

SUPPORTING STATEMENT
For Extension Request: Benefits, Timeliness and Quality (BTQ)
Review System (OMB1205-0359), Part A

A. JUSTIFICATION

1. Circumstances Making the Collection of BTQ Information Necessary.

The Secretary of Labor has a legal responsibility under the Social Security Act (SSA) Title III, Section 303(a)(1), for reimbursing to State Workforce Agencies (SWAs) the necessary costs of proper and efficient administration of state unemployment insurance (UI) laws. The Secretary must establish a means of measuring SWAs' "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 SWAs 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."

The nature of the UI system, as administered under state laws in conformity with Federal laws and regulations, results in differences among state laws, policies, and operating methods. At the same time, however, the 53 SWAs perform similar functions and produce certain results in common for which minimum performance criteria may be applied and by which their relative effectiveness may be appraised and compared for purposes of their own internal management as well as Department of Labor (DOL) oversight. Notwithstanding the state differences, performance measures based on program outcomes are even more critical for assuring that the DOL's statutory oversight responsibilities are carried out. Program operating information is presently collected mainly in four ways: (1) through UI required reports (UIRR), (2) through the Benefit Accuracy Measurement (BAM) Program, (3) the Tax Performance System (TPS), and (4) the Benefits Timeliness and Quality (BTQ) Program. The BTQ performance measures are necessary to ensure that the UI program is properly administered. Good administration leads to public confidence in the UI program. Conversely, poor administration leads to a poor public image, fostering a lack of confidence in the UI program. SWA staffs also need to know the criteria against which the performance of their agency will be evaluated. The BTQ component provides these measures.

2. How, By Whom, How Frequently, and For What Purpose the BTQ Information is Used.

The information collected under the BTQ system has a number of uses. It is one of the primary means used by UI Regional and National Office staff to assess state performance levels and to ensure that the Secretary's legal oversight responsibilities for determining the proper and efficient administration of the UI program are carried out. SWAs also use the BTQ performance measures for their internal program assessment with the goal of continuous performance improvement. The information is collected monthly and quarterly as required for the UIRR system and for UI Performs, the performance management system for the UI program.

The BTQ results are used to facilitate state compliance with the terms of UI administrative grants. SWAs annually prepare State Quality Service Plans (SQSPs) (OMB approval No. 1205-0132, expiring 08/31/2011), which contain required budget worksheets, corrective action plans, and state plan narratives that detail how the SWAs intend to improve deficient performance in specific program areas.

3. Consideration of Information Technology Used to Reduce Burden.

Almost all the data used in constructing the BTQ measures is produced in the states in the course of taking claims and paying benefits. Most BTQ measures are computed directly from required reports that are submitted electronically and allow SWAs to load data directly from files created on their computer systems. With the various BTQ promptness measures, most of the record keeping used in BTQ is already highly automated at the state level. In order to comply with the Government Paperwork Elimination Act, under BTQ, the quality assessments data are entered into the UIRR for electronic transmission, eliminating the need for handling, shipping and review of paper reports.

4. Efforts to Identify Duplication.

There is no duplication between the BTQ and any other data collection.

5. Impact of Collection of BTQ Information on a Substantial Number of Small Businesses or Other Small Entities.

The collection of information for the BTQ measures does not extend to small businesses or other small entities.

6. Consequences if the Collection is not Conducted or is Conducted Less Frequently.

If the collection of BTQ information is not conducted, DOL would have difficulty discharging its oversight responsibilities effectively and efficiently. The monthly and quarterly reporting system is necessary for producing a continuous, consistent database offering comparison of data from state to

state showing seasonal and cyclical economic factors. Monthly and quarterly collection of information will permit all the current oversight functions that coincide with the annual Federal budget cycle. This allows analysis and use of data for publication of an annual evaluation of state compliance with existing laws, reviewing SWA performance against BTQ measures, and monitoring SQSPs and performance improvements resulting from corrective actions undertaken.

7. Special Circumstances That Require the Collection to be Conducted in a Manner Inconsistent with General Information Collection Guidelines in 5 CFR 1320.5.

The BTQ information collection is consistent with the criteria outlined in section 1320.5, General Information Collection Guidelines, with the exception of the requirement of monthly collection of information as explained above. However, monthly collection of information is consistent with existing OMB approved UIRR reports such as ETA 5130, Benefit Appeals Report (OMB approval no. 1205-0172, expiring 11/30/2010), and ETA 5159, Claims and Payment Activities (OMB approval no. 1205-0010, expiring 08/31/2012).

8. Consultation on the Information Collection with Persons Outside the Agency.

In accordance with the Paperwork Reduction Act of 1995, the public was given a sixty-day opportunity to review and comment through the Federal Register process. The Notice was published September 10, 2010 (vol. 75, p. 55357 et seq.) No comments were received.

9. Payment/Gifts to Respondents

There are no payments to the respondents.

10. Confidentiality Provided Respondents.

To ensure confidentiality, BTQ data does not include claimant identifiers or claimant demographic data such as gender, race, ethnicity, date of birth, citizenship, or geographic location below the state level. Aggregate data are reported as the percentage of nonmonetary adjudications and lower authority appeals that receive passing scores in the quality review. Data are not reported for population demographic subgroups that could lead to the identification of individuals.

11. Sensitive Information.

Information contained in this report is not sensitive.

