

Supporting Statement  
Report on Occupational Employment and Wages

**A. Justification**

1. Circumstances that Make the Collection of Information Necessary

The Occupational Employment Statistics (OES) survey is a Federal/State establishment survey of wage and salary workers designed to produce data on current detailed occupational employment and wages for each Metropolitan Statistical Area and Metropolitan Division as well as by detailed industry classification. OES survey data assists in the development of employment and training programs established by the Perkins Vocational Education Act of 1998 and the Wagner-Peyser Act (See attachments I and II for pertinent sections of each Act).

The Wagner-Peyser Act mandates that the Secretary of Labor shall oversee the development, maintenance, and continuous improvement of a nationwide employment statistics system of employment statistics that includes—“(A) statistical data from cooperative statistical survey and projection programs and data from administrative reporting systems that, taken together, enumerate, estimate, and project employment opportunities and conditions at national, State, and local levels in a timely manner, including statistics on—(ii) industrial distribution of occupations, as well as current and projected employment opportunities, wages, benefits (where data are available), and skill trends by occupation and industry, with particular attention paid to State and local conditions[.]”

In 1996, the OES program modified its collection method to produce prevailing wage data required by Foreign Labor Certification under the Immigration Act of 1990 (See attachment III for pertinent sections of this Act). The current process for obtaining foreign labor certification requires employers to actively recruit U.S. workers for a period of at least thirty days for all job openings for which foreign labor is sought. The employers’ job requirements must be reasonable and realistic, and employers must offer prevailing wages and working conditions for the occupation. Federal regulations provide more information on the determination of a prevailing wage for use in Foreign Labor Certification (See Attachment IV “Subpart D – Determination of Prevailing Wage” for an elaboration).

On October 24, 2016, the Office of Management and Budget approved the continuance of the OES program with minor changes, such as: updated collection materials; a downward adjustment to the burden estimate based on updated information; a request to test asking smaller employers to submit electronically as a primary option; a request to test a new short write-in form that contains variable information targeted to specific establishments; and a request to continue the testing already in progress of a new dynamic form. The OES program also sought to eliminate the use of the industry-specific long forms for larger establishments, but is now requesting to reinstate the use of the long forms as a supplemental tool for data collection.

2. Uses of Information

Occupational employment data obtained by the OES survey are used to develop information regarding current and projected employment needs and job opportunities. These data assist in the development of State and local vocational education plans. Nation-wide collection of OES wage data can further develop labor market and occupational information at the Federal, State, and sub-State levels. The survey meets the

needs of organizations involved in planning and delivering services provided by the Wagner-Peyser Act and the Perkins Vocational Education Act (1998).

National OES wage data collection can provide a significant source of information to support a number of different Federal, State, and local efforts. For instance, occupational wage data can be extremely useful in the administration of the Unemployment Insurance (UI) system. Generally, UI clients must meet work-search requirements and take jobs that pay equivalent to their previous employment. Wage data by occupation can help employment services identify occupations that meet the requirements of these individuals. Similarly, the dislocated workers program uses previous wages as a guide in preparing dislocated workers for employment. The OES survey can provide a standard source of occupational wage data to assist these workers.

Wage data at the occupational level can assist States and local authorities in carrying out vocational rehabilitation programs. The data can support U.S. military interests by providing State and local career information for Department of Defense workers. Minimum wage deliberations can use OES employment and wage data as a source of information.

OES wage data provides vocational trainers and enrollees with information on what occupations are present in the economy as well as their corresponding wage rates. These data will assist the national, State, and local coordinating committees to develop occupational information systems designed to aid job searchers and career counselors. As an example of use of the OES program, America's Career One Stop provides to individuals and career counselors the OES employment and wage data at its Web site at <http://www.careerinfonet.org/>

Reliable wage data has many practical uses. OES wage data can be an important analytical tool with enormous explanatory power. Wage data can be used to understand the direction and quality of the jobs being created in our economy and can play a part in important legal and administrative decisions. More importantly, wage information is a valuable commodity to the general public, whether the data are assembled in the BLS Occupational Outlook Handbook, or released across the country in occupational information systems. The detail, reliability, and applicability of the OES wage survey argues strongly for its expanded support.

