

JUSTIFICATION PART A  
SUPPORTING STATEMENT FOR REQUEST FOR OMB APPROVAL  
UNDER THE PAPERWORK REDUCTION ACT

A-1. Reasons for Data Collection

The State Quality Service Plan (SQSP or The Plan) represents an approach to the unemployment insurance (UI) performance management and planning process that allows for an exchange of information between the federal and state partners to enhance the ability of the program to reflect their joint commitment to performance excellence and client centered services. As part of UI Performs, a comprehensive performance management system for the UI program, the SQSP is the principal vehicle that the state UI programs use to plan, record and manage improvement efforts as they strive for excellence in service.

The statutory basis for the SQSP is Title III, Section 302 of the Social Security Act, which authorizes the Secretary of Labor to provide funds to administer the UI program. Respondents' obligation to reply to these reporting requirements is mandatory under 20 CFR 97.42. Plans are prepared annually since funds for UI operations are appropriated each year. The Department of Labor's (DOL) annual budget request for state UI operations contains workload assumptions for which the state must plan in order for the Secretary to carry out her responsibilities under Section 303 (a) of the Social Security Act to ensure full payment of unemployment compensation when due. DOL issues financial planning targets based on the budget request. States make plans based on such assumptions and targets via this mechanism.

This request is for the extension of OMB No. 1205-0132.

A-2. Users, Purposes, and Consequences of Failure to Collect the Information

The SQSP provides an opportunity for states to share their key program objectives for the coming year, and the strategies the state intends to utilize to achieve those objectives. The Plan is intended to be utilized by states as a management tool to ensure strong program performance and to guide key management decisions. It should focus the state's efforts to ensure well-balanced performance across the range of UI activities. Operationally, the SQSP also will serve as the grant document through which states receive federal UI administrative funding.

Each year, a call memo will initiate the formal SQSP plan. This memo will specify the dates relevant to the SQSP process for the approaching fiscal year; summarize federal Program Emphasis for the year; and identify any special planning requirements in effect for the fiscal year. It also will explain opportunities for increased, targeted funding made available on an annual basis in the President's budget if such opportunities exist.

States must prepare and transmit an annual SQSP in accordance with the instruction in ET Handbook No. 336, 18<sup>th</sup> Edition and the annual call memo. Regional offices (RO) shall review the SQSPs for completeness, make sure that they are completed in accordance with the instructions, and that they reflect negotiated agreements.

An annual assessment will augment ongoing performance improvement, and will form the basis for corrective action planning for the SQSP.

#### A-3. Technology and Obstacles Affecting Reporting Burden

States may submit financial report information on computer printouts instead of the SF 270 and 424. Electronic submittal is not available for all Standard Forms; therefore some must be submitted manually. States submit the SF 9130 report electronically through the Enterprise Information Management System (EIMS). States submit the UI-3 worksheet electronically through UI Required Reports System (UIRR) which ensures that this report is consistent with reported workload and that entitlement is calculated uniformly.

In order to comply with the Government Paperwork Elimination Act, states are requested to submit SQSPs electronically.

#### A-4. Duplication

This information is not available elsewhere. There is no duplication.

#### A-5. Burden on Small Business or Other Small Entities

No small businesses or entities are involved.

#### A-6. Consequences of Less Frequent Data Collection

Collecting state planning information less frequently than once a year, and financial information less frequently than once a quarter, would affect Employment and Training Administration's (ETA's) ability to determine the level of base and above base resources required by states and impair ETA's ability to budget for the administration of the UI program.

#### A-7. Special Circumstances Involved in Collection of Reemployment Data

Collection using worksheets UI-1 and UI-3 is consistent with OMB Circular A-102. The unique nature of the UI program (base and above-base funding, staff year allocations, and workload/staff year earnings and entitlements) requires ETA to obtain this information for management and funding of the program. This reporting requirement is consistent with 5 CFR 1320.5.

