

Supporting Statement
ETA 204, Report on Experience Rating
OMB 1205-0164

A. Justification

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

ETA 204, the Experience Rating Report, provides the Employment and Training Administration (ETA) with the data to measure the variations in assigned contribution rates which result from different experience rating systems. Section 303 of the Social Security Act (SSA 303(a)(6)) authorizes ETA to collect this information.

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 204, when used in conjunction with Quarterly Census of Employment and Wages (QCEW) (OMB No. 1220-0012), provides data to ETA to study the impact of seasonality, stabilization, expansion or contraction on employment and payrolls and the degree to which these affect employer experience with unemployment. The data are used to provide an indication of whether solvency problems exist in the State's Trust Fund accounts and in analyzing factors which give rise to solvency problems; the data allows for an evaluation of the effectiveness of the approaches taken to correct the problem using modeling techniques. The data also are the basis for estimating state average tax rates for the subsequent tax year. Finally, the data are the basis for the publication of the yearly report of Significant Measures of State UI Tax Systems, which provides information necessary to evaluate the extent to which benefits are effectively charged, no charged and ineffectively charged. Thus, the foregoing information is of value to ETA in analyzing statutory provisions regarding experience rating in preparing recommendations or advising states on proposed legislation involving experience rating, and in responding to legislation involving experience rating, and in responding to inquiries from state agencies, employer groups, unions, and other interested individuals. Further, the data are a vital part of a state's management information system and a tool for the administrator and legislators to assess the state experience rating system.

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.

States generate the ETA 204 electronically at the state level, and it is downloaded electronically at the National Office.

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4. Description of Effort to Identify Duplication.

This is the only such collection of this information. No similar information is available elsewhere.

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

Collection does not involve small business or other small entities.

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

Less frequent collection of the annual 204 report would render the data useless for several reasons. The 204 report is based on capturing data attributable to a specific tax rate year because each state sets its employer unemployment insurance tax rates annually- assigning each employer a specific tax rate for four quarters. By collecting data over several years the information for a single tax rate year would either be unidentifiable or unusable if it was combined with data for other tax rate years and certainly less valuable if it was reported by rate year over several years since it would be so out of date.

Additionally, this report is a primary source of data for estimating UI revenues for Federal budget purposes. The accuracy of these important estimates would be severely constrained if the report was submitted less frequently than on a yearly basis. Finally, the data are also used to produce the yearly "Significant Measures of State UI Tax Systems Report", this report, used by many stakeholders, could not show meaningful changes to a state's trust fund revenue and solvency without annual data.

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

Collection is conducted in a manner consistent with guidelines in 5 CFR 1320.5

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

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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), ETA solicited comments on the proposed extension of approval for the ETA 204 through a sixty-day notice published in the Federal Register on November 26, 2014 (Vol. 79, page 70568). 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 has been provided to respondents.

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

There is no assurance of confidentiality. However, the detail of the data reported by the States is broad enough to preclude any identification of individual firms or business entities, thus effectively conferring anonymity at the firm level.

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 questions of a sensitive nature.

12. Provide estimates of the hour burden of the collection of information. The statement should:

The ETA 204 report is computer-generated in the states. Therefore, the only time normally required would be that needed to electronically submit the report run. Based on past experience, this takes approximately 30 minutes per state or, for all states, 26 hours: 53 respondents x 1 report per state x .5 hours per state.

Burden Associated with Site Selection Activities Table

Activity	Respondents	Responses per Respondent	Total Number of Responses	Response Time (Hours)	Total Burden Hours	Time Value*	Monetized Burden Hours (Rounded to nearest \$)
Reporting of 204	53	1	53	.5	26.5	\$44.69	\$1,184

***Source:** The hourly rate is computed by dividing the FY 2015 national average PS/PB annual salary for state staff as provided for through the distribution of state UI administrative

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grants (http://www.ows.doleta.gov/dmstree/uipl/uipl2k14/uipl_1914.pdf) by the number of hours worked in a year (1,711). For FY 2015, this calculation was: \$ 76,461 / 1,711= \$44.69

Note the federal government provides the administrative funding that covers salaries of state staff, so this data collection does not represent a direct cost to the state.

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 other costs than those described in 12 above.

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.

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 system cost/30 information collections).

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

There are no changes in burden.

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.

Selected data, along with the Significant Measures of State Unemployment Insurance Tax Systems derived from the data, are published once each year. Using data from the ETA 204 report, the Significant Measures of State Unemployment Insurance Tax Systems is published once a year on the OUI website. Using data from the ETA 204 states estimated average tax rates are also published once a year on the OUI website. There are no complex analytical techniques used, beyond simple addition, subtraction and multiplication.

- May 15 – States Estimated Average Tax Rates published
- July 31 - Significant Measures of State Unemployment Insurance Tax Systems published

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.

The Department intends to display approval information.

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18 Explain each exception to the topics of the certification statement identified in “Certification for Paperwork Reduction Act Submissions” (5 CFR 1320.9).

There are no exceptions.

B. Collection of Information Employing Statistical Methods.

Statistical methods are not used in the collection of ETA 204 information.