

# of Respondents:	# of Responses:	Hrs/Response	# of Burden Hours
PROPRIETARY INSTITUTIONS:			
2,086	2,086	3.5	7,301
PRIVATE NOT-FOR PROFIT:			
1,731	1,731	3.5	6,059
PUBLIC INSTITUTIONS:			
1,892	1,892	3.5	6,622
TOTAL:			
5,709	5,709		19,982

Section 668.16(p): If the institution or the Secretary has reason to believe that the high school diploma is not valid or was not obtained from an entity that provides secondary school education, the final regulations require the institution to evaluate the validity of the diploma.

Of the 20 million applicants for Title IV, HEA program assistance, we estimate that (.0002) will be questionable and therefore 4,000 diplomas will require additional review and a determination made about their validity. One school that is currently conducting these validity reviews indicated that on average each review took .5 hours (30 minutes).

We estimate that proprietary institutions will have 50% of the questionable diplomas to examine. 4,000 questionable diplomas X 50% X .5 hours equal an increase in burden of 1,000 hours.

We estimate that private not-for profit institutions will have 15% of the questionable diplomas to examine. 4,000 questionable diplomas X 15% X .5 hours equal an

increase in burden of 300 hours.

We estimate that public institutions will have 35% of the questionable diplomas to examine. 4,000 questionable diplomas X 35% X .5 hours equal an increase in burden of 700 hours.

All of the following burden is for recordkeeping.

AFFECTED ENTITIES:

# of Respondents:	# of Responses:	Hrs/Response	# of Burden Hours
PROPRIETARY INSTITUTIONS:			
2,000	2,000	.5	1,000
PRIVATE NOT-FOR PROFIT:			
600	600	.5	300
PUBLIC INSTITUTIONS:			
1,400	1,400	.5	700
TOTAL:			
4,000	4,000		2,000

Section 668.22 - Treatment of title IV funds when a student withdraws.

Section 668.22(a) & (f): We estimate that 17,400,000 students will complete and submit a FAFSA for Title IV, HEA funds. Of that number, we expect an enrollment rate of 87%, thus we estimate there will be 15,138,000 recipients of Title IV, HEA program assistance. We estimate that 10.8 % will withdraw from their coursework prior to the completion of more than 60% of the planned amount of days in the term or clock hours in the payment period or the period of enrollment, resulting in 1,634,904 Title IV, HEA program assistance recipients who will not complete their expected term for which they received Title IV, HEA funds. Of the 1,634,904 withdrawals, we project that 26% will be in term-based programs with modules or compressed courses. We also estimate that 50% of the withdrawals will occur at proprietary institutions. We estimate that 10% of the withdrawals will occur at private not-for profit institutions and 40% will occur at public institutions. We estimate that on average, the burden associated with the final change to require a Return to Title IV Funds calculation to be 1 hour per withdrawal to collect all the information, perform that calculation and complete any required transactions as a result of the R2T4 calculation (including the institution sending Title IV, HEA funds

back to the program or making available a post-withdrawal disbursement to the student).

17,400,000 X .87 (the enrollment rate) = 15,138,000 students with Title IV, HEA program assistance.

15,138,000 students with Title IV, HEA program assistance X .108 (the withdrawal rate) = 1,634,904 students with aid that are projected to withdraw.

1,634,904 student would withdraw X .26 (the projected percentage of withdrawals who are in term-based programs with modules or compressed courses) = 425,075 affected individuals.

We project that 50% of the withdrawals for these term-based programs with modules or compressed courses will occur at proprietary institutions. $425,075 \times .5 = 212,538$. We estimate that the average amount of time it will take the institutional personnel to collect the data about the withdrawal, perform the required calculation and make any required refunds or post-withdrawal disbursements to be 1 hour per withdrawal.

We project that 10% of the withdrawals for these term-based programs with modules or compressed courses will occur at private not-for profit institutions. $425,075 \times .1 = 42,508$. We estimate that the average amount of time it will take the institutional personnel to collect the data about the withdrawal, perform the required calculation and make any required refunds or post-withdrawal disbursements to be 1 hour per withdrawal.

We project that 40% of the withdrawals for these term-based programs with modules or compressed courses will occur at public institutions. $425,075 \times .4 = 170,029$. We estimate that the average amount of time it will take the institutional personnel to collect the data about the withdrawal, perform the required calculation and make any required refunds or post-withdrawal disbursements to be 1 hour per withdrawal.

The burden for individuals is a reporting burden.

The burden for all institutions is recordkeeping burden.

