

**Supporting Statement  
Unemployment Insurance Trust Funds  
OMB Control No. 1205-0199**

**A. Justification.**

1. *Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.*

Title XII, [Section 1201](#) of the Social Security Act (SSA), 42 U.S.C. 1321, provides that advances (loans) shall be made to states from the Federal Unemployment Account (FUA). The law further sets out specific requirements to be met by the states before such advances can be made, e.g.,

- The Governor must apply for advances.
- The application must cover a three month period.
- The Secretary of Labor must be furnished with estimates of the amounts needed in each month of the 3 month loan period.
- Although there is no regulatory requirement, the actual number of respondents can vary based on the latest economic conditions; therefore, a PRA clearance is needed.

Section 1201(a)(3) further states "For purposes of this subsection --

(A) an application for an advance shall be made on such forms, and shall contain such information and data (fiscal and otherwise) concerning the operation and administration of the State unemployment compensation law as the Secretary of Labor deems necessary or relevant to the performance of his duties under this title.

(B) the amount required by any State for the payment of compensation in any month shall be determined with due allowance for contingencies and taking into account all other amounts that will be available in the state's unemployment fund for the payment of compensation in such month, and

(C) the term 'compensation' means cash benefits payable to individuals with respect to their unemployment exclusive of expenses of administration."

[Section 1202\(a\)](#) of the SSA, 42 U.S.C. 1322, provides that the Governor of any state may at any time request that funds be transferred from the account of such state to the FUA in repayment of part or all of the balance of advances made to such state under Section 1201, specified in the request.

The Solicitor of Labor has determined that, for the state to legally meet the requirements of Sections 1201 and 1202, an electronic signature meets the requirement that an original letter signed by the Governor of the state, or the person to whom this authority has been officially delegated by the Governor, is the acceptable legal document.

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 information provided by the Governor or State workforce Agency Representative is used by the Department of Labor, Employment and Training Administration (ETA), Office of Workforce Security (OWS), as follows:

- As a control to assure that the loan or repayment request is legal;
- For fund control purposes for the FUA and statistical data pertaining to loans, repayments, etc.;
- As the basis for triggering further instructions to the U.S. Treasury Department, Bureau of Fiscal Service (BFS) authorizing transfer of the amounts certified for advance from the FUA to the state's account in the Unemployment Trust Fund (UTF), or transfer of requested voluntary repayment amount(s) from the state's account in the UTF to the FUA;
- As the basis for providing instructions to the U.S. Treasury Department, BFS authorizing the creation of sub-accounts within the state Unemployment Insurance Trust Fund that will ensure the proper categorization of funds and enable the states to use those funds for purposes other than benefit payment and not have them affect the potential or actual calculation of a loan balance
- Transfer of the amounts certified for advance from the FUA to the state's account in the UTF, or transfer of requested voluntary repayment amount(s) from the state's account in the UTF to the FUA; and
- To assure that benefit payments can continue to be made in states whose funds have become insolvent.

If this collection was not conducted, states would have no mechanism to request loans, request voluntary repayment of outstanding advances, or to partition funds for approved purposes other than benefit payment within their Unemployment Insurance Trust Fund.

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. Also describe any consideration of using information technology to reduce burden.*

Only the Governor of the state, or the person to whom this authority has officially been delegated by the Governor, can legally request Title XII advances or authorize

repayments from the state's account in the UTF. Original signature letters or electronic signature letters requesting action are required.

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.*

There is no duplication of effort involved in the request or repayment procedures.

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

The information collection does not impact small businesses or other small entities.

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

All states are potential borrowers. Only borrowing states are subject to the repayment provisions of the SSA. The need for advances or the ability to repay advances is determined by the state through constant monitoring of the unemployment rate, benefit claims loads, collections of unemployment insurance contributions from employers, and expenditure of unemployment funds for benefit payments. All of these functions are ongoing in every state as a part of everyday operations. When there are insufficient funds in a state's unemployment fund to meet benefit payment obligations, the agency prepares a letter to the Secretary of Labor to be forwarded over with the signature of the Governor requesting repayable interest-bearing advances. Conversely, if a borrowing state determines that there are sufficient funds in its unemployment fund to do so, a letter requesting a voluntary repayment (partial or in full) of outstanding advances is prepared to the Secretary of Labor over the signature of the Governor of the state or his designate. There is no regular schedule for submission of requests by states.

Similarly, distributions from federal accounts or general revenue to state Unemployment Insurance Trust Funds are highly unpredictable, occurring only two or three times in the last decade. The need for correspondence from states authorizing the U.S. Treasury Department, BFS to manage the state account in a particular way will flow from these congressionally mandated distributions.

