

SUPPORTING STATEMENT
(Employment and Training Administration Financial Report Form ETA-9130)
OMB CONTROL NO. 1205-0461

This Information Collection Request (ICR) is being submitted in association with a Proposed Rule to implement the Workforce Innovation Opportunity Act of 2014. The Department of Labor asks that the Office of Management and Budget conclude its review by filing comment on this ICR in accordance with 5 CFR 1320.11(c).

A. JUSTIFICATION

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

The Employment and Training Administration (ETA) seeks approval of a revision to Financial Report Form ETA-9130. With the passage of the Workforce Innovation and Opportunity Act (WIOA, PL 113-128; 20 CFR 667.210), there are numerous new statutory requirements that impact financial reporting. Requirements, statutory citations, and the act's impact on reporting are discussed in #12 below. WIOA maintains the varied administrative cost limitation requirements specified in WIA. See below:

WIOA Sec. 128. (b)(4)(A)

(4) LOCAL ADMINISTRATIVE COST LIMIT.—

(A) IN GENERAL.—Of the amount allocated to a local area under this subsection and section 133(b) for a fiscal year, not more than 10 percent of the amount may be used by the local board involved for the administrative costs of carrying out local workforce investment activities under this chapter or chapter 3.

WIOA Sec. 129. (b)(3)

(3) LIMITATION.—Not more than 5 percent of the funds allotted to a State under section 127(b)(1) (C) shall be used by the State for administrative activities carried out under this subsection or section 134(a).

WIOA Sec. 134 (a)(3)(B)(i)

(B) LIMITATION.—

(i) IN GENERAL.—Of the funds allotted to a State under sections 127(b) and 132(b) and reserved as described in sections 128(a) and 133(a)(1) for a fiscal year—

(I) not more than 5 percent of the amount allotted under section 127(b)(1);

(II) not more than 5 percent of the amount allotted under section 132(b)(1); and

(III) not more than 5 percent of the amount allotted under section 132(b)(2),

may be used by the State for the administration of statewide youth workforce investment activities carried out under section 129 and statewide employment and training activities carried out under this section.

WIA Sec. 128. (b)(4)(A)

(4) LIMITATION.—

(A) IN GENERAL.—Of the amount allocated to a local area under this subsection and section 133(b) for a fiscal year, not more than 10 percent of the amount may be used by the local board for the administrative cost of carrying out local workforce investment activities described in subsection (d) or (e) of section 134 or in section 129(c).
WIA Sec. 134 (a)(3)(B)(i)

(B) LIMITATION.—

(i) IN GENERAL.—Of the funds allotted to a State under sections 127(b) and 132(b) and reserved as described in sections 128(a) and 133(a)(1) for a fiscal year—
(I) not more than 5 percent of the amount allotted under section 127(b)(1);
(II) not more than 5 percent of the amount allotted under section 132(b)(1); and
(III) not more than 5 percent of the amount allotted under section 132(b)(2),
may be used by the State for the administration of youth activities carried out under section 129 and employment and training activities carried out under this section.

These requirements are met with a line item for Total Administrative Expenditures, thus providing a mechanism for assessing compliance with these requirements. The new limitations and baselines on funds in WIOA require further breakouts to the obligations and expenditures lines.

Additionally, the financial reporting requirements for Federal programs prescribed by the Office of Management and Budget (OMB) have changed with the implementation of the Uniform Guidance, which went into effect on December 26, 2014, replacing numerous previously applicable Circulars. These changes affect both the ETA-9130 reporting form and its instructions.

This information collection supports regulations 20 CFR §§ 681.430, 683.150, 683.200, 683.300, 683.730, 683.740, 683.750 and 29 CFR §§ 95.52 and 97.41.

- 2. Explain how, by whom, how frequently, and for what purpose the information will be used. If the information collected will be disseminated to the public or used to support information that will be disseminated to the public, then explain how the collection complies with all applicable Information Quality Guidelines.**

ETA uses the data collected to assess the effectiveness of ETA programs and to monitor and analyze the financial activity of its grantees. Pre-designed software is provided to the grantees to reflect the requirements of ETA 9130 so that the required data is reported directly into the E-Grants Grantee Reporting System by the grant recipients.

