

**SUPPORTING STATEMENT FOR  
Self-Employment Assistance (SEA) Program**

**OMB CONTROL NO. 1205-0490**

The Department of Labor, Employment and Training Administration (ETA) is requesting an extension without changes for 1205-0490, Self-Employment Assistance (SEA) Program, information collection request (ICR).

**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 Noncitizen Benefit Clarification and Other Technical Amendments Act of 1998, (Public Law 105-306, section 3) permanently authorized the Self-Employment Assistance (SEA) program, which is a reemployment program that helps Unemployment Insurance (UI) claimants start their own businesses, and Public Law 112-96, the Middle Class Tax Relief and Job Creation Act of 2012, expanded the program by providing states with the opportunity to allow UI claimants receiving compensation in the Extended Benefits (EB) program to participate in the SEA program. However, under current economic assumptions, no states are projected to pay compensation in the EB program during the next several years. Currently, five states use this reemployment program.

In accordance with statutory requirements and to assist States in establishing, improving, and administering self-employment assistance programs outlined in PL 112-96, section 2183(a), OMB approved a reporting instrument specific to the SEA program, the ETA 9161. ETA now seeks a regular three-year extension for this form.

In addition to Public Law 112-96, collection of data necessary for oversight of the program is authorized under Section 303(a)(6) of the Social Security Act. In order for states to prepare their summary reports, ETA believes States will need to collect information from program beneficiaries. These interactions are more fully discussed in item 12 of this Justification.

**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 ETA 9161 report includes information on people entering the SEA program, as well as the benefits they receive and some limited outcome data. These data are being used for oversight

and to provide data responsive to statutorily required evaluations of this program. States summarize information collected from SEA program participants to prepare the reports.

**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 states are continually improving program operations and their information handling technologies and, where feasible, new methods are used for taking applications and for collecting and transmitting the data for these reports. For example, many states have implemented automated remote claims-taking systems, as well as automated recordkeeping. Reduction of burden through increased automation is always encouraged and supported. As with virtually all UI reports, the ETA 9161 report is part of an electronic reporting system through which state UI agencies enter the data on a quarterly basis and transmit the data to the ETA National Office.

**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.**

Current Federal law grants states the exclusive role of administering UI claims. Due to existing laws and regulations, no entity other than the state workforce administration could possibly handle the claimant data and provide summaries of claimant eligibility and outcomes. Therefore, there is no duplication in the information being requested.

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

Given that this information collection was created around the concept of SEA, it is likely that states' following up with establishments created by claimants may affect small business to meet the reporting requirements spelled out here. However, the number of claimants entering the program is quite small (see section 12) and the number of those claimants who actually establish small businesses is likely to be even smaller. In addition, the data states need to collect from participants are not expected to require extensive time commitments from the states or respondents. The state will follow up with claimants for four quarters following their participation in the SEA program. Since the law mandates this data collection for all ongoing SEA activities, this impact is expected to continue for the foreseeable future.

**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 ETA 9161 report is due quarterly. If these data were collected less frequently, ETA's ability to carry out its statutory oversight responsibilities and its ability to document state issues in

implementing the programs would be compromised. (Public law 112-96) The collection of data necessary for oversight of the program is authorized under Section 303(a)(6) of the Social Security Act. ETA is actively exploring ways to expand the SEA program in more states, encouraging UI claimants to consider self-employment as a viable reemployment option, and engaging other governmental and non-governmental agencies to consider supporting the SEA program. Currently, only five states are participating in SEA. However, the data that these five states provide on a quarterly basis is heavily relied upon for comparison, projection and interest generation purposes. Also, because of rapidly fluctuating economic conditions, the take up rates for the SEA program is an important indicator of self-employment activities in general. Collecting information less frequent would not allow ETA knowledge of present issues nor the opportunity to provide technical assistance to states in a timely manner using the most recent data.

**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.**

There are 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 allowed 60 days to comment through the Federal Register Notice posted on August 10, 2021 (86 FR 43680).

The Department received two comments on August 10, 2021 and August 18, 2021. The first commenter submitted a request for the draft ICR for ETA 9161-Self Employment Assistance (SEA). The Department forwarded a draft copy of the supporting statement and the ET Handbook No. 401, 5th edition, ETA 9161 Self Employment Assistance (Regular Program).

The second commenter wanted information on if the state of Georgia had a Self Employment Assistance Program and requested information on this program. The Department responded that the state of Georgia currently did not offer a SEA program in which the current states that operate this voluntary program to date are Delaware, Mississippi, New Hampshire, New York, and Oregon have active SEA programs. The Department also indicated that additional information on Entrepreneurship or other employment services may be found by contacting the Georgia Department of Labor: <https://dol.georgia.gov/>.

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

No payment or gift is 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 assurance of confidentiality is provided to State Workforce Agencies (SWAs) responding to this collection. Their responses are considered a matter of public record. Information is reported

in summary form by SWAs; no personal identifying information is reported on any given beneficiary.

