

SUPPORTING STATEMENT
Labor Exchange Reporting System (LERS)
OMB Control No. 1205-0240

A. Justification

This is a justification for the Department of Labor, Employment and Training Administration's (ETA) request for a three year extension of the Labor Exchange Reporting System (LERS) without change. The ETA 9002 and VETS 200 (constructed through LERS) reports collect data on individuals who receive core employment and workforce information services through the public labor exchange and VETS funded labor exchange of the states' One-Stop delivery systems.

A.1 Circumstances Necessitating Data Collection

The Labor Exchange Reporting System (LERS) is the only current mechanism for collecting performance information on Wagner-Peyser Act Employment Services and Jobs for Veterans' state grants' activities. As such, this set of reports is necessary for tracking and reporting, to stakeholders, information on the usage, services provided, and performance of these programs. More specifically, these reports are used to monitor the core purpose of the program – mainly, tracking how many people found jobs; did people stay employed; and what were their earnings. The three-year extension will cover the time period between the expiration of the current collection and implementation of a new collection required under the Workforce Innovation and Opportunity Act (WIOA). Once the new WIOA collection is implemented, ETA will request a discontinuation of the LERS collection; however the agency seeks the full three-year authority should there be an unforeseen problem in promulgating the WIOA Final Rule.

Information is collected on the ETA 9002 and VETS 200 Reports under the following authority:

A. Wagner-Peyser Act sec.3(a), 29 U.S.C. 49b(a)

“The Secretary shall assist in coordinating the State public employment services offices throughout the country and in increasing their usefulness by developing and prescribing minimum standards of efficiency, assisting them in meeting problems peculiar to their localities, promoting uniformity in their administrative and statistical procedures, furnishing and publishing information as to opportunities for employment and other information of value in the operation of the system and maintaining a system for clearing labor between the States.”

B. Wagner-Peyser Act sec. 3(c), 29 U.S.C. 49b(c)

“The Secretary shall –
(2) assist in the development of continuous improvement models for such nationwide system that ensure private sector satisfaction with the system and meet the demands of job seekers relating to the system.”

C. Wagner-Peyser Act sec. 7(b), 29 U.S.C. 49f(b)

“Ten percent of the sums allotted to each State pursuant to section 49e of this title shall be

reserved for use in accordance with this subsection by the Governor of each such State to provide

(1) performance incentives for public employment service offices and programs, consistent with the performance accountability measures that are based on indicators described in section 116(b)(2)(A)(i) of the Workforce Innovation and Opportunity Act, taking into account direct or indirect placements (including those resulting from self-directed job search or group job search activities assisted by such offices or programs), wages on entered employment, retention, and other appropriate factors.”

D. Wagner-Peyser Act sec. 10(c), 29 U.S.C. 49i(c)

“Each State receiving funds under this Act shall –

(1) make such reports concerning its operations and expenditures in such form and containing such information as shall be prescribed by the Secretary, and

(2) establish and maintain a management information system in accordance with guidelines established by the Secretary designed to facilitate the compilation and analysis of programmatic and financial data necessary for reporting, monitoring and evaluating purposes.”

E. Wagner-Peyser Act sec. 13(a), 29 U.S.C. 49l(a)

“The activities carried out pursuant to section 7 shall be subject to the performance accountability measures that are based on indicators described in section 116(b)(2)(A)(i) of the Workforce Innovation and Opportunity Act.”

F. Wagner-Peyser Act sec. 15(e)(2)(I), 29 U.S.C. 49l-2(e)(2)(I)

“(e) State responsibilities. –

(2) Duties. – In order to receive Federal financial assistance under this section, the State agency shall—

(H) utilize the quarterly records described in section 136(f)(2) of the **Workforce Innovation and Opportunity Act** to assist the State and other States in measuring State progress on State performance measures.”

G. Provisional Guidance on the Implementation of the 1997 Standards for Federal Data on Race and Ethnicity, Executive Office of the President, Office of Management and Budget (66 FR 3829-3831); and Revisions to the Standards for Maintaining, Collecting, and Presenting Federal Data on Race and Ethnicity, (62 FR 58781-58790).

H. Priority of Service for veterans in Department of Labor job training programs sec. 38 U.S.C. § 4215(a)(2).

I. Public Law 112-56, Sections 238 and 239, Title II.

Regulations 20 CFR part 666 also under pin this information collection by [insert reason].