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

This information collection is necessary to satisfy the statutory requirements of the SSA. The state is actually the party requesting either an advance, a partitioning of revenue, or authorization to repay. Without the state - generated request there would be no transaction. Requests for advances or voluntary repayments are based on states' need or ability to repay. There are no anticipated circumstances that would require respondents

to prepare a written response outside of the specific conditions described above. Only original letters or electronic signature letters from the Governor or his designate are required. The letter may be faxed, scanned or emailed to expedite the review and approval process. Record retention requirements are no longer than three years. There are no pledges of confidentiality, and no confidential or personal information is required.

8. *If applicable, provide a copy and identify the date 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 that 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 instructions 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 3 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.*

As required by 5 CFR 1320.8(d), a Federal Register Notice regarding the extension of this information collection was published for sixty days' public comment on May 14, 2015 (80 FR 27707 ). No comments were received.

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

No payment or gift is provided to respondents, other than remuneration of contractors or grantees.

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

No assurance of confidentiality is provided and no confidential information is collected.

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. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.*

There are no items to be completed on the forms which involve sensitive information of a private nature or otherwise.

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

Based on the latest economic assumptions provided by the Office of Management and Budget, DOL currently projects that on average, 5 states could borrow during each calendar year. Although it's impossible to know the exact number of responses, the maximum would be 4 requests for advances and 4 requests for voluntary repayments per state applicant each year. This will result in an average of 40 responses per year.

Average Time Per Response: 1 hour.  
 Estimated Annual Burden Hours: 40

In addition, DOL estimates that each state that borrows will provide an additional letter to create sub-accounts that clarify which monies in their trust funds are subject to loan calculations and which are not. DOL does not anticipate this being a recurring burden, but rather a one-time response within the next three years. In keeping with our estimates above, we anticipate 5 states will send a letter requesting creation of a sub-account within their unemployment trust fund.

Average Time Per Response: 1 hour.  
 Estimated Annual Burden Hours: 5

Total Estimated Annual Burden Hours: 45

Activity	Respondents (Average)	Responses Per Respondent (Advance & Repayments)	Total Annual Responses	Time Per Response	Total Burden Hours	Hourly Value*	Monetized Burden Hours (Rounded to nearest \$)
States Borrowing	5	8	40	1hr	40	47.20	\$189,000
Sub-acct.	5	1	5	1hr	5	47.20	\$240
Total Non-Duplicated	5	NA	45		45		\$189,240

\*Source: The hourly rate is computed by dividing the FY 2016 national average PS/PB annual salary for state staff as provided for through the distribution of state UI administrative grants ([http://wdr.doleta.gov/directives/attach/UIPL/UIPL\\_19-14 Attachment I Acc.pdf](http://wdr.doleta.gov/directives/attach/UIPL/UIPL_19-14_Attachment_I_Acc.pdf)) by the average number of hours worked in a year 1,711. For FY2016, this calculation was: \$80,756 / 1,711 = \$47.20.

13. *Provide an estimate for the total annual cost burden to respondents or record keepers resulting from the collection of information. (Do not include the cost of any hour burden already reflected on the burden worksheet).*

There are no capital costs or startup costs. Total costs consist of the preparation and submittal of required correspondence to request authorization for advances, repayment of outstanding advances, or partitioning of funds within an account.

14. *Provide estimates of annualized costs to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information.*

The cost to the federal government to receive, control, process and certify authorized loan and repayment amounts to the Secretary of the Treasury, advise states of actions taken, maintain records of transactions, perform statistical analyses of data and prepare regularly scheduled reports is estimated to be \$2,030.80 annually (calculation was : 8hrs x 5states x \$50.77per hr. =\$2,030.80). For purposes of this estimate, ETA assumes the work will be performed by a GS-13, step 6 employee in Washington, DC.

\*Source: The hourly rate of \$50.77 was obtained from the OPM salaries and wage table ([https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2015/DCB\\_h.pdf](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2015/DCB_h.pdf)).

15. *Explain the reasons for any program changes or adjustments reported on the burden worksheet.*

The number of respondents can change based on the latest economic assumptions provided by the OMB, however there are no actual changes to the collection.

16. *For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.*

There are no plans to publish the correspondence received.

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

There is no form on which the states submit requests for this information. ETA will include information on the estimated average response time, OMB collection number and expiration date in any future Unemployment Insurance Program Letters to states on this topic.

18. *Explain each exception to the topics of the certification statement identified in “Certification for Paperwork Reduction Act Submissions.”*

There are no exceptions.

- B. This collection does not employ statistical methods.**