

SUPPORTING STATEMENT
American Apprenticeship Initiative (AAI) Grants
ICR Reference Number: 201509-1205-007

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.*

This is a justification for the Department of Labor (DOL)'s request to implement reporting and recordkeeping of the **American Apprenticeship Initiative (AAI) Grants [FOA-ETA-15-02]**. This reporting structure features standardized individual data collection on program participants in both quarterly performance and narrative formats. All data collection and reporting is the responsibility of the lead grantee organizations.

In applying for the AAI grants, grantees agreed to submit participant-level data and aggregate reports on apprentices and on participants in pre-apprenticeship programs and other outcomes related to the Funding Opportunity Announcement (FOA) to DOL on a quarterly basis. Grantees will collect and report quarterly AAI performance data using a Participant Tracking System (PTS).

DOL requests approval for collecting data from AAI grantees for tracking grant progress and program performance oversight. This request includes approval to collect individual participant data electronically to be used for both performance reporting and evaluation purposes.

In addition, DOL will need to collect and analyze grantees' two-part quarterly performance reports, consisting of the Quarterly Performance Data Report and the Quarterly Narrative Report.

1. Grantees will submit participant-level data on a quarterly basis using an online PTS data file upload/entry system that will produce a Quarterly Performance Report. This approach will address the Agency's goal of minimizing grantee burden.
2. In conjunction with participant-level data and quarterly performance reports, grantees will submit quarterly narrative reports that will provide a detailed account of program activities, accomplishments, and progress toward performance outcomes during the quarter.

These reports will reflect data on all individuals, including participants in pre-apprenticeship programs and registered apprentices, who receive an AAI grant-funded service necessary to ensure participants gain the skills and competencies for employment in in-demand industries and occupations. Reports will include data on services such as: education and training services; placements into unsubsidized employment, post-secondary

education, long-term occupational skills training, or in a Registered Apprenticeship program.

The narrative report will report on activities including initiatives to:

- Promote Apprenticeship to Employers, Workers, and Other Key Stakeholders
- Increase Apprenticeship Opportunities for All Americans
- Promote Career Pathways and Aligning Apprenticeships with Institutions of Higher Education (IHEs) and Workforce Investment Systems
- Sector Focus and Employer Commitments
- Innovate Public Policies and Public-Private Partnership Models
- Plan for a Sustainable Expansion
- Occupational training outlines and curriculum development

The accuracy, reliability, and comparability of program reports submitted by grantees using Federal funds are fundamental elements of good public administration and are necessary tools for maintaining and demonstrating system integrity. The use of a standard set of data elements, definitions, and specifications at all levels of the workforce system helps improve the quality of performance information that is received by DOL.

The **AAI Grants** are authorized under Section 414(c) of the American Competitiveness and Workforce Improvement Act of 1998 (ACWIA), as amended (29 U.S.C. 2916a) and are designed to support grantees in providing education, training, and job placement assistance through registered apprenticeships in occupations and/or industries that have high-growth potential for which employers are using H-1B visas to hire foreign workers, and the related activities necessary to support such education, training, and placement activities.

29 CFR 95.51(b) (59 F.R. 38271, July 27, 1994), which governs monitoring and reporting program performance under grants and agreements with non-profit organizations, states that DOL shall prescribe the frequency with which performance reports shall be submitted, and that performance reports shall not be required more frequently than quarterly or, less frequently than annually. If DOL does not comply with these requirements, funding for demonstration programs would be compromised. In applying for AAI grants, grantees agreed to meet DOL's reporting requirements as indicated in the Solicitation for Grant Applications [FOA-ETA-15-02], which requires the submission of quarterly reports within 45 days after the end of the quarter.