**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.**

Though individual wage and employment data will be collected at the state level, this will be reported back to ETA in aggregate form, such that there is no individual data that can be identified in reports provided to the ETA. As a result, there are no items on the form involving sensitive information of a private nature or otherwise.

**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.**

**Burden on States Operating the SEA program:**

ETA anticipates that the burden on states to produce this report is twofold. First, states need to track claimants and follow up with them to report the current status and outcome data on the establishments created. States will report this data for all participants while they are drawing benefits from the SEA program, and subsequently for four quarters following their participation to ensure that any activity around creating establishments is captured. Second, states need to transmit the summary data and outcomes to ETA.

**1. State Record on Participants:**

On the burden involved with generating the data to prepare this report, states need to follow up with SEA participants to determine whether the establishments they have created are continuing to operate and what sort of impact they might have in terms of employing other people, paying wages and generating revenue. States need to spend 30 minutes per participant per quarter to follow up with them regarding the establishments that they have created to collect and tabulate the data and describe the outcomes for this report. Since ETA anticipates 3,400 participants, the burden states would incur would be 3,400 participants x 4 quarters of reporting x 0.5 hours = 6,800 hours total for the 5 states.

**2. State Transmission of Reports:**

On the burden involved with compiling and transmitting the resulting data, ETA anticipates quarterly submittals from all states operating SEA programs. The full estimated annualized burden for Federal reporting for the program would be estimated at 5 respondents (states currently operating the SEA program) x 4 quarterly reports at an estimated burden of 2 hours per report to compile the numbers from various sources, enter them into the Federal electronic reporting system, and transmit them.  
 $5 \text{ respondents} \times 4 \text{ quarterly reports} \times 2 \text{ hours / report} = 40 \text{ hours.}$

DOL believes the value of State respondent time to be \$357,048 (\$354,960 for states records on participants + \$2,088 for state reporting). In monetizing the burden, DOL assumes State Workforce Agency staff typically prepares the responses. Based on cost accounting systems, ETA estimates that for FY 2020, the average wage of a state workforce agency employee, including fringe costs, is \$52.20.

**Burden on SEA Participants- Participant Disclosures to States:**

The data collection imposed on states to collect data on program beneficiaries will create an identical burden for beneficiaries of this program who are required to disclose information to the State Workforce Agencies. During CY 2020, 90 claimants participated in this program due to COVID-19. CY2019, 3,400 claimants participated in this program which represents our normal estimate. As such, DOL estimates this information collection imposes a 6,800 hour burden (3,400 respondents x 4 reports x 0.5 hours).

Because this program could attract workers from a wide variety of industries, DOL has used the July 2021 seasonally adjusted national average hourly wage of all employees on private nonfarm payrolls of \$30.54 to calculate the value of individual or household respondent time. This number is inflated by 40% to account for some overhead and fringe benefit costs resulting in an estimated hourly wage of \$42.76. Therefore,  $6,800 \times \$42.76 = \$290,768.$

**Total annual estimated burden hours on SEA States and Participants:**

1. State records on participants: 6,800 hours
  2. Report generation and transmission: 40 hours
  3. Participant disclosure to states: 6,800 hours
- Total Federal Reporting Burden: 13,640 hours

**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
State Records on Participants	5	2,720	13,600	0.5	6,800	\$53.27	\$362,236
State Reporting	5	4	20	2.0	40	\$53.27	\$2,130.80
Participant Disclosures to States	3,400	4	13,600	0.5	6,800	\$43.19	\$293,692
<b>Unduplicated Totals</b>	<b>3,405</b>	<b>Varies</b>	<b>27,220</b>	<b>Varies</b>	<b>13,640</b>		<b>\$658,058.80</b>

\*Source: The hourly rate is computed by dividing the FY 2022 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/corr\\_doc.cfm?DOCN=6102](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=6102)) by the average number of hours worked in a year (1,711). For FY 2022, this calculation is: \$91,144 / 1,711 = \$53.27.

The September 2021 average hourly wage of all employees on private nonfarm payrolls can be on Table B3 on the following Employment Situation report: (<https://www.bls.gov/news.release/empsit.t19.htm>). The hourly rate calculation for participant's disclosures to states was:  $\$30.85 \times 40\% = \$12.34 + \$30.85 = \$43.19$ . Note the federal government provides the administrative funding that covers salaries of states staff, so this data collection 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 associated with this information collection.

**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.**

The change in burden to the states is due to the following 3 increases since the last renewal; the number of participants, the average wage of a state workforce agency employee, and the seasonally adjusted national average hourly wage of all employees on private nonfarm payroll.

**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 to publish the data at this time.

**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 number and expiration date are displayed as part of the reporting instructions for the ETA 9161 report.

**18. Explain each exception to the certification statement.**

There are no exceptions.

**B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS.**

This collection does not employ statistical methods.