

Employers Survey of Short-Time Compensation Program

OMB SUPPORTING STATEMENT PRA PART A

This information collection request seeks Office of Management and Budget (OMB) approval to conduct an employer survey as part of the Employer Survey of Short-Time Compensation (STC) Program study in four STC participating states. This project will study employers' experiences, awareness, and perspectives on the STC Program.

1. Circumstances Necessitating the Data Collection

In February 2012, the Middle Class Tax Relief and Job Creation Act (MCTRJCA) of 2012 was signed into law. Section 2164 of the MCTRJCA of 2012 requires the Secretary of Labor to survey employers in all States to determine their level of interest in participating in the STC Program.¹ This data collection activity will help satisfy this requirement and assist the U.S. Department of Labor (DOL) in assessing employers' awareness, experiences, and interest in STC.

a. The STC Program

The STC Program, also known as "work sharing" or "shared work", provides an opportunity for employers to reduce layoffs by temporarily reducing work hours of some employees.² STC provides pro-rated unemployment insurance (UI) benefits for workers whose hours of work have been temporarily reduced. The U.S. program was first initiated in California in 1978 and a temporary national STC program was adopted in 1982 under the Tax Equity and Fiscal Responsibility Act (TEFRA, P.L. 97-248). The STC Program became permanent in Federal law in 1992, when states were permitted to adopt their own STC programs as part of State UI laws. Under Section 303(a) (5) of the Social Security Act and Section 3304(a) (4) of the Federal Unemployment Tax Act, the Unemployment Trust Fund can pay for STC. Each state has an account within the Fund from which it pays UI benefits.³ Currently, 25 states and the District of Columbia have STC provisions in their UI laws.⁴

b. The Study

The proposed study will examine employers' experiences, awareness, and perspectives of the STC Program in Kansas, Minnesota, Rhode Island, and Washington.⁵ Each of these four states

¹ Bill Summary & Status, 112th Congress, H.R 3630 CRS Summary, Middle Class Tax Relief and Job Creation Act of 2012, <http://thomas.loc.gov/cgi-bin/bdquery/z?d112:HR03630:@@D&summ2=4&>

² The terms *work sharing*, *shared work*, and *short-time compensation* tends to be used interchangeably; however, these three terms have different meanings. *Work sharing* and *shared work* refer to any arrangement an employer puts in place to reduce working hours over multiple employees in lieu of laying-off workers. *Short-time compensation* refers to the unemployment insurance payment made to employees participating in a work sharing or shared work program and that are eligible for benefits.

³ Wandner, S.A., 2008. Employment programs for recipients of unemployment insurance. *Monthly Labor Review*.

⁴ Prior to 2009, 17 states had STC language in their UI laws. These states were: Arizona, Arkansas, California, Connecticut, Florida, Iowa, Kansas, Maryland, Massachusetts, Minnesota, Missouri, New York, Oregon, Rhode Island, Texas, Vermont, and Washington. In 2009, Maine and Pennsylvania enacted programs. In 2010, Colorado, District of Columbia, New Hampshire, and Oklahoma adopted STC. In 2012, New Jersey and Michigan enacted STC bills.

⁵ ETA has received informal acknowledgement of these four states' desires to participate in this study and are currently seeking formal agreements with the state to participate. In the event that one or more states do not

has an active STC program. We will survey employers in these four states who have used the STC program, as well as employers who have not used the program. The study will focus on the following four research areas:

- Characteristics of employers participating in the STC Program.
- Extent of employer participation in the STC Program.
- Employers' awareness, experiences, and views of the STC Program.
- Employers' opinion about workers view of STC.

c. Data Collection

To address these research areas, ETA proposed to use the three data sources described below. These data sources consist of two secondary data sources and one primary data collection activity.

The two secondary data sources are the STC administrative records and the UI administrative data. This information is captured by the UI office as part of its normal functions. IMPAQ will be receiving a direct file transfer from the state to IMPAQ for the defined period via a secure file transfer protocol (FTP). A description of these two sources follows.