A.2 How, by Whom, and For What Purpose the Information is to be Used

Each quarter, states and territories submit data on individuals and employers who receive core employment and workforce information services through the public Employment Service and the

Jobs for Veterans' state grants activities available through the states' One-Stop delivery systems. These data – submitted to the Department via the ETA 9002 and Veterans' Employment and Training Services (VETS) 200 reports – are used by ETA and VETS to evaluate performance and delivery of labor exchange and employment services within the One-Stop delivery system.

ETA and VETS use the data to track total participants, aggregate information about characteristics, services and outcomes of job seeker customers. Additionally, ETA and VETS analyze the data to determine the delivery of core labor exchange services; to study performance outcomes vis-à-vis performance measures, and state policies and procedures; and to help drive the workforce investment system toward continuous improvement of outcomes and integrated service delivery. Within ETA, the data are used by the Office of Workforce Investment, the Office Unemployment Insurance, the Office of Financial and Administrative Management, the Office of Policy Development and Research, and the Office of Regional Management (including the regional offices). Other Departmental users include the Office of the Assistant Secretary for Employment and Training and the Office of the Assistant Secretary for Policy.

The reports and other analyses of the data are made available to the states, members of Congress, veterans' organizations, research firms and others needing information on public employment and workforce information services. Information about labor exchange and employment services for veterans are provided to Congress to meet VETS reporting requirements codified in Title 38 of the United States Code (U.S.C.).

A.3 Use of Technology to Reduce Burden

In recent years ETA has streamlined the collection of participant data and the preparation of quarterly performance reports to the extent feasible by providing uniform data elements and data definitions to states, and through the use of technology. All ETA 9002 and VETS 200 reports are submitted to ETA via the Internet. However, it is left to the states and local areas to decide the best technology for collecting individual case management data given their unique circumstances and resource availability.

The LERS, an automated reporting system, has been in use since 2001. ETA developed software for its Data Reporting and Validation System (DRVS) to assist states and territories with generating and validating the quarterly 9002 and VETS 200 reports. This software produces the reports in facsimile format as well as in a file format that can be uploaded directly to LERS. This software was phased out in Program Year (PY) 2011. ETA developed new data validation software that is web-based and requires only an upload of the underlying individual record files. Since 2002, states and territories have used LERS to upload the quarterly ETA 9002 and VETS 200 reports. With the implementation of the new electronic DRVS (eDRVS), the report generation and submission occurs upon upload of the individual record files. As such, ETA reduced the burden of reporting and automated report generation through this process, while at the same time, collecting and reporting the additional requirements.

A.4 Efforts to Identify Duplication

Information provided through the ETA 9002 and VETS 200 reporting system (LERS) is not

available through any other data collection and reporting systems.

A.5 Methods to Minimize Burden on Small Businesses

Small businesses and other small entities will not be affected by collection of this information.

A.6 Consequences of Less Frequent Data Collection

The prior implementation of common measures in the Wagner-Peyser Act funded public labor exchange and VETS funded labor exchange enhanced DOL's ability to assess the overall effectiveness and impact of the workforce investment system, including the performance of the system in serving individuals facing significant barriers to employment.

Performance and other relevant data for the Wagner-Peyser Act funded public labor exchange and employment service and the Jobs for Veterans' state grants are reported to DOL via the ETA 9002 and VETS 200 reports. If the collection is not conducted quarterly, then DOL cannot meaningfully assess the impact of the national public employment and workforce information services on job seekers and employers for effectiveness and program management purposes. The inability to utilize accurate and current program information to develop strategies for continuous improvement could negatively affect labor exchange performance and future Congressional appropriations.

Both the DOL and recipient states and territories are mandated by various program-specific legislative acts, as well as the Government Performance and Results Act of 1993 (GRPA), to establish performance standards and make available reports concerning operations and expenditures.

A.7 Special Circumstances for Data Collection

These data collection efforts do not involve any special circumstances.

A.8 Federal Register Notice and Consultation Outside the Agency

A Pre-clearance Notice was published in the Federal Register on June 11, 2015 (80 33292). A comment was received from one researcher who uses LERS datae.

Public Comment Summaries	ETA Response
The commenter, while generally supportive of the ICR, expressed concern that the 60-day PRA notice for LERS does not discuss recently legislated changes in the Wagner-Peyser Act (in accordance with the WIOA amendments) and the implications of these changes for LERS.	Currently, the Departments of Labor and Education are working on a joint performance information collection request that will incorporate the LERS collection activities. At this time, ETA does not wish to make any changes to LERS because the LERS collection will be discontinued after the WIOA requirements are fully implemented. The suggested considerations will be incorporated in an upcoming WIOA information collection request.

