

Supporting Statement for the Clearance of BLS-790 Forms, the Collection Document of the BLS Current Employment Statistics Program

BACKGROUND

The Current Employment Statistics program provides current monthly statistics on employment, hours, and earnings, by industry and geography. CES estimates are among the most visible and widely-used Principal Federal Economic Indicators (PFEIs). CES data are also among the timeliest of the PFEIs, with their release each month by BLS in the *Employment Situation*, typically on the first Friday of each month. The statistics are fundamental inputs in economic decision processes at all levels of government, private enterprise, and organized labor.

The CES monthly estimates of employment, hours, and earnings are based on a sample of U.S. nonagricultural establishments. Information is derived from approximately 260,000 reports (representing about 150,000 UI accounts and 390,000 individual worksites), as of January 2008. Each month, firms report their employment, payroll, and hours on forms identified as the BLS-790. The sample is collected under a probability based design. Puerto Rico and the Virgin Islands collect an additional 4,800 reports using a quota sample.

A list of all form types currently used is attached. Respondents receive variations of the basic collection forms, depending on their industry. BLS is requesting Office of Management and Budget (OMB) approval through July 31, 2011. Letters and other materials sent to establishments are also included.

The CES program is a voluntary program under Federal statute. Reporting to the State agencies is voluntary in all but four States (Oregon, Washington, North Carolina, South Carolina), Puerto Rico, and the Virgin Islands. To our knowledge, the States that do have mandatory reporting rarely exercise their authority. The collection form's confidentiality statement cites the Confidential Information Protection and Statistical Efficiency Act of 2002 and mentions the State mandatory reporting authority.

Automated data collection methods are now used for most of the CES sample. Approximately 115,000 reports are received through Electronic Data Interchange and 56,100 reports are collected using Computer Assisted Telephone Interviewing, as of January 2008. Touchtone Data Entry is the third largest mode, accounting for 37,100 reports. In comparison, only 4,300 reports are collected by mail. Fax is also a significant collection mode, as 16,200 reports are collected via this method.

Web collection is rapidly increasing in importance as approximately 14,200 reports were collected as of January 2008. The balance of the sample is collected through other automated methods including and submission of tapes and diskettes and e-mail.

BLS has decided to significantly increase the use of web for CES data collection. Evaluation of results has shown that improved response rates are obtainable compared to Touchtone Data Entry. BLS has also decided to stop research on fax optical character recognition collection due to cost and technical considerations. Instead, firms are offered the opportunity to submit a standard format Excel file through the BLS web site.

List of Forms included in Clearance Package

1. TDE Instruction Sheet--Private Sector
2. TDE Instruction Sheet--Public Administration
3. TDE Instruction Sheet—Education
4. Drop Letter (for firms being dropped from the sample)
5. Web Letter (for firms being converted to web reporting)
6. TDE Letter (for firms being converted to TDE reporting)
7. CATI Solicitation Letter
8. Back of TDE Reminder Post Card
9. Front of TDE Reminder Post Card
10. 790 A form-- Natural Resources and Mining
11. 790 B form—Construction
12. 790 C form—Manufacturing
13. 790 E Form—Service Providing
14. 790 G Form—Public Administration
15. 790 S Form—Educational Services
16. Educational Services Fax Report form
17. Public Administration Fax Report Form
18. Private Sector Fax Report Form
19. Multiple Payroll Private Sector Fax Form
20. Private Sector Fax Report Form-Short version
21. Multiple Payroll Private Sector Fax Form—Short version
22. CATI Solicitation Letter—Education Services
23. CATI system and Web page screens.

A. JUSTIFICATION

1. Necessity of Collection

The Bureau of Labor Statistics has been charged by Congress (29 USC 2) with the responsibility of collecting and publishing monthly information on employment, the average wage received, and the hours worked, by area and by industry. Attachment 1 is a copy of this statute. The data necessary to produce these estimates are voluntarily reported. BLS receives approximately 260,000 reports each month from nonagricultural establishment worksites (including government) in the 50 States and the District of Columbia. An additional 4,800 reports are collected by Puerto Rico and the Virgin Islands. The Puerto Rico and Virgin Islands reports are not included in the probability sample design.

