

## **SUPPORTING STATEMENT**

### **Unemployment Insurance State Quality Service Plan Planning and Reporting Guidelines OMB Control No. 1205-0132**

#### **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 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. *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 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, 18<sup>th</sup> 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. 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 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. 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 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. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.*

No small businesses or entities are involved.

- 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.*

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. *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 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. *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 Paperwork Reduction Act of 1995, the public was allowed 60 days to comment through the Federal Register Notice posted on June 8, 2017 (82 FR 26713). No public comments were received.

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

No payment or gifts are involved.

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

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

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 questions of a sensitive nature.

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

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

Activity	Number of Respondents	Frequency	Total Annual Responses	Time Per Response	Total Annual Burden (Hours)	Hourly Rate*	Monetized Value of Respondent Time
UI-1 (base), ETA 8623A	53	Annual	53	1	53	\$49.00	\$2,597
UI-3 (contingency), ETA 2208A (Quarterly)	53	Quarterly	212	2	424	\$49.00	\$20,776
CAPs	27	Biennial	216	4	864	\$49.00	\$42,336
UI Program Integrity Plan	53	Annual	53	3	159	\$49.00	\$7,791
SQSP State Plan Narrative	27	Biennial	27	4	108	\$49.00	\$5,292
Quarterly Reports	53	Quarterly	212	8	1,696	\$49.00	\$83,104
<b>Unduplicated Totals</b>	<b>53</b>		<b>773</b>		<b>3,304</b>		<b>\$161,896</b>

\*Source: 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](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 was: \$81,777 / 1,682.10 = \$49.00

Frequency: Various

Total Respondents: 53 State Workforce Agencies

Average Estimated Number of Responses: 773 per year

Average Estimated Number of Burden Hours: 3,304

Average Estimated Time per Response:  $3,304 \div 773 = 4.27$  hours

Average Estimated Annual Burden Cost: \$161,896. This estimate is based upon total annual hours of 3,304 multiplied by the average hourly rate for state agency personnel of \$49.00. 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. 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 costs other than those mentioned in item 12.

*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.*

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 ( $\$965,920.33 \text{ system cost} / 30 \text{ information collections}$ ).

The Federal cost of this paperwork burden is estimated at \$201,375. This includes the time for National and Regional office staff to review and process state plans at an hourly rate of \$42.88, a merged rate equaling the base rate for a GS 13, step 7 employee. See [2017 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		\$44,750
7—Regional Office staff		<u>\$156,625</u>
Total	\$201,375	

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

The current burden for the SQSP submittal for 53 SWAs is 773 total annual responses and 3,304 total annual burden hours. This reflects an increase in burden of 26 annual responses and 78 burden hours from the previously approved 747 total annual responses and 3,226 total annual burden hours. This change is due to the submittal requirement of the UI Program Integrity Action Plan (IAP). The IAP must discuss the root causes of improper payments and present the state's strategies to address these causes. Since the major root causes of improper payments can change each year, the IAP must be submitted annually, instead of biennially as stated in the previous collection. Therefore, all 53 SWAs must submit the IAP annually.

*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.*

There are no plans for publishing this information.

*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 displays the OMB expiration date.

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

There are no exceptions.

**B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS**

The collection of this information does not involve statistical methods.