

**SUPPORTING STATEMENT FOR  
PAPERWORK REDUCTION ACT SUBMISSIONS  
ETA 5159, CLAIMS AND PAYMENT ACTIVITIES**

A. Justification

1. Circumstances that make the collection necessary. The ETA 5159 report provides important program information on claims taking and benefit payment activities under state/federal unemployment insurance laws. These data are needed for budget preparation and control, program planning and evaluation, personnel assignment, actuarial and program research, and for accounting to Congress and the public. This collection is authorized under the Social Security Act, Title III, Section 303(a)(6).
2. Use of Information. The information collected on ETA 5159 report is heavily used in the development of actuarial estimates of UI benefit outlays, claims levels and administrative workloads needed for the federal budget process and legislative proposals. These data also allow for analysis of past and current labor market conditions.

The key data elements used for state UI benefit estimates include first payments, final payments, weeks claimed, weeks compensated, and benefits paid. State level benefit payments are also needed to make estimates of potential Title XII advances and loan repayments.

The national estimates of benefit outlays and loans, combined with revenue projections, are used to analyze the solvency of the federal accounts in the Unemployment Trust Fund (UTF) and to determine potential need for general revenue advances. Monthly benefit outlay estimates are also required for the U.S. Treasury Department A-34 process.

With respect to workload projections, weeks claimed and initial claims are the items used from the ETA 5159. These projections are key elements in formulation of budget requests to OMB for the State UI and ES Operations (SUIESO) appropriations.

Weeks claimed and initial claims are also key elements used for the allocation of base administrative funds to the states. Univariate time series forecasting models incorporate the historical data to produce state-by-state estimates of these items, which feed into the allocation process.

The data collected on this report are also the most frequently requested items from the public because they measure the flows into and out of the UI program, and contain important UI program and economic measures.

Monthly reporting is essential to assure accurate forecasting and timely labor market information.

3. Information Technology. States have been reporting this data electronically to the National Office for a number of years. All states have available the ability to access the National Office UI reporting system which accepts files generated by a state computer thus eliminating the need to hand enter data.
4. Duplication. This data is not available from other sources in the detail needed. Weeks claimed and initial claims are collected on the weekly ETA 539 and ETA 538 (OMB no. 1205-0028) as well as the ETA 5159. Data from the ETA 539 is used to calculate the 13-week average insured unemployment rate trigger used for extended benefits. The ETA 538 provides advance figures on initial claims and the insured unemployed so that this economic data will be available to the public timely. However, the ETA 538 and ETA 539 reports do not contain the detailed information requested for the ETA 5159. While the ETA 5159 provides more detailed information than the ETA 538 or ETA 539, it does not provide the timeliness that the weekly ETA 538 and ETA 539 do.
5. Small Entities. There is no impact on small businesses.

6. Consequences of Not Collecting or Collecting Less Frequently. This is the most basic report of the unemployment insurance system reporting. It contains the majority of the data elements used to determine state administrative budgets. Trends are much harder to predict with four data points a year (quarterly reports) rather than with twelve data points a year (monthly reports). Because the vast majority of states get this information from computer programs that are already available, the additional burden is negligible. Making twelve computer runs rather than four has very little impact on the state, while the loss of those data points would greatly weaken Department's ability to accurately predict program activity. Furthermore, unlike burden on businesses or individuals, states are funded to collect and report this data through their annual UI administrative grant.
7. 5 CFR 1320.5. The collection is consistent with 5 CFR 1320.5. except that monthly frequency is requested based on 6. above.
8. Publication in Federal Register and Other Consultation In accordance with the Paperwork Reduction Act of 1995, the public was given an opportunity to review and comment through a notice in the Federal Register (Vol. 74, No. 50, p 11380, Dated March 17, 2009, and again on May 21, 2009, Vol. 74, No. 97, p 23886. No comments were received either time.
9. Payment to Respondents. No payments are made to respondents.
10. Confidentiality. The ETA 5159 reports contain no personal or confidential data.
11. Sensitive Questions. There are no questions of a sensitive nature.
12. Burden Hours. All states include this report as a part of their normal data processing operations. Based on previous experience and ad hoc conversations with State Workforce Agency (SWA) personnel, it is estimated at that it takes state agencies 1272 hours per year to run a retrieval program, review the results, and transmit the results through the UIDB electronic reporting system.

The specific detail is broken out below:

53 States x 12 reports/year x 2.00 hour = 1272

Based on budget allocations, a figure of \$30.44 was derived for the average hourly wage of state agency staff for fiscal year 2008. Using \$30.44, the total annual cost for the respondent having to do this collection is estimated to be \$38,719.68, computed as follows:

1272 annual burden hours x \$30.44 per hour = \$38,719.68

13. Burden Costs. None. This, and all other reporting for Unemployment Insurance, is paid for by monies allocated to states for administration. There are no breakouts for specific reports. This is a well established report so there are no start up costs.
14. Federal Annualized Costs. This data is submitted electronically by States and stored on a Department owned computer along with many other reports. There are no direct additional Federal costs processing this report.
15. Changes in Burden. The slightly diminished burden submission - 720 responses to 636 responses and burden hours from 1,359 to 1,272 - corrects inadvertent calculation errors in the previous submission.
16. Publication. Results are published in the UI Data Summary and in the annual Handbook 394, Unemployment Insurance Financial Data; also, much data is provided in response to special requests.
17. Display of OMB Approval and Expiration. ETA displays OMB control number and expiration date on the ETA 5159 hard copy form. A menu option has been incorporated into the UI electronic reporting system which provides access to a complete listing of OMB control numbers and expiration dates for all required reports, including the ETA 5159. In addition, ETA will disseminate OMB control number and expiration date information for this report through a UI program letter shortly after OMB action.
18. Certification Exceptions. There are no exceptions.

B. Collections of Information Employing Statistical Methods

Statistical methods are not employed for this report.