SUPPORTING STATEMENT
Industry-Recognized Apprenticeship Program Standards Recognition Entity Regulation and Application
Office of Management and Budget (OMB) Control Number 1205-0536

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 National Apprenticeship Act (29 U.S.C. § 50) authorizes the Department "to formulate and promote the furtherance of labor standards necessary to safeguard the welfare of apprentices," as well as to "to bring together employers and labor for the formulation of programs of apprenticeship." On June 15, 2017, President Trump issued Executive Order (EO) 13801 (82 FR 28229), titled "Expanding Apprenticeships in America," which directed the Secretary of Labor (in consultation with the Secretaries of Education and Commerce) to consider "proposing regulations, consistent with applicable law, including 29 U.S.C. 50, that promote the development of apprenticeship programs." The EO also directed the Department to determine how qualified entities may provide recognition to "industry-recognized apprenticeship programs," and to "establish guidelines or requirements that qualified [Standards Recognition Entities] should or must follow to ensure that the industry-recognized apprenticeship programs they recognize meet quality standards."

Section 29.22(h) provides that SREs must annually report to the Administrator and make publicly available certain information the Department considers important for providing employers and prospective apprentices the details necessary to make informed decisions about IRAPs. Affected parties do not have to comply with the information collection requirements in § 29.22(h) until the Department publishes in the Federal Register the control numbers assigned by the OMB to these information collection requirements. Publication of the control numbers notifies the public that OMB has approved these information collection requirements under PRA. The Department will publish a Federal Register notice requesting public comment on the collections required by § 29.22(h) and submit an ICR to the OMB for review and approval in accordance with PRA prior to requiring or accepting any data collections. A copy of that ICR, with applicable supporting documentation—including a description of the likely respondents, proposed format and frequency of responses, and estimated total burden—will be available on the RegInfo.gov website.

The Department is submitting for your approval an updated Information Collection Request (ICR), titled *Industry-Recognized Apprenticeship Program Standards Recognition Entity Regulation and Application*. This ICR was previously submitted under OMB Control Number 1205-0536 as a part of the IRAP Notice of Proposed Rulemaking (NPRM) and has been updated to reflect the changes in the Final Rule based on public comments.

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 in the Form ETA-9183, *Industry-Recognized Apprenticeship Program Standards Recognition Entity Application* (SRE application) is aligned with the amendments to 29 CFR

part 29, as set forth in subpart B. The Department's Office of Apprenticeship (OA) will use this information to evaluate whether an applicant has met the requirements to be recognized by the Department as an SRE. Specifically, OA will use the information gathered to gauge the qualifications, plans, and processes of a prospective SRE to determine whether it meets the standards described in subpart B. The overarching intent of this effort is to expand and grow the apprenticeship model, including increased participation of under-represented populations and penetration into non-traditional occupations.

If the information collection described herein is approved, the Department will continue to monitor the quality and practical utility of the information yielded from this application.

The regulations at 29 CFR part 29, subpart B specify the following information collection requirements. The Department's authority for these regulations is the National Apprenticeship Act, 29 U.S.C. 50:

§ 29.21(a) – Provides that an entity (or consortium or partnership of entities) must submit an application to the Administrator for recognition as an SRE.

§ 29.21(b)(1) – Provides that an entity must demonstrate it has the expertise to set competency-based standards, through a consensus-based process involving industry experts, for the requisite training, structure, and curricula for apprenticeship programs in the industry(ies) or occupational area(s) in which it seeks to be recognized as an SRE.

§ 29.21(b)(2) – Provides that an entity must demonstrate it has the capacity and quality assurance processes and procedures sufficient to comply with § 29.22(a)(4), given the scope of the IRAPs to be recognized.

§ 29.21(b)(3) – Provides that an entity must demonstrate it has resources to operate as an SRE for a 5-year period and report any bankruptcies from the past 5 years.

§ 29.21(b)(4) – Provides that an entity must disclose information about any confirmed or potential partner who will be engaged in the recognition activities and describes their roles, including relationships with subsidiaries or other related entities that could reasonably impact its impartiality.

§ 29.21(b)(5) – Provides that an entity must demonstrate it is not suspended or debarred from conducting business with the U.S. Federal Government.

§ 29.21(b)(6) – Provides that an entity must demonstrate its ability to mitigate, via any specific policies, processes, procedures, or structures, any actual or potential conflicts of interest, including, but not limited to, conflicts that may arise from the entity recognizing its own apprenticeship program(s) and conflicts relating to the entity's provision of services to actual or prospective IRAPs.

§ 29.21(b)(7) – Provides that an entity must demonstrate appropriate knowledge and resources to recognize IRAPs in the industry(ies) or occupational areas in the intended geographical area, that may be nationwide or limited to a region, State, or local area.

§ 29.21(c)(1) – Provides that an entity must reapply by submitting an updated application to the Administrator at least 6 months before the date that its current recognition is set to expire if it seeks re-recognition.

§ 29.21(c)(2) – Provides that an SRE must notify the Administrator and must provide all related material information if it makes any major change that could affect the operations of the program, or any other change that materially affects the SRE's ability to function in its recognition capacity; or seeks to recognize apprenticeship programs in additional industries, occupational areas, or geographical areas.

