

SUPPORTING STATEMENT FOR

Unemployment Insurance State Quality Service Plan Planning and Reporting Guidelines

OMB CONTROL NO. 1205-0132

This information collection (ICR) seeks a revision to OMB 1205-0132, Unemployment Insurance State Quality Service Plan (SQSP) Planning and Reporting Guidelines.

A. JUSTIFICATION

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

The State Quality Service Plan (SQSP) represents an approach to the unemployment insurance (UI) performance management and planning process that allows for an exchange of information between the federal and state partners to enhance the ability of the program to reflect their joint commitment to performance excellence and client-centered services. As part of UI Performs, a comprehensive performance management system for the UI program, the SQSP is the principal vehicle that the state UI programs use to plan, record and manage improvement efforts.

The statutory basis for the SQSP is Title III, Section 302 of the Social Security Act, which authorizes the Secretary of Labor to provide funds to administer the UI program. Respondents' obligation to reply to these reporting requirements is required under 29 CFR 97.40. DOL annual budget request for state UI operations contains workload assumptions for which the state must plan in order for the Secretary to carry out his responsibilities under Section 303 (a) of the Social Security Act – to ensure full payment of unemployment compensation when due. DOL issues financial planning targets based on the budget request, and states make operational plans based on such assumptions and targets via this mechanism.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

The SQSP allows states to share their key program objectives for the coming year as well as the strategies the state will use to achieve those objectives. The SQSP is a management tool for states to ensure strong program performance and to focus the states' performance efforts across the range of UI activities. Operationally, the SQSP also serves as the grant document through which states receive federal UI administrative funding.

Each year, a UI Program Letter (UIPL) initiates the SQSP cycle. This UIPL publishes the dates relevant to the SQSP process for the approaching fiscal year; summarizes federal program

emphasis for the year; and identifies any special planning requirements in effect for the fiscal year. It also explains opportunities for increased, targeted funding made available annually in the President's budget if such opportunities exist.

States prepare and transmit a SQSP in accordance with the instructions in ET Handbook No. 336, 18th Edition and the annual UIPL. Regional office staff reviews the SQSPs for completeness, to make sure that the SQSPs are completed in accordance with the instructions, and to ensure that the plans reflect negotiated agreements. An annual assessment augments ongoing performance improvement and forms the basis for any corrective action planning for the SQSP.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also, describe any consideration of using information technology to reduce burden.

States may submit financial report information on computer printouts instead of the SF 270 and SF 424. Electronic submittal is not available for all Standard Forms; therefore some must be submitted manually. States submit the UI-3 worksheet electronically through UI Required Reports System (UIRR), which ensures that this report is consistent with reported workload and that entitlement is calculated uniformly.

In order to comply with the Government Paperwork Elimination Act, states are requested to submit SQSPs electronically.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item A.2 above.

This information is not available elsewhere. There is no duplication. Options to submit computer printouts instead of on SF 270 or SF 424 reduce the need to transfer information from States records onto a Federal form.

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

No small businesses or entities are involved.

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

Collecting state funding information less frequently than once a year, and financial information less frequently than once a quarter, would affect the Employment and Training Administration's

(ETA's) ability to determine the level of base and above-base resources required by states and would impair ETA's ability to budget for the administration of the UI program.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- **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 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 secret, 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.**

Collection using worksheets UI-1 and UI-3 is consistent with OMB Circular A-102. The unique nature of the UI program (base and above-base funding, staff year allocations, and workload/staff year earnings and entitlements) requires ETA to obtain this information for management and funding of the program. This reporting requirement is consistent with 5 CFR 1320.5.

8. If applicable, provide a copy and identify the date and page number of publication in the *Federal Register* of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years -- even if the collection-of-information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

In accordance with the Paperwork Reduction Act of 1995, the public was allowed 60 days to comment through the Federal Register Notice posted on April 29, 2020 (85 FR 23865). No public comments were received.

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

No payment or gifts are involved.

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

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

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

There are no questions of a sensitive nature.

12. Provide estimates of the hour burden of the collection of information. The statement should:

- **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.**
- **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 in Item 14.**

Estimated Annualized Respondent Cost and Hour Burden

Activity	No. of Respondents	No. of Responses per Respondent	Total Responses	Average Burden (Hours)	Total Burden (Hours)	Hourly Wage Rate	Total Burden Cost
UI-1 (base), ETA 8623A	53	1	53	1	53	\$50.62	\$2,682.86
UI-3 (contingency), ETA 2208A (Quarterly)	53	4	212	2	424	\$50.62	\$21,462.88
CAPs	53	9 ¹	477	4	1,908	\$50.62	\$96,582.96
UI Program Integrity Plan	53	2	106	3	318	\$50.62	16,097
SQSP State Plan Narrative	53	1 ²	53	4	212	\$50.62	\$10,731.00
Quarterly Reports	53	5	265	4	1,060	\$50.62	\$53,657.20
Unduplicated Totals	53	Varies	0	Varies	0		0

*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

¹ States submit CAPs every 2 years for deficiencies. In the Alternate year, states could revise existing CAPs if necessary. In the Alternate year, states are also required to submit CAPs for new deficiencies.

