

Supporting Statement for U.S. Department of Labor ETA-563 and ETA-9027A. Justification

Key workload data on TAA is needed to measure program performance and to allocate program and administrative funds to the State Agencies administering the Trade programs for the Secretary. These data can be derived from the ETA-563 (1205-0016 expires 12/31/06) quarterly reports, which provide data on TAA program activities. Training and Employment Guidance Letter (TEGL) 11-02, "Operating Instructions for Implementing the Amendments to the Trade Act of 1974 Enacted by the Trade Act of 2002" stipulates that program data be collected through the ETA-563.

The Trade Act of 1974, Section 231(a)(5)(A), as amended by the Trade Adjustment Assistance Reform Act of 2002, requires participants to be enrolled in training within 16 weeks of their most recent qualifying separation or 8 weeks of the certification covering the worker in order to receive income support. The Trade Act as amended, Section 231(c), allows the enrollment in training requirement to be waived, and provides 6 specific criteria for issuing waivers. Allowable reasons for waiving the training requirement include the worker is expected to be recalled, the worker possesses marketable skills, the worker is within 2 years of retirement, the worker is in poor health, enrollment is not available, and training is not available. The statute requires the State agencies administering the Trade Adjustment Assistance (TAA) program for the Secretary to report to the Secretary on training waivers issued and revoked. The data collected in the revised ETA-9027 (1205-0016 expires 5/31/06) will serve as that report and will also be used in the Secretary's annual report to Congress on training waivers issued and revoked.

2. The data obtained from the ETA-563 reports are used by organizational units within the Employment and Training Administration. The Division of Trade Adjustment Assistance (DTAA) uses the data for analyzing State Agency performance in providing worker adjustment assistance, for making statutorily required reports, and to project needs and allocate state distribution for training and other adjustment assistance funds. The Unemployment Insurance Service uses the data for evaluation of State agency performance on making payments, providing claimant services, and for budget estimates on trade readjustment allowance funding needs. The Office of Workforce Investment uses the data for comparative analysis with the dislocated worker program authorized under Title I of the Workforce Investment Act. The Office of Policy Research uses the data in Congressional testimony and for policy development. The data will also be extremely useful for comparing TAA services and benefits to those provided to other adults under the provisions of the Workforce Investment Act.

Trade readjustment allowances (TRA), training, job search allowances, and relocation allowances are worker entitlements under the provisions of the Trade Act. Without this

data, the Employment and Training Administration would have little grasp of the program it is administering.

With regard to the data collected in the soon to be expired ETA-9027 that is now blended into the ETA-563, states are statutorily required to report the waiver data and DTAA will use the data to monitor use of waivers.

3. Per the instructions, ETA-563 reports are submitted electronically via Microsoft Excel.
4. There is no duplication in the information requested.
5. The information collected does not involve small business or other small entities. Only State agencies equipped to provide the data in the form it is requested are involved.
6. Data collected less frequently than quarterly would create severe limitations on projecting allowance and adjustment services needs and on the ability to provide the most current possible data for preparing statutorily required reports.
7. These reporting requirements are consistent with guidelines in 5 CFR 1320.5.
8. On March 23, 2006, a notice was published in the Federal Register (71 FR 14723) requesting public comments for the ETA-563 and ETA-9027 data collection forms. The DTAA received four comments: two were insufficient to justify modification, and the other two were incorporated to improve the usefulness and efficiency of the collections.

The first comment received that was deemed insufficient to justify modification expressed concern that the term “participant” on the ETA-563 does not match the definition of “participant” on another TAA related collection, the OMB 1205-0392 Trade Act Participant Report (TAPR). As a result, it was suggested that the added fields for “total participants-year to date” and “total participants-this quarter” was inefficient. In fact, while the ETA-563 tracks current participants who receive TAA funded services, the TAPR tracks participants who have exited both the TAA program, and partner programs identified by Training and Employment Guidance Letter 17-05, “Common Measures Policy for the Employment and Training Administration’s (ETA) Performance Accountability System and Related Performance Issues”. Since the ETA 563 covers the current TAA program participant population and the TAPR tracks both exiting TAA program participants and participants exiting from partner programs identified in TEG 17-05, no change is merited. Further, the collection of participant data as defined on the ETA-563 is essential to a more accurate calculation of an efficiency measure that assesses the average cost per participant for participants who receive TAA services on an annual basis.

A second comment (resulting in no change) noted that collecting quarterly information on the types of waivers that are revoked is an unnecessary burden on states, as it does not serve a specific need. In fact, the Office of Management and Budget specifically required that the waiver category be added to the revocations as a term of clearance in the previous collection that expires on May 31, 2006.