§ 29.22(a)(1) – Provides that an SRE must recognize or reject an apprenticeship program seeking recognition as an IRAP in a timely manner.

§ 29.22(a)(4)(ii) – Provides that an IRAP have a written training plan, provided to an apprentice prior to beginning an IRAP, with details of the program's structured work experiences and appropriate related instruction, designed so that apprentices demonstrate competency and earn credential(s), and provide apprentices progressively advancing industry-essential skills.

§ 29.22(a)(4)(vii) – Provides that an IRAP provide a written notice to apprentices of what wages apprentices will receive and under what circumstances apprentices' wages will increase.

§ 29.22(a)(4)(ix) – Provides that an IRAP disclose to apprentices, before they agree to participate in the program, any costs or expenses that will be charged to them.

§ 29.22(a)(4)(x) – Provides that an IRAP maintain a written apprenticeship agreement for each apprentice that outlines the terms and conditions of the apprentice's employment and training consistent with the SRE's requirements.

§ 29.22(b) – Provides that an SRE must validate its IRAPs' compliance with the requirements listed in paragraph § 29.22(a)(4) when it provides the Administrator with notice of recognition of an IRAP.

§ 29.22(b) – Provides that an SRE validate its IRAPs' compliance on an annual basis thereafter, and must at the time provide the Administrator a written attestation that its IRAPs meet the requirements of § 29.22(a)(4) and any other requirements of the SRE.

§ 29.22(c) – Provides that an SRE must publicly disclose the credential(s) that apprentices will earn during their participation in or upon completion of an IRAP.

§29.22(f) – Provides that an SRE must remain in an ongoing quality-control relationship with IRAPs it has recognized.

§ 29.22(h) – Provides that SREs must annually report to the Administrator, in a format prescribed by the Administrator, and make publicly available information on each IRAP it recognizes.

§ 29.22(o) – Provides that an SRE must ensure that records regarding each IRAP recognized are maintained for a minimum of five years.

§ 29.23(a) – Provides that the Administrator may request and review materials from SREs, and may conduct periodic for compliance assistance reviews of SREs to ascertain their conformity with the requirements of subpart B.

§29.23(b) – Provides that SREs must provide requested materials to the Administrator.

An SRE must develop the following policies and procedures:

- § 29.21(b)(6) – A prospective SRE must demonstrate that it will mitigate via any specific policies, processes, procedures, or structures any actual or potential conflicts of interest.
- § 29.22(d) – An SRE must establish and submit to the Administrator policies and procedures for recognizing, and validating compliance of, programs that ensure that SRE decisions are impartial, consistent, and based on objective and merit-based criteria; confidential except as required or permitted by subpart B, or otherwise required by law; and written in sufficient detail to reasonably achieve the foregoing criteria.
- § 29.22(f)(5) – An SRE must have policies and procedures for the suspension or derecognition of an IRAP.
- § 29.22(i) – An SRE must have policies and procedures that require IRAPs' adherence to applicable Federal, State, and local laws pertaining to Equal Employment Opportunity.
- § 29.22(j) – An SRE must have policies and procedures for addressing complaints against each IRAP it recognizes.

Public Notifications:

- § 29.22(j) – An SRE must make publicly available the aggregated number of complaints pertaining to each IRAP.
- § 29.22(k) – An SRE must notify the public about the right to file a complaint against an IRAP and the requirements for filing a complaint.
- § 29.22(l) – An SRE must notify the public about the right to file a complaint against it with the Administrator as set forth in the regulations.
- § 29.22(m) – Upon receipt of a derecognition notice, an SRE must inform each IRAP it has recognized and the public of its derecognition status.
- § 29.22(n) – An SRE must publicly disclose any fees it charges to IRAPs.

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.

The Department intends to relieve paperwork burdens by making this application available online at www.dol.gov/apprenticeship. The online web-based application ensures that the information collection process is consistent with the purposes and requirements of both the Government Paperwork Elimination Act (GPEA) and the E-Government Act.

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.

While the Department currently collects data from registered apprenticeship programs, the Industry-Recognized Apprenticeship Programs described in subpart B would be part of a new government program. As noted in subpart B, the Department does not expect that many, if any, IRAPs would also be registered with the Department according to the current part 29. Instead, this program would complement the existing registered system.

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

Because all the information to be collected by the application is necessary to assess the capabilities of potential SREs (which could include small businesses or other small entities), the burden on these SREs cannot be readily minimized, regardless of size. However, all applicants must file electronically through an online web-based application system. The web-based application offers efficient features that allows prospective SREs to easily save, update, and submit their applications to DOL in a timely manner.

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 authorization to collect the foregoing information were not granted, the Department would be unable to determine whether or not SREs possess the characteristics and established processes consistent with the criteria outlined in subpart B, and thus could not effectively administer the IRAP program.

7.   *Explain any special circumstances that would cause an information collection to be conducted in a manner that implicates the special circumstances listed in regulations 5 CFR 1320.5.*

These data collection efforts do not involve any special circumstances.

