

FY 2014

CONGRESSIONAL BUDGET JUSTIFICATION

BUREAU OF LABOR STATISTICS

BUREAU OF LABOR STATISTICS

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BUREAU OF LABOR STATISTICS

APPROPRIATION LANGUAGE

Federal Funds

SALARIES AND EXPENSES

For necessary expenses for the Bureau of Labor Statistics, including advances or reimbursements to State, Federal, and local agencies and their employees for services rendered, \$546,618,000, together with not to exceed \$67,176,000 which may be expended from the Employment Security Administration Account in the Unemployment Trust Fund. (Consolidated Appropriations Act, 2012)

Note.--A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

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EXPLANATION OF LANGUAGE CHANGE

Consistent with the elimination of the Mass Layoff Statistics program, the Administration proposes to remove the corresponding language.

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AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2012 Revised Enacted		FY 2013 Full Year C.R.		FY 2014 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	2,313	\$542,921	2,304	\$545,211	2,271	\$546,618
Rescission pursuant to P.L. 112-74 in FY 2012	0	-\$1,026	0	\$0	0	\$0
<i>Subtotal Appropriation</i>	<i>2,313</i>	<i>\$541,895</i>	<i>2,304</i>	<i>\$545,211</i>	<i>2,271</i>	<i>\$546,618</i>
Offsetting Collections From:						
Reimbursements	6	\$9,952	59	\$18,234	59	\$14,824
Trust Funds	0	\$67,303	0	\$67,587	0	\$67,176
Rescission pursuant to P.L. 112-74 in FY 2012	0	-\$127	0	\$0	0	\$0
Trust Funds, Revised	0	\$67,176	0	\$67,587	0	\$67,176
<i>Subtotal Offsetting Collections</i>	<i>6</i>	<i>\$77,128</i>	<i>59</i>	<i>\$85,821</i>	<i>59</i>	<i>\$82,000</i>
B. Gross Budget Authority	2,319	\$619,023	2,363	\$631,032	2,330	\$628,618
Offsetting Collections To:						
Reimbursements	-6	-\$9,952	-59	-\$18,234	-59	-\$14,824
<i>Subtotal</i>	<i>-6</i>	<i>-\$9,952</i>	<i>-59</i>	<i>-\$18,234</i>	<i>-59</i>	<i>-\$14,824</i>
C. Budget Authority	2,313	\$609,071	2,304	\$612,798	2,271	\$613,794
Offsetting Collections From:						
Reimbursements	6	\$9,952	59	\$18,234	59	\$14,824
<i>Subtotal</i>	<i>6</i>	<i>\$9,952</i>	<i>59</i>	<i>\$18,234</i>	<i>59</i>	<i>\$14,824</i>
D. Total Budgetary Resources	2,319	\$619,023	2,363	\$631,032	2,330	\$628,618
Unobligated Balance Expiring:						
Budget Authority Before Committee	-9	-\$899	0	\$0	0	\$0
Reimbursements	-2	-\$479	0	\$0	0	\$0
E. Total, Estimated Obligations	2,308	\$617,645	2,363	\$631,032	2,330	\$628,618

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SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2012 Revised Enacted	FY 2014 Request	Net Change
Budget Authority			
General Funds	\$541,895	\$546,618	+\$4,723
Trust Funds	\$67,176	\$67,176	\$0
Total	\$609,071	\$613,794	+\$4,723
Full-Time Equivalents			
General Funds	2,304	2,271	-33
Trust Funds	0	0	0
Total	2,304	2,271	-33

Explanation of Change	FY 2012 Base		Trust Funds		FY 2014 Change General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Costs of pay adjustments	2,304	\$207,286	0	\$0	0	\$2,615	0	\$2,615
Personnel benefits	2,304	\$59,692	0	\$0	0	\$763	0	\$763
One day more of pay Federal Employees'	2,304	\$266,978	0	\$0	0	\$1,032	0	\$1,032
Compensation Act (FECA)	0	\$216	0	\$0	0	\$128	0	\$128
Rental payments to GSA	0	\$34,121	0	\$0	0	\$3,207	0	\$3,207
Other services from non- Federal sources	0	\$18,740	0	\$0	0	\$2,248	0	\$2,248
Working Capital Fund	0	\$21,516	0	\$0	0	\$525	0	\$525
Other Federal sources (Census Bureau)	0	\$94,408	0	\$0	0	\$1,320	0	\$1,320
Operation and maintenance of equipment	0	\$65,845	0	\$0	0	\$2,788	0	\$2,788
Grants, subsidies, and contributions	0	\$73,981	0	\$0	0	\$185	0	\$185
Built-Ins Subtotal	2,304	+\$575,805	0	\$0	0	+\$14,811	0	+\$14,811
B. Programs:								
Annual Current Population Survey Supplement	40	\$62,064	0	\$0	3	\$1,577	3	\$1,577
Support a Supplemental Poverty Measure	66	\$43,971	0	\$0	9	\$2,500	9	\$2,500
Programs Subtotal	106	\$106,035	0	\$0	12	+\$4,077	12	+\$4,077
Total Increase	2,304	+\$576,406	0	\$0	12	+\$18,888	12	+\$18,888
Decreases:								
A. Built-Ins:								

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Explanation of Change	FY 2012 Base		Trust Funds		FY 2014 Change General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
N/A								
Built-Ins Subtotal	0	\$0	0	\$0	0	\$0	0	\$0
B. Programs:								
Eliminate the Measuring Green Jobs Initiative	20	\$8,100	0	\$0	-20	-\$8,100	-20	-\$8,100
Eliminate the Mass Layoff Statistics program	10	\$1,793	0	\$0	-10	-\$1,793	-10	-\$1,793
Annualize FY 2012 National Longitudinal Surveys Elongation	6	\$10,123	0	\$0	0	-\$1,315	0	-\$1,315
Eliminate the International Labor Comparisons Program	15	\$1,957	0	\$0	-15	-\$1,957	-15	-\$1,957
Consolidate IT Help Desk and Server Administration Activities	39	\$11,531	0	\$0	0	-\$1,000	0	-\$1,000
Programs Subtotal	51	\$33,504	0	\$0	-45	-\$14,165	-45	-\$14,165
C. Financing:								
Repurposing of Funds for the National Longitudinal Surveys (zero-sum change)	0	\$144,105	0	\$0	0	\$0	0	\$0
Financing Subtotal	0	\$144,105	0	\$0	0	\$0	0	\$0
Total Decrease	51	\$161,796	0	\$0	-45	-\$14,165	-45	-\$14,165
Total Change	2,304	+\$609,071	0	\$0	-33	+\$4,723	-33	+\$4,723

NOTE: FY 2012 reflects actual FTE.

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SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY								
(Dollars in Thousands)								
	FY 2012 Revised Enacted		FY 2013 Full Year C.R.		FY 2014 Request		Diff. FY 14 Request / FY 12 Rev. Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Labor Force Statistics	542	\$276,543	530	\$278,235	503	\$276,657	-39	\$114
General Funds	542	209,367	530	210,648	503	209,481	-39	114
Unemployment Trust Funds	0	67,176	0	67,587	0	67,176	0	0
Prices and Cost of Living	1,101	\$205,888	1,104	\$207,148	1,113	\$209,699	12	\$3,811
General Funds	1,101	205,888	1,104	207,148	1,113	209,699	12	3,811
Compensation and Working Conditions	387	\$80,391	392	\$80,883	392	\$82,128	5	\$1,737
General Funds	387	80,391	392	80,883	392	82,128	5	1,737
Productivity and Technology	72	\$12,013	75	\$12,086	60	\$10,313	-12	-\$1,700
General Funds	72	12,013	75	12,086	60	10,313	-12	-1,700
Executive Direction and Staff Services	202	\$34,236	203	\$34,446	203	\$34,997	1	\$761
General Funds	202	34,236	203	34,446	203	34,997	1	761
Total	2,304	\$609,071	2,304	\$612,798	2,271	\$613,794	-33	\$4,723
General Funds	2,304	\$541,895	2,304	\$545,211	2,271	\$546,618	-33	\$4,723
Unemployment Trust Funds	0	\$67,176	0	\$67,587	0	\$67,176	0	\$0

NOTE: FY 2012 reflects actual FTE.

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BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY14 Request / FY 12 Rev. Enacted
	Full-Time Equivalent				
	Full-time Permanent	2,025	2,017	1,984	-41
	Other	279	287	287	8
	Reimbursable	4	59	59	55
	Total	2,308	2,363	2,330	22
	Average ES Salary	\$169,000	\$170,000	\$171,000	\$2,000
	Average GM/GS Grade	11.8	11.9	11.9	0
	Average GM/GS Salary	\$85,000	\$85,000	\$86,000	\$1,000
11.1	Full-time permanent	\$192,944	\$194,660	\$192,870	-\$74
11.3	Other than full-time permanent	11,959	12,036	12,157	198
11.5	Other personnel compensation	2,383	2,393	2,399	16
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	207,286	209,089	207,426	140
12.1	Civilian personnel benefits	59,908	60,777	60,066	158
13.0	Benefits for former personnel	56	56	56	0
21.0	Travel and transportation of persons	6,767	6,284	6,224	-543
22.0	Transportation of things	10	10	10	0
23.1	Rental payments to GSA	34,121	35,587	36,756	2,635
23.2	Rental payments to others	111	109	109	-2
23.3	Communications, utilities, and miscellaneous charges	5,629	6,312	6,063	434
24.0	Printing and reproduction	4,056	2,527	2,238	-1,818
25.1	Advisory and assistance services	74	33	33	-41
25.2	Other services from non-Federal sources	18,740	17,234	18,410	-330
25.3	Other goods and services from Federal sources 1/	122,474	119,400	122,980	506
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	3,146	11,531	11,531	8,385
25.7	Operation and maintenance of equipment	65,845	61,687	60,184	-5,661
26.0	Supplies and materials	1,533	1,341	1,302	-231
31.0	Equipment	5,334	6,341	6,240	906
41.0	Grants, subsidies, and contributions	73,981	74,480	74,166	185
42.0	Insurance claims and indemnities	0	0	0	0
	Total	\$609,071	\$612,798	\$613,794	\$4,723
1/ Other goods and services from Federal sources					
	Working Capital Fund	\$21,516	\$21,188	\$22,573	\$1,057
	DHS Services	4,482	4,482	4,464	-18
	Census Bureau	94,408	89,841	93,503	-905

NOTE: FY 2012 reflects actual FTE.

BUREAU OF LABOR STATISTICS



Department's Vision: "Good Jobs for Everyone"

STRATEGIC GOALS

Produce timely and accurate data on the economic conditions of workers and their families.

OUTCOME GOALS

Provide sound and impartial information on labor market activity, working conditions, and price changes in the economy for decision making, including support for the formulation of economic and social policy affecting virtually all Americans.

PERFORMANCE GOALS, MEASURES, AND INDICATORS

Performance Goal 5.1: Improve the timeliness, accuracy, and relevance of information on labor market activity, working conditions, and price changes in the economy.

- Percent of timeliness targets achieved for the Labor Force Statistics Principal Federal Economic Indicators (PFEIs).
- Percent of accuracy targets achieved for the Labor Force Statistics PFEIs.
- Percent of relevance targets achieved for the Labor Force Statistics PFEIs.
- Percent of timeliness targets achieved for the Prices and Cost of Living PFEIs.
- Percent of accuracy targets achieved for the Prices and Cost of Living PFEIs.
- Percent of relevance targets achieved for the Prices and Cost of Living PFEIs.
- Percent of timeliness targets achieved for the Compensation and Working Conditions PFEI.
- Percent of accuracy targets achieved for the Compensation and Working Conditions PFEI.
- Percent of relevance targets achieved for the Compensation and Working Conditions PFEI.
- Percent of timeliness targets achieved for the Productivity and Technology PFEI.
- Percent of accuracy targets achieved for the Productivity and Technology PFEI.
- Percent of relevance targets achieved for the Productivity and Technology PFEI.
- Average number of Internet site user sessions each month (Dissemination).
- Measure customer satisfaction with the BLS website (Mission Achievement).

STRATEGIES

Evaluation/Data Driven Strategies

Innovation

Improved Implementation

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PERFORMANCE STRUCTURE Strategic and Outcome Goals Supporting <i>Good Jobs for Everyone</i>	Supporting Budget Activities
Strategic Goal 1 – Prepare Workers for Good Jobs and Ensure Fair Compensation	
1.1 Increase workers’ incomes and narrowing wage and income inequality.	
1.2 Assure skills and knowledge that prepare workers to succeed in a knowledge-based economy, including in high-growth and emerging industry sectors like “green” jobs.	
1.3 Help workers who are in low-wage jobs or out of the labor market find a path into middle class jobs.	
1.4 Help middle-class families remain in the middle class.	
1.5 Secure wages and overtime.	
1.6 Foster acceptable work conditions and respect for workers’ rights in the global economy to provide workers with a fair share of productivity and protect vulnerable people.	
Strategic Goal 2 – Ensure Workplaces Are Safe and Healthy	
2.1 Secure safe and healthy workplaces, particularly in high-risk industries.	
Strategic Goal 3 – Assure Fair and High Quality Work-Life Environments	
3.1 Break down barriers to fair and diverse work places so that every worker’s contribution is respected.	
3.2 Provide workplace flexibility for family and personal care-giving.	
3.3 Ensure worker voice in the workplace.	
Strategic Goal 4 – Secure Health Benefits and, for Those Not Working, Provide Income Security	
4.1 Facilitate return to work for workers experiencing workplace injuries or illnesses who are able to work.	
4.2 Ensure income support when work is impossible or unavailable.	
4.3 Improve health benefits and retirement security for all workers.	
Strategic Goal 5 –Produce Timely and Accurate Data on the Economic Conditions of Workers and their Families	
5.1 Provide sound and impartial information on labor market activity, working conditions, and price changes in the economy for decision making, including support for the formulation of economic and social policy affecting virtually all Americans.	All BLS Activities

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AUTHORIZING STATUTES

Legislation	Statute No. / US Code	Expiration Date
An Act to Establish the Bureau of Labor, 1884 (amended by Act of 1913 to establish the Department of Labor)	29 U.S.C. 1 et. seq.	n/a
The Wagner-Peyser Act of 1933, as amended	29 U.S.C. 49 et. seq.	n/a
International Investment and Trade in Services Survey Act	22 U.S.C. 3101	n/a
The Social Security Act	42 U.S.C. 503(a)(6)	n/a
Veterans' Employment, Training, and Counseling Amendments of 1988	38 U.S.C. 4110A	n/a
An Act to amend Title 13, United States Code, to provide for a mid-decade census of population and for other purposes	13 U.S.C. 182	n/a
An Act to revise, codify, and enact without substantive change certain general and permanent laws related to money and finance	31 U.S.C. 1535 - 1536	n/a
Trade Act of 1974	19 U.S.C. 2393	n/a
Federal Employees Pay Comparability Act	5 U.S.C. 5301-5304	n/a
Occupational Safety and Health Act of 1970	29 U.S.C. 673	n/a

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APPROPRIATION HISTORY

(Dollars in Thousands)

	Budget Estimates to Congress		House Allowance		Senate Allowance		Appropriation		FTE
2004	512,262	1/	512,262	1/	520,223	2/	518,496	2/ 3/	2,461
2005	533,518		533,518		533,518		529,004	4/ 5/	2,445
2006	542,523		542,523		542,523		537,098	6/	2,408
2007	563,288	7/	565,288		563,288		548,123		2,408
2008	574,443		576,118		560,000		544,251	8/	2,283
2009	592,806	9/	596,058	9/ 10/	598,306	9/	597,182	9/	2,376
2010	611,623		611,623		611,271	11/	611,447	12/	2,393
2011	645,351		611,447	13/	632,488	14/	610,224	15/	2,338
2012	647,030		620,224	16/	611,224		609,071	17/	2,313
2013	618,207							18/	2,310
2014	613,794								2,271

- 1/ Reflects the first step in converting the financing for the Occupational Employment Statistics (OES) survey.
- 2/ Reflects the final step in converting the financing for the OES survey.
- 3/ Reflects a reduction of \$3,702 pursuant to P.L. 108-199.
- 4/ Reflects a rescission of \$4,266 pursuant to P.L. 108-447.
- 5/ Reflects a rescission of \$248 pursuant to P.L. 108-447.
- 6/ Reflects a rescission of \$5,425 pursuant to P.L. 109-148.
- 7/ Includes a comparative transfer to the Working Capital Fund for centralized services of \$1,230 and -0- FTE.
- 8/ Reflects a rescission of \$9,677 pursuant to P.L. 110-161.
- 9/ Includes a comparative transfer from ODEP to BLS of \$550 and -0- FTE.
- 10/ This bill was reported out of Subcommittee and was not passed by the Full House.
- 11/ This bill was reported out of Subcommittee and was not passed by the Full Senate.
- 12/ Does not reflect a transfer from the BLS to EBSA of \$2,700 and -0- FTE.
- 13/ Reflects a full year continuing resolution funding level passed by the Full House.
- 14/ This bill was reported out of the Committee but was not passed by the Full Senate.
- 15/ Reflects a rescission of \$1,223 pursuant to P.L. 112-10.
- 16/ This bill was reported only as a draft out of the Subcommittee and was not passed by the Full House.
- 17/ Reflects a rescission of \$1,153 pursuant to P.L. 112-74.
- 18/ A full year FY 2013 appropriation for this account was not enacted at the time the budget was prepared.

