

SUPPORTING STATEMENT
U.S. Department of Commerce
U.S. Census Bureau
Government Employment Forms
(Forms E-1, E-2, E-3, E-4, E-5, E-6, E-7, E-9)
OMB Control No. 0607-0452

Section A. Justification

1. Necessity of Information Collection

Title 13, Section 161, of the United States Code requires the Secretary of Commerce to conduct a census of governments every fifth year. Title 13, Section 182 of the United States Code allows the Secretary to conduct annual surveys in other years. This information collection request covers the questionnaires needed to conduct the public employment program for the 2010 and 2011 Annual Survey of Public Employment & Payroll.

The questionnaires for collecting the data are described below. There are eight survey forms used to collect data on government employment, pay, and hours (Attachment 1). Since there are many different types and sizes of governments, each form is tailored to the unique characteristics of the type and size of government or government agency to be surveyed.

- E-1 State agencies, excluding state colleges and universities
- E-2 State colleges and universities
- E-3 Dependent agencies of local governments
Single function special district governments
- E-4 County governments,
Municipal and township governments with populations of 1,000 or more
- E-5 Municipalities and Townships (A shortened version of the E-4 form for
Municipalities and Townships with a population of < 1,000)
- E-6 Elementary and secondary school systems
Local government operated institutions of higher education
- E-7 Multifunction dependent agencies and fire protection agencies
Multifunction special district governments
- E-9 State police
County Sheriff departments

The type of employment and pay data collected by the public employment program in the 2010 and 2011 Annual Survey of Public Employment & Payroll are identical to data collected in recent annual surveys of government employment. By state, the 2010 and

2011 sample supports estimates of total local government employment and payrolls by type of government and government function.

2. Needs and Uses

Statistics compiled from data gathered using these forms are used in several important Federal government programs. Economists at the Bureau of Economic Analysis (BEA) use the statistics in two ways for developing the National Income and Product Accounts. First, the employment data are used in developing price deflators for the government sector components of the gross domestic product accounts. Second, the employment and payroll data are used in developing the government sector components for the national and sub-national personal income accounts and tables.

The regional BEA program uses the Census of Governments and the Annual Survey of Public Employment & Payroll to derive state-level estimates of the employment and wages and salaries of students and their spouses who are employed by public institutions of higher education in which the students are enrolled. There is no other national or state source for information on student workers at state institutions of higher education.

The employment data are used for two other data collection efforts currently conducted by the Census Bureau. The Medical Expenditures Panel Survey (MEPS) collects data for the Department of Health and Human Services (HHS) on health plans offered to state and local government employees. The MEPS sample of public employees is drawn from the Census of Governments - Employment file. The Criminal Justice Employment and Expenditure Survey (CJEE) uses employment data to provide employee and payroll statistics on police protection and correctional activities.

State and local government officials use these data to analyze and assess individual government labor force and wage levels. Both management and labor consult these data during wage and salary negotiations.

Public interest groups of many types produce analyses of public sector activities using these data. User organizations representing state and local government include the Council of State Governments, National Conference of State Legislatures, Government Research Association, U.S. Conference of Mayors, National Association of Counties, National League of Cities, and the International City/County Management Association. A third category of users, having a more specific focus on government activities, includes organizations such as the Citizens Research Council of Michigan and the National Sheriffs Association.

A variety of other organizations and individuals make use of these data. Notable research organizations include the Manhattan Institute for Policy Research, The Brookings Institution, and the Rockefeller Institute of Government. The instructors, researchers, and students in schools of public administration, political science, management, and industrial relations as well as other members of the public also use these data.

Information quality is an integral part of the pre-dissemination review of the information disseminated by the Census Bureau (fully described in the Census Bureau's Information Quality Guidelines). Information quality is also integral to the information collections conducted by the Census Bureau and is incorporated into the clearance process required by the Paperwork Reduction Act.

3. Use of Information Technology

The Census Bureau is using information technology to reduce respondent burden in the following ways:

a. Electronic Submissions

Data for 3,464 state agencies from 37 states are submitted electronically and 8 states in paper formats as a result of central collection agreements with state governments. Work continues to get the remaining states that fill out paper charts to fill-in and submit electronic charts. The 2008 and 2009 mail-outs and the 2007 Census mail-out included a letter and the file layout requesting data be submitted electronically. Drafts of the materials are included in Attachment 2. In addition, ten local governments and 4 state school systems provide their data electronically for a total of 137 forms. In the 2007 Census, the central collection agreements' reported forms accounted for 4 percent of the state and local forms universe.