8.   *If applicable, provide a copy and identify the data 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.*

On June 25, 2019, Page 29970 of the Federal Register (84 FR 29970) included the following information soliciting comments on the information collection:

> In addition to filing comments on any aspect of this rule with the Agency, interested parties may file comments on the information collections contained in or supporting this proposed rule with the Office of Management and Budget (OMB). This opportunity is limited to the information collections that must also be approved under the Paperwork Reduction Act, and the period to submit comments to OMB expires 30 days after the date this proposed rule is published in the Federal Register. Please submit comments about this request by mail to the Office of Information and Regulatory Affairs, Attn: OMB Desk Officer for DOL-ETA, Office of Management and Budget, Room 10235, 725 17th Street NW, Washington, DC 20503; by Fax: 202-395-5806 (this is not a toll-free number); or by email: *OIRA_submission@omb.eop.gov.* Commenters are encouraged, but not required, to send a courtesy copy of any comments by mail or courier to the Agency using the same method as for any other comments on the rule."

As referenced above, all information-collection-related comments were directed to the Office of Information and Regulatory Affairs (OIRA). The Department did not receive information-collection-related comments in the public docket and is not aware of any comments that were sent directly to OIRA.

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

This information collection does not involve payments to respondents.

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

The application will not require the disclosure by the SREs of IRAPs (nor by IRAP sponsors) of personally identifiable information about apprentices (such as the individualized salary information or social security numbers of such persons). It will also not require disclosure of commercial or financial information that is both customarily and actually treated as private by the SRE or IRAP. Such information is exempt from public disclosure under Exemption #4 of the Freedom of Information Act (FOIA) (5 U.S.C. § 552(b)(4)). This application generally seeks to obtain information from and concerning SREs. Under this collection, the name of an SRE will be posted at www.dol.gov/apprenticeship if the Department issues a recognition letter with respect to the entity. This information collection does not offers a limited assurance of confidentiality. While information collected by this application is generally subject to public disclosure under the Freedom of Information Act (FOIA), as noted above, FOIA Exemption #4 affords protection to submitters (such as potential SREs) who are asked to furnish commercial or financial information to the Federal Government. The Office of Apprenticeship will provide an applicant notice and an opportunity to object before disclosing information from the applicant.

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.*

No questions of this nature are posed on the foregoing information collection application.

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

Estimated Number of Respondents to the Information Collection

The Department believes a reliable guidepost for estimating the number of SRE applicants is the number of entities that submitted grant applications in Fiscal Year 2016 under the Office of Apprenticeship's American Apprenticeship Initiative (AAI) grants program.

Like Industry-Recognized Apprenticeship Programs, the Department designed the AAI grant program to encourage the development of innovative, groundbreaking approaches to apprenticeship program development by a wide cross-section of groups, including private-sector employers, labor unions, educational institutions, and not-for-profit organizations. In the four months during which AAI grant applications were accepted, the Office of Apprenticeship received 191 applications for grants from the intended cross-section of program sponsors and innovators.

Starting with 191 AAI grantee applicants as a reasonably analogous baseline, the Department rounded this figure slightly upwards to 200 to provide for ease of estimation. The Department then reduced this number by 10 percent to 180 to account for the fact that some entities in industries that applied for AAI grants may choose not to seek to participate in this program. The Department then adjusted this figure 50 percent higher to account for its planned efforts to promote IRAPs in the private sector, resulting in an estimate of 270 SRE applications in Year 1 (= 180 × 1.5). The Department further estimates that it

will recognize approximately 75 percent of applicants as SREs, either during their initial submission or their resubmission. Accordingly, the Department estimates that there will be 203 SREs (= 270 × 75%) in Year 1.

To estimate the number of applications and the number of applicants that will be recognized as SREs in Years 2 and 3, the Department began by assuming that the total number of SREs will increase by 5 percent per year based on historic growth in the Registered Apprenticeship program. So, in Year 2, the total number of SREs is estimated to be 213 (= 203 total SREs in Year 1 × 1.05). In Year 3, the total number of SREs is estimated to be 224 (= 213 total SREs in Year 2 × 1.05). Therefore, the Department estimates that the annual average number of total SREs in the first three years will be 213 [= (203 total SREs in Year 1 + 213 total SREs in Year 2 + 224 total SREs in Year 3) ÷ 3 years)].

Next, the Department estimated the number of new SREs in Years 2 and 3 by calculating the difference between the total number of SREs each year. So, in Year 2, the number of new SREs is estimated to be 10 (= 213 total SREs in Year 2 − 203 total SREs in Year 1). In Year 3, the number of new SREs is estimated to be 11 (= 224 total SREs in Year 3 − 213 total SREs in Year 2). Therefore, the Department estimates that the annual average number of new SREs in the first three years will be 75 [= (203 new SREs in Year 1 + 10 new SREs in Year 2 + 11 new SREs in Year 3) ÷ 3 years)].

Then, the Department estimated the number of applications in Years 2 and 3 by dividing the number of new SREs each year by 75 percent since 75 percent of applicants are expected to become recognized as SREs. In Year 2, the number of applications is estimated to be 14 (= 10 new SREs ÷ 75%).[1] In Year 3, the number of applications is estimated to be 14 (= 11 new SREs ÷ 75%).[2] Therefore, the Department estimates that there will be an average of 99 applications per year in the first three years [= (270 applications in Year 1 + 14 applications in Year 2 + 14 applications in Year 3) ÷ 3 years)].

