SUPPORTING STATEMENT FOR BLS LABOR MARKET INFORMATION COOPERATIVE AGREEMENT APPLICATON PACKAGE

OMB CONTROL NO. 1220-0079

This information collection request (ICR) seeks an extension of the BLS Labor Market Information Cooperative Agreement (CA) Application Package. BLS requests to incorporate standard updates, such as updated reference dates and routine annual editorial changes. A detailed list of the changes is provided in the revised CA.

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 Bureau of Labor Statistics (BLS) awards funds under authority of 29 U.S.C. Chapter 1 to State Workforce Agencies (SWAs) in the 50 states, the District of Columbia, Puerto Rico, the Virgin Islands, and Guam to assist them in operating one or more of four Labor Market Information (LMI) cooperative statistical programs, which themselves have been approved by the Office of Management and Budget (OMB) separately, as follows:

Program	OMB Number	Expiration
Current Employment Statistics (CES)	1220-0011	07/31/2024
Local Area Unemployment Statistics (LAUS)	1220-0017	07/31/2024
Occupational Employment and Wage Statistics (OEWS)	1220-0042	06/30/2026
Quarterly Census of Employment and Wages (QCEW)	1220-0012	07/31/2024

The LMI CA is the vehicle through which the SWAs are awarded funds. The CA package includes application instructions and materials, as well as financial reporting, closeout, and other administrative requirements, as spelled out in Title 2 Part 200 of the Code of Federal Regulations (hereinafter cited as 2 CFR 200), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and as published by the Department of Labor in Title 2 Part 2900.

The LMI CA application package attached here for approval is representative of the package sent every year to the state agencies. Under the ICR, the BLS submits any changes to the CA package to OMB on an annual basis through a non-substantive change request, along with a description of the changes. If OMB determines that the changes are substantive, the BLS will publish a 30-day notice in the Federal Register describing the changes and allowing the public an opportunity to comment. This ICR includes the FY 2024 CA due to the timing of the FY 2025 budget approval process. Once the FY 2025 President's Budget is released, the draft FY 2025 CA will be included in this ICR (if timing permits) or submitted via a non-substantive change request.

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.

Information collected under the CA is used by Federal regional and national office staffs to determine if the SWAs agree to the deliverables, program performance requirements, and quality assurance requirements spelled out in the program work statements, and to carry out their fiduciary responsibilities to negotiate the CA funding levels with the SWAs, monitor their financial and programmatic performance, and monitor their adherence to administrative requirements imposed by 2 CFR 200, and other grants-management-related regulations. Information collected is also used for planning and budgeting at the Federal level and in meeting Federal-reporting requirements (e.g., those of the *Federal Assistance Awards Data System* and the *Federal Aid to States Report*).

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.

All cooperative agreement applications and amendments are submitted via GrantSolutions.

The LMI Budget Information Form (BIF) provides the SWAs' planned use of the funds awarded under the CA and is completed and submitted by the SWAs in GrantSolutions.

Financial reporting requirements under the CA have historically been met by some of the SWAs by their submission of standard reports generated by their automated accounting systems--the old State Employment Security Agency (SESA) Cost Accounting System (CAS) (used by 9 states) and the SESA Financial Accounting and Reporting System (used by 3 states). The BLS LMI Obligations and Expenditures (ObEx) form is used by 42 states. The ObEx form provides these states with a format for reporting financial data comparable to that provided by the other states' automated reports. The monthly financial reports are submitted by the SWAs via email to the BLS regional offices.

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.

Information collected is directly related to the award of Federal financial assistance to states each fiscal year and, as such, is specific to the grantee, program requirements delineated in the work statements, and level and fiscal year of funding. Thus, no similar information exists. The budget information reflects the award levels, which also change from year to year, as does the state agency's contact information and signatory. The BLS funds are appropriated on an annual basis and the cooperative agreements that are used to fund the state agencies are, thus, awarded on an annual basis as well. Administrative changes related to the information collected from the grantees may be made, as needed, each fiscal year, and will be provided to OMB upon request.

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

As stated previously, the collection of information involves only SWAs, the designated eligible applicants/recipients of Federal financial assistance for the BLS LMI cooperative statistical programs. No small businesses or other small 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.