BUREAU OF LABOR STATISTICS

OVERVIEW

Introduction

The Bureau of Labor Statistics (BLS) of the Department of Labor (DOL) is the principal Federal agency responsible for measuring labor market activity, working conditions, and price changes in the economy. Its mission is to collect, analyze, and disseminate essential economic information to support public and private decision-making. As an independent statistical agency, the BLS serves its users by providing products and services that are accurate, objective, relevant, timely, and accessible. Policies and decisions based on BLS data affect virtually all Americans, and the wide range of BLS data products is necessary to fulfill the diverse needs of a broad customer base. For FY 2014, the BLS requests \$613,794,000, which is \$4,723,000 above the FY 2012 Revised Enacted level, and 2,271 FTE.

The June 27, 1884 Act that established the BLS states, “The general design and duties of the Bureau of Labor Statistics shall be to acquire and diffuse among the people of the United States useful information on subjects connected with labor, in the most general and comprehensive sense of that word, and especially upon its relation to the capital, the hours of labor, social, intellectual, and moral prosperity.”

Several BLS series are used in the administration of Federal programs. For example, the Internal Revenue Service ties changes in Federal income tax brackets and personal exemption amounts to annual changes in the Consumer Price Index (CPI). Changes in BLS data have direct effects on overall Federal budget expenditures, including Federal allocations to State and local jurisdictions. In 2012, States and local jurisdictions used Local Area Unemployment Statistics (LAUS) data to allocate about \$115 billion in Federal funds from assistance programs in such areas as employment, training, public works, and welfare assistance. In 2011, programs, such as the State Children’s Health Insurance Program, used Quarterly Census of Employment and Wages (QCEW) data to allocate approximately \$339 billion in Federal funds.

The Social Security Administration escalates benefits annually based upon changes in the Consumer Price Index. In 2012, nearly 58 million Americans received \$821 billion in Social Security benefits.

The BLS directly contributes to the Department’s Vision of *Good Jobs for Everyone*. In particular, the BLS supports the DOL Strategic Goal to *Produce timely and accurate data on the economic conditions of workers and their families*, and the Outcome Goal to *Provide sound and impartial information on labor market activity, working conditions, and price changes in the economy for decision making, including support for the formulation of economic and social policy affecting virtually all Americans*.

The BLS has identified six high-level strategies to achieve its Outcome and Performance Goals. The following ongoing strategies also help the BLS fulfill the need for economic information to support decision-making:

- continuing to produce objective data and analyses that are timely, accurate, and relevant;

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- improving the timeliness, accuracy, and relevance of its products and processes, and developing new products that meet the needs of its broad customer base;
- informing current and potential customers about the availability and uses of its information products; reaching out to current and potential customers to understand their needs for economic information; and ensuring that the content, presentation, and delivery of BLS information products are well-matched to customer needs;
- improving data collection processes, maintaining high response rates, and optimizing the balance between quality, cost, and respondent burden in its data collection programs;
- making the BLS data, products, and services on the BLS website easy to find, understand, and use; and
- recruiting, training, and retaining a talented and diverse group of individuals who are experts at the production and continuous improvement of its products and services, including employees who will support those functions, and who are well prepared to represent the agency and become its future leaders.

Each of the BLS strategies aligns with one or more of the three Departmental strategies. For example, the BLS employs evaluation/data driven strategies by reaching out to customers to better understand their needs for economic data; innovation strategies by developing new data collection methods that minimize respondent burden; and improved implementation strategies by analyzing business processes for efficiency and effectiveness and making ongoing improvements.

The BLS meets its responsibilities through five budget activities:

(1) **Labor Force Statistics** – The FY 2014 Request of \$276,657,000, which is \$114,000 above the FY 2012 Revised Enacted level, and 503 FTE, will provide funds to support the production, analysis, and publication of data on the labor force, employment and unemployment, persons not in the labor force, labor demand and turnover, wages, hours, earnings, time use, and employment projections.

The FY 2014 Request includes funding to add one annual supplement to the Current Population Survey (CPS). In odd years, the BLS will conduct the Contingent Work Supplement to capture data on contingent work and alternative work arrangements. In even years, the BLS will conduct other supplements relevant to the BLS mission, including topics that will provide more data on workplace flexibility and work-family balance.

The FY 2014 Request reflects a reduction to the National Longitudinal Surveys (NLS) program, which relates to remaining savings from elongating the fielding schedule of the 1997 NLS Youth cohort. The elongation to biennial fielding began in FY 2012. The FY 2014 Request includes the elimination of the Measuring Green Jobs initiative, which began in 2010. The initiative produced data on employment by industry and occupation for businesses that produce green goods and services, and a variety of other information.

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The FY 2014 Request also includes the elimination of the Mass Layoff Statistics (MLS) program. Currently, the MLS program provides information that identifies, describes, and tracks the effects of major job cutbacks in the economy. The information, produced in partnership with the States, includes timely local area data and the reasons for large layoff events—such as financial difficulty, contract cancellation, offshoring, and natural and non-natural disasters.

The savings associated with these reductions will be used to finance other, more critical needs.

(2) **Prices and Cost of Living** – The FY 2014 Request of \$209,699,000, which is \$3,811,000 above the FY 2012 Revised Enacted level, and 1,113 FTE, will provide funds to support the production, analysis, and publication of a wide variety of information on price change in the U.S. economy, specifically the CPI, the Consumer Expenditure (CE) Surveys, the Producer Price Index (PPI), and the U.S. Import/Export Price Indexes.

The FY 2014 Request includes funding to modify the CE surveys to support the Census Bureau in its development of a supplemental statistical poverty measure using CE data. As part of this initiative, the CE Surveys program will develop questions to be added to the Interview Survey and move up the delivery date of the CE poverty thresholds to the Census Bureau to early August to support the September release date of the income and poverty report.

(3) **Compensation and Working Conditions** – The FY 2014 Request of \$82,128,000, which is \$1,737,000 above the FY 2012 Revised Enacted level, and 392 FTE, will provide funds to support the production, analysis, and publication of a diverse set of measures of employee compensation; work stoppages statistics; and the compilation of data on work-related injuries, illnesses, and fatalities.

(4) **Productivity and Technology** – The FY 2014 Request of \$10,313,000, which is \$1,700,000 below the FY 2012 Revised Enacted level, and 60 FTE, will provide funds to support the production, analysis, and publication of data on productivity trends in the U.S. economy, as well as major sectors and individual industries; and the examination of the factors underlying productivity change.

The FY 2014 Request includes the elimination of the International Labor Comparisons (ILC) program. The ILC program adjusts foreign data to a common framework of concepts, definitions, and classifications, to facilitate data comparisons between the United States and other countries. ILC data are used to assess United States economic performance relative to other countries, as well as to evaluate the competitive position of the United States in international markets, including measuring a key driver of offshoring.

(5) **Executive Direction and Staffing Services** – The FY 2014 Request of \$34,997,000, which is \$761,000 above the FY 2012 Revised Enacted level, and 203 FTE, will provide funds to support agency-wide policy and management direction, and centralized program support activities, such as data dissemination, the Internet Data Collection Facility (IDCF), and statistical methods research.

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Federal statistical programs meet the needs of a wide range of users by providing data that adhere to the highest quality standards. The BLS conforms to the conceptual framework of the Interagency Council on Statistical Policy's Guidelines for Reporting Performance by Statistical Agencies and the "Strengthening Federal Statistics" chapter of the Analytical Perspectives volume in the President's Budget. The BLS measures accuracy, timeliness, relevance, dissemination, and mission achievement. In addition, the BLS reports the cost to produce its data products. These six criteria are common among statistical agencies, because these are critical aspects of a statistical program's performance. Common concepts underlying the specifics of measuring and reporting on statistical agency performance help to inform decision-makers about the performance of statistical agencies. The BLS strategies are designed to support these six performance criteria. As the BLS continues to improve the data that it makes available to decision-makers, the BLS will reflect these changes in its performance measures and targets in budget submissions and other documents relating to the Government Performance and Results Act (GPRA) and the GPRA Modernization Act of 2010.

The American economy and labor market are evolving due to rapid technological changes, globalization of world markets, and demographic shifts. The BLS has been, and will continue to be, responsive to users' need to understand changes in the economy. For example, due to the growth of the service sector over the last two decades, decision-makers in the public and private sectors need comprehensive information on price trends for this sector. In response to this need, the PPI worked to expand its coverage of the service sector, increasing coverage to over 78 percent in FY 2012 from 53 percent in FY 2002. In FY 2012, the International Price Program (IPP) published its first set of expanded import price indexes with the introduction of new indexes by locality of origin. Also, in FY 2012, the National Compensation Survey released data on the detailed provisions of employment-based health care plans provided to State and local government employees. This was the first time such data have been available since the late 1990s. In addition, in FY 2013, the Current Employment Statistics (CES) program released experimental size class data for the first time. The CES program plans to produce additional experimental size class data after the methodology is refined. The BLS continues to research ways to meet ad hoc demands from decision-makers for information on emerging topics.

The BLS is committed to continuous improvement. For example, in FY 2012, the Survey of Occupational Injuries and Illnesses (SOII) completed its initial research into the causes of the potential undercount of injuries and illnesses and ways to mitigate it. The research included matching of data from multiple sources to count amputations and carpal tunnel cases, matching SOII data to workers' compensation, and interviews with employers. The SOII will continue to evaluate the results to determine if there are changes in SOII procedures that are likely to address any issues identified in the research, and if so, whether they are feasible and cost effective.

The BLS also looks for ways to achieve efficiencies. The BLS has expanded the use of the IDCF to collect data from respondents. The IDCF is shared across BLS statistical programs and is used by survey respondents to report data online. The PPI will make the option of reporting online via the IDCF available to at least 98 percent of survey respondents by the end of FY 2014. Offering modern, electronic options to respondents, including use of online data collection, will improve the accuracy, timeliness, and efficiency of data collection for both respondents and the BLS, and be more environmentally friendly. However, while the BLS will encourage

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respondents to use the IDCF, it cannot require it, as that could result in a refusal to participate in this voluntary survey. The BLS will continue to explore other electronic reporting options.

Also, to minimize spending on non-data collection travel, the BLS will continue to expand the use of WebEx for meeting with the BLS regional partners. For example, from 2010 to 2011, the BLS increased the number of meetings held using WebEx by over 25 percent. This has reduced non-data collection travel expenses and the BLS will continue to use WebEx, when possible. The BLS also will reduce travel expenses by identifying additional activities that can be conducted through videoconferencing and increasing Web-based training.

In part, the reductions taken in travel, printing, and supplies, as part of the “Campaign to Cut Waste” will be redirected in FY 2013 to help maintain the fielding schedules of the 1979 and 1997 cohorts of the NLS on a biennial cycle, rather than a triennial cycle.

In support of the initiative to reduce IT spending by 10 percent, the BLS proposes to consolidate its IT help desk and server administration resources, which will yield savings of \$1 million. Currently, a number of BLS IT investments have dedicated help desk and server administration staff supporting the IT infrastructure, as well as the data collection, processing, and dissemination systems. By consolidating these functions, the BLS will be able to realize efficiencies through economies of scale, making it easier to focus resources where the need is greatest at any particular time.

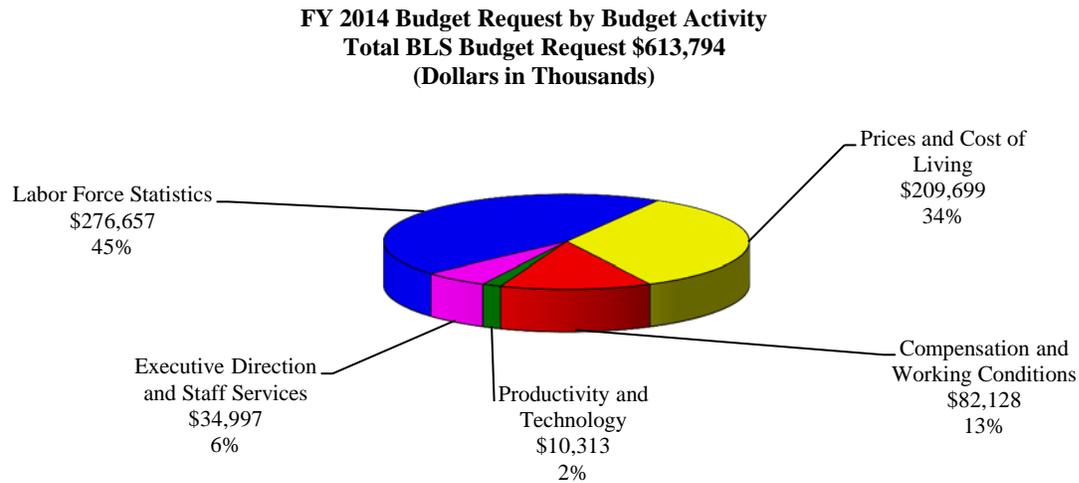
In addition, the BLS continues to review Securing Americans’ Value and Efficiency (SAVE) proposals for potential cost reductions or process improvements. In FY 2013, the BLS will implement a SAVE proposal to include a contact phone number on the online data inquiry form. For many customer inquiries, BLS employees can answer customer questions more efficiently and effectively over the phone than over email. Providing both options to the customer will allow the BLS to better meet the customers’ needs in responding with the most appropriate method in a timely manner.

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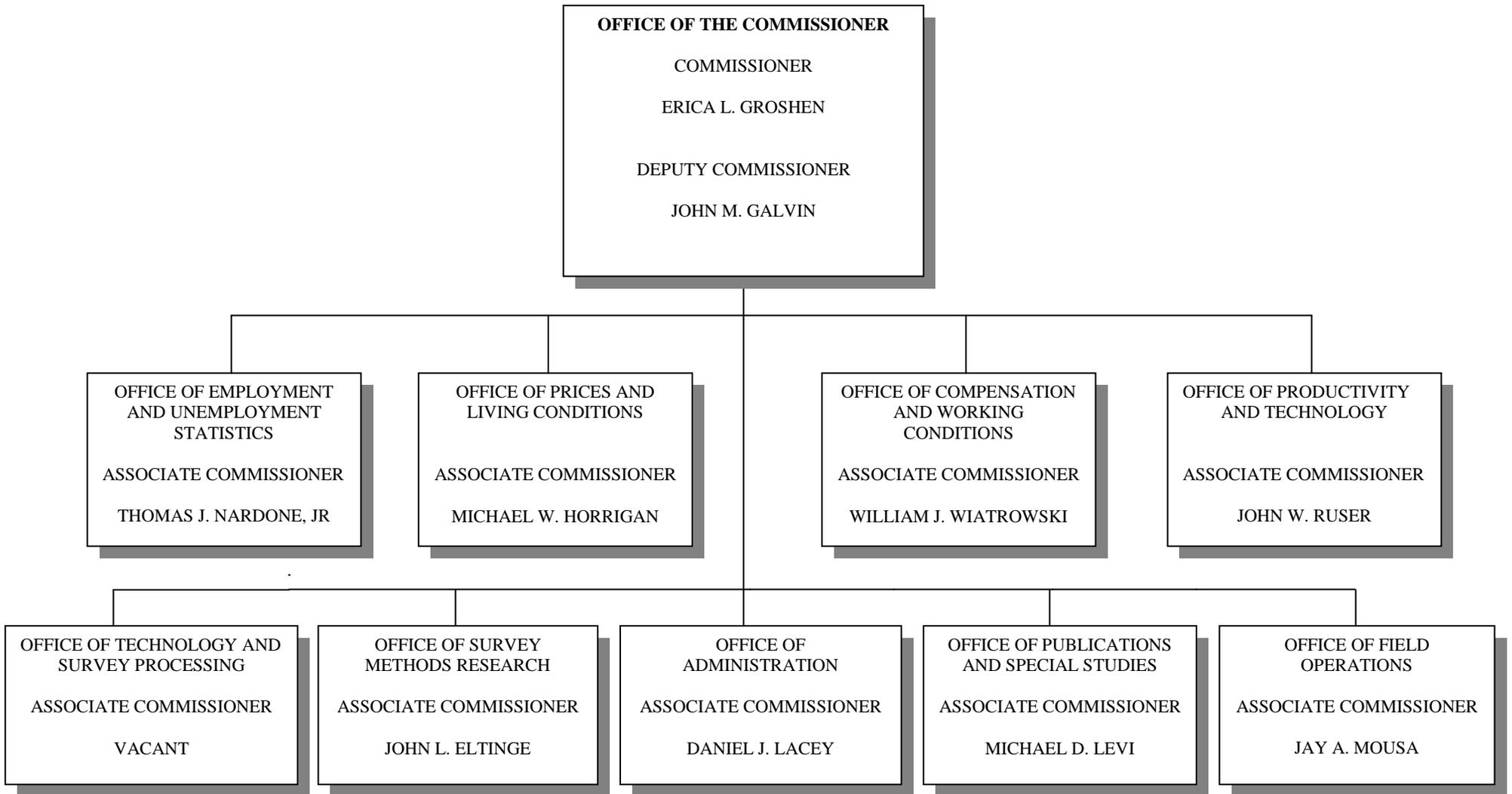
Cost Model

The BLS requests a total of \$613,794,000, which is \$4,723,000 above the FY 2012 Revised Enacted level. This level of funding will enable the BLS to meet its highest priority goals and objectives during FY 2014. Included in this request are:

- A program increase of \$1,577,000 and 3 FTE for Labor Force Statistics to enhance the capability of the BLS to produce data on contingent work and alternative work arrangements, work schedules, and other topics relating to workplace flexibility, along with other issues.
- A program increase of \$2,500,000 and 9 FTE for the Prices and Cost of Living to modify the CE Surveys to support the Census Bureau in its development of a supplemental statistical poverty measure using CE data.
- A program decrease of \$8,100,000 and 20 FTE from Labor Force Statistics to eliminate the Measuring Green Jobs initiative.
- A program decrease of \$1,793,000 and 10 FTE from Labor Force Statistics to eliminate the MLS program.
- A program decrease of \$1,315,000 and 0 FTE from Labor Force Statistics to annualize the FY 2012 elongation of the NLS program.
- A program decrease of \$1,957,000 and 15 FTE from Productivity and Technology that eliminates the ILC program.
- A program decrease of \$1,000,000 and 0 FTE from all activities to consolidate BLS IT helpdesk and server administration resources.



