

**SUPPORTING STATEMENT FOR
UNEMPLOYMENT INSURANCE (UI) TRUST FUND ACTIVITY**

OMBCONTROL NO. 1205-0154

This information collection request (ICR) seeks approval of an extension without change for Unemployment Insurance (UI) Trust Fund Activity reports.

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 requirement in Federal law, the basis for all reporting, resides in the Social Security Act (SSA), Section 303(a)(6), 42 U.S.C. § 503(a)(6), which gives the Secretary of Labor the authority to require the reporting of such information determined necessary to assure compliance with the provisions of the SSA. In the case of the Unemployment Trust Fund (UTF) management reports comprising this submission, that authority extends to Departmental responsibilities (as Secretary of Labor) to assure that contributions collected are immediately paid over to the Secretary of the Treasury in conformity with Section 303(a)(4) of the SSA and section 3304(a)(3) of the Federal Unemployment Tax Act (FUTA); and that expenditure of all money withdrawn from the unemployment fund of a state is used exclusively for the payment of benefits, exclusive of refund (SSA, Section 303(a)(5), FUTA section 3304(a)(4)).

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 Employment and Training Administration (ETA) 2112 reports all financial transactions i.e., receipts, disbursements, adjustments and fund balance, of the state's account in the UTF for the month. This information is used by the Department's Office of Chief Financial Officer (OCFO) and reported in the Department's annual audited consolidated financial statements required by the Chief Financial Officer Act of 1990. The UTF contains about 75% of the assets and liabilities of the statements.

Other uses of these reports include:

- The Division of Fiscal and Actuarial Services of the Office of Workforce Security (OUI) utilizes the reported data each month to monitor UTF cash flow, identify excessive drawdown of funds for benefit payment from states' accounts in the UTF

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which could result in a sizeable loss of interest earnings to the UTF. Data concerning Federal programs, Unemployment Compensation for Federal Employees (UCFE), Unemployment Compensation for Ex-Service members (UCX), and Extended Benefits (EB), are extracted from the reports on a monthly basis and entered into computerized individual state records of account for reconciliation with the Bureau of Public Debt in the U.S. Treasury Department and for subsequent study and evaluation to identify trends and cash flow analysis.

- Data from the ETA 2112 are also used to generate monthly pertinent statistics on the Unemployment Insurance (UI) program, e.g., state UI benefit payments, extended benefit payments, other related program costs, projection to a State's Trust Fund solvency based on contributions collected and deposited and benefit payments. The data are included in the Handbook of Unemployment Insurance Financial Data which is published annually.
- The report also reflects monthly transactions relating to Title XII advances and repayments in those states borrowing from the Federal Unemployment Account (FUA). Monthly reporting is necessary to permit National Office cash management performance monitoring.
- The data contained in this report have proved to be very valuable to National Office staff testifying before state legislative bodies attempting to strengthen the financing provisions of their state UI laws and in responding to inquiries from members of the Congress and certain committees. The ETA 2112 also records expenditures and restoration of unemployment funds used for administrative purposes, pursuant to Section 903(c)(2) of SSA. These "Reed Act" funds are available for non-benefit use upon appropriation by state legislatures.
- ETA 2112 data is used to verify states' requests to qualify for loan capping, and deferral of interest payments on Title XII loans.

The ETA 8401 (Monthly Analysis of Benefit Payment Account)

The ETA 8405 (Monthly Analysis of Clearing Account)

These reports, based on state books, reflect activities in the clearing account for the deposit of employer contributions, transfer of funds to state's account in the UTF, employer refunds and adjustments; and the benefit payment account for withdrawals from the UTF for the payment of unemployment benefits. Monthly totals from these reports are carried forward to the appropriate ETA 2112 monthly report.

- The ETA 8405 is used to determine the timeliness of deposit of employer contributions and other funds to the UTF (e.g., benefit overpayment recoveries) to insure state compliance with section 303 (a)(4) of the SSA. The report is also used to develop trial balances and other financial information to compile the Departmental annual consolidated financial statements. Information reported is compared to Treasury reports for verifying transfers of funds to the UTF, and compliance with the immediate deposit requirements of SSA and the FUTA).

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- The ETA 8401 is used to determine the timing of withdrawals of funds from the UTF to disbursements for the payment of unemployment compensation. This information will be even more critical to DOL because of the provisions of the Cash Management Improvement Act of 1990, as amended, (CMIA) which require that states execute agreements with the U.S. Treasury to stipulate one method of drawdown of funds from the UTF. The ETA 8405 will provide information to the DOL and Treasury to monitor compliance with the drawdown method stipulated in the Agreement. ETA 8401 information is again needed for the compilation of DOL annual consolidated financial statements.

