

## **Supporting Statement for Emergency OMB Clearance of the ETA 9161: Self Employment Assistance for EUC 2008 Claimants**

### **A. Justification**

#### **1. Circumstances That Necessitate Collection.**

Public Law 112-96, the Middle Class Tax Relief and Job Creation Act of 2012, provides states with the opportunity to allow Unemployment Insurance (UI) claimants in the Federal Emergency Unemployment Compensation program of 2008 (EUC08) to participate in a reemployment program that helps them start their own businesses known as Self Employment Assistance (SEA).

Currently, a handful of states use this reemployment program, for which a minor amount of information (claimants entering the program, and weeks and amounts of dollars paid) is collected under OMB Control Number 1205-0010.

In accordance with statutory requirements and to assist States in establishing, improving, and administering self-employment assistance programs (section 2183(a), the Employment and Training Administration (ETA) seeks approval for a new reporting instrument specific to the SEA program.

More specifically, section 2183(b)(1) of the 2012 Act directs the Secretary of Labor to establish reporting requirements for States that have established self-employment assistance programs, which shall include reporting on—(A) the total number of individuals who received unemployment compensation and—(i) were referred to a self-employment assistance program; (ii) participated in such program; and (iii) received an allowance under such program; (B) the total amount of allowances provided to individuals participating in a self-employment assistance program; (C) the total income (as determined by survey or other appropriate method) for businesses that have been established by individuals participating in a self-employment assistance program, as well as the total number of individuals employed through such businesses; and (D) any additional information, as determined appropriate by the Secretary. ETA proposes to use a new Form, ETA-9161, to act as an electronic reporting mechanism to collect the required information.

In addition to Public Law 112-96, collection of data necessary for oversight of the program is authorized under Section 303(a)(6) of the Social Security Act. In order for states to prepare their summary reports, ETA believes States will need to collect information from program beneficiaries. These interactions are more fully discussed in item 12 of this Justification.

#### **2. Use of Information Collection.**

The ETA 9161 report will include information on people entering the SEA program as well as the benefits they receive and some limited outcome data. It is expected that these data will be used for oversight and to provide data responsive to statutorily required evaluations of this program.

ETA believes states will summarize information collected from SEA program participants to prepare the reports.

#### **3. Use of Improved Technology.**

The states are continually improving program operations and their information handling

technologies and, where feasible, new methods are used for taking applications and for collecting and transmitting the data for these reports. For example, many states have implemented automated remote claims-taking systems as well as automated recordkeeping. Reduction of burden through increased automation is always encouraged and supported. As with virtually all UI reports, the ETA 9161 report will be part of an electronic reporting system through which state UI agencies enter the data on a monthly basis and transmit the data to the ETA National Office.

4. **Description of Effort to Identify Duplication.**

Current Federal law grants states the exclusive role of administering UI claims. Due to existing confidentiality laws and regulations, no entity other than the state workforce administration could possibly handle the claimant data and provide summaries of claimant eligibility and outcomes. Therefore, there is no duplication in the information being requested.

5. **Collection of Information Involving Small Business.**

Given that this information collection is being created around the concept of SEA, it is likely that states following up with establishments created by claimants will be affecting small business in order to meet the reporting requirements spelled out here. However, the number of claimants estimated by ETA to potentially enter the program is quite small (see section 12) and the number of those claimants who actually establish small businesses is likely to be even smaller. In addition, the data states need to collect from participants are not expected to require extensive time commitments from the states or respondents. ETA proposes to follow up with claimants for four quarters following their participation in the SEA program. Since the law mandates this data collection for all ongoing SEA activities, this impact is expected to continue for the foreseeable future.

6. **Consequences of Less Frequent Collection.**

The ETA 9161 report will be due quarterly. If these data were collected less frequently, ETA's ability to carry out its statutory oversight responsibilities and document state issues in implementing the programs would be compromised.

7. **Special Circumstances.**

There are no special circumstances.

8. **Consultation Outside the Agency.**

Traditional clearance processes would prevent timely fulfillment of statutory obligations; consequently, DOL is using emergency clearance procedures available under 5 C.F.R. 1320.13, including obtaining a waiver from publishing Notices in the *Federal Register* to seek public comments, for this information collection request. The agency is taking steps to work with state agencies to minimize the burden of collecting this information. Assuming approval of this request for a period of six months, ETA and DOL will ensure the public has an opportunity to comment when this information request is resubmitted for extension under regular procedures.

9. **Payment/Gifts to Respondents.**

No payment or gift is provided to respondents.

10. **Confidentiality Provided – Respondents.**

The ETA 9161 report does not identify individuals receiving benefits by name or social security number or any other possibly identifying measure. The state workforce agencies, as the respondents to this collection, have no expectation of confidentiality for

the aggregate data they submit to us.

