

**SUPPORTING STATEMENT FOR REQUEST FOR OMB APPROVAL
UNDER THE PAPERWORK REDUCTION ACT OF 1995**

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Attachments

A. JUSTIFICATION

This document provides the justification for the request by the Department of Labor, Employment and Training Administration (ETA) for approval to implement new reporting requirements for the High Growth Job Training Initiative (HGJTI) and the Community-Based Job Training Grants (CBJTG). ETA will require grantees to submit standardized quarterly reports summarizing the number and types of participants served by grantees, the number of exiters, the number of participants engaged in training activities, and some participant outcomes. To calculate the common measures for each grantee and for the program as a whole, ETA will also require grantees to submit quarterly participant records for exiters that contain the minimum number of elements needed to obtain the information to calculate the common measures. ETA plans to use these records to obtain wage record information from the Wage Record Interchange System (WRIS), which in turn ETA will use to compute common measures. These reports and records will help ETA gauge the effects of the HGJTI and CBJTG grants, identify grantees that could serve as useful models, and target technical assistance appropriately. Attachment A contains the reporting instructions.

A.1 Circumstances Necessitating Data Collection

In 2001, the President announced a Management Agenda to improve the management and performance of the Federal government. Budget and performance integration, one of the five government-wide goals, emphasizes program effectiveness. In keeping with the President's Management Agenda, the Office of Management and Budget (OMB) and other Federal agencies developed a set of common performance measures to be applied to certain Federally funded employment and training programs with similar strategic goals.

These common performance measures will enhance the government's ability to assess the effectiveness and the impact of the workforce investment system, including its performance in serving people who face significant barriers to employment. Multiple sets of performance measures have burdened states and grantees, as they are required to report performance outcomes based on varying definitions and methodologies. By minimizing the differences in reporting and performance requirements, common performance measures can facilitate the integration of service delivery and break down barriers to coordination among programs.

The common measures are a key component of the HGJTI and CBJTG performance accountability system, because they permit the core purposes of the workforce system to be described in a similar manner: How many people found jobs? Did people stay employed? Did their earnings increase? Standardizing the definitions of the outcomes across programs simplifies reporting and facilitates comparison and management of results. Implementing reporting requirements that facilitate calculation of the common measures for the HGJTI and CBJTG will enhance the Agency's ability to manage the programs and assess the overall effectiveness of the workforce investment system.

ETA's statutory and regulatory authority to administer these programs includes provisions for the requirement of performance reporting from grantees. The legislative authority for these programs comes from the Workforce Investment Act (WIA) (29 U.S.C. 2801 et seq.) and the American Competitiveness in the Twenty-first Century Act of 2000 as amended, both of which

authorize and/or require that ETA collect information from grantees regarding program performance and participant outcomes.

Information is collected from the HGJTI and CBJTG grantees under the following authorities:

WIA Section 185 broadly addresses reports, recordkeeping, and investigations across programs authorized under Title I of the Act:

- Require the Secretary to ensure that all elements of the information required for reports be defined and reported uniformly [Section 185(d)(2)]
- Direct each state, local board, and recipient (other than a sub-recipient, sub-grantee, or contractor of a recipient) to prescribe and maintain comparable management information systems designed to facilitate the uniform compilation, cross tabulation, and analysis of programmatic, participant and financial data necessary for reporting, monitoring, and evaluating purposes [Section 185(c)(2)]
- Require that recipients of funds under Title I maintain records and reports containing information the Secretary may require regarding the performance of programs [Section 185(a)(2)]
- Require that recipients of funds under Title I maintain standardized records for all individual participants [Section 185(a)(3)]

WIA Section 189(d) requires that the Secretary prepare and submit to Congress an annual report regarding the programs and activities carried out under Title I. Included in these reports are:

- A summary of the achievements, failures, and problems of the programs and activities in meeting the objectives of Title I
- Recommendations for modifications in the programs and activities based on analysis of such findings
- Such other recommendations for legislative or administrative action as the Secretary determines to be appropriate

The American Competitiveness and Workforce Improvement Act of 1998, Title IV, Section 414 (c), as amended by the Consolidated Appropriations Act of 2005, Division J, Title IV, Subtitle B, Section 428 and WIA Section 171(a) direct the Secretary to require grantees to report on the employment outcomes obtained by workers receiving training under this subsection using indicators of performance that are consistent with other indicators used for employment and training programs administered by the Secretary, such as entry into employment, retention in employment, and increases in earnings.

