

SUPPORTING STATEMENT
Unemployment Insurance State Quality Service Plan
OMB Control No. 1205-0132

A. JUSTIFICATION

1. Reasons for Data Collection

The State Quality Service Plan (SQSP) represents an approach to the unemployment insurance (UI) performance management and planning process that allows for an exchange of information between the federal and state partners to enhance the ability of the program to reflect their joint commitment to performance excellence and client-centered services. As part of UI Performs, a comprehensive performance management system for the UI program, the SQSP is the principal vehicle that the state UI programs use to plan, record and manage improvement efforts.

The statutory basis for the SQSP is Title III, Section 302 of the Social Security Act, which authorizes the Secretary of Labor to provide funds to administer the UI program. Respondents' obligation to reply to these reporting requirements is required under 29 CFR 97.40. The Department of Labor's (DOL) annual budget request for state UI operations contains workload assumptions for which the state must plan in order for the Secretary to carry out his responsibilities under Section 303 (a) of the Social Security Act – to ensure full payment of unemployment compensation when due. DOL issues financial planning targets based on the budget request, and states make operational plans based on such assumptions and targets via this mechanism.

2. Users, Purposes, and Consequences of Failure to Collect the Information

The SQSP allows states to share their key program objectives for the coming year as well as the strategies the state will use to achieve those objectives. The SQSP is a management tool for states to ensure strong program performance and to focus the states' performance efforts across the range of UI activities. Operationally, the SQSP also serves as the grant document through which states receive federal UI administrative funding.

Each year, a UI Program Letter (UIPL) initiates the SQSP cycle. This UIPL publishes the dates relevant to the SQSP process for the approaching fiscal year; summarizes federal program emphasis for the year; and identifies any special planning requirements in effect for the fiscal year. It also explains opportunities for increased, targeted funding made available annually in the President's budget if such opportunities exist

States prepare and transmit a SQSP in accordance with the instructions in ET Handbook No. 336, 18th Edition and the annual UIPL. Regional office staff reviews the SQSPs for completeness, to make sure that the SQSPs are completed in accordance with the instructions, and to ensure that the plans reflect negotiated agreements. An annual assessment augments ongoing performance improvement and forms the basis for any corrective action planning for the SQSP.

3. Technology and Obstacles Affecting Reporting Burden

States may submit financial report information on computer printouts instead of the SF 270 and SF 424. Electronic submittal is not available for all Standard Forms; therefore some must be submitted manually. States submit the UI-3 worksheet electronically through UI Required Reports System (UIRR), which ensures that this report is consistent with reported workload and that entitlement is calculated uniformly.

In order to comply with the Government Paperwork Elimination Act, states are requested to submit SQSPs electronically.

4. Duplication

This information is not available elsewhere. There is no duplication. Options to submit computer printouts instead of on SF 270 or SF 424 reduce the need to transform information from States records onto a Federal form.

5. Burden on Small Business or Other Small Entities

No small businesses or entities are involved.

6. Consequences of Less Frequent Data Collection

Collecting state funding information less frequently than once a year, and financial information less frequently than once a quarter, would affect the Employment and Training Administration's (ETA's) ability to determine the level of base and above-base resources required by states and would impair ETA's ability to budget for the administration of the UI program.

7. Special Circumstances Involved in Collection Data for Funding of the UI Program

Collection using worksheets UI-1 and UI-3 is consistent with OMB Circular A-102. The unique nature of the UI program (base and above-base funding, staff year allocations, and workload/staff year earnings and entitlements) requires ETA to obtain this information for management and funding of the program. This reporting requirement is consistent with 5 CFR 1320.5.

8. Preclearance Notice and Responses

In accordance with the Paperwork Reduction Act of 1995, DOL's preclearance notice was published in the Federal Register on April 29, 2014 (Vol.79, Number 82, pp. 24011-24012).

A single comment was received. The Iowa Workforce Development sent an inquiry: "According to the guidance provided, the SQSP will move to a biennial cycle beginning with FY 2015. How will this change impact the SWA responsibility for reporting on their CAP? If the SWA successfully achieves their goals as outlined in their CAP and begins meeting

performance, will the SWA be required to continue reporting on the CAP for two years?”

