

**SUPPORTING STATEMENT FOR
PAPERWORK REDUCTION ACT SUBMISSIONS
ETA 5159, CLAIMS AND PAYMENT ACTIVITIES (OMB 1205-0010)**

A. Justification

The ETA 5159 is one of the oldest and most well-established reports that DOL collects on claims and payment activities. It is the source of a considerable amount of data used in governmental oversight of the Unemployment Insurance (UI) program, budget and policy planning, economic analysis and responses to both public and governmental questions about activities in the UI system.

Public Law 112-96, the Middle Class Tax Relief and Job Creation Act of 2012 (the Act), provides states with multiple opportunities to allow for expansions of the workshare/short time compensation (STC) program within the UI system. Currently, a number of states use STC as a layoff aversion program, and information is collected under OMB Control Number 1205-0010 on an STC-specific form.

In accordance with statutory requirements and to assist States in establishing, improving, and administering STC programs (section 2165 of the Act), the Employment and Training Administration (ETA) seeks approval for changes to existing reporting instruments specific to the STC program. More specifically, section 2165(a)(3) of the Act directs the Secretary of Labor to establish reporting requirements for States that include “the number of participating employers and workers and other items as the Secretary of Labor determines are appropriate.” ETA proposes to add a cell to the existing STC-specific ETA 5159 in order to capture the number of employer agreements that a state has created for worksharing.

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 and to be in compliance with these new requirements of the law, ETA believes states will need to collect information this information from employer operations.

Justification for Seeking Emergency Approval: ETA seeks emergency clearance from OMB for approval of the modifications to the state reporting requirements for compliance with the new reporting requirements found in the Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96) (MCTRJC), section 2165(a)(3). The MCTRJC mandates that states immediately begin reporting additional data regarding their administration of the STC program that includes “the number of participating employers and workers and other items as the Secretary of Labor determines are appropriate.”

In this submittal, ETA proposes to add a cell to the existing STC-specific ETA 5159 in order to capture the number of employer agreements that a state has created for worksharing. ETA also proposes a schedule of burden associated with states implementing these changes. This emergency clearance is needed in order to obtain OMB approval for ETA to develop guidance and communicate the programmatic expectations to the states that run the current programs, and to collect the necessary information from the States as required by the MCTRJC. On Thursday, February 23, 2012, the president signed into law the MCTRJC, which requires a number of substantial reporting and collection changes to the Unemployment Insurance (UI) system. The effective dates of these changes vary greatly, some of these changes take effect

immediately, some within 30 days of enactment, and some as soon as States can comply with the requirements provided for in law.

1. Circumstances that make the collection necessary. The ETA 5159 report provides important program information on claims taking and benefit payment activities under state/federal unemployment insurance laws. These data are needed for budget preparation and control, program planning and evaluation, personnel assignment, actuarial and program research, and for accounting to Congress and the public. This collection is authorized under the Social Security Act, Title III, Section 303(a)(6).
2. Use of Information. The information collected on ETA 5159 report is heavily used in the development of actuarial estimates of UI benefit outlays, claims levels and administrative workloads needed for the federal budget process and legislative proposals. These data also allow for analysis of past and current labor market conditions.

The key data elements used for state UI benefit estimates include first payments, final payments, weeks claimed, weeks compensated, and benefits paid. State level benefit payments are also needed to make estimates of potential Title XII advances and loan repayments.

The national estimates of benefit outlays and loans, combined with revenue projections, are used to analyze the solvency of the federal accounts in the Unemployment Trust Fund (UTF) and to determine potential need for general revenue advances. Monthly benefit outlay estimates are also required for the U.S. Treasury Department A-34 process.

With respect to workload projections, weeks claimed and initial claims are the items used from the ETA 5159. These projections are key elements in formulation of budget requests to OMB for the State UI and ES Operations (SUIESO) appropriations.

Weeks claimed and initial claims are also key elements used for the allocation of base administrative funds to the states. Univariate time series forecasting models incorporate the historical data to produce state-by-state estimates of these items, which feed into the allocation process. The data collected on this report are also the most frequently requested items from the public because they measure the flows into and out of the UI program, and contain important UI program and economic measures. Monthly reporting is essential to assure accurate forecasting and timely labor market information.

