

SUPPORTING STATEMENT

A. Justification

- 1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

The Bureau of Labor Statistics (BLS) awards funds under authority of 29 U.S.C. Chapter 1 to State Workforce Agencies (SWAs) in the 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, and Guam to assist them in operating one or more of five Labor Market Information (LMI) cooperative statistical programs, which themselves have been approved by the Office of Management and Budget (OMB) separately, as follows:

<u>Program</u>	<u>OMB Number</u>	<u>Expiration</u>
Current Employment Statistics (CES)	1220-0011	10/31/2014
Local Area Unemployment Statistics (LAUS)	1220-0017	03/31/2015
Occupational Employment Statistics (OES)	1220-0042	10/31/2013
Quarterly Census of Employment and Wages (QCEW)	1220-0012	10/31/2014
Mass Layoff Statistics Program (MLS)	1220-0090	02/28/2015

The LMI Cooperative Agreement (CA) is the vehicle through which the SWAs are awarded funds. The CA package includes application instructions and materials, as well as financial reporting, closeout, and other administrative requirements, as spelled out in OMB Circular A-102, *Grants and Cooperative Agreements with State and Local Governments*, and its implementing common rule in 2 CFR 215, and as published by the Department of Labor at 29 CFR Part 97. The LMI CA application package attached here for approval is representative of the package sent every year to the State agencies. Under this package, the BLS will submit any changes to the program work statements to OMB on an annual basis, along with a description of the changes. If OMB determines that the changes are substantive, the BLS will publish a 30-day notice in the Federal Register describing the changes and allowing the public an opportunity to comment.

- 2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.**

Information collected under the CA is used by Federal regional and national office staffs to determine if the SWAs agree to the deliverables, program performance requirements, and quality assurance requirements spelled out in the program work statements, and to carry out their fiduciary responsibilities to negotiate the CA funding levels with the SWAs, monitor their financial and programmatic performance, and monitor their adherence to administrative requirements imposed by 29 CFR Part 97, and other grants-management-related regulations. Information collected is also used for planning and budgeting at the Federal level and in

meeting Federal-reporting requirements (e.g., those of the *Federal Assistance Awards Data System* and the *Federal Aid to States Report*).

- 3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological techniques or other forms or information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using the information technology to reduce burden.**

The BLS Budget Information Forms (BLS-LMI-1A and 1B) provide the SWAs' planned use of the funds awarded under the CA. The BLS has made available to the States, and accepts in lieu of a "typed" version of the Budget Information Form (BIF), a Microsoft Excel spreadsheet version of this form, which is easier to complete than standard SF-424a budget forms. The spreadsheet version of the BIF facilitates the CA application process, as well as modifications to the CA during the fiscal year. The latter are often submitted by the SWAs via e-mail to the BLS regional offices.

Financial reporting requirements under the CA have historically been met by the majority of SWAs by their submission of standard reports generated by their automated accounting systems--the old State Employment Security Agency (SESA) Cost Accounting System (CAS) (used by 14 States) and the SESA Financial Accounting and Reporting System (used by 17 States). The BLS LMI Cooperative Statistics Financial Report (BLS-LMI-2A) is used by 23 States. It provides these States with a format for reporting financial data comparable to that provided by the other States' automated reports. The BLS-LMI-2A, like the BIF, is also made available to the grantees through the DOL eGrants system.

The BLS is participating with other Department of Labor (DOL) agencies, and other Federal departments, in efforts to develop and implement application, administrative, and reporting procedures for Federal financial assistance programs that are streamlined and simplified as mandated by Public Law 106-107, the Federal Financial Assistance Management Improvement Act of 1999. We are also staying abreast of government-wide electronic grants efforts like Grants.gov; however, use of Grants.gov for non-competitive grants and cooperative agreements like those of the BLS programs currently is not mandated.

- 4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purpose described in Item 2 above.**

Information collected is directly related to the award of Federal financial assistance to States each fiscal year and, as such, is specific to the grantee, program requirements delineated in the work statements, and level and fiscal year of funding. Thus, no similar information exists. The budget information reflects the award levels, which also change from year to year, as does the State agency's contact information and signatory. The BLS funds are appropriated on an annual basis and the cooperative agreements that are used to fund the State agencies are, thus, awarded on an annual basis as well. Administrative changes related

to the information collected from the grantees may be made, as needed, each fiscal year, and will be provided to OMB upon request.

5. If the collection of information impacts small businesses or other small entities (Part II, Item 5b of the PRA Submission Worksheet), describe any methods used to minimize burden.

As stated previously, the collection of information involves only SWAs, the designated eligible applicants/recipients of Federal financial assistance for the BLS LMI cooperative statistical programs. No small businesses or other small entities are involved.

