

OMB Control No. 1205-0132:
SUPPORTING STATEMENT FOR REQUEST FOR OMB APPROVAL
UNDER THE PAPERWORK REDUCTION ACT

A-1. Reasons for Data Collection

The State Quality Service Plan (SQSP) represents an approach to the unemployment insurance (UI) performance management and planning process that allows for an exchange of information between the federal and state partners to enhance the ability of the program to reflect their joint commitment to performance excellence and client-centered services. As part of UI Performs, a comprehensive performance management system for the UI program, the SQSP is the principal vehicle that the state UI programs use to plan, record and manage improvement efforts.

The statutory basis for the SQSP is Title III, Section 302 of the Social Security Act, which authorizes the Secretary of Labor to provide funds to administer the UI program. Respondents' obligation to reply to these reporting requirements is required under 20 CFR 97.40. Plans are prepared annually since funds for UI operations are appropriated each year. The Department of Labor's (DOL) annual budget request for state UI operations contains workload assumptions for which the state must plan in order for the Secretary to carry out her responsibilities under Section 303 (a) of the Social Security Act – to ensure full payment of unemployment compensation when due. DOL issues financial planning targets based on the budget request. States make plans based on such assumptions and targets via this mechanism.

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

The SQSP allows states to share their key program objectives for the coming year as well as the strategies the state will use to achieve those objectives. The SQSP is a management tool for states to ensure strong program performance and to focus the states' performance efforts across the range of UI activities. Operationally, the SQSP also serves as the grant document through which states receive federal UI administrative funding.

Each year, a UI Program Letter (UIPL) initiates the formal SQSP plan. This UIPL publishes the dates relevant to the SQSP process for the approaching fiscal year; summarizes federal program emphasis for the year; and identifies any special planning requirements in effect for the fiscal year. It also explains opportunities for increased, targeted funding made available annually in the President's budget if such opportunities exist.

States prepare and transmit an annual SQSP in accordance with the instructions in ET Handbook No. 336, 18th Edition and the annual UIPL. Regional office staff review the SQSPs for completeness, to make sure that the SQSPs are completed in accordance with the instructions, and to ensure that the plans reflect negotiated agreements.

An annual assessment augments ongoing performance improvement and forms the basis for any corrective action planning for the SQSP.

A-3. Technology and Obstacles Affecting Reporting Burden

States may submit financial report information on computer printouts instead of the SF 270 and 424. Electronic submittal is not available for all Standard Forms; therefore some must be submitted manually. States submit the UI-3 worksheet electronically through UI Required Reports System (UIRR), which ensures that this report is consistent with reported workload and that entitlement is calculated uniformly.

In order to comply with the Government Paperwork Elimination Act, states are requested to submit SQSPs electronically.

A-4. Duplication

This information is not available elsewhere. There is no duplication.

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

No small businesses or entities are involved.

A-6. Consequences of Less Frequent Data Collection

Collecting state planning information less frequently than once a year, and financial information less frequently than once a quarter, would affect the Employment and Training Administration's (ETA's) ability to determine the level of base and above-base resources required by states and would impair ETA's ability to budget for the administration of the UI program.

A-7. Special Circumstances Involved in Collection Data for Funding of the UI Program

Collection using worksheets UI-1 and UI-3 is consistent with OMB Circular A-102. The unique nature of the UI program (base and above-base funding, staff year allocations, and workload/staff year earnings and entitlements) requires ETA to obtain this information for management and funding of the program. This reporting requirement is consistent with 5 CFR 1320.5.

A-8. Preclearance Notice and Responses

In accordance with the Paperwork Reduction Act of 1995, DOL's preclearance notice was published in the Federal Register on May 5, 2011 (Vol.76, Number 87, pp. 25710-25711). Also, in accordance with the clearance terms for a non-substantive change request OMB approved on April 13, 2011, (See ICR Reference Number 201103-125-004) the notice specifically requested comment on the requirement for states to include a corrective action plan to reduce and recover improper payments in the SQSP. No comments were received.

A-9. Payments to Respondents

No payment or gifts are involved.

A-10. Confidentiality

There is no assurance of confidentiality in connection with the SQSP.

A-11. Questions of a Sensitive Nature

There are no questions of a sensitive nature.