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ORGANIZATION CHART



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BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY 14 Request / FY 12 Rev. Enacted
Activity Appropriation	\$276,543	\$278,235	\$276,657	\$114
FTE	542	530	503	-39

NOTE: FY 2012 reflects actual FTE. Authorized FTE for FY 2012 was 534.

Introduction

Labor Force Statistics programs produce, analyze, and publish data on the labor force, employment and unemployment, persons not in the labor force, labor demand and turnover, wages, hours, and earnings. The programs prepare studies that cover a broad range of topics, including annual analyses of labor market developments, occupational analyses, characteristics of special worker groups, time-use patterns of workers and nonworkers, and labor force experiences of displaced workers. In addition, these programs develop information about the labor market and labor force trends 10 years into the future. They also make assessments of the effect on employment of specified changes in economic conditions and/or changes in Federal programs and policies.

Labor Force Statistics programs directly support the Department’s Vision of *Good Jobs for Everyone*. Specifically, these programs support the DOL Strategic Goal to *Produce timely and accurate data on the economic conditions of workers and their families*, and the Outcome Goal to *Provide sound and impartial information on labor market activity, working conditions, and price changes in the economy for decision making, including support for the formulation of economic and social policy affecting virtually all Americans*. These programs provide support for the Department’s vision by producing data for analysis and decision-making, as discussed in the program sections below.

Labor Force Statistics programs are authorized by an Act dated July 7, 1930, which provides that the BLS shall prepare “...full and complete statistics of the volume of and changes in employment...” (29 U.S.C. 1 and 2). Programs in this area help fulfill many requirements of the Workforce Investment Act (WIA) of 1998, including requirements that the Secretary of Labor “...oversee the development, maintenance, and continuous improvement of a nationwide employment statistics system...” as well as the development and maintenance of national projections of employment opportunities by occupation and industry. This Act requires the development of information on the outlook for jobs and research to improve the methods of projecting future labor demand and supply relationships.

Current Population Survey

The Current Population Survey (CPS), a monthly household survey that the Census Bureau conducts for the BLS, provides a comprehensive body of information on the employment and unemployment experience of the Nation’s population, classified by age, sex, race, Hispanic origin, and a variety of other characteristics. The CPS also provides key inputs into the Local

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Area Unemployment Statistics (LAUS) models for estimating employment and unemployment for States and selected local areas.

Labor force statistics from the CPS, together with data from the Current Employment Statistics (CES) program, are among the earliest economic indicators available each month and represent the Nation's most comprehensive measures of national employment and unemployment. The CPS is a primary source of data on employment status, characteristics of the labor force, and emerging trends and changes in the employment and unemployment status among various groups of workers. These BLS data serve as aids in: monitoring the performance of the job market, developing more complete data for labor force planning, determining the factors affecting changes in the labor force participation of different population groups, and evaluating earnings trends for specific demographic groups.

The BLS data available from this program include:

- Employment status of the working-age population by age, sex, race, Hispanic origin, marital status, family relationship, educational attainment, disability status, veteran status, and nativity (i.e., foreign born or native born);
 - Employed persons by occupation, industry, class of worker, hours of work, full- and part-time status, and reason for working part time (i.e., economic or voluntary);
 - Unemployed persons by occupation, industry, and class of worker; duration of unemployment; reasons for unemployment; and methods used to find employment;
 - Characteristics and job-seeking intentions of persons not in the labor force, including information on discouraged workers and others of significant public policy interest;
 - Special topics on particular sub-groups of the population, such as women maintaining families, working women with children, or on particular topics such as work experience and status of high school graduates and dropouts; and
 - Information on weekly and hourly earnings by demographic group, full- and part-time employment status, occupation, and industry.
- In FY 2014, the BLS is requesting resources to add an annual supplement to the survey. In odd years, the BLS will conduct the Contingent Work Supplement (CWS) to capture data on contingent work and alternative work arrangements. In even years, the BLS will conduct other supplements relevant to the BLS mission, such as topics that will provide more data on workplace flexibility and work-family balance. Additional information can be found on page BLS-28. Also, the BLS and the Census Bureau will continue to jointly sponsor and oversee the monthly sample survey of about 60,000 households. Households are contacted through in-person and telephone interviews. Data generally relate to the calendar week that includes the 12th day of the month.

LABOR MARKET INFORMATION COOPERATIVE STATISTICAL PROGRAM

The BLS operates the CES, Quarterly Census of Employment and Wages (QCEW), Occupational Employment Statistics (OES), LAUS, and Mass Layoff Statistics (MLS) programs in cooperation with the States and territories. As noted within their respective descriptions, these programs compose the BLS Labor Market Information (LMI) Cooperative Statistical Program,

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which is conducted in accordance with the provisions of the WIA. The BLS uses cooperative agreements to fund the States for these programs. BLS regional staff, under the direction of the Office of Field Operations in the national office, negotiate and monitor LMI cooperative agreements.

Current Employment Statistics

The CES program collects information on employment, hours, and earnings from the payroll records of employers. The BLS produces national, State and major metropolitan area data. These data are released in partnership with the State Workforce Agencies (SWAs), which provide additional State analysis and help disseminate the estimates. National data available from the CES program include: nonfarm employment for detailed industry classifications; all employee average weekly hours and average hourly and weekly earnings; production worker average weekly hours and average hourly and weekly earnings; manufacturing worker overtime hours; indexes of aggregate hours and payroll; and diffusion indexes of employment change for the Nation. Diffusion indexes are a measure of the dispersion of employment change, indicating how widespread employment increases and decreases are across industries. The program also provides similar data for all States, most metropolitan statistical areas (MSAs), and metropolitan divisions, but with less industry detail.

The payroll statistics from the CES program, along with data from the CPS, are among the earliest economic indicators available each month and measure the health of the U.S. economy in terms of job creation, average earnings, and average length of workweek. These data serve as direct input into other major U.S. economic indicators, including the Index of Leading Economic Indicators, the Index of Coincident Economic Indicators, the advance and preliminary Personal Income estimates produced by the Bureau of Economic Analysis (BEA), the Industrial Production Index, and productivity measures. In addition to their critical use as economic indicators, the private sector uses these data in plant location planning, wage negotiations, economic research and planning, regional analysis, and industry studies.

- In FY 2014, each month, the BLS will survey a sample of about 141,000 businesses (composed of approximately 486,000 individual worksites) nationwide. The sample is stratified by State, industry, and the employment size of the business. Respondents provide data for the payroll period that includes the 12th day of the month.

Quarterly Census of Employment and Wages

The QCEW program provides national, State, MSA, and county data on monthly employment and quarterly total wages and the number of establishments, by 6-digit North American Industry Classification System (NAICS) code and size of establishment, with a six month lag after each quarter. These data originate largely from the administrative records of the Unemployment Insurance (UI) system in each State. The program includes all employees covered by State and Federal UI laws, or about 97 percent of total employment. The workers excluded from the UI files are railroad employees, members of the Armed Forces, self-employed persons, unpaid family workers, and some agricultural and private household employees.

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In addition, the BLS uses data from this program as the annual employment benchmark by industry in the CES, OES, Occupational Safety and Health Statistics (OSHS), and Job Openings and Labor Turnover Survey (JOLTS) programs and the new Green Goods and Services (GGS) survey. Total wages and salaries from the QCEW program compose about 51 percent of Personal Income, as measured by the BEA, for the Nation, States, and counties. The QCEW wage data are the largest single input to the Personal Income component of the National Income and Product Accounts. QCEW data also underlie State UI actuarial systems (tax rates, employer contributions, and benefit levels). Other uses include State and local labor force information, industry trends, forecasting, transportation planning, local economic development planning, and allocating about \$339 billion in Federal funds under such programs as the State Children's Health Insurance Program. Economic research, regional analysis, marketing studies by private industry, industry analysis, and plant location studies are further uses of data from this program. The rich industry and geographic detail—all 6-digit NAICS industries by county—makes these among the most prized data for State and local implementation of the WIA. QCEW also shares data with the BEA, Census Bureau, Employment and Training Administration (ETA), National Oceanic and Atmospheric Administration, and other agencies to assist with their ongoing production and special studies. For example, each quarter, QCEW provides hundreds of thousands of industry codes to the Census Bureau for mostly new and small businesses, which improves data quality and decreases respondent burden and costs for the Census Bureau.

The BLS uses these data to construct an up-to-date “universe” file, or sample frame, of the establishments reporting under the State and Federal UI systems, from which it selects samples for its establishment-based surveys, such as the CES, OES, JOLTS, GGS, Employment Cost Index, OSHS, and Producer Price Index. The QCEW program is responsible for maintaining the accuracy of each establishment's industry code, county code, size class, physical location address, mailing address, and other information that directly affects the quality of the survey programs' samples.

QCEW data also are the basis for the BLS Business Employment Dynamics (BED) series. These series cover gross job gains and losses, data on establishment age and survival, and firm size. In addition, the series include data on establishment births, openings and expansions; and deaths, closings and contractions, by major industry and State. In addition, QCEW data are used to prepare maps and tabulations of the economic impacts of natural disasters for State and Federal officials, and are used on an ongoing basis to document recovery efforts in affected areas.

- In FY 2014, the BLS proposes to eliminate employment data on green jobs. Additional information can be found on page BLS-29. Also in FY 2014, the SWAs, in cooperation with the BLS, will collect employment and wage data from an estimated 9.55 million establishments subject to UI laws. The UI data are supplemented with two BLS collections, the Multiple Worksite Report (MWR) and Annual Refiling Survey (ARS), which are necessary to provide accurate industry and geographical measures at the local level. First, in the MWR, each quarter, over 136,000 multi-unit firms (representing 1.62 million worksites and about 41 percent of the employment) report their employment and wages for each establishment, which improves the geographic and industrial accuracy of these key data. Second, in the ARS, the SWAs will recontact one-third of all establishments in the private sector with three or more employees, about 1.4 million establishments, in order to maintain

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the accuracy of their industry coding under the NAICS and to update geographical information, such as addresses, which are integral to its use as a sample frame for other BLS business surveys.

Occupational Employment Statistics

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 States, the District of Columbia, Guam, Puerto Rico, the Virgin Islands, all metropolitan areas and divisions, and balance-of-State areas for each State, for complete geographic coverage. The OES program produces employment and wage estimates by nonfarm industry for the full Standard Occupational Classification (SOC) system, which includes over 800 detailed occupations. In addition, the OES program also produces occupational employment and wage data on green jobs through a supplement to the OES, as well as a special survey topic to provide additional information on the nature of the jobs held by green workers.

Uses of the data include evaluating current and historical employment and wages by industry, occupation, and geographic area; foreign labor certification; projecting occupational demand for the Nation and States; vocational planning; and industry skill and technology studies.

The OES portions of the BLS public website generate some of the highest levels of activity among all program areas. In addition, OES data are the foundation of the industry-occupation matrix used in the Employment Projections (EP) program to produce national occupational projections. OES employment wage data are used throughout the *Occupational Outlook Handbook (OOH)* and related career publications, as well as in similar products produced by the SWAs for State and local areas.

- In FY 2014, the BLS proposes to eliminate the occupational employment and wage data on green jobs. Additional information can be found on page BLS-29. Also in FY 2014, the SWAs, in cooperation with the BLS, will collect employment and wage information from semi-annual sample panels of approximately 200,000 establishments, for a total of 400,000 for the year. Respondents provide data for a payroll period that includes the 12th day of the survey month.

Local Area Unemployment Statistics

LAUS statistics provide timely and important information on current labor force and unemployment trends for States and local areas. The LAUS program issues monthly estimates for regions and States two weeks after the release of national estimates in the *Employment Situation*. Metropolitan area estimates, as well as all remaining sub-State area estimates, are issued about one-and-a-half weeks later. LAUS estimates serve as economic indicators, are a major source of information for labor market research, analysis, and planning, and enable current analysis of State and area labor force characteristics. In addition to economic analysis, another important use of LAUS data is in the direct allocation of Federal funds (nearly \$115 billion in FY 2012 plus an additional \$144 billion in funds covering FYs 2009 and 2010 under the American Recovery and Reinvestment Act of 2009) to States and local jurisdictions under

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Federal assistance programs in areas such as employment, training, public works, and welfare assistance.

Using data from the CPS, CES, and State UI programs, the LAUS program uses time-series models to produce monthly estimates for all States, the District of Columbia, New York City, the Los Angeles-Long Beach-Glendale metropolitan division, and the balances of New York and California. Time-series models also are used for the Chicago, Miami, and Seattle metropolitan divisions, the Cleveland and Detroit MSAs, and the five respective balance-of-State areas. The LAUS program also makes the resultant model-based estimates for these areas available in a seasonally adjusted format. Estimates for the remainder of sub-State areas are produced through a building-block approach that also utilizes data from several sources, including the CES, QCEW, CPS, and State UI programs, and the decennial census, and are adjusted to statewide measures of employment and unemployment.

Each month, the SWAs, in cooperation with the BLS, develop the labor force, employment, and unemployment estimates. The LAUS program is responsible for the concepts, definitions, and technical procedures that States use in the preparation of State and local labor force and unemployment estimates. Both the SWAs and the BLS analyze and publish the LAUS estimates each month.

- In FY 2014, the BLS will generate monthly estimates of employment and unemployment for just over 7,300 geographic areas, including all States, metropolitan and small labor market areas, counties, cities with a population of 25,000 or more, and all cities and towns in New England. The BLS will continue to generate monthly smoothed seasonally-adjusted estimates for all metropolitan areas and metropolitan divisions.

Mass Layoff Statistics

The BLS proposes to eliminate the MLS program in FY 2014. Currently, the MLS program provides information that identifies, describes, and tracks the effects of major job cutbacks in the economy. In cooperation with SWAs, information is collected on the universe of all plant closings and mass layoff events that involve at least 50 people who initially file for UI over a five-week period. The information includes timely local area data, the focus of BLS State partners, and the reasons for large layoff events—such as financial difficulty, contract cancellation, offshoring, and natural and non-natural disasters. MLS data can help identify communities in need of special services, and are used in sub-State dislocated worker fund allocations.

National Longitudinal Surveys

The National Longitudinal Surveys (NLS) provide a set of data on the labor force experience (current labor force status, employment status, work history, and characteristics of current/last job) of two groups of the U.S. population. Each survey gathers information on the labor market experiences of these groups of American men and women at multiple points in time.

Cross-sectional data, such as those from the CPS, primarily provide snapshots of the labor

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market and are used to track changes in the labor force behavior of groups over time. The NLS focuses on capturing long-run changes in individual labor force behavior by interviewing the same individuals over extended time periods. Economists, sociologists, and other researchers in government, the academic community, and private organizations use NLS data to examine and inform policymakers at all levels of government about a variety of issues such as:

- Employment and earnings of workers in the labor market;
- Educational experience, achievement, and the transition from school to work;
- The effects of training on future employment and wages;
- The ability to advance out of low-wage jobs;
- Relationships between work and various indicators of family well-being;
- The long-term effects of unemployment; and
- The retirement behavior of older workers and the problems of the elderly.

In 1979, a cohort was fielded to research the “baby boomer” generation, with a sample of over 12,000 young men and women who were 14-21 years of age as of December 31, 1978. This survey, conducted every year through 1994, is known as the 1979 National Longitudinal Survey of Youth (NLSY79). In 1994, the survey began operating on a biennial interview cycle.

In 1997, the BLS began the 1997 National Longitudinal Survey of Youth (NLSY97), a survey consisting of 9,000 individuals aged 12-16 as of December 31, 1996. This survey contains an oversample of blacks and Hispanics. The young age of this sample (when compared with past NLS cohorts) reflects the increased emphasis on early labor market activity and other aspects of youths’ lives that have an impact on their labor market successes and their general success in becoming productive adults. The long-term objectives of the study are to relate early development and influences on later-life outcomes. In 2012, the NLSY97 survey began operating on a biennial interview cycle.

- The FY 2014 request reflects the remaining savings from elongating the NLSY97 cohort. More information can be found on BLS-13. In FY 2014, the NLS program will release data from round 25 and begin collection of round 26 of the NLSY79, and complete data collection for round 16 of the NLSY97.

Job Openings and Labor Turnover Survey

The JOLTS program provides monthly national measures on labor demand by broad industry groups. These measures complement the unemployment rate, which measures labor supply. Data published include the levels and rates for job openings, hires, and total separations, as well as three separations breakouts: quits, layoffs and discharges, and other separations. These data items also are provided at the total nonfarm level for four regions. Thus, policymakers and analysts have a better understanding of imbalances between the demand for and the supply of labor, and improved tools for assessing the presence of labor shortages in the U.S. labor market. These data also provide evidence of upward pressures on wage rates.

- In FY 2014, each month, the BLS will continue to collect data from a sample of 16,000 businesses and derive estimates on levels and rates of job openings, hires, and separations

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(quits, layoffs and discharges, and other separations) at the national level for major industry groups, and at the regional level for total nonfarm employment.

American Time Use Survey

The American Time Use Survey (ATUS) provides nationally representative estimates of how Americans spend their time during an average day, both for weekdays and weekends. Data from the ATUS enable researchers to develop broader assessments of national well-being and national production than otherwise would be available. The ATUS is the only Federal survey that provides data on the full range of nonmarket activities, from childcare to volunteering. ATUS data provide widely used information about how Americans balance work with family and community commitments.

