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SUPPORTING STATEMENT
Unemployment Insurance Benefits Operations Self-Assessment Report of Responses
OMB Control No. 1205-0NEW

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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 Unemployment Insurance (UI) system has a robust set of accountability and performance measurement processes designed to ensure program integrity and quality.   As these processes have evolved, the UI system has undergone a number of changes at both the Federal and state levels. Examples of these changes include more constrained resources, loss of program institutional knowledge through retirements, and changes in how technology supports program operations. As a result, the U.S. Department of Labor's Employment and Training Administration (ETA) has determined that changes in the current benefit accountability processes are needed and ETA is making changes to existing processes and developing new ones. One of the key changes is to develop new mechanisms to focus more heavily on improving program operations associated with administering the program with the ultimate goal of performance improvement. To more effectively monitor and continuously improve program operations in the 53 jurisdictions with state unemployment insurance (UI) programs, ETA has developed a new comprehensive state self-assessment tool related to UI benefits operations. The self-assessment tool consists of in-depth questionnaires related to fifteen functional and program areas within state UI benefits operations. The fifteen areas are: 1) Adjudications/Benefit Timeliness and Quality Reviews; 2) Benefit Payment Control; 3) Continued Claims and Eligibility Reviews; 4) Data Validation; 5) Disaster Unemployment Assistance; 6) Intake Claims -- Unemployment Compensation for Ex-Servicemembers; 7) Intake Claims -- Unemployment Compensation for Federal Employees; 8) Intake Initial Claims -- Combined Wage Claims; 9) Intake -- Initial Claims; 10) Internal Security; 11) Lower Authority Appeals and Higher Authority Appeals; 12) Overarching Operational Matters; 13) Short-Time Compensation; 14) Trade Readjustment Allowances; and 15) Worker Profiling and Reemployment Services and Reemployment Services and Eligibility Assessment.

   Within each program or functional area, there are questions that cover nine operational elements (where applicable). The nine elements are: 1) Procedures, Policies and Confidentiality; 2) Training; 3) Workload Analysis and Management Controls; 4) Performance Management; 5) Information Technology; 6) Claimant and Employer Access and Communication; 7) Operational Efficiency and Resource Allocation; 8) Staffing and Merit Staffing; and 9) Fiscal Management.

ETA developed written instructions to accompany the self-assessment tool, including a global set of instructions that describes the overall use of the tool. There is also a separate set of instructions for each set of questions related to each program or functional area. ETA has also developed a resource tracker to assist the states in documenting the sources used to verify the responses provided to the self-assessment questions.

The first cycle for state implementation will occur over a two year period, after which state UI agencies will report the responses to the questions for the fifteen functional and program areas over the course of each year on an annual basis.

This collection is authorized under the Social Security Act, Title III, Section 303(a)(6), 42 U.S.C. 503(a)(6). This law states:

> "The Secretary of Labor shall make no certification for payment to any State unless he finds that the law of such State, approved by the Secretary of Labor under the Federal Unemployment Tax Act [26 U.S.C. 3301 et seq.], includes provision for—: . . . (6) The making of such reports, in such form and containing such information, as the Secretary of Labor may from time to time require, and compliance with such provisions as the Secretary of Labor may from time to time find necessary to assure the correctness and verification of such reports; . . . ."

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 Report on Responses to the UI Benefits Operations Self-Assessment Tool has two distinct and complimentary purposes: (1) assisting state UI agencies in making improvements to their UI benefits operations; and (2) assisting ETA in monitoring state UI benefit program operations.

a. State Use:
At the conclusion of the self-assessment review, the results will be shared with state UI Administrators and appropriate program managers. The state's practices in all functional and program areas should be reviewed thoroughly to identify issue areas which may be the cause for poor operational performance as well as areas where the state is performing well. The assessment is intended to inform the need to reengineer business practices for performance improvement. In addition, if training needs are identified, appropriate training curriculum should be developed and delivered to staff. The functional and program area questions may also identify areas where policies and procedures are outdated which should be brought up-to-date and published for appropriate staff to use. Use of self-assessment data can help create a culture that supports constructive feedback in planning and managing change and supports a culture of continuous improvement. Administrators should also use the review results as a means to confirm the state's proper use of merit staff, its management of administrative grant funds, its continuity of operations plans, and other related business practices

that are essential to the state's UI benefits operations. The state agency leadership should also use the self-assessment review results to identify any successful or promising practices occurring in their state UI operations that may be shared with other states. Such identified practices can be shared on the UI Community of Practice operated by ETA.