² State Plan Narrative is submitted every 2 years. In the Alternate year, only necessary revisions are made.

hours worked in a year (1,711). For FY 2020, this calculation is: $\$86,609 / 1,711 = \50.62 .

Frequency: Various

Total Respondents: 53 State Workforce Agencies

Average Estimated Number of Responses: 1166 per year

Average Estimated Number of Burden Hours: 3975

Average Estimated Time per Response: $3975 \div 1166 = 3.41$ hours

Average Estimated Annual Burden Cost: **\$201,213.90**. This estimate is based upon total annual hours of 3975 multiplied by the average hourly rate for state agency personnel of \$50.62. However, the federal government provides administrative funding to the state UI agencies that covers salaries of state staff, so this does not represent a direct cost to the state.

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

- **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 service 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 collection 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 costs other than those mentioned in item 12.

14. Provide estimates of the annualized cost 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), any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 into a single table.

Although no staff is required to process this report, ETA has budgeted \$1,024,744.87 in fiscal year 2020, 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 \$34,158.16 (\$1,024,744.87 system cost/30 information).

The Federal cost of this paperwork burden is estimated at \$201,375. This includes the time for National and Regional office staff to review and process state plans at an hourly rate of \$45.24, a merged rate equaling the base rate for a GS 13, step 7 employee. See [2020 OPM GS Salary Table](#). One National Office staff devotes an estimated 50 percent of the time to SQSP activity. Approximately seven Regional Office personnel (including supervisory and clerical support) devote an estimated 25 percent of their time to SQSP activity. The time for SQSP activities includes information collection and subsequent year-round analysis and technical assistance activity. The estimates of annualized cost to the Federal government are as follows:

1—National Office staff	\$47,210
7—Regional Office staff	<u>\$165,234</u>
Total	\$212,444

15. Explain the reasons for any program changes or adjustments.

The current burden for the SQSP submittal for 53 SWAs is 1166 total annual responses and 3975 total annual burden hours. This reflects an increase in burden from the previously approved 773 total annual responses and 3,304 total annual burden hours. This change is due to the following:

- 1) Each SWA is required to submit 1 CAP for each deficiency. Based on FY 2020, a total of 477 CAPs were submitted from SWAs. This is an increase of 45 CAPs
- 2) Within the Biennial SQSP planning cycle, CAPs are developed with a 24-month window. Previously, states switched between the Biennial and Alternate Year SQSP each year, but on alternating schedules. With that schedule, only half of

the states (27) submitted the Biennial SQSP each year and half the total CAPs (216) were submitted. Beginning with the FY 2021 SQSP, all states are on the same schedule. Therefore, every other year, all 53 SWAs must submit the Biennial SQSPs with all CAPs (477). In short, the burden reflects hours for all CAPs for all 53 SWAs. The schedule change was approved with a non-substantive change request to OMB (See ICR Ref. No. - 201911-1205-002).

- 3) The UI Program Integrity Action Plan (IAP) must discuss the root causes of improper payments and present the state's strategies to address these causes. The IAP has been revised to include additional strategies for UI National Priorities, CARES Act, and High Dollar Overpayments.
- 4) The quarterly reporting burden is an estimated average based on the time it takes to prepare a milestone updates required for a particular quarter for a particular CAP. Not all milestone require updates every quarter. Therefore, the burden is reduced from 8 to 4 hours. Also, quarterly reporting is now based on total CAPs (477).

Additionally, states will provide mid-year updates to the UI Integrity Action Plan.

- 5) The CAP and Quarterly Reporting Workbook was revised to include separate tabs for the Biennial IAP and Alternate Year IAP.
- 6) ET Handbook No. 336 has been revised to include:
 - The Assurance of Disaster Unemployment Assistance. No additional burden needed to be included for this Assurance.
 - Formatting changes to improve the flow of information. No change in burden.

16. For collections of information whose results will be published, outline plans for tabulations, and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

There are no plans for publishing this information.

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

ETA displays the OMB expiration date.

18. Explain each exception to the certification statement.

There are no exceptions.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS.