

SUPPORTING STATEMENT
ETA 5159, CLAIMS AND PAYMENT ACTIVITIES
OMB 1205-0010

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.*

The ETA 5159 report provides important program information on claims taking and benefit payment activities under state/federal unemployment insurance laws. These data are needed for budget preparation and control, program planning and evaluation, personnel assignment, actuarial and program research, and for accounting to Congress and the public. This collection is authorized under the Social Security Act, Title III, Section 303(a) (6) and the Middle Class Tax Relief and Job Creation Act of 2012, Pub. L. 112-96 Section 2165(a)(3).

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 collected on ETA 5159 report is heavily used in the development of actuarial estimates of UI benefit outlays, claims levels and administrative workloads needed for the federal budget process and legislative proposals. These data also allow for analysis of past and current labor market conditions.

The key data elements used for state UI benefit estimates include first payments, final payments, weeks claimed, weeks compensated, and benefits paid. State level benefit payments are also needed to make estimates of potential Title XII advances and loan repayments.

The national estimates of benefit outlays and loans, combined with revenue projections, are used to analyze the solvency of the federal accounts in the Unemployment Trust Fund (UTF) and to determine potential need for general revenue advances. Monthly benefit outlay estimates are also required for the U.S. Treasury Department A-34 process.

With respect to workload projections, weeks claimed and initial claims are the items used from the ETA 5159. These projections are key elements in formulation of budget requests to OMB for the State UI and ES Operations (SUIESO) appropriations.

Weeks claimed and initial claims are also key elements used for the allocation of base administrative funds to the states. Univariate time series forecasting models incorporate

the historical data to produce state-by-state estimates of these items, which feed into the process to allocate administrative funding to state workforce agencies. The data collected on this report are also the most frequently requested items from the public because they measure the flows into and out of the UI program, and contain important UI program and economic measures. Monthly reporting is essential to assure accurate forecasting and timely labor market information.

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.*

States have been reporting this data electronically to the National Office for a number of years. All states have available the ability to access the National Office UI reporting system which accepts files generated by a state computer thus eliminating the need to hand enter data.

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 data is not available from other sources in the detail needed. Weeks claimed and initial claims are collected on the weekly ETA 539 and ETA 538 (OMB no. 1205-0028) as well as the ETA 5159. Data from the ETA 539 is used to calculate the 13-week average insured unemployment rate trigger used for extended benefits. The ETA 538 provides advance figures on initial claims and the insured unemployed so that this economic data will be available to the public timely. However, the ETA 538 and ETA 539 reports do not contain the detailed information requested for the ETA 5159. While the ETA 5159 provides more detailed information than the ETA 538 or ETA 539, it does not provide the timeliness that the weekly ETA 538 and ETA 539 do.

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

There is no impact on small businesses. The data that is being collected here is not from the businesses themselves, but from the agreements that have been entered into between the businesses and the states. As a result, the businesses that elect to enter into STC arrangements with state workforce agencies (SWAs) will not be contacted or impacted. The data that the Employment and Training Administration (ETA) is proposing to elect would simply be from state records.

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.*

This is the most basic report of the unemployment insurance system reporting. It contains the majority of the data elements used to determine state administrative budgets. Trends are much harder to predict with four data points a year (quarterly reports) rather than with twelve data points a year (monthly reports). Because the vast majority of states get this information from computer programs that are already available, the additional burden is negligible. Making twelve computer runs rather than four has very little impact on the state, while the loss of those data points would greatly weaken Department's ability to accurately predict program activity. Furthermore, unlike burden on businesses or individuals, states are funded to collect and report this data through their annual UI administrative grant.

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

The collection is consistent with 5 CFR 1320.5 except that monthly frequency is requested based on the rationale provided in item 6 above.

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.

In accordance with the Paperwork Reduction Act of 1995, the public was given a sixty day opportunity to review and comment through a notice in the *Federal Register* on March 2, 2015 (80 FR 11229). No comments were received.

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

No payments are made to respondents.

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

The ETA 5159 reports contain no personal or confidential data.