DOL Response: SWAs will continue to provide quarterly status reports on CAPs per their regional office’s (RO’s) instruction. If the SWA successfully achieved the goals outlined in the CAP, no further reporting is required unless otherwise instructed by the RO.

9. Payments to Respondents

No payment or gifts are involved.

10. Confidentiality

There is no assurance of confidentiality in connection with the SQSP.

11. Questions of a Sensitive Nature

There are no questions of a sensitive nature.

12. Respondent’s Burden and Cost of Collecting Information

- The burden hour estimates are based on the experience of federal staff with substantially similar work.
- The State Plan Narrative includes a general narrative summary of the status of the UI program in the state. Additionally, states are to include in the narrative: 1) performance in comparison to the Government Performance Results Act (GPRA) goals; 2) results of customer satisfaction surveys (optional); and, 3) actions planned to correct deficiencies regarding UI programs and reporting requirements,
- CAPs include a summary describing the performance deficiency, milestones, and a timeline.
- The estimated burden hour allocation for this request is detailed as follows:

Burden Summary

| Report | Respondents (State) | Reporting Frequency | Reports per Year | Total Responses | Hours per Response | Total Hours |
|---|------------------------|------------------------|---------------------|--------------------|-----------------------|----------------|
| UI-1 (base), ETA 8623A | 53 | Annual | 1 | 53 | 1 | 53 |
| UI-3 (contingency), ETA 2208A (Quarterly) | 53 | Quarterly | 4 | 212 | 2 | 424 |
| CAPs | 27 | Biennial | 8* | 216 | 4 | 864 |
| UI Program Integrity Plan | 27 | Biennial | 1* | 27 | 3 | 81 |
| State Plan Narrative | 27 | Biennial | 1* | 27 | 4 | 108 |
| Total | | Various | 15 | 535 | | 1,530 |

*For burden estimation purposes each CAP, UI Program Integrity Plan, and State Plan Narrative is considered to be a different report even though they are submitted simultaneously. While CAPs are submitted biennially, a State may need to submit multiple plans to address various deficiencies.

Frequency: Various

Total Respondents: 53 State Workforce Agencies

Average Estimated Number of Responses: 535 per year

Average Estimated Number of Burden Hours: 1,530

Average Estimated Time per Response: $1,530 \div 535 = 2.86$ hours

Average Estimated Annual Burden Cost: \$66,141.90. This estimate is based upon total annual hours of 1,530 multiplied by the average hourly rate for state agency personnel of \$43.23¹. However, the federal government provides administrative funding to the state UI agencies that covers salaries of state staff, so this does not represent a direct cost to the state.

13. Annual Cost to Respondents

There are no costs other than those mentioned in item 12.

1. The hourly rate is computed by dividing the FY 2014 national average PS/PB annual salary for state staff as provided for through the distribution of state UI administrative grants (http://wdr.doleta.gov/directives/attach/UIPL/UIPL_23_13_Att1.pdf) by the number of hours worked in a year (1,711). $\$73,972/1,711 = \43.23 .

14. Annualized Federal Cost

The Federal cost of this paperwork burden is estimated at \$195,456. This includes the time for National and Regional office staff to review and process state plans at an hourly rate of \$41.62, a merged rate equaling the base rate for a GS 13, step 7 employee. See [2014 OPM GS Salary Table](#). One National Office staff devotes an estimated 50 percent of the time to SQSP activity. Approximately seven Regional Office personnel (including supervisory and clerical support) devote an estimated 25 percent of their time to SQSP activity. The time for SQSP activities includes information collection and subsequent year-round analysis and technical assistance activity. The estimates of annualized cost to the Federal government are as follows:

| | | |
|-------------------------|-----------|------------------|
| 1—National Office staff | | \$43,435 |
| 7—Regional Office staff | | <u>\$152,021</u> |
| Total | \$195,456 | |

15. Reasons for Change in Burden

ETA is proposing no program changes to the information collection requirement.

16. Publication Information

There are no plans for publishing this information.

17. Reasons for Not Displaying Date OMB Approval Expires

ETA will display the OMB expiration date.

18. Exceptions to Certification

There are no exceptions.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

The collection of this information does not involve statistical methods.