

**SUPPORTING STATEMENT**  
**Interstate Arrangement for Combining Employment and Wages**  
**OMB Control No. 1205-0029**

The Department of Labor (Department), Employment and Training Administration (ETA) is submitting an extension without change of the Interstate Arrangement for Combining Employment and Wages (ETA 586).

**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.*

Section 3304(a)(9)(B), of the Internal Revenue Code (IRC) of 1986, requires States to participate in an arrangement for combining employment and wages covered under the different State laws for the purpose of determining unemployed workers' entitlement to unemployment compensation. The Interstate Arrangement for Combining Employment and Wages (CWC), promulgated at 20 CFR 616, requires the prompt transfer of all available employment and wages between States upon request. The Benefit Payment Promptness Standard, 20 CFR 640, requires the prompt payment of unemployment compensation including benefits paid under the CWC arrangement. Section 303(a)(6) of the Social Security Act grants authority to the Secretary to require States to report program information as deemed necessary.

*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 administration of this program is complex and difficult due to the involvement of more than one State in each determination. All States involved in each claim must take a number of actions and make decisions before a monetary determination can be issued. CWC claims are processed under the Interstate and Intrastate programs and can include State covered employment and wages, as well as Federal military and civilian employment and wages, which require special handling.

Specific information concerning the CWC program is not available from any other source. This information is necessary in order for ETA to analyze program performance, know when program performance action plans are needed and to target technical assistance resources. Without this report, it would be impossible for the ETA to identify activity under the CWC program and carry out the Secretary's responsibility for oversight.

The ETA 586 report provides the ETA/Office of Unemployment Insurance (OUI) Division of Unemployment Insurance Operations (DUIO) with information necessary to measure the scope and effect of the program and monitor the performance of each State in responding to wage transfer requests and the payment of benefits.

The UI Benefit Timeliness and Quality system uses the data to determine which States must submit plans for corrective action in the State Quality Service Plan (SQSP) process (OMB 1205-0132).

The OUI/DUIO staff and Regional Office Staff use this information to monitor States' on-going performance, to determine technical assistance needs, to respond to inquiries, to determine program emphasis needs, and to measure the impact of performance under this program on the States' ability to comply with the performance criteria of the Benefit Payment Promptness Standard, 20 CFR 640.

The data accumulated at State level is used by the State agency as the basis for staffing patterns in claim centers, to determine training needs and to monitor performance. For example, claim centers with a high volume of combined claims would need more and better trained staff due to the volume and complexity of the claims workload and the greater amount of time necessary to process these types of claims.

*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 are free to take advantage of any available technology to create/generate the report data. State Unemployment Insurance programs benefit from computer hardware and software developed by ETA that provides for data storage, data collection and data processing. ETA provides computers and a software system to all states, and that system is, generally speaking, the only method by which states may report data. When a state logs into the system, they see facsimiles of the reports and do entry either directly into those facsimiles or by loading pre-formatted, delimited ASCII files exported from their computer systems into the software to populate the reporting interface. The only State that does not report electronically is the Virgin Islands.

*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 duplicated in any other report.

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

Information collection does not involve small business.

*6. Describe the consequences to Federal program or policy activities if the collection is not conducted or conducted less frequently, as well as any technical or legal obstacles to reducing burden.*

Reporting less frequently than quarterly would hamper identification of problems and lengthen the time between the problem arising and solution.

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.*

This report complies with 5 C.F.R. 1320.5.

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 the 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 instruction 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 three 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 January 30, 2020 (85 FR 5478). No public comments were received.

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

There are no payments to respondents.

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

There are no assurances of confidentiality.

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.*

Data collection does not involve questions of a sensitive nature.

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

*\* Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.*

*\* If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens.*

*\* Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included under "Annual Cost to Federal Government."*

Respondents are the 53 State agencies, including the District of Columbia, Puerto Rico, and the Virgin Islands. The respondents report quarterly to ETA/OUI. These reports are completed with data retrieved from the State agencies' central computer records of the claims processed under this program. It is estimated that the burden for the preparation of this report is as follows:

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

Estimated Annualized Respondent Hour and Cost Burdens

Form	Number of Respondents	Number of Responses per Respondent	Total Responses	Time Per Response (in Hrs.)	Total Burden Hours	Average Hourly Wage Rate*	Total Burden Costs
ETA 586	53	4	212	4	848	\$50.62	\$42,926
<b>Unduplicated Totals</b>	<b>53</b>	<b>--</b>	<b>212</b>	<b>--</b>	<b>848</b>	<b>--</b>	<b>\$42,926</b>

\* 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](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.-

Estimated annual burden cost: 848 hours x \$50.62\* per hour = \$42,925.76 (rounded to 42,926). This estimate is arrived at by multiplying the annual burden hours by the FY 2020 average hourly wage for state workforce agency staff that was computed in the development of the FY 2020 state UI base administrative grants. The Federal government pays the salaries of the state staff via administrative funds, so there is no direct cost to the states.

All burden estimates originated with state provided feedback on the actual burden involved with reporting. Decomposing the actual burden into constituent parts such as computer automation, human file sorting, human review and meetings is difficult in that it varies from state to state. Most states use the ASCII load function, so it is safe to assume to that the automated generation of the numbers themselves, the formatting of those numbers and the loading into the interface is all done in a matter of seconds by computer automation. This implies that the bulk of the time is spent reviewing the reports, and identifying and correcting errors.

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.*

There are no record keeping or other costs as States maintain this data to operate their programs. Contracting costs are noted in item number 14.

*14. Provide estimates of annualized costs to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies may also aggregate cost estimates from Items 12, 13, and 14 in a single table.*

Federal Burden for Data Collection: ETA 586.

Annual Burden Hours: 40 (10 hours per quarter).

Estimated Annual Salary Cost to Review Data: \$1,875.

Note: The estimated cost is based upon the annual salary for a Washington, DC based GS-12, Step 5 at \$46.88 per hour. (See Office of Personnel Management Salary Table 2020-GS, ([https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2020/DCB\\_h.pdf](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2020/DCB_h.pdf))).  $\$46.88 \times 40 \text{ hours} = 1,875.20$ .

The data is received and stored on Department-owned computer equipment along with all other Unemployment Insurance Reports data.

During fiscal year 2020, ETA has budgeted \$1,024,744.87 contractual costs for operating and maintaining 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 \$34,158.16 ( $\$1,024,744.87/30$  information collections.)

Total Federal costs are estimated to be \$36,033 ( $1,875 + 34,158 = \$36,033$ ).

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

The burden remains unchanged.

*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.*

No publication is planned.

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

The expiration date for OMB approval is displayed.

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

There are no exceptions.

## **B. Collections of Information Employing Statistical Methods**

This information collection does not employ statistical methods.