

**SUPPORTING STATEMENT FOR
PAPERWORK REDUCTION ACT SUBMISSION FOR
REEMPLOYMENT DEMONSTRATION GRANTS AND PROJECTS**

A. Justification

The Middle Class Tax Relief and Job Creation Act of 2012 provides states with the opportunity to pilot new and innovative strategies to better help connect unemployed Americans with work. Section 2102 of the Extended Benefits, Reemployment, and Program Integrity Improvement Act (Act) enacts a new Section 305, SSA, which allows the Secretary of Labor (Secretary) to enter into agreements with up to 10 states that submit applications for approval to conduct demonstration projects to test and evaluate measures to expedite reemployment of certain individuals found eligible for unemployment compensation (UC), or to improve the effectiveness of a state in carrying out its state law with respect to reemployment.

Section 305(a)(1), SSA, as enacted, establishes two purposes for which the Secretary may grant approval for states to conduct demonstration projects: (1) to test and evaluate measures designed to expedite the reemployment of individuals who establish a benefit year and are otherwise eligible to receive UC “under the State law of such state [the state submitting the application]”; or (2) to improve the effectiveness of a state in carrying out its state law with respect to reemployment.

ETA will provide states with guidance explaining the provisions of the new law, and laying out the application procedure that states must follow in order to be considered for this program. This PRA approval request consists of several elements:

- The guidance explaining the provisions of the new law, and the application process (this guidance will be available when the program is announced and is currently submitted in ROCIS as a placeholder, or “suppressed document”).
- An application checklist to ensure the submission package is complete
- A draft agreement that will serve as the template for each individual state agreement that ends up being drafted.
- Draft reporting requirements
- Data elements that states must be able to produce for evaluation

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:

The Secretary may approve a demonstration project for up to three years; however, the state must demonstrate that it will operate the project for at least one year. Such projects may begin at any time after approval of the project by the Secretary, but must be completed no later than December 31, 2015.

PL 112-96 essentially allows states to submit applications as soon as guidance is released. For this reason, ETA seeks emergency clearance from OMB for approval of this new collection so as to be prepared to accept proposals and to be in compliance

with the new requirements found in Section 2102 of the Extended Benefits, Reemployment, and Program Integrity Improvement Act within the Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96).

1. Circumstances that make the collection necessary. Under Section 2102 of the Extended Benefits, Reemployment, and Program Integrity Improvement Act within the Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96), USDOL cannot grant states a waiver without an application and ETA cannot collect an application without an approved Paperwork Reduction Act control number from the Office of Management and Budget (OMB) The application process is necessary to ensure that the state is requesting something that USDOL can offer a waiver for. The reporting data and evaluation data will be necessary for analysis of budget impact, program evaluation and oversight of state activities. The data elements requested for evaluation will be used to look at the relative effectiveness of various state approaches. Failure to collect this data would have USDOL out of compliance with PL 112-96 by preventing the demonstration grants from occurring.
2. Use of Information. The information collected from state applications will be used to suitability for a waiver. The information collected from the reporting instrument will be used to track initial program implementation and effectiveness. There is no initial data capture for evaluation so there is no intended use.
3. Information Technology. ETA does not anticipate that this data will be reported electronically. It is possible that different states would be reporting different elements so the USDOL National Office will not fold this data collection into its existing electronic reporting system. States are expected to use existing electronic data from a variety of sources including wage records, TAPR and possible WIASRD to be able to provide the necessary information. Given that these are demonstration projects, with little consistency, states will likely leverage the electronic resources they have in place now to accomplish the work they set out to do.
4. Duplication. This data is not available from other sources in any manner.
5. Small Entities. There is no impact on small businesses. Only state workforce agencies are respondents to this collection.

6. Consequences of Not Collecting or Collecting Less Frequently. 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. 5 CFR 1320.5. The collection is consistent with 5 CFR 1320.5. There are no special circumstances.
8. Publication in Federal Register and Other Consultation 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 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. There are four general components to the burden that this program will place on potential respondents: submitting an application, operating the program and generating data from those operations, reporting some of that data to ETA at specified intervals, and participating in a subsequent evaluation, where additional records would be made available to the party performing the evaluation.

The application process is expected to take 80 hours per state. This time budget is an estimate based on prior experience with grant submittals and conversations with other offices where similar projects have occurred. At least two states have already applied (in advance of guidance from ETA) and have had to be denied in writing, insofar as ETA cannot receive applications until OMB has approved the ICR, and their submittals cannot conform to guidance not yet issued. We do take, however, from these state submittals that the basic information is readily available and can be collected sufficiently in response to the required data elements in an application without weeks of work.

The burden associated with operating the program is largely expected to fall into two components: an initial (and one-time) burden associated with establishing new procedures and possibly some automation to support them, as well as a records retention requirement that will feed into the evaluation and into periodic reporting. The initial (one-time start up) burden is estimated to be 160 hours per state and the ongoing record retention, being largely electronic, is expected to be 40 hours per calendar quarter.

The evaluation component is not something that will be regularly reported to ETA. Instead, states will verify that they can provide the data elements specified as part of the application package at the time the evaluation occurs. As a result, the record retention burden should cover the state efforts to meet this requirement to participate in evaluation of program results.

The reporting data, once it is defined and operating, is expected to take 40 hours per submission (once per calendar quarter). Most data requested will come from electronic sources and can be automated through scripts and queries. However, the data will span multiple systems (wage records, UI benefits, TAPR, WIASRD, Employer Tax, etc.) and will need to be compiled into a single location. So though the data is largely electronic, there will be some work in assembling and validating each report.

The law allows for up to ten states to participate in this program. As a result ETA would estimate the maximum possible Federal reporting burden placed on states by ETA for participating in this program as:

Burden Hour Summary on an Annualized Basis

Category	Respondents	Responses	Hours	Value of Respondent Time
Application Process	10	10	800	\$32,792
(start up)			1,600	\$65584
Records Retention(recordkeeping)			1,600	\$65584
Reporting	10	40	1,600	\$65584
Unduplicated Totals	10	50	5,600	\$229,544

The respondent costs estimated for these activities are based on the hourly rate of \$40.98. Any differences in ROCIS are due to rounding off of the cents portion.

- 13. Burden Costs. There are no burden costs. See also section 14 below.
- 14. Federal Annualized Costs. In the associated guidance, Section 7(i), the UIPL reads: States must propose what information they will collect and report, and a reporting format, to allow the Secretary to monitor progress of the demonstration project and to determine if it is adhering to the requirement that it will not result in any increased net costs to the state's account in the UTF. This program was specifically designed to operate on a revenue neutral or cost saving basis. Given that states will make this part of the planning for the project and reporting, it is anticipated that there will be no additional costs as a result of this program.
- 15. Changes in Burden. This is a new collection.

16. Publication. There are no plans to publish the data collected from this project at this time.
 17. Display of OMB Approval and Expiration. ETA will display the OMB control number and expiration date on the reporting facsimile form and application checklist.
 18. Certification Exceptions. There are no exceptions.
- B. Collections of Information Employing Statistical Methods
- Statistical methods are not employed for this report.