The Immigration Act of 1990 mandates that the U.S. Department of Labor (DOL) base Foreign Labor Certification (FLC) on current prevailing wage rates. Under this Act, if employers prove there is an insufficient supply of local workers with occupation-specific skills, State agencies can grant temporary work permits to foreign workers.

FLC requires employers to actively recruit U.S. workers for a period of at least 30 days for all job openings for which foreign workers are sought. The employers' job requirements must be reasonable and realistic, and employers must offer prevailing wages and working conditions for the occupation.

The Employment and Training Administration (ETA) provides occupational wage data from the OES-FLC wage database on the Internet at <http://www.foreignlaborcert.doleta.gov/>.

The OES employment data are used as inputs to the Employment Cost Index. Additionally, special tabulations of employment by State, industry, and wage range are supplied to the Bureau of Economic Analysis for estimating Social Security payments from employers.

### 3. Uses of Improved Information Technology

In 2004, OES started accepting data by email. In addition to email, OES utilizes an online data submission tool. This online collection tool, referred to as Weblite, is another option for providing data electronically. If respondents choose to use Weblite, they have the option to upload an existing data file that contains the necessary employment and wage information, or complete an online version of the form. Once the online form is completed, it is submitted to the appropriate State office, and the respondent receives no further follow-up mailings. OES will continue to allow the use of industry-specific long forms for larger establishments as a supplemental tool for data collection.

In addition, OES recently obtained OMB clearance to use email as a non-response prompting method. Respondents who provided email addresses during address refinement are sent an automated email with a request for data, and instructions on how to report electronically. Additionally, OES also received permission to send an email notification at the beginning of a panel as a follow up to a hard copy pre-notification letter.

### 4. Efforts to Identify Duplication

The American Community Survey is the only other source of data available at a similar level of occupational and geographic detail, however it does not produce as much occupational detail as OES. The collection of employment and wage data at the detailed levels produced by OES eliminates the need for fragmented local collection efforts carried out within the States. These efforts are not only costly, but place a burden on employers, since several different groups may request wage data from the same employers. The OES wage survey produces current and accurate data on occupational employment information at the National, State, and sub-state levels.

### 5. Minimizing the Burden to Small Establishments

The OES sample design as described in Part B calls for using a variation of the Neymann allocation procedure to allocate sample to each ST/MSA/4-5-6 digit NAICS cell. Additionally, the establishments within each of these cells are selected using probability proportional to employment size. Both of these procedures result in smaller establishments having a smaller chance or probability of inclusion in the sample than the larger establishments. In other words, the larger the establishment size the greater the likelihood of being included in the sample.

Establishments with fewer than 20 employees receive a short unstructured form that does not list specific occupations. Larger establishments are asked to submit electronic files containing their data. Smaller establishments also have this option. OES will test collection asking smaller employers to submit electronically as a primary option. They may submit an electronic file or fill out an on line form. The electronic files are often produced from existing Human Resources records or personnel files. In our last clearance package, OMB approved the use of a simplified, one page fax form which OES is currently utilizing. This form will further reduce burden to small establishments. Upon receipt of the survey mail packet, small establishments may request this fax form from their State office. Additionally, OES is testing a new short write-in form which has variable information targeted to each specific establishment. The purpose of the variable information is to show the value and utilization of the OES data. The final version of this form is still being produced based on results from our tests. OES also will continue to produce long

forms that States have the option to use to collect data for specific industries. These forms will only be used sporadically, and will be sent to survey respondents from the States directly. The long form contains the full complement of occupations used to record all workers in a three- or four-digit North American Industry Classification System (NAICS) industry code.

Finally, many smaller establishments find it easy to report the data by phone when states are conducting non-response follow-up.

#### 6. Consequences of Not Collecting the Data or Less Frequent Data Collection

The purpose of the Labor Market Information (LMI) program, to which the OES program is vital, is to meet the information needs of the organizations involved in planning and delivering employment and training services at the State and sub-State levels. Therefore, there is a need for a comprehensive LMI system that provides continuous, timely, accurate, and detailed labor information. Since the inception of the OES program in 1971, the capability to develop timely, accurate, and detailed occupational estimates and projections has increased substantially. Due to changing staffing patterns, wage rates, and seasonal fluctuations, the OES survey needs to be conducted on a semi-annual basis at a minimum. Any change to a longer frequency of data collection may adversely affect the existing reliability of OES data.

#### 7. Special Circumstances

There are no special circumstances for this collection of information.