Analysts use these data about time-use, combined with information about respondents' demographics, labor force status, and household composition, to examine how much time is being invested in childcare and eldercare in U.S. society; how time-use varies between single people and married people; and how much time people spend in education, among other questions. The availability of national time-use data also facilitates comparisons of time-use patterns in the United States with patterns in other countries, including alternative measures of Gross Domestic Product (GDP) developed by some countries that include measures of the value of non-market work. Depending on sponsor availability, modules periodically are added to the survey. For example, in FY 2013, the ATUS will complete fielding a Well-being module sponsored by the National Institute on Aging (NIA). Additional uses of ATUS data include supplying information to other BLS programs, including the EP program; Federal agencies and forums, such as the BEA, the Economic Research Service, and the Federal Interagency Forums on Aging-Related and Child and Family Statistics; and international organizations, such as the Organization for Economic Cooperation and Development.

- In FY 2014, each month, the BLS and the Census Bureau will survey about 1,100 individuals, ages 15 and older, drawn from households that recently have completed the monthly CPS.

Employment Projections

The EP program produces long-term (10-year) projections for the labor force, the overall economy, and industry and occupational employment and job openings by occupation. The program relies on a wide variety of data from the CES, CPS, OES, and QCEW programs, and from other Federal agencies, such as the BEA and the Census Bureau.

Labor force and labor force participation rate projections for detailed demographic groups are produced every two years using CPS data and Census Bureau population projections. These projections are used as an input to the preparation of the overall economic, industry, and occupational projections, and to further analyze the demographic characteristics of future workers and future training and education needs.

The overall economic projections include the GDP, the demand and income composition of the

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GDP, and the industrial structure of the U.S. economy. These projections are prepared under specific assumptions for government economic policies and for basic economic variables, such as exports and imports, unemployment, and productivity. Projections of industry final demand, output, and employment, as well as input-output tables, also are produced. These data are the basis for evaluating alternative policy options affecting the medium- and long-term outlook, developing estimates of occupational requirements by industry, and evaluating the future size and composition of the labor force.

Finally, a national industry-occupation employment matrix and the industry projections are used to project employment by occupation. EP staff analyze the occupational structure of detailed industries and evaluate the expected impact of changes in demographics, technology, product mix, business practices, and other factors on the demand for specific occupations. The matrix quantifies in detail the distribution of occupational employment by class of worker—wage and salary, self-employed, and unpaid family—and by industry for both the current and projected years. The 2010-2020 matrix, which was released in February 2012, covered projections for 749 detailed occupations in 328 detailed industries. In addition to the projections of job openings resulting from job growth, the EP program also estimates job openings needed to replace workers who leave occupations.

The EP program produces the *OOH*. This biennial publication provides information on the type of work; education, training, and other qualifications; employment; job outlook; wages; similar occupations; and sources of additional information for hundreds of occupations. The program also produces the *Occupational Outlook Quarterly (OOQ)*, a career guidance magazine that presents a wide variety of information on occupational employment prospects, educational requirements, and earnings. Guidance and career counselors across the country use the information in these publications to advise students and adults on job training and future employment opportunities. Individuals also use these publications for personal career planning and development. The program also develops and disseminates career information on an ongoing basis related to green jobs in specific industries and occupations. The most widely used BLS website is the *OOH*, and *OOH* information is presented in numerous private publications on vocational guidance.

- In FY 2014, the BLS proposes to eliminate production and publication of narratives on green careers. Additional information can be found on page BLS-29. Also, the BLS will publish the 2012-2022 economic and employment projections and the 2014-2015 edition of the *OOH*, along with four issues of the *OOQ*.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2009	\$266,470	487
2010	\$276,116	501
2011	\$277,976	531
2012	\$276,543	534
2013	\$278,235	530

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NOTE: FY 2012 reflects authorized FTE.

Funding Mechanism

As previously discussed, the Labor Market Information Cooperative Statistical Program is operated in cooperation with the States and territories. Section 14 of the Wagner-Peyser Act (29 USC 49f(a)(3)(D)) authorizes the Secretary of Labor to reimburse the States to provide data for national statistical programs. Since 1917, the BLS has entered into cooperative arrangements to fund and use employment statistics collected by the States and territories.

On an annual basis, the BLS contracts with the Census Bureau to conduct the CPS. Under the agreement of November 18, 1959, between the Secretary of Labor and the Secretary of Commerce, the BLS obtains budgetary support for this program and annually reimburses the Census Bureau for the collection and related support services associated with the monthly CPS and selected supplements. The authority for the Census Bureau to enter into this agreement is 13 U.S.C. 8(b). The authority for the BLS to enter into this agreement is 29 U.S.C. 2.

FY 2014

In FY 2014, the BLS will produce a refocused set of core data series and undertake the following work in the areas of Labor Force Statistics:

In FY 2014, the BLS proposes to add an annual supplement to the CPS. While current collection allows the BLS to produce high quality estimates with high response rates, the BLS cannot provide information on particular important subgroups, such as contingent workers, without support for supplements.

Conducting new CPS supplements on a regular basis greatly enhances the value of the data by providing insights into trends and the impact of the business cycle. For example, a Work Schedules Supplement (WSS) will provide additional information on workplace flexibility and work-family balance by capturing data on the availability of flexible work schedules, shift work, work at home, and other related topics to allow analysts to study flexible working arrangements by occupation, age, gender, and race. This work schedule data also will help analysts study the possible impact of flexible work arrangements on earnings. Moreover, the BLS will have resources to develop new supplements on emerging topics such as entrepreneurship. This information will allow data users and decision-makers to develop a more fundamental understanding of developments in the labor market.

To fill this data gap, the BLS will conduct one CPS supplement annually. In FY 2014, with the requested funds, the BLS will work with the Census Bureau to update specifications for the Contingent Work Supplement (CWS) and WSS and will research possible new topics for supplements. The CPS will produce the CWS in odd years beginning in FY 2015, providing a reliable source of information on trends within this group. In even years, beginning in FY 2016, the BLS will conduct a supplement on a topic relevant to the BLS mission, such as information

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on workplace flexibility and work-family balance. The BLS will publish results from each supplement about six months after the Census Bureau collects the data.

The CES and JOLTS programs will continue to produce size class estimates on an experimental basis.

In FY 2014, the BLS proposes to eliminate the Measure Green Jobs initiative. The savings associated with this reduction will be used to finance other, more critical needs. As part of this elimination, the QCEW program will eliminate collection and publishing of industry employment data on the green economy. In addition, as part of the elimination of the Measure Green Jobs initiative, the OES program will eliminate production of occupational employment and wages data for businesses that produce green goods and services. Further, EP no longer will produce narratives on green careers.

The OES program will continue with the coordination of activities associated with revising the SOC, which is expected to culminate in a 2018 version of the SOC.

The LAUS program will continue research on methodology improvements, such as using model-based real-time benchmarking and the American Community Survey estimates as inputs to LAUS methodology. In addition, the program will continue implementing newly delineated metropolitan and micropolitan areas, and developing definitions for small labor market areas with the State partners.

In FY 2014, the BLS proposes to eliminate the MLS program. The savings associated with this reduction will be used to finance other, more critical needs.

In FY 2014, the NLS program will release data from round 25 and begin collection of round 26 of the NLSY79, and complete data collection for round 16 of the NLSY97.

In FY 2014, the ATUS program will complete fielding and release data for the 2013 Well-being module.

The EP program will release the 2012-2022 economic and employment projections, the 2014-2015 edition of the *OOH*, and the supplementary projections materials on the BLS website. The program will incorporate search strategies that allow users to access career information from an industry perspective, previously published in the *Career Guide to Industries (CGI)*, from the *OOH* homepage. The EP program ceased publication of the *CGI* as a stand-alone publication after completing an assessment in FY 2012 of how to better integrate it with the reinvented *OOH*. In addition, the EP program will publish four issues of the *OOQ*.

FY 2013

Figures shown for FY 2013 reflect the annualized Continuing Resolution (P.L. 112-175) as a full year appropriation, which had not been replaced or amended at the time the budget was produced. In addition, these numbers do not reflect the impact of sequestration. The operating plans for Department of Labor programs for FY 2013 including sequestration are being provided

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to the Committee in a separate communication.

FY 2012

In FY 2012, the BLS continued the production of core data series and undertook the following new work in the areas of Labor Force Statistics:

The CPS program fielded a supplement on disability in May 2012 with funding from DOL's Office of Disability Employment Policy.

In FY 2012, the CES program began implementing data collection enhancements to improve response rates, thereby reducing statistical error on the estimates. The CES program also completed a project plan to produce CES estimates by employment size class.

The QCEW program published the first set of industry employment data on the green economy in March 2012, as part of a FY 2010 initiative to measure green jobs. The GGS survey release covered detailed industry employment for the Nation and two-digit industry detail for the States.

The OES program realigned its data collection schedule to publish OES estimates about six weeks earlier than the traditional release date. As part of a FY 2010 initiative to measure green jobs, the OES program collected information and published its first set of estimates on occupational staffing patterns and wages at establishments producing green goods and services in September 2012. In addition, as part of this initiative, the OES program published results from a special employer survey on the occupations of workers involved in environmentally-friendly production processes from a sample of business establishments.

The LAUS program continued the expansion of LAUSOne by incorporating State annual processing functionality. LAUSOne is a unified system for State and BLS use in producing, reviewing, and analyzing LAUS estimates, and preparing them for publication. LAUSOne replaces two older systems, eliminates duplication, and enhances functionality. Research on LAUS methodology improvements and geographic updates continued including model-based, real-time benchmarking and the use of American Community Survey estimates as inputs in LAUS methodology. The LAUS program also continued to publish monthly smoothed seasonally-adjusted estimates for all metropolitan areas and metropolitan divisions.

The MLS program is funded partially by ETA through a reimbursable agreement. The MLS program continued system redesign activities on the migration of the national system to Oracle and the State system redesign.

In FY 2012, the NLS program released data from round 24 and began collection of round 25 of the NLSY79. In addition, the program released data from round 14 and completed data collection of round 15 of the NLSY97. The NLS program also elongated the NLSY97 from an annual to a biennial cycle.

The JOLTS program continued research into data by size class.

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The ATUS program published its first estimates on the subject of eldercare in June 2012. In August 2012, the ATUS program, with sponsorship by the Women's Bureau, published a news release and posted public use files on the BLS website on workers' access to leave, use of leave, and flexibility of work schedules. The ATUS began fielding a Well-being module in January 2012 with funding from the NIA.

The EP program released the 2010-2020 economic and employment projections, the 2012-2013 edition of the *OOH*, and the supplementary projections materials on the BLS website. The EP program released four issues of the *OOQ*. The program completed its assessment of the *CGI* for potential major revisions to better integrate it with the reinvented *OOH*, and decided to cease publication as a stand-alone product. The EP program began working on the 2012-2022 economic and employment projections and the 2014-2015 edition of the *OOH*. The EP program also continued to produce and publish narratives on possible green careers, as part of a FY 2010 initiative to measure green jobs.

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DETAILED WORKLOAD AND PERFORMANCE					
		FY 2012 Revised Enacted		FY 2013 Full Year C.R.	FY 2014 Request
		Target	Result	Target	Target
Labor Force Statistics					
Strategic Goal 5 - Produce timely and accurate data on the economic conditions of workers and their families.					
Outcome Goal 5.1 - Provide sound and impartial information on labor market activity, working conditions, and price changes in the economy for decision making, including support for the formulation of economic and social policy affecting virtually all Americans.					
BLS 5.1 IND.01	Percentage of <i>timeliness</i> targets achieved for the Labor Force Statistics Principal Federal Economic Indicators (PFEIs).	100%	100%	100%	100%
BLS 5.1 IND.02	Percentage of <i>accuracy</i> targets achieved for the Labor Force Statistics PFEIs.	100%	100%	100%	100%
BLS 5.1 IND.03	Percentage of <i>relevance</i> targets achieved for the Labor Force Statistics PFEIs.	100%	100%	100%	100%
	Principal Federal Economic Indicators 1/				
	Current Population Survey				
BLS 5.1 CPS.01.P	Monthly series 2/ 3/	12,363	13,769	14,200	14,200
BLS 5.1 CPS.02.P	Other series published annually, quarterly, or irregularly 3/ 4/	16,164	16,747	16,747	16,747
BLS 5.1 CPS.03.T	Percentage of monthly releases on schedule (12 of 12) 2/	100%	100%	100%	100%
BLS 5.1 CPS.04.A	Number of months that a change of at least 0.19 percentage points in the monthly national unemployment rate is statistically significant at the 90% confidence level (for an unemployment rate of 6%)	12	12	12	12
	Current Employment Statistics				
BLS 5.1 CES.01.P	National monthly and annual series (published and unpublished) maintained 2/ 5/	22,300	22,418	19,750	16,800
BLS 5.1 CES.02.P	State and local area monthly and annual series maintained	22,200	22,402	22,400	22,400
BLS 5.1 CES.03.T	Percentage of national monthly releases on schedule (24 out of 24) 2/	100%	100%	100%	100%

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		FY 2012 Revised Enacted		FY 2013 Full Year C.R.	FY 2014 Request
		Target	Result	Target	Target
BLS 5.1 CES.04.T	Percentage of State and local area monthly releases on schedule (24 out of 24) 6/	100%	100%	100%	100%
BLS 5.1 CES.05.A	Mean absolute benchmark revision (averaged across five years)	<0.4%	0.3%	<0.4%	<0.4%
BLS 5.1 CES.06.A	No more than 2 not seasonally adjusted 1st - 3rd closing revisions of total nonfarm employment are > 0.1% 7/	--	--	≤2	≤2
<u>Other Programs</u>					
<u>Quarterly Census of Employment and Wages</u>					
BLS 5.1 QCEW.01.W	Covered employment and wages for States and counties at 1-, 2-, 3-, 4-, 5-, and 6-digit NAICS industries published quarterly	3,500,000	3,542,000	3,500,000	3,500,000
BLS 5.1 QCEW.02.W	Establishment records (current and longitudinal) maintained by the Longitudinal Data Base System 8/	9,340,000	9,211,800	9,400,000	9,550,000
BLS 5.1 QCEW.03.P	Business Employment Dynamics (BED) series maintained on job creation and destruction levels and rates 9/	13,118	37,600	37,600	37,600
BLS 5.1 QCEW.04.P	Quarterly press releases on <i>County Employment and Wages</i> ; and <i>Business Employment Dynamics</i>	8	8	8	8
BLS 5.1 QCEW.05.W	Number of establishments in targeted industries of green goods and services 10/	120,000	120,000	120,000	--
BLS 5.1 QCEW.06.P	Number of green goods and services industry jobs series published 10/ 11/ 12/	Baseline	2,296	3,200	--
<u>Occupational Employment Statistics</u>					
BLS 5.1 OES.01.P	National annual series published	85,000	90,234	90,000	90,000
BLS 5.1 OES.02.P	Green series published 10/ 11/	Baseline	10,184	10,000	--
<u>Local Area Unemployment Statistics</u>					
BLS 5.1 LAUS.01.P	Employment and unemployment estimates for States and local areas published monthly and annually 13/	101,381	101,381	101,445	101,509
BLS 5.1 LAUS.02.T	Percentage of monthly and annual releases on schedule (25 out of 25) 14/	100%	100%	100%	100%

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		FY 2012 Revised Enacted		FY 2013 Full Year C.R.	FY 2014 Request
		Target	Result	Target	Target
BLS 5.1 LAUS.03.A	Percentage of the month-to-month changes in seasonally adjusted unemployment rates that are less than 0.5 percentage points	≥90%	99.6%	≥90%	≥90%
BLS 5.1 LAUS.04.A	Number of States with annual average unemployment rate revisions ≥ 0.4 percentage points	≤10	6	≤10	≤10
Mass Layoff Statistics 10/					
BLS 5.1 MLS.01.P	National and State monthly and quarterly series	62,423	62,423	62,423	--
BLS 5.1 MLS.02.P	Monthly and quarterly releases	16	16	16	--
National Longitudinal Surveys					
BLS 5.1 NLS.01.O	Number of journal articles published that examine NLS data	124	141	130	132
Job Openings and Labor Turnover Survey					
BLS 5.1 JOLTS.01.P	Monthly and annual estimates 15/	802	824	824	824
American Time Use Survey					
BLS 5.1 ATUS.01.P	Annual estimates 16/	5,967	6,654	6,654	6,654
BLS 5.1 ATUS.02.E	Cost per estimate produced on how Americans spend their time 17/	\$1.98	\$2.24	--	--
Employment Projections					
BLS 5.1 EP.01.W	Number of industries for which the BLS publishes economic and employment projections (2-year cycle)	195	195	n/a	195
BLS 5.1 EP.02.A	Percentage of total employment covered by projections in the 2-year cycle	100%	100%	n/a	100%
BLS 5.1 EP.03.P	<i>Occupational Outlook Handbook</i> and <i>Career Guide to Industries</i> profiles (2-year cycle) 18/ 19/	343	341	n/a	--
BLS 5.1 EP.04.P	Detailed occupations covered in the <i>Occupational Outlook Handbook</i> 18/	--	--	--	530
BLS 5.1 EP.05.P	<i>Occupational Outlook Quarterly</i> (issues)	4	4	4	4

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		FY 2012 Revised Enacted		FY 2013 Full Year C.R.	FY 2014 Request
		Target	Result	Target	Target
State Cooperative Agreements					
BLS 5.1 CA.01.W	Negotiated and monitored for Labor Market Information programs	54	54	54	54