b. ETA Use:

The report of responses to the state self-assessment will support periodic reviews conducted by ETA's Regional and National Office staff for purposes of oversight and monitoring as well as providing technical assistance. It enables ETA to assess the state's activities and its administrative compliance with Federal law. The information gathered from the self-assessments will enable ETA Regional Office staff to work with the state to identify areas where performance improvements are needed. The results will be used to inform ETA's technical assistance efforts nationally and with individual states, and will enable a more robust and effective collection and dissemination of state best practices.

Information from the Report of Responses to the UI Benefits Operations Self-Assessment Tool will also be used by ETA as one of the inputs for the identification of states to be designated as "high priority" by ETA to receive intensive technical assistance and monitoring to address program performance related issues. Other inputs used in identifying states to be designated as "high priority" include information on the states' timeliness and quality performance measures, improper payment rates, and information from ETA Regional Office monitoring and/or technical assistance efforts. The designation process is described in ETA's Unemployment Insurance Program Letter (UIPL) No. 17-16, issued on July 13, 2016. States that are deemed to be "high priority" will be subject to more intensive technical assistance from ETA related to its benefits operations, and the state will be required to address identified issues in its corrective action plan submitted as part of the State's Quality Service Plan process.

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 bias for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.*

ETA developed the Report of Responses to the UI Benefits Operations Self-Assessment in a fillable Adobe Portable Document Format (PDF) format. It is necessary that the state reviewers have Adobe Acrobat on their computers to download and complete the self-assessment. A free copy of Adobe Acrobat can be accessed as noted in the Global Instructions accompanying the self-assessment tool. This format and process was selected to simplify the process for reporting by state UI agencies. There will be no software programming necessary by states to develop to provide input and report the results of the self assessment to ETA. States will simply

input their responses on the fillable PDF form provided by ETA, save their responses, and send the completed document report to ETA via e-mail.

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.*

No duplication exists. Although some states may have their own self-assessment process or review of operations, there is no systematic national process for ensuring state UI agencies conduct this type of review or at this level. Also, ETA has a Tax Performance System in place by which states assess their UI tax operations. However, ETA has not conducted or required the states to conduct an assessment of their UI benefits operations until the development of this new tool. The proposed state UI benefits self-assessment tool does not duplicate any existing federal required reporting process.

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

There is no impact on small businesses.

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.*

The new data collection will be the responses to a comprehensive set of yes/no and narrative questions concerning state UI benefits operations. Currently, ETA does not require the state UI agencies to conduct this type of self-assessment on UI benefit operations.

Without this new collection, states will not have this tool to routinely identify limitations and deficiencies or assess their own operational improvement needs, and ETA will not have the necessary information to identify technical assistance needs for specific low performing states and for all states in general regarding UI benefits operations. This new tool and the resulting report of responses will enable ETA to more effectively and consistently monitor states' progress in UI benefits operations and develop appropriate technical assistance efforts.

The states UI operations have experienced significant challenges since the Great Recession (beginning in 2008) and its aftermath. Many state programs have seen the loss of long-term and highly experienced staff due to retirements and reductions in funding for UI operations as the economy has improved. Many states' UI agencies struggle with outdated and inflexible information technology systems, while others have implemented major process changes and information technology upgrades. All these factors support the need for a self-assessment mechanism to routinely assess state UI benefits operations.

The self-assessment data collection will be valuable to both the states UI agencies and to ETA. Not conducting the self-assessment and not providing the information as proposed would deny both the states and ETA valuable information to assist in identifying areas of needed improvement in state UI benefits operations and in identifying successful practices to share with other states UI agencies. In addition, not using this tool will mean that some state operational practices that do not comply with Federal requirements may continue undetected.

