

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-8, E-9, E-10)
OMB Control Number 0607-0452

Part A. Justification

1. Necessity of Information Collection

The Census of Governments: Employment and its related program, the Annual Survey of Public Employment & Payroll, provide a rich source of data on state and local government employment and payroll in the United States. Data have been collected annually since 1957. A census is conducted every five years (years ending in '2' and '7'). A sample of state and local governments is used to collect data in the intervening years, with a new sample selected every five years (years ending in '4' and '9'). The survey provides state and local government data on full-time and part-time employment, part-time hours worked, full-time equivalent employment, and payroll statistics by governmental function (e.g., elementary and secondary education, higher education, police protection, fire protection, financial administration, central staff services, judicial and legal, highways, public welfare, etc.).

Title 13, U.S.C., Section 161 requires the Secretary of Commerce to conduct a census of governments every fifth year. Title 13, U.S.C., Section 182 allows the Secretary to conduct annual surveys in other years. Within the Federal Register notice dated August 28th, 2014, only Title 13, U.S.C., Section 161 was cited as the legal authority for this information collection. On the advice of legal counsel, we have added Title 13, U.S.C., Section 182 to that citation.

This information collection request covers the questionnaires needed to conduct the public employment program for the 2015 Annual Survey of Public Employment & Payroll, the 2016 Annual Survey of Public Employment & Payroll, and the 2017 Census of Governments: Employment.

The questionnaires for collecting the data are described below. There are ten survey forms used to collect data on government employment, pay, and hours (see 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
State agencies, excluding state colleges and universities
- E-2 Institutions of Higher Education
State institutions of higher education colleges and universities

- E-3 Special Districts and Local Agencies
Dependent agencies of local governments and single function special district governments
- E-4 Municipalities, Counties, Townships
County governments, municipalities, and township governments with population of 1,000 or more
- E-5 Municipalities and Townships
Shortened version of the E-4 form for municipalities and townships with a population of < 1,000
- E-6* School Systems
Local government operated institutions of education, elementary & secondary education and/or college & other postsecondary education
- E-7 Major Special Districts and Agencies
Multifunction dependent agencies and fire protection agencies for local governments, and multifunction special district governments
- E-8* Elementary and Secondary Education
Local government operated institutions of elementary and secondary education
- E-9 Police Protection Agencies
State and local government police protection agencies
- E-10* College and Other Postsecondary Education
Local government operated institutions of higher education

*For 2012 and prior, form E-6 was sent to all local school systems regardless of function. As a result of cognitive testing, two new forms were introduced for the 2013 Annual Survey of Public Employment & Payroll. The E-8 form was designed for elementary and secondary school systems; the E-10 for college and other postsecondary education school systems. The E-6 now is only sent to governmental units which may have both functions of education. The units receiving the new form are receiving a shorter form in place of the existing E-6.

The type of employment and payroll data to be collected by the public employment & payroll program for the 2015 Annual Survey of Public Employment & Payroll, the 2016 Annual Survey of Public Employment & Payroll, and 2017 Census of Governments: Employment are identical to the data collected in recent annual surveys. The 2015 and 2016 samples support estimates of total local government employment and payrolls by state by government function (e.g., elementary and secondary education, higher education, police protection, fire protection, etc.). The 2017 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 2017 Census of Governments: Employment supports

tabulations of total local government employment and payrolls by state by government function, as well as a county area employment and payroll tabulation.

Data are also gathered using means outside of a traditional form canvass. The Census Bureau also collects data through a web reporting instrument and via central collection arrangements with state governments.

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

The Census of Governments: Employment and its related program, the Annual Survey of Public Employment & Payroll, provide data on state and local government employment and payroll in the United States. Census Bureau staff apply a standard set of criteria while classifying government employment activity in order to provide what is perhaps the only complete and uniform set of data on the employment activities of governments in the United States.

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 the Chief Statistician of 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 functional payrolls for the public sector of the gross domestic product (GDP). BEA also uses these data to prepare estimates of state and local government compensation of employees in both the annual and benchmark input-output accounts." (see 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, the National Conference of State Legislatures, Government Research Association, U.S. Conference of Mayors, National Association of Counties, National League of Cities, and the National Association of Towns and Townships. Another category of users, having a more specific focus on government activities, includes organizations such as the National School Boards Association and the National Sheriffs Association.

