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## **DEPARTMENT OF LABOR**

### **Employment and Training Administration**

Proposed Collection of Information for the Evaluation of the Self-Employment Training Demonstration; New Collection.

**AGENCY:** Employment and Training Administration (ETA), Labor.

**ACTION:** Notice.

**SUMMARY:** The Department of Labor (Department or DOL), as part of its continuing effort to reduce paperwork and respondent burden, conducts a pre-clearance consultation program to provide the general public and Federal agencies with an opportunity to comment on proposed and/or continuing collections of information in accordance with the Paperwork Reduction Act of 1995 (PRA) [44 U.S.C. 3505(c)(2)(A)]. The program helps to ensure that requested data can be provided in the desired format, reporting burden (time and financial resources) is minimized, collection instruments are clearly understood, and the impact of the collection requirements on respondents can be properly assessed.

The proposed application package, follow-up survey, site visit data collection, and case study interviews are for an evaluation of the Self-Employment Training (SET) Demonstration. This demonstration and its evaluation are sponsored by ETA to understand whether providing dislocated workers access to self-employment training and counseling services increases their likelihood of reemployment, their earnings, and their propensity to enter into self-employment.

**DATES:** Written comments must be submitted to the office listed in the addressee's section below on or before [INSERT DATE 60-DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER].

**ADDRESSES:** A copy of this proposed information collection request may be obtained by contacting Janet Javar at 202-693-3677 (this is not a toll-free number) or e-mail:

[javar.janet@dol.gov](mailto:javar.janet@dol.gov). Comments are to be submitted to Department of Labor/Employment and Training Administration, Attn: Janet Javar, 200 Constitution Avenue, N.W., Room N-5641, Washington, DC 20210. Written comments may be transmitted by facsimile to 202-693-2766 (this is not a toll-free number) or emailed to [javar.janet@dol.gov](mailto:javar.janet@dol.gov).

## **SUPPLEMENTARY INFORMATION:**

### **I. Background**

ETA seeks to implement and rigorously evaluate the effectiveness of innovative strategies for promoting employment based on the authority granted to the agency under Title I of the Workforce Investment Act. The SET Demonstration focuses specifically on self-employment as a reemployment strategy for dislocated workers. The demonstration is premised on the hypotheses that: 1) self-employment could be a viable strategy for dislocated workers to become reemployed; 2) starting a small business is difficult, especially for individuals who lack business expertise or access to start-up capital; and 3) dislocated workers might experience difficulties locating and accessing training and counseling services that could effectively prepare them for self-employment via the existing workforce infrastructure.

The SET Demonstration will implement a new service delivery model that seeks to better connect dislocated workers to self-employment services. This approach differs from previous large-scale demonstration programs, which have provided mixed evidence on the effectiveness of self-employment services on earnings and employment, because the SET

Demonstration will: 1) rely on self-employment advisors to offer more intensive business development counseling services than prior demonstrations have offered; and 2) concentrate on dislocated workers who have fairly limited traditional employment prospects but are well-positioned to benefit from self-employment counseling and training. The SET Evaluation will assess the effectiveness of the SET Demonstration model.

## **II. Review Focus**

The Department is particularly interested in comments which:

- Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;
- Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;
- Enhance the quality, utility, and clarity of the information to be collected; and
- Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

## **III. Current Actions**

This proposed information collection will involve collecting data from participants of the SET Demonstration.

Agency: Employment and Training Administration

Type of Review: New Collection.

Title of Collection: Information and Survey Collection for the Self-Employment Training Demonstration.

OMB Control Number: 1205-0NEW.

Affected Public: Applicants and participants (dislocated workers), One-Stop Career Center (OSCC) administrators and staff, and participating providers' self-employment advisors and other staff providing support for the demonstration.

Estimated Total Burden Hours: 5,449

Estimated Total Burden Cost: \$107,530

*For Consent and Application Forms:*

Number of Respondents: 4,000 applicants<sup>1</sup>

Frequency: Once

Average Time per Response: 30 minutes

Estimated Burden Hours: 2,000 hours [ = 4,000 × (20/60) ]

Estimated Burden Cost: \$33,260 [ = 2,000 × \$16.63 ]<sup>2</sup>

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<sup>1</sup> This pool of 4,000 applicants is expected to be self-selected from a larger pool of dislocated workers after participating in online SET Demonstration orientation sessions. (No information will be collected in these orientation sessions.) It is anticipated that approximately 3,000 applicants will meet the demonstration's eligibility requirements; these successful applicants will be assigned with equal probability to the program and control groups.

