

1 SUPPORTING STATEMENT FOR CLEARANCE OF DATA COLLECTION FORMS FOR THE FEDERAL WAGE SYSTEM WAGE SURVEYS

Form names and numbers: DD 1918 Establishment Information Form, DD 1919 Wage Data Collection Form, and DD 1919C Wage Data Collection Continuation Form

OMB Control Number: 3206-0036

PART A. JUSTIFICATION

1. 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 Federal Wage System (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. 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. Information collection is paper intensive and involves considerable use of direct Federal employee time in interviewing and responding to inquiries from participating private industrial establishments. DOD presently uses personal interviews rather than electronic technology to collect wage data; however, DOD does use electronic technology to process collected data. Absent legislation to change the collection criteria and the procedures associated with this collection, we do not anticipate an immediate reduction in the reporting burden.
4. 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. 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. The frequency of local wage surveys is mandated by 5 U.S.C. 5343(b).
7. 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. On March 25, 2024, a 60-day Federal Register Notice was published at 89 FR 20710. One comments were received simply submitting a copy of 44 U.S. Code § 3501 with no other information. As we did not receive an actual comment or question, we will rule this out of scope. On July 1, 2024, a 30-day Federal Register Notice was published at 89 FR 54543. No comments were received.
9. Payments or gifts are not given to respondents.
10. Confidentiality of the information collected is assured by section 532.233(f) of title 5, Code of Federal Regulations.
11. 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. Data collectors 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.

13. DOD employs a full-time staff to discharge its responsibilities under the FWS. The respondents' cost is annualized to \$1,023,917 based on an average of \$31.37 per reporting hour. This \$31.37 figure is based on an average annual salary of \$65,470 and includes overhead costs. The adjustment in the annualized costs reflects wage increases for employees of survey respondents.
14. The annualized cost estimate of \$12 million for the Federal Government is based primarily on actual cost allocated to the various aspects of the wage survey process.
15. There are no changes.
16. 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. Not applicable.
18. Not applicable