

SUPPORTING STATEMENT
Benefits Timeliness and Quality
Review System
Part A
OMB Control No. 1205-0359

A. Justification.

The Department of Labor, Employment and Training Administration (ETA) is requesting a revision to the Benefits Timeliness and Quality (BTQ) report. The ETA 9054L, Lower Authority Appeals Time Lapse Report has been updated to correct a typographical error in a row label, and clarify reporting instructions. The ETA 9057, Lower Authority Appeals Quality Review State Evaluation Score Sheet has been updated to remove specific reference to the latest edition of ET Handbook No. 382, and direct State Workforce Agencies (SWAs) to the most recent published edition of the ET Handbook No. 382.

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 Secretary of Labor (the Secretary) has a legal responsibility under the Social Security Act (SSA) Title III, Section 303(a)(1), for reimbursing to SWAs the necessary costs of proper and efficient administration of state unemployment insurance (UI) laws. The Secretary must establish a means of measuring SWAs' "proper and efficient administration" to certify payments to states. Among other duties, the Secretary must also ensure that state laws conform to Federal law, and that states comply with them, in order for subject employers within the state to be allowed to receive offset credit under the Federal Unemployment Tax Act.

In support of these responsibilities, SSA Title III, Section 303(a)(6), 42 U.S.C. 503(a)(6), authorizes the Secretary to require of SWAs 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."

The nature of the UI system, as administered under state laws in conformity with Federal provisions set forth in Title III of the Social Security Act and Sections 3303 and 3304 of the Internal Revenue Code of 1986 results in differences among state laws, policies, and operating methods. At the same time, however, the 53 SWAs perform similar functions and produce certain results in common for which minimum performance criteria may be applied and by which their relative effectiveness may be appraised and compared for purposes of their own internal management as well as Department of Labor (DOL) oversight. Notwithstanding the state differences, performance measures based on program outcomes are even more critical for assuring that the DOL's statutory oversight responsibilities are carried out. Program operating information is presently collected mainly in four ways: (1) through UI required reports (UIRR),

(2) through the Benefit Accuracy Measurement (BAM) Program, (3) the Tax Performance System (TPS), and (4) the BTQ Program. The BTQ performance measures are necessary to ensure that the UI program is properly administered. Good administration leads to public confidence in the UI program. Conversely, poor administration leads to a poor public image, fostering a lack of confidence in the UI program. SWA staffs also need to know the criteria against which the performance of their agency will be evaluated. The BTQ component provides these measures.

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 information collected under the BTQ system has a number of uses. It is one of the primary means used by UI Regional and National Office staff to assess state performance levels and to ensure that the Secretary's legal oversight responsibilities for determining the proper and efficient administration of the UI program are carried out. SWAs also use the BTQ performance measures for their internal program assessment with the goal of continuous performance improvement. The information is collected monthly and quarterly as required for the UIRR system and for UI Performs, the performance management system for the UI program.

The BTQ results are used to facilitate state compliance with the terms of UI administrative grants. SWAs annually prepare State Quality Service Plans (SQSPs) (OMB approval No. 1205-0132), which contain required budget worksheets, corrective action plans, and state plan narratives that detail how the SWAs intend to improve deficient performance in specific program areas.

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.*

Almost all the data used in constructing the BTQ measures is produced in the states in the course of taking claims and paying benefits. Most BTQ measures are computed directly from required reports that are submitted electronically and allow SWAs to load data directly from files created on their computer systems. With the various BTQ promptness measures, most of the record keeping used in BTQ is already highly automated at the state level. In order to comply with the Government Paperwork Elimination Act, under BTQ, the quality assessments data are entered into the UIRR for electronic transmission, eliminating the need for handling, shipping and review of paper reports.

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.*

There is no duplication between the BTQ and any other data collection.

5. *If the collection of information impacts small businesses or other small entities, describe*

any methods used to minimize burden.

The collection of information for the BTQ measures does not extend to small businesses 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.*

If the collection of BTQ information is not conducted, DOL would have difficulty discharging its oversight responsibilities effectively and efficiently. The monthly and quarterly reporting system is necessary for producing a continuous, consistent database offering comparison of data from state to state showing seasonal and cyclical economic factors. Monthly and quarterly collection of information will permit all the current oversight functions that coincide with the annual Federal budget cycle. This allows analysis and use of data for publication of an annual evaluation of state compliance with existing laws, reviewing SWA performance against BTQ measures, and monitoring SQSPs and performance improvements resulting from corrective actions undertaken.

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:*

- * Requiring respondents to report information to the agency more often than quarterly;*
- * Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;*
- * Requiring respondents to submit more than an original and two copies of any document;*
- * Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;*
- * In connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;*
- * Requiring the use of a statistical data classification that has not been reviewed and approved by OMB;*
- * That includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or*
- * Requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.*

The BTQ information collection is consistent with the criteria outlined in section 1320.5, General Information Collection Guidelines, with the exception of the requirement of monthly collection of information as explained above. However, monthly collection of information is consistent with existing OMB approved UIRR reports such as ETA 5130, Benefit Appeals Report (OMB approval no. 1205-0172), and ETA 5159, Claims and Payment Activities (OMB approval no. 1205-0010).

