

**Supporting Statement for OMB Clearance of the  
ETA 204 Report on Experience Rating (OMB 1205-0164)**

**A. Justification**

1. Circumstances That make Collection Necessary. ETA 204, the Experience Rating Report, provides the Employment and Training Administration (ETA) with the data to measure the variations in assigned contribution rates which result from different experience rating systems. Section 303 of the Social Security Act (SSA 303(a)(6)) authorizes ETA to collect this information.
2. Description of Information Collection. ETA 204, when used in conjunction with the ES 202 report, Employment, Wages, and Contributions (OMB No. 1220-0012), provides data to ETA to study the impact of seasonality, stabilization, expansion or contraction on employment and payrolls and the degree to which these affect employer experience with unemployment. The data are used to provide an indication of whether solvency problems exist in the State's Trust Fund accounts and in analyzing factors which give rise to solvency problems; the data allows for an evaluation of the effectiveness of the approaches taken to correct the problem using modeling techniques. The data also are the basis for estimating state average tax rates for the subsequent tax year. Finally, the data are the basis for determining the Experience Rating Index; the index allows for the evaluation of the extent to which benefits are effectively charged, noncharged, and ineffectively charged. Thus, the foregoing information is of value to ETA in analyzing statutory provisions regarding experience rating in preparing recommendations or advising states on proposed legislation involving experience rating, and in responding to legislation involving experience rating, and in responding to inquiries from state agencies, employer groups, unions, and other interested individuals. Further, the data are a vital part of a state's management information system and a tool for the administrator and legislators to assess the state experience rating system.
3. Consideration of Information Technology. States generate ETA-204 electronically at the state level, and it is downloaded electronically at the National Office.
4. Describe Efforts to Identify Duplication. This is the only such collection of this information. No similar information is available elsewhere.
5. Collection of Information Involving Small Business. Collection does not involve small business or other small entities.
6. Consequences of less frequent collection. This collection is annual. Less frequent collection would render the data useless for many purposes.
7. Special Circumstances. Collection is conducted in a manner consistent with guidelines in 5 CFR 1320.5

8. Consultation outside the Agency. As required by 5 CFR 1320.8(d), ETA solicited comments on the proposed extension of approval for the ETA 204 through a sixty-day notice published in the Federal Register on January 13, 2012 (Vol. 77, page 2089). No comments were received.
9. Payment or Gift to Respondents. No payment or gift has been provided to respondents.
10. Assurance of Confidentiality. There is no assurance of confidentiality. However, the detail of the data reported by the States is broad enough to preclude any identification of individual firms or business entities, thus effectively conferring anonymity at the firm level.
11. Questions of a Sensitive Nature. There are no questions of a sensitive nature.
12. Burden. The ETA 204 report is computer-generated in the states. Therefore, the only time normally required would be that needed to electronically submit the report run. Based on past experience, this takes approximately 30 minutes per state or, for all states, 26 hours: 53 respondents x 1 report per state x .5 hours per state.
13. Startup Costs. There are no other costs than those described in 12 above.
14. Federal Costs. The cost to the Federal government cannot be estimated. Data is generally entered by the states and electronically transmitted to the National Office, along with other required reports, where it is immediately available for use.
15. Changes in Burden. There are no changes in burden.
16. Publication. Selected data, along with the Experience Rating Index (ERI) derived from the data, are published once each year. Using data from the ETA-204 report, the ERI is published once a year in the form of a UIPL. There are no complex analytical techniques used, beyond simple addition, subtraction and multiplication.
  - April 30 - ETA 204 data available, calculations for the ERI begin.
  - May 31 - ERI completed.
17. Reasons for not displaying OMB expiration date. The Department intends to display approval information.
18. Exceptions to Certification. There are no exceptions.

**B. Collection of Information Employing Statistical Methods.**

Statistical methods are not used in the collection of ETA 204 information.