AFFECTED ENTITIES:

# of Respondents:	# of Responses:	Hrs/Response	# of Burden Hours
INDIVIDUALS:			
425,075	425,075	.75	318,806

PROPRIETARY INSTITUTIONS:

2,086	212,538	1.0	212,538
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PRIVATE NOT-FOR PROFIT:

1,731	42,508	1.0	42,508
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PUBLIC INSTITUTIONS:

1,892	170,029	1.0	170,029
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TOTAL:

430,784	850,150		850,150
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Section 668.43 – Institutional information.

Section 668.43(a)(12): The final regulations require that institutions who enter into written arrangements with other institutions to have the other institution provide a portion of the educational program, to disclose a variety of information about the written arrangement to the student or prospective student.

We estimate that 104 proprietary institutions will enter into 1 written arrangement per institution and that on average the burden associated with collecting the required information about the written arrangements and its disclosure will take .5 hours (30 minutes) increasing burden by 52 hours.

We estimate that 1,731 private not-for profit institutions will enter into 50 written arrangements per institution and that on average the burden associated with collecting the required information about the written arrangements and its disclosure will take .5 hours (30 minutes) increasing burden by 43,275 hours.

We estimate that 1,892 public institutions will enter into 25 written arrangements per institution and that on average the burden associated with collecting the required information about the written arrangements and its disclosure will take .5 hours (30 minutes) increasing burden by 23,650 hours.

All of the following burden is attributable to third party disclosure.

AFFECTED ENTITIES:

# of Respondents:	# of Responses:	Hrs/Response	# of Burden Hours
PROPRIETARY INSTITUTIONS:			
104	104	.5	52

PRIVATE NOT-FOR PROFIT:

1,731	86,550	.5	43,275
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PUBLIC INSTITUTIONS:

1,892	47,300	.5	23,650
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TOTAL:

3,727	133,954		66,977
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Section 668.43(b): The current regulations in §668.43(b) requires an institution to make available for review to any enrolled or prospective student, upon request, a copy of the documents describing the institution’s accreditation and its licensing. Under the final regulations, these requirements are expanded to also include contact information for filing complaints with the institution’s accreditor and approval or licensing entity. We estimate that 8% of all institutions already provide this information.

We estimate that 92% of the 2,086 proprietary institutions will on average increase the burden associated with providing contact information for filing complaints with accreditors, approval or licensing agencies and its disclosure will take .5 hours (30 minutes) increasing burden by 326 hours.

We estimate that 92% of the 1,731 private not-for profit institutions will on average increase the burden associated with providing contact information for filing complaints with accreditors, approval or licensing agencies and its disclosure will take .5 hours (30 minutes) increasing burden by 271 hours.

We estimate that 92% of the 1,740 public institutions will on average increase the burden associated with providing contact information for filing complaints with accreditors, approval or licensing agencies and its disclosure will take .5 hours (30 minutes) increasing burden by 296 hours.

All of the following burden is attributable to third party disclosure.

AFFECTED ENTITIES:

# of Respondents:	# of Responses:	Hrs/Response	# of Burden Hours
PROPRIETARY INSTITUTIONS:			
1,919	1,919	.5	326

PRIVATE NOT-FOR PROFIT:

1,593	1,593	.5	271
PUBLIC INSTITUTIONS:			
<u>1,740</u>	<u>1,740</u>	<u>.5</u>	<u>296</u>
TOTAL:			
5,252	5,252		893

Team II – Foreign Schools Issues – (RIN 1840-AC03)

Section 668.171(c): Under the current regulations in §668.171(c)(1), domestic public institutions are considered financially responsible if they notify the Secretary that the institution is a public institution by the State, local, or other municipal government entity, tribal authority, or other governmental entity that has the legal authority to make a determination that an institution is a public institution. In addition, the current regulations require domestic public institutions to provide a letter from the applicable governmental entity to the Secretary confirming that the institution is a public institution. Finally, in this section of the current regulations, a domestic public institution is considered financially responsible, if it is not in violation of any past performance requirements in §668.174. Under the final regulations in §668.171(c) (2), these requirements are expanded for foreign public institutions. If a foreign public institution does not meet the new financial responsibilities requirements, the institution’s compliance would be determined under the general requirements of financial responsibility, including the application of the primary reserve, equity and net income ratios. Although the full faith and credit provision would provide an alternate way of meeting the financial responsibility standards for foreign public institutions, it would not excuse the institution from the required submission of audited financial statements.

