

**Funding Opportunity Announcement
Fidelity Bonding Demonstration Grants
Supplemental Justification**

Supplemental Supporting Statement A: Justification

This request seeks OMB approval under the Paperwork Reduction Act for the unique information collection requirements in the Fidelity Bonding Demonstration Grants Training and Employment Guidance Letter (TEGL). The Employment and Training Administration (ETA), U.S. Department of Labor (DOL), announces the availability of up to \$5 million in funds authorized Section 169 of the Workforce Innovation and Opportunity Act (WIOA), to enable states to expand their use of fidelity bonds to help persons with criminal records, including ex-offenders recovering from opioid and other drug addictions, obtain employment. Through the Federal Bonding Program (FBP), the Department provides fidelity bonds to employers to help reduce the risks of hiring individuals whose criminal backgrounds pose barriers to securing employment.

Over the years, FBP has remained a small program, currently serving an estimated 934 ex-offenders a year. The Department wishes to increase the use of fidelity bonds by providing funds to states to purchase fidelity bonds over a four-year period through this new funding opportunity. State Workforce Agencies will apply for the grant on behalf of their respective states. States will operate this new grant in the same manner they operate their current FBP. States that do not currently operate a FBP must designate a staff person to serve as the state bonding coordinator for this grant. States will use their own procurement policies and procedures to select an insurance provider to purchase bonds or may continue to purchase fidelity bonds through the Department of Labor's FBP contractor, as long as they comply with state contracting procedures. State bonding coordinators may certify bonds or delegate the authority to certify bonds to other staff.

The goals of this demonstration include:

- Improving employment outcomes, which in turn decreases recidivism, for persons with criminal records by encouraging states and workforce development partners to provide fidelity bonds to employers as a hiring tool for persons with criminal records;
- Educating employers and the public on the availability and benefits of fidelity bonds for persons with criminal records; and
- Providing outreach to employers to encourage them to hire persons with criminal records.

ETA anticipates awarding up to 57 grants, with an anticipated funding amount of up to \$100,000 per grant and a four-year expenditure period. The maximum amount of funding each state can receive under this demonstration is up to \$100,000. The final amount of each grant award will depend on the number of applicants and the availability of Federal funds; if the total amount requested by all applicants exceeds the total available amount of \$5 million, DOL will determine how to equitably distribute the funds across all applicants.

Applications will include the following information collections: 1) Form SF-424 “Application for Federal Assistance,” separately cleared under OMB control number 4040-0004, 2) Project Budget, 3) Project Narrative, and 4) Attachments to the Project Narrative.

Electronic availability:

This grant solicitation will be available on the www.grants.gov Website. The Department requires the submission of the application through www.grants.gov and 100 percent of responses will be submitted electronically.

Small Entities:

This information collection will not have a significant impact on a substantial number of small entities.

Assurances of confidentiality:

These grant solicitations do not offer applicants assurances of confidentiality.

Special circumstances:

This solicitation implicates no special circumstances.

Burden:

The DOL expects to receive approximately 57 applications from an equal number of respondents. The public reporting burden for this collection of information is estimated to average 20 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining needed data, and completing and reviewing the collection of information.

57 applications x 20 hours = 1,140 hours

The DOL has increased the average hourly earnings in the professional and business services industry to \$33.17 per hour to monetize this burden. See The Employment Situation—February 2019, DOL, Bureau of Labor Statistics, <https://www.bls.gov/news.release/pdf/empsit.pdf> at page 33.

1,140 hours x \$33.17 = \$37,813.80

The DOL associates no other burden costs with this information collection. In addition to the application, each grantee will be required to submit quarterly financial and performance reports to the ETA. Those information collection requirements will be cleared under a separate control number.

Total burden: 57 respondents, 57 responses, 1,140 hours, \$0 other cost burden.

Supplemental Supporting Statement B: Statistical Methods

This information collection does not employ statistical methods.