The Department anticipates that each SRE will recognize approximately 32 IRAPs, beginning with 10 new IRAPs in its first year, 8 new IRAPs in its second year, and 5 new IRAPs in its third year. Based on this assumption, the number of new IRAPs in Year 1 is estimated to be 2,030 (= 203 new SREs in Year 1 × 10 new IRAPs per SRE). The number of new IRAPs in Year 2 is estimated to be 1,724 [= (203 new SREs in Year 1 × 8 new IRAPs per SRE) + (10 new SREs in Year 2 × 10 new IRAPs per SRE)]. The number of new IRAPs in Year 3 is estimated to be 1,205 [= (203 new SREs in Year 1 × 5 new IRAPs per SRE) + (10 new SREs in Year 2 × 8 new IRAPs per SRE) + (11 new SREs in Year 3 × 10 new IRAPs per SRE)]. Therefore, the Department estimates that there will be an average of 1,653 new IRAPs in the first three years [= (2,030 new IRAPs in Year 1 + 1,724 new IRAPs in Year 2 + 1,205 new IRAPs in Year 3) ÷ 3 years)].

On a cumulative basis, the total number of IRAPs in Year 2 is estimated to be 3,754 (= 2,030 new IRAPs in Year 1 + 1,724 new IRAPs in Year 2). In Year 3, the total number of IRAPs is estimated to be 4,959 (= 2,030 new IRAPs in Year 1 + 1,724 new IRAPs in Year 2 + 1,205 new IRAPs in Year 3). Therefore, the Department estimates that there will be an average of 3,581 total IRAPs in the first three years [= (2,030 total IRAPs in Year 1 + 3,754 total IRAPs in Year 2 + 4,959 total IRAPs in Year 3) ÷ 3 years)].

To estimate the number of apprentices, the Department looked at the number of apprentices in the registered apprenticeship system and, based on those data and related considerations, estimated that each IRAP will have an average of 35 apprentices. Also, given that the duration of programs may vary widely

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[1] Calculation with decimals: ((203 × 1.05) - 203)) ÷ 75% = 13.53. The Department rounded 13.53 up to 14.
[2] Calculation with decimals: ((213.15 × 1.05) - 213.15)) ÷ 75% = 14.21. The Department rounded 14.21 down to 14.

(from weeks to years), the Department used an average duration of one year in its calculations. In Year 1, the total number of apprentices is estimated to be 71,050 (= 2,030 IRAPs × 35 apprentices). In Year 2, the total number of apprentices is estimated to be 131,390 (= 3,754 IRAPs × 35 apprentices). In Year 3, the total number of apprentices is estimated to be 173,565 (= 4,959 IRAPs × 35 apprentices). Therefore, the Department estimates that there will be an average of 125,335 apprentices in the first three years [= (71,050 apprentices in Year 1 + 131,390 apprentices in Year 2 + 173,565 apprentices in Year 3) ÷ 3 years)].

a. **Description of the information collection (Industry-Recognized Apprenticeship Program Standards Recognition Entity Application)**

Anticipated Designated Responders to the Information Collection and Their Compensation Rate:

The Department anticipates that the bulk of the workload for private sector workers will be performed by employees in occupations similar to those associated with the following Standard Occupational Classification (SOC) codes: SOC 11-3131 (Training and Development Managers) and SOC 43-0000 (Office and Administrative Support Occupations).

According to BLS, the mean hourly wage rate for Training and Development Managers in May 2018 was $58.53.[3] For this analysis, the Department used a fringe benefits rate of 46 percent[4] and an overhead rate of 54 percent,[5] resulting in a fully loaded hourly compensation rate for Training and Development Managers of $117.06 [= $58.53 + ($58.53 × 46%) + ($58.53 × 54%)].

According to BLS, the mean hourly wage rate for Office and Administrative Support Occupations in May 2018 was $18.75.[6] The Department used a fringe benefits rate of 46 percent and an overhead rate of 54 percent, resulting in a fully loaded hourly compensation rate for Office and Administrative Support Occupations of $37.50 [= $18.75 + ($18.75 × 46%) + ($18.75 × 54%)].

Estimated Time to Complete Application Elements:

The Industry-Recognized Apprenticeship Program Standards Recognition Entity Application consists of the following five sections:

Section I	Standards Recognition Entity Identifying Information
Section II	Capabilities and Experience of the Standards Recognition Entity

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[3] Source: Bureau of Labor Statistics, Occupational Employment Statistics, May 2018, https://www.bls.gov/oes/current/oes113131.htm.

[4] Source: Bureau of Labor Statistics, Employer Costs for Employee Compensation, https://www.bls.gov/ncs/data.htm. Wages and salaries averaged $24.86 per hour worked in 2018, while benefit costs averaged $11.52, which is a benefits rate of 46 percent.

[5] Source: U.S. Department of Health and Human Services, *Guidelines for Regulatory Impact Analysis* (2016), https://aspe.hhs.gov/system/files/pdf/242926/HHS_RIAGuidance.pdf. In its guidelines, HHS states, "as an interim default, while HHS conducts more research, analysts should assume overhead costs (including benefits) are equal to 100 percent of pre-tax wages." HHS explains that 100 percent is roughly the midpoint between 46 and 150 percent, with 46 percent based on ECEC data that suggest benefits average 46 percent of wages and salaries, and 150 percent based on the private sector "rule of thumb" that fringe benefits plus overhead equal 150 percent of wages. To isolate the overhead costs from HHS's 100 percent assumption, the Department subtracted the 46 percent benefits rate that HHS references, resulting in an overhead rate of approximately 54 percent.