Some central collection respondents submit their data in a text or an Excel format. These files are accepted and converted to our format for processing.

b. Internet Based Reporting

In the 2005 to 2009 annual surveys and census year, a Web-based instrument was available for reporting state and local Employment data. Starting in 2008, central collection contacts were able to upload their electronic data files through the Web-based instrument. All form types can be completed on the Internet. Instructions for reporting on the Web were included in the original mailout as well as the follow-up mailout.

Of the 104,220 state and local government forms in the 2007 Census, 23,919 units or 23 percent of the state and local universe reported on the Web site. Of the 21,588 state and local government forms in the 2008 annual survey, 6,589 units or 31 percent of the forms reported on the Web site.

The Internet based reporting and the electronic reporting accounted for 45 percent of the state and local forms received for the 2008 Annual Survey of Public Employment & Payroll.

c. Processing technology

Forms are checked in using an automated tracking system that generates and distributes a daily activity report. This system tracks the movement of forms through initial review, imaging, data entry, and data output. The imaging of the forms reduces the number of hours previously required to sort and file forms upon receipt and to retrieve them for use by editors. Through the use of the Feith Image Retrieval system, editors have immediate access to multiple years of data on their desktop.

4. Efforts to Identify Duplication

The public employment program does not duplicate any other data collection. Continuous contact with public interest groups and representatives of other Federal agencies ensures the absence of duplication. Consultations with staff of the National Center for Education Statistics (NCES) confirm that the request for data from Colleges and Universities (E-2) does not duplicate NCES data requirements. In some years, NCES collects data on full-time equivalent positions, but it does not obtain data on actual numbers of persons employed or corresponding actual gross pay amounts.

5. Minimizing Burden

The Census Bureau pursues central reporting arrangements to obtain necessary data whenever possible. Through these arrangements, a single contact agrees to collect and submit the data for their government and its dependent agencies as one central report.

Since the 2008 OMB request, we have made agreements with two additional state governments to report their data centrally. This brings the total number of states reporting centrally to 45 and eliminates the need to mail canvass approximately 3,464 state agencies. In four states, data for elementary/secondary school systems are reported through a central arrangement. This eliminates the need to mail canvass approximately 129 school systems.

We contact state governments, school districts, and higher education institutions annually to encourage their participation in central reporting. A member of our staff works with interested governments to establish the procedures needed for central reporting.

For the annual employment program, small governments have a low probability of being selected in the sampling process and, consequently, a relatively small number are surveyed. Census Bureau staff members will assist those governments with available staff and/or expertise to prepare the reports.

Census Bureau staff provides additional assistance to governments that express difficulty in completing forms for reasons of limited workforce or understanding of how to accomplish this task. In some cases, Census Bureau staff compiles the data from payroll files submitted to us.

6. Consequences of Less Frequent Collection

The Census Bureau's ability to produce reliable information on government and pay would be significantly impeded if data were collected less frequently. Government employment and payrolls are key indicators of state and local government economic activity, providing the most current information about expenditures in this sector of the economy. These data are also the basis for additional surveys conducted on an annual basis.

7. Special Circumstances

There are no special circumstances relating to this request.

8. Consultations Outside the Agency

The notice inviting comment on plans to submit this request was published in the Federal Register (Vol. 74 No. 188) on September 30, 2009 on page 50164. The Bureau of Economic Analysis submitted a letter of support (Attachment 9) for the Government Employment Forms (OMB Number: 0607-0452). The Oregon Employment Department for the state of Oregon submitted an e-mail of support (Attachment 10) for the Government Employment Forms.

We maintain contact with public interest groups representing state and local governments and groups of public officials and academic organizations. These groups all use and disseminate data collected in the census and annual surveys.

We conducted a meeting with our primary Federal government customer, the Bureau of Economic Analysis (BEA) on October 14, 2009. BEA uses our national, state, local, and type-of-government aggregate data by function on full-time and part-time employees, payroll, and number of part-time hours worked to prepare estimates of functional payrolls for the public sector of the Gross Domestic Product.

All opinions of individuals or groups were provided separately and informally, and not for the purposes of reaching a consensus. They were not provided as a part of and did not constitute any Federal Advisory Committee proceedings. A list of supporters is included in Attachment 3.

9. Paying Respondents

Respondents are not paid.

