

1 Supporting Statement
U.S. Department of Commerce
U.S. Census Bureau
Quarterly Survey of Public Pensions
OMB Control Number 0607-0143
(F10)

Section A. Justification

1. Necessity of the Information Collection

Over 3.3 trillion dollars in public pension assets in the financial markets are controlled by a small number of large retirement systems. In the process of preparing the frame for the 2012 Census of Governments, 3,992 public retirement systems administered by state and local governments were identified. The 100 largest systems, as measured by the system assets, account for about 87.2 percent of the total assets of all systems, based on the 2012 Census of Governments. The Quarterly Survey of Public Pensions is used to collect data on the assets, revenues and expenditures of these 100 systems enabling policy makers and economists to follow the changing characteristics of these funds. 100 units are selected in an attempt to balance timeliness, respondent burden, workload and data quality. The survey provides a more timely subset of the data presented in the Annual Survey of Public-Employee Pension Systems. Both Surveys are part of the Census Bureau's Government Finance program.

The collection of these data is authorized by 13 U.S.C. Sections 161 and 182. A notice published in the Federal Register on October 31, 2014 announcing our intention to submit this request inadvertently left out Section 161 from this citation of authority.

2. Needs and Uses

This survey was initiated by the U.S. Census Bureau in 1968 at the request of both the Council of Economic Advisers and the Federal Reserve Board. The most important information this survey provides is the quarterly change in composition of the securities holdings of the defined benefit public employee retirement systems component of the economy. The Federal Reserve Board uses these data to track the public sector portion of the Flow of Funds Accounts. The Bureau of Economic Analysis (BEA) uses these data to estimate dividends received by state and local government retirement systems that, in turn, are used in preparing the National Income and Product Accounts. Additionally, the data are used by a variety of government officials, academics, students and non-profit organizations to analyze trends in public employee retirement and the impact of retirement obligations on the fiscal well-being of state and local governments. Media that serve investment and public policy audiences routinely report on the quarterly data release, further disseminating the data.

Summary tables of the information collected are released quarterly on the Internet. Documentation and explanatory materials are also available on the Internet site here: <http://www.census.gov/govs/qpr/>

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). 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

There are only 100 participants in the survey panel and a limited number of data items. All requests to respond are sent electronically. All respondents reply electronically, using the Census Bureau's standard web based data collection tool known as "Centurion." The Centurion collection tool provides a web-based interface of the F-10 form for respondents to fill out. The tool additionally saves the responses as a downloadable PDF in the format of the F-10 form. The F-10 form exists solely to serve as a template for the web-tool and is not sent to any respondent directly.

4. Efforts to Identify Duplication

This is a very small, limited scope survey panel. None of the frequent contacts with respondents, searches of the professional literature, or discussions with experts in this area has revealed any similar type of survey activity. While the annual counterpart to this survey, the Annual Survey of Public-Employee Pension Systems collects the same information on an annual basis, the lag time for publication and reference period are much greater than for the Quarterly Survey of Public Pensions. Also, the target populations are different as this survey targets only the 100 largest retirement systems as of 2012 and its annual counterpart targets all retirement systems.

5. Minimizing Burden

The data requested are generally maintained by respondents. Typically, large state and local government retirement systems are required to make monthly and quarterly reports on the size of the systems' assets to their respective boards of trustees. The categories of data that are collected are similar and sometimes identical to the categories used in these reports.

6. Consequences of Less Frequent Collection

The magnitude and composition of securities activities can shift rapidly. The Federal Reserve Board, the BEA, and policy makers would have less timely information to determine the true dynamics of this economic sector if the survey were conducted less frequently than quarterly.

7. Special Circumstances

There are no special circumstances.

8. Consultations Outside the Agency

Staff members are in frequent contact with state and local government officials who provide survey data and use survey results. These contacts help to identify any reporting difficulties and provide information on the many ways that administrative records are maintained. Multiple data user workshops were held from October 2009 to March 2010 with the National Academy of Science's Committee on National Statistics, the Federal Reserve System, the BEA, the state and local government data suppliers, and other data users. Consultations are held regularly with data users including:

Flow of Funds Section
Federal Reserve Board
(202) 452-3132

State and Local Government Branch
Bureau of Economic Analysis
(202) 606-9663

There are no unresolved issues as a result of these consultations. All consultations were held for the purpose of obtaining individual opinions and not for purpose of obtaining a group consensus.

A notice inviting comment on plans to submit this request was published in the Federal Register on October 31, 2014. (Vol.79, No. 211page 64743.) No comments have been received.

9. Paying Respondents

Respondents are not paid for providing their data.

10. Assurance of Confidentiality

The data collected in this survey are from public records and do not require confidentiality.

Respondents are informed on the collection instrument that the survey is voluntary and not confidential.

11. Justification for Sensitive Questions

This survey requests only data that are already a matter of public record and, therefore, contains no questions of a sensitive nature.

12. Estimate of Hour Burden

The survey universe consists of a panel of the 100 largest public retirement systems as determined by their total cash and security holdings reported in the 2012 Census of Governments. Our conversations with respondents indicate the average number of work hours required per response is .75 hours, or 45 minutes. The estimated total quarterly burden would be 75 hours or 300 hours annually.

The annual cost to the respondent panel is estimated to be approximately \$8,528.88 and was calculated as follows:

Number in survey panel	81 state systems	19 local systems
Frequency of response (quarterly)	4	4
Total annualized responses	324	76
Average number of work hours per response	<u>x 0.75</u>	<u>x 0.75</u>
	243	57
Estimated cost per burden hour*	\$28.46	\$28.30
Total annual cost to respondents	\$6,915.78	+ \$1,613.10

*Estimated hourly cost is derived from the average hourly pay for full-time employment for the financial administration function within the 2013 Annual Survey of Public Employment & Payroll.

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 in retirement system records 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 in responding. 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 cost of this project is borne entirely by the Census Bureau and is estimated to cost approximately \$95,000 each calendar quarter, or \$380,000 annually and is not expected to change significantly during this authorization period.

15. Reason for Change in Burden

There is no change in burden from the previous OMB clearance package request.

16. Project Schedule

The processing plan for each quarterly report specifies a 13-week cycle. Data requests are e-mailed to the systems at the beginning of each calendar quarter, processed during the subsequent 13 weeks, and the information is released to the Internet at the end of that 13-week cycle.

17. Request Not to Display Expiration Date

The expiration date will appear on the collection instrument.

18. Exceptions to the Certification

There are no exceptions to the certification.