A third comment was received and incorporated that requested the addition of two new fields to the ETA 563: first, a field that indicates the number of TAA participants that are co-enrolled as WIA dislocated workers or National Emergency Grants, and a second field that indicates the number of people co-enrolled in Wagner Peyser. These two fields will allow the Department to track enrollment in partner programs that provide essential support services required for TAA participants by § 2295 of the Trade Act of 1974 and §119 of the Trade Adjustment Assistance Reform Act of 2002. As participation in these programs is already tracked through the Trade Act Participant Report (TAPR), providing data for these fields should constitute no increase in burden.

Finally, the Department has agreed to incorporate a fourth comment suggesting that the ETA-563 and ETA-9027 should be folded together into a single report format. As both of the proposed collections concern the submission of state aggregate numbers collected within the same time frame, a single collection will efficiently minimize form submission.

9. There is no payment to respondents.
10. The reports do not identify individuals receiving benefits either by name or by Social Security Number. No trade secrets are involved. Therefore, confidentiality is not compromised.
11. There are no items to be completed on the ETA-563 report form which involve sensitive information of a private nature or otherwise.
12. The two additional fields regarding co-enrollment are already tracked for the Trade Act Participant Report collected by the Department, and thus should not require additional time or labor.

In the revised ETA 563, the number of respondent State agencies could be as high as 52, although Puerto Rico and the District of Columbia do not generally have any activity to report, reducing the number to 50. Most States have automated their reporting systems to facilitate the preparation of reports and their submittal in electronic form. The hour burden is dramatically reduced in this revision, as the 4,275 reports averaged per quarter (reported in the previously ETA-563 data collection package) is reduced to 50 per quarter. Based on past experience, it is estimated that it takes 18 minutes to compile a report. The estimate of burden per quarterly state submitted ETA-563 form is 18 minutes, or 0.3 hours, and it is estimated that there will be 200 reports per year for a total burden of 60 hours (50 States x 1 report/state/quarter x 4 quarters/year x .13 hours/report = 26 hours/year). Reprogramming burden hours for the changes to the ETA-563 are minimal.

The disclosure hours are contained on the instructions of the ETA-563. It is estimated that the annualized cost to the State agencies for reporting data on ETA-563 is \$900 (60 hours/year x \$15.00/hour = \$900/year). Cost burden estimates for the ETA-563 were derived from previous consultations with eight States. The average cost includes both clerical and professional staff hours needed to edit, analyze, validate, and input the data.

The disclosure hours are contained on form ETA-9027. It is estimated that the annualized cost to the State agencies for reporting data on ETA-9027 is \$510 (34 hours/year x \$15.00/hour = \$510). The average cost includes both clerical and professional staff hours needed to edit, analyze, validate, and input the data.

13. Reprogramming costs are negligible or non-existent, as states merely have to aggregate their existing reports that are currently submitted by petition into a single total (based on DTAA's experience of performing this function, additional time to perform this calculation is negligible), then blend two existing report formats into one. The data fields that have been added to the ETA-563 concern counts that the state should already be collecting in order to run the TAA program. The burden hours associated with editing, analyzing, validating, and inputting data for these reports are described in item 12.
14. The cost to the Federal Government for the collection of information for the current revisions of ETA-563 is estimated to be a ¼ of that of the previous collection, or \$2,400 annually (this is as a result of the dramatically reduced number of reports to integrate from states due to collection of data by state aggregate counts.) Approximately 30 staff hours are used to edit, analyze, validate, and input the data from reports each quarter, for an annual total of 120 staff hours at an average staff level of GS-9. There are no other costs to the Federal Government associated with the collection of the ETA-563.
15. Changes to the revised ETA-563 form include one major modification affecting the data type submitted, and several changes to fields, including 10 fields deleted, 4 fields changed, and 16 fields added.

The major modification to the revised ETA-563 eliminates the need for multiple state reports to account for data per petition (upwards of 3,000 reports annually), and instead collects a single aggregate report per state (presented quarterly, representing 200 annually.)

