

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

BACKGROUND

The Current Employment Statistics (CES) 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 the 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 271,400 reports (from a sample of 145,000 employers with State Unemployment Insurance (UI) accounts comprised of 577,000 individual worksites). 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 7,400 reports.

A list of all form types currently used is attached. Respondents receive variations of the basic collection forms, depending on their industry. 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 111,700 reports are received through Electronic Data Interchange as of January 2014. Web data collection accounts for 47,700 reports. Computer Assisted Telephone Interviewing is used to collect 81,400. Fax is also a significant collection mode, as 11,600 reports are collected via this method. Touchtone Data Entry is used for 8,600 reports.

The balance of the sample is collected through other methods including submission of transcripts, emails, and other special arrangements.

List of Forms included in Clearance Package

1. TDE Instruction Sheet
2. Drop Letter (for firms being dropped from the sample)
3. TDE Letter (for firms being converted to TDE reporting)
4. CATI Solicitation Letter
5. 790A booklet format—for initial enrollment
6. 790A booklet format—for collection
7. 790B booklet format—for initial enrollment
8. 790B booklet format—for collection
9. 790C booklet format—for initial enrollment
10. 790C booklet format—for collection
11. 790E booklet format—for initial enrollment
12. 790E booklet format—for collection
13. 790G booklet format—for initial enrollment
14. 790G booklet format—for collection
15. 790S booklet format—for initial enrollment
16. 790S booklet format—for collection
17. 790A booklet format—fax version
18. 790B booklet format—fax version
19. 790C booklet format—fax version
20. 790E booklet format—fax version
21. 790G booklet format—fax version
22. 790S booklet format—fax version

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. The BLS receives approximately 271,400 reports each month from nonagricultural establishment worksites (including government) in the 50 States and the District of Columbia. An additional 7,400 reports are collected by Puerto Rico and the Virgin Islands. Puerto Rico and the 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 BLS'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. Ninety one 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, 2014, 90 large firms, representing 5.5 million employees and 111,700 establishments, report via EDI, significantly reducing respondent burden for these firms.

The BLS has developed special forms 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. One version has been developed for each of the six form schedule types.

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 UI accounts with more than 1,000 employees with certainty. For other size classes, stratification of the sample by size decreases the probability of selection for smaller size firms. The BLS has also implemented sample rotation of non-certainty units to further reduce burden. Most non-certainty firms will report for 2 to 4 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

No comments were received as a result of the Federal Register notice published at 79 FR 31990 on June 3, 2014.

9. Payment of Gifts to Respondents

There are no payments or gifts to respondents.

10. Confidentiality

The Confidential Information Protection and Statistical Efficiency Act of 2002 (CIPSEA) safeguards the confidentiality of individually identifiable information acquired under a pledge of confidentiality for exclusively statistical purposes 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.

Based on this law, the BLS provides respondents with the following confidentiality pledge:

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.

BLS policy on the confidential nature of respondent identifiable information (RII) states that "RII acquired or maintained by the BLS for exclusively statistical purposes and under a pledge of confidentiality shall be treated in a manner that ensures the information will be used only for statistical purposes and will be accessible only to authorized individuals with a need-to-know."

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.

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--Mining and Logging	1,235	11	1 2	14,820	2,7 17
B--Construction	1 1,164	11	1 2	1 33,968	24,5 61
C--Manufacturing	1 0,422	11	1 2	1 25,064	22,9 28
E--Service Providing Industries	17 8,168	11	1 2	2,13 8,016	391,9 70
G--Public Administration	4 6,919	6	1 2	5 63,028	56,3 03
S--Education	1 1,147	6	1 2	1 33,764	13,3 76
Fax790 A,B,C,E,G,S	1 1,362	11	1 2	1 36,344	24,9 96
Total	27 0,417			3,24 5,004	536,8 51

Estimate of the CES program's cost to respondents:

Annual Burden hours	536,851
Total Compensation, Office and administrative support occupations, Q4 2013	\$24.23
Estimated total cost to respondents	\$13,007,899.73
Number of establishments	270,417
Average annual cost per establishment	\$48.10

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 2015 cost to the Federal Government

State Contracts	\$8,000,000
All Other	\$53,000,000
TOTAL	\$61,000,000

15. Changes in Burden

The burden currently requested is 536,636 hours. This request is a decrease from the previous burden request of 582,120 hours. Burden decreased because of improvements in the timeliness and accuracy of updates to the sample registry.

16. Publication Plans

The data are initially released in the "Employment Situation" news release (<http://www.bls.gov/news.release/empsit.toc.htm>) 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 tables of Employment and Earnings (<http://www.bls.gov/opub/ee/home.htm>), the BLS's monthly on-line publication.

The CES program will produce 16,000 series at the national level and 22,750 series at the State and area levels in FY 2015. Data are published monthly by the BLS in Employment and Earnings, press releases, and on the BLS web site.

17. Displaying the OMB Expiration Date

The BLS is requesting continuation of the approval to not display the expiration date on the form. The 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".