This data collection format permits ETA to evaluate program effectiveness, monitor compliance with statutory limitations, and to analyze financial activity, while complying with OMB efforts to streamline Federal financial reporting.

- 3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological techniques or other forms of information technology.**

The focus of all ETA reporting has been to provide ease and simplicity for the grantees. At each point of data entry, the specific instruction relating to the required data element can be viewed by the

grantee. The timeliness of financial data has increased significantly with electronic financial reporting. Financial reporting training is a continuing effort within the ETA community. This training provides a more consistent understanding of the required data elements, as well as ensuring an understanding of the electronic reporting process. Training is both online and in-person. Finally, detailed instructions for filling out the ETA-9130 financial report are available on-line at http://www.doleta.gov/grants/financial_reporting.cfm. This training will be updated once OMB approves the ETA 9130 with WIOA added data fields. The currently approved versions of the ETA 9130 are uploaded in this ROCIS submission. We are in the process of adding data fields for WIOA requirements.

4. Describe efforts to identify duplication.

ETA grantees are using an OMB approved program-specific reporting format report on the ETA 9130, which is the only source for collecting required financial data from these grantees. This form is nearly identical to the SF-425 Financial Reporting form. The only additions are the lines to collect data required in WIOA.

5. If the collection of information involves small businesses or other small entities, describe the methods used to minimize burden.

This data collection does not impact significantly on small entities. Grantees must secure, however, the necessary data from all subrecipients to roll into grantee level required reporting formats.

6. Describe the consequences to the Federal program or policy activities if the collection is not conducted or is conducted less frequently.

Failure to collect this required financial data, and/or to collect it less frequently than quarterly, would violate the OMB Uniform Guidance, ETA program statutes, regulations, and/or individual grant agreements, all of which set forth financial reporting requirements. In particular, ETA must report to Congress quarterly on WIOA-stipulated financial data, including compliance with prescribed limitations.

7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with OMB guidelines.

There are no special circumstances.

8. Provide information on the PRA Federal Register Notice that solicited public comments on the information collection prior to this submission. Summarize the public comments received in response to that notice and describe the actions taken by the agency in response to those comments.

Concurrent with submission of this ICR submission, ETA issued a Notice of Proposed Rulemaking that provides a 60-day period for the public to comment on the proposed change to the collection of information. In addition, the NPRM instructed that comments on the information collections in the proposed rule could be sent directly to OMB during a 30-day period.

Training and technical assistance has been and will continue to be provided to grantee personnel who are, or in the future may be, involved in ETA financial reporting. (Response to item 3. above describes on-going training efforts.) Continuous communication in the forms of training and providing one-on-one technical assistance for grant recipients is part of ETA’s strategy to streamline and simplify all reporting efforts, while increasing the overall integrity of the reported data.

9. Explain any decisions to provide payments or gifts to respondents, other than remuneration of contractors or grantees.

There are no payments or gifts to respondents other than remuneration of contractors or grantees.

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

This collection of information does not include confidential information.

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

There are no questions of a sensitive nature.

12. Provide an estimate in hours of the burden of the collection of information.

Please see the reporting burden estimate below:

DOL-ETA reporting burden for ENTITIES REPORTING ON ETA-9130 FINANCIAL STATUS REPORT			
	Annual		
	Program Year (PY)	Fiscal Year (FY)	Total
Number of grantees reporting	848	848	848
Average number of reports per grantee per year	4	4	8
Average number of hours required for reporting per quarter per report (previously the estimate was .5 hours per report)	¾ hr.	¾ hr.	¾ hr.
Average number of hours required for reporting per grantee per year	¾ hr x 4 hrs = 3 hrs.	¾ hr x 4 hrs = 3 hrs.	3 + 3 = 6 hrs.
Average number of hours required for reporting burden per year	2,544	2,544	2,544 hrs + 2,544 hrs = 5,088 hrs

The above data represents average burden figures for all ETA programs reporting on the U.S. DOL ETA Financial Report. Also included in the total are ETA programs that report both program year (PY) and fiscal year (FY) dollars simultaneously per quarter, as discussed in more detail below.

