

September 17, 2018

MEMORANDUM FOR: Reviewer of 1220-0032

FROM: DAVID M. TALAN, Chief
Division of Administrative Statistics and Labor Turnover
Bureau of Labor Statistics

SUBJECT: Proposal for the Use of Email Messages for Small Establishments
as Part of the Annual Refiling Survey

On January 19, 2018, the Office of Management and Budget (OMB) approved the Annual Refiling Survey (ARS) with clearance expiring on January 31, 2021. The ARS (BLS 3023 – Industry Verification Form) has been used in conjunction with the Unemployment Insurance tax reporting system in each State for the purpose of reviewing private sector employers' North American Industry Classification System (NAICS) codes and geographic codes. As a result, changes in the industrial and geographical compositions of our economy are captured in a timely manner and reflected in the BLS statistical programs.

The Consolidated Appropriations Act, 2014 provided \$592.2 million in funding to the BLS for FY 2014. That funding level was \$21.6 million below the 2014 President's Budget for the BLS. In order to attain the necessary savings for this funding level and to protect core programs, the BLS took steps to achieve the required budget reductions. The BLS, in coordination with the Department of Labor (DOL) and OMB, curtailed the Quarterly Census of Employment and Wages (QCEW) program in part by reducing the scope and the frequency of the ARS.

The ARS developed a reduction strategy with minimal impact on data quality by analyzing how frequently establishments changed their industry, location, and ownership over three ARS cycles (nine years) and placing low-change industries on a six-year collection cycle instead of the standard three-year cycle. The six-year cycle preserved the ability to identify trends in these industries, while maintaining budget flexibility. In addition, the ARS began excluding establishments with three or fewer employees starting in FY 2015. Nationwide, this has accounted for approximately 160,000 fewer units annually.

The QCEW program continues to seek ways to automate, reduce costs, increase data quality, and decrease respondent burden associated with the ARS. The use of emails and one-page “web letters” has made it considerably less expensive to conduct the ARS by encouraging respondents to provide information through a secure BLS website, ARSweb. By FY 2016, virtually all NVS responses were submitted via ARSweb – 552,552 web responses out of 557,180 total responses received. Beginning with FY 2017, BLS has conducted the survey exclusively using web letters and emails to respondents.

Online collection has also made it easier to pursue collection of previously-excluded establishments. With the most recent OMB clearance package expiring in 2021, the ARS included an increase in the annual number of responses and total hours requested. Those increases were due to the fact that online collection has made it easier to pursue more unclassified establishments (NCA) for which no information was available about industrial activities. With this request, the ARS would like to include establishments with three or fewer employees that had previously been excluded, using only email as the contact method as outlined in Supporting Statement Part A, Item No. 5 of the last package.

There has been concern that the QCEW program could not validate nor update the industrial and geographical information for smaller establishments, those with three or fewer employees, that the ARS excluded starting in FY 2015. Thus, the ARS would like to use email as a cost-effective way to contact these formerly-excluded units. The estimated number of establishments with between one and three employees is 937,500 in FY 2019. The QCEW program proposes to begin contacting smaller establishments in FY 2019 and to continue in later years if collecting these data during the FY2019 collection period proves successful. The BLS statistical methods group was consulted to ensure that targeting this group would not introduce any statistical issues. The QCEW program believes that email contact would be less burdensome for these units. Furthermore, no follow-up printed mailings or phone calls would take place for these smaller establishments. Updated burden information is provided below. Please see Attachment 1 for an example of the email correspondence sent to respondents to enable them to submit information via ARSweb.

Obligation to Respond	Total Respondents (Total Responses)	Average Time Per Response	Total Burden (Hours)
Mandatory	33,125	5 minutes	2,760
Voluntary	29,375	5 minutes	2,448
<i>Total:</i>	<i>62,500</i>		<i>5,208</i>

If you have any questions about this request, please contact David M. Talan at 202-691-6467 or e-mail at Talan.Dave@bls.gov or Emily Thomas at 202-691-6441 or e-mail at Thomas.Emily@bls.gov.

Attachment 1.

Email 1.

From: AnnualRefilingSurvey@bls.gov
To: respondent.email@email.com
Subject: Annual Refiling Survey Notice

Dear Employer,

Every three years, your State Workforce Agency and the U.S. Bureau of Labor Statistics (BLS) request that you verify your firm's address and main business activity through the Annual Refiling Survey (ARS). The ARS has been moved online and your email address was obtained from your State Unemployment Insurance (UI) filing, or because you have reported online in the past. Please log on to our secure website and report online for the ARS to reduce costs and save tax dollars.

Please log on to our secure website to complete your report: <https://idcfars.bls.gov>

WEB ID: xxxxxxxxxxxx

PASSWORD: Your 8-character password has been sent in a separate email. If you cannot locate the password email in your inbox or SPAM folder, you can submit a request to have your password resent: <http://data.bls.gov/cgi-bin/forms/ars?/respondents/ars/home.htm>

Please complete the ARS within 14 days. If you are having difficulty accessing the system, please see our illustrated step-by-step instructions on <http://www.bls.gov/respondents/ars/arswebreporting.htm>

The ARS is authorized by 29 U.S. Code, Section 2. Your cooperation is needed to make the results of this survey complete, accurate, and timely. The Industry Verification Form, BLS-3023 is approved with O.M.B. No. 1220-0032, in cooperation with the U.S. Department of Labor. The information collected will be used for statistical and Unemployment Insurance program purposes and other purposes in accordance with law. Additional information regarding this survey can be found at: www.bls.gov/respondents/ars

Please complete the ARS within 14 days. If you are having difficulty accessing the system, please see our illustrated step-by-step instructions on: <http://www.bls.gov/respondents/ars/arswebreporting.htm>

Thank you.
U.S. Department of Labor
Bureau of Labor Statistics

The Bureau of Labor Statistics (BLS) is committed to the responsible treatment of your information and takes rigorous security measures to protect information in its possession. If you believe you are not the intended recipient of this message, please notify the sender and delete this email without disclosing, copying, or further disseminating its contents.

Email 2.

From: AnnualRefilingSurvey@bls.gov
To: respondent.email@email.com
Subject: Annual Refiling Survey – PASSWORD

To complete the Annual Refiling Survey (ARS) online, please use the Web ID(s) from the email you recently received with the subject line: 'Annual Refiling Survey Notice,' along with your password(s) below to log on to our secure website: <https://idcfars.bls.gov/>

PASSWORD1: Aaxxxxxx

If you copy and paste the Web ID and/or password from the emails, please ensure that you are only copying the 12-number Web ID, and 8-character case-sensitive password with no leading or trailing spaces. Our secure website cannot authenticate credentials that exceed the prescribed field lengths, or are not in the required format.

If you cannot locate the Annual Refiling Survey Notice email, please check your email's SPAM folder. If you cannot find the survey notice email in your inbox or SPAM folder, you can submit a request to have your survey notice resent:

<http://data.bls.gov/cgi-bin/forms/ars/?respondents/ars/home.htm>

Additional information regarding this survey can be found at: www.bls.gov/respondents/ars

Should you have any questions, please let us know.

Thank you.
U.S. Department of Labor
Bureau of Labor Statistics

The Bureau of Labor Statistics (BLS) is committed to the responsible treatment of your information and takes rigorous security measures to protect information in its possession. If you believe you are not the intended recipient of this message, please notify the sender and delete this email without disclosing, copying, or further disseminating its contents.