

**SUPPORTING STATEMENT FOR
Fidelity Bonding Issuance
OMB CONTROL NO. 1205-0541**

The Department of labor (the Department), Employment and Training Administration (ETA) requests the Office of Management and Budget's approval to revise the reporting and recordkeeping requirements of the Fidelity Bonding Program.

A. JUSTIFICATION

The Department's Federal Bonding Program (FBP) provides fidelity bonds that protect employers from hiring at-risk job applicants from theft, forgery, or embezzlement by the employee. Although the bonds have primarily served justice-involved individuals, any at-risk applicant is eligible for bonding services, including recovering substance abusers (alcohol or drugs); welfare recipients and other persons having poor financial credit; youth and adults who lack a work history; individuals dishonorably discharged from the military; and others. The FBP has served 1,450 justice-involved individuals this past year. The Department seeks approval under the Paperwork Reduction Act (PRA) to revise the reporting and recordkeeping requirements of this program.

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.

Under this program, states provide fidelity bonds to employers hiring justice-involved individuals and any at-risk job applicant. To put the bonding agreement into effect, the Fidelity Bonding Issuance Form will identify the name and address of the insured employer, the name and address of the individual being hired, the effective date of the bond, and the amount of coverage. The form also identifies the occupation, hourly wage, and hours per week of the job being provided; the employer type, industry, and number of employees of the firm; and the sex, race, and ethnicity of the individual being hired. This information is necessary to provide the Department, Congress, and the public with an understanding of the quality and types of jobs in which individuals are placed.

This program is authorized under Section 169 of Title I of the Workforce Innovation and Opportunity Act (WIOA). Section 185 of WIOA broadly addresses reports, recordkeeping, and investigations across programs authorized under Title I of WIOA. The provisions of section 185:

- Require the Secretary to ensure that all elements of the information required for reports be defined and reported uniformly [section 185(d)(2)];
- Require that recipients of funds under Title I shall maintain such records and submit such reports in such form and contain such information as the Secretary may require regarding

- the performance of programs and activities carried out under Title I [section 185(a)(2)];
- Require that recipients of funds under Title I shall maintain standardized records for all individual participants and provide to the Secretary a sufficient number of such records to provide for an adequate analysis of the records [section 185(a)(3)];
 - Specify that the reports shall include information about programs and activities carried out under Title I pertaining to:
 - relevant demographic characteristics (including race, ethnicity, sex, and age) and other related information regarding participants;
 - programs and activities in which participants are enrolled, and the length of time that participants are engaged in such programs and activities;
 - outcomes of the programs and activities for participants, including the occupations of participants and placement for participants in nontraditional employment;
 - specified costs of the programs and activities; and
 - information necessary to prepare reports to comply with section 188 and 29 CFR Part 37.37 [(a-b),(d-e)]; and
 - Require that all elements of the information required for the reports described in section 185(d)(1)(A-E) above are defined and uniformly reported.

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.

In this data collection, the Fidelity Bonding Issuance Form puts the bonding agreement into effect. If an employer makes a claim against the bond, the information on the form will confirm the individual covered by the bond, the name of the employer, the address to send the coverage amount, and whether the loss occurred during the coverage period of the bond. The information on the form relating to sex, race, and ethnicity of individuals hired; wages, weekly hours, and occupation of jobs being provided; and employer type, industry, and size of firms making use of these bonds will be used in providing reports to the Department and Congress when requested.

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 information on the Fidelity Bonding Issuance Form submitted under this information collection request (ICR) will be collected 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.

The Fidelity Bonding Issuance Form does not duplicate any other data collection. Similar information is not available from other sources.

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

The Fidelity Bonding Issuance Form requires minimal input from employers. The form will be completed by the State Bonding Coordinator or designated American Job Center staff, and the employer will simply need to report to the job counselor the name and address of the firm; the contact person's name, address, and phone number; the wage, weekly hours, and occupation of the job being filled; and employer type, industry, and size of the firm.

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.

A fidelity bond cannot be issued without identifying the employer and employee being covered. If the additional information on the Fidelity Bonding Issuance Form is not collected, the Department will not be able to gather data to report to Congress the types of jobs being provided, the types of employers using the bonds, or the sex, ethnicity, and race of justice-involved individual or any at-risk applicant placed through the bonds.

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

This request is consistent with 5 CFR 1320.5. Records of bonds purchased by states will be retained for three years after the end of the bond agreement.

