

**SUPPORTING STATEMENT**  
**For Extension Request: Benefits, Timeliness and Quality (BTQ)**  
**Review System (OMB1205-0359), Part A**

**A. JUSTIFICATION**

1. Circumstances Making the Collection of BTQ Information Necessary.

The Secretary of Labor has a legal responsibility under the Social Security Act (SSA) Title III, Section 303(a)(1), for reimbursing to State Workforce Agencies (SWAs) the necessary costs of proper and efficient administration of state unemployment insurance (UI) laws. The Secretary must establish a means of measuring SWAs' "proper and efficient administration" to certify payments to states. Among other duties, the Secretary must also ensure that state laws conform to Federal law, and that states comply with them, in order for subject employers within the state to be allowed to receive offset credit under the Federal Unemployment Tax Act.

In support of these responsibilities, SSA Title III, Section 303(a)(6) authorizes the Secretary to require of SWAs the:

"...making of such reports in such form and containing such information, as the Secretary of Labor may from time to time require, and compliance with such provisions as the Secretary of Labor may from time to time find necessary to assure the correctness and verification of such reports."

The nature of the UI system, as administered under state laws in conformity with Federal provisions set forth in Title III of the Social Security Act and Sections 3303 and 3304 of the Internal Revenue Code of 1986 results in differences among state laws, policies, and operating methods. At the same time, however, the 53 SWAs perform similar functions and produce certain results in common for which minimum performance criteria may be applied and by which their relative effectiveness may be appraised and compared for purposes of their own internal management as well as Department of Labor (DOL) oversight. Notwithstanding the state differences, performance measures based on program outcomes are even more critical for assuring that the DOL's statutory oversight responsibilities are carried out. Program operating information is presently collected mainly in four ways: (1) through UI required reports (UIRR), (2) through the Benefit Accuracy Measurement (BAM) Program, (3) the Tax Performance System (TPS), and (4) the Benefits Timeliness and Quality (BTQ) Program. The BTQ performance measures are necessary to ensure that the UI program is properly administered. Good administration leads to public confidence in the UI program. Conversely, poor administration leads to a poor public image, fostering a lack of confidence in the UI program. SWA staffs also need to know the criteria against which the performance of their agency will be evaluated. The BTQ component provides these measures.

2. How, By Whom, How Frequently, and For What Purpose the BTQ Information is Used.

The information collected under the BTQ system has a number of uses. It is one of the primary means used by UI Regional and National Office staff to assess state performance levels and to ensure that the Secretary's legal oversight responsibilities for determining the proper and efficient administration of the UI program are carried out. SWAs also use the BTQ performance measures for their internal program assessment with the goal of continuous performance improvement. The information is collected monthly and quarterly as required for the UIRR system and for UI Performs, the performance management system for the UI program.

The BTQ results are used to facilitate state compliance with the terms of UI administrative grants. SWAs annually prepare State Quality Service Plans (SQSPs) (OMB approval No. 1205-0132), which contain required budget worksheets, corrective action plans, and state plan narratives that detail how the SWAs intend to improve deficient performance in specific program areas.

3. Consideration of Information Technology Used to Reduce Burden.

Almost all the data used in constructing the BTQ measures is produced in the states in the course of taking claims and paying benefits. Most BTQ measures are computed directly from required reports that are submitted electronically and allow SWAs to load data directly from files created on their computer systems. With the various BTQ promptness measures, most of the record keeping used in BTQ is already highly automated at the state level. In order to comply with the Government Paperwork Elimination Act, under BTQ, the quality assessments data are entered into the UIRR for electronic transmission, eliminating the need for handling, shipping and review of paper reports.

4. Efforts to Identify Duplication.

There is no duplication between the BTQ and any other data collection.

5. Impact of Collection of BTQ Information on a Substantial Number of Small Businesses or Other Small Entities.

The collection of information for the BTQ measures does not extend to small businesses or other small entities.