[6] Source: Bureau of Labor Statistics, Occupational Employment Statistics, May 2018, https://www.bls.gov/oes/current/oes430000.htm.

> Section III   Evaluating and Monitoring Elements of a High-Quality Apprenticeship Program
> Section IV   Policies and Procedures
> Section V   Attestation

<u>Time to Complete Section I—Standards Recognition Entity Identifying Information</u>: (2 hours per SRE applicant)

The estimated average response time for the SRE applicant to provide identifying information requested in this section is approximately 2 hours. This estimate includes the time to gather and attach the documentation for this section.

<u>Time to Complete Section II—Capabilities and Experience of the Standards Recognition Entity</u>: (5 hours per SRE applicant)

The estimated average response time for the respondent to describe their operations, partners, conflicts of interest, capabilities, experience, and qualifications to be an SRE is approximately 5 hours. This estimate includes the time to develop the pertinent policies and procedures, as well as to gather the documentation to be included in the subsections listed below.

A. Organizational Operational Information: (1 hour per SRE applicant)

It is estimated to take 1 hour per SRE applicant to summarize their entity's operations.

B. Organizational Qualifications: (30 minutes per SRE applicant)

It will take approximately 30 minutes for the respondent to describe their qualifications to serve as an SRE and to gather and attach relevant documentation.

C. Partners: (30 minutes per SRE applicant)

It is estimated to take 30 minutes per SRE applicant to summarize their entity's operations.

D. Conflicts of Interest: (3 hours per SRE applicant)

It will take approximately 3 hours for the respondent to develop policies and procedures for mitigating any actual or potential conflicts of interest and to gather and attach relevant documentation.

<u>Time to Complete Section III—Evaluating and Monitoring Elements of a High-Quality Apprenticeship Program</u>: (60 hours per SRE applicant)

The estimated average response time for the SRE applicant to provide information concerning the elements of their high-quality apprenticeship program requested in this section is approximately 60 hours. This estimate includes the time to develop the pertinent policies and procedures, as well as to gather the documentation to be included in the subsections listed below.

    A.   <u>Written Training Plan, Educational Partners, and Educational Credentials</u>: (7 hours per SRE applicant)

It is estimated that this section will take 7 hours to develop and attach policies and procedures that the SRE applicant will adopt to evaluate and monitor IRAP(s) written training plan, for consistency and compliance with the SRE's requirement and regulatory standards.

B.   Paid Work Component: (3 hours per SRE applicant)

It will take approximately 3 hours to develop and attach information related to the paid work component.

C.   On-the-Job-Instruction/Work Experience: (3 hours per SRE applicant)

On average, it should take 3 hours for an applicant to develop and attach the structured work experiences and mentoring opportunities for apprentices enrolled in their program(s).

    D.   Related Instructions: (7 hours per SRE applicant)

It is estimated that it will take 7 hours for an applicant to develop and attach policies and procedures that the SRE applicant will adopt to evaluate and monitor IRAP(s) related instruction that is appropriate and adequate to help apprentices demonstrate competency and earn credential(s), and provide apprentices progressively advancing industry-essential skills. This section includes the attachment of documentation about educational partners or vendors of related instruction.

    E.   Occupations and Occupational Credentials: (30 hours per SRE applicant)

For purposes of this estimate, the Department has assumed an average of 10 recognized occupations per SRE applicant; it will take approximately 3 hours per occupation to complete the requirements of this section for a total of 30 hours (= 10 occupations × 3 hours).

    F.   Equal Employment Opportunity (EEO) Requirements: (10 hours per SRE applicant)

It will take approximately 10 hours for each SRE applicant to develop and attach policies and procedures that the applicant will adopt to evaluate and monitor IRAP(s) Equal Employment Opportunity efforts.

<u>Time to Complete Section IV—Policies and Procedures</u>: (40 hours per SRE applicant)

The estimated average response time for the SRE applicant to develop and provide information concerning their proposed general processes, policies, and procedures for recognizing and monitoring industry-recognized apprenticeship programs requested in this section is approximately 40 hours. This estimate includes the time to develop the pertinent policies and procedures, as well as to gather the documentation to be included in the subsections listed below.

    A.   General Recognition Processes: (4 hours per SRE applicant)

It is estimated to take 4 hours to develop and attach the entity's proposed general processes, policies, and procedures for recognizing and overseeing high-quality industry-recognized apprenticeship programs.

B.   Data and Records Collection, Management and Retention: (20 hours per SRE applicant)

It is estimated to take 20 hours to develop and attach the approach the entity will take to address the inquiries in this section.

C.   Standards Recognition Entity and Recognition Integrity: (16 hours per SRE applicant)

It is estimated to take 16 hours to develop and attach the approach the entity will take to ensure transparency, accountability, impartiality, confidentiality, objectivity, and independence.