- **STC Administrative Records:** STC state administrative data provide information about the employers that apply to participate in the STC program and their employer identification number. Information captured by these applications includes the employers' contact information (including address, phone number, and e-mail), the employer identification number, basic descriptive information about the employer, and information about the employees included in the STC plan.⁶ This administrative data will be the primary data source for selecting employers who applied for STC program participation. We will also work with the states to collect information about employers not captured by the formal STC administrative records that the state maintains in the tax files or elsewhere. The administrative data will identify and include information on some employers who inquire about the STC Program, but do not formally apply. These data will be collected for calendar years 2009 through 2012 and will vary by state. The states will simply transfer the requested data to IMPAQ as direct file transfers. The Agency has obtained authorization for the underlying STC administrative records under control number 1205-0499; therefore, they are not part of this ICR.
- **UI Administrative Data:** All covered employers are eligible to participate in STC and states maintain UI records for all covered employers, both contributors and reimbursers, in the state. This information includes the employers' contact information and descriptive characteristics. We will use UI administrative data to identify a sample of employers that did not apply for the STC Program. The states will simply transfer the requested data to IMPAQ as direct file transfers. The Agency has obtained authorization for the underlying UI administrative records under control number 1205-0499; therefore, they are not part of this ICR.

formally agree to participate in the study, we will solicit participation from an alternative and comparable state.

⁶ The exact information captured by the STC program application form varies by state.

The primary data collection activity is a survey of employers. This information will be collected through the use of web and phone survey instruments. A brief description of what the survey will capture is included below.

- **Survey Data:** A survey will be administered to the universe of employers that applied for STC between 2009 and 2012. This instrument will collect information about the employer (e.g., firm size, firm age, industry, revenues), as well as information about their experiences, awareness, and perceptions of the STC Program. The survey will also be administered to the identified universe of employers that inquired with the state's STC office about STC, between 2008 and 2012, but did not formally apply to use the STC Program. In addition, a sample of employers that did not apply to participate in STC during this time period will also be asked to respond to the survey instrument. The primary mode of administering the survey will be Web-based. ETA will follow with a telephone survey for employers that do not respond to the Web-based survey.

2. How, by Whom, and For What Purpose Will the Information be Used

The survey instrument will be administered to employers in the four study states. Employers will be initially contacted via mail and e-mail, notifying them of the survey and asking for their participation to complete the survey. They will be directed to a Web address that will contain a Web-based survey instrument. Employers who do not complete the survey after this first contact attempt will be contacted two additional times requesting that they complete the Web-based survey. After this point, employers who did not respond to the Web-based survey will be contacted via telephone and asked to complete the survey either on the Web or by telephone. We will continue to attempt to contact non-responding employers multiple times in the event that they do not respond to the telephone request.

We will use the UI administrative data and employer survey data to gain knowledge about the employer's awareness and experience with the STC Program and to examine the factors related to the employer's decision to apply. Our analyses will include descriptive statistics (tabulations, means, standard deviations, etc.) of:

- All available employer characteristics (such as industry, number of employees, years in business, annual revenue, etc.).
- STC participation rates, such as the number of quarters in which the company used STC.
- Reasons for participating in the STC Program (for employers that participate), such as attempting to retain skilled workers, improving employee morale, and avoiding future recruitment and training costs.
- Reasons for not participating (for employers in STC states that do not participate), such as a lack of awareness of the program, the administrative burden of participation, higher UI taxes, or production technologies that limit the potential for reducing working hours.
- Employer, employee, and union interest (as reported by employers) in participating in STC.

In addition to descriptive analyses, we will use multivariate regression models to produce a more detailed characterization of the relationship between employer characteristics and applying to use the STC Program. The results of our analysis will help to assess whether there are significant differences in the likelihood of participation across employer characteristics. For example, we

will be able to assess whether larger firms are less likely to participate in STC than other employers, controlling for other employer characteristics.

3. Use of Improved Technology to Reduce Burden

Computer Assisted Web Interviewing (CAWI) and Computer Assisted Telephone Interviewing (CATI) will be used to help reduce the burden of this information collection activity.

CAWI will be used to interview employers. We selected CAWI because Web-based surveys are more cost-effective and impose a lower burden on respondents than in-person surveys. CAWI is more cost effective than paper and pencil interviewing for many reasons, including the fact that CAWI programs accept only valid responses and can be programmed to check for logical consistency across answers. CAWI also allows respondents to self-administer the survey at a time and pace that is most convenient for them. CAWI software can accommodate multiple languages to be as inclusive as necessary.

CATI will be used to follow up with sample members who do not respond to the CAWI survey. CATI has many of the benefits of CAWI. Interviewers can correct errors during the survey, eliminating the need to call respondents a second time to obtain missing data. In addition, we will make calls through an auto-dialer linked to the CATI system, virtually eliminating dialing error. In addition, the automated call scheduler will simplify scheduling and rescheduling calls to respondents at their convenience and can assign cases to specific interviewers; for example, those who work in the evening or those who are fluent in Spanish.

4. Efforts to Avoid Duplication

The survey will collect key information about sampled employers that the Agency believes is not captured elsewhere. The Agency believes no other survey data collection effort has been conducted or has been planned to collect similar information for this population.