Currently, there are 359 foreign public institutions participating in the Title IV, HEA programs. There are 270 of those institutions (or 75%) that receive less than \$500,000 in Title IV, HEA program funds on an annual basis. Of the remaining, 89 foreign public institutions, we estimate that 15% or 13 foreign public institutions will take on average, 16 hours of additional effort to obtain documentation from the applicable governmental entity to confirm that the foreign public institution has the full faith and credit backing of its country, for a total increase in burden of 208 hours.

All of the following burden is for reporting.

AFFECTED ENTITIES:

# of Respondents:	# of Responses:	Hrs/Response	# of Burden Hours
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PUBLIC INSTITUTIONS:

13	13	16	208
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TOTAL:

13	13		208
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Annual Cost of Burden to Respondents

No additional cost to the respondents.

13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14.)

- **The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and acquiring and maintaining record storage facilities.**
- **If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.**
- **Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.**

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

Start-Up Cost Burden to the Respondents

There are no start-up costs associated with these final regulatory changes.

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.

Estimated Annual Cost to the Federal Government

There are no additional costs to the Federal government as a result of the final regulations.

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

Reasons for Changes to Burden Hour Estimated

The increase of 21,982 burden hours is due to a statutory change in the Higher Education Opportunity Act (HEOA) (Pub. L. 110-315) that requires institutions to develop and follow procedures to evaluate the validity of a student's high school completion as final in the implementing regulations at 34 CFR 668.16(p). The downward administrative adjustment of 21,000 burden hours is reflective of the transfer of the satisfactory academic progress regulations being moved from 34 CFR 668.16 to 34 CFR 668.34, thus the burden associated with OMB 1845-0022 (and 34 CFR 668.16) is transferred to OMB 1845-NEW2 - Satisfactory Academic Progress (04267). The remaining 830,308 increase in burden hours reflect business process improvement to prevent and counteract fraud, abuse, and waste by providing for accurate clock hour to credit hour conversions, clarifying when a student is considered to have withdrawn in order to calculate the proper amounts of earned and unearned Title IV, HEA funds, require expanded disclosure to students enrolled in programs of study where a portion of the student's program is provided by another institution that will not be providing the student with the degree or certificate, and through the reduction of the Secretary's approval for foreign institution's participation in Title IV, HEA programs from 6 years to 3 years for private, for-profit foreign

institutions. Many of these changes are as a result of public comment during the hearings that proceeded the negotiated rulemaking sessions.

Below is a summary of the changes in burden hours:

Respondents, Responses and Burden Hours:

Team I – Program Integrity Issues - (RIN 1840-AD02)

Section 668.8 – Eligible program.

Section 668.8 (k) & (l):

4,587	36,696	18,349
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Section 668.16 – Standards of administrative capability.

Section 668.16(p):

5,709	5,709	19,982
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Section 668.16(p):

4,000	4,000	2,000
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Section 668.22 - Treatment of title IV funds when a student withdraws.

Section 668.22(a) & (f):

430,784	850,150	743,881
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Section 668.43 – Institutional information.

Section 668.43(a)(12):

3,727	133,954	66,977
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Section 668.43(b):

5,252	5,252	893
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TOTAL – Team I:

# of Respondents	# of Responses	# Hours Burden
454,059	1,035,761	852,082

Team II – Foreign Schools Issues – (RIN 1840-AD03)

Section 668.171(c)(2):

13	13	208
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GRAND TOTAL – Teams I and II:

# of Respondents	# of Responses	# Hours Burden
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454,072	1,035,774	852,290
Burden Attributable to Recordkeeping:		465,406
Burden Attributable to Third party disclosures:		67,870
Burden Attributable to Reporting:		319,014

Total:		852,290
<u>Summary Current Burden Inventory:</u>		
# of Respondents	# of Responses	#Hrs Burden
453,604	289,608	1,305,770
<u>Revised Burden Inventory:</u>		
# of Respondents	# of Responses	#Hrs Burden
454,072	1,035,774	852,290
<u>Administrative Adjustment:</u>		
Transferring 34 CFR 668.16(e) burden to 34 CFR 668.34.		
# of Respondents	# of Responses	#Hrs Burden
-3,500	-3,500	-21,000
<u>TOTAL BURDEN INVENTORY:</u>		
# of Respondents	# of Responses	#Hrs Burden
904,176	1,321,882	2,137,060

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.

Collection of Information with Published Results

The results of the collection of information will not be published.

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 Expiration Date

ED is not seeking this exception. ED will publish a Notice in the Federal Register announcing the OMB number and expiration date once approved.

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

Exception to the Certification Statement

ED is not requesting any exceptions to the "Certification for Paperwork Reduction Act Submissions."