

**Supporting Statement for the
Application for Employment with the
Board of Governors of the Federal Reserve System
(FR 28; OMB No. 7100-0181)**

Summary

The Board of Governors of the Federal Reserve System, under delegated authority from the Office of Management and Budget (OMB), proposes to extend for three years, with revision, the Application for Employment with the Board of Governors of the Federal Reserve System (the Application) (FR 28; OMB No. 7100-0181). The Application is required to obtain a benefit and collects information to determine the qualifications and availability of applicants for employment with the Federal Reserve Board. The Application collects information on education and training, employment record, military service record, and other information since the time the applicant left high school. Included with the Application are two supplemental questionnaires: (1) The Applicant's Voluntary Self-Identification Form (FR 28s), which collects information on the applicant's gender and ethnic group and (2) The Research Assistant Candidate Survey of Interests (FR 28i), which collects information on a candidate's level of interest in economics and related areas.

The Federal Reserve proposes to revise the FR 28 by (1) deleting the social security number (SSN) question, (2) expanding the country of citizenship question in the case of non-citizens, (3) adding several criminal background questions, (4) expanding the Notes section to provide more detail about an applicant's rights and responsibilities, and (5) revising the confidentiality status for and treatment of certain information provided on the Application. The Federal Reserve also proposes to revise the FR 28i by modifying the areas of interest, adding a more detailed section on software packages used by the candidate, adding a section for the candidate's career objectives, and changing the rating scale format of the survey. The Federal Reserve proposes to extend the FR 28s without revision. Copies of the draft Application and FR 28i are attached.

The Federal Reserve receives approximately 3,500 applications per year, solicited and unsolicited. The total annual reporting burden is estimated to be 3,558 hours.

Background and Justification

The Application in its current format has been used for more than twenty years. Over the years, the Application has been modified to keep pace with changes in staffing requirements and to comply with laws that have been enacted or amended to protect the applicant and the information provided on the Application. Such laws include the Age Discrimination in Employment Act (29 U.S.C. 621 *et seq.*), the Civil Rights Act (42 U.S.C. 2000e-16), the Equal Pay Act (29 U.S.C. 206(d)), the Immigration Reform and Control Act of 1986 (8 U.S.C. 1324(a) and 1324(b)), the Privacy Act (5 U.S.C. 552a), and the Rehabilitation Act (29 U.S.C. 791 *et seq.*).

The Application may be used to examine, rate, or assess the applicant's¹ qualifications, to determine if the applicant is entitled to rights or benefits under certain laws and regulations, and to contact the applicant to arrange an interview. After the Federal Reserve evaluates an Application, the applicant is either contacted for an interview or notified in writing that he or she does not qualify for any open positions.

In 2001, the Federal Reserve implemented the Applicant's Voluntary Self-Identification Form (FR 28s) in order for an applicant to identify his or her gender and ethnic group. The Federal Reserve also implemented the Research Assistant Candidate Survey of Interests (FR 28i) which is used to better match a research assistant (RA) candidate's interests with the different research areas at the Board.

In December 2004, the FR 28 was revised to include the applicant's email address and cell phone number. This information is used as an alternate source to contact applicants. In addition, the FR 28 was modified to inform applicants that educational claims must be from an accredited school. The FR 28s was modified to be consistent with the Office of Management and Budget's (OMB's) Statistical Policy Directive No. 15, (Race and Ethnic Standards for Federal Statistics and Administrative Reporting). The FR 28i was modified to update the areas of interest, changing the rating scale format, adding a section on software packages used by the candidate, and adding a line for the candidate's name.

Description of Information Collection

The Federal Reserve receives approximately 3,500 applications per year, both solicited and unsolicited, from members of the public who would like to be considered for employment at the Board. Since the applicant is usually either hired by the Board or finds other employment within the two years that the Board retains the Application, the applicant generally files the Application once.

The Application comprises eight sections: Background, Education and Training, Employment Record, Military Service Record, References, General, Remarks, and Notes. The first six sections collect information on a specific aspect of the applicant's qualifications. The Background section collects name, address, telephone, and citizenship information and the position for which the applicant is applying. The Education and Training section collects detailed information on the applicant's educational history and skills set. The Employment Record section collects a chronological summary of work experience. The Military Service Record section collects information on service branch, rank, duties, and discharge. The References section collects information on three references. The General section collects information on criminal records, discharge from employment, willingness to travel, and relations to or acquaintances with Federal Reserve staff or officers and directors of financial institutions. The Remarks section provides the applicant an opportunity to provide further information regarding his or her qualifications. The Notes section explains what is required of the applicant prior to an interview and what may be required

¹An applicant is any person who meets the published minimum qualifications for a specific position and has expressed interest in or been considered for that position.

of the applicant if he or she is offered a position (for example, transcripts, medical examination, or drug test).