The study will use STC and UI administrative records data where possible; however, these records only capture basic information about employers, application for the STC Program, and use of the STC Program. While these administrative data are an important supplementary data source for the ongoing examination of employers' use of the STC Program, they do not provide information about the employers' awareness, perceptions, and experiences with the STC Program, the primary focus of this study. Conducting this survey will capture this information.

5. Methods to Minimize Burden on Small Businesses or Entities

Some sample members will be small businesses or entities as described in general in the Small Business Act (15 U.S.C. section 632). However, completing the survey will not have a significant economic impact on them. Use of CAWI and CATI, rescheduling calls to meet respondents' schedules, and assigning cases to specific interviewers for employers with specific needs (e.g., those who work in the evening or need foreign language assistance) reduce respondent burden and improve data quality by providing a flexible format.

6. Consequences of Not Collecting the Data or Collecting Less Frequently

Information captured by the survey will be the primary source of information for sampled employers and is the only data source that will capture information related to the study's research

areas of focus. Specifically, the survey data will be the primary source of information on the following research areas:

- Characteristics of firms participating in the STC Program.
- Extent of participation in the STC Program.
- Employers' awareness, experiences, and views of the STC Program.
- Employers' views on employees' opinions of the STC Program.

If the survey were not conducted, detailed information needed to address these research areas would not be ascertained. Information will only be captured once.

7. Special Data Collection Circumstances

The data will be collected in a manner consistent with federal guidelines. This is a single data collection request and respondents will only have to provide the information once. Respondents will not be required to physically provide hard copies of any information requested nor will respondents be required to retain records as a result of their participation in this survey. The survey does not request information which may be considered proprietary trade secret(s).

The policies, procedures, and technologies IMPAQ employs to ensure the security and privacy of data are compliant with Federal Information Security Management Act of 2002 (FISMA) and Federal Information Processing Standards (FIPS) 199, *Standards for Security Categorization of Federal Information and Information Systems*. In addition we will comply with all data security policies and procedures referenced in the RFTOP at all times while working under this contract. IMPAQ shall exercise due care to protect all Personally Identifiable Information from unauthorized physical and electronic access. All data stored on IMPAQ's network are encrypted. Our encryption mechanisms comply with FIPS 140-2 requirements.

8. Federal Register Notice

The Federal Register notice soliciting sixty days' public comments was published on August 7, 2013 (vol. 78, p. 48199). ETA received one comment, from Allen Walker of the Employment Security Department, Unemployment Insurance Division in Olympia, Washington. He is in favor of this proposed study. His comment is included in this ICR.

9. Respondent Payments

No payments or incentives will be offered to respondents.

10. Describe Any Assurance of Confidentiality Provided to Respondents and the Basis for Assurance in Statute, Regulation, or Agency Policy

Respondents will be informed that their responses will be kept private to the extent permitted by the law. All employers interviewed will be informed that the information collected will not be attributable directly to the respondent and will only be discussed among members of the evaluation team. Terms of the DOL contract authorizing data collection require the contractor to maintain the privacy of all information collected, unless written permission is provided by the program applicant or participant. Accordingly, individuals' data will be kept private and protected to the extent permitted by law.

a. Protection of Personal Information

Telephone surveys will be conducted by IMPAQ staff at IMPAQ's call center in Columbia, MD. It is IMPAQ's policy to efficiently protect all information and data, in whatever media they exist, in accordance with applicable Federal and state laws and contractual requirements. All program participants will receive unique identification codes which will be stored separately from personally identifying information. Researchers from IMPAQ who play a role in data collection and analysis will be trained in proper procedures for data handling and will be prepared to describe these procedures in full detail, and to answer any related questions raised by survey respondents. Access to all data that identify respondents will be limited to IMPAQ staff that has a data collection or analysis role in the project, unless written permission is provided by the survey respondent. Such data will be needed for assembling records and assuring data alignment. Any data sent to DOL will not contain personal identifiers or any other identifier that would allow individual identification of study participants, except as authorized in writing by the program applicant or participant.

