

**Unemployment Insurance (UI) Supplemental Funding
Opportunity for State Consortia to Modernize Tax and Benefit Systems
Supplemental Justification**

Supplemental Supporting Statement A: Justification

This request seeks OMB approval under the Paperwork Reduction Act for the unique information collection requirements in the “UI Supplemental Funding Opportunity for State Consortia to Modernize Tax and Benefit Systems,” solicitation. The Department will notify State Workforce Agencies (SWAs) that the enacted Fiscal Year 2017 appropriation makes available \$50 million to specifically fund activities for continued support of state consortia efforts to modernize UI tax and benefit systems, including compliance with the requirements of 26 U.S.C. 6103(l)(10)(B). For reference, see the Report for the Departments of Labor, Health and Human Services, and Education, and Related Agencies, accompanying the Consolidated Appropriations Act of 2017, Public Law No. 115-31 (May 5, 2017) available at <https://rules.house.gov/sites/republicans.rules.house.gov/files/115/OMNI/DIVISION%20H-%20LABORHHS%20SOM%20OCR%20FY17.pdf>.

The Employment and Training Administration (ETA) has been working with states to improve UI program performance and modernize outdated information technology (IT) infrastructures. Following the initial investment in FY 2009, ETA funded Supplemental Budget Request (SBR) grants for state consortia to modernize their UI tax and benefit systems in FY 2011 (Unemployment Insurance Program Letter [UIPL] No. 26-11), FY 2012 (UIPL No. 18-12), FY 2013 (UIPL No. 24-13), FY 2014 (UIPL No. 13-14), FY 2015 (UIPL No. 16-15), and FY 2016 (UIPL No. 19-16). As a condition of funding eligibility, those opportunities required states to implement specific strategies in order to qualify for the additional consortium funding.

In recent years, ETA offered the SBR grants for IT modernization efforts as a result of appropriated state administration funds remaining available at the end of the fiscal year due to lower-than-projected workloads. The SBR grants enabled states to implement many of the strategic priorities contained in ETA’s integrity strategic plan and to support modernization of state UI systems. Specifically, this funding has led to the widespread state adoption of strategies such as cross-matching with the National Directory of New Hires (NDNH) for detecting UI claimants who have returned to work, the use of the Treasury Offset Program (TOP) for the recovery of fraud and certain non-fraud overpayments, and the use of the State Information Data Exchange System (SIDES) for timely and accurate exchange of information required from employers to make benefit eligibility determinations.

For FY 2017, it is still not certain whether state UI administration funding will become available; therefore, ETA is unable to offer SBR funding opportunities for improved operations. The current FY 2017 Supplemental Funding Opportunity, however, will further the commitment of modernizing states’ IT systems associated with UI program operations. To receive funding through this solicitation, states must attest to the status of SIDES implementation, as well as implement and begin using SIDES Web Services and SIDES e-Response. In addition, States must submit a proposal containing a realistic timeline, goals, and milestones, for one of the types of consortium projects outlined in the funding opportunity.

Applications will include the following information collections:

- 1.) 2017 Supplemental Budget Request (SBR) Application; (submitted by the lead state in a consortium);
- 2.) Form SF-424 “Application for Federal Assistance,” separately cleared under OMB control number 4040-0004; (submitted by all states in a consortium);
- 3.) Form SF-424A Budget Information Form, OMB control number 4040-0006; (submitted by all states in a consortium);
- 4.) Budget Narrative, explaining projected costs reflected in each line item of the SF-424A (submitted by all states in a consortium);

Electronic availability:

This grant solicitation is available on the www.doleta.gov Web site. Based on past experience, the Department anticipates 100 percent of responses will be submitted electronically.

Small Entities:

This information collection will not have a significant impact on a substantial number of small entities.

Assurances of confidentiality:

This grant solicitation does not offer applicants assurances of confidentiality.

Special circumstances:

This solicitation implicates no special circumstances.

Burden:

The DOL expects to receive approximately 54 applications from an equal number of respondents. The public reporting burden for this collection of information is estimated to average 20 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining needed data, and completing and reviewing the collection of information.

54 applications x 20 hours = 1080 hours

The DOL has increased the average hourly earnings in the professional and business services industry to \$31.53 per hour to monetize this burden. See The Employment Situation—June 2017, DOL, Bureau of Labor Statistics, https://www.bls.gov/news.release/archives/empsit_07072017.pdf at page 33.

1080 hours x \$31.53 = \$34,052.40

The DOL associates no other burden costs with this information collection. In addition to the application, each grantee will be required to submit quarterly financial, performance, and narrative reports to the ETA. Those information collection requirements will be cleared under a separate control number.

Total burden: 54 respondents, 54 responses, 1080 hours, \$0 other cost burden.

Supplemental Supporting Statement B: Statistical Methods

This information collection does not employ statistical methods.