2. Use and Users of Data

The estimates produced from the data collected on the BLS-790 forms are fundamental inputs in economic decision processes at all levels of private enterprise, government, and organized labor. The estimates are vital to the calculation of the National Income Accounts, the Federal Reserve Board's Index of Industrial Production, and the Composite Index of Leading and Coincident Economic Indicators among others. The earnings data provide a proxy measure of the cost of labor at a level of industry detail not available from the Bureau's Employment Cost Index program. The early availability of employment and hours data provides one of the primary indicators for the current status of the U.S. economy.

3. Use of Technology in Reducing Burden

The CES program relies extensively on information technology for data collection. Eighty-five percent of the sample is collected by Touchtone Data Entry (TDE), Computer Assisted Telephone Interviewing (CATI), Electronic Data Interchange (EDI), and Web. EDI is used for many very large multi-unit reporters. As of January 2008, 94 large firms, representing 7.3 million employees and 114,500 establishments, report via EDI, significantly reducing respondent burden for these firms.

BLS has developed special forms (BLS-790 F series) to facilitate reporting of data by facsimile transmission ("fax"). These forms somewhat lessen reporting burden on large multi-unit reporters by allowing them to report information for several of their establishments on one form each month. These forms allow firms that report for establishments in different industries to consolidate all reporting on a single form. Three versions have been developed. The first version covers all private sector businesses, except education. The second covers education and government establishments, and the third is used for private education establishments.

4. Identification of Duplication

There are no comparable Federal surveys. The cooperative Federal-State collection program eliminates duplication of requests made of the respondent at the Federal, State, and local levels. The CES program is the only program that provides current monthly data on payroll employment, hours, and earnings, by industry and area. Preliminary national data are released within 3 weeks of the end of the survey week.

5. Small Businesses

The probability-based design calls for inclusion of all U.I. accounts with more than 1000 employees with certainty. For other size classes, the sample is stratified by size decreasing probability of selection for smaller size firms. BLS has also implemented sample rotation of non-certainty units to further reduce burden. Most non-certainty firms will report for 3 to 5 years, then will be rotated out of the sample for at least 3 years. For very large firms, electronic reporting via EDI allows the firm to transmit a sample file containing all of their reports to a central location. This lessens their burden substantially.

6. Less Frequent Conduct of Study

The Congress (29 USC 2) mandated that the data be collected monthly for the purpose of deriving fundamental inputs into economic decision processes at all levels of government, private enterprise, and organized labor.

7. Special Circumstances

This request does not have any special circumstances that would cause information collection to be conducted in a manner:

- requiring respondents to submit more than an original and two copies of any document;
- requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
- in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;
- requiring the use of a statistical data classification that has not been reviewed and approved by OMB;
- that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
- requiring respondents to submit proprietary trade secret or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

There are special circumstances that require respondents to report information to the agency more often than quarterly; and require respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it. Congress has mandated monthly collection (29 USC 2). Survey respondents are requested to provide payroll information for the pay period including the 12th of the month as soon as the data are available. This allows for timely publication of preliminary estimates within 3 weeks of the reference period. Research has shown that the vast majority of sample units have the requisite data available in their regular payroll summaries at the time BLS is requesting this information.

8. Federal Register Notice and Comments and Outside Consultations

Two comments were received as a result of the Federal Register notice published in Volume 73, No. 27 on February 8, 2008.

A comment was received from the Bureau of Economic Analysis (BEA). The BEA strongly supports the continued collection of data by the Bureau of Labor Statistics on the Report on Current Employment Statistics. The CES survey is the main data source for key components of the BEA's economic statistics. The BEA is interested in being informed of any modifications to the form that would substantially affect their use of the data. We will inform the BEA of any changes to the forms that affect their use of the data.

The National Association of Homebuilders strongly supports the continuation of the CES program. NAHB regularly makes use of information from the CES, particularly in its forecasts of housing and economic activity. The NAHB states that information from the CES forms the centerpiece of their economic forecast, and firmly believes that no good substitute for CES data is available from any other source.

9. Payment of Gifts to Respondents

There are no payments or gifts to respondents.

