

SUPPORTING STATEMENT
U.S. Department of Commerce
U.S. Census Bureau
Public Employment & Payroll Forms
(Forms E-1, E-2, E-3, E-4, E-5, E-6, E-7, E-9)
OMB Control Number 0607-0452

Part 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 2012 Census of Governments: Employment and the 2013 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 Institutions of Higher Education (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 Police Protection Agencies (State and local governments)

The type of employment and payroll data collected by the public employment & payroll program in the 2012 Census of Governments: Employment and the 2013 Annual

Survey of Public Employment & Payroll are identical to the data collected in recent annual surveys. The 2012 Census of Governments: Employment will collect data for all state and local governments in the 50 states and the District of Columbia by type of government and government function. The 2013 sample supports estimates of total local government employment and payrolls by state by government function.

No changes were made to the form content as currently approved. However; formatting changes were made to the forms to facilitate data capture using current technology, Integrated Computer Assisted Data Entry (iCADE), and to clarify wording and form flow with respondents such as integrating the instruction in bullet form into the questions. These changes were cognitively tested.

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 for developing the National Income and Product Accounts. According to Dennis Fixler, Chief Statistician BEA, “The data obtained from these forms are critical to BEA for maintaining reliable estimates. Specifically, BEA uses national, state, local, and type-of-government aggregate data by function for full-time and part-time employees, payroll, and number of part-time hours worked to prepare estimates of full-time equivalent employment and estimates for the public sector compensation, gross domestic income, and gross domestic product. In turn, these BEA estimates also are used to prepare estimates of state and local government compensation of employees in both the annual and benchmark input-output accounts.” (Attachment 2)

BEA also 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 component universe and employment data from the survey are used in statistical methods for creating national estimates on health plans. The Criminal Justice Employment and Expenditure program (CJEE), sponsored by the Bureau of Justice Statistics (BJS), uses employment data to provide employee and payroll statistics on police protection and correctional activities.

State and local government officials use these employment 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 employment 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 Statistical Quality Standards).

3. Use of Information Technology

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

a. Electronic Submissions

Annually, data for 3,480 state agencies from 44 states are submitted electronically as a result of central collection agreements with state governments. Work continues to get the remaining central collection state that fills out a paper chart to submit electronically. The 2010 and 2011 mail-outs included a letter and the file layout requesting data be submitted electronically. Drafts of the materials are included in Attachment 3.

In addition, 22 local governments and four state school systems provide their data electronically for a total of 152 forms in the 2011 annual survey. In 2012, all state school systems are included, increasing the total forms to 640.

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

b. Internet Based Reporting

In the 2005 to 2011 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 mailing as well as the follow-up mailing.

Of the 104,220 state and local government forms in the 2007 Census, 23,919 units or 23.0 percent of the state and local universe reported on the Web site. Of the 20,915 state and local government forms in the 2010 annual survey, 7,640 or 36.5 percent of the respondents reported on the Web site.

The Internet-based reporting and the electronic reporting accounted for 53.8 percent of the state and local forms received for the 2010 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 delivery to headquarters. 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 analysts. Through the use of the Feith Image Retrieval system, analysts have immediate access to multiple years of data on their desktop.

In 2012, the Web collection will move to the Census Bureau's Centurion Web data collection system. Images for the completed web forms will also be available in the Feith Image Retrieval system. Also in 2012, data entry for all forms returned by mail will utilize the Census Bureau's iCADE keying program. Then in 2013, we will utilize an optical character recognition system in iCADE to capture data on the forms. These processing changes are expected to increase survey efficiency and reduce costs.

4. Efforts to Identify Duplication

The Public Employment & Payroll 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 and reduce respondent burden 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. The Census Bureau continues to pursue electronic reporting arrangements with local governments. Through these arrangements, local government contacts provide an electronic file in a mutually agreeable format and work with the Census Bureau to create the crosswalk for functional breakouts of the data. Respondents spend less time in future years finding and classifying employees into the functional categories.

The Census Bureau has agreements with 45 states, 22 local governments, and four state school systems. This eliminates the need to mail canvass approximately 3,480 state agencies, 22 local governments, and 132 schools in a sample year and 620 in a census year.

The Census Bureau conducted cognitive testing in early 2011 on the 2012 form changes to ensure government representatives understood the questions being asked on the forms. The cognitive testing also gave survey analysts a better understanding of the data available and terminology used by government representatives.