The five outcomes for measuring the overall success of the AAI grants are:

Long-term measures:

- Entered Employment – Employment status in the first quarter after program completion
- Employment Retention – Employment status in the second quarter after program completion
- Average Earnings – hourly wage paid to participants in the first and second quarters after program completion
- Credential Attainment Rate – the percentage of participants who attain an industry-recognized credential; and

- Placement Rate – the percentage of pre-apprentice participants who are placed in one of the following: unsubsidized employment, post-secondary education, occupational skills training, or Registered Apprenticeship (the performance report also will include separate counts of the number of pre-apprentice participants who enter unsubsidized employment, enter post-secondary education, enter occupational skills training, and enter a Registered Apprenticeship).

Short-term measures:

- Number of program sponsors and pre-apprenticeship providers participating under the grant
- Number of registered apprenticeship and pre-apprenticeship participants that are provided services
- Number of new program sponsors, pre-apprenticeship providers, apprentices, and pre-apprentices served during the quarter
- Participant gender, ethnicity, race and other demographics characteristics
- Number of registered apprenticeship and pre-apprenticeship participants that completed the program during the quarter

Laws Governing AAI Grants

The American Competitiveness and Workforce Improvement Act of 1998, Title IV, Section 414 (c), as amended by the Consolidated Appropriations Act of 2005, Division J, Title IV, Subtitle B, Section 428 directs the Secretary to require grantees to report on the employment outcomes obtained by workers receiving training under this subsection using indicators of performance that are consistent with other indicators used for employment and training programs administered by the Secretary.

Grantee quarterly reports will consist of two parts:

1. **Quarterly Performance Report** – Individual participant-level data records submitted as a data file. A PTS will then aggregate the data and populate the form with certified data.
2. **Quarterly Narrative Report** – Narrative account of grant-funded activities that occurred during the quarter. Grantees will describe program activities, accomplishments, progress and barriers to success. This information will be used to verify data and provide technical assistance where needed.

Both reports will be the basis for tracking the progress and performance of AAI grantees to ensure they are meeting their targets and to provide technical assistance as needed.

Quarterly Performance Report: The quarterly progress report form will capture outputs and outcomes for participants.

Quarterly Narrative Report: While all American Apprenticeship investments must ultimately result in improved employment and training outcomes for jobseekers *and* businesses, certain types of innovation – particularly systemic reforms, new policies, capacity building, etc. – will become part of the narrative quarterly report.

Required Measures and Projections: In addition to progress on milestones, outputs, and outcomes, the narrative can report on:

Capacity Building & Employer Metrics

- Total number of employers to benefit from this grant program;
- Total number of promotional/outreach activities to employers;
- Total number of newly registered American Apprenticeship programs; and
- Total number of existing registered apprenticeship programs to be expanded (e.g., adding occupations or increasing the number of apprentices registered).

Employment & Training Metrics

- Total number of participants to receive services under this grant (e.g., includes participants served in pre-apprenticeship, apprenticeship, and by other grant activities);
- Total number of new pre-apprentices and apprentices registered
- Percentage of total participants served who would be identified as a targeted/underrepresented population for purposes of this grant
- Percent of apprentices served who complete their apprenticeship program (Completion Rate);
- Average cost per apprentice (calculated as grant funds used for direct training, plus leveraged funds for direct training divided by number of apprentices to be enrolled during the life of the grant).

Optional Measures: Below are optional measures that may be included in the narrative.

Employer revenue growth & return-on-investment;

- Employer turnover reduction;
- Percent of employers who indicate that they are satisfied with services received;
- Dollars/percentage saved on new hires (e.g., advertising, marketing, recruitment, onboarding);
- Other areas of cost reduction (connected to improved training);
- Performance improvements (compared against employer's business plan);
- Number/type of improved workplace processes;
- Total number of pre-apprenticeship programs supported by the grant;
- Total number of incumbent workers served (*required if an employer is upskilling its existing workforce);

The average wage of apprentices at completion of apprenticeship program;

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.*

AAI grantees will be expected to implement the recordkeeping and reporting requirements with grant funds. Grant funds may also be used to upgrade computer hardware and Internet access to enable projects to utilize the provided online Participant Tracking System (PTS) to enable grantees to accurately track participants.