Time to Complete Section V—Attestation: (10 minutes per SRE applicant)

The Department estimates that it will take 10 minutes for each SRE applicant to read and attest additional representations of program quality, review the application for completeness, and sign the application.

Time for SRE to Notify Public of Right to File Complaint against an IRAP: (1 hour per SRE)

The Department estimates that it will take 1 hour for a Training and Development Manager to provide the information online, on a poster, or in a handbook, so the burden is estimated at 75 hours (= 75 SREs × 1 hour).

Time for SRE to Notify Public of Right to File Complaint against the SRE: (1 hour per SRE)

The Department estimates that it will take 1 hour for a Training and Development Manager to provide the information online, on a poster, or in a handbook, so the burden is estimated at 75 hours (= 75 SREs × 1 hour).

Time for SRE to Notify Administrator of Substantive Change to Processes or Programs: (10 hours per SRE)

The Department estimates that approximately 50 percent (107 SREs) of the 213 total approved SREs will make a substantive change to their recognition process that will require approval from the Department. The Department estimates that it will take 10 hours for a Training and Development Manager to modify documents, so the burden is estimated at 1,070 hours (= 107 SREs × 10 hours).

Time for SRE to Recognize or Reject Prospective IRAPs: (12 hours per IRAP per SRE)

The Department estimates that it will take an SRE 12 hours to recognize or reject a prospective IRAP and validate its IRAPs' compliance with the requirements listed in paragraph 29.22(a)(4) when the SRE provides the Administrator with notice of recognition of an IRAP. To estimate the number of prospective IRAPs, the Department used the estimated number of new IRAPs (1,653) as a proxy, so the estimated frequency is 7.76 new IRAPs per SRE (= 1,653 new Industry Programs ÷ 213 SREs). The total burden is estimated at 19,836 hours (= 1,653 × 12 hours).

Time for SRE to Provide Written Attestation: (10 minutes per IRAP per SRE)

The Department estimates that it will take an SRE 10 minutes per IRAP to provide the Administrator an annual written attestation that its IRAPs meet the requirements of § 29.22(a)(4) and any other requirements of the SRE. The average number of IRAPs per SRE is estimated at 16.81 in the first three years (= 3,581 IRAPs ÷ 213 SREs). The total burden is estimated at 609 hours (= 3,581 IRAPs × 10 minutes).

Time for SRE to Disclose Credentials that Apprentices Will Earn: (30 minutes per SRE)

The Department estimates that it will take an SRE 30 minutes per year to disclose the credentials that apprentices will earn during their successful participation in or upon completion of an Industry Program. An SRE could disclose these credentials on its website, for example. So, the total burden is estimated at 107 hours (= 213 SREs × 30 minutes).

Time for SRE to Conduct Quality Control Activities: (4 hours per IRAP per SRE)

The Department estimates that it will take an SRE 4 hours per IRAP to conduct quality control activities, including periodic compliance reviews. The average number of IRAPs per SRE is estimated at 16.81 in the first three years (= 3,581 IRAPs ÷ 213 SREs). The total burden is estimated at 14,324 hours (= 3,581 IRAPs × 4 hours).

Time for SRE to Notify Public of Any Fees It Charges IRAPs: (1 hour per SRE)

The Department estimates that it will take an SRE 1 hour to notify the public of any fees it charges IRAPs. An SRE could disclose its application fee and/or annual fee on its website, for example. So, the total burden is estimated at 213 hours (= 213 SREs × 1 hour).

Time for SRE Record Retention: (20 hours per IRAP per SRE)

The Department estimates that it will take an SRE 20 hours per IRAP to comply with the record retention requirements. The average number of IRAPs per SRE is estimated at 16.81 in the first three years (= 3,581 IRAPs ÷ 213 SREs). The total burden is estimated at 71,620 hours (= 3,581 IRAPs × 20 hours).

Time for IRAP to Develop Written Training Plan: (80 hours per IRAP)

The Department estimates that it will take a new IRAP 80 hours to develop a written training plan that details the structured work experiences and appropriate related instruction, is designed so that apprentices demonstrate competency and earn credential(s), and provides apprentices progressively advancing industry-essential skills. So, the total burden is estimated at 132,240 hours (= 1,653 new IRAPs × 80 hours).

Time for IRAP to Develop Written Apprenticeship Agreement: (8 hours per IRAP)

The Department estimates that it will take a new IRAP 8 hours to develop a written apprenticeship agreement, which may be applicable to multiple apprentices. For purposes of this analysis, the Department assumes the written apprenticeship agreement will disclose the wages apprentices will

receive and any costs or expenses that will be charged to apprentices. The total burden is estimated at 13,224 hours (= 1,653 new IRAPs × 8 hours).

Time for IRAP to Prepare Individual Written Apprenticeship Agreement: (10 minutes per IRAP)

The Department estimates that it will take an IRAP 10 minutes to prepare and sign an apprenticeship agreement with each individual apprentice, so the total burden is estimated at 21,307 hours (= 3,581 IRAPs × 35 apprentices × 10 minutes).