10. Confidentiality

The Commissioners' Order No. 1-06, "Confidential Nature of BLS Statistical Data," explains the Bureau's policy on confidentiality: "In conformance with existing law and Departmental regulations, it is the policy of the Bureau of Labor Statistics that respondent identifiable information collected or maintained by, or under the auspices of, the BLS for exclusively statistical purposes and under a pledge of confidentiality shall be treated in a manner that will ensure that the information will be used only for statistical purposes and will be accessible only to authorized persons.

Authorized persons are:

1. Sworn BLS employees.
2. State Employment Security Agency employees.
3. Contractors who have signed the appropriate confidentiality agreement with the Bureau.

Data on employment, payrolls, and hours submitted on the BLS-790 forms by respondents must be retained by the State Employment Security Agencies and the BLS for an indefinite period, in order to retabulate historical data when expanding published industry detail and to provide a basis for recalculating series if they are later found to be in error. Data over 16 months old are archived onto computer tape.

The collection forms state that “The Bureau of Labor Statistics, its employees, agents, and partner statistical agencies, will use the information you provide for statistical purposes only and will hold the information in confidence to the full extent permitted by law. In accordance with the Confidential Information Protection and Statistical Efficiency Act of 2002 (Title 5 of Public Law 107-347) and other applicable Federal laws, your responses will not be disclosed in identifiable form without your informed consent.”

The Confidential Information Protection and Statistical Efficiency Act of 2002 (CIPSEA) safeguards the confidentiality of individually identifiable information acquired under a pledge of confidentiality by controlling access to, and uses made of, such information. CIPSEA includes fines and penalties for any knowing and willful disclosure of individually identifiable information by an officer, employee, or agent of the BLS.

11. Sensitive questions

There are no sensitive questions asked on this survey.

12. Estimate of Respondent Reporting Burden

The following table shows reporting burden by form type:

Form	Reports	Minutes per Report	Frequency of Response	Annual Responses	Annual Burden Hours
A--Natural Resources and Mining	1,400	11	12	16,800	3,080
B--Construction	11,900	11	12	142,800	26,180
C--Manufacturing	12,600	11	12	151,200	27,720
E--Service Providing Industries	169,600	11	12	2,035,200	373,120
G--Public Administration	43,300	6	12	519,600	51,960
S--Education	9,100	6	12	109,200	10,920
F1, F2, F3 Fax Forms	16,800	11	12	201,600	36,960
Total	264,700			3,176,400	529,940

Estimate of the CES program's cost to respondents:

Annual Burden hours	529,940
Median hourly earnings of "Human Resources Assistants, Except Payroll and Timekeeping" from the CPS survey, 2007 annual average	\$13.94
Estimated total cost to respondents	\$7,387,364
Number of establishments	264,700
Average annual cost per establishment	\$27.91

13. Annual Burden Costs to Respondent as a Result of the Collection of Information

There is no operational or maintenance cost burden to the respondent because the information collection seeks information that is part of customary and usual business practices and does not require purchase of equipment or services to meet the information collection request.

14. Estimate of the CES program's FY 2008 cost to the Federal Government

State Contracts (for processing, review, etc.)	\$21,200,000
All Other	\$32,300,000
TOTAL	\$53,500,000

15. Changes in Burden

The burden currently requested is 529,940 hours. This request is a decrease from the previous burden request of 561,832 hours. The decrease is due to a reduced sample size.

16. Publication Plans

The data are initially released in the "Employment Situation" press release, on the first Friday following the reference period. The release contains employment, hours, and earnings data by major industry division.

Detailed tabulation and presentation of national estimates of employment, hours, and earnings are found in the B and C tables of Employment and Earnings, BLS's monthly publication.

The CES program produces 5,170 series at the national level and 21,830 series at the State and area levels. Data are published monthly by BLS in Employment and Earnings. Series are also published by BLS and the cooperating State agencies in press releases and pamphlets. In addition, all published data series are available through the BLS World Wide Web site.

17. Displaying the OMB Expiration Date

BLS is requesting continuation of the approval to not display the expiration date on the form. BLS and States are continually soliciting new respondents for the CES and their ability to use the approved form would be constrained as the expiration date approaches.

18. Exception to Certification

There are no exceptions to item 19 of the “Certification for Paperwork Reduction Act Submissions”.