A.2 How, by Whom, and for What Purpose the Information Is to Be Used

ETA will use the information grantees report for the following purposes:

1. To provide program and performance information to stakeholders, including participants, businesses, taxpayers, Congress, and others
2. To continuously improve the quality, effectiveness, and efficiency of the programs
3. To provide management information for use in Federal program administration and oversight, including grant-specific participation, service, and outcome summaries
4. To fulfill ETA's compliance with the Government Performance and Results Act (GPRA) and to complete the OMB Performance Assessment Rating Tool (PART) review.

In addition, information obtained through this reporting will be used at the national level during budget and allocation hearings, for DOL compliance with legislative requirements, and during legislative reauthorization proceedings.

A.3 Use of Technology to Reduce Burden

To comply with the Government Paperwork Elimination Act, ETA is streamlining the collection of participant data and the preparation of quarterly performance reports by providing uniform report formats and data definitions to grantees across ETA programs. All the HGJTI and CBJTG reports will be submitted to ETA via the Internet. It is left to grantees to select the technology to collect individual case management data according to their unique circumstances and resource availability.

The use of unemployment insurance (UI) wage records as the primary source of data on wages and employment will result in decreased burden hours for many grantees. To minimize their burden further, ETA will continue its financial support of the operation and administrative management of the WRIS, which permits an efficient exchange of UI wage records among states to support federal performance reporting requirements. States and grantees are not charged any fees for using this automated follow-up system.

A.4 Efforts to Identify Duplication

The proposed report is the only report currently required for HGJTI and CBJTG grantees. Other ETA reports may track some HGJTI/CBJTG participants if they participate in other ETA-funded programs.

A.5 Methods to Minimize Burden on Small Businesses

Some small businesses may be contacted to obtain information on participants' outcomes, such as completion of training programs and attainment of degrees and credentials. Grantees can reduce a portion of this burden by collecting information directly from participants.

In a further effort to reduce the burden on small businesses, ETA will not require grantees to obtain post-program employment and earnings information. Instead, grantees will submit a small participant record to ETA, which will use this information to obtain UI wage data to track common measures. This issue is discussed in Section A.7.

A.6 Consequences of Less-Frequent Data Collection

The data are needed both for program monitoring efforts to assist grantees and for external reporting. If grantees do not report quarterly, ETA will be unable to discern problems and identify grantees needing technical assistance. Ultimately, the quality of these programs could be compromised to the detriment of participating workers and employers. ETA's responsibility for reporting, oversight, and monitoring would be hampered because there is no other vehicle for judging program performance for HGJTI and CBJTG. The agency would be unable to fulfill its responsibilities under GPRA or to submit required information to OMB for completion of the PART.

A.7 Special Circumstances for Data Collection

The data collection involves a special consideration for UI wage data to track common measures. Currently, mechanisms are not in place to provide access to wage records for non-state grantees. As specified in Training and Employment Guidance Letter No. 17-05, "For these grantees, supplemental sources of data will be permitted as an interim means of reporting on the earnings measure until all grantees in a program have access to wage records." Any adjustments necessary for using supplemental information as the data source will be addressed in separate program guidance.

A.8 Federal Register Notice and Consultation Outside the Agency

In accordance with the Paperwork Reduction Act of 1995, the public was given 60 days to submit comments according to the Federal Register notice published on May 30, 2007, Vol. 72, No. 103, Pgs. 30034 and 30035.

A.9 Payment of Gifts to Respondents

There are no payments to respondents other than the funds provided under the grant agreement.

A.10 Confidentiality Assurances

ETA and its contractor for the Enterprise Business Support System (EBSS) are responsible for protecting the confidentiality of the HGJTI and CBJTG participant and performance data and will maintain the data in accordance with all applicable federal laws. The Department works diligently to ensure the highest level of security whenever personally identifiable information is stored or transmitted. All contractors that have access to individually identifying information are required to provide assurances that they will respect and protect the confidentiality of the data. ETA's Performance and Technology Office (PROTECH) has been an active participant in the development and approval of data security measures, especially as they apply to the agency's on-line grantee reporting system, which will collect personally identifiable data on a quarterly basis.

