

2014

SUPPORTING STATEMENT

Interstate Arrangement for Combining Employment and Wages

OMB 1205-0029

A. Justification

1. Explain the circumstances that make the collection of information necessary.

Section 3304(a)(9)(B), of the Internal Revenue Code (IRC) of 1986, requires States to participate in an arrangement for combining employment and wages covered under the different State laws for the purpose of determining unemployed workers' entitlement to unemployment compensation. The Interstate Arrangement for combining Employment and Wages (CWC), promulgated at 20 CFR 616, requires the prompt transfer of all available employment and wages between States upon request. The Benefit Payment Promptness Standard, 20 CFR 640, requires the prompt payment of unemployment compensation including benefits paid under the CWC arrangement. Section 303(a)(6) of the Social Security Act grants authority to the Secretary to require State to report program information as deemed necessary.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the Agency has made of the information received from the current collection.

The administration of this program is complex and difficult due to the involvement of more than one State in each determination. All States involved in each claim must take a number of actions and make decisions before a monetary determination can be issued. CWC claims are processed under the Interstate and Intrastate programs and include the use of Federal military and civilian employment and wages, which require special handling, as well as State covered employment and wages.

Specific information concerning the CWC program is not available from any other source. This information is necessary in order for ETA to analyze program performance, know when program performance action plans are needed and to target technical assistance resources. Without this report, it would be impossible for the ETA to identify activity under the CWC program and carry out the Secretary's responsibility for oversight.

The ETA 586 report provides the ETA/Office of Workforce Security (OWS) Division of Unemployment Insurance Operations (DUIO) with information necessary to measure the scope and effect of the program and monitor the performance of each State in responding to wage transfer request and the payment of benefits.

The UI Benefit Timeliness and Quality system uses the data to determine which States must submit plans for corrective action in the State Quality Service Plans (SQSP) process (OMB 1205-0132).

The OWS/DUIO staff and Regional Office Staff use this information to monitor States' on-going performance, to determine technical assistance needs, to respond to inquiries, to determine program emphasis needs, and to measure the impact of performance under this program on the States' ability to comply with the performance criteria of the Benefit Payment Promptness Standard, 20 CFR 640.

The data accumulated at State level is used by the State agency as the basis for staffing patterns in claim centers, to determine training needs and to monitor performance. For example, claim centers with a high volume of combined claims would need more and better trained staff due to the volume and complexity of the claims workload and the greater amount of time necessary to process these types of claims.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection.

States are free to take advantage of any available technology to generate the report data. State Unemployment Insurance programs benefit from computer hardware and software developed by ETA that provides for data storage, data collection and data processing. ETA provides computers and a software system to all states, and that system is, generally speaking, the only method by which states may report data. When a state logs into the system, they see facsimiles of the reports and do entry either directly into those facsimiles or by loading pre-formatted, delimited ASCII files exported from their computer systems into the software to populate the reporting interface. The only State that does not report electronically is the Virgin Islands.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

This information is not duplicated in any other report.

5. If the collection of information impacts small business or other small entities, describe any methods used to minimize burden.

Information collection does not involve small business.

6. Describe the consequences to Federal program or policy activities if the collection is not conducted or conducted less frequently, as well as any technical or legal obstacles to reducing burden.

Reporting less frequently than quarterly would hamper identification of problems and lengthen the time between the problem arising and solution.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

This report complies with 5 C.F.R. 1320.5.

8. If applicable, provide a copy and identify the data and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to the notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instruction and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every three years – even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

ETA consults with the National Association of State Workforce Agencies (NASWA), Interstate Benefit Committee, 444 North Capitol Street, Suite 142, Washington, D.C., on the operation and reporting of activities of this program. During the last three year cycle, no comments from NASWA were received during consultations that suggested changes to this collection. A notice was published in the *Federal Register*, Vol. 78, No. 240, Page 75948, on December 13, 2013, for the opportunity of sixty days' public comment. No comments were received.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

There are no payments to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or Agency policy.

There are no assurances of confidentiality.

11. Provide additional justification for any question of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private.

Data collection does not involve questions of a sensitive nature.

12. Provide estimates of the hour burden of the collection of information.

Respondents are the 53 State agencies, including the District of Columbia, Puerto Rico, and the Virgin Islands. The respondents report quarterly to ETA/OWS. These reports are completed with data retrieved from the State agencies' central computer records of the claims processed under this program. It is estimated that the burden for the preparation of this report is as follows:

Responses

<u>Form</u>	<u>Respondents</u>	<u>Per Year</u>	<u>Response</u>	<u>Burden Hours</u>
ETA 586	53	212	4 hours	848

Average number of responses per respondent: 4

Average burden hour per response: 4 hours

Estimated annual burden cost: 848 hours x \$43.23* per hour = \$36,659. This estimate is arrived at by multiplying the annual burden hours by the FY 2014 average hourly wage for state workforce agency staff that was computed in the development of the FY 2014 state UI base administrative grants. The Federal government pays the salaries of the state staff via administrative funds, so there is no direct cost to the states.

* The hourly rate is computed by dividing the FY 2014 national average PS/PB annual salary for state staff as provided for through the distribution of state UI administrative grants (\$73,972) by the estimated number of hours worked in a year (1,711). See U.S. Department of Labor, Employment and Training Administration, UIPL 23-13, Fiscal Year (FY) 2014 State Workforce Agency Unemployment Insurance (UI) Resource Planning Targets and Guidelines, Attachment 1, FY 2014 Detailed State Base Staff Planning Levels, http://wdr.doleta.gov/directives/attach/UIPL/UIPL_23_13.pdf , page 7.

Calculation: \$73,972 (Average annual salary for State staff) ÷ 1711 hours (estimated average annual work time) = \$43.23 per hour.

All burden estimates originated with state provided feedback on the actual burden involved with reporting. Decomposing the actual burden into constituent parts such as computer automation, human file sorting, human review and meetings is difficult in that it varies from state to state. We do know that most states use the ASCII load function so it is safe to assume to that the automated generation of the numbers themselves, the formatting of those numbers and the loading into the interface is all done in a matter of seconds by computer automation. This implies that the bulk of the time is spent

reviewing the reports, and identifying and correcting errors.

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information.

There are no record keeping or other costs as States maintain this data to operate their programs.

14. Provide estimates of annualized cost to the Federal Government.

Federal Burden for Data Collection: ETA 586.

Annual Burden Hours: 40 (10 hours per quarter).

Estimated Annual Salary Cost to Review Data: \$1,643.

Note: The estimated cost is based upon the annual salary for a Washington, DC based GS-12, Step 5 at \$41.07 per hour. (See Office of Personnel Management Salary Table 2014-GS, http://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2014/DCB_h.pdf). $\$41.07 \times 40 \text{ hours} = 1,642.80$.

The data is received and stored on Department owned computer equipment along with all other Unemployment Insurance Reports data.

Although no staff are required to process this report, during FY2014, ETA 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 ($\$791,000 \text{ system cost} / 30 \text{ information collections} = 26,366.67$).

Total Federal costs are estimated to be \$28,010. $\$1,643 + 26,367 = 28,010$.

15. Explain the reasons for any program changes or adjustments.

The burden remains unchanged.

16. For collection of information whose results will be published, outline plans for tabulation and publication.

No publication is planned.

17. If seeking approval to not display the expiration date of OMB approval of the information collection, explain the reasons that display would be inappropriate.

We display the expiration date for OMB approval.

18. Explain each exception to the certification statement in ROCIS.

There are no exceptions.

B. Collection of Information Employing Statistical Methods.

This collection does not involve statistical methods.