

**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 Program. The Employment and Training Administration (ETA), U.S. Department of Labor will announce the availability of up to \$3.3 million in grant funds authorized under Section 169 of the Workforce Innovation and Opportunity Act (WIOA) (Pub. L. 113-128) for the Fidelity Bonding Demonstration Grants Program. These demonstration grants will 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 in family-sustaining jobs; better inform employers about the knowledge, skills, and abilities of this population; and advance strategies to address the barriers to reemployment. Through the Federal Bonding Program (FBP), ETA 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 remained a small program, but in June 2019, the Department awarded \$2,234,122 for Fidelity Bonding Demonstration Grants to 23 states and one outlying area to expand their use of fidelity bonds to help persons with criminal records get employment. The Department now wishes to further increase the use of fidelity bonds by offering funds to the states and outlying areas that did not receive grants last year. State Workforce Agencies apply for the grant on behalf of their respective states and states will operate this grant through 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 the following:

- 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.

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 is available on the grants.gov website. Based on past DOL experience, the Department anticipates that at least 80 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 FOA implicates no special circumstances.

Burden:

Based on past experience, the DOL expects to receive approximately 33 applications from an equal number of respondents. The ETA estimates public reporting burden for the information collection to average 20 hours per response for reviewing instructions, searching existing data sources, gathering and maintaining needed data, and completing and reviewing the collection of information.

33 applications x 20 hours = 660 hours

The DOL uses the average hourly earnings in the professional and business services industry of \$35.19 per hour to monetize this burden. See The Employment Situation—October 2020, DOL, Bureau of Labor Statistics, <https://www.bls.gov/news.release/pdf/empstat.pdf> at page 36.

660 hours x \$35.19 = \$23,225.40

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, performance, and narrative reports to the ETA. Those information collection requirements will be cleared under a separate control number.

Total burden: 33 respondents, 33 responses, 660 hours, \$0 other cost burden.

Supplemental Supporting Statement B: Statistical Methods

This information collection does not employ statistical methods.