Programs considered in this compilation are: State Employment Security Agencies (SESAs) which are comprised of three components: Wagner Peyser Employment Service (ES), Unemployment Service (UI), and Trade Program Grant Agreements (TAs); as well as Workforce Innovation and Opportunity Act Youth, Adult and Dislocated Worker; Workforce Innovation and Opportunity Act discretionary grants, and H-I B Grants. Estimates also include provision for other miscellaneous grants which are yet to be funded, but which will report on the Basic 9130 Financial Report.

ETA has approximately 848 active grantees. The number may increase or decrease from year to year due to funding for discretionary grant awards or other special circumstances. For example, the number increased under the ARRA with the award of additional grants and funds. However, ETA believes that the estimate of 848 grantees continues to represent an average number of grants per year.

ETA's annual figures must include both a FY and PY breakout. ETA's tracks funds based upon funding stream as appropriated and by fiscal year and program year. The 9130 reports for PY and FY are submitted simultaneously. All grantees submit ETA 9130 data for each stream of funds four times per year. The result is that ETA estimates a total of 8 reports per grantee per year.

ETA strives to reduce reporting time for our grantees. Several sections of the 9130 have pre-filled line items or automatically calculated line items, which is convenient and time saving for our grantees. Given the new WIOA requirements, it will take the grantees on average 45 minutes to fill out one 9130 report, which averages out to approximately three hours per year (4 reports per year at 45 minutes per report). On average, 5,088 hours is the estimated annual reporting burden. The calculation is based on an average of 6,784 reports received per year ((848 grant X 4 PY = 3392) + (848 grants X 4 FY = 3392) = 6784) at 45 minutes per report ((6784 reports x 45 min./report) / 60 min. = 5,088 hours). Most of our grantee personnel submitting the 9130 reports are accountants. According to the Bureau of Labor Statistics (<http://www.bls.gov/oes/current/oes132011.htm#nat>), the May 2013 national mean hourly wage estimate for this occupation is \$34.86. Therefore, it is estimated that the annual cost for the burden hours of grantee staff completing ETA-9130 data is approximately \$177,367.68.

13. Provide an estimate of the total annual cost burden to the respondents or record-keepers resulting from the collection (excluding the value of the burden hours in #12 above).

There are no other costs.

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

ESTIMATED ANNUAL FEDERAL COST					
Estimated number Federal staff that review and certify reports	Average Federal Grade Level	Estimated number of hours per quarter to review and accept reports	Estimated number of hours per year to review and accept report	Hour wage rate for federal staff	Estimated Federal Cost Per Year
40	GS 13 Step 1	80	12,800	\$44	\$563,200

There are approximately 40 Federal staff who, as Financial Analyst/Federal Project Officers (FPOs), review and accept the ETA-9130 cost reports submitted by the grantees quarterly. The average Financial Analyst/FPO personnel is a GS-13 step 1, with an estimated hourly rate of \$43.52, rounded to \$44 (http://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/15Tables/html/DCB_h.aspx) Based on ETA’s reporting instructions, it takes Fiscal/FPO staff approximately 80 hours (10 days x 8 hours per day = 80 hours) to review and accept the ETA-9130 reports quarterly. Annually, it takes approximately 12,800 hours to review and accept reports (80 x 4 quarters x 40 federal staff). At \$44.00 per hour, the estimated annual cost to the federal government is \$563,200.

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

As mentioned in #1 above, WIOA imposes new requirements that impact financial reporting. The new limitations and baselines on funds in WIOA require further breakouts to the obligations and expenditures lines.

The estimated additional time burden was calculated based on the following rationale:

Average number of line items to be completed by grantees per (currently approved) ETA-9130 report	14
Timeframe approved in previous submission (incl. public comment period) for completion of one ETA-9130 report	30 minutes
Average timeframe for completion of one line item	2.14 minutes
Average number of new line items required by WIOA	7.15
Average timeframe required for completion of <i>new</i> line items	15minutes
Total average time required for completion of one revised ETA-9130 report	45 minutes

An inadvertent calculating error in ROCIS shows that the responses were 3,392 and the total annual burden hours were 1,696. In fact, according to the supporting statement submitted with the ICR, those numbers should have been doubled, since the quarterly submissions are done twice: for the program year and also for the fiscal year. Therefore those figures should have been approved at

6,784 annual responses and 3,392 burden hours (at half an hour per response). This submission corrects that inadvertent error.