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 December 12, 2019 (84 FR 67758). No public comments were received.

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

There are no payments or gifts to respondents.

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

While the system does not provide a confidentially assurance to States, to ensure beneficiary privacy, BTQ data does not include claimant identifiers or claimant demographic data such as gender, race, ethnicity, date of birth, citizenship, or geographic location below the state level. Aggregate data are reported as the percentage of nonmonetary adjudications and lower authority appeals that receive passing scores in the quality review. Data are not reported for population demographic subgroups that could lead to the identification of individuals.

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.*

Information contained in this report is not sensitive.

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

a. Annualized Respondent Burden Hours

Total burden hours for SWA BTQ activity each calendar year:

4,452 (total annualized burden for monthly responses) + 32,560 (annualized reviews of sampled cases hours) = 37,012 Total Burden Hours. Continuing report generation costs are negligible for all measures except those based on samples. Most SWAs have automated the process of transferring report data from their mainframe computers to the SWAs' Sun ADP systems, which provide the interface to the UI database in the National Office.

Sample sizes for the nonmonetary and appeals quarterly reviews are determined by workload. Because of the change in workload, there has been a reclassification of some states from large to small resulting in a decrease in burden.

For nonmonetary determination quality, sample sizes are set annually and depend on the volume of nonmonetary determinations reported to the Department of Labor on the ETA 9052 reports for the prior calendar year. States are classified as large or small based on this caseload. Large states are those that issued 100,000 or more nonmonetary determinations in the prior calendar year. Small states are those that issued fewer than 100,000 nonmonetary determinations in the prior calendar year. Large states will draw a minimum sample of 100 determinations (50 separation issues and 50 nonseparation issues) per quarter for review. Small states will draw a minimum sample of 60 determinations (30 separation issues and 30 nonseparation issues) per quarter for review.

For lower authority appeals quality, all States (except those with a workload of 40,000 or more decisions in the prior fiscal year) will review a minimum of 20 randomly selected cases from each of the four quarters of the fiscal year. This is the minimum sample size needed for statistical validity of the results. The States, with annual workloads of 40,000 or more cases will be required to randomly select 40 cases per quarter. The determination of sample size (20 or 40 cases per quarter) for each State for the calendar year will be made prior to end of the first quarter of each calendar year, based on the workload during the prior calendar year.

b. Annualized Respondent Burden Costs

The estimated annual cost of BTQ in the states is \$1,873,547.44. Salary costs are calculated using an estimate of \$50.62 per hour for state employees multiplied by 37,012 burden hours. The average hourly wage for state workforce agency staff reflects the rate which was computed in the development of the FY 2020 state UI base administrative grants.

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

**Estimated Annualized Respondent Hour and Cost Burdens
 For Monthly Universe Measures**

ETA Report	Measure	Number of Respondents	Reports Per Year	Total Annual Responses	Avg. Burden per Response (In Hrs.)	Total Burden Hours	Hourly Wage Rate *	Total Burden Costs
9050	First Payment Time Lapse, Core Measure	53	12	636	0.5	318	\$50.62	\$16,097.16
9050	First Payment Time Lapse, Partial/Part Total Claims, Management Information Measure	53	12	636	0.5	318	\$50.62	\$16,097.16
9050	First Payment Time Lapse, Workshare Claims, Management Information Measure	53	12	636	0.5	318	\$50.62	\$16,097.16
Unduplicated Totals	-	-	-	636	-	954	-	\$48,291.48
9051	Continued Weeks Compensated Time Lapse, Management Information Measure	53	12	636	0.5	318	\$50.62	\$16,097.16

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9051	Continued Weeks Compensated Time Lapse, Partial Part/Total, Management Information Measure	53	12	636	0.5	318	\$50.62	\$16,097.16
9051	Continued Weeks Compensated Time Lapse, Workshare, Management Information Measure	53	12	636	0.5	318	\$50.62	\$16,097.16
Unduplicated Totals	-	-	-	636	-	636	-	\$48,291.48
9052	Nonmonetary Determinations Time Lapse, Detection Date, Core Measure	53	12	636	1	636	\$50.62	\$32,194.32
Unduplicated Totals	-	-	-	636	-	636	-	\$32,194.32
9054	Lower Authority Appeals Time Lapse, Management Information Measure	53	12	636	0.5	318	\$50.62	\$16,097.16
9054	Higher Authority Appeals Time Lapse, Management Information Measure	53	12	636	0.5	318	\$50.62	\$16,097.16

