

Supporting Statement for OMB Clearance of the ETA - 581 Report on Contribution Operations

A. Justification.

1. Circumstances That make Collection Necessary.

Title III, Section 302(a) of the Social Security Act states that the Secretary of Labor shall certify to the Secretary of Treasury for payment to each State, which has an unemployment compensation law approved by the Secretary of Labor under the Federal Unemployment Tax Act, such amounts necessary for the proper and efficient administration of such law. Section 303(a) (6) states that the Secretary of Labor shall make no certification for payment to any State unless she/he finds that the law of such State, includes provision for – “The making of such reports in such form and containing such information, as the Secretary of Labor may from time to time require, and compliance with such provision as the Secretary of Labor may from time to time find necessary to assure the correctness and verification of such reports.”

The reporting items, definitions, due date, etc., pertaining to Form ETA 581 are included in Section II, Chapter 2 of ET Handbook No. 401. ET Handbook No. 401, along with the Employment Security Manual (ES Manual), serves as the operations and reporting guidelines for State Workforce Agencies (SWAs).

The Office of Workforce Security (OWS) of the Employment and Training Administration (ETA) has responsibility for the Tax Performance System (TPS)¹ which evaluates the employer-related or tax operations of the UI program. The Contribution Operations report - ETA 581 is the vehicle for the collection of information required under the TPS program and the Field Audit Function in the ES Manual.

2. Description of Information Collection.

Form ETA 581 is a comprehensive report of each state’s UI tax operations and is essential in providing quarterly tax operation performance data to DOL/ETA/OWS, the source of grants funding authority. Currently, the Division of Unemployment Insurance Operations, the Division of Performance Management, and the Division of Fiscal and Actuarial Services use this information in monitoring and measuring program performance and making projections and forecasts in conjunction with the budgetary process.

Using ETA 581 data, the “Computed Measures” function under the TPS program measures performance, accuracy, and promptness in employer registration (status determination), timeliness of filing contribution and wage reports, collections (accounts receivable), and the field audit function.

¹ Tax Performance System, 1205-0332, expiring January 31, 2009

3. Consideration of Information Technology.

States may use any information technology available to produce the ETA 581 report in its proposed form. The report data is submitted by electronic transmission. This method is timelier and allows for some immediate feedback to states on the information entered, and facilitates the transfer of the data into a national UI computer database.

4. Describe Efforts to Identify Duplication.

We are not aware of duplication of the data except for items 12 and 13 which are reported on Form ES 202². Because of automation, duplicate reporting of these items is not a burden on the states. Including items 12 and 13 on the ETA 581 reduces the reporting time lag from six (6) months (on the ES 202) to two (2) months. This is necessary to avoid delays in the evaluation of program performance and the initiation of prompt corrective action when needed.

5. Collection of Information Involving Small Business.

The collection of information does not involve small businesses or other small entities. Data collection and report submittal is by state agencies only.

6. Consequences.

If ETA 581 data were not collected, there would be no basis for determining the adequacy of funding states' UI tax operations or measuring the performance and effectiveness of such operations. These are required functions under the Federal-State UI program. If information on receivables were not collected, state, DOL, and U.S. Treasury financial statements would be inaccurate. Furthermore, accurate accounting of receivables is requisite for operating a unified, modified accrual system for the Unemployment Trust Fund (UTF) accounting.

Collection of information must be quarterly because these data are used for budget allocation, administrative functions and performance monitoring.

7. Special Circumstances.

The collection of information is conducted in a manner consistent with the guidelines in 5 CFR 1320.5.

8. Consultation outside the Agency.

² ES 202, BLS Control No. 1220-0012

As required by 5 CFR 1320.8(d), ETA solicited comments on the proposed extension of approval for the ETA 581 through publication in the Federal Register June 16, 2008 (Vol. 73, No. 116, p 34042 et seq). No comments were received.

OWS has consulted extensively with all major stakeholders, both formally and informally, at various stages in the design and development of the TPS. TPS data on the ETA 581 is included in the basic design and development of the program.

9. Payment or Gift to Respondents.

No payment or gift has been provided to respondents.

10. Assurance of Confidentiality.

ETA 581 reports contain no personal or confidential data. Organizations (state agencies) are identified by name and code on the quarterly report.

11. Questions of a Sensitive Nature.

The ETA 581 collects no information considered sensitive as described under the instructions for this section.

12. Burden.

Collection of ETA 581 information is an on-going operation. The report for each quarter is due in the ETA National Office on the 20th day of the second month following the quarter to which it relates, i.e., May 20, August 20, November 20, and February 20. Each of the fifty-three (53) SWAs – including the District of Columbia, Puerto Rico, and the Virgin Islands – submits a Form ETA 581.

<u>Version</u>	<u>Respondents</u>	<u>Hours per</u>	<u>Frequency</u>	<u>Burden Hours</u>
Regular	53	8.5 hours	4	1,802 .

13. Startup Costs.

Since this is an established report, there are no start-up costs.

The ability to access data via computer terminals has eliminated unnecessary computer printouts. The electronic submittal of data from the SWAs to DOL has eliminated data entry and clerical costs.

14. Federal Costs.

The cost to the Federal government cannot be estimated. Data is generally entered by the states and electronically transmitted to the National Office, along with other required reports, where it is immediately available for use.

15. Changes in Burden.

No change.

16. Publication.

ETA 581 data is not published.

17. Exceptions.

There are no exceptions.

B. Collection of Information Employing Statistical Methods.

Statistical methods are not used in the collection of ETA 581 information.