The protection of participant social security numbers (SSNs), which is a key concern, is voluntarily provided by the individual as part of this information collection request. The SSN is being requested to facilitate validation of common measures and to match program participant records with state/federal wage record databases. Any report that will be made public will be aggregated by the grantee or ETA will not reveal personal information on specific individuals.

A.11 Additional Justification for Sensitive Questions

While grantees will ask sensitive questions of participants in the proposed data collection, for the purpose of collecting demographic data, ETA will only collect aggregate counts as part of the Quarterly Performance Report. Participant responses to these sensitive questions will allow ETA to comprehensively evaluate the effectiveness of the HGJTI and the CBJTG programs.

A.12 Estimates of the Burden of Data Collection

The annual national burden for the HGJTI and CBJTG has two components: (1) the burden for collection of data needed for the quarterly Standard Individual Record (SIR) and for calculation of the quarterly performance report (QPR), and (2) the burden of preparing the QPR. Below we describe the burden related to each of these components.

1) Participant Data Collection Burden.

The participant data collection burden considers the amount of participant information collected for the SIR. It also includes the additional data needed to calculate the QPR. Thus the burden reflects the information collected solely to comply with the federal reporting requirements. This estimate does not include the burden associated with data that grantees would have to collect as part of their customary and usual burden to run the program. It also does not include the burden associated with the collecting and reporting information required to meet EEO requirements, which is covered under a separate estimate. We present annual figures for the HGJTI and CBJTG estimates separately and then combined.

Program	Estimated Annual National Counts of Participants	Applicable Estimated Hourly Rate	Estimated Minutes per Record	Annual National Burden Hours	Annual National Burden Dollars (hours*rate)
HGJTI	100,000	\$10.75	6	10,000	\$107,500
CBJTG	130,000	\$10.75	6	13,000	\$139,750
Total	230,000	\$10.75	6	23,000	\$247,250

We assume that grantees will spend 0.6 minutes to collect each element. For the purposes of reporting, grantees will need to collect 10 data elements per participant: the 4 elements included in the SIR record layout and 6 additional elements needed to calculate the QPR. This leads to an estimate of 6 minutes per record. The hourly rates used to calculate cost depend upon the type of organization administering the program. For private nonprofit grantees, we use the estimated hourly rate of the average hourly earnings in the Census Bureau's social assistance industry category (May 2003, Current Employment Statistics Survey, U.S. Census Bureau).

For the purposes of determining the counts, we used the following assumptions:

- **For the HGJTI, we used the current number of participants (about 100,000).**
- **For the CBJTG, we assumed 70 grants per year and 65,000 participants per 70 grants. Averaged over a 3-year period, the result is 130,000: $[(65,000 \times 3 \text{ years}) + (65,000 \times 2 \text{ years}) + (65,000 \times 1 \text{ year})] \div 3 \text{ years}$.**

2) Quarterly Performance Report Burden.

The HGJTI and CBJTG quarterly report burden includes the burden to produce both the QPR and its report narrative. The burden to calculate the QPR includes program run times, checking, formatting, and transmitting the quarterly performance reports to ETA. This burden also includes the preparation and submission of the grantees' SIR records. The burden to produce the report narrative includes the time it takes to write, review, and submit the report. Each of the four quarterly reports will require about 28 hours to prepare, generating an annual burden of 112 hours per grantee. This assumes 12 hours for the QPR and SIR submission, and 16 hours for the narrative report. We assume 132 High Growth grants, which is based on the current number of grants, and 140 Community-Based grants, which is based upon 70 grants per year, with each grant lasting 3 years. Hence, the total annual burden is 30,464 hours, or \$327,542.