6. Describe the consequence 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.

Funds appropriated for the cooperative statistical programs as part of the Department of Labor's appropriation are generally one-year funds. Consequently, CAs must be negotiated and awarded every fiscal year, which means that SWAs must submit their applications for the funds available.

If the BLS simply provided funds to the SWAs as grants, our concern would be primarily to assure that their cash management was appropriate. In that case, the Federal Financial Report, Standard Form (SF) 425, would provide the needed information. The BLS, however, provides funds to SWAs using cooperative agreements to assist them in producing State and local area labor market information and sample data for use in national estimates. Our charge is to obtain the best data we can with the funds available. The SF-425 provides the aggregate, total amount that was spent by the grantee on the major programs, but no detailed information. To fulfill our fiduciary duty to the American public, the BLS must have specific information on the costs for which funds are being spent to assure that we are not being overcharged, as a guide in negotiating agreements and assessing States' proposed budgets the following year, and as a way of costing out program modifications.

The demand for data changes; programs are not static. The information in the requested financial reports is vital if we are to make a reasonable estimate of what changes in program content or procedures will cost so that we can make informed judgments on how much of the demand for data we can meet with the available funds. Not collecting financial information, or collecting it less frequently, would jeopardize the financial position of the BLS, as well as its ability to produce the LMI needed by other Federal agencies as input to their programs, and by economists, program planners, academicians and others, both inside and outside of the government.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:
- requiring respondents to report information to the agency more often than quarterly;
 - requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
 - Requiring respondents to submit more than an original and two copies of any document;
 - requiring respondents to retain records, other than health, medical, government contract, grant-in –aid, or tax records, for more than three years;
 - in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;
 - requiring the use of a statistical data classification that has not been reviewed and approved by OMB;
 - that includes a pledge of confidentiality that is not support by authority established in statue or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
 - requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that is has instituted procedures to protect the information’s confidentiality to the extent permitted by law.

To ensure that appropriated funds are used to the maximum extent possible for the purposes for which they were intended, the BLS relies on monthly summary financial data submitted by the SWAs to determine the status of funds. These reports, as mentioned above, are generated automatically by the SWAs’ automated accounting systems and, for the majority of SWAs, do not require special reporting forms. In the absence of complete second quarter financial data, which is not received until July, available May or other monthly data are often used to project the SWAs’ obligation of funds. Where a SWA’s actual obligation of funds does not meet its planned amount, the BLS is often able to take action to move potentially unused funds to other SWAs where funds are needed to achieve program goals and objectives. Without the summary, “bottom-line” reports, decision-making would be hampered. The BLS requires only summary financial data to be submitted monthly; no other information is collected on a monthly basis.

8. If applicable, provide a copy and identify the data and page number of publication in the *Federal Register* of the agency’s notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years – even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

No comments were received as a result of the Federal Register Notice published in 76 FR 71075 on November 16, 2011.

The BLS established a series of Policy Councils representing each of the five programs operated by the States under the LMI CA. Representatives of the State agencies as well as appropriate Federal program staff are members of the various Policy Councils. The Policy Councils provide a venue and forum for the BLS to obtain input from the State agencies on program and administrative issues, including the information collection requirements of the LMI CA. Each year, the Policy Councils are asked to review and comment on the draft LMI CA application package before it is issued to the grantee community for their use in applying for the subsequent fiscal year's funds.

9. Explain any decision to provide any payment or gift to respondents, other than reenumeration of contractor or grantees.

Not applicable; no gifts or payments are involved.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

Not applicable; no assurance of confidentiality is provided to respondents, because no confidential data are being collected under this information collection.

11. Provide additional justification for any question of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include that reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

Not applicable; no questions of a sensitive nature are involved.

12. Provide estimates of the hour burden of the collection of information. The statement should:

- **Indicate the number of respondents, frequency of responses, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary**

widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variances. Generally, estimates should not include burden hours for customary and usual business practices.

- **If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens.**
- **Provide estimates of annualized cost to respondents for the hour burdens for collection of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.**

The burden of the collection of information is variable. Information collected as part of the application submission depends on the number of programs for which funding is being awarded. For example, the Mass Layoff Statistics Program is funded intermittently and consequently affects the data collection burden. The time required to complete the Budget Information Form (BIF) varies widely depending on the SWA's level of research and preparation time in arriving at estimated costs for each program. Some will simply add on a small amount from year to year; others may take a more thorough, "zero-base budget," approach.

For the LMI CA work statements, the BLS uses a "check-the-box" approach in lieu of requiring long, written program narratives to accompany the CA application. OMB Circular A-102 states that agencies should generally include a request for a program narrative statement, which is based on instructions provided in the circular. The BLS Work Statements are a simpler alternative to requiring written narrative program methodologies and plans. Each estimate of time required to complete the work statements by checking the appropriate boxes provided assumes that no variances will be needed. Also, whereas all States complete the All Programs and the OES Work Statements, the other three or four Work Statements (CES, LAUS, QCEW, MLS) are not applicable to, and therefore not completed by, all States. Thus, the burden for the collection of information associated with the Work Statements will vary State to State, year to year. In developing its electronic application for use by grantees, the BLS is exploring interactive automated versions of its Work Statements that could be attached electronically to its application, along with electronic forms.

