**SUPPORTING STATEMENT**

**Pell Grants and the Payment of Unemployment Benefits**

**to Individuals in Approved Training**

**OMB CONTROL #1205-0NEW**

**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 collection is necessitated by the Federal Unemployment Tax Act (FUTA) Section 3304(a)(8) contained in Public Law 111– 5, enacted February 17, 2009. The Department of Labor (DOL), collaborating with the Department of Education (ED), which administers the Pell Grant program, seeks to enable individuals who are interested in increasing their skills to obtain industry-recognized credentials, while receiving Unemployment Insurance (UI) benefits to have the opportunity to engage in job training. To support these jobseekers, the DOL is encouraging States UI agencies and American Job Centers (AJCs) as third-party disseminators to work together to notify unemployed individuals of their potential eligibility for Pell Grants.

This notification effort is required to ensure UI beneficiaries are aware of their potential eligibility for Pell Grants and given the opportunity and guidance to seek training to become reemployed and/or launch new career paths.

*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.*

Through information dissemination, DOL is encouraging state UI agencies to notify UI beneficiaries that they may qualify for Pell Grants and to give them information about how to apply. States are strongly encouraged to determine if their approved training requirements are appropriate. Post-secondary education and training are increasingly important for success in the job market and jobseekers can use this opportunity to increase their skills, obtain industry-recognized credentials, and obtain higher-paying jobs. Employers will benefit from a skilled workforce.

*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.*

There are no technological barriers or obstacles. Upon establishment of the information collection, the Department of Labor will ask states to mail or email a letter to all beneficiaries who received payments of UI and those who receive payments as a result of filing an additional or reopened a claim. The letter describes the Pell Grant program, directing them to information about Pell Grants, and emphasizing that UI beneficiaries can, in some circumstances, continue to receive UI benefits while in training with the state’s approval. State UI agencies are free to modify this letter to reflect appropriate contact information and state UI policy.

*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.*

States will be instructed to send letters to existing and new UI beneficiaries, including through established communication mechanisms with beneficiaries. To reduce any duplication, states may adjust the transmittal methods to align with established communication mechanisms.

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

Information dissemination applies to State Governments only.

*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 the collection is not conducted, UI beneficiaries may not know of their eligibility for Pell grants or for further training, limiting their ability to become reemployed and to advance in careers. This may also impact businesses which are searching for qualified workers. State UI programs and the public workforce system have a critical role to play in helping workers transition to suitable, safe, good-paying work. The dissemination of these letters will help ensure guidance is given and assistance is provided to UI beneficiaries to use this opportunity to increase their skills, obtain industry-recognized credentials, and obtain higher-paying jobs.

*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:*

There are no special circumstances that require the collection of information to be conducted in a manner inconsistent 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, 5 CFR § 1320.13, a 60-day notice was published in the Federal Register on January 11, 2022 (87 FR 1438). Two comments were received in response to this FRN: One comment was irrelevant to the information collection and the other questioned the logistics of how the letter will be issued. DOL addressed this question in the Training Employment Guidance Letter (TEGL) included in this ICR. No changes were made to the ICR as a result of either of these comments.

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

There are no payments made to respondents.

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

The letter does not include sensitive or confidential information; 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.*

There is no information of a sensitive nature being requested.

*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 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.”*

The burden associated with ICR involves individual State Workforce Agencies completing the following activities to notify UI claimants of their Pell Grant eligibility: reading the TEGL/instructions, generating template letters; entering UI claimant names, addresses, and telephone numbers into a database, folding and inserting letters into envelopes States also have the option to distribute this information in email which would be a lower cost than this estimate.

At this time, ETA estimates that 53 states will mail 2,120 letters each with the total annual responses for all states totaling 112,360 letters. ETA currently estimates that each state will spend a total of five hours on this activity resulting in 561,800 hours spent by all states.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| **Activity** | **No. of Respondents** | **No. of Responses**  **per Respondent** | **Total Responses** | **Average Burden (Hours)** | **Total Burden (Hours)** | **Hourly**  **Wage Rate** | **Total Burden Cost** |
| Informing Beneficiaries of Potential Eligibility for Pell Grants | 53 | 2,120 | 112,360 | 5 | 561,800 | $25.08 | $14,089,944 |

Wages have been estimated for Unemployment Claims Adjusters, Examiners, and Investigators based on data from the Bureau of Labor Statistics, https://www.bls.gov/oes/current/oes131031.htm

*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).*

We estimate a total annual cost of $245.00 to each state to use bulk marketing mail to have these letters mailed out to UI claimants. The total annual cost to all states is $12,985 (245 x 53).

*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.*

There will be no cost to the Federal Government.

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

This is a new information collection request that is based upon discontinued OMB Control Number 1205-0473 - Pell Grants and the Payment of Unemployment Benefits to Individuals in Approved Training request. This collection request reflects the same current need to enable more individuals to obtain job training while receiving unemployment benefits, so they can develop their skills while the economy recovers. Therefore, the annual burden of this ICR was updated from the last time 1205-0473 was approved to show a more holistic view of this information collection as it affects all 53 respondents (SWAs). Additionally, the annual cost burden has been updated to show how the letters will financially impact the respondents.

*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.*

Results of this information collection request will not be published.

*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.*

There are no plans to seek non-display of the OMB approval.

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

No exceptions are requested.

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

This information collection does not employ statistical methods.