#### 8. Outside Consultations

One comment was received as a result of the Federal Register Notice published in 81 FR 23753 on April 22, 2016. The comment expressed support of the OES program and requested additional information:

- A discussion of the role of the OES in fulfilling Secretary of Labor's mandate, per the Workforce Innovation and Opportunity Act of 2014 (29 USC 491-2), to construct the Workforce and Labor Market Information System (WLMIS)

The BLS operates the Occupational Employment Statistics (OES) program, along with the Current Employment Statistics program, the Quarterly Census of Employment and Wages program and the Local Area Unemployment Statistics program, in cooperation with the states and territories. Together, these programs compose the BLS Labor Market Information (LMI) Cooperative Statistical Program which is conducted in accordance with the provisions of the Wagner-Peyser Act. The Workforce Innovation and Opportunity Act of 2014 (WIOA), amends certain provisions of the Wagner-Peyser Act, but does not alter BLS's responsibility to develop, maintain, and continuously improve a nationwide workforce and labor market information system. Under the WIOA, the BLS remains committed to fulfilling the requirements of the Wagner-Peyser Act.

- A comprehensive overview of the public and private uses of the OES

The OES program is the only comprehensive source of regularly produced occupational employment and wage rate information for the U.S. economy, as well as for states, the District of Columbia, Guam, Puerto Rico, the U.S. Virgin Islands, and all metropolitan and nonmetropolitan areas in each

state. Occupational employment data are used to develop information regarding current and projected employment needs and job opportunities, including jobs in demand. This information is used in the production of state education and workforce development program plans. These data enable the analysis of the occupational composition of different industries, and the comparison of occupational composition across states and local areas, including analysis for economic development purposes.

OES employment estimates also are used as job placement aids by helping to identify industries and occupations that employ the skills gained by enrollees in career-technical training programs. In addition, OES survey data serve as primary inputs into occupational information systems designed for those who are exploring career opportunities or assisting others in career decision making. OES data are used by several other BLS and government programs, such as the BLS Employment Projections program, the Employment and Training Administration (ETA), Wage and Hour Division (WHD), National Compensation Survey (NCS), and the Employment Standards Administration (ESA). OES data are used to establish the fixed employment weights for the Employment Cost Index and in the calculation of occupational rates for the Survey of Occupational Injuries and Illnesses. Wage data also are provided to ETA's Foreign Labor Certification program for use in administering the H1-B visa program. Employment and wage data for detailed science, engineering, mathematical, and other occupations are provided to the National Science Foundation, along with the complete staffing patterns for all industries. Occupational wage data are used by job seekers and employers to determine salary ranges for different occupations in different locations and in different industries. OES employment and wage data also can be found in ETA's CareerOneStop.

Many users of OES data use data provided by the state Labor Market Information programs. OES data are used by workforce and economic development programs to attract businesses. The data provide information on labor availability by occupation as well as average wages. OES is frequently cited as the most popular labor market information program within States. Finally, employment and wage data are used by academic and government researchers to study labor markets. These data inform the so-called "good-jobs/bad-jobs" debate on how business cycles and structural economic change affect wages and employment across the range of occupations; and how many and what types of jobs are impacted by off-shore outsourcing. Currently, OES staffing patterns and wage data are being used by MedPAC in research to improve the calculation of Medicare reimbursement rates.

- Plans to improve the value of the OES through investment in information technology and new product development, including time series

OES plans to improve or replace the data collection system used and modify sample and estimation design for improve time series comparability of data as resources allow.

The name and phone number of the occupational expert consulted is:

Ms. Lorraine Porter  
OES Supervisor, Florida

9. Respondent Payments

The OES program does not pay employers to complete the questionnaire.

10. BLS Confidentiality Policy

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/informed consent statement:

“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.”

11. Sensitive Questions

No questions of a sensitive nature are requested by the OES program.

12. Estimated Reporting Burden

Based upon the results from a 2012 Response Analysis Survey, OES respondents take an average of 0.5 employee-hours (from 10 minutes to 3 hours) to furnish the desired occupational employment and wage information. In order to calculate annual burden hours, the BLS used 0.5 hours as the basis for the calculation. Each employer is contacted only once during the year. BLS may, on occasion, re-contact respondents for quality assurance of the information. The re-contact burden is minimal and is incorporated into the below averages.