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:*

States use electronic reporting as a part of their normal data processing operations. The reporting involved in this collection does not involve manual tabulation, but pre-programmed and automated scripts that aggregate transactions that are stored in the state mainframe as a result of daily processing of claims from unemployed people in the state. Based on previous experience and ad hoc conversations with State Workforce Agency (SWA) personnel, it is estimated that the burden for running an extract from the state system, reviewing it, and uploading it into the ETA reporting system takes approximately two hours. This is independent of program type as the burden is largely administrative in generating the extract and reviewing it for quality assurance purposes.

ETA currently maintains 3 possible ETA 5159 reports: the regular program, the Federal-state Extended benefits (EB) program, and the Workshare/STC. Though states only need to submit EB reports when there is activity and not all states participate in workshare, the maximum possible burden states could encounter would be submitting all 3 reports, 12 months a year, at two hours per submittal. ETA would estimate the maximum possible Federal reporting burden placed on states by ETA as a result of this collection to be:

53 states x 12 reports/year x 3 programs x 2 hours per submittal = 3,816 hours

In monetizing the burden, ETA assumes State Workforce Agency staff will typically

prepare the responses. Based on cost accounting systems, and for all program planning and policy purposes, ETA estimates that for FY 2015, the average wage of a state workforce agency employee, including fringe costs, is \$44.69. ETA believes the value of State respondent time to be:

$$3,816 \text{ hours} \times \$44.69/\text{hour} = \$260,696.$$

In addition to the basic burden imposed by this collection, and as a direct result of requirements in PL 112-96, states report one additional cell on the workshare-specific ETA 5159 describing the number of employer agreements that states have. This change produced an additional ongoing burden related to the data acquisition and record keeping requirement on employer agreements. It was not envisioned that states previously had this information automated/electronically stored, however, given that the population of employers participating in this program was relatively steady, it was envisioned that once states have dealt with any uptake issue as a result of Federal Incentives that the basic additional reporting burden of this added element would represent an additional 5 hours per report per state. Please note that this would only affect the workshare-specific ETA 5159, not any of the other reports.

$$53 \text{ states} \times 12 \text{ reports/year} \times 1 \text{ program (STC)} \times 5 \text{ hours per submittal} = 3,180 \text{ hours}$$

$$3,180 \text{ hours} \times \$44.69/\text{hour} = \$142,114.$$

Burden Associated with Site Selection Activities Table

Form Name	Number of Respondents	Number of Responses	Total Burden Hours	Average Hourly Wage Rate value	Value of Respondent Time
Reporting of Regular 5159 (2 hrs. each)	53	636	1,272	\$44.69	\$56,846
Reporting of EB 5159 (2 hrs. each)	53	636	1,272	\$44.69	\$56,846
Reporting of STC 5159 (2 hrs. each)	53	636	1,272	\$44.69	\$56,846
Record Keeping Burden for ongoing STC Element (5 hours each)	53	636	3,180	\$44.69	\$142,114
Unduplicated Totals	53	2,544	6,996	\$44.69	\$312,652

ETA 5159, Claims & Payment Activities
OMB Control# 1205-0010
Expires:10/31/15

*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 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 \text{ hours} = \44.69 per hour.

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. UI required reports are paid for by monies allocated to states for administration from the Federal Government. There are no breakouts for specific reports. This is a well established report so there are no start-up costs.

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. . Agencies may also aggregate cost estimates from Items 12, 13, and 14 in a single table.*

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._*

Previously information was collected for participants eligible for EUC08 and TEUC, however those programs have expired and data collection is no longer necessary.

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.*

Results are published in the UI Data Summary and in the annual Handbook 394, Unemployment Insurance Financial Data; also, much data is provided in response to special requests.

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._*

ETA displays OMB control number and expiration date on the ETA 5159 form that is shown to users. A menu option has been incorporated into the UI electronic

reporting system which provides access to a complete listing of OMB control numbers and expiration dates for all required reports, including the ETA 5159.

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

There are no exceptions.

B. Collections of Information Employing Statistical Methods

Statistical methods are not employed for this report.