3. Information Technology. States have been reporting this data electronically to the National Office for a number of years. All states have available the ability to access the National Office UI reporting system which accepts files generated by a state computer thus eliminating the need to hand enter data.
4. Duplication. This data is not available from other sources in the detail needed. Weeks claimed and initial claims are collected on the weekly ETA 539 and ETA 538 (OMB no. 1205-0028) as well as the ETA 5159. Data from the ETA 539 is used to calculate the 13-week average insured unemployment rate trigger used for extended benefits. The ETA 538 provides advance figures on initial claims and the insured unemployed so that this economic data will be available to the public timely. However, the ETA 538 and ETA 539 reports do not contain the detailed information requested for the ETA 5159. While

the ETA 5159 provides more detailed information than the ETA 538 or ETA 539, it does not provide the timeliness that the weekly ETA 538 and ETA 539 do.

5. Small Entities. There is no impact on small businesses. The data that is being collected here is not from the businesses themselves, but from the agreements that have been entered into between the businesses and the states. As a result, the businesses that elect to enter into STC arrangements with state workforce agencies (SWAs) will not be contacted or impacted. The extra data that ETA is proposing to elect would simply be from state records.

6. Consequences of Not Collecting or Collecting Less Frequently. This is the most basic report of the unemployment insurance system reporting. It contains the majority of the data elements used to determine state administrative budgets. Trends are much harder to predict with four data points a year (quarterly reports) rather than with twelve data points a year (monthly reports). Because the vast majority of states get this information from computer programs that are already available, the additional burden is negligible. Making twelve computer runs rather than four has very little impact on the state, while the loss of those data points would greatly weaken Department's ability to accurately predict program activity. Furthermore, unlike burden on businesses or individuals, states are funded to collect and report this data through their annual UI administrative grant.
7. 5 CFR 1320.5. The collection is consistent with 5 CFR 1320.5 except that monthly frequency is requested based on the rationale provided in item 6 above.
8. Publication in Federal Register and Other Consultation In accordance with the Paperwork Reduction Act of 1995, the public was given an opportunity to review and comment through a notice in the Federal Register (Vol. 74, No. 50, p 11380, Dated March 17, 2009, and again on May 21, 2009, Vol. 74, No. 97, p 23886. No comments were received either time.
9. Payment to Respondents. No payments are made to respondents.
10. Confidentiality. The ETA 5159 reports contain no personal or confidential data.
11. Sensitive Questions. There are no questions of a sensitive nature.
12. Burden Hours. States use electronic reporting as a part of their normal data processing operations. The reporting involved in this collection does not involve manual tabulation, but pre-programmed and automated scripts that aggregate transactions that are stored in the state mainframe as a result of daily processing of claims from unemployed people in the state. Based on previous experience and ad hoc conversations with State Workforce Agency (SWA) personnel, it is estimated that the burden for running an extract from the state system, reviewing it, and uploading it into the ETA reporting system takes approximately two hours. This is independent of program type as the burden is largely administrative in generating the extract and reviewing it for quality assurance purposes.

ETA currently maintains 5 possible ETA 5159 reports: regular program, Federal-state Extended benefits (EB) program, Workshare/STC, as well as two federal programs, Temporary Emergency Unemployment Compensation (TEUC, 2000 recession) and Emergency Unemployment Compensation program of 2008 (EUC08, 2007 recession). Though not all states participate in workshare, and TEUC reporting is sporadic, the maximum possible burden states could encounter would be submitting all five reports, 12 months a year, at two hours per submittal. ETA would estimate the maximum possible Federal reporting burden placed on states by ETA as a result of this collection to be:

53 states x 12 reports/year x 5 programs x 2 hours per submittal = 6,360 hours

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

$$6,360 \text{ hours} \times \$40.99/\text{hour} = \$260,696.40.$$

In addition to the basic burden imposed by this collection, and as a direct result of requirements in PL 112-96, states will need to report one additional cell on the workshare-specific ETA 5159 describing the number of employer agreements that states have. This change will produce two additional kinds of burden: one temporary and one permanent and ongoing. The permanent change is a new data acquisition and record keeping requirement on employer agreements. It is not envisioned that states currently have this information automated/electronically stored, however, given that the population of employers participating in this program is relatively steady, it is envisioned that once states have dealt with any uptake issue as a result of Federal Incentives that the basic additional reporting burden of this added element will be minimal and represent an additional 5 hours per report per state. Please note that this would only effect the workshare-specific ETA 5159, not any of the other reports.

$$53 \text{ states} \times 12 \text{ reports/year} \times 1 \text{ program (STC)} \times 5 \text{ hours per submittal} = 3,180 \text{ hours}$$
$$3,180 \text{ hours} \times \$40.99/\text{hour} = \$130,348.20.$$

