

JUSTIFICATION PART A, OMB Control No. 1205-0452  
SUPPORTING STATEMENT FOR REQUEST FOR OMB APPROVAL  
UNDER THE PAPERWORK REDUCTION ACT

PART A. JUSTIFICATION.

This is a justification for the Department of Labor's (DOL) request to continue its data reporting requirement for State Workforce Agencies (SWAs) to collect information on the reemployment of Unemployment Insurance (UI) benefit recipients. The Secretary's authority to implement this reporting requirement is found in the Social Security Act (SSA). Section 303(a)(6), SSA, 42 U.S.C. 503(a)(6), requires that state law include provision for:

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 Secretary interprets section 303(a)(6), SSA, to authorize DOL to prescribe standard definitions, methods and procedures, and reporting requirements for the collection of information on the reemployment of UI benefit recipients and to ensure accuracy and verification of these data. This section of the SSA is provided in Attachment A.

A-1. Reasons for Data Collection.

DOL will use this measure: 1) to evaluate state performance in terms of meeting DOL's strategic goal, required by the Government Performance and Results Act of 1993 (GPRA), of facilitating the reemployment of UI Claimants; and 2) as a core measure of state performance under UI Performs, DOL's performance management system for the UI program.

GPRA Performance Measure

In addition to providing benefits to unemployed workers, the UI program has a responsibility to facilitate worker reemployment. This is evidenced by several program requirements: that UI beneficiaries be both able to work and available for work (known as the "able and available" or A & A requirement); worker profiling; and the requirement (in Section 303(a)(2), SSA) that benefits be paid through public employment offices.

Strategic Goal 4 in the fiscal year (FY) 2006 – 2011 DOL Strategic Plan ([http://www.dol.gov/\\_sec/stratplan/StrategicPlan.pdf](http://www.dol.gov/_sec/stratplan/StrategicPlan.pdf), see page 58)-- Secure health benefits and, for those not working, provide income security --focuses on improving the operational performance and effectiveness of the federal/state UI program. Performance Goal 4.1 supports this goal with performance measures to "Make timely and accurate benefit payments to unemployed workers, facilitate the reemployment of

unemployment insurance beneficiaries, and set up unemployment tax accounts promptly for new employers.”

The Employment and Training Administration (ETA) measures state performance in facilitating the reemployment of unemployment insurance beneficiaries with data collected through the ETA 9047 report. ETA issued reporting instructions in Unemployment Insurance Program Letter (UIPL) No. 1-06 (October 6, 2005), and state employment security agencies began reporting data to ETA in March 2006.

Using the data submitted by states through the ETA 9047 report, ETA calculated a baseline for the UI GPRA reemployment rate measure. The UI reemployment GPRA measure is defined as the percentage of all UI claimants receiving a first payment in a calendar quarter who were paid wages in the following calendar quarter that appear in UI wage records. In Training and Employment Guidance Letter (TEGL) No. 24-05 Change 1 ([http://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=2299](http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2299)), ETA announced that the baseline reemployment rate was 62.4%, and set the FY 2007 GPRA Facilitate Reemployment goal at 65%. The TEGL also advised states that the development of a UI Performs measure “with a criterion by which to assess individual states’ success in facilitating UI reemployment” was in progress.

#### UI Performs Measure

ETA issued UIPL No. 12-08 [February 13, 2008] to solicit comment on the proposed definition for the UI Performs core measure, “Facilitate the Reemployment of UI Claimants” and the approach used for setting the Acceptable Level of Performance (ALP). ETA proposes using the same definition for the UI Performs core measure as for the GPRA measure for purposes of consistency and its uniform application to all states.

ETA’s analysis of the UI reemployment data show that state performance in reemployment of beneficiaries is influenced by forces outside the control of the agency administering the state UI law, most notably by the economic conditions in the state, as measured by the Total Unemployment Rate (TUR), and the percent of beneficiaries that are on temporary layoff, as measured by the percent of claimants who not required to search for work or register with the state employment office. The proposed ALPs for the UI Performs Core measure reflect state-specific data for these two factors. UIPL No. 12-08 includes a detailed explanation of the methodology used to develop the proposed ALP.

#### A-2. Users, Purposes, and Consequences of Failure to Collect the Information.

Each calendar quarter, states report on the ETA 9047 report separate counts for individuals receiving their first UI payments who are exempt from work search / employment service registration (“exempt”), in most cases because they are job-attached with definite recall dates, and those who must conduct work search or register with the employment service (“nonexempt”).

States also report on the ETA 9047 report the number of those first payment recipients for whom intrastate or out-of-state employers reported wages in the subsequent quarter. States obtain these counts by running computer crossmatches of the Social Security Numbers (SSNs) of the claimants who received a first UI payment with the UI wage records for the subsequent calendar quarter. ETA issued instructions on obtaining out-of-state reemployment data through matching the SSNs of UI first payment recipients with UI wage records in the National Directory of New Hires in UIPL No. 1-06, Change 1 ([http://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=2155](http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2155)), August 2, 2006).

ETA believes that the UI system shares responsibility with all Workforce Investment partners in facilitating the reemployment of UI beneficiaries. This measure encourages state UI agencies -- those closest to their own labor markets -- to take innovative steps to facilitate the reemployment of UI benefit recipients.

Under the UI system, states have broad authority, within the framework of minimum requirements, to establish those eligibility requirements that they believe are appropriate for their labor market conditions and which reflect the judgments of their legislators and administrators. DOL does not believe that any specific eligibility condition either promotes or discourages a quick return to work. Rather, DOL believes that the reemployment information will allow DOL and the state agencies to identify the various factors that influence reemployment and encourage the states to use this information to improve UI program administration, e.g., more effectively communicating existing eligibility requirements to UI beneficiaries.

