

SUPPORTING STATEMENT

DEPARTMENT OF LABOR VETERANS' EMPLOYMENT AND TRAINING SERVICE Federal Contractors Veterans' Employment Reports VETS-100 AND VETS-100A

OMB No. 1293-0005

A. Justification

1. Legal and Administrative Requirements

The Veterans' Employment and Training Service (VETS) is responsible for administering the requirement under the Vietnam Era Veterans' Readjustment Assistance Act, 38 U.S.C. 4212(d), ("VEVRAA" or "Section 4212") that Federal contractors and subcontractors covered by the Act's affirmative action provisions report in 38 U.S.C 4212(a) at least annually to the Secretary of Labor about their employment of certain categories of veterans. VETS amended the regulations set forth in 41 CFR part 61-250, 73 FR 65768, Nov. 5, 2008 which require covered contractors to use the Federal Contractors Veterans' Employment Report VETS-100 ("VETS-100 Report") to provide information on the covered veterans in their workforces. The VETS-100 Report is currently approved under OMB No. 1293-0005.

The existing regulations in 41 CFR part 61-250 and currently approved VETS-100 Report require contractors with a Government contract of \$25,000 or more to report on the number of employees in their workforces, by job category and hiring location, who are special disabled veterans; veterans of the Vietnam era; recently separated veterans (within one year from the date of discharge or release from active duty); or veterans who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized. In addition, the existing regulations in 41 CFR part 61-250 require contractors to report on the number of employees hired during the period covered by the report who belong to the specified categories of covered veterans.

The Jobs for Veterans Act (JVA) (Pub. L. 107-288), enacted in 2002, amended the Federal contractor reporting requirements under VEVRAA by: (1) increasing from \$25,000 to \$100,000, the dollar amount of the Government contract that subjects a contractor to the requirement to report the numbers of employees in their workforces who are covered veterans; and (2) changing the categories of covered veterans under the affirmative action provisions of VEVRAA, and thus the categories of veterans that contractors are required to track and report on annually.

The JVA eliminated the category of Vietnam era veterans from coverage under VEVRAA. The JVA added as a new category of covered veterans – those "veterans who, while serving on active duty in the Armed Forces, participated in a United States military operation for which an Armed Forces service medal was awarded pursuant to Executive Order 12985." The JVA expanded the coverage of veterans with disabilities to include all veterans with service-connected disabilities.

The JVA also expanded the coverage of “recently separated veterans” from one to three years after discharge or release from active duty.

Thus, Section 4212(d), as amended by the JVA, requires Federal contractors and subcontractors that enter into a contract on or after December 1, 2003, in the amount of \$100,000 or more, to report on the total number of employees in their workforces, by job category and hiring location who are disabled veterans; veterans who served on active duty in the Armed Forces during a war or in a campaign or expedition for which a campaign badge has been authorized; Armed Forces Service Medal veterans; or recently separated veterans (during the three period following date of discharge or release from active duty). Section 4212(d), as amended by the JVA, also requires contractors to report the total number of new employees hired during the period covered by the report who belong to each of the specified categories of covered veterans; and the maximum and minimum number of employees at each hiring location during the period covered by the report.

The JVA amendments to the reporting requirements under VEVRAA apply only to contracts entered into on or after December 1, 2003. Some contractors have Government contracts that were entered into before December 1, 2003, and are still subject to the reporting requirements in 41 CFR part 61-250. Therefore, VETS has determined that it is necessary to maintain two sets of regulations to implement the reporting requirements under VEVRAA.

2. Use of Information Collected

The information collected is to be used by the Department of Labor for compliance monitoring. If reports on veterans’ employment are not collected, the Department of Labor would not be in compliance with 38 U.S.C. 4212 (d). In addition, under 31 U.S.C. 1354(b), the Secretary of Labor is required to make available in a database a list of the contractors that have complied with the requirements of 38 U.S.C. 4212(d) for each fiscal year. Under 31 U.S.C. 1354(a)(1), an agency is prohibited from obligating or expending funds to enter into a contract with a contractor that was required to comply with the reporting requirements in 38 U.S.C. 4212(d) the preceding fiscal year, but failed to do so. The agency may award the contract once the contractor submits the report required by 38 U.S.C. 4212(d) for the fiscal year concerned.

3. Use of Information Technology

In order to comply with the Government Paperwork Elimination Act (GPEA) respondents have the option of submitting the report electronically. This option is in keeping with the intent of the GPEA to reduce the burden on respondents. In addition, to assist small businesses, as required under the Small Business Regulatory Enforcement Fairness Act of 1996, the form can be completed on the Internet. The annual report required to be submitted under 38 U.S.C. 4212(d) is already in a format familiar to most of the respondents utilizing modern information technology.

4. Description of Efforts to Identify Duplication

Information concerning the hiring and employment of veterans by Federal contractors is not being collected by any other agency. This is a statutory requirement of 38 U.S.C. 4212(d).

5. Collection of Information Impact on Small Businesses or Other Entities

Small businesses and entities are required by 38 U.S.C. 4212(d) to furnish the same information as large entities. This collection does not have a significant economic impact on a substantial number of small entities. Also, see response to item 4.

6. Consequences to Federal Programs If Information Were Collected Less Frequently

If Federal contractors were permitted to respond less frequently than on an annual basis, the Department of Labor would not comply with the requirements of 38 U.S.C. 4212(d). Requiring contractors to annually submit information on veterans' employment, as prescribed by 38 U.S.C. 4212(d), also enables Federal agencies to comply with 31 U.S.C. 1354. The Congress' rationale for this reporting requirement was that it signals to Federal contractors the importance of their affirmative action obligations to disabled veterans; other veterans protected veterans; Armed Forces Service Medal veterans; and recently separated veterans.

