

Supporting Statement For Emergency ICR Approval: Collecting Applications  
For Unemployment Insurance (UI) Modernization Incentive Payments

**A. Justification.**

A-1. Reasons for Data Collection.

On February 17, 2009, the President signed into law the Assistance for Unemployed Workers and Struggling Families Act. Section 2003 of this Act provides for unemployment insurance (UI) “modernization incentive payments” to be made from the Unemployment Trust Fund (UTF) to the states. The total amount available for all states is \$7 billion dollars. To obtain its share, the state must make an application to the Department of Labor demonstrating that its UI law contains certain benefit eligibility provisions. The last date on which an incentive distribution may be made is September 30, 2011. When applying for a share of the UI modernization incentive payments, a state must document that the provisions of its law meet the requirements for obtaining an incentive payment. The state is also required to describe how it intends to use any incentive payment to improve or strengthen its UI program.

A-2. Users, Purposes, and Consequences of Failure to Collect the Information.

The submissions will only be used by Employment and Training Administration (ETA) staff who will review the submissions. The submissions will be used to make determinations about whether states qualify for the incentive payments. Failure to do the collection would prevent the disbursement of monies to states and clearly contradict congressional intent.

A-3. Technology and Obstacles Affecting Reporting Burden.

There are no obstacles. States may use email, fax, couriers, U.S. Postal Service or a number of express delivery services to provide the correspondence.

A-4. Duplication.

There is no duplication.

A-5. Small Business.

This collection does not impact small businesses.

A- 6. Consequences of Less Frequent Data Collection.

This is a one time collection. Consequences of not performing the collection are described in number 2 above.

A-7. Special Circumstances Involved in Collection of Data.

There are no special circumstances.

A-8. Preclearance Notices and Responses.

Section 2003 of the American Recovery and Reinvestment Act of 2009 (ARRA, PL 111-05) added a new subsection (f) to Section 903 of the Social Security Act to provide for incentive payments to states, effective immediately. A state's eligibility for its maximum incentive payment is conditioned on its law containing specific provisions as outlined in the attached Guidance Letter. The state must apply to the Department of Labor to receive any incentive payment. A complete application must document which provisions of state law meet the requirements for obtaining an incentive payment as interpreted by this UIPL. The application must also describe how the state intends to use any incentive payment to improve or strengthen the state's UC program. Per 5 CFR 1320.13, were DOL to comply with the normal clearance procedures, the ARRA-mandated payment schedule would be missed because procedures for these payments must be in place immediately. The statute provides that states need the means to access the funds as soon as possible. Otherwise, harm to the nation's economic recovery could ensue. Finally, in preparing the guidelines, the agency has taken all necessary steps to consult with state agencies to minimize the burden of collecting the information while adhering to ARRA payment and monitoring provisions. A pre-clearance emergency notice about this request was published in the Federal Register on March 2, 2009.

A-9. Payments to Respondents.

There are no payments to respondents.

A-10. Confidentiality.

No confidential information is collected.

A-11. Questions of a Sensitive Nature.

The data collection includes no questions of a sensitive nature.

A-12. Respondents' Burden and Cost of Collecting Information.

The burden on states for responding to this collection is estimated at 8 hours per state. In most cases, the application will come in the form of an email or letter. The time to assemble this correspondence involves referencing the appropriate cite in the state law and then drafting the message. States may elect to send two separate pieces of correspondence, one for the each source of funding, however, the total burden for all correspondence related to this collection should stay within 8 hours. Although it's very unlikely that 53 states and jurisdictions will actually submit applications, to be conservative, we have claimed burden for all 53 as a worst case scenario. This is a one time collection so there will not be ongoing applications.

Average estimates response time per state: 8 hours  
Estimated responses: 53 states and jurisdictions.

Total Burden: 53 states x 8 hours x 1-time collection = 424 hours

A-13. Annual Cost to Respondents.

There are no annualized costs to respondents.

A-14. Annualized Federal Cost.

There are no annualized Federal costs.

A-15. Reasons for Change in Burden.

The added burden of 424 hours is due to the fact that this is a new collection.

16. Publication Information.

Correspondence from states will not be published.

17. Display of OMB Expiration Date.

18. Exceptions to the Certification Statement.

There are no exceptions to the certification statement.

**B. Use of Statistical Methods**

This collection does not employ statistical methods.