<sup>2</sup> Hourly wage rates were calculated using the Project GATE public use dataset based on members of the control group who were (1) unemployed at baseline and (2) had collected UI benefits in the 12 months prior to applying to the program. (Project GATE files are available from ETA at: <http://www.doleta.gov/reports/projectgate/>.) This subgroup of the GATE study sample is likely to most closely resemble the pool of dislocated workers who will apply to the SET Demonstration. At the six-month follow-up survey (the midpoint of which was April, 2005), the average wage rate among employed members of this sub-group was \$14.15. At the eighteen month follow-up, this average was \$14.62. Adjusting for inflation, these wage rates translate to \$16.62 and \$16.64, respectively, in 2012 dollars. Given the similarity between these figures, a wage rate of \$16.63 per hour is used for potential SET Demonstration applicants and participants.

*For Program Participation Records:*

- Participant Tracking Data

Number of Respondents: 24 self-employment advisors at the demonstration's microdevelopment organizations (MDO) partner providers (on behalf of 1,500 program group members, each active for approximately 10 months)

Frequency: Monthly during two-year implementation period

Number of Responses: 15,000 [ 10 monthly responses  $\times$  1,500 cases]<sup>3</sup>

Average Time per Response: 3 minutes

Estimated Burden Hours: 750 hours [ = 15,000  $\times$  (3/60) ]

Estimated Burden Cost: \$25,403 [ = 750  $\times$  \$33.87 ]<sup>4</sup>

- Service Termination Information

Number of Respondents: 24 self-employment advisors at the SET Demonstration's microdevelopment organizations (MDO) partner providers (on behalf of each participant exiting the SET Demonstration before the end of the one-year service period)

Frequency: Once per case

Number of responses: 225 [ 0.15  $\times$  1,500 cases]

Average Time per Response: 20 minutes

Estimated Burden Hours: 75 hours [ = 225  $\times$  (20/60) ]

Estimated Burden Cost: \$2,450 [ = 75  $\times$  \$33.87 ]

Subtotal of Estimated Burden Hours, Program Participation Records: 885 hours

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<sup>3</sup> It is expected that most of the 1,500 program group members will remain active in the SET Demonstration for the entire one-year service period. However, some may become "inactive" before the end of the program. Specifically, it is assumed that 5 percent of the program group will drop out of the demonstration within the first month and another 15 percent will have their services terminated by the business development counselor within the first four months of participation. As a result, the average program group member will remain active for approximately 10 person-months.

<sup>4</sup> Based on the May 2011 National Occupational Employment and Wage Estimates maintained by the Bureau of Labor Statistics ([http://www.bls.gov/oes/current/oes\\_nat.htm](http://www.bls.gov/oes/current/oes_nat.htm)), the average wage for "Business Operations Specialists, All Other" was \$32.21, which corresponds to \$33.87 in 2012 dollars.

Subtotal of Estimated Burden Cost, Program Participation Records: \$27,493

*For the 12-Month Follow-Up Survey:*

Number of Respondents: 2,400 study members<sup>5</sup>

Frequency: Once

Average Time per Response: 60 minutes

Estimated Burden Hours: 2,400 hours [ = 2,400 × (60/60) ]

Estimated Burden Cost: \$39,912 [ = 2,400 × \$16.63 ]

*For Site Visit Data Collection:*

Number of Respondents: 64 individuals, which includes 24 self-employment advisors at MDO partner providers, 16 OSCC administrators and staff, 24 additional staff members at organizations providing support for the demonstration

Frequency: Twice

Number of responses: 128 [ = 2 × (24 + 16 + 24) ]

Average Time per Response: 90 minutes

Estimated Burden Hours: 192 hours [ = 128 × (90/60) ]

Estimated Burden Cost: \$5,883 [ = 192 × ( \$33.87×(24/64) + \$28.70×(40/64) ) ]<sup>6</sup>

*For Case Study Interviews:*

Number of Respondents: 32 selected members of the program group

Frequency: Once

Average Time per Response: 60 minutes

Estimated Burden Hours: 32 hours [ = 32 × (60/60) ]

Estimated Burden Cost: \$532 [ = 32 × \$16.63 ]

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<sup>5</sup> It is assumed that the follow-up survey will achieve a response rate of 80 percent among individuals who were randomly assigned to the program and control groups.