12. Estimates of Annualized Cost and the Hour Burden of Collection of Information.

a. Ongoing Annualized Costs

The estimated annual cost of BTQ in the states is \$1,654,321. Salary costs are calculated using an estimate of \$41.47 per hour for state employees for 39,892 burden hours. SWA travel estimates of \$310,284, paid by DOL, are for state participation in the quality review of nonmonetary determinations.

b. One-time burden cost adjustment of 2 hours to cover meetings, and reports.

c. Estimates of Burden of Collection of Information

Monthly Universe Measures: State Staff Hours per Year

ETA Report	Measure	Number of Respondents	Reports Per Year	Total Responses	Hrs. Per Resp.	Total Hrs/ Year
9050	First Payment Time Lapse, Core Measure	53	12	636	.5	318
9050	First Payment Time Lapse, Partial/Part Total Claims, Management Information Measure	53	12	636	.5	318
9050	First Payment Time Lapse, Workshare Claims, Management Information Measure	53	12	636	.5	318
9051	Continued Weeks Compensated Time Lapse, Management Information Measure	53	12	636	.5	318
9051	Continued Weeks Compensated Time Lapse, Partial Part/Total, Management Information Measure	53	12	636	.5	318
9051	Continued Weeks Compensated Time Lapse, Workshare, Management Information Measure	53	12	636	.5	318
9052	Nonmonetary Determinations Time Lapse, Detection Date, Core Measure	53	12	636	1.0	636
9054	Lower Authority Appeals Time Lapse, Management Information Measure	53	12	636	.5	318
9055	Lower Authority Appeals Case Aging, Core Measure	53	12	636	1.0	636
9054	Higher Authority Appeals Time Lapse, Management Information Measure	53	12	636	.5	318
9055	Higher Authority Appeals Case Aging, Core Measure	53	12	636	1.0	636
Subtotal						4452

Quarterly Sample Review Measures: State Staff Hours per Year

ETA Report	Measure	Number of Respondents	Sampled Cases Reviewed Per Year	Total Cases Reviewed Per Year	Hrs. Per Resp.	Total Hrs/ Year
9056	Nonmonetary Determination Quality, Core Measure	23 Small States	240	5,520	1	5,520
9056	Nonmonetary Determination Quality, Core Measure	30 Large States	400	12,000	1	12,000
9057	Lower Authority Appeals Quality, Core Measure	42 Small States	80	3,360	3.5	11,760
9057	Lower Authority Appeals Quality, Core Measure	11 Large States	160	1,760	3.5	6,160
Subtotal						35,440

Total burden hours for SWA BTQ activity each calendar year equal:

4452 (monthly responses) + 35,440 (reviews of sampled cases) = 39,892 Total Staff Hours.

Continuing report generation costs are negligible for all measures except those based on samples. Most SWAs have automated the process of transferring report data from their mainframe computers to the SWAs' Sun ADP systems, which provide the interface to the UI database in the National Office.

13. Provide an Estimate of the Total Annual Cost Burden to the Respondents.

There are no other costs involved.

14. Estimates of Annualized Cost to the Federal Government and Respondent.

In the DOL National and Regional Offices, approximately twelve professional and six support positions, part-time at the average grade of GS-12, are assigned to BTQ duties. Federal UI professional and support positions devote an estimated 25 percent of their time to BTQ activity. This 25 percent of their time for BTQ activities includes both information collection and subsequent year-round analysis and technical assistance activity. The estimates of annualized cost to the Federal government are as follows:

Federal Salary (base)	\$336,924
Federal Travel	<u>32,229</u>
Total:	\$369,153

15. Reason for Changes in Burden.

Sample sizes for the nonmonetary and appeals quarterly reviews are determined by workload. Because of the change in workload, there has been a reclassification of some states from small to large resulting in an increase in burden.

For nonmonetary determination quality, sample sizes are set annually and depend on the volume of nonmonetary determinations reported to the Department of Labor on the ETA 9052 reports for the prior calendar year. States are classified as large or small based on this caseload. Large states are those that issued 100,000 or more nonmonetary determinations in the prior calendar year. Small states are those that issued fewer than 100,000 nonmonetary determinations in the prior calendar year. Large states will draw a minimum sample of 100 determinations (50 separation issues and 50 nonseparation issues) per quarter for review. Small states will draw a minimum sample of 60 determinations (30 separation issues and 30 nonseparation issues) per quarter for review.

For lower authority appeals quality, all States (except those with a workload of more than 40,000 decisions in the prior fiscal year) will review a minimum of 20 randomly selected cases from each of the four quarters of the fiscal year. This is the minimum sample size needed for statistical validity of the results. The States, with annual workloads exceeding 40,000 cases will be required to select a 40 case sample per quarter to assure accurate results. The determination of sample size (20 or 40 cases per quarter) for each State for the calendar year will be made prior to end of the first quarter of each calendar year, based on the workload during the prior calendar year.

Additionally, a non-substantive change was made to the 9056 form where three cells were eliminated as a result of the elimination of the 9053 form in the prior report. Due to the change in the 9056 cells, there is a one-time increase of 2 hours.

16. Information to be Published.

The BTQ measures results that are published as part of the UI Performs measurement system are posted to the DOL website. The general public can access the reports on the internet at <http://oui.doleta.gov/unemploy/performance.asp>.

17. Waiver to not Display the Expiration Date.

ETA does not seek a waiver.

18. Exceptions.

There are no exceptions.