Burden Summary Table:

Information Collection Activity	Number of Respondents	Annual Frequency	Total Annual Response	Time Per Response (Hours)	Total Annual Burden (Hours)	Hourly Rate	Monetized Value of Respondent Time
IRAP SRE Application Form Section I—Standards Recognition Entity Identifying Information	99	1	99	2	198	$117.06	$23,178
IRAP SRE Application Form Section II—Capabilities and Experience of the Standards Recognition Entity	99	1	99	5	495	$117.06	$57,945
IRAP SRE Application Form Section III—Evaluating and Monitoring Elements of a High-Quality Apprenticeship Program	99	1	99	60	5,940	$117.06	$695,336
IRAP SRE Application Form Section IV—Policies and Procedures	99	1	99	40	3,960	$117.06	$463,558
IRAP SRE Application Form Section V—Attestation	99	1	99	0.17	17	$117.06	$1,970
Subtotal	99		99		10,610	$117.06	$1,241,987
SRE Notification to Public of Right to File Complaint Against IRAP	75	1	75	1	75	$117.06	$8,780
SRE Notification to Public of Right to File Complaint Against SRE	75	1	75	1	75	$117.06	$8,780
SRE Notification to Administrator of Substantive Change to Processes or Programs	107	1	107	10	1,070	$117.06	$125,254
SRE Recognition or Rejection of Prospective IRAP	213	7.76	1,653	12	19,836	$117.06	$2,322,002
SRE Written Attestation that IRAPs Meet Requirements	213	16.81	3,581	0.17	609	$117.06	$71,263
SRE Disclosure of Credentials that Apprentices Will Earn	213	1	213	0.50	107	$117.06	$12,467
SRE Quality Control and Periodic Compliance Reviews of IRAPs	213	16.81	3,581	4	14,324	$117.06	$1,676,767
SRE Notification to Public of Any Fees It Charges IRAPs	213	1	213	1	213	$117.06	$24,934
SRE Record Retention	213	16.81	3,581	20	71,620	$37.50	$2,685,750
IRAP Development of Written Training Plan	1,653	1	1,653	80	132,240	$117.06	$15,480,014
IRAP Development of Written Apprenticeship Agreement	1,653	1	1,653	8	13,224	$117.06	$1,548,001
IRAP Preparation of Individual Written Apprenticeship Agreement	3,581	35	125,335	0.17	21,307	$117.06	$2,494,192
Unduplicated Totals	**3,794**		**141,819**		**285,310**		**$27,700,191**

13. *Provide an estimate for the total annual cost burden to respondents or record keepers resulting from the collection of information.*

There are no additional costs to respondents other than the value of respondent time captured 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.*

The following narrative summarizes the estimated annualized costs to the Office of Apprenticeship of the Department's Employment and Training Administration (ETA) in connection with processing and reviewing the information collections described in this submission:

Step 1: Processing by Program Analysts
It is anticipated that the initial intake, review, and analysis of the information provided to the Department by Standards Recognition Entities will be conducted by a Program Analyst in ETA's Office of Apprenticeship. The compensation rate for a Program Analyst was estimated using the midpoint (Step

5) for Grade 13 of the General Schedule, which is $53.85 in the Washington, D.C., locality area.[7] The Department used a fringe benefits rate of 69 percent[8] and an overhead rate of 54 percent,[9] resulting in a fully loaded hourly compensation rate for Program Analysts of $120.09 [= $53.85 + ($53.85 × 69%) + ($53.85 × 54%)].

The Department further estimates that each Program Analyst will take an average of one hour to review and analyze the information that is contained in each of the foregoing information collection applications. Accordingly, the total annualized cost for a Program Analyst to process the estimated 99 submissions from potential SREs per year multiplied by 1.0 hour processing time for each application, will result in 99 Program Analyst processing hours, resulting in a total annual cost of $11,889 (= 99 hours × $120.09).

Step 2: Review Process by Panel
Applications that the initial Program Analyst deems to be satisfactory will be forwarded to a review panel consisting of one Program Analyst and two Training and Development Managers for review. It is anticipated that the initial review process will result in a disqualification of 10 percent (10 applications), leaving an estimated 89 applications per year to be reviewed during Step 2. The estimated time to conduct a complete review of each SRE's application is 8 hours. This equates to 712 hours (= 8 hours × 89 applications).

The hourly compensation for a Program Analyst is $120.09 as stated above, so the cost for one Program Analyst to review applications is $85,504 (= $120.09 × 712 hours). The hourly compensation for a Training and Development Manager is $117.06 as stated above, so the cost for two Training and Development Managers to review applications is $166,693 (= $117.06 × 2 Training and Development Managers × 712 hours). Therefore, the total annualized cost for the panel to review the estimated 89 applications is $252,198 (= $85,504 + $166,693).

Step 3: Panel Recommendations for Approval
It is expected that the panel will meet on a consistent basis to discuss their review findings for each application. This process should take approximately one hour per application for a total of 89 hours (= 1 hour × 89 applications). The cost for one Program Analyst is $10,688 (= $120.09 × 89 hours). The cost for two Training and Development Managers is $20,837 (= $117.06 × 2 Training and Development Managers × 89 hours). Therefore, the total annualized cost for the panel members to discuss their findings and prepare their recommendations is $31,525 (= $10,688 + $20,837).

Step 4: Approval by Office of Apprenticeship Administrator

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[7] Source: Office of Personnel Management, General Schedule (GS) Locality Pay Tables, https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2019/DCB_h.pdf.