Census Bureau staff provide assistance to governments that express difficulty in completing forms due to limited resources or understanding of how to accomplish this task. In some cases, Census Bureau staff compile the data from paper payroll files submitted by the government.

The Census Bureau also implemented new sample design and estimation techniques starting in 2009 that minimize total respondent burden. A modified cutoff sampling methodology and small area estimation reduces the burden on small government units.

6. Consequences of Less Frequent Collection

The Census Bureau's ability to produce reliable information on government employment 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 by government function in this sector of the economy. These data are also the basis for additional surveys conducted on an annual basis such as the Medical Expenditure Panel Survey (MEPS) and the Criminal Justice Employment and Expenditure (CJEE) program.

7. Special Circumstances

There are no special circumstances related 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. 76 No. 146) on July 29, 2011 on page 45507. The Bureau of Economic Analysis submitted a letter of support (Attachment 2) for the Public Employment & Payroll Forms (OMB Number: 0607-0452).

The Census Bureau maintains 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.

The Census Bureau, Governments Division conducted quarterly meeting with BEA to discuss information about several surveys including the Survey of Public Employment and Payroll. BEA uses the 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.

9. Paying Respondents

Respondents are not paid for providing their data.

10. Assurance of Confidentiality

The survey does not request 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 requesting their cooperation. All forms contain information regarding the Paperwork Reduction Act and the voluntary nature of the survey. The 2012 letter is included in Attachment 4 and the 2012 forms in Attachment 1.

11. Justification for Sensitive Questions

No questions of a sensitive nature are asked.

12. Estimate of Hour Burden

The 99,935 respondents to the 2012 Census of Governments: Employment are comprised of all 50 state governments and all local governments in the United States. The 17,209 respondents to the 2013 Annual Survey of Public Employment & Payroll are comprised of all 50 state governments and a sample of local governments in the United States.

The following chart provides an estimate of the average number of respondents and burden hours for the individual forms in the 2012 Census of Governments: Employment and 2013 Annual Survey of Public Employment & Payroll. These numbers are based on the 2011 Annual Survey of Public Employment & Payroll, the frozen universe as of the 2011 mail-out and the live universe as of July 1, 2011.

2012 Census of Governments: Employment and 2013 Annual Survey of Public Employment & Payroll Average Number of Respondents Counts And Burden Hours			
Form Number	Number of Responses	Average Hours per Response	Estimated Total Hours
E-1	1,788	.33	590
E-2	775.5	1.00	776
E-3	18,506	.33	6,107
E-4	12967.5	1.50	19,451
E-5	9,067.5	1.25	11,334
E-6	8,810.5	.75	6,608
E-7	6,369.5	.33	2,102
E-9	238.5	.50	119
Central Collection from State Agencies and Schools			
State Agencies	45	16.00	720
Schools	4	24.00	96
Total	58,572		47,903

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 3,480.

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 620 in 2012 and 132 in 2013.

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

Total estimated burden hours	47,903
Estimated cost per burden hour	\$24.25
Total estimated cost to respondents	\$1,161,709

“Estimated cost per burden hour” is based on data from the 2009 Annual Survey of Public Employment & Payroll. 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 40 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

The Census Bureau does 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

The estimated total budgetary cost to the Federal Government to conduct the 2012 Census of Governments: Employment is \$7.7 million for its 5-year cycle.

The estimated cost to the Federal Government to conduct the Annual Survey of Public Employment and Payroll for fiscal year 2013 is \$2.1 million. The cost of conducting this survey in subsequent fiscal years will approximate these costs.

15. Reason for Change in Burden

The current OMB inventory was based on annual survey cycles only. The burden stated above is an average of one sample and one Census year; thereby, increasing the average burden hours.

16. Project Schedule

2012 Census of Governments: Employment		
	Start Date	Finish Date
Data Collection		
Mail/Web	March 2012	December 2012
Central	March 2012	December 2012
Data Processing		
	August 2012	June 2013
Data Dissemination		
BEA Delivery: Preliminary Data	May 2013	May 2013
Product Releases	December 2013	May 2014

2013 Annual Survey of Public Employment & Payroll		
	Start Date	Finish Date
Data Collection		
Mail	March 2013	December 2013
Central	March 2013	December 2013
Data Processing		
	October 2013	August 2014
Data Dissemination		
BEA Delivery	May 2014	May 2014
Product Releases	October 2014	December 2014

17. Request to Not Display Expiration Date

The expiration date will appear on all forms.

18. Exceptions to the Certification

There are no exceptions.