A variety of private sector organizations and individuals make use of these employment and payroll data. Notable research organizations include the Brookings Institution and the Nelson A. Rockefeller Institute of Government.

Both public and private universities utilize these data. 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). 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.

Beginning with the 1993 annual data series, summary tables, and state & local individual unit data files have been released on the Internet. At the Internet site, (www.census.gov/govs), users will find these products and additional survey documentation.

3. Use of Information Technology

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

a. Electronic Submissions

All form types can be completed on the Internet. Central collection contacts are able to upload their electronic data files through the Census Bureau's Centurion web instrument (See Attachment 3). Instructions for reporting on

the Internet are included in the original mailing as well as the follow-up mailing.

We estimate that at least 65 percent of respondents will utilize the Census Bureau's web instrument or will submit electronic data via a central collection agreement. This estimate is based on responses for the 2013 and 2014 sample-based surveys, and the 2012 Census of Governments: Employment. The percentage of responses collected electronically is greater for sample-based surveys. Electronic responses have shown an upward trend in recent years as well.

Annually, data for 3,777 state agencies from 46 states are submitted electronically as a result of central collection agreements with state governments. The 2015 central collection mail-out includes a letter along with requesting that data be submitted electronically. Central collection respondents submit their data primarily in ASCII text or Excel format. The central collection mail-out letter is included in Attachment 4.

Four state school systems provide their local government school system data electronically. This is a total of 158 units for the 2015 and 2016 annual surveys. For the 2017 Census of Governments: Employment, all local government school systems for these four states are included, increasing the total units to 616.

b. 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.

Starting in 2012, the web collection moved 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.

Data entry for all forms returned by mail began utilizing the Census Bureau's iCADE keying program in 2012. In 2013, we began utilizing an optical character recognition (OCR) system in iCADE to capture data on the forms. These processing changes have increased survey efficiency and reduced 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 (Form 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 collection 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 other governments. Through these arrangements, 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 our functional categories.

The Census Bureau has central collection agreements with 46 states and four state governments on behalf of their local school systems. This eliminates the need to mail canvass approximately 3,777 state agencies each year, along with 158 school systems in a sample year (616 in a census year).

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 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 MEPS and CJEE.

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. 79 No. 167) on August 28, 2014 on pages 51303 and 51304. We received no comments in response to the notice. However, we did receive a letter of support from BEA (Attachment 2). We thank BEA for its continued support for this collection.

The Census Bureau conducts quarterly meetings with BEA to discuss information about several surveys including the Survey of Public Employment & 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 GDP.

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.

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(b) exempting data that are customarily provided in public records from rules of confidentiality. All forms contain information regarding this exemption of confidentiality and the voluntary nature of the survey. The 2015 survey forms are included in Attachment 1.

11. Justification for Sensitive Questions

No questions of a sensitive nature are asked.

12. Estimate of Burden Hours

The 16,386 respondents to the 2015 Annual Survey of Public Employment & Payroll and the 2016 Annual Survey of Public Employment & Payroll are comprised

of all 50 state governments and a sample of local governments in the United States. The 99,492 respondents to the 2017 Census of Governments: Employment are comprised of all 50 state governments and all local governments in the United States.

The following tables provide an estimate of the average number of respondents and burden hours for the individual forms in the 2015 Annual Survey of Public Employment & Payroll, 2016 Annual Survey of Public Employment & Payroll, and 2017 Census of Governments: Employment. Table 1 figures are based on the 2014 Annual Survey of Public Employment & Payroll. Table 2 figures are based on the 2012 Census of Governments: Employment (actuals of Forms E-3, E-4, E-5, E-7, and E-9), and the 2014 Annual Survey of Public Employment & Payroll (actuals of Forms E-1 and E-2, and estimates of Forms E-6, E-8, and E-10).