Funds appropriated for the LMI cooperative statistical programs as part of the Department of Labor's appropriation are generally one-year funds. Consequently, CAs must be negotiated and awarded every fiscal year, which means that SWAs must submit their applications for the funds available.

If the BLS simply provided funds to the SWAs as grants, the concern would be primarily to assure that the SGA’s cash management was appropriate. In that case, the Federal Financial Report, Standard Form (SF) 425, would provide the needed information. The BLS, however, provides funds to SWAs using cooperative agreements to assist them in producing state and local area labor market information and sample data for use in national estimates. The BLS charge is to obtain the best data it can with the funds available. The SF-425 provides the aggregate, total amount that was spent by the grantee on the major programs, but no detailed information. To fulfill its fiduciary duty to the American public, the BLS must monitor spending to ensure funding is sufficient to negotiate subsequent fiscal year agreements, to assess states' proposed budgets the following year, and as a way of costing out program modifications.

The demand for data changes; programs are not static. The information in the requested financial reports is vital if the BLS is to make a reasonable estimate of what changes in program content or procedures will cost so that the agency can make informed judgments on how much of the demand for data can be met with the available funds. Not collecting financial information, or collecting it less frequently, would jeopardize the financial position of the BLS, as well as its ability to produce the LMI needed by other Federal agencies as input to their programs, and by economists, program planners, academicians and others, both inside and outside of the government.

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 confidentially 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 confidentially to the extent permitted by law.**

To ensure that appropriated funds are used to the maximum extent possible for the purposes for which they were intended, the BLS relies on monthly summary financial data submitted by the SWAs to determine the status of funds. These reports, as mentioned above, are generated automatically by the SWAs' automated accounting systems and, for the majority of SWAs, do not require special reporting forms. Monthly data are often used to project the SWAs' obligation of funds. Where a SWA's actual obligation of funds does not meet its planned amount, the BLS is often able to take action to move potentially unused funds to other SWAs where funds are needed to achieve program goals and objectives. Without the summary, "bottom-line" reports, decision-making would be hampered. The BLS requires only summary financial data to be submitted monthly; no other information is collected on a monthly basis.

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.

Two public comments were received as a result of the Federal Register Notice published on December 8, 2023 (88 FR 85658).

One comment, which was emailed to BLS on January 8, 2024, from the Ohio Department of Job and Family Services, expressed concerns that funding for the LMI CA is insufficient to conduct the activities prescribed by the agreement. BLS continues to have discussions with states about overall funding and works with them to find ways to alleviate workload concerns. State funding is determined by Policy Councils consisting of both state and BLS employees. The commenter also expressed concerns about the four-quarter funding cycle and variance process. The BLS is executing the budget for the present fiscal year, which only allows for funds to be distributed in the way in which they are currently provided to the states. In addition, the BLS allows states to request a variance regarding reporting requirements. This process, as outlined in the cooperative agreement, provides a formal means for states to request an exception to program requirements (for example, quarterly reporting instead of monthly) specified in the cooperative agreement. The commenter also expressed concerns about the recent transition to the new grants management system, GrantSolutions, and a lack of communication and training. The BLS and GrantSolutions provided training and communication prior to the transition to GrantSolutions. Ongoing training is provided to enable regional office and state employees to better understand and use the system. In addition, training resources are available on the GrantSolutions website at https://www.grantsolutions.gov/ as well as the Department of Labor's GrantSolutions website at https://www.dol.gov/grants/grant-solutions.

A second comment, which was emailed to BLS on February 5, 2024, from the Washington State Employment Security Department, expressed support on the necessity of the LMI information collection. The commenter cited sections from this Supporting Statement supporting their comments. The commenter also provided feedback and concerns on stagnating funding and difficulties in managing workload. As noted above in response to the first comment, the BLS continues to have discussions with states about overall funding and works with them to find ways to alleviate workload concerns. The commenter mentioned specific concerns with the OEWS program and difficulty meeting the requirements of the CA. The BLS continues to work with its state partners to evaluate program requirements and make changes where possible to alleviate workload.