ETA-9130 Summary of Changes

Due to the programmatic requirements in the Workforce Innovation and Opportunity Act (WIOA), a separate report has been created for National Dislocated Worker Grants.

Further, ETA Form 9130 has been brought into compliance with WIOA through the addition of the following reporting line items (as applicable to the individual programs):

Indirect Cost Expenditures

New indirect cost reporting line items have been added to ETA Form 9130 in an effort to streamline Federal financial reporting and make ETA Form 9130 more closely resemble the already existing SF- 425 report (OMB 0348-0061).

Federal Share of Unliquidated Obligations for Pay-for-Performance Contracts

The funds reported in this line item are a portion of the funds reported in the pre-existing line item 'Federal Share of Unliquidated Obligations'. It is necessary to break the pay-for-performance share of obligations out, because **WIOA Sec. 189 (g)(2)(D)** stipulates that funds for pay-for-performance contract strategies remain available until expended. This affects the Youth, Adult, and Dislocated Worker programs.

Pay-for-Performance Contract Expenditures

WIOA Sec. 129. (c)(1)(D) and **WIOA Sec. 134. (d)(1)(A)(iii)** sets an expenditure cap of ten percent of the amount of Federal funds provided to carry out the Youth, Adult, and Dislocated Worker programs in the State for a fiscal year.

Work Experience Expenditures

WIOA Sec. 129 (c)(4) stipulates that a minimum of twenty percent of Federal funds provided to carry out the local Youth program in the State for a fiscal year must be expended on work experience activities.

In-School Youth Expenditures

The calculation to determine out-of-school youth expenditures is out-of-school youth expenditures divided by in-school plus out-of-school youth expenditures. Because **WIOA Sec. 129 (a)(4)(A)** requires seventy-five percent of the funds be spent on out-of-school youth and only statewide youth funds spent on direct services to youth count towards the seventy-five percent expenditure rate, in-school youth expenditures must be collected in order to determine the total percentage of out-of-school youth funds expended.

Out-of-School Youth Expenditures

WIOA Sec. 129 (a)(4)(A) stipulates that a minimum of seventy-five percent of statewide and local Youth funds provided to carry out the program in the State for a fiscal year must be expended on out-of-school youth. This requirement was previously only applicable to local funds and the minimum was thirty percent of local funds.

Transitional Jobs Expenditures

WIOA Sec. 134 (d)(5) sets an expenditure cap of ten percent of the amount of Federal funds provided to carry out the Youth, Adult, and Dislocated Worker programs in the State for a fiscal year.

Incumbent Worker Training Expenditures

WIOA Sec. 134 (d)(4)(A)(i) sets an expenditure cap of twenty percent of the amount of Federal funds provided to carry out the Adult program in the State for a fiscal year.

Summary of New Reporting Line Items

9130 Report	Indirect Cost Expenditures	Federal Share of Unliquidated Obligations for Pay-for-Performance Contracts	Pay-for-Performance Contract Expenditures	Work Experience Expenditures	Out-of-School Youth Expenditures	In-School Youth Expenditures	Transitional Jobs Expenditures	Incumbent Worker Training Expenditures	Trade Adjustment Assistance Training Expenditures
Basic	X								
Local Youth		X	X	X					
Local Adult		X	X				X	X	
Local Dislocated Worker		X	X				X	X	
Statewide Youth	X				X	X			
Statewide Adult	X								
Statewide Dislocated Worker	X								
Statewide Rapid Response	X								
Employment Services & Unemployment Insurance	X								
National Farmworker Jobs Program	X								
Older Worker Program	X								
Indian and Native American Program	X								

16. For collections whose results will be published, outline the plans for tabulation and publication.

The information collected will not be published.

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

The expiration date will be included on the forms associated with this ICR.

18. Explain each exception to the certification statement identified in Item 19 of the OMB 83-I.

There are no exceptions.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

The collection does not employ statistical methods.