Current BLS plans for form BLS 2877 by Fiscal Year are summarized below:

Survey year	Mandatory / voluntary	Ownership	NAICS Coverage	Estimated Responding Units	Estimated burden hours
-------------	-----------------------	-----------	----------------	----------------------------	------------------------

Occupational Employment and Wages  
 1220-0042  
 November 2016

FY 2017	Voluntary	private	1133, 1151, 1152, 21-81 (exc. 814)	258,632	129,316
	Voluntary	government	State and local government	7,215	3,607
	Mandatory	private	1133, 1151, 1152, 21-81 (exc. 814)	30,836	15,418
	Mandatory	government	State and local government	838	419
	Total			297,521	148,760

Survey year	Mandatory / voluntary	Ownership	NAICS Coverage	Estimated Responding Units	Estimated burden hours
FY 2018	Voluntary	private	1133, 1151, 1152, 21-81 (exc. 814)	258,632	129,316
	Voluntary	government	State and local government	7,215	3,607
	Mandatory	private	1133, 1151, 1152, 21-81 (exc. 814)	30,836	15,418
	Mandatory	government	State and local government	838	419
	Total			297,521	148,760

Survey year	Mandatory / voluntary	Ownership	NAICS Coverage	Estimated Responding Units	Estimated burden hours
FY 2019	Voluntary	private	1133, 1151, 1152, 21-81 (exc. 814)	258,632	129,316
	Voluntary	government	State and local government	7,215	3,607
	Mandatory	private	1133, 1151, 1152, 21-81 (exc. 814)	30,836	15,418
	Mandatory	government	State and local government	838	419
	Total			297,521	148,760

The BLS estimates the annual cost to respondents for FY 2017 at \$3,738,339. To arrive at this figure, the average annual burden hours of 148,760 were multiplied by \$25.13 per hour. The BLS derives this wage figure from Employer costs for employee compensation, total compensation of office and administrative support occupations for the most recent data available (2015 3<sup>rd</sup> quarter). (Source: <http://data.bls.gov/cgi-bin/dsrv>)

### 13. Annual Cost Burden to Respondents

The OES program does not require respondents to keep special records, or to purchase and install any equipment such as special hardware or software. Employers use traditional payroll and personnel records as a source to complete the questionnaire.

### 14. Estimated Cost of the Survey

The approximate cost to the Federal Government for Fiscal Year 2017 is estimated to be approximately \$35 million. This amount includes grants to the cooperating State agencies to collect the data. The Bureau of Labor Statistics will expend a portion for survey materials, planning, development, and training of State staff, technical assistance, and customer service.

### 15. Change in Burden and Respondent Costs

Annual respondent burden for the OES survey is estimated to be 148,760 hours. This number is unchanged from the current Office of Management and Budget inventory. The inclusion of the industry-specific long forms for larger establishments will not change the estimated respondent burden for this collection.



16. Plans for Tabulation and Publication

The reference dates for the OES survey will be the payroll periods that include the 12th day of either November or May. Data collection will begin during the third week of the reference month and will end approximately eight months later. Four mailings per panel (an initial and up to three follow-ups) are planned. Telephone and field follow-ups of nonrespondents are conducted throughout the collection period. States are requested to transmit a clean “master file” to the BLS about 8 months after the payroll reference period. Exact deadlines for States to complete specified tasks are negotiated each year as part of the LMI Cooperative Agreement process.

National, State, and sub-State estimates from the survey will be available to customers in March of the year following the survey reference date.

These news releases will be published in electronic and paper formats. The electronic news release will be posted on the BLS webpage at [www.bls.gov/oes](http://www.bls.gov/oes). Paper copies will be mailed upon request.

17. Display of Expiration Date

The OES program is requesting OMB permission to continue to omit the expiration date on the OES collection instruments. The OMB expiration date often falls in the middle of the data collection-period and displaying the expiration date could cause some respondents to not cooperate. In order to ensure the high quality of OES data, State Workforce Agencies will need to continue to collect data past the expiration date on the form. Additionally, in order to maintain and improve on the current 73-percent response rate, State Workforce Agencies (SWAs) will need to obtain data from late reporters. These delayed responders are crucial to achieving response rates allowing for production of estimates for detailed occupations in every U.S. metropolitan area.

18. Certification for Paperwork Reduction Act Submissions

There are no exceptions to the certification.