**11. Sensitive Information.**

Though individual wage and employment data will be collected at the state level, this will be reported back to ETA in aggregate form, such that there is no individual data that can be identified in reports provided to the ETA. As a result, there are no items on the proposed form to be completed which would involve sensitive information of a private nature or otherwise.

**12. Estimated Annual Burden Hours.**

In preparing early cost estimates for the SEA program, the Division of Fiscal and Actuarial Services (DFAS) within the Office of Unemployment Insurance for ETA projected that over CY 2012, from 4.576 million EUC08 first payments, and 1.775M claimants eligible for 26 weeks in the regular program, the total eligible claimants for CY 2012 would be 6.351 Million. Further, DFAS used existing data to project a state implementation rate (takeup rate) of 50% and a claimant takeup rate (accepting the offer of SEA) of 1% among the states offering the program, resulting in an anticipated program participation rate for CY 2012 of 32,000 claimants. Given that the program is starting at the end of the first calendar quarter, ETA estimates that three-quarters of the total originally projected for CY 2012, or  $32,000 \times 0.75 = 24,000$  total, would participate in this program.

ETA anticipates that the burden on states to produce this report will be two fold. First, states will need to track claimants and follow up with them to be able to report the current status and outcome data on the establishments created. It is expected that states will report this data for all participants while they are drawing benefits from the SEA program, and subsequently for four quarters following their participation to ensure that any activity around creating establishments is captured. Second, states will need to transmit the summary data and outcomes to ETA.

On the burden involved with generating the data to report, ETA anticipates that states will need to follow up with SEA participants to determine whether the establishments that they have created are continuing to operate and what sort of impact they might be having in terms of employing other people, paying wages and generating revenue. It is estimated that states will need to spend 30 minutes per participant per quarter to follow up with them regarding the establishments that they have created in order to collect and tabulate the data to describe the outcomes for this report. Since ETA anticipates 24,000 participants, the estimated burden states would incur would be  $24,000 \text{ participants} \times 3 \text{ quarters of reporting} \times 0.5 \text{ hours} = 36,000 \text{ hours}$ . This is likely an upper-bound estimate of burden, as states will likely be implementing this program over a period of time (they must first enact legislation and codify policies) and participants will likely be added incrementally over time.

On the burden involved with reporting the resulting data, ETA anticipates quarterly submittals from all states operating SEA programs. The full estimated annualized burden for Federal reporting for the program would be estimated at 26 respondents (states currently operating or planning to initiate SEA programs)  $\times 4$  quarterly reports  $\times 3$  programs to report in at an estimated burden of 2 hours per report to compile the numbers from various sources, enter them into the Federal electronic reporting system, and transmit them.

$26 \text{ respondents} \times 4 \text{ quarterly reports} \times 3 \text{ programs} \times 2 \text{ hours / report} = 624 \text{ hours}$

Total annual estimated burden hours:

Data Collection: 36,000 hours

Report generation and transmission: 624 hours

Total Federal Reporting Burden: 36, 624 hours.

DOL believes the value of State respondent time to be \$1,389,114. In monetizing the burden, DOL assumes State Workforce Agency staff will typically prepare the responses. Based on cost accounting systems, ETA estimates that for FY 2012, the average wage of a state workforce agency employee, including fringe costs, is \$40.99.

The data collection imposed on states to collect data on program beneficiaries will create an identical burden for beneficiaries of this program who would be required to disclose information to the State Workforce Agencies; consequently, DOL estimates this information collection would impose a 36,000 hour burden for 72,000 responses given by 24,000 individuals (24,000 respondents x 3 responses x 0.5 hours).

Because this program could attract workers from a wide variety of industries, DOL has used the November 2011 seasonally adjusted national average hourly wage of all employees on private nonfarm payrolls of \$23.23 to calculate the value of individual or household respondent time. This number is inflated by 40% to account for some overhead and fringe benefit costs resulting in an estimated hourly wage of \$32.52. Therefore, 36,000 x \$32.52 = \$1,170,720.

#### Burden Hour Summary

Category	Respondents	Responses	Hours	Value of Respondent Time
State Records on Participants	26	72,000	36,000	1,383,120
State Reporting	26	78	624	\$25,578
Participant Disclosures to States	24,000	72,000	36,000	\$1,170,720
Unduplicated Totals	24,026	144,078	72,624	\$2,579,418

**13. Estimate of the Total Annual Cost Burden to Respondents.**

There are no other costs associated with this collection of information.

**14. Estimates of annualized Cost to the Federal Government.**

All UI reporting is handled through a single set of databases and electronic reporting systems and networks. There is no additional Federal cost in gathering the data or processing it as part of this reporting requirement.

**15. Reasons for Changes in Burden.**

This is a new collection.

16. **Information of Publication.**

There are no plans to publish the data at this time.

17. **Waiver to Display OMB Expiration Date.**

The OMB number and expiration date will be displayed as part of the reporting instructions for the ETA 9161 report.

18. **Exceptions to Certification.**

There are no exceptions to the certification statement.

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

This collection does not employ statistical methods.