#### A-8. Preclearance Notice and Responses

In accordance with the Paperwork Reduction Act of 1995, DOL's preclearance notice was published in the Federal Register on April 3, 2008 (Vol.73, Number 65, pp. 18302-18303). One comment was received from the New Jersey Department of Labor and Workforce Development (LWD). LWD recommends that the time allotted to complete the SQSP Narrative and CAPs be increased to adequately reflect the time spent to prepare the documents. In response to the LWD's concern, the time allotted for completion of the SQSP Narrative and CAPs is estimated based on the number of reports completed by SWAs over the past two years.

A-9. Payments to Respondents

No payment or gifts are involved.

A-10. Confidentiality

DOL does not provide state agencies with any assurance of confidentiality in connection with the SQSP.

A-11. Questions of a Sensitive Nature

There are no questions of a sensitive nature.

A-12. Respondent's Burden and Cost of Collecting Information

- The burden hour estimates are based on the experience of federal staff with substantially similar work.
- The State Plan Narrative includes a general narrative summary of the status of the UI program in the state. Additionally, states are to include in the narrative: 1) performance in comparison to the Government Performance Results Act (GPRA) goals; 2) results of customer satisfaction surveys (optional); and, 3) actions planned to correct deficiencies regarding program reviews and reporting requirements, BAM, and TPS.
- CAP/milestone burden remains essentially unchanged from the previous SQSP clearance package submittal
- States are required to use Standard Forms. The burden for these forms is as follows:

<b>Form No.</b>	<b>Title</b>	<b>OMB Approval #</b>	<b>Burden Hours</b>
SF 424	Application for Federal Assistance	4040-0004	1.00 hours
SF 424A	Budget Information - Non-construction Programs	4040-0006	2.16 hours
SF 424B	Assurances - Non-construction Programs	4040-0007	1.00 hours
SF 270	Request for Advance or Reimbursement	0348-0004	1 .00 hour
<b>Total Hours per State</b>			5.16 hours

***Estimated burden allocation for reports:***

Report	Respondents (State)	Number of reports required	Reports per Year	Total Responses	Hours per Response	Total Hours
ui-1 (base), ETA 8623A	53	1	1	53	1	53
ui-3 (contingency), ETA 2208A	53	1	4	212	2	424
CAPs	53	4	1	212	4	848
State Plan Narrative	53	1	1	53	4	212
Standard Forms	53	1	1	53	5.16	273.48
Total				583		1810.48

(1810.48 divided by 583 = 3.11 hours per response)

(1810.48 divided by 53 = 34.16 hours per state)

The total annual cost burden to respondents is estimated at \$ 67,114.50. That is based upon total annual hours of 1810.48 multiplied by the average hourly agency position cost of \$37.07.

**A-13. Annual Cost to Respondents**

There are no additional costs.

**A-14. Annualized Federal Cost**

The Federal cost of this paperwork burden is estimated at \$168,246. This includes the time for National and Regional office staff to review and process state plans at an hourly rate of \$35.95. One National Office staff devotes an estimated 50 percent of the time to SQSP activity. Approximately seven Regional Office staff (including supervisory and clerical support) devotes an estimated 25 percent of their time to SQSP activity. The time for SQSP activities includes information collection and subsequent year-round analysis and technical assistance activity. The estimates of annualized cost to the Federal government are as follows:

--- National Office staff	\$ 37,388
--- Regional Office staff	<u>\$ 130,858</u>

\$ 168,246

**A-15. Reasons for Change in Burden**

There is no change in the instruments used to report information in this collection. The increase in burden hours in this submission reflects change in burden estimates for the use of Standard Forms for the Application of Federal Assistance including budget information and assurances.

These forms, SF424, SF424A and SF 424B are accounted for under existing OMB collections 0348-0043, 0348-0044, and 0348-0040, respectively.

The 0.5 burden hours attributed to the ETA 9130 report (formerly the S.F. 269), which was included previously, are accounted for under 1205-0461 and should not have been included in the hour burden for this collection.

A-16. Publication Information

There are no plans for publishing the information for statistical use.

A-17. Reasons for Not Displaying Date OMB Approval Expires

ETA will display the OMB approval number and burden hours for the SQSP in the SQSP Handbook, 18th Edition.

A-18. Exceptions to Certification

There are no exceptions.

JUSTIFICATION PART B.  
Collection of Information Employing Statistical Methods

The collection of this planning information does not employ statistical methods.