- 1/ The two PFEIs, produced by the CPS and CES programs, are *The Employment Situation and Real Earnings*.
- 2/ This measure only relates to PFEIs.
- 3/ The FY 2012 result exceeded the target due to the full year production of the new series that were introduced during FY 2011. Beginning in FY 2013, the increase is due to the addition of new series on veterans, and on race and ethnicity.
- 4/ The FY 2014 CPS supplement initiative will not increase the number of series produced until FY 2016.
- 5/ The decrease in FY 2013 and FY 2014 is due to loss of manufacturing series from sectors that no longer will meet confidentiality requirements, and from the expected elimination of some series showing all-employee hours and earnings data.
- 6/ This measure includes two monthly news releases: *Regional and State Employment and Unemployment* and *Metropolitan Area Employment and Unemployment*. Due to the schedule of the *Metropolitan Area Employment and Unemployment* release, the number of annual releases may fluctuate from the average of 24. For example, in FY 2012, there were 23 monthly releases of State and local area data.
- 7/ This measure is new beginning in FY 2013.
- 8/ This measure is dependent on economic conditions. Targets for FY 2013 and FY 2014 are based on current economic trends.
- 9/ The FY 2012 result exceeded the target due to the release of new data (2-digit NAICS) by State in February 2012.
- 10/ In FY 2014, the BLS proposes to eliminate the Measure Green Jobs initiative and the MLS program.
- 11/ In FY 2012, QCEW and OES published the first datasets on employment in the green economy.
- 12/ In FY 2013, the increase in the target is due to the addition of new series.
- 13/ The number of estimates increases each year as cities that newly exceed the LAUS population threshold of 25,000 are added.
- 14/ The LAUS program publishes two monthly news releases, *Regional and State Employment and Unemployment*, and *Metropolitan Area Employment and Unemployment*, and one annual release, *Regional and State Unemployment*. Due to the schedule of the *Metropolitan Area Employment and Unemployment* release, the number of annual releases may fluctuate from the average of 25. For example, in FY 2012, there were 24 releases of State and local area data.
- 15/ The FY 2012 result exceeded the target due to re-tabulations first released in March 2012.
- 16/ This measure only includes published estimates. The increase in the FY 2012 result is due to the release of new estimates on eldercare. The FY 2013 and FY 2014 targets also reflect the release of the new estimates.
- 17/ In FY 2012, the cost per estimate was higher than the target due to implementation of a new classification system. The new system prevented ATUS from combining 2011 ATUS data with previously released data to produce multiyear tables, thereby reducing the number of estimates ATUS produced. This measure has been dropped for FY 2013.
- 18/ In FY 2014, EP will replace its current coverage measure with a new measure. The new measure will report number of detailed occupations published, rather than number of profiles of one or more occupations.
- 19/ In FY 2012, three similar occupations that were planned to be covered separately were combined into one profile due to lack of employment and wage data on the occupations.

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Workload Narrative

The BLS employs six strategies to ensure that it achieves its outcome goal, and to fulfill the societal need for accurate, objective, relevant, timely, and accessible economic information. The Labor Force Statistics programs produce a diverse set of measures of employment and unemployment, persons not in the labor force, labor demand and turnover, wages, hours, and earnings. On an annual basis, the BLS identifies individual improvements that can be made by each Budget Activity and which tie to its ongoing strategies. For example, at the FY 2014 Request level, in support of its strategy to produce objective data and analyses that are timely, accurate, and relevant, the BLS will expand the data produced in the Labor Force Statistics, as described on page BLS-28, through the development of new supplements to the CPS. The initiative will not affect the above measures until after FY 2015.

At the FY 2014 Request level, the BLS will eliminate the Measure Green Jobs initiative. The termination of green jobs activities will result in the BLS no longer producing 2,296 national green jobs industry series or the OES green series. In addition, QCEW will no longer report the number of establishments in targeted industries of green goods and services. Also, at this level, the BLS will eliminate the MLS program. The termination of MLS will eliminate 62,423 series from 16 monthly and quarterly news releases on layoff events, including information on the reason for layoff or closing, and job loss associated with movement of work within and outside the company. More information on all the program eliminations can be found on page BLS-29.

A broad overview of the strategies being used to achieve the BLS outcome goal and address the societal need is included in the Overview section beginning on page BLS-12.

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY14 Request / FY 12 Rev. Enacted
11.1	Full-time permanent	\$51,672	\$52,151	\$49,919	-\$1,753
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	614	617	600	-14
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	52,286	52,768	50,519	-1,767
12.1	Civilian personnel benefits	15,191	15,330	14,647	-544
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	1,477	1,294	1,193	-284
22.0	Transportation of things	10	10	10	0
23.1	Rental payments to GSA	8,150	8,499	8,620	470
23.2	Rental payments to others	20	18	18	-2
23.3	Communications, utilities, and miscellaneous charges	3,586	3,859	3,610	24
24.0	Printing and reproduction	3,448	2,103	1,820	-1,628
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	10,729	11,298	12,428	1,699
25.3	Other goods and services from Federal sources 1/	65,773	65,491	67,158	1,385
25.5	Research and development contracts	3,146	11,531	11,531	8,385
25.7	Operation and maintenance of equipment	42,516	35,817	35,421	-7,095
26.0	Supplies and materials	496	448	420	-76
31.0	Equipment	2,539	2,182	2,086	-453
41.0	Grants, subsidies, and contributions	67,176	67,587	67,176	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	\$276,543	\$278,235	\$276,657	\$114
1/ Other goods and services from Federal sources					
	Working Capital Fund	\$5,978	\$5,886	\$6,298	\$320
	DHS Services	1,183	1,183	1,148	-35
	Census Bureau	57,911	56,345	58,762	851

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CHANGES IN FY 2014

(Dollars in Thousands)

Activity Changes

Built-Ins

To Provide For:

Costs of pay adjustments	\$660
Personnel benefits	192
One day more of pay	261
Rental payments to GSA	766
Other services from non-Federal sources	2,236
Working Capital Fund	146
Other Federal sources (Census Bureau)	854
Operation and maintenance of equipment	1,637

Built-Ins Subtotal **\$6,752**

Net Program **-\$9,919**

Direct FTE **-27**

	Estimate	FTE
Base	\$286,576	542
Program Increase	\$1,577	3
Program Decrease	-\$11,496	-30

NOTE: Base Estimate includes the financing change (NLS repurposing). Base FTE reflects actual FTE.

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BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY 14 Request / FY 12 Rev. Enacted
Activity Appropriation	\$205,888	\$207,148	\$209,699	\$3,811
FTE	1,101	1,104	1,113	12

NOTE: FY 2012 reflects actual FTE. Authorized FTE for FY 2012 was 1,110.

Introduction

Prices and Cost of Living programs collect, compile, and disseminate a wide variety of information on price change in the U.S. economy, and conduct research and analysis to improve the economic statistics produced. The programs include Consumer Prices and Price Indexes (CPI), Producer Prices and Price Indexes (PPI), the International Price Program (IPP), and the Consumer Expenditure (CE) surveys. In addition to meeting general statutory responsibilities assigned to the BLS (29 U.S.C. 1 and 2), data produced by the price programs form the basis for adjusting or setting payments, benefits, or other income as required by many laws and private sector contracts.

Prices and Cost of Living programs directly support the Department's Vision of *Good Jobs for Everyone*. Specifically, these programs support the DOL Strategic Goal to *Produce timely and accurate data on the economic conditions of workers and their families*, and the Outcome Goal to *Provide sound and impartial information on labor market activity, working conditions, and price changes in the economy for decision making, including support for the formulation of economic and social policy affecting virtually all Americans*. These programs provide support for the Department's vision by producing data for analysis and decision-making, as discussed in the program sections below.

Consumer Prices and Price Indexes

The CPI program, the Nation's principal gauge of inflation, provides measures of price change for all urban areas, four Census regions, three population size classes, and several local areas. Indexes are produced for two population groups: all urban consumers, and urban wage earners and clerical workers. For the population of all urban consumers, there are two indexes: the traditional index (CPI-U) and the superlative index, also known as the chained-CPI (C-CPI-U). The C-CPI-U reflects the effect of substitutions that consumers make across item categories in response to changes in relative prices. The indexes for all urban consumers cover about 88 percent of the U.S. population. The index for the other population group, the CPI-W, covers urban wage earners and clerical workers, about 28 percent of the U.S. population. The CPI is based on a market basket representing all goods and services that consumers purchase for everyday living. Published measures include various monthly, bi-monthly, and semi-annual indexes; annual average indexes; and monthly average retail prices for selected items.

The numerous uses of the CPI data include: primary measure of price change at the consumer level; indicator of inflationary trends in the economy; measure of the purchasing power of the

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consumer dollar; aid in formulation and evaluation of economic policy; adjustment mechanism for payments under many government programs, including payments to Social Security beneficiaries, retired military and Federal civil service employees and survivors, and other recipients of transfer payments; index used to adjust the official U.S. poverty measure, in rental/lease agreements, and in payments from trust funds and wills; deflator of earnings to provide a measure of real earnings; factor in collective bargaining and wage and pension adjustments; and adjustment factor for the income tax structure, including exemptions, standard deductions, and brackets. These last adjustments are intended to prevent inflation from automatically generating tax rate increases.

Through personal visits and telephone interviews, the program collects prices for food, rent, utilities, and a few other items monthly in all areas, and most other commodities and services monthly in the three largest areas, and bimonthly in other areas.

- In FY 2014, the BLS will collect approximately 94,000 commodity and service prices (per month) and 94,000 Rent/Rental equivalence prices (annually), in 87 geographic areas.

Producer Prices and Price Indexes

The PPI program measures average changes in prices received by domestic producers for their output. It is an industry-based survey that provides monthly price indexes for virtually all agricultural, mining, and manufacturing industries, for selected construction industries, and for a number of service industries. Indexes are available for two different product classification systems. The commodity classification system organizes products by similarity of end use or material composition. The industry classification system organizes products by industry of origin. In addition, the commodity classification system features comprehensive “stage-of-processing” indexes that are designed to facilitate the analysis of the transmission of inflation through the economy.

Indexes from the PPI program are used extensively as: major indicators of inflationary trends in the economy; deflators of nominal dollar values over time; escalators of long-term contracts; market research tools; inventory valuation measures; and major inputs to the evaluation and formulation of economic policy.

- In FY 2014, the BLS will collect prices from a probability sample of establishments using a monthly survey of approximately 28,500 sample units and 105,000 price quotations.

International Price Program

The IPP measures price change of commodities in U.S. foreign trade classified by end use, North American Industry Classification System (NAICS), and the Harmonized System. The IPP also publishes a limited number of price indexes of international services, as well as U.S. imports by locality of origin.

Various uses of IPP data include: deflation of the Foreign Trade sector of the National Accounts; assessment of effects of import and export price changes on the U.S. economy;

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exchange rate analysis; analysis of price behavior in international markets, including assessing U.S. competitiveness; calculating changes in the volume of net exports; and analysis and formulation of economic policy.

- In FY 2014, the BLS will collect data from a probability sample of establishments and products. Approximately 2,100 exporters and 3,300 importers will report approximately 22,000 prices monthly.

Consumer Expenditure Surveys

The CE program provides information on consumers' expenditures and income. Detailed data from this program are published as comprehensive, annual expenditure estimates for a large number of demographic characteristics, such as income, family size, and region.

These estimates are used for a variety of purposes, including revisions of weights and item samples of the CPI, economic policy analysis of particular segments of the population, market research, and economic research and analysis.

The CE program is composed of two surveys: an interview and a diary. The Interview Survey is a quarterly survey designed to collect data on major expenditures that respondents can recall for three months. The Diary Survey is a weekly survey designed to obtain expenditure data on small, frequently purchased items.

- In 2014, the BLS is requesting funding to modify the CE Survey to support the Census Bureau in its development of a supplemental statistical poverty measure using CE. Additional information is provided on page BLS-42. Also, the Census Bureau will conduct the survey for the BLS in 91 geographic areas of the United States, collecting 14,100 weekly expenditure diaries and 35,300 quarterly interviews.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2009	\$198,464	1,105
2010	\$201,081	1,105
2011	\$205,410	1,085
2012	\$205,888	1,110
2013	\$207,148	1,104

NOTE: FY 2012 reflects authorized FTE.

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FY 2014

In 2014, the BLS will continue the production of core data series and will undertake the following new work in the areas of Prices and Cost of Living:

The CPI will continue transitioning to an updated and revised sample of housing units used to estimate Rent and Owners' Equivalent Rent indexes. Specifically, the CPI will continue the systematic replacement of the sample of housing units. By the end of the second phase in 2016, all rental units will have been in the sample for less than 4 years. In addition, the CPI will complete the biennial update of the CPI market basket expenditure weights to the 2011-2012 period with publication of the January 2014 index.

The PPI program will complete the transition from replacing the current aggregation structures that only reflect goods in stage-of-processing type outputs to the new aggregation structures that reflect goods, services, and construction. This will include completion of the seasonal adjustment of the new aggregate indexes and a revised set of PPI publication outputs reflecting the new structure. In addition, the PPI will continue the expansion of collecting price data via the Web, first introduced at the end of FY 2011, to 98 percent of survey respondents.

The IPP and the PPI program will continue development of the first version of its new joint initiation system that will allow field economists to initiate collection for establishments that are sampled in each program's survey. The initial version will focus on core data capture functionality, with added functionality under development for future delivery. In addition, the IPP will implement an initial version of a new estimation system to calculate and validate import and export price indexes.

The CE program's FY 2014 initiative will support the Census Bureau in its development of a supplemental statistical poverty measure using CE data. Poverty is a critical indicator of how widely prosperity is shared in our economy and is a key benchmark for targeting resources toward the disadvantaged. The current U.S. poverty measure was developed in the 1960s and has not been substantially changed since then. It has been widely criticized for decades. This supplemental measure will not replace the official measure, but rather will complement the perspective on the distribution of economic deprivation that it provides.

In FY 2014, the CE program will begin development of questions to be added to the Interview Survey in FY 2016 to support the supplemental poverty measure. Additional questions may be added on topics such as school breakfasts or lunches, or subsidies for utilities. The CE program also will improve its processing systems in order to release publication tables in early September to coincide with the release of the Census income and poverty report. With continued improvement to its processing systems, by FY 2017, the CE will support this early September release date by providing the supplemental poverty thresholds to the Census Bureau in early August.

FY 2013

Figures shown for FY 2013 reflect the annualized Continuing Resolution (P.L. 112-175) as a full

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year appropriation, which had not been replaced or amended at the time the budget was produced. In addition, these numbers do not reflect the impact of sequestration. The operating plans for Department of Labor programs for FY 2013 including sequestration are being provided to the Committee in a separate communication.

FY 2012

In FY 2012, the BLS continued the production of core data series and undertook the following new work in the areas of Prices and Cost of Living:

As part of its FY 2009 initiative, the CPI finished the sample augmentation phase of the transition to the new sample used for Rent and Owners' Equivalent Rent indexes. The CPI also began the second phase of this transition by beginning the replacement of housing units introduced as part of the 1998 CPI revision. In FY 2012, these housing units had been in the sample for almost 15 years. Finally, the CPI completed the biennial update of the CPI market basket expenditure weights with publication of the January 2012 index.

The PPI program continued publishing, on an experimental basis, new aggregation structures for indexes that reflect both goods and services in its stage of processing-type outputs as part of its ongoing discussions with primary stakeholders concerning the construction and uses of alternative PPI index aggregation structures. In addition, the PPI program extended the option for reporting price data via the Web, first introduced in FY 2011, and made the option available to more than 10 percent of survey respondents during FY 2012. The PPI program also updated its weights based on 2007 Census Value of Shipments data with the publication of the January 2012 index, and introduced all new definitions as a result of revisions in NAICS 2012.

The IPP and the PPI program continued development of a new joint initiation system that will allow field economists to initiate collection for establishments that are sampled in each program's survey. In addition, development work continued for a new repricing system to process and review the monthly price data collected in the IPP. Specifically, the IPP conducted live test demonstrations of the user interface, and user workload and data entry tasks. The IPP also published its first set of expanded import price indexes with the introduction of new indexes by locality of origin.

The CE program developed questionnaire changes to keep the survey current with new products and to support CPI requirements. These changes will be implemented in the Interview Survey in FY 2013. The CE program continued work to publish integrated (Interview and Diary) tables quarterly rather than annually. The CE program also began work to modify the data collection and processing systems at the Census Bureau and the BLS to support the next decennial sample redesign. In addition, the CE program began transitioning to a new and more efficient database design to house the data used through multiple data processing systems.