[8] Source: Congressional Budget Office, "Comparing the Compensation of Federal and Private-Sector Employees, 2011 to 2015," April 2017, www.cbo.gov/publication/52637. The wages of Federal workers averaged $38.30 per hour over the study period, while the benefits averaged $26.50 per hour, which is a benefits rate of 69 percent.

[9] Source: U.S. Department of Health and Human Services, *Guidelines for Regulatory Impact Analysis* (2016), https://aspe.hhs.gov/system/files/pdf/242926/HHS_RIAGuidance.pdf. In its guidelines, HHS states, "as an interim default, while HHS conducts more research, analysts should assume overhead costs (including benefits) are equal to 100 percent of pre-tax wages." HHS explains that 100 percent is roughly the midpoint between 46 and 150 percent, with 46 percent based on ECEC data that suggest benefits average 46 percent of wages and salaries, and 150 percent based on the private sector "rule of thumb" that fringe benefits plus overhead equal 150 percent of wages. To isolate the overhead costs from HHS's 100 percent assumption, the Department subtracted the 46 percent benefits rate that HHS references, resulting in an overhead rate of approximately 54 percent.

After initial intake and review by a Program Analyst and subsequent analysis by the review panel, applications deemed satisfactory will be sent to the Administrator for final review and approval. The Administrator (who is a member of the Senior Executive Service, or SES) will reach a final decision concerning whether a particular entity will receive recognition from the Department as an SRE. The compensation rate for the Administrator is based on the salary of a Federal employee at Level IV of the Senior Executive Service, which is $166,500 per annum;[10] the corresponding hourly base pay for an SES at this level is $80.05 (= $166,500 ÷ 2,080 hours). The Department used a fringe benefits rate of 69 percent and an overhead rate of 54 percent, resulting in a fully loaded hourly compensation rate for the Administrator of $178.51 [= $80.05 + ($80.05 × 69%) + ($80.05 × 54%)].

The Department estimates that the panel will approve the qualifications of approximately 75% of the SRE applicants, or 75 out of 99 applications in the first three years. The Department further estimates that the Administrator will take an average of 15 minutes to review each application the panel recommends for final recognition as an SRE, for a total of 18.75 hours (= 75 applications × 15 minutes). Accordingly, the total annualized cost for the Administrator's review is $3,347 (= $178.51 × 18.75 hours).

Notification of Recognition or Denial of Recognition

The Department estimates that a Program Analyst will take an average of 1 hour to notify each of the 99 applicants as to whether they have been recognized as an SRE. So, the total annualized cost for the notification process is $11,889 (= 99 applicants × 1 hour × $120.09).

Periodic Compliance Assistance Reviews of SREs

The Office of Apprenticeship may conduct periodic compliance assistance reviews of SREs. For purposes of this analysis, the Department estimates that the Office of Apprenticeship will perform compliance assistance reviews of 5 percent of SREs per year, which rounds up to 11 SREs (= 213 SREs × 5%). The Department estimates that such reviews will take approximately 10 hours per SRE, so the total annualized cost is estimated at $13,210 (= 11 SREs × 10 hours × $120.09).

Online Application and Internal Review System

The one-time cost to develop an online portal to gather and track information for this collection is estimated at $546,462 for software and labor. The annual maintenance cost is estimated at $125,000 for software and labor.

Total Federal Government Burden

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[10] Source: Office of Personnel Management, Rates of Basic Pay for the Executive Schedule, https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2019/EX.pdf.

Industry-Recognized Apprenticeship Program Standards Recognition Entity Regulation and Application
OMB Control No. 1205-0536

Cost Activity and Federal Employee Job Title	Number of Activities per Year	Time Per Activity (Hours)	Total Annual Burden (Hours)	Hourly Rate	Monetized Value of Time
Step 1: Program Analyst (GS-13, Step 5)	99	1	99	$120.09	$11,889
Step 2: Program Analyst (GS-13, Step 5)	89	8	712	$120.09	$85,504
Step 2: Training and Development Manager*	89	16	1,424	$117.06	$166,693
Step 3: Program Analyst (GS-13, Step 5)	89	1	89	$120.09	$10,688
Step 3: Training and Development Manager*	89	2	178	$117.06	$20,837
Step 4: Administrator (SES, Level IV)	75	0.25	18.75	$178.51	$3,347
Notification to Applicant of Recognition or Denial of Recognition: Program Analyst (GS-13, Step 5)	99	1	99	$120.09	$11,889
Compliance Assistance Review of SRE: Program Analyst (GS-13, Step 5)	11	10	110	$120.09	$13,210
Development of Online Portal for Applications					$546,462
Annual Maintenance of Online Portal for Applications					$125,000
Total					**$995,519**

*These totals account for two persons.

GRAND TOTAL OF FEDERAL COST BURDEN: $995,519

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

This is a new information collection.

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 action.

Summary information is used to respond to requests from senior management, Congress, public interest groups, the apprenticeship sponsor community, and the general public. After SREs are approved by the Department, some information about them will be posted on the Department's website.

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

The Department will display 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 to the certification statement.

B.   Collections of Information Employing Statistical Methods

This collection of information does not employ statistical methods.