In the area of financial reporting, the burden also varies depending on whether the SWA is using one of the two major automated accounting systems (CAS or FARS) that generate standard reports, to meet the BLS financial reporting requirements, or using the BLS LMI Financial Report Form. In addition, as mentioned previously, only short, "bottom-line" information is required monthly, whereas quarterly financial reporting is at the cost-category level.

Quarterly Status Reports (BLS LMI-2B) are required only from those SWAs that receive funds for additional activities to maintain currency (AAMCs). The number of AAMCs each year is dependent on the additional activities that are needed to keep the programs current,

and the amount of funding available. Therefore, the number of respondents for the Quarterly Status Reports may vary significantly from year to year.

The above-described variability makes it impossible to arrive at one figure to reflect accurately the estimated burden. Thus, ranges for each information collection follow:

Information Collection	Respondents	Frequency	Responses	Time	Total Hours
Work Statements	54	1	54	1 - 2 hr.	54- 108
LMI 1A	54	1	54	1 - 6 hr.	54 - 324
LMI 1B	1 - 30	1	1 - 30	1 - 6 hr.	0 - 180
Quarterly Automated Financial Reports	48	4	192	10 - 50 min.	32 - 160
Monthly Automated Financial Reports	48	8*	384	5 - 25 min.	32 - 160
BLS Cooperative Statistics Fin. Report (LMI 2A)	7	12	84	1 - 5 hr.	84 - 420
Quarterly Status Report (LMI 2B)	1 - 30	4	4 - 120	1 hr.	4 - 120
Budget Variance Request Form (LMI BV)	1 - 54	1	1 - 54	5 - 25 min.	0 - 23
Transmittal and Certification Form (LMI TCF)	54	1	54	5 - 10 min.	4.5 - 9
LMI FRW - A: Base Programs	54	1	54	20 - 30 min.	18 - 27
LMI FRW - B: AAMC	1 - 30	1	1 - 30	20 - 30 min.	0 - 15
Property Listing	1 - 54	1	1 - 54	20 - 30 min.	0 - 27
Total	1 - 54		884 -1164		283 - 1573
Average Totals	54		1024		928

*Reports are not received for end-of-quarter months, i.e., December, March, June, and September.

To arrive at a full cost of the information collection burden (cited in the response to Item 14.), we multiplied the total hours (the range) by the full compensation cost of \$39.08, which is derived from the average weekly wage for Public Administration employees in State government. (See Employer Costs for Employee Compensation (ECEC), a product of the National Compensation Survey at <http://www.bls.gov/news.release/pdf/eccec.pdf>.) The resulting range of total annualized cost is \$11,059.64 to \$61,472.84 for an average annualized cost of \$36,266.24.

13. Provide an estimate for the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

- The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life) and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and

software; monitoring, sampling, drilling and testing equipment; and record storage facilities.

- If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collections services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.
- Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

Not applicable; this collection necessitates no capital and start-up costs. SWAs provide budget information and financial reporting information using data from existing accounting and management information systems at the State level. All operation and maintenance costs of such accounting and management information systems are “part of customary and usual business or private practices.”

14. Provide estimates of annualized costs to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies may also aggregate cost estimates from Items 12, 13, and 14 in a single table.

Total annualized Federal government costs for the financial and administrative management of the \$78 million LMI cooperative statistical program are estimated to be \$1,228,000: \$915,000 in direct labor and fringe benefit costs of national and regional office personnel (involved in managing the CAs, using the information collected at the time of application and during the year to monitor administrative and financial performance, and accounting for the funds) and \$313,000 in nonpersonal, operational costs related to the staff assigned, for supplies, training, travel, equipment, space rent, other overhead costs, etc. Together with the \$11,060 to \$61,473 per year in costs related to the information collection itself, the overall annualized cost to the Federal government is estimated at \$1,239,060 to \$1,289,473 for an average annualized cost of \$1,264,267.

15. Explain the reasons for any program changes or adjustments reported in Part II, Item 6b of the PRA Submission Worksheet.

The number of responses and burden hours for the LMI statistical program are increasing due to forms used during the closeout process.

- 16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.**

Not applicable; the results of this collection will not be published for statistical use.

- 17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

Not applicable. We are not seeking approval "to not display" the expiration date for OMB approval of the information collection.

- 18. Explain each exception to the certification statement identified in Part IV of the Paperwork Reduction Act Submissions Worksheet.**

There are no exceptions to the certification statement, "Certification for Paper Work Reduction Act Submission.