The FR 28s comprises two sections: Gender and Ethnic Group. Applicants are asked to check the box that corresponds to their gender and ethnic group (White, Black, Asian or Pacific Islander, American Indian or Alaskan Native, and Hispanic). The Federal Reserve uses this information to comply with federal equal employment opportunity (EEO) recordkeeping and reporting requirements, other legal requirements, and as an input to its self-analysis of hiring practices. Information collected on the FR 28s has no bearing on the determination of an applicant's job-related qualifications and completion of the form is voluntary.

The FR 28i comprises sixteen categories of economics and related areas of which RA candidates are asked to rate their level of interest (little, moderate, strong, or uncertain). In addition, the FR 28i collects information on the software packages used by RA candidates. The FR 28i helps to streamline the recruitment process and reduce some of the frustration of offering positions that RA candidates subsequently turn down.

Proposed Revisions

Application (FR 28)

The Federal Reserve proposes to revise the Background section by:

- Deleting the SSN question. The deletion of the question would protect applicants' privacy and ensure that their personally identifiable information is not compromised. A new hire's SSN is not required until the first day of employment; therefore, it is not needed on the Application.
- Adding question regarding country (or countries) of citizenship if the applicant is not a United States citizen. The question is intended to elicit information necessary for the Board to know whether the individual is eligible for positions that require access to Confidential Supervisory Information (CSI) or Federal Open Market Committee (FOMC) information above Class III.²
- Correcting the citation for the citizen regulation (12 CFR 268.205)

The Federal Reserve proposes to revise the General section by:

- Revising question 1 to include "convictions resulting from a plea of *nolo contendere* (*no contest*)."
- Adding the following questions regarding the criminal background:
 - Are you now under charges for any violations of law?
 - Have you ever been convicted by a military court-martial?
 - Are you delinquent on any Federal debt (e.g., federal taxes, loans, overpayment of benefits, defaults on guaranteed or insured loans)?

² This classification is generally applied to less-sensitive background information supporting policy discussions.

The additional questions regarding an applicant's criminal background would assist the Board in assessing an applicant's suitability for Board employment. With the imminent adoption of the Board's Suitability Policy and the requirements of Homeland Security Presidential Directive HSPD-12 it is important to have full information regarding an applicant's criminal background. The current Application only asks whether an applicant has ever been convicted of a felony or misdemeanor. The proposed additions would clarify that an applicant is to disclose convictions resulting from a plea of nolo contendere or no contest. In addition, the new questions would require applicants to state whether they are currently facing any criminal charges, and whether they have ever been convicted by a court-martial. Finally, the new questions would require applicants to inform the Board whether they have been delinquent on any federal debt, including taxes and loans.

The Federal Reserve proposes to revise the Notes section by:

- Adding the statement, "Male applicants born after December 31, 1959, must be registered with the Selective Service System or have a valid exemption in order to be eligible for Board employment." This addition to the Notes section is required by federal law and notifies a male applicant that he will be required to certify his registration status upon employment.
- Adding a statement that the Board offers assistance to applicants with disabilities who may require help completing the Application. The Federal Reserve is legally required to provide assistance in completing the Application; therefore, information should be disclosed to applicants. Currently, the Application only informs applicants that they may seek alternative forms or ask questions by contacting the relevant official at the Board.
- Expanding the EEO section to state that an aggrieved applicant should consult with an EEO Counselor within forty-five days of the event. The addition of the explicit mention of the forty-five day limit is the result of a recent District of Columbia Circuit case, Harris v. Gonzalez, in which the court permitted a plaintiff to continue her lawsuit despite her failure to contact a counselor within the forty-five day limit because the agency was unable to establish that it had given the plaintiff adequate notification of the time limit at a time and in a manner reasonably geared to inform the plaintiff of such limits. Having this forty-five day limit expressly stated on the Application would provide notice to applicants of the rules governing their assertion of an EEO claim and would permit the Board to establish such notice in the event of litigation.
- Adding the statement, "I consent to the release of information about my ability and fitness for Board employment by employers, schools, law enforcement agencies and other individuals and organizations, to investigators, personnel staffing specialists, and other authorized employees of the federal government." The current Application does not expressly give consent to the Board to release information contained on the Application for verification and other similar purposes. The proposed revisions would provide this consent explicitly, consistent with the requirements of the Privacy Act.

