

**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.

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 need to collect information this information from employer operations.

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. Therefore ETA recently added 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. OMB approved this addition and now ETA requests a regular three year extension for the data collection as a whole.

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 a sixty day opportunity to review and comment through a notice in the *Federal Register* on June 22, 2012 (Vol. 77, p 37716). No comments were received.
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 report one additional cell on the workshare-specific ETA 5159 describing the number of employer agreements that states have. This change produced an additional ongoing burden related to the data acquisition and record keeping requirement on employer agreements. It was not envisioned that states previously had this information automated/electronically stored, however, given that the population of employers participating in this program was relatively steady, it was 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 would represent an additional 5 hours per report per state. Please note that this would only affect the workshare-specific ETA 5159, not any of the other reports.

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

$$3,180 \text{ hours} \times \$40.99/\text{hour} = \$130,348.20.$$

Burden Hour Summary on an Annualized Basis

Category	Respondents	Responses	Hours	Value of Respondent Time
Reporting of Regular 5159 (2 hrs. each)	53	636	1,272	\$52,139.28
Reporting of EB 5159 (2 hrs. each)	53	636	1,272	\$52,139.28
Reporting of STC 5159 (2 hrs. each)	53	636	1,272	\$52,139.28
Reporting of TEUC 5159 (2 hrs. each)	53	636	1,272	\$52,139.28
Reporting of EUC08 5159 (2 hrs. each)	53	636	1,272	\$52,139.28
Record Keeping Burden for ongoing STC Element (5	53	636	3,180	\$130,348.20

hours each)				
Unduplicated Totals	53	3,816	9,540	\$391,045.00

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 no program changes affecting burden. This ICR seeks a 25,440 burden reduction, because the one-time cataloging activities and programming changes have now been completed.
 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.
 18. Certification Exceptions. There are no exceptions.
- B. Collections of Information Employing Statistical Methods**
Statistical methods are not employed for this report.