In conjunction with IMPAQ's data policy, all staff members are required to:

- Comply with a Privacy Pledge and Security Manual procedures to prevent improper disclosure, use, or alteration of private information. Staff may be subjected to disciplinary and/or civil or criminal actions for knowingly and willfully allowing the improper disclosure or unauthorized use of information.
- Access information only on a need-to-know basis when necessary in the performance of assigned duties.
- Notify their supervisor, the Project Director, and the organizational Security Officer if information has either been disclosed to an unauthorized individual, used in an improper manner, or altered in an improper manner.
- Report immediately to both the Project Director and the organizational Security Officer all contacts and inquiries concerning information from unauthorized staff and non-research team personnel.

b. Protection of Data

The security procedures implemented by IMPAQ cover all aspects of data handling for hard copy and electronic data. We will ship all hardcopy materials to the contractors using Federal Express or an equivalent system that enables package tracking. We will investigate immediately if any item is delayed or lost. When not in use, all completed hardcopy documents will be stored in locked file cabinets or locked storage rooms. Unless otherwise required by DOL, these documents will be destroyed when no longer needed for the project.

c. Background checks and security

Evaluation team members working with this data will have previously undergone background checks that may include filling out an SF-85 or SF-85P form, authorizing credit checks, or being fingerprinted.

11. Questions of a Sensitive Nature

This employer survey contains a minimal set of items that may be considered sensitive in nature. These questions relate to the success of the employer's business and may include information about the employer's level of sales. All questions in the current survey, including those deemed potentially sensitive, have been pretested on five employers. Questions about the success of the business are necessary to determine whether the success of the business is a significant factor in STC Program participation; consequently, obtaining that information is necessary for the overall study to have practical utility. All data obtained as part of these interviews will be warehoused in a manner which ensures the security and confidentiality of the data and is compliant with FISMA.

12. Participant Hour Burden of the Collection of Information

The total participant burden for information collected in this survey is 1,280 hours as shown in Table 1. The estimated average time of completion per respondent is estimated to be 24 minutes.

Table 1: Burden Hour Estimates

Cite/Reference	Total Respondents	Frequency	Total Responses	Average Time per Respondent	Burden (hours)
STC Survey	3,200 ⁷	Once	3,200	24 minutes	1,280

The total burden cost of collecting this information is \$68,800. This cost represents 24 minutes to complete the survey multiplied by the number of completers (3,200) and by an estimated average hourly wage for Human Resource Managers of \$53.75 per hour.⁸ The average hourly wage was estimated using the latest BLS Occupational Employment Statistics and adjusted for inflation. The anticipated survey respondent for employers is the Human Resource Manager.

The Agency claims no burden under the PRA for States to provide UI or STC administrative data, as this aspect of the information collection will not ask identical questions of ten or more respondents. See 5 CFR 1320.3(c), especially paragraph (c)(4).

13. Estimated Total Annual Cost Burden to Respondents and Record-keepers

There will be no start-up or ongoing financial costs incurred by respondents and record-keepers.

14. Estimated Annualized Cost to the Federal Government

The cost to the Federal Government of conducting the survey is \$240,606, the total contractor cost of conducting the survey, or \$120,303 annualized for each of the two years that the project will be active. Of this, roughly \$102,257 will be used in direct labor costs and \$18,045 will be used as other direct costs, respectively, each year.

⁷ Our goal is to have an 80 percent response rate from a sample of 4,000 employers, yielding 3,200 completed surveys.

⁸ BLS, "Occupational Employment Statistics - May 2012 National Occupational Employment and Wage Estimates United States", http://www.bls.gov/oes/current/oes_nat.htm

15. Changes in Burden

This is a new, one time data collection effort adding 1,280 hours to ETA's Information Collection Budget.

16. Tabulations, Publication Plans, and Project Schedule

a. Tabulations

ETA will use the survey and administrative data to produce a set of descriptive analyses about the sampled employers. These analyses will provide a comprehensive narrative of characteristics of employers participating in the STC Program; the extent of employer participation in the STC Program; employers' awareness, experiences, and views of the STC Program; and, employers' opinions about their workers view of STC. The analyses will include tabulations, means, standard deviations, and other employer distribution statistics including revenue, number of employees, industry, and location.

b. Publication Plans

The final report will be submitted in June 2014. The report will include background on STC and the MCTRJCA of 2012; objectives of the study; process of implementing the employer survey; descriptions of the data sources used; the state selection process; and results from the employer survey. A public use dataset will be prepared from the survey data and administrative data, along with a data dictionary and other documentation. All directly identifying information will be removed. All indirect identifying information will be recoded and combined to de-identify the dataset. The final report will be also published at the Employment and Training Administration, Office of Policy Development and Research Web site. Information in this report will be aggregated to a level in which no single employer can be identified.

c. Time Schedule

The project is slated to begin in July 2013 and will end in June 2014. The sample intake period will begin once OMB approval is obtained and last roughly four months, however this open window may be extended to ensure a sufficient response rate. A final report will be presented to DOL by June 2014.

17. Reasons for Not Displaying Expiration Date of OMB Approval

The expiration date will be displayed on the advance letter and on the Web-based questionnaire.

18. Exceptions to the Certification Statement

There are no exceptions taken.