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DETAILED WORKLOAD AND PERFORMANCE					
		FY 2012 Revised Enacted		FY 2013 Full Year C.R.	FY 2014 Request
		Target	Result	Target	Target
Prices and Cost of Living					
Strategic Goal 5 - Produce timely and accurate data on the economic conditions of workers and their families.					
Outcome Goal 5.1 - Provide sound and impartial information on labor market activity, working conditions, and price changes in the economy for decision making, including support for the formulation of economic and social policy affecting virtually all Americans.					
BLS 5.1 IND.04	Percentage of <i>timeliness</i> targets achieved for the Prices and Cost of Living Principal Federal Economic Indicators (PFEIs).	100%	100%	100%	100%
BLS 5.1 IND.05	Percentage of <i>accuracy</i> targets achieved for the Prices and Cost of Living PFEIs.	100%	100%	100%	100%
BLS 5.1 IND.06	Percentage of <i>relevance</i> targets achieved for the Prices and Cost of Living PFEIs.	100%	83%	100%	100%
<u>Principal Federal Economic Indicators</u>					
Consumer Prices and Price Indexes					
BLS 5.1 CPI.01.W	Price quotations collected/processed monthly	94,000	94,000	94,000	94,000
BLS 5.1 CPI.02.W	Rent/Rental equivalence price quotations for annual collection	94,000	94,000	94,000	94,000
BLS 5.1 CPI.03.P	Indexes published monthly 1/	5,900	6,409	6,400	6,400
BLS 5.1 CPI.04.T	Percentage of monthly releases on schedule (12 out of 12)	100%	100%	100%	100%
BLS 5.1 CPI.05.A	Number of months that the standard error on the 12-month change in the U.S. City Average All Items CPI-U Index is 0.25 percentage points or less	12	12	12	12
BLS 5.1 CPI.06.I	Average Age of Housing Sample (years) 2/	10	9	8	7
BLS 5.1 CPI.07.E	Cost per Housing Unit Initiated 3/	\$280	\$260	--	--
Producer Prices and Price Indexes					
BLS 5.1 PPI.01.W	Price quotations collected/processed monthly	105,000	105,000	105,000	105,000
BLS 5.1 PPI.02.P	Indexes published monthly 4/	9,800	9,622	9,400	9,800
BLS 5.1 PPI.03.A	Percentage of industry indexes published monthly	82%	83%	82%	82%
BLS 5.1 PPI.04.T	Percentage of monthly releases on schedule (12 out of 12)	100%	100%	100%	100%

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		FY 2012 Revised Enacted		FY 2013 Full Year C.R.	FY 2014 Request
		Target	Result	Target	Target
BLS 5.1 PPI.05.A	Percentage of domestic output, within the scope of the PPI, which the PPI covers: Goods produced 5/	90.0%	90.0%	97.6%	97.6%
BLS 5.1 PPI.06.A	Construction 5/	--	--	34.0%	34.0%
BLS 5.1 PPI.07.A	Services produced 5/	78.2%	78.2%	71.5%	71.5%
BLS 5.1 PPI.08.A	Total production 5/	81.8%	81.8%	76.6%	76.6%
BLS 5.1 PPI.09.A	Average difference between the one-month percentage change in the first and final release of the (not seasonally adjusted) Finished Goods Index is less than or equal to 0.2 percentage points 6/	≤0.2%	0.1%	--	--
BLS 5.1 PPI.10.A	No more than 2 revisions of the one-month percentage change between the first and final release of the Finished Goods Index (not seasonally adjusted) are > 0.3 percentage points	--	--	≤2	≤2
BLS 5.1 PPI.11.I	Percentage of PPI data providers offered Internet repricing	10%	40%	60%	98%
International Price Program					
BLS 5.1 IPP.01.W	Price quotations collected/processed monthly 7/	22,000	23,717	22,000	22,000
BLS 5.1 IPP.02.P	Indexes published monthly 8/	800	856	1,050	1,050
BLS 5.1 IPP.03.T	Percentage of monthly releases on schedule (12 out of 12)	100%	100%	100%	100%
BLS 5.1 IPP.04.A	Percentage of U.S. foreign trade imports covered by the IPP:				
	Goods in trade	100%	100%	100%	100%
BLS 5.1 IPP.05.A	Services in trade	10%	10%	10%	10%
BLS 5.1 IPP.06.A	Total in trade	84%	84%	84%	84%
BLS 5.1 IPP.07.A	Percentage of U.S. foreign trade exports covered by the IPP:				
	Goods in trade	100%	100%	100%	100%
BLS 5.1 IPP.08.A	Services in trade	7%	7%	7%	7%
BLS 5.1 IPP.09.A	Total in trade	72%	72%	72%	72%
BLS 5.1 IPP.10.A	Average difference between the one-month percentage change in the first and final release of the Import Price Index is less than or equal to 0.4 percentage points 6/	≤0.4%	0.2%	--	--
BLS 5.1 IPP.11.A	No more than 2 revisions of the one-month percentage change between the first and final release of the Import Price Index are > 0.5 percentage points	--	--	≤2	≤2

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		FY 2012 Revised Enacted		FY 2013 Full Year C.R.	FY 2014 Request
		Target	Result	Target	Target
BLS 5.1 IPP.12.A	Average difference between the one-month percentage change in the first and final release of the Export Price Index is less than or equal to 0.2 percentage points 6/	≤0.2%	0.1%	--	--
BLS 5.1 IPP.13.A	No more than 2 revisions of the one-month percentage change between the first and final release of the Export Price Index are > 0.3 percentage points	--	--	≤2	≤2
	<u>Other Programs</u>				
	Consumer Expenditure Surveys				
BLS 5.1 CE.01.W	Complete Weekly Expenditure Diaries: Number collected from Consumer Units 9/	14,100	14,956	14,100	14,100
BLS 5.1 CE.02.W	Complete Quarterly Interviews: Number of Consumer Unit Interviews 9/	35,300	34,112	35,300	35,300

- 1/ Beginning in FY 2012, CPI changed its methodology for calculating the number of published indexes. The FY 2012 target was a conservative estimate as the CPI did not yet have actual results derived under the updated methodology. The updated FY 2013 and FY 2014 targets are based on the FY 2012 result.
- 2/ The average age of the housing sample is calculated at the end of the fiscal year based on the sample reflected in published indexes. As part of the FY 2009 CPI initiative to continuously update the housing and geographic samples, the average age will continue to decrease until it is about three years.
- 3/ In FY 2012, the cost per housing unit initiated leveled off at \$260, which is \$79 less than the baseline in FY 2010.
- 4/ The FY 2012 result and FY 2013 target reflect the loss of more indexes than previously anticipated as a result of the industry rollups that began with the release of January 2012 outputs and the implementation of the NAICS 2012 classification revisions. The FY 2014 target reflects new aggregation index structures that will cover both final demand and intermediate demand for goods, services, and construction.
- 5/ Beginning in FY 2013, the coverage measures will be based on Census Value of Shipments (VOS), rather than Gross Domestic Product, in order to match the type of values used in PPI's index aggregation weights, and the weight basis will be updated from 1992 to 2007. In addition, the components of coverage have been split out into Goods Produced, Services Produced, and Construction rather than including Construction with Goods Produced.
- 6/ This measure will be replaced in FY 2013 by the measure immediately below it in the table.
- 7/ The number of prices collected can vary significantly from one year to the next, due in part to the volatility of the global economy.
- 8/ The FY 2012 result and FY 2013 target reflect an increase in indexes published monthly due to expanded Locality of Origin (LOO) detail being added to existing indexes with the release of the July indexes in August 2012.
- 9/ In FY 2012, the result differed from the corresponding target due to response rate volatility.

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Workload Narrative

The BLS employs six strategies to ensure that it achieves its outcome goal, and to fulfill the societal need for accurate, objective, relevant, timely, and accessible economic information. The Prices and Cost of Living programs collect, compile, and disseminate a wide variety of information on price change in the U.S. economy, and conduct research and analysis to improve the economic statistics produced. On an annual basis, the BLS identifies individual improvements that can be made by each Budget Activity and which tie to its ongoing strategies. For example, in FY 2014, in support of its strategy to improve the timeliness, accuracy, and relevance of its products and processes, and develop new products that meet the needs of its broad customer base, the BLS will continue development of CE questionnaire changes to keep the survey current with new products and to support CPI requirements. In addition, in support of its strategy to improve data collection processes, maintain high response rates, and optimizing the balance between quality, cost and respondent burden in its data collection programs, the BLS will continue the expansion of reporting price data via the Web to 98 percent of survey respondents.

At the FY 2014 Request level, the BLS will support the Census Bureau in its development of a supplemental statistical poverty measure using CE data. This supplemental measure will be designed to complement rather than to replace the official measure.

A broad overview of the strategies being used to achieve the BLS outcome goal and address the societal need is included in the Overview section beginning on page BLS-12.

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY14 Request / FY 12 Rev. Enacted
11.1	Full-time permanent	\$76,630	\$77,269	\$78,600	\$1,970
11.3	Other than full-time permanent	11,816	11,891	12,010	194
11.5	Other personnel compensation	1,018	1,022	1,054	36
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	89,464	90,182	91,664	2,200
12.1	Civilian personnel benefits	25,940	26,150	26,578	638
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	3,926	3,688	3,736	-190
22.0	Transportation of things	0	0	0	0
23.1	Rental payments to GSA	15,138	15,787	16,452	1,314
23.2	Rental payments to others	24	24	24	0
23.3	Communications, utilities, and miscellaneous charges	808	1,092	1,098	290
24.0	Printing and reproduction	96	64	64	-32
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	5,882	4,069	4,135	-1,747
25.3	Other goods and services from Federal sources 1/	47,587	44,665	46,414	-1,173
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	15,083	18,575	16,654	1,571
26.0	Supplies and materials	511	420	425	-86
31.0	Equipment	1,429	2,432	2,455	1,026
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	\$205,888	\$207,148	\$209,699	\$3,811
1/ Other goods and services from Federal sources					
	Working Capital Fund	\$8,757	\$8,626	\$9,297	\$540
	DHS Services	1,621	1,621	1,638	17
	Census Bureau	36,457	33,456	34,701	-1,756

PRICES AND COST OF LIVING

CHANGES IN FY 2014

(Dollars in Thousands)

Activity Changes

Built-Ins

To Provide For:

Costs of pay adjustments	\$1,128
Personnel benefits	329
One day more of pay	445
Rental payments to GSA	1,422
Working Capital Fund	214
Other Federal sources (Census Bureau)	466
Operation and maintenance of equipment	800

Built-Ins Subtotal **\$4,804**

Net Program **\$2,003**

Direct FTE **9**

	Estimate	FTE
Base	\$207,696	1,101
Program Increase	\$2,500	9
Program Decrease	-\$497	0

NOTE: Base Estimate includes the financing change (NLS repurposing). Base FTE reflects actual FTE.

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BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY 14 Request / FY 12 Rev. Enacted
Activity Appropriation	\$80,391	\$80,883	\$82,128	\$1,737
FTE	387	392	392	5

NOTE: FY 2012 reflects actual FTE. Authorized FTE for FY 2012 was 390.

Introduction

Compensation and Working Conditions programs produce a diverse set of measures of employee compensation; compile work stoppages statistics; compile data on work-related injuries, illnesses, and fatalities; and conduct research to improve the measurement process. The programs fall into two major categories: Compensation Levels and Trends, and Occupational Safety and Health Statistics (OSHS).

Compensation and Working Conditions programs directly support the Department's Vision of *Good Jobs for Everyone*. Specifically, these programs support the DOL Strategic Goal to *Produce timely and accurate data on the economic conditions of workers and their families*, and the Outcome Goal to *Provide sound and impartial information on labor market activity, working conditions, and price changes in the economy for decision making, including support for the formulation of economic and social policy affecting virtually all Americans*. These programs provide support for the Department's vision by producing data for analysis and decision-making, as discussed in the program sections below.

COMPENSATION LEVELS AND TRENDS

Compensation Levels and Trends programs include the National Compensation Survey (NCS) and Work Stoppages Statistics (WSS). The NCS outputs include the Employment Cost Index (ECI), a quarterly measure of wage-push inflation used by many economists and policymakers, and the Employee Benefits Survey (EBS). Data from the EBS tracks trends in employment-based retirement, health care coverage and features, and other benefits. EBS data are frequently used to establish benchmarks when considering changes to national benefits policies. Together with additional data on wages, salaries, and work stoppages, the programs meet general statutory requirements assigned to the BLS (29 U.S.C. 1, 2, and 4) and specific legal requirements, including the requirements of the Federal Employees' Pay Comparability Act of 1990 (FEPCA) [5 U.S.C. 5301-5304].

NATIONAL COMPENSATION SURVEY

The NCS provides comprehensive measures of occupational earnings, compensation cost trends, benefit incidence, and detailed benefit provisions. This includes the ECI and EBS.

- In FY 2014, the BLS will collect data from a sample of about 11,400 private industry establishments and State and local governments providing both wage and benefit

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information. The BLS collects data from a sample of occupations within establishments in private industry and State and local governments through a combination of personal visits, mail, telephone, and electronic contacts.

Employment Cost Index

The ECI measures quarterly changes in total compensation (wages and salaries, and employer costs for employee benefits) for the civilian economy. The ECI coverage includes all private industry, and State and local government workers; and excludes Federal government, farm, household, self-employed, and unpaid family workers. Indexes for compensation, wages and salaries, and benefit costs are available for selected industry and occupational groups and for workers in private industry by bargaining status and geographic region. In addition, the *Employer Costs for Employee Compensation (ECEC)* publication provides quarterly estimates of compensation costs per hour worked for those same categories as well as by establishment employment size, and full- and part-time employment status.

The ECI provides the estimate for the national pay adjustment for Federal General Schedule (GS) workers in compliance with the FEPCA and information from the ECI is used in combination with data from the Occupational Employment Statistics (OES) program to provide estimates of pay by area, occupation, and work level that are used to recommend the locality pay adjustments required under FEPCA. The ECI also provides the basis for pay adjustments for Congress, Federal judges, and top government officials specified in the Ethics Reform Act, as well as the basis for pay adjustments for the military. The Centers for Medicare and Medicaid Services uses the ECI to determine allowable increases in Medicare reimbursements for hospital and physician charges. As part of the Patient Protection and Affordable Care Act (PPACA) of 2010, studies are underway on expanding the use of ECI data for adjustments to Medicare reimbursements. In addition, the Wage and Hour Division uses the ECI to set benefit costs required by the Service Contract Act. Other uses of ECI data include: setting and evaluating monetary policy; macro-economic forecasting; collective bargaining and other pay determinations; estimating compensation in the National Income and Product Accounts; contract cost escalation; and studies on the structure of employee compensation.

- In FY 2014, the BLS will publish 270 indexes and 309 levels quarterly, using a sample of 11,400 establishments.

Employee Benefits Survey

The EBS provides comprehensive data on the incidence and provisions of employee benefit plans in private industry, and State and local governments. The benefits measured by the survey evolve constantly to keep pace with changes in labor market practices. Examples of benefits included are: vacation and sick leave; long-term disability; health and life insurance; retirement plans; and health savings accounts. Incidence measures include the percentage of workers with access to and participating in employer-provided benefit plans, as well as take-up rates, an estimate of the percentage of workers with access to a plan who participate in the plan. The BLS provides data on benefit incidence and provisions by full- and part-time status of employees, bargaining status, wage intervals, goods-producing and service-producing industries,

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establishment employment size, and by Census division. The BLS also provides statistics on both the employee and employer contributions to medical plan premiums. The EBS reports data separately for selected occupational groups in private industry and State and local governments representing virtually all of the total civilian economy.

The varied uses of these data include: benefit administration and program development in public and private sectors; collective bargaining; conciliation and arbitration in the public and private sectors; and Congress and the President's consideration of legislation affecting the welfare of workers, including changes to retirement benefit plans, especially among small employers, and expanded sick leave policies. EBS data were used in developing the general categories of essential health benefits included in the PPACA of 2010 and in studies that provide more details on health care services and limitations applicable to all covered Americans. This information is essential to policymakers because employer-provided benefits are a primary source of health, disability, and retirement plans for American workers.

- In FY 2014, the BLS will analyze 10,000 benefit plans out of a sample of 11,400 establishments.

WORK STOPPAGES STATISTICS

The BLS compiles data on Work Stoppages to meet general statutory requirements assigned to the BLS (29 U.S.C. 4) "to investigate the causes of, and facts relating to, all controversies and disputes between employers and employees." The program produces monthly and annual data on major strikes and lockouts. The BLS collects from secondary sources the number of work stoppages, workers involved, and days idle.

OCCUPATIONAL SAFETY AND HEALTH STATISTICS

OSHS includes the Survey of Occupational Injuries and Illnesses (SOII) and the Census of Fatal Occupational Injuries (CFOI). The Occupational Safety and Health Act of 1970 (29 U.S.C. 673) requires the Secretary of Labor (who, in turn, authorizes the BLS) to compile statistics and to "promote, encourage, or directly engage in programs of studies, information, and communication concerning occupational safety and health statistics and make grants to States or political subdivisions thereof to assist them in developing and administering programs dealing with occupational safety and health statistics." The survey of non-fatal injuries and illnesses and the fatal injury census serve as the Nation's primary public health surveillance system for job-related injuries and illnesses.

The BLS conducts the SOII to estimate the incidence rate and number of workplace injuries and illnesses, and also gathers information on the more seriously injured and ill workers and the circumstances of their injuries and illnesses. The BLS also conducts an annual fatal injury census that compiles a complete roster of job-related fatal injuries, and provides detailed information on the fatally-injured workers and the events or exposures and nature and sources of the injuries leading to their deaths.

OSHS produces a variety of articles and papers highlighting specific aspects of the safety and

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health of the Nation's workplaces and workers. In recent years, these have included new insights concerning occupational injuries, illnesses, and fatalities to specific groups (such as security guards or Hispanic women), in a specific industry (such as maritime or logging), and details of selected types of injuries and illnesses (such as hearing loss or road construction fatalities). Other areas of research have focused on injuries and illnesses that have led to job transfer or restriction, and how industry shifts in hours worked affect nonfatal work injuries and illnesses.

SURVEY OF OCCUPATIONAL INJURIES AND ILLNESSES

The SOII provides injury and illness information by industry, worker characteristics, and the circumstances of the injury or illness. The survey estimates injuries and illnesses and incidence rates by industry, occupation, gender, and age for the Nation and participating States. These estimates cover private industry and State and local government workers.

Government agencies, industry, insurance, academic, public health, labor union, and private researchers analyze these data, as well as the detailed circumstances of the injuries and illnesses, to assess the overall occupational safety and health of workers, and to identify ways to reduce injuries and illnesses, including potential changes in safety and health regulations or programs. Individual establishments compare their rates to those of their industry to benchmark their worker safety and health performance. Other researchers analyze the data to identify particular risks by occupation or event.