Grantees will be required to track participant-level data on all participants, including pre-apprentices, who receive grant-funded services through AAI programs. These data will be used by DOL to assess performance and delivery of AAI program services.

DOL will use the grantee performance data to track grantee outcomes using the short and long-term measures described above. Participant data will also include: participant demographics; participant services; and short- and long-term outcomes. Within DOL, the data is used by the Employment and Training Administration and the Chief Evaluation Office within the Office of the Assistant Secretary for Policy.

The reports and other analyses of the data will be made available to the public through publication and other appropriate methods and to the appropriate congressional committees through copies of such reports. In addition, information obtained through the PTS information collection will be used at the national level during budget and allocation hearings for DOL compliance with the Government Performance and Results Act (GPRA) and other legislative requirements, and during legislative authorization proceedings.

- 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.*

To comply with the Government Paperwork Elimination Act, DOL is streamlining the collection of participant data and the preparation of quarterly reports to the extent feasible by providing a Web-based PTS and by providing uniform data elements and data definitions to grantees across DOL programs. All AAI data and reports will be submitted to DOL via an electronic reporting system (currently in development) that will concur with the above objective. Grantees will collect, retain, and report all information electronically through this system and will be provided training on how to upload all reporting information, when and how.

- 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.*

Information provided through the AAI PTS and quarterly reports is not available through other data collection and report systems available to the Department.

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

For reporting purposes, the involvement of small businesses or other small entities that are not grantees or sub-grantees is extremely limited. The only time contacting them may be required is during the provision of a service, since grantee lead organizations are responsible for collection of such information.

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.*

29 CFR 95.51(b) (59 F.R. 38271, July 27, 1994), which governs monitoring and reporting program performance under grants and agreements with non-profit organizations, states that DOL shall prescribe the frequency with which performance reports shall be submitted, and that performance reports shall not be required more frequently than quarterly or, less frequently than annually. If DOL does not comply with these requirements, funding for demonstration programs would be compromised. In applying for AAI grants, grantees agree to meet DOL's reporting requirements as indicated in the Solicitation for Grant Applications [FOA-ETA-15-02], which requires the submission of quarterly reports.

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

None of the data collection efforts involves any special circumstances.

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 allowed 60 days to comment through the Federal Register Notice posted on July 2, 2015 (80 FR 38234). No public comments were received.

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

There are no payments to respondents other than the funds provided under the grant agreement.

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

While this information collection makes no express assurance of confidentiality, DOL is responsible for protecting the privacy of the AAI program participant's performance data and will maintain the data in accordance with all applicable Federal laws, with particular emphasis on compliance with the provisions of the Privacy and Freedom of Information Acts. This data is covered by a System of Records Notice, DOL/ETA-15, published April 8, 2002 (67 FR 16898 et seq). The Department is working diligently to ensure the highest level of security whenever personally identifiable information is stored or transmitted. All contractors that have access to individually identifying information are required to provide assurances that they will respect and protect the privacy of the 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.*

Information on social security numbers, date of birth, address, and telephone numbers is needed to identify and contact participants for the later evaluation phase. The PTS also collects information on characteristics of participants, such as sex, race/ethnicity, education level, and work-related barriers—data used to create subgroups for the analysis, and to enhance the impact estimates. This type of information is generally collected as part of enrollment in government-funded training programs including the AAI program and is therefore not considered sensitive.

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

Based on the nature of the partnerships created by the grantees, as required by the FOA, the data to be collected contains five subheadings: 1) Grantee Identification, 2) Program Sponsor Information, Employer Information (joint programs only), Apprentice Participant Information, Pre-Apprentice Provider Information, and Pre-Apprentice Participant Information. The annual national burden for AAI data collection has two components: (1) the respondent data collection burden; and (2) the data collection cost burden. This response provides a separate burden for each of the two components.