The Federal Reserve proposes to revise the confidentiality status of the information collected. The Board's Legal Division has determined that information provided on an Application could not be deemed confidential in its entirety; instead, only certain information could be deemed confidential, such as an applicant's date of birth, address, phone number, and personal information regarding any references provided. Information such as employment and educational history would not be held confidential because the public has a right to know the qualifications of public servants; therefore, release of this information would not be considered a "clearly unwarranted invasion of personal privacy" under the Freedom of Information Act. The change in status would bring the confidentiality status of the Board's Application in conformance with employment applications for other government agencies.

Research Assistant Candidate Survey of Interest (FR 28i)

The Federal Reserve proposes to streamline the list of areas of interest from sixteen to seven, add a detailed section on software packages and statistical languages used by the candidate, and revise the rating scale format. This information would also help the Federal Reserve better match a candidate's interest, experience, and knowledge level in particular areas of research at the Federal Reserve. The proposed revisions were recommended by economists in the research divisions who are involved in the RA recruiting process and would provide information to better assess the qualifications and suitability of job candidates for RA positions. Finally, the Federal Reserve proposes to add a new section on candidates' future objectives. Since most RAs use their two to three year tenure at the Board to refine their future academic and career aspirations, this information is useful in matching the interests of the candidates with the research and policy issues addressed within the various sections and divisions.

Time Schedule for Information Collection

The Application may be obtained from and may be submitted to the Board of Governors of the Federal Reserve System. The Federal Reserve also distributes and collects the Application in their recruiting efforts. Candidates for RA positions in the economic research divisions submit the FR 28i along with the Application.

Consultation Outside the Agency

The Board's Legal Division previously consulted with outside attorneys on the content of the Applicant's Voluntary Self-Identification Form. On December 10, 2007, the Federal Reserve published a notice in the *Federal Register* (72 FR 69688) requesting public comment for sixty days on the extension, with revision, of the Application for Employment with the Board of Governors of the Federal Reserve System. The comment period for the notice expired on February 8, 2008. The Federal Reserve received no comments. On February 22, 2008, the Federal Reserve published a final notice in the *Federal Register* (73 FR 9805).

Sensitive Questions

This collection of information contains no questions of a sensitive nature, as defined by OMB guidelines.

Legal Status

The Legal Division has determined that the Application (including the two supplemental questionnaires) is required to obtain the benefit of Board employment. It is authorized pursuant to Sections 10 and 11 of the Federal Reserve Act, which provide the Federal Reserve Board broad authority over employment of staff. 12 U.S.C. §§ 244 and 248(l). Information provided on the Application (including the two supplemental questionnaires) will be kept confidential under exemption (b)(6) of the Freedom of Information Act (FOIA) to the extent that the disclosure of information “would constitute a clearly unwarranted invasion of personal privacy.” 5 U.S.C. § 552(b)(6). For example, the release of information such as an applicant’s date of birth, address, phone number, and personal information regarding any references provided would likely constitute a clearly unwarranted invasion of personal privacy, and would be kept confidential. However, the release of information such as the educational and professional qualifications of applicants would not likely constitute a clearly unwarranted invasion of personal privacy, and would not be kept confidential.

Estimate of Respondent Burden

The current annual burden is estimated to be 3,558 hours and represents less than 1 percent of the total Federal Reserve burden for all reports. The estimated number of respondents is based on the average number of Applications (FR 28, FR 28s, and FR 28i) submitted over the last two years. The FR 28 is estimated to take an average of one hour to complete. The FR 28s is completed on a voluntary basis and is estimated to take an average of one minute to complete. The FR 28i is completed only by RA candidates and is estimated to take less than five minutes to complete. The Federal Reserve believes the proposed revisions would have no affect on the ongoing annual burden for the Application; therefore, the burden would remain unchanged from current estimates and averages.

	<i>Estimated number of respondents</i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
FR 28	3,500	1	1 hour	3,500
FR 28s	2,000	1	1 minute	33
FR 28i	300	1	5 minutes	<u>25</u>
<i>Total</i>				3,558

Based on a rate of \$18 per hour, the estimated current annual cost to the public of this information collection is \$64,044.³

Estimate of Cost to the Federal Reserve System

The total annual cost to the Federal Reserve for printing and processing the Application is estimated to be \$175,000.

³ According to the U.S. Department of Labor Bureau of Labor Statistics, 2002 Quarterly Census of Employment and Wages (www.bls.gov/cew/state2002.txt)