<sup>6</sup> According to the May 2011 National Occupational Employment and Wage Estimates maintained by the Bureau of Labor Statistics ([http://www.bls.gov/oes/current/oes\\_nat.htm](http://www.bls.gov/oes/current/oes_nat.htm)), the average wage for “Training and Development Specialists” was \$28.14, which corresponds to \$28.70 in 2012 dollars. This wage rate is used for OSCC staff and additional staff members (other than the program’s self-employment advisors) at organizations providing support for the demonstration.

**Table 1. Burden Estimates for SET Evaluation Data Collection Efforts**

Respondents	Number of Responses/ Instances of Collection	Frequency of Collection	Average Time per Response	Burden (Hours)	Burden Cost <sup>a</sup>
<b>Consent and Application Forms</b>					
Applicants to the program	4,000 <sup>b</sup>	Once	30 minutes	2,000	\$33,260
<b>Program Participation Records</b>					
<i>Participant Tracking Data</i>					
Self-employment advisors	24 respondents with 1,500 total cases <sup>c</sup>	10 monthly responses per case, submitted over a two-year period <sup>d</sup>	3 minutes	750	\$25,403
<i>Service Termination Information</i>					
Self-employment advisors	24 respondents with 225 total cases <sup>e</sup>	Once	20 minutes	75	\$2,540
<i>Total for Program Participation Records</i>				825	\$27,943
<b>12-Month Follow-Up Survey</b>					
Successful applicants who went through random assignment	2,400 <sup>f</sup>	Once	60 minutes	2,400	\$39,912
<b>Site Visits<sup>g</sup></b>					
Self-employment advisors and other staff at SET Demonstration partner providers	24	Twice	90 minutes	72	\$2,439
OSCC administrators and case managers	16	Twice	90 minutes	48	\$1,378
Other staff at organizations providing support for the demonstration	24	Twice	90 minutes	72	\$2,066
<i>Total for Site Visits</i>				192	\$5,883
<b>Case Study Interviews</b>					
Selected members of the program group completing follow-up surveys	32	Once	60 minutes	32	\$532
<b>Total Burden</b>				<b>5,549</b>	<b>\$ 107,530</b>

<sup>a</sup>As noted in the main text, burden cost calculations assume wage rates of (1) \$16.63 per hour among potential applicants and participants in the SET Demonstration; (2) \$33.87 per hour among self-employment advisors; and (3) \$28.70 per hour among staff at OSCCs and other staff at organizations providing support for the demonstration.

<sup>b</sup>Although eligibility criteria will be explicitly outlined in publicity materials and orientation sessions for the program, it is assumed that approximately one in four applicants will be determined to be ineligible and, therefore, screened out. Thus, it is anticipated that 4,000 applications will be collected in order to enroll 3,000 study members.

<sup>c</sup>Each of the 1,500 members of program group will be tracked by one of 24 self-employment advisors.

<sup>d</sup>Given a one-year service period, it is expected that 10 monthly tracking reports per case, on average, will be received based on the following assumptions: (1) 5 percent of the program group will drop out of the demonstration within the first month after random assignment, and (2) another 15 percent will have services terminated and be referred back to an OSCC by SET self-employment advisors within the first four months after random assignment.

<sup>e</sup>An expected total of 225 service terminations will be initiated by one of 24 self-employment advisors.

<sup>f</sup>This figure assumes that the follow-up survey will achieve a response rate of 80 percent.

<sup>g</sup>The burden estimates for each site visit respondent include (1) time coordinating with the study team and preparing for the interview and (2) participating in the on-site meeting.

Comments submitted in response to this notice will be summarized and may be included in the request for Office of Management and Budget approval of the final information collection request. The comments will become a matter of public record.

Signed in Washington, DC this Tuesday of June 12, 2012.

Jane Oates

Assistant Secretary, Employment and Training Administration

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