

under **FOR FURTHER INFORMATION CONTACT.**

SUPPLEMENTARY INFORMATION: The Regulatory Flexibility Act, as amended (Act), 5 U.S.C. 601 *et seq.*, applies, with certain limited exceptions, to any rule for which an agency issues a notice of proposed rulemaking pursuant to 5 U.S.C. 553(b) or any other law, including any rule of general applicability governing Federal grants to State and local governments for which the agency provides an opportunity for notice and public comment.

Except in those cases that the Secretary of Education can certify the rule will not, if promulgated, have a significant economic impact on a substantial number of small entities, the Department must publish an initial regulatory flexibility analysis (IRFA) or a summary of an IRFA in the **Federal Register** with the proposed rule. A final regulatory flexibility analysis (FRFA) or a summary of an FRFA must be published with the final rule.

The IRFA must include the following:

(1) A description of the reasons why action by the Department is being considered;

(2) A succinct statement of the objectives of, and legal basis for, the proposed rule;

(3) A description of and, where feasible, an estimate of the number of small entities to which the proposed rule will apply;

(4) A description of the projected reporting, recordkeeping, and other compliance requirements of the proposed rule, including an estimate of the classes of small entities which will be subject to the requirement and the type of professional skills necessary for preparation of the report or record;

(5) An identification, to the extent practicable, of all relevant Federal rules which may duplicate, overlap or conflict with the proposed rule; and

(6) A description of any significant alternatives to the proposed rule which accomplish the stated objectives of applicable statutes and which minimize any significant economic impact of the proposed rule on small entities.

The FRFA must include the following:

(1) A succinct statement of the need for, and objectives of, the rule;

(2) A summary of the significant issues raised by the public comments in response to the IRFA, a summary of the assessment of the Department of such issues, and a statement of any changes made in the proposed rule as a result of such comments;

(3) A description of and an estimate of the number of small entities to which

the rule will apply or an explanation of why no such estimate is available;

(4) A description of the projected reporting, recordkeeping and other compliance requirements of the rule, including an estimate of the classes of small entities which will be subject to the requirement and the type of professional skills necessary for preparation of the report or record; and

(5) A description of the steps the Department has taken to minimize the significant economic impact on small entities consistent with the stated objectives of applicable statutes, including a statement of the factual, policy, and legal reasons for selecting the alternative adopted in the final rule and why each one of the other significant alternatives to the rule considered by the Department which affect the impact on small entities was rejected.

Notice to Public

Semiannually, under section 602 of the Act, the Department publishes an Agenda of Federal Regulatory and Deregulatory Actions, which contains a list of all rules currently under development or review. The purpose of the agenda is to encourage more effective public participation in the regulatory process by providing the public with early information about pending regulatory activities.

For each rule listed, the agenda provides the following information:

- An abstract, which includes a description of the problem to be addressed, any principal alternatives being considered, and potential costs and benefits of the action.

- An indication of whether the planned action is likely to have a significant economic impact on a substantial number of small entities as defined by the Act.

- A reference to where the reader can find any current regulations in the Code of Federal Regulations.

- A citation of legal authority.
- The name, address, and telephone number of the contact person at the Department from whom a reader can obtain additional information regarding the planned regulatory action.

In addition, the Department publishes its Regulatory Plan on an annual basis. The plan contains a statement of the Department's regulatory and deregulatory priorities for the coming year.

In order to provide information and support enhanced exchange, the Department has instituted 1-800-USA-LEARN (1-800-872-5327) to connect our customers to a center for information about departmental

programs and initiatives; 1-800-4FED-AID (1-800-433-3243) for information on student aid; and an on-line library of information on education legislation, research, statistics, and promising programs.

The Department has an impressive record of successful communication and shared policy development with affected persons and groups, including parents, students, educators, representatives of State and local governments, neighborhood groups, schools, colleges, special education and rehabilitation service providers, professional associations, advocacy organizations, business, and labor.

In particular, the Department continues to seek greater and more useful customer participation in its rulemaking activities through the use of consensual (negotiated) rulemaking and new technology. When rulemaking is determined to be absolutely necessary, customer participation is essential and sought at all stages—in advance of formal rulemaking, during rulemaking, and after rulemaking is completed—in anticipation of further improvements through statutory or regulatory changes. The Department has expanded its outreach efforts through the use of satellite broadcasts, electronic bulletin boards, and teleconferencing. For example, the Department invites comments on all proposed regulations through the Internet.

The Department is streamlining information collections, reducing burden on information providers involved in our programs, and making information maintained by the Department easily available to the public. To the extent permitted by statute, regulations are being revised to eliminate barriers that inhibit coordination across programs (such as by creating common definitions), to reduce the frequency of reports, and to eliminate unnecessary data requirements.

The Department has also piloted the use of two new Internet-based software applications, e-Application and e-Reports, that enable applicants, grantees, and grant teams to process applications and file performance reports online, and we have received positive feedback from participants in the pilot programs. Our goal over time is to encourage applicants and grantees to make electronic commerce, or the process of conducting business over the Internet, their preferred method of doing business with the Department.

Periodic Review of Rules

Section 610 of the Act requires review of existing rules within 10 years of the