7. *Explain any special circumstances that would cause an information collection to be conducted in a manner that requires further explanation pursuant to regulations 5 CFR 1320.5:*

This proposed information collection would be conducted each year by the states UI agencies. An annual ongoing self-assessment of states' benefit operations will assist in identifying issues and result in a continuous improvement of the state UI program service delivery.

8. *If applicable, provide a copy and identify the data 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.

ETA worked closely with state subject matter experts (SMEs) who served as members of the team developing the initial version of the self-assessment tool. ETA conducted the test of the initial version of the tool with nine pilot states from October 2015 to January 2016. ETA made significant revisions and improvements to the self-assessment questions and accompanying instructions based on the feedback and comments of the nine pilot states.

In accordance with the Paperwork Reduction Act of 1995, the public was allowed 60 days to comment through the Federal Register Notice posted on June 30, 2016 (81 FR 42729).

Two states, (California and Utah) responded to the Federal Register Notice. Below is a summary of the states' comments.

California indicated that based on its review of four functional areas of the questionnaire during the self-assessment pilot, it estimated the burden to be above one full-time equivalent (FTE) position to complete all 16 program/functional areas of the self-assessment tool. In addition, California recommended that the collection of information should be aligned with the newly modeled UI State Quality Service Plan, which is now on a biennial cycle. California stated that a biennial cycle will help lower the burden of information collection and will also address the lack of supplemental funding for this initiative.

Utah indicated that it estimated between one-half to one-full FTE would be required to complete the questionnaire(s) as currently written and stated that the second year of the review is estimated to take less time. While noting the assessment tool has practical utility and value to states, Utah indicated that many questions are similar and redundant to questions in other sections and simplifying the questions would be helpful. Utah sought clarification of some questions and their sub-questions to ensure that reviewers understand the question that is being asked. Utah also noted a need for guidance about the level of detail required in the narrative explanations; suggested including response options when a question is not relevant to a particular state's situation (e.g. no experience of backlogs); and suggested that USDOL might consider simplifying the State Quality Service Plan (SQSP) as a result of the self-assessment results.

Finally, Utah recommended the use of electronic submissions and prepopulating data (specifically performance data) in response to certain questions where the data is available to ETA.

ETA's Response the Public Comments:

The UI Benefits Self-Assessment initiative is modeled after the UI Tax Performance System (TPS). The TPS program has operated with one dedicated FTE since the inception of the program. Based on the results of the pilot conducted by the nine study states of the Benefits Self-Assessment tool, one FTE is considered to the estimated level of effort needed to conduct this assessment. As the system gains experience with the self-assessment review, ETA will assess whether changes are needed regarding the annual cycle. ETA did consider changing the duration for conducting the review to the biennial SQSP cycle as suggested by one commenter. However, the SQSP cycle is different for states, with half of states on even year biennial cycle and the other half of states on an odd year biennial cycle. ETA needs the responses from states at a common time for purposes of designating high priority states. However, ETA will instruct states to conduct the first assessment over two years, through March 31, 2019, to allow for start-up activities and training considerations, and to ease the burden for the initial use of the assessment tool. ETA agrees with one commenter's statement that use of the tool in subsequent years will

likely take less effort as the states become familiar with the tool and process. ETA will monitor state experience with the first round of state implementation of the tool to validate this assumption.

In response to specifically identified questions in the comments, ETA edited some questions/sub-questions in the tool to help clarify what each question is asking. Also, the Global Instructions have been revised to clarify the level of detail needed in the narrative explanations and the reason for some redundancy in the questions for different program and functional areas. The Global Instructions have been edited to make clear that the state reviewer can note in the "Comment Section" of the assessment tool if a particular question in a section is not relevant to the state's benefit operations, such as the state not experiencing any workload backlogs. In addition, ETA notes that on-going experience with the tool and ongoing monitoring will inform potential future improvements to the tool.

A key objective for the self-assessment is to allow states to focus on improving operations that are associated with administering their programs with the ultimate goal of performance improvement. By design, the self-assessment tool has a number of similar questions that are repeated in the various functional and program areas. These questions serve as a means of support for the state reviewer(s) in identifying operational issues and to help ensure that intentional or unintentional differences in program operations are not overlooked. Delving into each of the functional and program areas and corresponding activities can help pinpoint areas of concern and areas of success.