A.9 Payment of Gifts to Respondents

There are no special payments to respondents other than the formula funds and incentive funds provided for in the authorizing statutes.

A.10 Confidentiality Assurances

No confidentiality assurance is provided to States in their reporting. All data submitted to ETA is aggregated, and does not include any identifying information for individuals.

A.11 Additional Justification for Sensitive Questions

There are no sensitive questions included in the proposed data collection.

A.12 Estimates of the Burden of Data Collection

The annual national burden for the current LERS has three components: (1) collecting and maintaining job seeker data; (2) collecting and maintaining job openings data; and (3) the quarterly summary report burden.

Integral to the common measures is the interplay between state reporting systems for Wagner-Peyser Act funded public labor exchange and employment services and Jobs for Veterans' state grants activities and the reporting systems of partner programs, as job seekers may be referred to other American Job Center partner programs for services. Thus, it is necessary to consider both the local and state level steps needed to collect data on labor exchange and employment service data. This interplay of multiple reporting systems adds a level of complexity to data collection and reporting functions.

(1) Job Seeker Data Collection Burden

The job seeker data collection burden considers the amount of information collected and reported on the ETA 9002 A through F and VETS 200 A through C reports that would not have to be collected by the states as part of their customary and usual burden to run the program. Thus, the burden reflects the information collected solely to comply with the Federal reporting requirements.

The data collection burden varies by job seeker because it is based on the intensity of services provided and the number of elements applicable to the job seeker. For example, LERS requires the collection of several types of staff assisted service dates, if applicable. On the other hand, web based registrations and the use of wage records for measuring outcomes minimize the burden of data collection. No additional reports or items have been added to any reports since the submission of the previous supporting statement in 2012. (Quarterly Report Burden).

Record Type	Minutes Per Record	PY 13 Annual National Participant Count	Annual National Burden Hours	Applicable Hourly Rate	Annual National Burden Dollars
Data Input Employees - state-run programs	1	16,878,178	281,303	\$25.50	\$7,173,227

Hourly rates used to calculate cost depend upon the type of organization administering the program. For state-run programs, the hourly rate is the estimated average hourly earnings according to the State Government, as categorized by the North American Industry Classification System (NAICS) code 926110 ‘Administration of general economic programs, All States and US,’ obtained by dividing the annual average weekly wage by 40 (hours) from the 2013 Annual Averages, Quarterly Census of Employment and Wages - Bureau of Labor Statistics (http://www.bls.gov/cew/apps/table_maker/v3/table_maker.htm#type=0&year=2013&qtr=A&wn=2&ind=926110&supp=0).

One half minute per record is the average estimate for burden hours incurred by the participant/job seeker.

Record Type	Minutes Per Record	PY 13 Annual National Participant Count	Annual National Burden Hours	Applicable Hourly Rate	Annual National Burden Dollars
Jobseekers	.5	16,878,178	140,651	\$7.25	\$1,019,720

The value of the jobseeker’s time has been approximated at the current Federal minimum wage, \$7.25 per hour.

(2) Job Openings Data Collection Burden

States must collect and maintain job openings data to prepare the 9002E report. OMB previously approved an estimate for job order record keeping of one hour per state per quarter, and job openings reporting requirements remain unchanged in this ICR. For 54 states and territories, this equals 216 hours per year in national burden. At the \$25.50 hourly wage rate applicable to state-run programs, the current hourly burden estimate calculates to \$5,508 per year.

(3) Quarterly Report Burden

The LERS *quarterly report burden* includes the local and state level steps that are needed to collect and report information on labor exchange activities. These steps include, but are not limited to, extracting data from states' data systems for the public labor exchange and partner programs, aggregating data from separate reporting systems, formatting reports and transmitting the reports to the Department. OMB previously approved an estimate of 720 hours per year per State for the Quarterly Report Burden based on 9 different reports. This is an estimated 80 hours of burden per report per year or 20 hours per report per quarter.

$$20 \text{ hours per report per quarter} * 4 \text{ quarters} * 9 \text{ reports} = 720 \text{ annual hours per state per year}$$

Program	Annualized Hrs. Per Year Per State	Number of Reporting Respondent States	Annualized Hours	Applicable Hourly Rate	Annual National Quarterly Report Burden Dollars
Quarterly Report	720	54	38,880	\$25.50	\$991,440

The annual burden estimate for all states under this collection is approximately 461,050 hours as detailed in the following summary table. The estimated costs have been calculated using the hourly cost rate of \$25.50 for state staff.