DOL encourages states to make use of any and all resources to improve performance of the UI program. States are encouraged to use their labor market information data to conduct analyses independent of DOL's analysis of the reemployment data in order to better understand the data and identify state-specific factors that can influence reemployment.

The information collected through ETA 9047 reporting is currently the only data available to support the measurement of state performance for the ETA GPRA and UI Performs performance measures of state facilitation of UI benefit recipient reemployment.

#### A-3. Technology and Obstacles Affecting Reporting Burden.

In order to comply with the Government Paperwork Elimination Act, the proposed data reporting requirement uses automated procedures for data collection, transmission, and analysis that utilize state and federal information processing technology. Data collection instructions for the ETA 9047 report are provided to the state agencies in ET Handbook 401, 4th edition, section IV, chapter 7. ETA has identified no technical obstacles since state employment security agencies began reporting data to ETA in March 2006.

#### A-4. Duplication.

The data collected through the ETA 9047 report does not duplicate information reported to ETA in any other required UI report (ET Handbook 401, 4<sup>th</sup> edition), data collected through the Benefit Accuracy Measurement (BAM) program (OMB Approval No. 1205-0245, expiring August 31, 2009), or data collected to support Workforce Development System measures.

A-5. Burden on Small Business or Other Small Entities.

The proposed data collection has no impact on small businesses. Data will be collected through a computer crossmatch of state records conducted by the SWAs.

A-6. Consequences of Less Frequent Data Collection.

Less frequent collection of this data will impair the ETA's ability to 1) aggregate state data promptly to produce a national reemployment measure in order to meet DOL's responsibilities under GPRA and to evaluate state performance under UI Performs; and 2) conduct subsequent analyses of the quarterly reemployment data in order to identify the factors that affect reemployment and explain interstate differences in order to revise ALPs for the UI Performs core measure. Because state wage records are submitted quarterly and SWAs already report the number of UI first payments to ETA each month on the ETA 5159 report (OMB Approval No. 1205-0010, expiring August 31, 2011), collecting UI reemployment data less frequently will not materially diminish the burden of this proposed data collection.

The access of state agencies to the wage record data that is part of the National Directory of New Hires (NDNH) facilitates state collection of the reemployment data required for ETA 9047 reporting. State agencies can take advantage of the efficiencies of submitting wage matching requests as part of their agencies' NDNH matching requests for UI payment integrity purposes. ETA issued instructions on obtaining out-of-state reemployment data through matching the Social Security Numbers (SSN's) of UI first payment recipients with UI wage records in the NDNH in UIPL No. 1-06, Change 1 (August 2, 2006).

A-7. Special Circumstances Involved in Collection of Reemployment Data.

The collection of UI reemployment data involves no special circumstances.

A-8. Preclearance Notice and Responses.

DOL's preclearance notice was published in the *Federal Register* on February 16, 2011 (Vol. 76, p. 9052). No comments were received.

A-9. Payments to Respondents.

ETA will provide no payment specifically for ETA 9047 reporting. State agencies will use resources provided by DOL as part of their administrative grant to support the costs associated with ETA 9047 reporting.

A-10. Confidentiality.

ETA maintains strict controls over the data gathered through the UI reporting system. ETA will not be able to identify any individual claimant from the proposed data collection. Although the state data record contains the claimant's SSN, only aggregate data will be reported to DOL. ETA will not have access to any individual record data used in the automated records crossmatch.

A-11. Questions of a Sensitive Nature.

The proposed data collection includes no questions of a sensitive nature.

A-12. Respondents' Burden and Cost of Collecting Information.

The total burden comprises SWA activities related to assembling automated record system files, conducting automated crossmatches of these files, and electronically reporting the results to DOL.

Frequency: Quarterly

Total Respondents: 53 State Workforce Agencies

Total Responses: 212 per year (53 SWAs x 4 quarterly reports per year)

Estimated Time Per Response: SWA staff – 10 hours.

Total Burden Hours: 2,120 hours.

Total Burden Cost (operating/maintaining): \$77,168 (annual) (53 SWA at \$1,456 per SWA).

A-13. Annual Cost to Respondents.

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. Because this is an established data collection, there are no initial (startup) programming costs. No capital or major equipment purchases are required for respondents to meet the reporting requirements of this collection.

A-14. Annualized Federal Cost.

The annual costs of Federal staff to monitor state reporting, analyze, and report the data are:

GS-14 step5 - 0.15 Staff year,	\$ 17,886
GS-14 step5 - 0.10 Staff year,	\$ 11,924
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Total Program Office Staffing Costs	\$ 29,810

There are no ADP costs assignable specifically to the ETA 9047 data collection. States electronically transmit the ETA 9047 report to DOL; ETA 9047 data are stored as part of the UI database maintained for UI required reports and other data collections.

A-15. Reasons for Change in Burden.

There is no proposed change in the burden associated with this data collection. The minor change to the annualized federal cost reflects a clarification of the grade and step of federal staff and the 2011 OPM pay tables.

A-16. Publication Information.

ETA will report this data as part of its GPRA reporting requirements. ETA intends to make this information available to the public through publication on one of its public Web sites. ETA intends to analyze the UI reemployment data in order to evaluate the effects of state labor market conditions and state UI program characteristics on the UI reemployment rate and adjust ALPs and GPRA performance targets if indicated. ETA may publish the results of these analyses if it believes they are of interest to the general public, and will, in any event, share the results of these analyses with SWAs and other UI stakeholders.

A-17. Reasons for Not Displaying Date OMB Approval Expires.

ETA intends to display approval information.

A-18. Exceptions to Certification.

There are no exceptions to the certification statement in 83-I.

PART B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS.

Statistical methods are not used in the collection of the ETA 9047.