1: Respondent Data Collection Burden

AAI respondent data collection burden considers the amount of participant and performance-related information collected and reported on the participant case record that would not have to be collected by the grantees as part of their customary and usual burden to run the program. Thus, the burden reflects the information collected solely to comply with Federal reporting and evaluation requirements.

The data collection burden will vary by participant, based on the range and intensity of services provided by the grantee and its partners. For example, data collection may involve acquiring information from the various partners and partner agencies regarding employment training and placement, education and assistance, in addition to the collection of personal and demographic information and some evaluation data elements collected by the grantees themselves.

To arrive at the average annual figure of 1 hour 10 minutes (70 minutes) per **participant** record, DOL assessed the time for entries based on scenarios postulating a variety of services possible for a range of anticipated participants. This information, in turn, was based on similar programs of this sort, including other employment and training programs. Finally, DOL program managers consulted with grantees that have collected this sort of information over the past several years to verify that 1 hour 10 minutes is the average annual amount of time spent per record and 20 minutes (once, upon enrollment) by the participant orally providing the data. AAI is expected to serve approximately 30,000 participants over the lifetime of the grants. To calculate total participant years and arrive at the annual frequency of response, we assumed that 6,000 participants would be enrolled and served each of the five years of the grants' period of performance, with the total 30,000 participants served being fully reached in the fifth year. If we use this average figure, 1 hour 30 minutes (1.5 hours) represents the best combined annual response estimate of time devoted to data entry for and by each participant, given the range of entries anticipated for each participant, as described above.

Estimated Total Annual Burden Hours: 9,000 hours* for participant data collection + 3,680 hours for the quarterly performance and narrative reports = 12,680 hours.

*This assumes 6,000 new participants + 10 new employers per grantee in year one and 6,000 new participants + 5 new employers per grantee in years two through five; annualized, this assumes 30 new employers per 46 grantees over the five years, or 30 divided by 5 = 6 new employers annually per grantee.

Data Collection Annual Burden Cost for Participants

Activity:	Number of Respondents	Frequency	Total Annual	Time Per Response	Total Annual	Hourly Rate*	Monetized Value of
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			Responses		Burden (Hours) (mins/60)		Respondent Time
Participant data collection	6000	Once	6000	20 minutes	6,000 x 20 minutes = 2,000 hours	\$7.25	\$14,500

* Participant cost is approximated at the Federal minimum hourly wage of \$7.25, assuming most apprentices as well as the pre-apprenticeship program participants are unemployed at the time of enrollment. Thus, 2,000 hours x \$7.25 per hour = \$14,500.

Data Collection Annual Burden Cost for Participant Data Intake by Employers

Activity:	Number of Respondents	Frequency	Total Annual Responses	Time Per Response	Total Annual Burden (Hours) (mins/60)	Hourly Rate*	Monetized Value of Respondent Time
Participant data collection	6000	Once	6000	1 hour for new participants (6,000 annually); 10 minutes for annual updates	7,000 hours	\$14.82	\$103,740

*Hourly rates used to calculate cost depend upon the type of organization administering the program. For private non-profit grantees, the hourly rate for inputting and uploading data is the average hourly earnings in the Bureau of Labor Statistic's most current clerical mean hourly wage of \$14.82. <http://www.bls.gov/oes/current/oes439061.htm>

Annual cost for participant data (participants and employers): \$14,500 + \$103,740 = \$118,240.

2: Quarterly Performance and Narrative Progress Report Burden Though the AAI quarterly performance report will be automatically generated by the PTS requirements, the AAI quarterly

narrative performance report burden involves providing a detailed account of all activities undertaken during the quarter including in-depth information on accomplishments, promising approaches, progress toward performance outcomes, and upcoming grant activities. DOL assumes each grantee will spend approximately 20 hours per quarter both reviewing and verifying the Quarterly Performance Report as well as preparing the Narrative Report.

