

**JUSTIFICATION FOR
NON-SUBSTANTIVE CHANGE FOR
Short-Time Compensation (STC) Grants
OMB Control No. 1205-0499**

BACKGROUND:

The STC program helps employers with a state-approved STC plan avert layoffs through the reduction of work hours for an entire group of employees, rather than forcing employers to layoff some workers while others continue working full time. STC provides a portion of a weekly unemployment insurance benefit payment to those eligible individuals whose workweeks have been reduced. These employees benefit from the program because they do not suffer a complete loss of employment and the loss of wages is partially offset by STC paid during the period when their hours are reduced. Employers benefit from the program because they are able to reduce labor costs temporarily while still maintaining their skilled workforce, protecting the employer's investments in recruitment and training.

Section 2164 of the Layoff Prevention Act of 2012 of the Middle Class Tax Relief and Job Creation Act of 2012 (Act), Pub. L. 112-96 (Feb. 22, 2012) provided for grants to states for STC program activities. The U.S. Department of Labor's Employment and Training Administration (ETA) has oversight responsibility for monitoring the STC grants awarded to state workforce agencies (SWA). As part of the monitoring process, SWAs that received a STC grant(s) must submit a Quarterly Progress Report (QPR). The QPR serves as a monitoring instrument to track the SWA's progress toward completing STC grant activities.

The QPR provides narrative updates on STC grant activities and ensures that the state achieves the goals set forth in the STC grant application. ETA Regional Offices will monitor the state's quarterly progress using the STC Grant QPR and match it against the timeline and outcomes submitted in the approved STC grant application.

NON-SUBSTANTIVE CHANGE REQUEST:

The Information Collection Request (ICR) for the STC Grant QPR was initially approved by the Office of Management and Budget (OMB) pursuant to the Paperwork Reduction Act of 1995 (OMB Control No. 1205-0499) through January 31, 2016 and approval was extended through June 30, 2019. Information collection under OMB Control No. 1205-0499 was also revised to exclude the collection of information that is no longer applicable¹. The QPR form itself remained the same, except for a change in the identification of the grant type (on the top of the form).

OMB approved the revisions under OMB Control No. 1205-0499 through June 30, 2019. At the time of the approval, a draft copy of the UIPL announcing the extension was provided. Subsequently, the UIPL was revised and non-substantive changes were made. The non-substantive changes to the revised UIPL do not change the reporting requirements or the frequency of the collection.

ETA seeks OMB approval of the non-substantive changes made to the revised UIPL announcing the Revision of Approved Collection, OMB Control No. 1205-0499, for the Short-Time Compensation (STC) Grants.

¹ Previously, OMB Control No. 1205-0499 also included approval for the completion of an STC grant application checklist and the application for an STC grant (see Unemployment Insurance Program Letter (UIPL) No. 27-12, Attachment II), entering into an agreement with the Secretary of Labor (Secretary) for the temporary financing of STC payments by the Federal Government, and entering into an agreement with the Secretary to operate a temporary Federal STC program (for states without STC programs in state law). However, no further funds for STC grants are available for award and authority for the temporary Federal STC activities has expired and, consequently, approval for such activities is no longer needed. Therefore, OMB Control No. 1205-0499 was revised accordingly.