



Oregon

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May 23, 2011

Carol Rowan, BLS Clearance Officer
Division of Management Systems
Bureau of Labor Statistics, Room 4080
2 Massachusetts Avenue, NE
Washington, DC 20212



Re. CES Clearance, Federal Register

Dear Ms. Rowan,

On behalf of the State of Oregon, we would like to provide the following comments on the above clearance consultation.

First, we agree with the Bureau's statements regarding the importance of the Current Employment Statistics program.

Second, we find it regrettable that the Bureau again (as it did with the recent QCEW Clearance request) focuses almost exclusively on the importance of these data to federal/national statistics, overlooking the importance of the data at the state and (metropolitan) area levels.

Third, we suggest the Bureau revise its approach to estimating the total cost of the employer burden associated with these survey forms.

Within the document titled, "Supporting Statement for the Clearance of BLS-790 Forms, the Collection Document of the BLS Current Employment Statistics Program", **Section 12. Estimate of Respondent Reporting Burden**, we feel that the cost to employers is understated. Rather than simply estimating the cost based on median hourly earnings, we feel that employer benefit costs should also be included.

According to Table 11 of the March 9, 2011 BLS Economic News Release¹, "Employer Costs for Employee Compensation", total benefit costs were 46% times wages and salaries costs. This percent corresponds to the occupational category "office and administrative support", which is the occupational category on Table 11 most closely matching the occupation used in Section 12, "Human Resources Assistants, Except Payroll and Timekeeping."

So, instead of using the cost per hour figure of \$15.09, which was used in Section 12, the figure that should be used is as follows. Note that the "total benefit costs" and "wages and salaries" figures were taken from Table 11 of the above-mentioned BLS press release.

$$\begin{aligned} & \$15.09 \times (1 + \text{total benefit costs} / \text{wages and salaries}) = \\ & \$15.09 \times (1 + \$7.64 / \$16.66) = \\ & \$15.09 \times 1.45858 = \\ & \$22.01. \end{aligned}$$

Therefore, the estimate of the CES program's cost to respondents would be \$22.01 X 582,120 = \$12,812,461, rather than the \$8,784,191 figure shown in the Supporting Statement.

¹<http://www.bls.gov/news.release/ecec.nr0.htm>

Carol Rowan
May 23, 2011
Page 2

Furthermore, we believe that the wording in Section 12 should be changed from "Estimate of the CES program's cost to respondents" to "Estimate of the CES program's cost to respondents for total employee compensation". This will clarify that the costs are an estimate of employee compensation costs. Even with this modification, these costs still do not include respondent employer costs due to overhead such as office and equipment.

As you are probably aware, we, like many states, feel that the quality of the CES program's state and (especially) area estimates has been badly damaged by the Bureau's 2010 and 2011 decisions to centralize the estimation process. This impacts the delicate balance between employer burden and resulting quality information. Overall, though, we still believe that the CES program's data collection is a worthwhile and important endeavor, and we remain committed to working with the Bureau and other states to make this program as successful as is possible under the new operating procedures.

Sincerely,

A handwritten signature in cursive script that reads "G. Slater". The signature is written in black ink and includes a long, sweeping underline that extends to the right.

Graham Slater, Administrator
Workforce and Economic Research Division