6. Consequences if the Collection is not Conducted or is Conducted Less Frequently.

If the collection of BTQ information is not conducted, DOL would have difficulty discharging its oversight responsibilities effectively and efficiently. The monthly and quarterly reporting system is necessary for producing a continuous, consistent database offering comparison of data from state to state showing seasonal and cyclical economic factors. Monthly and quarterly

collection of information will permit all the current oversight functions that coincide with the annual Federal budget cycle. This allows analysis and use of data for publication of an annual evaluation of state compliance with existing laws, reviewing SWA performance against BTQ measures, and monitoring SQSPs and performance improvements resulting from corrective actions undertaken.

7. Special Circumstances That Require the Collection to be Conducted in a Manner Inconsistent with General Information Collection Guidelines in 5 CFR 1320.5.

The BTQ information collection is consistent with the criteria outlined in section 1320.5, General Information Collection Guidelines, with the exception of the requirement of monthly collection of information as explained above. However, monthly collection of information is consistent with existing OMB approved UIRR reports such as ETA 5130, Benefit Appeals Report (OMB approval no. 1205-0172), and ETA 5159, Claims and Payment Activities (OMB approval no. 1205-0010).

8. Consultation on the Information Collection with Persons Outside the Agency.

In accordance with the Paperwork Reduction Act of 1995, the public was given a sixty-day opportunity to review and comment through the Federal Register process. The Notice was published July 16, 2013 (vol. 78, p. 42548 et seq.) No comments were received.

9. Payment/Gifts to Respondents

There are no payments to the respondents.

10. Confidentiality Provided Respondents.

While the system does not provide a confidentiality assurance to States, to ensure beneficiary confidentiality, BTQ data does not include claimant identifiers or claimant demographic data such as gender, race, ethnicity, date of birth, citizenship, or geographic location below the state level. Aggregate data are reported as the percentage of nonmonetary adjudications and lower authority appeals that receive passing scores in the quality review. Data are not reported for population demographic subgroups that could lead to the identification of individuals.

11. Sensitive Information.

Information contained in this report is not sensitive.

12. Estimates of Annualized Cost and the Hour Burden of Collection of Information.

a. Ongoing Annualized Costs

The estimated annual cost of BTQ in the states is \$1,672,655.16. Salary costs are calculated using an estimate of \$43.23 per hour for state employees for 38,692 burden hours. The average hourly wage for state workforce agency staff reflects the rate which was computed in the development of the FY 2014 state UI base administrative grants. SWA travel estimates of \$310,379, paid by DOL, are for state participation in the quality review of nonmonetary determinations.

b. One-time burden cost adjustment of 2 hours to cover meetings, and reports.

c. Estimates of Burden of Collection of Information

**Monthly Universe Measures: State Staff Hours per Year**

ETA Report	Measure	Number of Respondents	Reports Per Year	Total Responses	Hrs. Per Resp.	Total Hrs/Year
9050	First Payment Time Lapse, Core Measure	53	12	636	.5	318
9050	First Payment Time Lapse, Partial/Part Total Claims, Management Information Measure	53	12	636	.5	318
9050	First Payment Time Lapse, Workshare Claims, Management Information Measure	53	12	636	.5	318
9051	Continued Weeks Compensated Time Lapse, Management Information Measure	53	12	636	.5	318
9051	Continued Weeks Compensated Time Lapse, Partial Part/Total, Management Information Measure	53	12	636	.5	318
9051	Continued Weeks Compensated Time Lapse, Workshare, Management Information Measure	53	12	636	.5	318
9052	Nonmonetary Determinations Time Lapse, Detection Date, Core Measure	53	12	636	1.0	636
9054	Lower Authority Appeals Time Lapse, Management Information Measure	53	12	636	.5	318
9055	Lower Authority Appeals Case Aging, Core Measure	53	12	636	1.0	636
9054	Higher Authority Appeals Time Lapse, Management Information Measure	53	12	636	.5	318
9055	Higher Authority Appeals Case Aging, Core Measure	53	12	636	1.0	636
	<b>Subtotal</b>	53	NA	6996	NA	<b>0</b>

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**Quarterly Sample Review Measures: State Staff Hours per Year**