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.

A 60-Day Notice for Public Comment was published in the *Federal Register* on June 20, 2025 (90 FR 26328). No 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 to respondents.

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

Respondents are provided with a privacy statement on the Fidelity Bonding Issuance Form. ETA is responsible for protecting the confidentiality of data collected and will ensure that the contractor maintains the data in accordance with all applicable federal laws, with particular emphasis on compliance with the provisions of the Privacy and Freedom of Information Acts. The contractor for the Federal Bonding Program will be responsible for the security of the information on the Fidelity Bonding Issuance Form for those bonds purchased through their contract with the Department. As a safeguard measure, any information that is shared or made public by ETA is aggregated at the state and/or national level and does not reveal personal information on specific individuals.

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.

This Fidelity Bonding Issuance Form does not include any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, or other matters that are commonly considered private. Two states have expressed concerns with the collection of data on the sex of an individual. In most cases the data on the Fidelity Bonding Issuance Form is reported over the telephone to the State Employment Service by the employer being covered by the bond. Massachusetts, in particular, prohibits the collection of data in which sex is identified by persons other than the individuals themselves. We will make sex an optional, rather than required, response. We have also received some questions on why we were requesting information on ethnicity and race, and, in response, we will also make these items optional responses.

12. Provide estimates of the hour burden of the collection of information.

The annual national burden for the Fidelity Bonding Issuance Form includes the time it will take the State Bonding Coordinator or designated American Job Center staff to complete the form; the

time it will take employers to report to the State Bonding Coordinator or American Job Center staff the name and address of the firm, the contact person’s name and telephone number, the wage, weekly hours, and occupation of the job being filled, and the employer type, industry, and size of the firm; and the time it will take individuals being placed to report their address, sex, race, and ethnicity.

Bonds may be issued in increments of \$100, providing coverage of \$5,000 - \$25,000, with the amount of coverage provided depending on the individual circumstances of the employer and the individual being hired. The annual responses below represent the highest number of responses expected by State Bonding Coordinators or designated American Job Center staff, employers, and individuals being placed each year.

- **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.**
- **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
Burden on State Bonding Coordinators or Designated AJC Counselors for Data Collection and Submission	1,500	1	1,500	.10	150	\$39.22	\$5,883
Burden on State Bonding Coordinators or Designated AJC Counselors for Recordkeeping	1,500	1	1,500	.10	150	39.22	\$5,883

Burden on Employers	1,500	1	1,500	.07	105	30.80	\$3,234
Unduplicated Total	1,500	-	4,500	-	405	-	\$15,000

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).

*Hourly rates used to calculate burden costs for State Employment Service staff are based on the average hourly earnings of state and local government employees in the March 2025 Bureau of Labor Statistics table available at. Hourly rates used to calculate burden costs for private employers are based on the average hourly earnings for private sector employees listed in the March 2025 Census Bureau’s Current Employment Statistics Survey available at <http://www.bls.gov/web/empsit/ceseeb8a.htm> and information from private Human Resource Officers.

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.

The annual cost paid by the Department for the contractor to administer the Federal Bonding Program is \$239,648.53. This includes \$176,198.53 in labor costs made up of 800 hours for the project manager at \$78.22 an hour for a total of \$62,578.24, 700 hours for the assistant project manager at \$72.60 an hour for a total of \$50,816.85, 850 hours by the administrative assistant at \$52.34 an hour for a total of \$44,485.77, and 350 hours by the administrative assistant at \$52.34 an hour for a total of \$18,317.67. It also includes \$16,450.00 for hosting and maintaining the on-line bond purchasing and issuing system, \$28,000 in training, \$5,500.00 in travel, and \$13,500.00 in other direct costs.

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

Due to the two Federal Bonding TEGL grants for 2019 and 2020, the period of performance ended in April 2025 and this is the reason for the reduction estimated annualized cost and 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.

The information collected under this ICR will be tabulated to show the number of fidelity bonds provided by this program; the wage, hours per week, and occupation of the jobs provided with the help of the bonds; and the industry, number of employees, and the employer type covered by the bonds. This information may be included in reports to Congress and to the Department. No complex analytical techniques are contemplated.

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 Department is not seeking approval to conceal the OMB Expiration Date.

18. Explain each exception to the certification statement.

No exceptions are requested in the “Certification of Paperwork Reduction Act Submissions.”

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS.

This information collection request does not contain statistical methods.