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Unduplicated Totals	-	-	-	636	-	636		\$32,194.32
9055	Lower Authority Appeals Case Aging, Core Measure	53	12	636	1	636	\$50.62	\$32,194.32
9055	Higher Authority Appeals Case Aging, Core Measure	53	12	636	1	636	\$50.62	\$32,194.32
Unduplicated Totals	-	-	-	636	-	1,272	-	\$64,388.64
Unduplicated Totals		53		3,180		4,134	\$50.62	\$225,360.24

Estimated Annualized Respondent Hour and Cost Burden
For Quarterly Sample Review Measures

Activity	Number of Respondents	Number of Cases per Respondent	Frequency of Responses	Total No. of Responses	Time Per Response (in Hrs.)	Total Burden Hours	Hourly Wage Rate*	Total Burden Cost
Nonmonetary Determination Quality, Core Measure, ETA 9056	34 Small States	60	4	8,160	1	8,160	\$50.62	\$413,059.20
Nonmonetary Determination Quality, Core Measure, ETA 9056	19 Large States	100	4	7,600	1	7,600	\$50.62	\$384,712.00
Unduplicated Totals	-	-	-	15,760	-	15,760	-	\$797,771.20
Lower Authority Appeals Quality, Core Measure, ETA 9057	46 Small States	20	4	3,680	3.5	12,880	\$50.62	\$651,985.60
Lower Authority Appeals Quality, Core Measure, ETA 9057	7 Large States	40	4	1,120	3.5	3,920	\$50.62	\$198,430.40
Unduplicated Totals	-	-	-	4,800	-	16,800	-	\$850,416.00
Unduplicated Totals	53			20,560		32,560	\$50.62	\$1,648,187.20

Total Annual Burden

Activity	Number of Respondents	Frequency	Total Annual Responses	Time Per Response	Total Annual Burden (Hours)	Hourly Rate*	Monetized Value of Respondent Time
Reporting 9050	53	12	636	1.5	954	\$50.62	\$48,291
Reporting 9051	53	12	636	1.5	954	\$50.62	\$48,291
Reporting 9052	53	12	636	1	636	\$50.62	\$32,194
Reporting 9054	53	12	636	1	636	\$50.62	\$32,194
Reporting 9055	53	12	636	2	1,272	\$50.62	\$64,389
Reporting 9056	3,940	4	15,760	1	15,760	\$50.62	\$797,771
Reporting 9057	1,200	4	4,800	3.5	16,800	\$50.62	\$850,416
Unduplicated Totals	53	-	23,740	-	37,012	-	\$1,873,546

*Source: The hourly rate is computed by dividing the FY 2020 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_16-19.pdf) by the average number of hours worked in a year (1,711). For FY 2020, this calculation is: \$86,609 / 1,711= \$50.62.

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). The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life) and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.

* If cost estimates are expected to vary widely, agencies should present ranges of cost burdens

and explain the reasons for the variance. The cost of purchasing or contracting out information collections services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.

** Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.*

Other than the costs identified in item 12 above, there are no capital/start-up or maintenance/operations costs to respondents. The Department has determined that any additional costs incurred by States automate the process of transferring data from their mainframe to the SUN ADP system would not be considered an additional burden under the PRA; rather any additional effort would most appropriately be considered a usual or customary business practice that a respondent engages in for its own purposes. See 5 C.F.R. § 1320.3(b)(2).

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.*

The Federal cost of this paperwork burden is estimated at \$635,026. This includes the time for approximately eight National and Regional office staff to conduct BTQ activities at the average grade of GS-12. The time for BTQ activities include information collection and subsequent year-round analysis and technical assistance activity. The estimates of annualized cost to the Federal government are as follows:

Federal Salary (base)	\$598,976
Federal Travel	<u>36,050</u>
Total:	\$635,026

Although no staff is required to process this report, ETA has budgeted \$965,920.33 in fiscal year 2019, 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).

Therefore \$32,197.34 plus \$635,026 = \$667,223.34 for the total annualized cost to the federal government.

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

Samples sizes for nonmonetary and appeals quarterly reviews are determined by total workload for the prior calendar year. When states workloads change, the number of cases they are required to review is subject to change. Therefore, adjustments were made that reclassified some states from large to small, resulting in a decrease in burden. The ETA 9054 Report has been revised to correct a typographical error in Section A. The 3rd time lapse category reads 45-60 (days), but should read 46-60 (days). Many states have modernized, and now accept requests for appeal online. As such, the reporting instructions for the ETA 9054 report have been updated to include appeals filed online. Lastly, the ETA 9057 report instructions make reference to an older edition of ET Handbook No. 382 – the 2nd Edition. The language in the ETA 9057 report instructions has been revised to ensure the SWA is directed to the most recent published edition of ET Handbook No. 382.

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.*

The BTQ measures results that are published as part of the UI Performs measurement system are posted to the DOL website. The general public can access the reports on the internet at <http://oui.doleta.gov/unemploy/performance.asp>. Data are updated and posted to the internet the day after receipt by the national office.

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.*

ETA will display the OMB control number and 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 to the certification statement.