The ETA 8413 (Income/Expense Analysis – Benefit Payment Account)

The ETA 8414 (Income/Expense Analysis - Clearing Account)

These reports, based on the state depository institution records, reflect activities in these accounts in the local bank. The bank prepares basic information for the agency on a monthly basis. The agency then assembles the complete reporting package, e.g., 8401-8405-8413-8414 and ETA 2112 and submits it electronically to the National Office. The basic information prepared by the banks for the State agencies is of the type routinely prepared for account holders; consequently, no burden is claimed for that activity. See 5 CFR 1320.3(b)(2).

These reports provide information to the DOL to monitor bank account balances, bank charges, and bank compensation. Under provisions of the CMIA, information on bank charges reported in the ETA 8414 will be indispensable since states are allowed to pay charges for their benefit payment account from interest earnings on benefit payment account balances.

The OUI has implemented an effective system for regularly monitoring state cash management and state banking arrangements to increase trust fund earnings. The cash management performance monitoring system requires timely reporting by states on a monthly basis to effectively monitor cash management performance. The ETA 8401, 8405, 8413, and 8414 reports are the key reports in the system.

The current cash management monitoring system is based on a monthly reporting system. It is crucial that problems and deficiencies be identified as early as possible so that corrective action can be taken timely and efficient cash management monitoring will be accomplished. Monthly reporting provides this capability.

The ETA 8403 (Reed Act Activity)

This report reflects each state's Reed Act activities. It is submitted only when there has been activity which requires updating the state's Reed Act account.

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.

Current information processing and data gathering techniques in the states utilize electronic data processing equipment and computerized records. The production of reports is entirely automated and the resulting electronic reports are submitted electronically to the OUI.

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.

The data reported on these reports are unique in the DOL/ETA reporting system, and we are not aware of duplication of data.

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

This collection does not impact 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.

The response to this item is discussed in the narrative response under #2 above. Current Financial and Cash Management Systems are based on monthly reporting. It is imperative that problems and deficiencies be identified as early as possible so that corrective actions can be taken immediately. States also generally use monthly reporting/accounting cycles which make the current frequency convenient.

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.**

This request contains no special circumstances.

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 given 60 days to comment on the Federal Register Notice published on June 24, 2021 (86 FR 33368). No public comments were received.

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

There are no payments or gifts provided to respondents.

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

No confidential information is collected, and there is no expectation 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.

The data collection includes 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.**

Table A.1 below shows ETA's estimate of the proposed burden following changes mandated by PL 112-96, and as requested in this document, breaking down the total by report. In monetizing this burden, DOL used the FY 2021 program planning average wage of State Workforce Agency staff of \$52.20. For each individual ETA report, the estimated annual burden hours are multiplied by the program planning hourly wage to yield an estimate of respondent time.

Estimated Annualized Respondent Cost and Hour Burden

Activity	No. of		Total	Average	Total	Hourly	Total
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	Respondents	No. of Responses per Respondent	Responses	Burden (Hours)	Burden (Hours)	Wage Rate	Burden Cost
Reporting of ETA 2112	53	12	636	0.5	318	\$52.20	\$16,600
Reporting of ETA 8401	53	12	636	0.5	318	\$52.20	\$16,600
Reporting of ETA 8405	53	12	636	0.5	318	\$52.20	\$16,600
Reporting of ETA 8413	53	12	636	0.5	318	\$52.20	\$16,600
Reporting of ETA 8414	53	12	636	0.5	318	\$52.20	\$16,600
Reporting of 8403	53	12	318	0.5	159	\$52.20	\$8,300
Unduplicate d Totals	53	-	3,498	-	1,749	-	\$91,300

*Source: The hourly rate is computed by dividing the FY 2021 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_17-17.pdf) by the number of hours worked in a year (1,711). For FY 2021, this calculation was: \$89,306/1,711 hours = \$52.20

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 annualized costs to respondents. The computer hardware and software, as well as funding for staff time in state workforce agencies are paid for by monies allocated to states for administration from the Federal Government. Funding is provided for all reporting activities so no cost breakout for specific reports can be computed. These are well established reports so there are no start-up costs.

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 \$1,055,487.22 in fiscal year 2021, 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 \$35,182.91 (\$1,055,487.22 system cost/30 information collections)*.

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

There are no changes or adjustments to the report.

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.

All of the items reported are used for program performance purposes, and are a matter of public record. These data are made available to the public via the OUI website at <http://ows.doleta.gov/unemploy/DataDownloads.asp>

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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.

The OMB control number and expiration date are displayed.

18. Explain each exception to the certification statement.

There are no exceptions to the certification statement.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS.

This information collection does not employ statistical methods.