

## **SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT 1995 SUBMISSIONS**

### **General Instructions**

A Supporting Statement, including the text of the notice to the public required by 5 CFR 1320.5(a)(I)(iv) and its actual or estimated date of publication in the Federal Register, must accompany each request for approval of a collection of information. The Supporting Statement must be prepared in the format described below, and must contain the information specified in Section A below. If an item is not applicable, provide a brief explanation. When Item 17 of the OMB Form 83-I is checked "yes", Section B of the Supporting Statement must be completed. OMB reserves the right to require the submission of additional information with respect to any request for approval.

### **Specific Instructions**

#### **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.

Financial reporting requirements for Federal programs are prescribed in OMB Circulars A-102 and A-110. U.S. DOL has codified these requirements at 29 CFR 95.52 and 29 CFR 97.41, which specify that forms approved by OMB are authorized for obtaining financial information from recipients.

Pursuant to PL 106-107, OMB is in the process of streamlining Federal financial reporting. Inclusion of Federal Cash data in quarterly financial reporting is a significant modification anticipated by OMB, and is thus added to the expenditure information contained in the proposed ETA Form 9130.

Further, ETA programs have varied administrative cost limitation requirements as specified in program statutes, regulations, and/or individual

grant agreements. A line item for Total Administrative Expenditures has been added to the U.S. DOL Financial Report to provide a mechanism for assessing compliance with these requirements. This information has been difficult to secure in the absence of a line item requirement.

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.

ETA has utilized the data collected to assess the effectiveness of ETA programs and to monitor and analyze the financial activity of its grantees. Pre-designed software will be provided to the grantees to reflect the requirements of ETA Form 9130 so that the required data will be reported directly into the Enterprise Information Management System (EIMS) by the grant recipients.

This data collection format will permit ETA to evaluate program effectiveness and to monitor and analyze financial activity, while complying with OMB efforts to streamline Federal financial reporting.

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

The focus of all ETA reporting has been to provide ease and simplicity for the grantees. At each point of data entry, the specific instruction

relating to the required data element can be viewed by the grantee. The timeliness of financial data has increased significantly with electronic financial reporting.

Financial reporting training is a continuing effort within the ETA community. This training is providing a more consistent understanding of the required data elements, as well as ensuring an understanding of the electronic reporting process.

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.

ETA grantees that do not otherwise have an OMB approved program-specific reporting format will report on the ETA Form 9130, which will be the only source for collecting required financial data from these grantees.

If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-1), describe any methods used to minimize burden.

This data collection should not impact significantly on small entities. Grantees must secure, however, the necessary data from all subrecipients to roll into grantee level required reporting formats.

6. Describe the consequence 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.

Failure to collect this required financial data, and/or to collect it less frequently than quarterly, would be a distinct violation of ETA program statutes, regulations, and/or individual grant agreements, all of which set forth financial reporting requirements.

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 that 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 secret, 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.

There are no known special circumstances relating to the above listing.

8. If applicable, provide a copy and identify the data 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.

The public was given an opportunity for sixty days' comment on this proposed information collection. A

Federal Register Notice was published January 5, 2006 (Vol. 71, No. 3, 623-624). Comments are summarized below.

Comments were received from several respondents. Most of the comments concerned the electronic implementation of the format and do not concern the basic information proposed for collection or the format design. The comments received will be used by ETA when finalizing implementing instructions, to provide all possible clarifications to ensure a clear understanding of data element requirements. At the request of respondents, specified data elements will be pre-entered into the electronic reporting system (to the extent feasible) at the time an award is made to a recipient of ETA funds. Users will be clearly advised that utilization of the revised format will eliminate the requirement to submit any other cash transaction forms.

Commenters were pleased with the extension in report submittal time requirement from 30 to 45 days, feeling this would allow more time to incorporate subrecipient data. They were also pleased that only cumulative data is required to be submitted, thus reducing their workload.

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.

The Department has continuously consulted with Regional Offices, States and other DOL grant recipients to refine and simplify overall reporting strategy.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every three 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.

Training and technical assistance has been and will continue to be provided to grantee personnel who are, or in the future may be, involved in ETA financial reporting. (Response to item 3. above describes on-going training efforts.) Continuous communication in the forms of training and providing one-on-one technical assistance for grant recipients is part of ETA's strategy to streamline and simplify all reporting efforts, while increasing the overall integrity of the reported data.

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

There will be no payments or gifts to respondents other than remuneration of contractors or grantees.

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

This collection of information does not include confidential 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. 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 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 13 of OMB Form 83-I.
  
- ! Provide estimates of annualized cost to respondents for 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.

Please see the reporting burden estimate and cost table below:

DOL-ETA REPORTING BURDEN FOR ENTITIES THAT WILL BE REPORTING ON REVISED FINANCIAL STATUS REPORT						
	PY 2004			PY 2005		
	PY 2004	FY 2005	TOTAL	PY 2005	FY 2006	TOTAL
Average number of reports per entity per quarter	1	1	2	1	1	2
Average number of reports per entity per year	4	4	8	4	4	8
Average number of hours required for reporting per quarter per report	1/2	½	1/2	½	1/2	1/2
Average number of hours required for reporting per entity per year	2	2	4	2	2	4
Number of entities reporting	680	680	680	680	680	680
Average number of hours required for reporting burden per year	1360	1360	2720	1360	1360	2720
Total burden cost @ \$30.22 per hour			\$82,198			\$82,198

NOTE: The above data represents average burden figures for all ETA programs that will be reporting on the U.S. DOL ETA Financial Report. Programs included in this compilation are: State Employment Security Agencies (SESAs), comprised of Employment Service (ES), Unemployment Service (UI), and Trade Program Grant Agreements (TAs); Hardmark Grants; Business Relations Group High Growth Grants; H-I B Grants; Youth, comprised of Offender, Foster Care, Opportunity, and Rewarding Achievement Grants; and Performance Incentive Grants. Estimates also include provision for other miscellaneous grants which are yet to be funded, but which will report on the Financial Report. (An exception to the average number of reports per entity per quarter are the SESAs which each have 3 components, ES, UI, and Trade, for an approximate total of 25 reports per quarter.) Total burden cost was based upon a GS – 12, Step 1 salary as calculated from Salary Table 2005-DCB, effective January 2005.





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).

There are no other costs.

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.

A GS 12/01 is the estimated level of staff performing this function. It is estimated that the annual hours are 2720 at a cost of \$30.22 per hour, for an estimated annual cost of \$82,198.

15. Explain the reasons for any program changes or adjustments reporting in Items 13 or 14 of the OMB Form 83-I.

Once this IC is approved, DOL will cite 2720 hours as an increase in inventory burden. This will constitute a program change.

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 information collected 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.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submission," of OMB 83-I.

There are no exceptions.