

**SUPPORTING STATEMENT FOR CLEARANCE OF DATA COLLECTION
FORMS
FOR THE FEDERAL WAGE SYSTEM WAGE SURVEYS
OMB #3206-0036**

Justification:

1. **Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.**

The information collected on these forms is used to establish pay rates for Federal Wage System (FWS) employees. Under section 5341 of title 5, United States Code, the pay of Federal trade, craft, and laboring employees is to be maintained in line with prevailing private sector levels for comparable work within a local wage area. The pay system for these employees is known as the FWS. The pay of FWS employees is fixed and adjusted on an annual basis. The Office of Personnel Management (OPM) has designated the Department of Defense (DOD) as the lead agency which sponsors and conducts annual wage surveys in numerous geographic areas to determine local prevailing rates and set pay for FWS employees.

2. **Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.**

FWS wage surveys are conducted by DOD under regulatory guidelines established by OPM in part 532 of title 5, Code of Federal Regulations. The forms developed by OPM for FWS wage surveys are the Establishment Information Form, the Wage Data Collection Form, and the Wage Data Collection Continuation Form. The information collected on these forms enables DOD to establish the rates of pay for FWS employees based on prevailing rates of pay in the private sector for similar levels of work. OPM developed the data elements to be collected by DOD. DOD is authorized to vary the layout of the forms if necessary to meet its needs. The forms are printed by DOD. The forms are used as interview guidelines by Federal employees who collect data necessary to determine local prevailing rates. Federal employees complete the forms rather than private sector establishment officials.

3. **Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.**

A combination of in-person interviews and electronic technology to college wage data. DOD uses electronic technology to process collected data. Absent legislation to change the procedures associated with this collection, we do not anticipate an immediate reduction in the reporting burden.

4. **Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.**

The Bureau of Labor Statistics (BLS) is the only Federal agency that collects data somewhat similar to the data collected during FWS wage surveys. However, BLS does not collect adequate data in the work environments appropriate to determine pay rates for FWS employees. Also, active labor participation is required by law at every level of the FWS wage survey process, and BLS has been unwilling historically to have labor union data collectors accompany BLS data collectors on surveys.

DOD collects the information necessary to determine local prevailing rates. The private research firm Dunn and Bradstreet provides the universe file of private sector establishments for possible inclusion in FWS wage surveys, and DOD performs the statistical sampling necessary to make local wage surveys manageable. To avoid duplication, DOD verifies data against prior survey lists before preparing establishment lists for wage surveys.

5. **If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.**

OPM's survey requirements are designed to minimize the burden on small organizations. Wage surveys are scheduled at annual intervals in each wage area. Two kinds of wage surveys are made on an alternating cycle. A full-scale survey, which includes the development of a current sample of establishments and collection of wage data by in-person visits to the establishments, is made annually for about one-half of the survey areas. A wage-change survey (in which wage data may be collected by telephone, mail, or personal contact) is made every other year using the same employers, occupations, and weights used in the full-scale survey.

6. **Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

The frequency of local wage surveys is mandated by 5 U.S.C. 5343(b).

7. **Explain any special circumstances that would cause an information collection to be conducted in a manner inconsistent with the guidelines in 5 CFR 1320.6.**

We are not aware of any circumstances that require this collection to be conducted in a manner inconsistent with the guidelines in 5 CFR 1320.6.

8. **If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden. Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported. Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years - even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.**

The 60-day Federal Register Notice was published on February 26, 2021 (86 FR 11804). No comments were received.

9. **Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

Payments or gifts are not given to respondents.

10. **Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.**

Confidentiality of the information collected is assured by section 532.233(f) of title 5, Code of Federal Regulations,

(f)(1) Each member of a local wage survey committee, each data collector, and any other person having access to data collected must retain this information in confidence, and is subject to disciplinary action by the employing agency or activity if the employee violates the confidence of data secured from private employers.

(2) Any violation of the above provision by a Federal employee must be reported to the employing agency and, in the case of a participant designated by a labor organization, to the recognized labor organization and its headquarters, and shall be cause for the lead agency immediately to remove the offending person from participation in the wage survey function. Provide an explanation for any 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.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

The information collection does not include questions of a sensitive nature, such as questions about sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

12. Provide estimates of the hour burden of the collection of information.

Data survey about 21,760 businesses annually. Based on past experience with local wage surveys, DOD estimates that each survey collection requires 1.5 hours of respondent burden for collection forms, resulting in a total yearly burden of 32,640 hours. The response burden may vary depending on the size of the establishment. Some establishments have only a limited number of the jobs surveyed, while others have nearly all jobs surveyed. Most, if not all, of the information requested is available in payroll and/or personnel files. Data collectors collect information using three separate forms, the Establishment Information Form, the Wage Data Collection Form, and the Wage Data Collection Continuation Form. Obtaining the information necessary to complete the Establishment Information Form requires about 15 minutes. Collecting the information necessary to complete the Wage Data Collection Form requires about 15 minutes. Collecting the information necessary to complete the Wage Data Collection Continuation Form requires between 0 and 10 minutes, depending on the complexity of the job matching. A Wage Data Collection Form must be completed for each job matched at an establishment. There are 21 jobs required for all local wage surveys. In addition, DOD may add optional jobs depending on the distribution of Federal and private sector employees in a local wage area. The time spent with an establishment will vary depending on how many occupations are matched. A study by DOD indicates that each establishment provides wage data on an average of four survey jobs.

In addition to the time spent with a data collector, a respondent may also spend up to about 2 hours of preparation time gathering requested wage data from their personnel and payroll files. After the initial interview, additional information may be required to validate the matching of survey job descriptions with establishment job descriptions or to verify wage data.

Form Name	Form No.	No. of Respondents	No. of Responses per Respondent	Average Burden per Response (in hours)	Total Annual Burden (in hours)	Ave. Hourly Wage Rate	Total Annual Respondent Cost
DD Form 1918; DD Form 1919; DD Form 1919C	3206-0036	21,760	1	1.5	32,640	\$31.20	\$1,018,368

	<u>Number of Respondents</u>	<u>Burden Hours</u>
DD Form 1918; DD Form 1919; DD Form 1919C	21,760	32,640

13. Provide an estimate for the total annual cost burden to respondents or record keepers resulting from the collection of information.

DOD employs a full-time staff to discharge its responsibilities under the FWS. The respondents' cost is annualized to \$1,018,368 based on an average of \$31.20 per reporting hour. This \$31.20 figure is based on an average annual salary of \$65,114 and includes overhead costs. The adjustment in the annualized costs reflects wage increases for employees of survey respondents.

14. Provide estimates of annualized cost to the Federal Government. Also provide a description of the method used to estimate cost which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff) and any other expenses that would not have been incurred without the paperwork burden.

The cost estimate of \$10 million for the Federal Government is based primarily on actual cost allocated to the various aspects of the wage survey process.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.

No changes were made.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

The surveys are scheduled annually. OPM sets the month when each survey begins. However, there is considerable overlap because of the geographic distribution and number of surveys conducted each year. The tabulation and publication of the information is completed by DOD. The publications consist of wage schedules applicable to FWS employees. OPM receives copies of wage schedules and uses them as a basis for other studies. The new rates become effective on the first day of the first pay period that begins on or after the 45th day, excluding Saturday and Sunday, following the date a wage survey is ordered to begin. If the tabulation is not completed within that time period, the new pay rates are effected retroactive to that same date.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

Not applicable. The date is shown.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

Not applicable. No exceptions are made.