In the current revision of ETA-563, several fields have been removed because either there is no reason to collect the element, or because it is redundant to other data collection gathered by the Department. The fields removed are as follows:

- Petition Number (not necessary as reports will reflect state totals, not by petition)
- Amended status (describing whether the report is a first or corrected version of the report for a given quarter)
- Exhaustions for Basic TRA (somebody who has received the maximum monetary amount of Basic TRA to which they are entitled)
- Exhaustions for Additional TRA (somebody who has received the maximum monetary amount of Additional TRA to which they are entitled)
- Exhaustions for Additional Remedial TRA (somebody who has received the maximum monetary amount of Additional Remedial TRA to which they are entitled)
- Eligibility Expired for Basic TRA (number of participants who have passed their eligibility deadline for Basic TRA benefits)

The current revision provides for three fields to be modified, as counting actual participants is relevant for a variety of purposes, while counting the number merely eligible to participate is not. The specific modifications include the following:

- State FIPS Code *becomes* State Name (full name spelled out)
- Number Determined Entitled for Basic TRA *becomes* Recipients of Basic TRA (it is only relevant for us to track the number of people who actually receive a benefit rather than the number who are merely eligible to do so.)
- Number Determined Entitled for Additional TRA *becomes* Recipients of Additional TRA (for justification, see bullet point above.)
- Number Determined Entitled for Additional Remedial TRA *becomes* Recipients of Additional Remedial TRA (for justification, see bullet point above.)

Within the context of the waiver information previously collected in the ETA-9027, Two fields have also been eliminated from the waiver fields, as they concern data elements that are no longer relevant to the current time period. These are:

- Old Program Waivers Issued (waivers issued for certified petitions below TA-W-50,000)
- Old Program Waivers Revoked (waivers revoked for certified petitions below TA-W-50,000)

Other than the 12 fields that were previously collected separately in the ETA 9027, four more fields have been added to the revised ETA-563 form, bringing the total additions to 16. The first two data elements provide information used in the formula calculations for allocating the annual TAA training budget to the states based on past performance, including unduplicated counts of individuals served. The types of allocations affected include the calculation of a “base” allocation distributed at the beginning of the year, and reserve fund requests that are distributed on an as needed basis throughout the remainder of the year. These two fields are as follows:

- Participants-This Quarter (this provides an unduplicated count of individuals who received one or more services during the reporting quarter.)
- Participants-Year to Date (this provides an unduplicated count of individuals who received one or more services since the beginning of the fiscal year.)

The final two fields have been added pursuant to the 60 day public comment period. The Department has agreed to the addition of two fields that track TAA participants who are:

- Co-enrolled in the Wagner Peyser program, and
- Co-enrolled in WIA Dislocated Worker, and National Emergency Grant programs.

These two fields will allow the Department to track enrollment in partner programs that provide essential support services required for TAA participants by § 2295 of the Trade Act of 1974 and §119 of the Trade Adjustment Assistance Reform Act of 2002.

In addition, four fields that had previously been omitted from the revision have been reinstated. The reinstated fields capture unique and essential program data, and include:

- Training Related Cost-Recipients (number of recipients of any training related benefits)
- Training Related Cost-Amount (dollar amount spent on any training related benefits)
- Job Search Allowances-Amount (dollar amount spent on job search allowances)
- Relocation Allowances-Amount (dollar amount spent on relocation allowances)

For the ETA-563, revision of the data collection will result in a decrease of 2,194 burden hours annually. Most importantly, each state will now only submit a single report each quarter (reporting state aggregates), as opposed to multiple reports by petition. In addition, the overall number of data elements was reduced and the elements that were eliminated were those that were most time-consuming to gather. Regarding the component of the ETA-563 that was previously covered in a separate report in the ETA-9027, changes will not result in a significant change in burden hours. However, it is estimated that more states will report than in the past, resulting in an increase of 3 burden hours annually.

Summary below:

Data Collections	
Current ETA-563	45 States x 95 reports x 4 quarters x .13 hrs. = 2223 hours
ETA-9027	45 States x 1 report x 4 quarters x .17 hrs = + 31 hours
Combined Collection Total	= 2254 hours
Revised ETA-563 Total	50 States x 1 report x 4 quarters x .3 hrs = -60 hours
Overall Burden Change	= - 2194 hours

The total burden under OMB 1205-0016 for the revised ETA-563 is estimated to total 60 hours (26 hours/annually for ETA-563 and 34 hours/annually for ETA-9027.) This results in an annual decrease of 2,194 burden hours towards ETA's Information Collection Budget (ICB). This represents a saving of approximately \$32,910 per year just for the states (a 97% reduction of spending) in addition to a ¾ reduction in federal staff hours in the current revision (compared to the previous), and thus money spent. The decrease in burden is a program change.

16. There are no plans to publish the data for statistical use. No statistical methods have been used for the collection of the data.
17. OMB approval information and the burden disclosure statement will be displayed on forms ETA-563.
18. There are no exceptions.

**B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL
METHODOLOGY**

This collection of information does not employ statistical methodologies.