

## Scheduling Letter Cost Comparison

rev. (5.14.2014)

|  | <b>Last Reauthorization (2008 )</b> | <b>Pending Request(Sept. 2011)</b>   | <b>Revised Request (proposed 2014)</b> | <b>Statement of Differences (2008 v. 2014)</b>  |
|--|-------------------------------------|--|--|---|
| Contractor Establishments              | 99,028                              | 171,275 (46,291 parent companies)  | 116,079 (23,619 parent companies)      | Increase establishment count by 17%.  |
| Total Hours                            | 10,045,984                          | 11,949,346   | 8,114,628                              | Decreased time and hours associated with specific actions.  |
| Total Cost <sup>1</sup>                | \$351,296,005                       | \$438,784,764  | \$313,711,518                          | Proposed 2014 revisions to individual wage data request will decrease reporting burden. <sup>2</sup> Proposed 2014 reporting revisions for 503 and VEVRAA increased the reporting burden. <sup>3, 4</sup> |
| Total Recurring Cost Per Establishment | \$3,547                             | \$2,562  | \$2,703                                |   |
| One-time Start-up Cost                 | Not Calculated                      | \$34,980,836 (originally presented:\$129,483,900 <sup>5</sup> calculated as if each establishment adjusted its HRIS) | No start-up cost <sup>6</sup>          |   |
| Total Per Establishment One-time Cost  | Not calculated                      | \$204 (originally presented: \$756 calculated as if each establishment adjusted its HRIS)                            |  |   |
| <b>Final Cost (with startup) Per</b>   | <b>\$3,548<sup>7</sup></b>          | <b>\$2,767<sup>8</sup></b>   | <b>\$2,703<sup>9</sup></b>             | <b>A Reduction in Recurring Cost Over 2008: (\$845)</b>   |

## End Notes

|                      | <b>Last Reauthorization (2008 )</b> | <b>Pending Request(Sept. 2011)</b> | <b>Revised Request (proposed 2014)</b> | <b>Statement of Differences (2008 v. 2014)</b> |
|----------------------|-------------------------------------|------------------------------------|--|--|
| <b>Establishment</b> |                                     |                                    |  | <b>per establishment.</b>                      |

<sup>1</sup> Total cost includes AAP development, recordkeeping, reporting, and third party disclosure.

<sup>2</sup> In the 2008 request contractors were required to provide annualized compensation data (wages, salaries, commissions, and bonuses) summarized by range, rate, grade, or level showing total number of employees by race and gender and total compensation by race and gender. The proposed Scheduling Letter and Itemized Listing no longer require contractors to summarize and analyze their compensation data before submitting it for a compliance evaluation. Thus decreasing the cost associated with the scheduling letter. The decrease is \$129.90 per contractor establishment, and includes a reduction of 3.36 labor hours per contractor establishment.

<sup>3</sup> New items added for section 503 increased the cost by \$61.08 per contractor establishment, including an increase of 1.58 labor hours per contractor establishment. This estimate includes section 503 and VEVRAA reasonable accommodation costs.

<sup>4</sup> New items added for VEVRAA increased the cost by \$51.42 per contractor establishment, including an increase of 1.33 labor hours per contractor establishment.

<sup>5</sup> Start-up cost is in addition to the estimated total recurring cost. The one-time start-up cost of \$129,483,900 that OFCCP estimated in 2011 assumes that each establishment would modify its Human Resources Information Systems (HRIS); this resulted in an overestimation of the cost. OFCCP is now aware that parent companies are typically responsible for making these IT systems adjustments. Under this approach; the start-up cost decreased to \$34,980,836.

<sup>6</sup> OFCCP has modified its proposed 2011 Itemized Listing to allow contractors to submit their employment activity data by job group or job title, as they currently do. Therefore there are no additional start-up costs associated with the ICR.

<sup>7</sup> This includes the annual maintenance and operation cost of \$1.21 per contractor establishment.

<sup>8</sup> This includes the annual maintenance and operation cost of \$1.05 per contractor establishment.

<sup>9</sup> This includes the annual maintenance and operation cost of \$1.10 per contractor establishment.