Finally, ETA considered the comment about prepopulating data (especially performance data) in to the tool. ETA determined that there is value in having the state reviewer collect and understand this data as part of the overall assessment process. ETA, however, will review and again consider pre-populating this data after initial implementation and further experience with the tool.

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

There were no payments or gifts made to respondents.

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

No assurance of confidentiality is provided in the requirements covered by this request as no personal or confidential data will be collected.

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.

No sensitive information is collected so there are no concerns about this type of data.

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

All states will provide the Report of Responses to the UI Benefits Operations Self-Assessment Tool over the course of each year. During the first quarter of FY 2016, ETA conducted a pilot of the new state self-assessment tool with nine pilot states. Each pilot state conducted the self-assessment and provided responses to four functional or program area questionnaires, which is more than one quarter of the total functional areas comprising the entire tool. Based on this pilot, it is estimated at that it will take a state agency 2,080 hours to conduct the self-assessment for all fifteen functional and program areas and provide the information to ETA in the prescribed reporting format.

ETA will require all 53 state UI agencies to submit this report annually.

Estimated Total Respondents: 53

Frequency of reporting: Once per year

Total Responses: 53

Average Time per Response: 2,080 hours per state

Estimated Total Burden Hours: 110,240 hours per year

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

Estimated Annualized Respondent Hour and Cost Burden

Activity	Number of Respondents	Number of Responses per Respondent	Total Responses	Average Burden per Response	Total Burden Hours	Average Hourly Rate*	Total Burden Cost
Report of Responses to the UI Benefits Operations Self-Assessment Tool	53	1	53	2,080	110,240	$47.79	$5,268,370

* The hourly rate is computed by dividing the FY 2017 national average PS/PB annual salary for state staff as provided for through the distribution of state UI administrative grants https://wdr.doleta.gov/directives/attach/UIPL/UIPL_20-16.pdf) by the average number of hours worked in a year (1,711). For FY2017, this calculation is: $81,777 / 1,711 = $47.79.

13. *Provide an estimate of 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 shown in Items 12 and 14).*

This burden cost is based on the FY 2017 average total staff costs for state UI agencies of $47.79 per hour. This information is reported in Unemployment Insurance Program Letter No. 20-16, *Fiscal Year (FY) 2017 State Workforce Agency Unemployment Insurance (UI) Resource Planning Targets and Guidelines,* issued on August 11, 2016.

No major equipment purchases or similar start-up costs are required for the states, because federal UI administrative grants underwrite states' costs.

The report format is basic fillable PDF form/document and will be provided to the state UI agencies, so there are no capital/startup costs for the state UI agencies and there are no other parties who are impacted by this reporting.

14. *Provide estimates of annualized cost 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.*

The report format is basic fillable PDF form/document and will be provided to the state UI agencies, so there are no capital/startup costs for the state UI agencies and there are no other parties who are impacted by this reporting.

Federal costs include the six regional staff required to assist in the data collection and analysis of the data, and the maintenance the Adobe PDF tool by one National Office staff. The staff costs are summarized as follows:

Estimated hours for each staff used for data analysis are approximately 75 % of their annual work hours (i.e. 2,080 hours).

Using the average salary at the 2016 GS 12 Grade, Step 1 for the ETA Regional and National Offices, which is $77,537 annually, the total costs for six regional staff and one national office staff is: 0.75 X 7 X $77,537 = $407,069.

15. *Explain the reasons for any program changes or adjustments reporting 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.

ETA will not publish the Report's results and submissions.

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 is not seeking such approval. The OMB control number and expiration date are displayed on the ETA 9176 hard copy form. 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 new ETA Form 9176. In addition, ETA will disseminate OMB control number and expiration date information for this report through a UI program letter shortly after OMB action.

18. *Explain each exception to the certification statement identified in "Certification of Paperwork Reduction Act Submission".*

There are no exceptions.

B. Collections of Information Employing Statistical Methods

This information collection does not employ statistical methods.