

**SUPPORTING STATEMENT FOR
PAPERWORK REDUCTION ACT SUBMISSIONS
RESOURCE JUSTIFICATION MODEL (RJM): OPMB Control No. 1205-0430**

The Employment and Training Administration (ETA) is seeking OMB approval to extend data collection under the Resource Justification Model (RJM). The RJM's primary function is to collect Personal Service (PS), Personnel Benefit (PB) and Non-Personal Service (NPS) expenditure data for the most recently completed Fiscal Year (FY). These factors are important inputs to ETA's unemployment insurance administrative funding allocation process, whose objectives are to equitably fund states and promote cost-effective practices.

A secondary function of the RJM is to inform ETA's annual budget formulation process. State agencies submit detailed data by major cost categories in a structured format. This provides states a means to communicate to ETA their projected funding needs and provides ETA with an objective tool to evaluate those needs. State agencies that have an accounting system with a relational database can build queries for data extraction from the accounting system; this helps keep the data collection burden at a minimum.

A. Justification

1. Circumstances that make the collection of information necessary.

The Secretary of Labor has a legal responsibility under the Social Security Act (SSA) Title III, Section 303(a)(1), for providing state agencies the necessary costs of proper and efficient administration of state unemployment insurance (UI) laws. The Secretary must establish a means of measuring state agencies' "proper and efficient administration" to certify payments to states. Among other duties, the Secretary must also ensure that state laws conform to Federal law, and that states comply with them, in order for subject employers within the state to be allowed to receive offset credit under the Federal Unemployment Tax Act.

In support of these responsibilities, SSA Title III, Section 303(a)(6) authorizes the Secretary to require of states 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 provisions as the Secretary of Labor may from time to time find necessary to assure the correctness and verification of such reports."

Prior to FY 1986, the methodology for UI budget formulation and allocation was based on a work measurement system called Cost Model Management. ETA decided in 1985 to stop conducting the work measurement studies and pursue alternative methodologies; however, there had been no consensus with states for an acceptable replacement until the development of the RJM in 2001. The data collected through the RJM provide state specific work measurement factors, salary rates, and non personal service spending levels. The data

also inform the national office of operating expenditure levels anticipated by state unemployment insurance programs.

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

Using the RJM, state agencies electronically submit detailed cost data in a structured format (spreadsheet file). The information specifies salary and benefit rates, workloads, processing times, and non-personal services dollars, which are used to inform ETA's administrative funding allocation process. Review and validation of the data by ETA Regional Offices is also an important part of the RJM.

3. Consideration of using information technology to reduce burden.

State agencies enter, store, and e-mail their cost data in a spreadsheet file. The basis for using this means of collection is that formulae are built into the spreadsheets and make necessary calculations to reduce the amount of data input.

4. Duplication.

The RJM does not duplicate any existing ETA program. There is no similar information that is already available.

5. Impacts on small businesses or other small entities.

There will be no impact on small businesses or other small entities.

6. Consequences to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

Section 302(a) of the Social Security Act requires the Secretary of Labor to certify to the Secretary of the Treasury for payment to the states the amount of funds necessary for states to properly administer their unemployment insurance law. ETA relies on the RJM to obtain state specific, updated cost factors for use in that determination to ensure the Secretary fulfills this legal responsibility.

Either not conducting the RJM data collection or doing so less frequently would require ETA to rely on outdated information and would result in ETA being unable to make a strong case for needed resources to OMB and the Congress. ETA's ability to equitably allocate to states their share of the annual Congressional appropriation would also be negatively impacted.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner inconsistent with 5 CFR 1320.5.

There are no special circumstances that would cause this information to be collected in any manner listed above.

8. Consultation with persons outside the agency.

In accordance with the Paperwork Reduction Act of 1995, the public was given sixty days to review and comment through a Federal Register Notice published June 18, 2010 (Volume 75, Number 117, Page Number 34767). No comments were received.

9. Payment or gift to respondents

No payment or gift to respondents has been or will be provided.

10. Assurance of confidentiality

Confidentiality is not an issue with this program, which simply involves collecting state agencies' financial data.

11. Questions of a sensitive nature.

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

12. Estimates of the hour burden of the collection of information.

The estimate of burden is an average figure. The hour burden on respondents is expected to vary widely.

Cite/ Reference	Total Respondents	Frequency	Total Responses	Average Time per Response	Burden
Crosswalk	53	Annually	53	108 hours	5,724 hrs
Account Summary	53	Annually	53	4 hours	212 hours
RJM 1 through 6 series	53	Annually	53	3 hours	159 hours
Narrative	53	Annually	53	8 hours	424 hours
TOTALS			212	30.75 hrs. avg	6,519 hrs

The estimate of annualized cost to respondents:
burden hours X average hourly state cost for FY 2010
6,519 hours X \$41.47 = \$270,343.

The federal government pays the salaries of the state staff so there is no direct cost to the states.

13. Start-up Costs.

There are no other costs involved other than those mentioned in item 12.

14. Federal Costs.

Federal staff costs are required to manage and maintain the handbook, training, report review and analysis. These costs total \$166,180 annually for RJM operations. This estimate is displayed in the following table.

Category	Start-up		Ongoing (equals RJM minus current)	
	National Office staff	0 hours	\$0	2,088 hrs
Regional Office staff	0 hours	\$0	2,660 hrs	\$93,100
TOTAL		\$0		\$166,180

15. Reasons for any program changes or adjustments

There are no changes or adjustments.

16. Publication.

ETA does not plan to publish the results in a report but will make the data available on its web site. The RJM does not use complex analytical techniques.

State agencies begin to collect the data annually in mid-November and submit the data by the last Friday of January. ETA uses the data collected to inform ETA's administrative funding allocation model to provide state agencies resources for the next fiscal year.

17. Request to not display the expiration date for OMB approval of the information collection

ETA will display the OMB control number and expiration date on the RJM worksheets in the instructional handbook for the state agencies.

18. Exceptions.

There are no exceptions.

B. Collection of Information Employing Statistical Methods

Statistical methods are not employed for this report.