ETA Report	Measure	Number of Respondents	Sampled Cases Reviewed Per Year	Total Cases Reviewed Per Year	Hrs. Per Resp.	Total Hrs/Year
9056	Nonmonetary Determination Quality, Core Measure	27 Small States	240	6,480	1	6,480
9056	Nonmonetary Determination Quality, Core Measure	26 Large States	400	10,400	1	10,400
9057	Lower Authority Appeals Quality, Core Measure	44 Small States	80	3,520	3.5	12,320
9057	Lower Authority Appeals Quality, Core Measure	9 Large States	160	1,440	3.5	5,040
	<b>Subtotal</b>	53 (Unduplicated)	NA	21,840		<b>0</b>

Total burden hours for SWA BTQ activity each calendar year equal:

4452 (monthly responses hours) + 34,240 (reviews of sampled cases hours)  
= 38,692 Total Staff Hours. Continuing report generation costs are negligible for all measures except those based on samples. Most SWAs have automated the process of transferring report data from their mainframe computers to the SWAs' Sun ADP systems, which provide the interface to the UI database in the National Office.

13. Provide an Estimate of the Total Annual Cost Burden to the Respondents.

Other than the costs identified in item 12 above, there are no capital/start-up or maintenance/operations costs to respondents. The Department has determined that any additional costs incurred by States automate the process of transferring data from their mainframe to the SUN ADP system would not be considered an additional burden under the PRA; rather any additional effort would most appropriately be considered a usual or customary business practice that a respondent engages in for its own purposes. See 5 C.F.R. § 1320.3(b)(2).

14. Estimates of Annualized Cost to the Federal Government

The Federal cost of this paperwork burden is estimated at \$635,026. This includes the time for approximately eight National and Regional office staff to conduct BTQ activities at the average grade of GS-12. The time for BTQ activities include information collection and subsequent year-round analysis and technical assistance activity. The estimates of annualized cost to the Federal government are as follows:

Federal Salary (base)	\$598,976
Federal Travel	<u>36,050</u>
Total:	\$635,026

During FY2014, ETA has budgeted \$791,000 to operate and maintain the Unemployment Insurance Required Reports system. Including the subject ICR, this system supports 30 information collections. For administrative purposes, each information collection is assumed to contribute an equal share of the cost for supporting the entire system; therefore the cost allocated to this ICR is estimated to be \$26,367 (\$791,000 system cost/30 information collections). Therefore \$26,367 plus \$635,026 = \$661,393 for the total annualized costs.

15. Reason for Changes in Burden.

Sample sizes for the nonmonetary and appeals quarterly reviews are determined by workload. Because of the change in workload, there has

been a reclassification of some states from small to large resulting in a decrease in burden.

For nonmonetary determination quality, sample sizes are set annually and depend on the volume of nonmonetary determinations reported to the Department of Labor on the ETA 9052 reports for the prior calendar year. States are classified as large or small based on this caseload. Large states are those that issued 100,000 or more nonmonetary determinations in the prior calendar year. Small states are those that issued fewer than 100,000 nonmonetary determinations in the prior calendar year. Large states will draw a minimum sample of 100 determinations (50 separation issues and 50 nonseparation issues) per quarter for review. Small states will draw a minimum sample of 60 determinations (30 separation issues and 30 nonseparation issues) per quarter for review.

For lower authority appeals quality, all States (except those with a workload of more than 40,000 decisions in the prior fiscal year) will review a minimum of 20 randomly selected cases from each of the four quarters of the fiscal year. This is the minimum sample size needed for statistical validity of the results. The States, with annual workloads exceeding 40,000 cases will be required to select a 40 case sample per quarter to assure accurate results. The determination of sample size (20 or 40 cases per quarter) for each State for the calendar year will be made prior to end of the first quarter of each calendar year, based on the workload during the prior calendar year.

16. Information to be Published.

The BTQ measures results that are published as part of the UI Performs measurement system are posted to the DOL website. The general public can access the reports on the internet at <http://oui.doleta.gov/unemploy/performance.asp>. Data are updated and posted to the internet the day after receipt by the national office.

17. Waiver to not Display the Expiration Date.

ETA does not seek a waiver.

18. Exceptions.

There are no exceptions.