- In FY 2014, the BLS will conduct the annual survey in a 50/50 cost-sharing partnership with 42 States, 3 territories, and 1 city participating, and collect the injury and illness data in nonparticipating States through its regional offices to produce national data. Also in FY 2014, the survey will request information, which is based on the records of job-related injuries and illnesses that the Occupational Safety and Health Administration (OSHA) requires many employers to keep and report to its employees annually, from a sample of approximately 240,000 establishments. Additionally, the survey collects detailed information on case circumstances and worker characteristics for approximately 290,000 injury or illness cases that require days away from work, job transfer, or restriction to recuperate.

CENSUS OF FATAL OCCUPATIONAL INJURIES

The CFOI provides detailed information on fatally-injured workers by industry and State, characteristics of workers, and the circumstances leading to their deaths. The program collects data from a wide variety of documents, such as death certificates, medical examiner records, media reports, and reports of fatalities submitted to Federal and State workers' compensation and regulatory agencies. These diverse data sources allow the BLS and its State partners to compile a complete roster of fatal occupational injuries to workers in private and public sector establishments and to the self-employed.

The program provides a comprehensive count of work-related fatal injuries at the national and State level, by industry, occupation, type of incident, and worker characteristics. The detailed data include information on the characteristics of the fatally-injured workers (age, gender, race

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and ethnicity, and occupation), the nature and sources of the injury and the circumstances leading to the fatality. Providing these details allows the BLS and other researchers to produce special analyses on specific types of work-related fatal injuries, such as those associated with mine cave-ins, crane collapses, and explosions, and allows government, business, labor, and researchers to design strategies to reduce fatalities.

- In FY 2014, the BLS will conduct the fatal injury census in a 50/50 cost-sharing partnership with 47 States, 3 territories, and 2 cities. The BLS will collect fatal injury reports for the nonparticipating States and publish data for the Nation.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2009	\$87,281	497
2010	\$88,553	494
2011	\$80,418	439
2012	\$80,391	390
2013	\$80,883	392

NOTE: FY 2012 reflects authorized FTE.

FY 2014

In FY 2014, the BLS will continue the production of core data series and will undertake the following new work in the areas of Compensation and Working Conditions:

In FY 2014, the NCS will continue implementation of a national sample design in order to preserve the reliability of the ECI and EBS, which will be fully operational in FY 2017. Also, the NCS will complete its transition to the 2010 version of the Standard Occupational Classification (SOC) system. With funding from the Social Security Administration (SSA), and depending on the FY 2013 pilot test results, the NCS will complete testing of the requisite data elements, collection materials, and survey protocols to evaluate the feasibility of using the NCS platform to collect updated occupation information. Furthermore, NCS will test the sample design and prepare for full-scale collection.

In FY 2014, the SOII will complete its evaluation of the pilot test to collect detailed case circumstances and worker characteristics for injuries and illnesses that require only job transfer or restriction and determine whether to collect such data in the future. In addition, as part of its efforts to further explore causes of the potential undercount of injuries and illnesses and ways to mitigate it, the SOII will continue to research related topics on an ongoing basis. The initial round of research completed in FY 2012 identified several areas for further study. Ongoing research projects scheduled for completion in FY 2014 include: interviews with a large sample of employers to obtain statistically significant results on various recordkeeping practices (i.e., recordkeeping practices related to temporary workers); automated coding of narrative text fields to improve classification consistency; and additional matching of SOII data to workers'

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compensation records to analyze any undercount trends over time. The BLS will evaluate the results of these projects upon their completion.

FY 2013

Figures shown for FY 2013 reflect the annualized Continuing Resolution (P.L. 112-175) as a full year appropriation, which had not been replaced or amended at the time the budget was produced. In addition, these numbers do not reflect the impact of sequestration. The operating plans for Department of Labor programs for FY 2013 including sequestration are being provided to the Committee in a separate communication.

FY 2012

In FY 2012, the BLS continued the production of core data series and undertook the following new work in the areas of Compensation and Working Conditions:

In FY 2012, the NCS continued implementation of a national sample design in order to preserve the reliability of the ECI and EBS. The NCS continued its transition to the 2010 version of the SOC system. In addition, the NCS continued conversion to an Oracle database, which will allow NCS to be on a more stable database management system, and continued to investigate data collection and validation methods designed to increase operational efficiency and reduce respondent burden. In FY 2012, the NCS released data on the detailed provisions of employment-based health care plans provided to State and local government employees. This was the first time such data had been made available since the late 1990s. Finally, the NCS conducted planning for a FY 2013 pilot sponsored by the SSA to test the feasibility of using the NCS platform to collect occupational information.

The SOII completed its initial research into the causes of the potential undercount of injuries and illnesses and ways to mitigate it. The completed research included matching of data from multiple sources to count amputations and carpal tunnel cases, matching SOII data to workers' compensation, and interviews with employers. Additionally, external researchers submitted final reports confirming the existence of an undercount. As results became available, the SOII began to evaluate whether and how it could improve the completeness of SOII estimates. The initial research identified several areas for further study, which the BLS and several State partners began in 2012. The SOII began a pilot test to collect detailed case circumstances and worker characteristics for injuries and illnesses that require only job transfer or restriction. The SOII completed moving its systems to Web-based applications to enhance usability for its State partners.

The CFOI began publishing more detailed data on the circumstances of fatal injuries and the characteristics of fatally-injured workers, due to the implementation of new confidentiality procedures. CFOI case circumstances data were released using the revised Occupational Injury and Illness Classification System. For the first time, the CFOI collected information on whether fatally-injured workers were contractors. The CFOI also deployed the special tabulations portion of the new Web-based CFOI system.

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DETAILED WORKLOAD AND PERFORMANCE					
		FY 2012 Revised Enacted		FY 2013 Full Year C.R.	FY 2014 Request
		Target	Result	Target	Target
Compensation and Working Conditions					
Strategic Goal 5 - Produce timely and accurate data on the economic conditions of workers and their families.					
Outcome Goal 5.1 - Provide sound and impartial information on labor market activity, working conditions, and price changes in the economy for decision making, including support for the formulation of economic and social policy affecting virtually all Americans.					
BLS 5.1 IND.07	Percentage of <i>timeliness</i> targets achieved for the Compensation and Working Conditions Principal Federal Economic Indicator (PFEL).	100%	100%	100%	100%
BLS 5.1 IND.08	Percentage of <i>accuracy</i> targets achieved for the Compensation and Working Conditions PFEL.	100%	100%	100%	100%
BLS 5.1 IND.09	Percentage of <i>relevance</i> targets achieved for the Compensation and Working Conditions PFEL.	100%	100%	100%	100%
	<u>Principal Federal Economic Indicator</u>				
	<u>Employment Cost Index</u>				
BLS 5.1 ECI.01.W	Number of establishments 1/	11,400	12,200	11,400	11,400
BLS 5.1 ECI.02.T	Percentage of quarterly releases on schedule (4 out of 4)	100%	100%	100%	100%
BLS 5.1 ECI.03.A	Number of quarters that the standard error for the percentage change in the 3-month civilian compensation less incentive paid occupations index is ≤ 0.3	4	4	4	4
BLS 5.1 ECI.04.P	Number of indexes published quarterly (not seasonally adjusted) 2/	278	278	270	270
BLS 5.1 ECI.05.P	Number of levels published quarterly 2/	317	317	309	309
	<u>Other Programs</u>				
	<u>Employee Benefits Survey</u>				
BLS 5.1 EBS.01.W	Number of establishments 1/	11,400	12,200	11,400	11,400
BLS 5.1 EBS.02.P	Number of annual releases 3/	2	3	1	1
BLS 5.1 EBS.03.W	Number of benefit plans analyzed 4/	8,500	7,982	10,000	10,000

COMPENSATION AND WORKING CONDITIONS

		FY 2012 Revised Enacted		FY 2013 Full Year C.R.	FY 2014 Request
		Target	Result	Target	Target
	Work Stoppages Statistics				
BLS 5.1 WSS.01.P	Number of releases of work stoppages statistics	13	13	13	13
	Survey of Occupational Injuries and Illnesses 5/				
BLS 5.1 SOII.01.W	Number of participating States, territories, and cities 6/	45	45	45	46
BLS 5.1 SOII.02.W	Number of establishments surveyed	235,000	241,081	240,000	240,000
BLS 5.1 SOII.03.W	Cases for which case circumstances and worker characteristics are collected and coded 7/	260,000	261,676	290,000	290,000
BLS 5.1 SOII.04.P	Number of national industry estimates produced 8/	24,500	24,398	24,000	24,000
BLS 5.1 SOII.05.P	Number of national estimates produced on the characteristics of the worker and circumstances of the injury or illness	1,800,000	1,867,698	1,800,000	1,800,000
BLS 5.1 SOII.06.A	Percentage of employment for which national estimates are produced: Private Sector	100%	100%	100%	100%
BLS 5.1 SOII.07.A	Public Sector	85%	86%	86%	86%
BLS 5.1 SOII.08.A	The margin of error on the annual estimate of the national incidence rate for total job-related injuries and illnesses at the 95% confidence level (calendar year data)	<±0.10	±0.02	<±0.10	<±0.10
	Census of Fatal Occupational Injuries 9/				
BLS 5.1 CFOI.01.W	Number of participating States, territories, and cities 10/	52	52	52	52
BLS 5.1 CFOI.02.W	Number of source documents 11/	12,000	20,856	20,000	20,000
BLS 5.1 CFOI.03.A	Percentage of employment covered by fatal occupational injury statistics	100%	100%	100%	100%
BLS 5.1 CFOI.04.A	Revisions of the annual count of fatal work-related injuries (as a percentage of the total fatalities-calendar year data)	<±4.0%	3.1%	<±4.0%	<±4.0%

- 1/ The FY 2012 target reflects the long-term plan of the multiyear implementation of the new NCS sample design. NCS will continue to rotate sample groups annually until the new design is fully implemented in FY 2017.
- 2/ The FY 2013 target reflects the new sample design after implementing the alternative approach to Locality Pay Surveys.
- 3/ The EBS exceeded its FY 2012 target due to publishing the benefits incidence and provisions bulletin in September instead of October, as originally planned. Beginning in FY 2013, the EBS no longer is including bulletins in its count of annual releases.
- 4/ The EBS missed its FY 2012 target due to an overestimation of the impact of work being transitioned from the national office to the regions. The FY 2013 and FY 2014 targets reflect the completed reallocation of workload to achieve greater capacity in analysis.

COMPENSATION AND WORKING CONDITIONS

- 5/ The BLS reported results for the 2010 SOII in FY 2012. In FY 2013, the BLS will report results for the 2011 SOII, and in FY 2014, the BLS will report results for the 2012 SOII.
- 6/ The BLS collects data for those States not participating in the Federal/State Cooperative program to produce nationwide estimates. Pennsylvania will participate in collecting data reported in FY 2013, but Florida will no longer participate. Ohio will participate in collecting data reported in FY 2014.
- 7/ Beginning in FY 2013, the target includes additional cases that require only job transfer or restriction.
- 8/ Beginning in FY 2013, the targets reflect a decline due to the suppression of estimates that likely will not meet publication standards.
- 9/ In FY 2012, the BLS reported results for the 2011 CFOI. In FY 2013, the BLS will report results for the 2012 CFOI, and in FY 2014, the BLS will report the results for the 2013 CFOI.
- 10/ The BLS collects data for those States not participating in the Federal/State Cooperative program to produce nationwide counts of fatal work injuries.
- 11/ The FY 2013 and FY 2014 targets for the number of CFOI source documents used to confirm the work-relatedness and circumstances of a fatal injury were increased to reflect the projected number of documents to be used.

Workload Narrative

The BLS employs six strategies to ensure that it achieves its outcome goal, and to fulfill the societal need for accurate, objective, relevant, timely, and accessible economic information. The Compensation and Working Conditions programs produce a diverse set of measures of employee compensation, work stoppages statistics, and work-related injuries, illnesses, and fatalities to inform public and private decision-making. On an annual basis, the BLS identifies individual improvements that can be made by each Budget Activity and which tie to its ongoing strategies. For example, in FY 2014, in support of its strategy to improve the timeliness, accuracy, and relevance of its products and processes, and develop new products that meet the needs of its broad customer base, the BLS will complete its evaluation of the SOII pilot test to collect detailed case circumstances and worker characteristics for injuries and illnesses that require only job transfer or restriction and determine whether to collect such data in the future.

A broad overview of the strategies being used to achieve the BLS outcome goal and address the societal need is included in the Overview section beginning on page BLS-12.

COMPENSATION AND WORKING CONDITIONS

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY14 Request / FY 12 Rev. Enacted
11.1	Full-time permanent	\$37,379	\$37,801	\$38,072	\$693
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	425	428	430	5
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	37,804	38,229	38,502	698
12.1	Civilian personnel benefits	10,880	11,006	11,087	207
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	999	953	953	-46
22.0	Transportation of things	0	0	0	0
23.1	Rental payments to GSA	8,008	8,353	8,636	628
23.2	Rental payments to others	57	57	57	0
23.3	Communications, utilities, and miscellaneous charges	921	1,044	1,044	123
24.0	Printing and reproduction	407	318	318	-89
25.1	Advisory and assistance services	33	33	33	0
25.2	Other services from non-Federal sources	1,336	1,152	1,155	-181
25.3	Other goods and services from Federal sources 1/	7,088	7,240	7,374	286
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	5,019	4,127	4,505	-514
26.0	Supplies and materials	261	261	260	-1
31.0	Equipment	773	1,217	1,214	441
41.0	Grants, subsidies, and contributions	6,805	6,893	6,990	185
42.0	Insurance claims and indemnities	0	0	0	0
	Total	\$80,391	\$80,883	\$82,128	\$1,737
1/ Other goods and services from Federal sources					
	Working Capital Fund	\$5,514	\$5,446	\$5,693	\$179
	DHS Services	1,091	1,091	1,091	0
	Census Bureau	40	40	40	0

COMPENSATION AND WORKING CONDITIONS

CHANGES IN FY 2014

(Dollars in Thousands)

Activity Changes

Built-Ins

To Provide For:

Costs of pay adjustments	\$477
Personnel benefits	140
One day more of pay	188
Rental payments to GSA	753
Other services from non-Federal sources	12
Working Capital Fund	134
Operation and maintenance of equipment	201
Grants, subsidies, and contributions	185

Built-Ins Subtotal **\$2,090**

Net Program **-\$153**

Direct FTE **0**

	Estimate	FTE
Base	\$82,281	387
Program Decrease	-\$153	0

NOTE: Base Estimate includes the financing change (NLS repurposing). Base FTE reflects actual FTE.

PRODUCTIVITY AND TECHNOLOGY

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY 14 Request / FY 12 Rev. Enacted
Activity Appropriation	\$12,013	\$12,086	\$10,313	-\$1,700
FTE	72	75	60	-12

NOTE: FY 2012 reflects actual FTE. Authorized FTE for FY 2012 was 75.

Introduction

Productivity and Technology programs meet several major needs for economic statistics. In the domestic area, data from two of these programs measure productivity trends in the U.S. economy, as well as in major sectors and individual industries. These programs also analyze trends in order to examine the factors underlying productivity change. Another program currently provides comparable measures of productivity, labor force and unemployment, hourly compensation costs, consumer price indexes, and other economic indicators for the United States and other countries. The productivity measurement programs are authorized by an act dated June 7, 1940 (29 U.S.C. 2b), which directs that the BLS “make continuing studies of productivity and labor costs in manufacturing, mining, transportation, distribution, and other industries.” The BLS carries out its mandate to produce impartial and objective essential economic data for the Nation in the area of productivity as described below for each program.

Productivity and Technology programs directly support the Department’s Vision of *Good Jobs for Everyone*. Specifically, these programs support the DOL Strategic Goal to *Produce timely and accurate data on the economic conditions of workers and their families*, and the Outcome Goal to *Provide sound and impartial information on labor market activity, working conditions, and price changes in the economy for decision making, including support for the formulation of economic and social policy affecting virtually all Americans*. These programs provide support for the Department’s vision by producing data for analysis and decision-making, as discussed in the program sections below.

Major Sector Productivity

The BLS develops measures of labor productivity for broad sectors of the economy: business, nonfarm business, manufacturing, and nonfinancial corporations. Data available include quarterly and annual indexes, and percentage changes, for output per hour of all persons and related measures, such as unit labor costs, real and current dollar compensation per hour, and unit nonlabor payments.

In addition, this program develops annual indexes of multifactor productivity and output per unit of capital services, and annual measures of capital services and combined labor and capital inputs. Data from this program provide a comprehensive productivity measure that incorporates capital inputs in addition to labor inputs. The program publishes multifactor productivity measures for the major sectors annually. The program also develops and publishes annual multifactor productivity measures for all manufacturing groups, along with the associated

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measures of output, hours, capital, energy, materials, and purchased services.

These data aid economic policymakers, business leaders, and researchers in analyzing current economic activity. In addition, these data are used as economic indicators; in studies of relationships between productivity, wages, prices, profits, and employment; and as an aid in understanding sources of economic growth. The multifactor data form a basis for research on the sources of productivity advancement and the identification of policy options that can affect the pace of productivity change. In addition, the multifactor data are used to help explain trends in output per hour of all workers.

The BLS uses data from its own programs, and obtains data from the Bureau of Economic Analysis (BEA) and other sources, to calculate productivity and related measures for major sectors of the U.S. economy.

Industry Productivity Studies

The BLS develops annual measures of labor productivity for selected industries. Measures produced include annual indexes and percentage changes for output per hour, output per employee, output, implicit price deflators for output, employment, hours of employees, labor compensation, and unit labor costs.

