**Unemployment Insurance (UI) Supplemental Funding Opportunity for Program Integrity and Performance and System Improvements**

**Supplemental Justification**

***Supplemental Supporting Statement A: Justification***

This request seeks OMB approval under the Paperwork Reduction Act for the unique information collection requirements in the Unemployment Insurance (UI) Supplemental Funding Opportunity for Program Integrity and Performance and System Improvements.

This is to notify State Workforce Agencies of the availability of Fiscal Year (FY) 2015 funds for activities that support the prevention and detection of UI improper benefit payments, improve state performance, and address outdated Information Technology (IT) system infrastructures.

On November 20, 2009, President Obama signed E.O. 13520, *Reducing Improper Payments*, which emphasized the need to eliminate waste, fraud, and abuse in federally administered programs while protecting access to these programs by their intended beneficiaries. Subsequently, the IPIA, as amended by IPERA and IPERIA, requires Federal agencies to review their programs and program activities, identify programs and areas that may be susceptible to significant overpayments, and develop and implement corrective action plans.

The UI Benefit Accuracy Measurement (BAM) program, which provides the basis for assessing the accuracy of UI payments, estimated the UI national improper payment rate to be 11.57 percent for the 2014 reporting period (11.16 percent overpayment rate plus a 0.41 percent underpayment rate). This translates to approximately $5.6 billion in improper payments nationally.

The Employment and Training Administration (ETA) has been working aggressively to reduce UI improper payments by collaborating with states. This federal-state partnership is working to implement ETA’s comprehensive strategic plan that targets the largest root causes of overpayments. The states are implementing these strategies through the Integrity Action Plans that are submitted annually as part of the State Quality Service Plan.

The funding range available for states is based on the estimated availability of above-base funding that is not needed to fund workloads experienced by the states.

Applications will include the following information collections: 1) Form SF-424 “Application for Federal Assistance,” separately cleared under OMB control number 4040-0004, 2) Project Budget, and 3) 2015 Supplemental Budget Request (SBR) Application.

**Electronic availability:**

This grant solicitation will be emailed directly to the State Workforce Agencies. Based on past experience, the Department anticipates 100 percent of responses will be submitted electronically by email to DOL.

**Small Entities:**

This information collection will not have a significant impact on a substantial number of small entities.

**Assurances of confidentiality:**

These grant solicitations do not offer applicants assurances of confidentiality.

**Special circumstances:**

This FOA implicates no special circumstances.

**Burden:**

Based on past experience, the DOL expects to receive approximately 50 applications from an equal number of respondents.  The ETA estimates public reporting burden for the information collection to average 20 hours per response for reviewing instructions, searching existing data sources, gathering and maintaining needed data, and completing and reviewing the collection of information.

50 applications x 20 hours = 1,000 hours.

The DOL has increased the October 2014, average hourly earnings in the professional and business services industry of $29.29 per hour by 40 percent (total $41.01 per hour) to monetize this burden.  *See The Employment Situation—October 2014*, DOL, Bureau of Labor Statistics, [http://www.bls.gov/news.release/archives/empsit\_11072014.pdf at page 32](http://www.bls.gov/news.release/archives/empsit_11072014.pdf%20at%20page%2032).

1,000 hours x $41.01 = $41,010.00

The DOL associates no other burden costs with this information collection. In addition to the application, each grantee will be required to submit quarterly financial, performance, and narrative reports to the ETA. Those information collection requirements will be cleared under a separate control number.

*Total burden: 50 respondents, 50 responses, 1,000 hours, $0 other cost burden.*

***Supplemental Supporting Statement B: Statistical Methods***

This information collection does not employ statistical methods.