A-12. Respondent’s Burden and Cost of Collecting Information

- The burden hour estimates are based on the experience of federal staff with substantially similar work.
- The State Plan Narrative includes a general narrative summary of the status of the UI program in the state. Additionally, states are to include in the narrative: 1) performance in comparison to the Government Performance Results Act (GPRA) goals; 2) results of customer satisfaction surveys (optional); and, 3) actions planned to correct deficiencies regarding UI programs and reporting requirements,
- CAPs include a summary describing the performance deficiency, milestones, and a timeline.

Estimated burden allocation for reports:

Report	Respondents (State)	Number of reports required	Reports per Year	Total Responses	Hours per Response	Total Hours
UI-1 (base), ETA 8623A	53	1	1	53	1	53
UI-3 (contingency), ETA 2208A	53	1	4	212	2	424
CAPs	53	9	1	477	4	1908
UI Program Integrity Plan	53	1	1	53	3	159
State Plan Narrative	53	1	1	53	4	212
Total				848		2756

Frequency: Annually

Total Respondents: 53 SWAs

Average Estimated Number of Responses: 848 per year

Average Estimated Time per Response: $2756 \div 848 = 3.25$ hours

Average Estimated Annual Burden Cost: \$112,472.36. This estimate is based upon total annual hours of 2756 multiplied by the average hourly rate for state agency personnel of \$40.81.

A-13. Annual Cost to Respondents

There are no additional costs.

A-14. Annualized Federal Cost

The Federal cost of this paperwork burden is estimated at \$176,299. This includes the time for National and Regional office staff to review and process state plans at an hourly rate of \$37.54. One National Office staff devotes an estimated 50 percent of the time to SQSP activity. Approximately seven Regional Office staff (including supervisory and clerical support) devote an estimated 25 percent of their time to SQSP activity. The time for SQSP activities includes information collection and subsequent year-round analysis and technical assistance activity. The estimates of annualized cost to the Federal government are as follows:

1--- National Office staff	\$ 39,178
7--- Regional Office staff	<u>\$ 137,121</u>
	\$ 176,299

A-15. Reasons for Change in Burden

ETA is proposing no program changes to the information collection requirement; however, the change in burden hours in this submission reflects three changes from the last renewal in 2008. The first change is the non-substantive change approved in 2011 that added a corrective action plan to prevent, reduce and recover improper payments in response to the administrations focus on improper payments. The second change is an increase in the estimated number of CAPs submittals expected within this collection from the states. The third change is the removal of burden ETA was previously directed to take for the use of Standard Forms used in this collection.

Corrective action plans to reduce and recover improper payments:

Beginning with the FY 2012 SQSP, each state will include in their SQSP submission, a corrective action plan to prevent, reduce and recover improper payments, conservatively estimated at a maximum of three hours per state per annual submission for this information, or $53 \times 3 = 159$ hours (see chart entry above).

Increase in state CAP submittals:

There was an increase in the total number of CAPs submitted by SWAs in FY 2011. SWAs submit a total of 477 CAPs in FY 2011 for an average of 8.89 CAPs/SWA. This total reflects an increase of 165 CAPs from FY 2008. The burden estimate for this collection had been revised upward to account for this additional activity that states are engaged in.

Finally, prior submittals had included burden associated with the following Standard Forms:

- SF 424, Application for Federal Assistance, 4040-0004
- SF 424A, Budget Information - Non-construction Programs, 4040-0006
- SF 424B, Assurances - Non-construction Programs, 4040-0007
- SF 270, Request for Advance or Reimbursement, 0348-0004

The total burden claimed on these forms was 5.16 hours per year per respondent. With 53 respondents, the annual estimated burden for these forms was 273.48 hours. ETA has been directed to no longer include estimates of burden incurred on these specific forms so the estimated aggregate burden is reduced by 273.48 hours from what it would have been otherwise.

A-16. Publication Information

There are no plans for publishing the information for statistical use.

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

ETA will display the OMB approval number and burden hours for the SQSP.

A-18. Exceptions to Certification

There are no exceptions.

JUSTIFICATION PART B
Collection of Information Employing Statistical Methods

The collection of this planning information does not employ statistical methods.