

## Supporting Statement for Paperwork Reduction Act

### Jobs Reporting under Section 1512 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5

#### **A. Justification.**

1. Explain the circumstances that make the collection of information necessary.

Section 1512 of the American Recovery and Reinvestment Act of 2009 (“Recovery Act”), enacted on February 17, 2009, requires recipients of Recovery Act funds to report an estimate of the number of jobs created or retained by particular projects or activities. These reports are submitted to [FederalReporting.gov](http://FederalReporting.gov), and information from these reports is later posted to the publicly available website [Recovery.gov](http://Recovery.gov).

Among other things, the purpose of the Recovery Act is “to preserve and create jobs and promote economic recovery.” An integral part of the nation’s recovery is the creation of jobs. However, there has been very little oversight of the job numbers reported by recipients of Recovery funds. The Inspectors General (IGs) have done limited testing on some recipients. On September 13, 2010, five Inspectors General released the results of a review focusing on the Section 1512 reporting period ended December 31, 2009. The review covered, among four other data elements, the number of jobs created or retained. The IGs concluded that “reporting the number of jobs created or retained was problematic, with only 7 of the 29 recipients reporting this data element consistent with applicable Federal guidance.” The IGs recommended that the Recovery Accountability and Transparency Board (Recovery Board) work with the Office of Management and Budget (OMB), the Federal Acquisition Regulatory Council, and federal agencies to “provide more comprehensive technical assistance to recipients and subrecipients on effective processes and controls for jobs data reporting.” In addition, the IGs recommended that the Recovery Board “consider conducting a comprehensive review of recipient reported information on the number of jobs using statistical sampling methods in order to assess the reliability of reported jobs data for all reporting entities.”

In order to provide the insight needed to better understand the jobs numbers, the Recovery Board shall conduct a statistically valid sample test. The sample would be approximately 81 recipients and should provide enough data to determine whether the jobs numbers reported are reasonable. The information requested would be limited to the recipients’ policies and procedures for compiling and reporting the jobs data; documentation for the jobs reported; and identifying any ongoing challenges faced in complying with the job reporting requirements. The information requested in most circumstances will be less than 10 pages.

2. Indicate how, by whom, and for what purpose the information is to be used.

This information will be collected through a three-phase process. First, the Recovery Board staff will conduct a pilot test, sampling nine recipients out of the approximately 81, via electronic mail, for certain documentation. The questions and requests in the pilot information collection are included in the attached information collection form (an email letter to recipients). The purpose of the pilot is to determine the effectiveness, quality, and utility of the questions that the Recovery Board plans to pose to the greater sample of 81, regarding whether recipients' processes provided reasonable assurance of compliance with reporting requirements contained in Section 1512 of the Recovery Act. Based on the results of the 9-recipient pilot, the Recovery Board will determine likely issues, or common requests for clarification which may arise, if any, among the greater sample. These likely issues and common requests for clarification, if any, can be used if necessary to formulate revised follow-up questions to better understand the jobs numbers reported. Questions can then be modified if necessary. Modifications would not change the subject or nature of the question; rather any changes would be nonsubstantive in nature. The Recovery Board staff would then send via electronic mail a request for certain documentation from the remaining sample recipients. There is a likelihood that, based on the responses received from the sample, the Recovery Board staff may need to ask follow-up questions of certain recipients for clarification, based upon their own unique responses to the information request. As these questions would be unique to each recipient, they would not be an information collection subject to the Paperwork Reduction Act. The consolidated results of this audit will be reported by the Recovery Board and posted on Recovery.gov.

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.

All recipients will be requested to send the information electronically. There may be a few recipients who do not have an electronic copy and no scanning technology; in those rare occasions, Recovery Board staff will accept information by mail.

4. No Duplication or Use of Similar Information

Recovery Board staff will not be reviewing the same recipients that the IGs have reviewed. The information requested currently is not available and must be received from the recipient.

5. Impact on Small Businesses or Other Small Entities

The impact for small businesses will be minimal. The information in most cases should be between 2-10 pages. The estimated total time for recipients, on average, is three hours.

6. Consequences if Collection is Not Conducted

If the collection is not conducted, there will be no adequate means to verify the reasonableness of the number of jobs created and the number of jobs retained. Furthermore, lack of such a collection will hinder the accountability of one of the most important data points that Recovery recipients report into FederalReporting.gov.

7. Special Circumstances relating to the Guidelines of 5 CFR 1320.5

This review does not require special circumstances.

8. Comments in Response to the Federal Register Notice and Efforts to Consult Outside the Agency

The Recovery Board has consulted with multiple agencies to obtain their views.

9. Explanation of Any Payment or Gift to Respondents

N/A – the review does not involve a payment or gift to respondents.

10. Assurance of Confidentiality Provided to Respondents

The information will be electronically collected, and on rare occasions via mail, and will only be handled by the jobs reporting review team. The information collection letter itself will contain no assurances of confidentiality.

11. Justification for Sensitive Questions

The data request does not include questions of a sensitive nature.

12. Estimates of Annualized Burden Hours and Costs

Number of respondents = 81

Frequency of response = 1

Annual hour burden = 243 (81 respondents x 3 hours per response)

13. Estimates of Other Total Annual Cost Burden to Respondents and Record Keepers

Total cost is approximately \$18,225 (243 hours x \$75/hour; average salary with overhead for staff)

14. Annualized Cost to the Federal Government

Sample size of 81 x 3 hours per review = 243 hours  
Planning review and supervisory review (81 x 4) = 324 hours  
Review and writing of the report (81 x 4) = 324 hours  
Total of 891 hours x \$75/hour (average salary with overhead for staff) = \$66,825  
Operational expenses = \$5,000  
Total cost is approximately = \$71,825

15. Explanation for Program Changes or Adjustments

N/A – This is a new collection.

16. For collections of information whose results are planned to 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.

A report will be published in April 2011. There will not be any complex analytical techniques used. The time schedule will be:

- o Beginning date of collection of information – December 2010
- o Ending date of collection of information – January 2011
- o Completion of report – April 2011
- o Publication date – April 2011

17. Reason(s) for Display of OMB Expiration Date is Inappropriate

N/A – The Board is not seeking approval to not display the expiration date for OMB approval of the information collection.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

N/A – There are no exceptions to the certification statement.