The BLS established a series of Policy Councils representing each of the four programs operated by the states under the LMI CA. Representatives of the state agencies as well as appropriate Federal program staff are members of the various Policy Councils. The Policy Councils provide a venue and forum for the BLS to obtain input from the state agencies on program and administrative issues, including the information collection requirements of the LMI CA. Each year, the Policy Councils are asked to review and comment on the draft LMI CA application package before it is issued to the grantee community for their use in applying for the subsequent fiscal year's funds.

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

Not applicable; no gifts or payments are involved.

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

Not applicable; no assurance of confidentiality is provided to respondents, because no confidential data are being collected under this information collection.

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.

Not applicable; no questions of a sensitive nature are involved.

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. General, 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.**

The burden of the collection of information is variable. Information collected as part of the application submission depends on the number of programs for which funding is being awarded. The time required to complete the Budget Information Form (BIF) varies widely depending on the SWA's level of research and preparation time in arriving at estimated costs for each program. Some will simply add on a small amount from year to year; others may take a more thorough, "zero-base budget," approach.

For the LMI CA work statements, the BLS uses a "check-the-box" approach in lieu of requiring long, written program narratives to accompany the CA application. The BLS Work Statements are a simpler alternative to requiring written narrative program methodologies and plans. Each estimate of time required to complete the work statements by checking the appropriate boxes provided assumes that no variances will be needed. Also, whereas all states complete the All Programs and the OEWS Work Statements, the other three Work Statements (CES, LAUS, and QCEW) are not applicable to, and therefore not completed by, all states. Thus, the burden for the collection of information associated with the Work Statements will vary state to state, year to year.

In the area of financial reporting, the burden also varies depending on whether the SWA is using one of the two major automated accounting systems (CAS or FARS) that generate standard reports, to meet the BLS financial reporting requirements, or using the BLS LMI Obligations and Expenditures (ObEx) form.

The above-described variability makes it impossible to arrive at one figure to reflect accurately the estimated burden. Thus, ranges for each information collection follow:

Estimated Annualized Respondent Cost and Hour Burden

Activity	No. of Respondents	No. of Responses	Total Responses	Average Burden (Hours)	Total Burden (Hours)	Hourly Wage Rate	Total Burden Cost
Work Statements	54	1	54	1.5	81	$56.78	$4,599.18
LMI Budget Information Form (BIF)	54	1	54	1.5	81	$56.78	$4,599.18
Monthly Automated Financial Reports	12	12	144	15/60	36	$56.78	$2,044.08
LMI Obligations and Expenditures (ObEx) Form	42	12	504	1	504	$56.78	$28,617.12

Budget Variance Request Form	27	1	27	15/60	6.8	$56.78	$386.10
Transmittal and Certification Form	54	1	54	8/60	7.2	$56.78	$408.82
FRW - A: Base Programs	54	1	54	25/60	22.5	$56.78	$1,277.55
FRW - B: AAMC	15	1	15	25/60	6.3	$56.78	$357.71
Property Listing	27	1	27	25/60	11.3	$56.78	$641.61
Total	54		933		756.1		$42,931.35

To arrive at a full cost of the information collection burden, the total hours were multiplied by an annual average hourly wage of $56.78, which is derived from the average weekly wage for Public Administration employees in state government. (See Employer Costs for Employee Compensation (ECEC), a product of the National Compensation Survey at https://www.bls.gov/news.release/archives/ecec_09122023.pdf.) The average annualized cost is $42,931.35.

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.

Not applicable; this collection necessitates no capital and start-up costs. SWAs provide budget information and financial reporting information using data from existing accounting and management information systems at the state level. All operation and maintenance costs of such accounting and management information systems are "part of customary and usual business or private practices."

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.

Total annualized Federal government costs for the financial and administrative management of the $74 million LMI cooperative statistical program are estimated to be approximately $1.8 million in FY 2024, of which $1.2 million is for compensation and benefit costs of national and regional office personnel.

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

There is no change to the annual reporting and recordkeeping burden hours.

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.

Not applicable; the results of this collection will not be published for statistical use.

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.

Not applicable. The BLS will display the expiration date for the OMB approved information collections.

18. Explain each exception to the certification statement.

There are no exceptions to the certification statement, "Certification for Paperwork Reduction Act Submissions."