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Operating/Maintaining Burden Component: Recordkeeping	Annual Responses	Annual National Burden in Hours	Annual National Burden in Dollars
<i>Data Collection</i>			
<i>Recordkeeping Requirements</i>			
Job seeker data collection, data entry employees (State Government)	16,878,178	281,303	\$7,173,227
Job openings data collection (for 9002E report) record keeping component (State Government)	216	216	\$5,508
<i>State Government Burden Subtotal</i>	<i>16,878,394</i>	<i>281,519</i>	<i>\$7,178,735</i>
Job seeker data collection, job seeker hour burden (Individuals)	16,878,178	140,651	\$1,019,720
<i>Individual Burden Subtotal</i>	<i>16,878,178</i>	<i>140,651</i>	<i>\$1,019,720</i>
<i>Reporting Requirements</i>			
Quarterly Summary Reports (State Government)	216	38,880	\$991,440
<i>State Government Burden Subtotal</i>	<i>216</i>	<i>38,880</i>	<i>\$991,440</i>
Total	33,756,788	461,050	\$9,189,895

A.13 Estimated Cost to Respondents

The current LERS requirements have been in operation for several years, and states, which have the necessary technology and data collection mechanisms in place to meet these approved reporting requirements, are funded by the Department for operating costs. Therefore, the Department is not reporting any start-up/capital costs or annual operating costs as a part of this information collection request.

A.14 Estimates of Annualized Costs to Federal Government

Federal costs are the staff and contractor costs required to maintain and manage the LERS database, maintaining the quarterly reporting software, and developing technical assistance guide as outlined in table below. The annual cost of contractor support to provide continual technical support to grantees and states and any needed updates to software tools will total approximately \$697,383 per program year. Costs for ETA staff to manage the LERS program will be \$72,886 for continuing operations.

Table - Cost of LERS to Federal Government

Continuing Operations	
Contractor Support	\$697,383
Maintenance and Upgrades	\$500,000
Technical Assistance	\$197,383
ETA Staff Total	\$72,886
1 GS-15 (1/8 time)	\$15,781
1 GS-14 (1/4 time)	\$26,831
1 GS-13 (1/3 time)	\$30,274
Total Cost	\$770,269

Note: Federal staff costs are based on Salary Table 2015-DCB (Step 1, and a locality payment of 24.22% for the locality pay area of Washington-Baltimore-Northern Virginia, DC-VA-WV-PA), Department of Labor grade ranges are as of January 2015. See <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2015/DCB.pdf>.

The total annual costs to the Federal government are thus estimated to be \$770,269.

A.15 Changes in Burden

There are no program changes leading to changes in burden. The number of responses reported in the reginfo.gov database increased because the agency has reconsidered how individual responses should be counted. Now the agency counts responses given by individuals to the State agency as a response and the State agency's recording as a response. The Department notes that the prior ICR accounted for all time burden. Burden hours have decreased as fewer individuals

needed services tracked through LERS.

A.16 Tabulation of Publication Plans and Time Schedules for the Project

States and territories will submit ETA 9002 A, B, C, D, E, and F reports and VETS 200 A, B and C reports on a quarterly basis to DOL within 45 days after the end of each program year quarter.

Quarterly report data are analyzed by ETA and VETS staff. Data analysis is used to identify strategies for continuous improvement and areas where additional Federal guidance is needed. DOL uses this data to prepare Government Performance and Results Act reports, management and budget reports, and other ad hoc reports.

Each year, the Department issues an annual report summarizing program performance against the Secretary's goals. Some of the data included in the Department's annual report is generated from the ETA 9002 and VETS 200 reports. ETA also publishes an annual report solely on the Wagner-Peyser Act Employment Service. To satisfy its requirements under Title 38, the Veterans' Employment and Training Service (VETS) publishes an annual report that focuses on services delivered by Disabled Veterans Outreach Program specialists and Local Veterans Employment Representatives. All reports are available on the Internet at www.doleta.gov/performance and accessible to the general public and interested stakeholders.

A.17 Approval Not to Display OMB Expiration Date

The expiration date for OMB approval will be displayed. We are not seeking approval to have this concealed.

A.18 Exceptions to Certification

No exceptions are requested in the "Certification of Paperwork Reduction Act Submissions."

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

This information collection request does not contain statistical methods.