

**Supporting Statement
Experience Rating Report
OMB Control Number 1205-0164**

A. Justification.

The Department of Labor (DOL), Employment and Training Administration (ETA) requests the Office of Management and Budget's approval of this extension without change for ETA 204, Report on Experience. Minor changes were made to the instructions such as, clarification of definitions and changes to the font, see item #15.

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.

ETA 204, the Experience Rating Report, provides the Employment and Training Administration (ETA) with the data to measure the variations in assigned contribution rates which result from different experience rating systems. Section 303 of the Social Security Act (SSA 303(a)(6)) authorizes ETA to collect this information.

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.

ETA 204, when used in conjunction with Quarterly Census of Employment and Wages (QCEW) (OMB No. 1220-0012), provides data to ETA to study the impact of seasonality, stabilization, expansion or contraction on employment and payrolls and the degree to which these affect employer experience with unemployment. The data are used to provide an indication of whether solvency problems exist in the State's Trust Fund accounts and in analyzing factors which give rise to solvency problems; the data allows for an evaluation of the effectiveness of the approaches taken to correct the problem using modeling techniques. The data also are the basis for estimating state average tax rates for the subsequent tax year. Finally, the data are the basis for the publication of the yearly report of Significant Measures of State UI Tax Systems, which provides information necessary to evaluate the extent to which benefits are effectively charged, noncharged and ineffectively charged. Thus, the foregoing information is of value to ETA in analyzing statutory provisions regarding experience rating in preparing recommendations or advising states on proposed legislation involving experience rating, and in responding to legislation involving experience rating, and in responding to inquiries from state agencies, employer groups, unions, and other interested individuals. Further, the data are a vital part of a state's management information system and a tool for the administrator and legislators to assess the state experience rating system.

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.*

States generate the ETA 204 electronically at the state level, and it is downloaded electronically at the National Office.

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.*

This is the only such collection of this information. No similar information is available elsewhere.

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

Collection does not involve small business or other small entities.

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.*

Less frequent collection of the annual 204 report would render the data useless for several reasons. The 204 report is based on capturing data attributable to a specific tax rate year because each state sets its employer unemployment insurance tax rates annually assigning each employer a specific tax rate for four quarters. By collecting data over several years the information for a single tax rate year would either be unidentifiable or unusable if it was combined with data for other tax rate years and certainly less valuable if it was reported by rate year over several years since it would be so out of date.

Additionally, this report is a primary source of data for estimating UI revenues for Federal budget purposes. The accuracy of these important estimates would be severely constrained if the report was submitted less frequently than on a yearly basis. Finally, the data are also used to produce the yearly “Significant Measures of State UI Tax Systems Report”, this report, used by many stakeholders, could not show meaningful changes to a state’s trust fund revenue and solvency without annual data.

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.*

Collection is conducted in a manner consistent with guidelines in 5 CFR 1320.5.

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 PRA of 1995, the public was allowed 60 days to review and comment through the Federal Register Notice posted on December 26, 2017 (82 FR 61029). No public comments were received.

9. *Explain any decisions to provide payments or gifts to respondents, other than remuneration of contractors or grantees.*

No payment or gift has been provided to respondents.

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

There is no assurance of confidentiality. However, the detail of the data reported by the States is broad enough to preclude any identification of individual firms or business entities, thus effectively conferring anonymity at the firm level.

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.*

There are no items to be completed which involve sensitive information of a private nature or otherwise.

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

The ETA 204 report is computer-generated in the states. Therefore, the only time normally required would be that needed to electronically submit the report run. Based on past experience,

this takes approximately 30 minutes per state or, for all states, 26 hours: 53 respondents x 1 report per state x .5 hours per state.

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

Burden Associated with Site Selection Activities Table

Activity	Respondents	Responses per Respondent	Total Number of Responses	Response Time (Hours)	Total Burden Hours	Time Value*	Monetized Burden Hours (Rounded to nearest \$)
Reporting of 204	53	1	53	.5	26.5	\$48.75	\$1,292

*Source: The hourly rate is computed by dividing the FY 2018 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 FY2018, this calculation is: \$83,406 / 1,711 = \$48.75.

Note the federal government provides the administrative funding that covers salaries of state staff, so this data collection does not represent a direct cost to the state.

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).

There are no other costs than those described in item 12 above.

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.

Federal Burden for Data Collection: ETA 204.

Annual Burden Hours: 10.6 hours (average 15 minutes per report).

Estimated Annual Salary Cost to Review Data: \$449.23

Note: The estimated cost is based upon the annual salary for a Washington, DC based GS-11, Step 10 at \$42.38 per hour. (See Office of Personnel Management Salary Table 2018-DCB, <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2018/salhl.pdf>). \$42.38 x 10.6 hours = \$449.23. The data is received and stored on Department owned computer equipment along with all other Unemployment Insurance Reports data.

Although no staff is required to process this report, during FY2017, ETA has budgeted \$965,920.33 to operate and maintain the Unemployment Insurance Required Reports system. Including the subject ICR, this system supports 30 information collections. For administrative purposes, each information collection is assumed to contribute an equal share of the cost for supporting the entire system; therefore, the cost allocated to this ICR is estimated to be \$32,197.34 (\$965,920.33 system cost/30 information collections).

Total Federal costs are estimated to be \$32,646.57 (\$32,197.34 + \$449.23 = \$32,646.57).

15. *Explain the reasons for any program changes or adjustments reported on the burden worksheet.*

There are no changes in burden. Minor changes were made to the instructions to address recurring questions from state agencies about definitions. Section F. Item by Item Instructions, number 3, was expanded to include definitions and clarification for: Average Tax Rate, Number of Accounts, Total Payroll, Taxable Payroll, Benefits Charged (Adjusted Benefit Wages Charged) and Estimated Contributions.

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.*

Selected data, along with the Significant Measures of State Unemployment Insurance Tax Systems derived from the data, are published once each year. Using data from the ETA 204 report, the Significant Measures of State Unemployment Insurance Tax Systems is published once a year on the OUI website. Using data from the ETA 204 states estimated average tax rates are also published once a year on the OUI website. There are no complex analytical techniques used, beyond simple addition, subtraction and multiplication.

- May 15 – States Estimated Average Tax Rates published
- July 31 – Significant Measures of State Unemployment Insurance Tax Systems published

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

The expiration date for OMB approval is displayed.

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

There are no exceptions.

B. Collection of Information Employing Statistical Methods.

This information collection request does not contain statistical methods.