Burden Calculation for Quarterly Performance and Narrative Report Submission

Activity:	Number of Respondents	Frequency	Total Annual Responses	Time Per Response	Total Annual Burden (Hours) (mins/60)	Hourly Rate*	Monetized Value of Respondent Time
Quarterly Performance and Narrative Report	46	4 times/year	184	20 hours	184 grantees x 20 hrs/yr=3,680 hours	\$33.63	\$123,758

* The hourly rate was determined based on the comparable hourly wage for Database Administrators (15-1141) who fall under NAICS code 999200 - State Government, excluding schools and hospitals (OES Designation http://www.bls.gov/oes/current/naics4_999200.htm#15-0000), which is \$33.63, to account for the IT related duties necessary to collect and maintain reporting data.

The following table can be used as a guide to calculate the total burden of an information collection.

Total Burden Calculations

Activity:	Number of	Frequency	Total	Time Per	Total	Hourly	Monetized
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	Respondents		Annual Responses	Response	Annual Burden (Hours) (mins/60)	Rate*	Value of Respondent Time
Respondent participant data collection	6000	Once	6000	20 minutes	6,000 x 20 minutes = 2,000 hours	\$7.25	\$14,500
Participant Data Intake by Employers	6000	Once	6000	1 hour for new participants (6,000 annually); 10 minutes for annual updates	7,000	\$14.82	\$103,740
Quarterly Performance and Narrative Report submission	46	4 times/year	184	20 hours	46 grantees x 80 hrs/yr= 3,680 hours	\$33.63	\$123,758
Unduplicated Totals			12,184		\$12,680		\$241,998

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).

Start-Up/Capital Costs: DOL will provide grantees with a free, Web-based, data collection and reporting system that grantees will use to collect and maintain participant data, apply edit checks to the data, and generate quarterly performance reports. The contractor will provide an online, web-based data collection and reporting system, PTS that grantees will use to collect and maintain participant data, apply edit checks to the data, and generate quarterly performance reports. There are no direct costs to respondents other than that of their time of participation, including attendance at PTS training sessions. DOL assumes that two individuals from each grantee will attend three one-hour training sessions, and those costs are covered in the grant awards.

Annual Costs: There are no annual costs, as DOL will be responsible for the annual maintenance costs for the free, Web-based data collection and reporting system.

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.*

The total annualized cost to the federal government is \$104,439. Costs result from the following three categories:

- (1) **Start-Up/Capital Costs:** The start-up cost borne by DOL for the contractor to develop the DOL on-line reporting system is estimated to be \$227,143. Annualized over the five years of the grants' period of performance, this comes to \$227,143 divided by 5 years, or \$45,429.
- (2) **Annual Costs:** The annual costs borne by DOL for the contractor to maintain the system and develop training and technical assistance guides are estimated to be \$40,184.
- (3) **Federal Staff Cost:** The annual cost borne by DOL for federal technical staff to oversee the contract is estimated to be \$18,826. We expect the annual level of effort to perform these duties will require 208 hours for the full time equivalent of one Washington D.C. based Federal GS 14 step 4 employee earning \$56.57 per hour. See the Office of Personnel Management 2015 Hourly Salary Table: https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2015/DCB_h.pdf. To account for fringe benefits and other overhead costs the agency has applied a multiplication factor of 1.6. Therefore $208 \text{ hours} \times \$56.57 \times 1.6 = \$18,826$.
15. *Explain the reasons for any program changes or adjustments reported on the burden worksheet.*

This is a new information collection request.

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.*

Grantees will submit performance reports on a quarterly basis to DOL within 45 days of the end of each quarter. Quarterly report data will be analyzed by DOL staff and used to evaluate performance outcomes and program effectiveness.

Each quarter, DOL issues the Quarterly Workforce System Results. Data contained in the AAI PTS may be included in these reports. The data will also be used to prepare GPRA reports, management and budget reports, and other ad hoc reports, as needed.

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

The expiration date for the OMB approval will be displayed.

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

No exceptions are requested.

B. Collections of Information Employing Statistical Methods

This information collection does not employ statistical methods.