Table 1: 2015 Annual Survey of Public Employment & Payroll and 2016 Annual Survey of Public Employment & Payroll Average Number of Respondents Counts And Burden Hours			
Form Number	Estimated Number of Responses	Average Minutes per Response	Estimated Total Hours
E-1	1,532	20	511
E-2	727	60	727
E-3	4,830	20	1,610
E-4	4,627	90	6,941
E-5	311	75	389
E-6	1,517	45	1,138
E-7	1,132	20	377
E-8	1,270	45	953
E-9	190	30	95
E-10	200	45	150
Central Collection from State Agencies and Schools			
State Agencies *	46	840	644
Schools **	4	840	56
Total	16,386		13,591

Table 2: 2017 Census of Governments: Employment Average Number of Respondents Counts And Burden Hours			
Form Number	Estimated Number of Responses	Average Minutes per Response	Estimated Total Hours
E-1	1,532	20	511
E-2	727	60	727
E-3	31,510	20	10,503
E-4	21,184	90	31,776
E-5	17,743	75	22,179
E-6	7,565	45	5,674
E-7	11,589	20	3,863
E-8	6,329	45	4,747
E-9	265	30	133
E-10	998	45	749
Central Collection from State Agencies and Schools			
State Agencies *	46	840	644
Schools **	4	840	56
Total	99,492		81,562

* Central collection arrangements with 46 state governments are each treated as a single response with an estimated reporting time of 14 hours (840 minutes) each. These arrangements reduce the number of state agency forms by 3,777.

** In four states, central collection arrangements with school systems are each treated as a single response with an estimated reporting time of 14 hours (840 minutes) each. These arrangements reduce the number of school forms by 616 in a census year and 158 in a sample year.

Based on the tables above, the estimated average annual burden hours are 36,248 and the estimated number of respondents are 44,088. The calculation is an average of the 2015 and 2016 sample-based surveys, and the 2017 Census of Governments: Employment.

The Federal Register Notice dated August 28, 2014 had different figures for annual burden hours and estimated number of respondents. The numbers presented in this request supercede those earlier estimates and reflect a slight refinement of the estimated number of 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 cost to the Federal Government to conduct the 2015 Annual Survey of Public Employment & Payroll is \$2.2 million. The cost of conducting this survey for the 2016 will approximate these costs.

The estimated total cost to the Federal Government to conduct the 2017 Census of Governments: Employment is \$7.9 million for its 5-year cycle.

15. Reason for Change in Burden

The current OMB inventory was based on the previous submission, which included one annual survey year (averaging ~13,500 burden hours) and one Census year (averaging ~81,500 burden hours). The new OMB submission's burden statement cited above is an average of two annual survey years and one Census year; thereby, decreasing the average burden hours.

16. Project Schedule

Table 3: 2015 Annual Survey of Public Employment & Payroll Timetable	
Date or Period (Month/Year)	Activity
12/2014	Complete design of mailout/mailback forms
01/2015	Complete web instrument testing
03/2015	Initial request for mailout/mailback forms and web submissions
05/2015 - 08/2015	Follow-up requests for mailout/mailback forms and web submissions
03/2015 - 12/2015	Collect and process central collection data
05/2015 - 08/2016	Micro and macro level data review
By 05/2016	Produce initial national estimates for BEA's annual NIPA revision
By 09/2016	Release <i>2015 Annual Survey of Public Employment & Payroll</i> report and tables. Release state and local government individual data files by request.

Table 4: 2016 Annual Survey of Public Employment & Payroll Timetable	
Date or Period (Month/Year)	Activity
12/2015	Complete design of mailout/mailback forms
01/2016	Complete web instrument testing
03/2016	Initial request for mailout/mailback forms and web submissions
05/2016 - 08/2016	Follow-up requests for mailout/mailback forms and web submissions
03/2016 - 12/2016	Collect and process central collection data
05/2016 - 07/2017	Micro and macro level data review
By 05/2017	Produce initial national estimates for BEA's annual NIPA revision
By 08/2017	Release <i>2016 Annual Survey of Public Employment & Payroll</i> report and tables. Release state and local government individual data files by request.

Table 5: 2017 Census of Governments: Employment Timetable	
Date or Period (Month/Year)	Activity
12/2016	Complete design of mailout/mailback forms
01/2017	Complete web instrument testing
03/2017	Initial request for mailout/mailback forms and web submissions
05/2017 - 12/2017	Follow-up requests for mailout/mailback forms and web submissions
03/2017 - 04/2018	Collect and process central collection data
05/2017 - 02/2019	Micro and macro level data review
By 05/2018	Produce initial national estimates for BEA's annual NIPA revision
By 03/2019	Release 2017 Census of Governments: Employment report and tables. Release state and local government individual data files by request.

17. Request to Not Display Expiration Date

The expiration date will appear on all forms.

18. Exceptions to the Certification

There are no exceptions.