7. Special Circumstances for the Collection of Information

The term "Government contract" is defined in the regulations implementing the affirmative action and reporting requirements under VEVRAA as "any agreement or modification thereof between any contracting agency and any person for the purchase, sale, or use of personal property or non-personal services (including construction)." A contract modified on or after December 1, 2003, is considered to be a contract covered under the JVA and renders the contract subject to the VETS-100A reporting requirements, rather than the VETS-100 reporting requirements.

8. Solicitation of Public Comments on the Collection of Information

VETS published a Federal Register Notice on January 13, 2011 (76 FR 2420), providing a period of 60 days for the public to submit comments on the proposed information collection request that is currently approved under OMB Control No. 1293-0005 (VETS-100 Report and VETS-100A Report.) VETS appreciates the burdens imposed on those contractors that are required to file both the VETS-100 and the VETS-100A Reports, but the agency is constrained to carry out the provisions of the statute. No comments were received by the end of the 60-day comment period (March 14, 2011.)

9. Gift Giving

There is no decision, nor is one contemplated, to provide any payment or gift to respondents.

10. Assurance of Confidentiality

No elements of confidentiality are involved. The data collected on the VETS-100 and VETS-100A Reports will not identify any individual by name or social security number.

11. Sensitive Questions

No data collected is of a sensitive nature.

12. Estimate of the Hour Burden for the Collection of Information

The burden is the aggregate number of hours required for contractors to annually submit the information on their veterans' employment using the currently approved VETS-100 and the VETS-100A Report forms.

Annual Burden Calculation

VETS estimates that about 20,700 Federal contractors and subcontractors are subject to the VEVRAA reporting requirements. Depending on when a federal contract is awarded, some contractors are required to submit only the VETS-100 Report form, some will submit only the VETS-100A Report form, and some will submit both report forms. Contractors with multiple (10 or more) hiring locations are required to submit the prescribed report(s) for each of its hiring locations. Table 1 shows that contractors submitted approximately 142,000 VETS-100 Report and 251,300 VETS 100A Report forms.

There have been no changes to the current VETS-100 and the VETS-100A Reports with exception of the location where the form will be sent. Each has the same number of reporting elements, so the time estimates for submitting the reports are approximately the same. Due to the limited number of contractors that are required to submit both the VETS-100 and the VETS-100A Reports, these reports are merged into the appropriate report columns. VETS estimates that the time needed to complete a paper copy of the VETS-100 or the VETS-100A is one hour, and it requires about 30 minutes for the Federal contractor to submit an electronic versions of the either report form. The estimated cost of the personnel assigned by the contractor to complete the reports is \$16.00 per hour/per report. Burden costs were calculated by multiplying the total 202,100 burden hours by the hourly cost (\$16.00) for the person preparing the report.

In FY 2006, 65 percent of all VETS-100 Reports forms were submitted electronically. In the 2009 reporting period 94 percent of the VETS-100 and VETS-100A Reports were submitted electronically. By 2010, and VETS-100A Report forms and in 2010 over 98 percent of the VETS-100 and VETS-100A Reports form were submitted electronically.

Table 1

2010 Federal Contractor Veterans' VETS-100 and VETS-100A Reporting OMB Number: 1293-0005				
Submission from Federal Contractors	VETS-100 Only	VETS-100A Only	Both VETS-100 VETS-100A	Total Reporting
Total Respondents	7,000	11,500	2,200	20,700
Total Annual Responses	142,000	251,300	--	393,300
Paper Response	700	4,700	--	5,400

Electronic Response	141, 300	246,600	--	387,900
Burden Hours				
Avg. Paper Response	1 hr.	1 hr.	--	1 hr.
Avg. Electronic Response	30 min.	30 min.	--	30 min.
Total Filing Burden Hours	71,350	128,000	N/A	199,350
Paper	700	4,700	--	5,400
Electronic	70,650	123,000	--	193,950
Total Filing Burden Costs	\$1,414,600	\$2,048,000		*\$3,189,600

*Cost of Preparing Report (\$16.00) X 199,350 Total Burden Hours.

13. Annual Cost Burden for Maintaining and Providing the Information Collection

The information contractors report about their veterans' employment is collected and maintained in the normal course of business. There are no requirements for contractors to have any kind of equipment to be able comply with this collection of information. Therefore, there are no additional costs not reported in item 12.

14. Annualized Costs to the Federal Government

The cost to the Federal government for this collection includes the following components:

Staff.....\$25,000 (25% of 1 FTE including benefits)
Contract for processing forms\$290,000
Total Cost.....\$315,000

15. Changes in Burden Hours

In 2008 the total burden hours reported (156,200 hours) increased to approximately 202,100 total burden hours in 2010 – an increased of 29 percent. The increase in burden hours between 2008 and 2010 was due to the in the increase number of VETS-100 and VETS-100A Reports filed. But, the electronic filings allowed the burden hours to rise at a slower rate. The electronic filing of the VETS-100 and VETS-100A reports required one-half hour to complete compared to the one hour required to complete a paper report forms. An important benefit of electronic filing is the increased accuracy of the information collected and the quicker completion of the reporting process.

16. Publication of Results of the Information Collection

The results of this information collection will not be published. VETS will change the address where the report will be sent. This change is due the a change of vendors who will collect the VETS-100 and VETS-100A Reports

17. Approval Not to Display Expiration Date for OMB Approval

VETS is not seeking approval to “not display” the expiration date for OMB approval.

18. Exceptions to the Certification Statement for Paperwork Reduction Act Submission

No exceptions to the certification statement were identified in item 19 of OMB Form 83-1.

B. Collection of Information Employing Statistical Methods

The information collection does not employ any statistical methods.