Program	Estimated Hours per Year per Grantee	Estimated Annual Number of Reporting Grantees	Annual National Hours	Applicable Estimated Hourly Rate	Estimated Annual National Burden Dollars (hours*rate)
HGJTI	112	132	14,784	\$10.75	\$158,928
CBJTG	112	140	15,680	\$10.75	\$168,560

Total	112	272	30,464	\$10.75	\$327,488
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A.13 Estimated Cost to Respondents

1) Start-up/Capital Costs

The start-up cost estimate is based on the assumption that grantees will need to develop some systems to track the participant and produce the quarterly performance report. The estimate does not include any burden associated with the development of systems needed for case management or grantees' own program management purposes. Because the grants allow grantees to use grant dollars to comply with Federal reporting requirements, for the purposes of the OMB burden estimate the start-up costs are considered to be \$0 per grantee. It is estimated that each grantee will need 120 staff hours to develop tracking and reporting systems. Multiplied by 272 grantees, this yields a total national start-up cost of 32,640 grantee staff hours.

2) Estimated Annual Costs

Summing the burden associated with the participant data collection and quarterly performance reports, the total annual burden estimate for all grantees is 53,464 hours and \$574,738 (see table below). The estimated cost has been calculated at an hourly rate of \$10.75 for grantee staff.

Operating/Maintenance Burden Component	Annual National Burden (Hours)	Average Annual National Cost
Participant Data Collection	23,000	\$247,250
Quarterly Performance Report	30,464	\$327,488
Total	53,464	\$574,738

A.14 Estimates of Annualized Costs to Federal Government

ETA will collect and maintain all quarterly reports through its Office of Performance and Technology's on-line Enterprise Business Support System (EBSS). Since the electronic mechanisms for collecting and storing grantee performance data on a quarterly basis are already in place to support other ETA programs, the annualized cost to the Federal government to incorporate the HGJTI and CBJTG reports will be minimal. The annual cost of maintaining the quarterly reports and records through EBSS, matching SIR data with state UI wage records and other Federal employment databases, and generating quarterly performance reports for each grantee based on the common measures is estimated to be \$115,000.

For the quarterly performance report, it is estimated that staff spend 15 hours per quarter (60 per year) monitoring the data, providing technical assistance for grantee report submissions, preparing special aggregate reports for internal program management purposes, and generating specific responses to Congressional and other inquiries. Using an average hourly staff rate of \$38.04, the estimated annual cost to the Federal government is \$2282.

The total estimated annual cost to the Federal government for this data collection is \$117,282. The hourly rate used to calculate cost is the average for a GS-13 (Step 1) employee in the Federal service (based on 2007 GS locality pay schedules <http://www.opm.gov/oca/07tables>).

A.15 Changes in Burden

There is no prior burden estimate because this reporting requirement is new.

A.16 Tabulation of Publication Plans and Time Schedules for the Project

ETA will handle collection, storage, and publication of HGTI and CBJTG reports internally. The reports for each quarter will be due within 30 days of the end of the quarter. ETA will compile reports every quarter and for every program year. Data will be published as part of the Department of Labor’s annual report each year.

Product	Submission Date	Publishing Date
HGJTI and CBJTG Reports	Within 30 days following the end of each calendar quarter	ETA intends to use this information to prepare reports for GPRA, budget, and performance management purposes on a quarterly and an annual basis.

A.17 Approval Not to Display OMB Expiration Date

The expiration date for OMB approval will be displayed. Once OMB approval is received, ETA will issue a Training and Employment Guidance Letter that will formally transmit to grantees the reporting package that includes the following statement: “It is estimated that, on average, the time needed per respondent to complete and submit the data collection and quarterly reports will be 85 hours annually for participant data collection and 112 hours annually for quarterly performance reporting. You may submit any comments regarding these reporting documents to: The Performance and Results Office, U.S. Department of Labor, Employment and Training Administration, 200 Constitution Avenue, NW Room N5306, Washington, DC, 20210. Please include Paperwork Reduction Act 1205-ONEW with your correspondence.”

Form/Activity	Estimated Annual National Burden	Estimated Total	Estimated Average Annual
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	(Hours)	Respondents	Hours Per Respondent
Participant Data Collection	23,000	272 grantees	85
Quarterly Performance Report	30,464	272 grantees	112
Total	53,464		197

A.18 Exceptions to OMB Form 83-I

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

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

NO EXCEPTIONS ARE REQUESTED IN THE “CERTIFICATION OF PAPERWORK REDUCTION ACT SUBMISSIONS.”