10. Assurance of Confidentiality

This survey does not ask for any confidential data. These data are subject to provisions of Title 13, United States Code, Section 9 exempting data that are customarily provided in public records from rules of confidentiality. Participants in the survey will receive a letter from the Director of the Census Bureau stating that this is a voluntary survey and asking for their cooperation. This letter is included in Attachment 4.

11. Justification for Sensitive Questions

No questions of a sensitive nature are asked.

12. Estimate of Hour Burden

2010 and 2011 Annual Survey of Public Employment & Payroll

The 16,964 respondents to this survey are made up of all fifty state governments and a sample of local governments.

The following chart provides an estimate of the respondent counts and burden hours for the individual forms in the 2010 Annual Survey of Public Employment & Payroll. These numbers are based on the 2008 and 2009 Annual Survey of Public Employment & Payroll and the existing sample frame.

2010 ANNUAL SURVEY OF PUBLIC EMPLOYMENT & PAYROLL RESPONDENT COUNTS AND BURDEN HOURS			
Form Number	Number of Responses	Average Hours per Response	Estimated Total Hours
E-1	1,949	.33	643
E-2	775	1.00	775
E-3	5,140	.33	1,696
E-4	4,781	1.50	7,172
E-5	323	1.25	404
E-6	2,719	.75	2,039
E-7	1,025	.33	338
E-9	203	.50	102
Central Collection from State Agencies and Schools			
State Agencies	45	16.00	720
Schools	4	24.00	96
Total	16,964		13,985

Central collection arrangements with 45 state governments are each treated as a single response with an estimated reporting time of two days (16 hours) each. These arrangements reduce the number of state agency forms by 3,464.

In four states, central collection arrangements with school systems are each treated as a single response with an estimated reporting time of three days (24 hours) each. These arrangements reduce the number of school forms by 129.

A sample redesign was implemented for the 2009 annual survey. The methods researched brought the sample size down, mainly by lowering the number of small units that are in sample. The high unit response rate (88.5 percent) for the 2007 Census of Governments gave us a very reliable universe for sample development. The new sample was designed to aim for a coefficient of variation of less than 1 percent on key national totals (total employees and total payroll) and less than 3 percent on detailed national totals and key state totals. The new sample should give state by type of government estimates of about 5 percent on major totals.

The annual cost to respondents of their time to respond is based on the following calculations:

Total estimated burden hours	13,985
Estimated cost per burden hour	\$22.65
Total estimated cost to respondents	\$316,796

“Estimated cost per burden hour” is based on data from the 2007 Census of Governments – Employment component. The “Estimated cost per burden hour” is derived from the total monthly pay for full-time local government employees divided by the number of full-time local government employees reported at the *Financial Administration* function and converted to an hourly rate assuming an average forty hour work week. The “Estimated cost per burden hour” is multiplied by the “Total estimated burden hours” from Section A.12 to calculate the “Total estimated cost to respondents.”

13. Estimate of Cost Burden

We do not expect respondents to incur any costs other than that of their time to respond. The information requested is of the type and scope normally carried on government reports or financial statements and no special hardware or accounting software or system is necessary to provide answers to this information collection. Therefore, respondents are not expected to incur any capital and start-up costs or system maintenance costs. Further, purchasing of outside accounting or information collection services, if performed by the respondent, is part of usual and customary business practices and not specifically required for this information collection

14. Cost to Federal Government

2010 and 2011 Annual Survey of Public Employment & Payroll

The estimated cost for the 2010 Annual Survey of Public Employment & Payroll is projected to be \$2.0 million for the US Census Bureau.

15. Reason for Change in Burden

The 2009 survey sample was redesigned to reduce the burden on small special districts and townships. The Annual Survey of Public Employment & Payroll is on a five-year cycle. During four out of the five fiscal years the burden is low, but in the fifth year the burden goes up due to the Census. The next Census will be conducted in 2012.

16. Project Schedule

2010 ANNUAL SURVEY OF PUBLIC EMPLOYMENT & PAYROLL SCHEDULE		
	Start Date	Finish Date
Data Collection		
Mail	March 2010	June 2010
Central	March 2010	September 2010
Data Processing		
	August 2010	May 2011
Data Dissemination		
BEA Delivery	May 2011	May 2011
Product Releases	June 2011	June 2011

17. Request to Not Display Expiration Date

The expiration date will appear on the forms.

18. Exceptions to the Certification

There are no exceptions.