The temporary change is a minor allowance for states to do two things: 1) re-program their systems to be able to upload the new data and 2) developed a basic level of automation (create an inventory of participating employers, place it in a spreadsheet or database, create a system to track new employer agreements, etc). Since this is a single cell addition that occurs at the end of an existing report, these modifications are expected to be minimal. ETA, based on past experience with these types of changes, expects each state to spend 20 hours (including planning, producing functional requirements if necessary, meetings, and direct programming changes, producing documentation and testing for QA/QC) to make these changes. In addition, ETA expects that each state will need to spend time automating the existing data they have on employers participating in STC so as to have a starting point for systematic reporting. States will largely need to go through paper files but may have some information automated. The burden for this is likely to change with the extent of STC participation by employers within the state, and it is likely that state experience and data reported on the new forms will better inform subsequent estimates of reporting burden. For initial planning purposes, ETA estimates that states will spend 20 hours looking through files and any existent automation in order to catalog existing employers and be able to track them.

One Time Programming Changes

$$53 \text{ states} \times 20 \text{ estimated hours of work to conform with requirements} = 1,060 \text{ hours}$$
$$1,060 \text{ hours} \times \$40.99/\text{hour} = \$43,449.40.$$

One Time Burden Cataloging Existing STC Employers

$$53 \text{ states} \times 20 \text{ estimated hours of work to catalog STC employers} = 1,060 \text{ hours}$$
$$1,060 \text{ hours} \times \$40.99/\text{hour} = \$43,449.40.$$

Burden Hour Summary on an Annualized Basis

Category	Respondents	Responses	Hours	Value of Respondent Time
Reporting of Regular 5159	53	636	1,272	\$52,139.28
Reporting of EB 5159	53	636	1,272	\$52,139.28
Reporting of STC 5159	53	636	1,272	\$52,139.28
Reporting of TEUC 5159	53	636	1,272	\$52,139.28
Reporting of EUC08 5159	53	636	1,272	\$52,139.28
Record Keeping Burden for New Element (ongoing)	53		3,180	\$130,348.20
One Time Programming Changes (recordkeeping)	53	One-time	12,720	\$43,449.40
One Time Cataloging Existing STC Employers (Recordkeeping)	53	One-time	12,720	\$43,449.40
Unduplicated Totals	53	3,180	34,980	\$477,943.40

13. Burden Costs. There are no burden costs. UI required reports are paid for by monies allocated to states for administration from the Federal Government. There are no breakouts for specific reports. This is a well established report so there are no start up costs.
14. Federal Annualized Costs. This data is submitted electronically by States and stored on a Department owned computer along with many other reports. There are no direct additional Federal costs processing this report.
15. Changes in Burden. There are two different reasons for the increase in burden hours from 1,272 hours to the current request for 34,980 hours. The first reason is that prior supporting statements described the total burden on the 5159 report as two hours per state per reporting period, which is monthly. This left the impression that two hours was sufficient burden to submit any program-specific 5159 reports the state needed to provide. This is, however, incorrect and ETAs intention was to attribute two hours of burden to each individual 5159 report submitted. In the near future, the majority of states are submitting monthly 5159 reports for the regular, EB and EUC08 program. In addition, some states are still submitting TEUC-specific 5159s, and the expectation is that a number of states will adopt legislation or policies that will allow for an expansion of the STC program, resulting in requirements for STC reporting.

The second reason for the change in burden is that the new STC requirements will immediately be imposed on all states currently reporting STC data, as the law permanently changed the reporting requirements for the program, rather than tying them to the temporary provisions of the temporary grants to reimburse existing activities or allow states not currently engaged in STC activities to adopt them.

The table in section 12 of this document explains how the total burden for this collection is distributed among the various program-specific reports and distinguishes between the one-time burden estimates associated with states implementing the requirements of the Act and the routine reporting operations.

16. Publication. Results are published in the UI Data Summary and in the annual Handbook 394, Unemployment Insurance Financial Data; also, much data is provided in response to special requests.
 17. Display of OMB Approval and Expiration. ETA displays OMB control number and expiration date on the ETA 5159 form that is shown to users. A menu option has been incorporated into the UI electronic reporting system which provides access to a complete listing of OMB control numbers and expiration dates for all required reports, including the ETA 5159. In addition, ETA will disseminate both the OMB control number and any relevant details covering the collections (e.g. expiration date) for this report through an Unemployment Insurance Program Letter (UIPL) shortly after OMB action.
 18. Certification Exceptions. There are no exceptions.
- B. Collections of Information Employing Statistical Methods

Statistical methods are not employed for this report.