This program also develops annual measures of multifactor productivity relating output to the combined inputs of capital, labor, and intermediate purchases (energy, materials, and purchased services) for selected industries. Measures of multifactor productivity are available for all 4-digit North American Industry Classification System (NAICS) manufacturing industries, as well as for air transportation and the long-haul railroads industry. Industry productivity measures are used to compare trends in efficiency across industries, to analyze trends in production costs, to examine the effects of technological improvements, and to understand the sources of aggregate productivity growth.

The BLS uses data from its own programs, and obtains data from the Census Bureau and other sources, to calculate productivity and related measures for U.S. industries.

International Labor Comparisons

In FY 2014, the BLS proposes to eliminate the International Labor Comparisons (ILC) program. Currently, the BLS develops international comparisons for key BLS domestic labor statistics, including employment and unemployment, hourly compensation costs, productivity and unit labor costs, and consumer price indexes. The BLS adjusts foreign data to a common framework of concepts, definitions, and classifications. Because the frameworks employed by foreign countries' statistical agencies vary a great deal, this program must make unique and often complex adjustments to each country's data.

The BLS obtains data from U.S. and foreign national statistical agencies and international statistical agencies to calculate international comparisons of labor statistics.

PRODUCTIVITY AND TECHNOLOGY

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2009	\$11,706	78
2010	\$11,904	80
2011	\$12,078	73
2012	\$12,013	75
2013	\$12,086	75

NOTE: FY 2012 reflects authorized FTE.

FY 2014

In FY 2014, the BLS will produce a refocused set of core data series and undertake the following new work in the areas of Productivity and Technology:

Major Sector Productivity (MSP) will continue to convert its data production systems to a more stable software platform. MSP and Industry Productivity Studies (IPS) will collaborate to improve the organization and appearance of the productivity websites shared by the two divisions. In addition, MSP and IPS will continue collaboration with the BEA on production accounts covering the total economy. The BLS proposes to eliminate the ILC program in FY 2014. The savings associated with this reduction will be used to finance other, more critical needs.

FY 2013

Figures shown for FY 2013 reflect the annualized Continuing Resolution (P.L. 112-175) as a full year appropriation, which had not been replaced or amended at the time the budget was produced. In addition, these numbers do not reflect the impact of sequestration. The operating plans for Department of Labor programs for FY 2013 including sequestration are being provided to the Committee in a separate communication.

FY 2012

In FY 2012, the BLS continued the production of core data series and undertook the following new work in the areas of Productivity and Technology:

MSP developed a methodology that harmonizes capital services measures in a production accounts framework at the National Income and Product Account level of industry group detail. In addition, MSP selected a new software platform for conversion of its data production system. IPS developed labor productivity and related measures for two new service industries: Travel Arrangement and Reservation Services and Personal Care Service. Additionally, IPS increased the number of published labor productivity data series for its covered industries to include nominal value of production, labor compensation, and levels of employment and hours of all persons. ILC continued to explore data availability for other countries and added six new series to the

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International Comparisons of Annual Labor Force Statistics.

PRODUCTIVITY AND TECHNOLOGY

DETAILED WORKLOAD AND PERFORMANCE					
		FY 2012 Revised Enacted		FY 2013 Full Year C.R.	FY 2014 Request
		Target	Result	Target	Target
Productivity and Technology					
Strategic Goal 5 - Produce timely and accurate data on the economic conditions of workers and their families.					
Outcome Goal 5.1 - Provide sound and impartial information on labor market activity, working conditions, and price changes in the economy for decision making, including support for the formulation of economic and social policy affecting virtually all Americans.					
BLS 5.1 IND.10	Percentage of <i>timeliness</i> targets achieved for the Productivity and Technology Principal Federal Economic Indicator (PFEI).	100%	100%	100%	100%
BLS 5.1 IND.11	Percentage of <i>accuracy</i> targets achieved for the Productivity and Technology PFEI.	100%	100%	100%	100%
BLS 5.1 IND.12	Percentage of <i>relevance</i> targets achieved for the Productivity and Technology PFEI.	100%	100%	100%	100%
	<u>Principal Federal Economic Indicator</u>				
	<u>Major Sector Productivity</u>				
BLS 5.1 MSP.01.P	Series updated	44	44	44	44
BLS 5.1 MSP.02.T	Percentage of initial and revised quarterly <i>Productivity and Costs</i> releases on schedule (8 out of 8)	100%	100%	100%	100%
BLS 5.1 MSP.03.A	Percentage of business sector output covered by published quarterly labor productivity measures	100%	100%	100%	100%
	<u>Other Programs</u>				
	<u>Industry Productivity Studies</u>				
BLS 5.1 IPS.01.P	Series updated 1/	4,300	4,300	4,300	4,300
BLS 5.1 IPS.02.A	Percentage of industries covered by labor productivity measures 2/	61.5%	62.0%	62.0%	62.0%
	<u>International Labor Comparisons 3/</u>				
BLS 5.1 ILC.01.P	Series updated 4/	61	67	67	--

PRODUCTIVITY AND TECHNOLOGY

		FY 2012 Revised Enacted		FY 2013 Full Year C.R.	FY 2014 Request
		Target	Result	Target	Target
	Other Output Measures				
BLS 5.1 OPT.01.P	Number of industries and sectors with multifactor productivity measures	111	111	111	111
BLS 5.1 OPT.02.P	Major studies, articles, technical papers, and special reports	21	21	21	21

- 1/ The number of labor productivity series updated is based on coverage of NAICS 2-, 3-, 4-, and 5-digit industries, and not 6-digit NAICS industries, because the availability of source data at the 6-digit level is subject to frequent changes.
- 2/ IPS exceeded its FY 2012 target due to the addition of two new NAICS 4-digit industries: Travel Arrangement and Reservation Services, and Personal Care Services.
- 3/ The BLS proposes to eliminate the ILC program in FY 2014.
- 4/ ILC exceeded its FY 2012 target because six new series were published in the *International Comparisons of Annual Labor Force Statistics* report.

Workload Narrative

The BLS employs six strategies to ensure that it achieves its outcome goal, and to fulfill the societal need for accurate, objective, relevant, timely, and accessible economic information. The Productivity and Technology programs produce data on productivity trends in the U.S. economy, as well as major sectors and individual industries, and examine the factors underlying productivity change. On an annual basis, the BLS identifies individual improvements that can be made by each Budget Activity and which tie to its ongoing strategies. For example, in FY 2014, in order to better meet the needs of their customers, the MSP and IPS programs will collaborate to improve the organization and appearance of the productivity websites shared by the two divisions.

At the FY 2014 Request level, the BLS will eliminate the ILC program. The termination of ILC activities will result in the BLS no longer producing 67 series of international comparisons for key BLS domestic labor statistics, including employment and unemployment, hourly compensation costs, productivity and unit labor costs, and consumer price indexes. More information on this program elimination can be found on page BLS-64.

A broad overview of the strategies being used to achieve the BLS outcome goal and address the societal need is included in the Overview section beginning on page BLS-12.

PRODUCTIVITY AND TECHNOLOGY

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY14 Request / FY 12 Rev. Enacted
11.1	Full-time permanent	\$7,209	\$7,255	\$5,893	-\$1,316
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	79	79	66	-13
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	7,288	7,334	5,959	-1,329
12.1	Civilian personnel benefits	2,072	2,085	1,696	-376
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	54	54	47	-7
22.0	Transportation of things	0	0	0	0
23.1	Rental payments to GSA	925	966	999	74
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	37	35	29	-8
24.0	Printing and reproduction	8	8	2	-6
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	102	105	82	-20
25.3	Other goods and services from Federal sources 1/	752	749	762	10
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	630	608	635	5
26.0	Supplies and materials	39	36	21	-18
31.0	Equipment	106	106	81	-25
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	\$12,013	\$12,086	\$10,313	-\$1,700
1/ Other goods and services from Federal sources					
	Working Capital Fund	\$560	\$550	\$573	\$13
	DHS Services	126	126	126	0
	Census Bureau	0	0	0	0

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CHANGES IN FY 2014

(Dollars in Thousands)

Activity Changes

Built-Ins

To Provide For:

Costs of pay adjustments	\$92
Personnel benefits	27
One day more of pay	36
Rental payments to GSA	87
Working Capital Fund	14
Operation and maintenance of equipment	25

Built-Ins Subtotal **\$281**

Net Program **-\$1,965**

Direct FTE **-15**

	Estimate	FTE
Base	\$12,278	72
Program Decrease	-\$1,965	-15

NOTE: Base Estimate includes the financing change (NLS repurposing). Base FTE reflects actual FTE.

EXECUTIVE DIRECTION AND STAFF SERVICES

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY 14 Request / FY 12 Rev. Enacted
Activity Appropriation	\$34,236	\$34,446	\$34,997	\$761
FTE	202	203	203	1

NOTE: FY 2012 reflects actual FTE. Authorized FTE for FY 2012 was 204.

Introduction

Executive Direction and Staff Services provide agency-wide policy and management direction, and centralized program support activities. Major goals of these programs are the development and improvement of economic and statistical programs, efficient management of ongoing programs, and provision of the technical, administrative, information technology, dissemination, and publication services necessary to produce and release statistical and research output in a reliable, secure, timely, and effective manner.

By supporting the statistical programs, Executive Direction and Staff Services enable the BLS to directly support the Department’s Vision of “Good Jobs for Everyone.” Specifically, the BLS supports the DOL Strategic Goal to *Produce timely and accurate data on the economic conditions of workers and their families*, and the Outcome Goal to *Provide sound and impartial information on labor market activity, working conditions, and price changes in the economy for decision making, including support for the formulation of economic and social policy affecting virtually all Americans*.

Office of the Commissioner

The Commissioner and Deputy Commissioner, in cooperation with program and support offices, plan, direct, and manage all BLS activities. The Commissioner and the Deputy Commissioner also represent the agency in both national and international forums, including with the U.S. Congress, the Administration, and economic and statistical organizations.

Administration

The Administrative programs are responsible for planning, executing, and evaluating a broad and responsive management and administrative program that supports the programmatic and technical responsibilities of the BLS. Major functions of this program include budget formulation and execution; budget and performance integration; strategic planning; grants management; accounting and payment services; administrative and management information systems; human resources management; payroll and benefits services; workforce development and training; employee and labor management relations; administration of equal employment opportunity programs; facilities and property management; procurement and contract administration; safety, health, and security; print, mail, and records management; management of statistical confidentiality policy (Confidential Information Protection and Statistical Efficiency Act); management control and oversight; employee ethics; and legal guidance and legislative

EXECUTIVE DIRECTION AND STAFF SERVICES

research.

Technology and Survey Processing

The Technology and Survey Processing program provides overall planning and execution of information technology (IT) activities. This includes the development, management, and operation of systems that are used for collecting, editing, estimating, and tabulating survey data; systems for public access to BLS data; generalized statistical systems; and management information systems. The program is responsible for maintaining and managing the BLS IT infrastructure and ensuring the security of BLS IT systems and data. Numerous BLS programs utilize the Internet Data Collection Facility, a Web-based data collection system that allows survey respondents to have a single entry point when reporting data over the internet, and the BLS Central Storage Facility, a secure, high performance system for sharing, managing, protecting, and backing up data and applications. The program also ensures that IT activities in the BLS are conducted in accordance with the applicable statutes and regulations governing Federal IT activities.

Publications

The Publications program provides overall direction and coordination of the entire range of publications and information dissemination activities of the BLS. Utilizing current technology to improve efficiency and customer service, this program makes the statistical materials and research findings of the agency available to the public and responds to inquiries from the public and the media on a timely basis. Information is available to the public 24 hours a day via the BLS website. Information specialists are available during business hours to answer requests submitted by e-mail, telephone, mail, telecommunications devices for the deaf (TDD), fax, or in person. Data and analyses are reviewed, edited, cleared, and made available in print or online as news releases, periodicals, bulletins, reports, brochures, and flyers. Publications developed or coordinated within this program, including the *Monthly Labor Review*, the *BLS Handbook of Methods*, *The Editor's Desk*, *Spotlight on Statistics*, and the *Customer Service Guide*, provide a general overview of the work of the BLS, technical information about its many programs, and comprehensive analyses that cut across program lines.

Survey Methods Research

The Survey Methods Research program evaluates the effectiveness and soundness of the survey methods currently used by BLS programs, investigates alternative methods to determine their appropriateness for BLS programs, and develops new methods for improving the efficiency and quality of BLS programs. It also conducts research on cross-program issues, consults with program offices on an ongoing basis, and supports ongoing improvement activities for the major statistical programs.

The program consists of two parts: the Behavioral Science Research Center and the Mathematical Statistics Research Center. Research conducted by the Behavioral Science Research Center concentrates on the measurement and reduction of nonsampling error through, for example, questionnaire design studies, investigations into respondent-interviewer

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interactions, usability studies of computer assisted data collection systems, the development of response-level data quality measures, and focus-group studies of various stakeholders for BLS statistical programs. Research conducted by the Mathematical Statistics Research Center concentrates on the measurement and reduction of sampling and nonsampling error through, for example, the development of more efficient sample designs, evaluations of alternative estimators, modeling time series for the purpose of seasonal adjustment, model-based estimation, and investigating alternative methods for handling missing data. In support of the BLS website, dissemination-related research activities conducted by this program address the areas of human-computer interaction, information seeking and retrieval, disclosure limitation, knowledge management, and data that describe other data (i.e., metadata).

Field Operations

The Field Operations program consists of a national office component and six regional offices. The national office provides overall operations planning and allocates workload and resources to regional offices. It monitors and evaluates national operation performance, provides technical direction and training, and provides collection expertise to other programs as they plan their survey approaches. The regional offices manage their workload and resources as assigned to complete various tasks, such as collecting survey data, providing and administering Federal/State grants, monitoring and evaluating State work on BLS grants, and disseminating region-specific data and information.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2009	\$33,261	209
2010	\$33,793	213
2011	\$34,342	210
2012	\$34,236	204
2013	\$34,446	203

NOTE: FY 2012 reflects authorized FTE.

FY 2014

In 2014, the Executive Direction and Staff Services programs will continue to provide agency-wide policy, management direction, and administrative support services to all programs.

FY 2013

Figures shown for FY 2013 reflect the annualized Continuing Resolution (P.L. 112-175) as a full year appropriation, which had not been replaced or amended at the time the budget was produced. In addition, these numbers do not reflect the impact of sequestration. The operating plans for Department of Labor programs for FY 2013 including sequestration are being provided to the Committee in a separate communication.

EXECUTIVE DIRECTION AND STAFF SERVICES

FY 2012

In FY 2012, the Executive Direction and Staff Services programs provided agency-wide policy, management direction, and administrative support services to all programs.

EXECUTIVE DIRECTION AND STAFF SERVICES

DETAILED WORKLOAD AND PERFORMANCE					
		FY 2012 Revised Enacted		FY 2013 Full Year C.R.	FY 2014 Request
		Target	Result	Target	Target
Executive Direction and Staff Services					
Strategic Goal 5 - Produce timely and accurate data on the economic conditions of workers and their families.					
Outcome Goal 5.1 - Provide sound and impartial information on labor market activity, working conditions, and price changes in the economy for decision making, including support for the formulation of economic and social policy affecting virtually all Americans.					
BLS 5.1 IND.13	Average number of Internet site user sessions each month (Dissemination).	6,900,000	8,149,686	7,800,000	8,000,000
BLS 5.1 IND.14	Measure customer satisfaction with the BLS website (Mission Achievement).	75	77	75	75
BLS 5.1 ED.01	Percentage of timeliness of reporting new injuries 1/ 2/	100%	100%	--	--
BLS 5.1 ED.02	Percentage of employees retained throughout entire career ladder 2/	79%	78%	--	--
BLS 5.1 ED.03	Provide a current and reliable computing infrastructure for BLS programs / Maintain LAN reliability	≥99.00%	99.99%	≥99.00%	≥99.50%
BLS 5.1 ED.04	Cost per transaction of the Internet Data Collection Facility 2/	\$0.36	\$0.28	--	--
BLS 5.1 ED.05	Maintain high quality financial records: Receive no more than three audit findings	≤3	0	≤3	≤3
BLS 5.1 ED.06	Number of outreach activities 3/	350	286	350	350
BLS 5.1 ED.07	Number of people reached through outreach activities 4/	20,500	25,086	20,500	20,500

- 1/ To be considered on-time, a claim must be filed with the Office of Workers' Compensation Programs in the required 10 workdays (or 14 calendar days) from the date the claim is received from the employee.
- 2/ This measure is discontinued in FY 2013.
- 3/ BLS missed its target in FY 2012 primarily due to a decrease in the number of speaking engagements compared to FY 2011. The number of speaking engagements can vary from year to year. Interest in BLS data fluctuates with the behavior of the data and with developments in the economy and society.
- 4/ BLS exceeded its target in FY 2012 due to several C-SPAN segments. The result includes a conservative estimate of the number of viewers of C-SPAN segments, as C-SPAN does not measure actual audience size.

EXECUTIVE DIRECTION AND STAFF SERVICES

Workload Narrative

The BLS employs six strategies to ensure that it achieves its outcome goal, and to fulfill the societal need for accurate, objective, relevant, timely, and accessible economic information. On an annual basis, the BLS identifies individual improvements that can be made by each Budget Activity and which tie to its ongoing strategies. For example, in FY 2014, in support of its strategy to inform current and potential customers about the availability and uses of its products, as well as reach out to customers to better understand their needs for economic information, the BLS will continue tracking outreach efforts. The primary goals of BLS outreach efforts are to increase awareness of the BLS brand, to disseminate BLS products and services more effectively, to increase the usefulness of those products to current and new customers, and to maintain and improve response to BLS surveys.

A broad overview of the strategies being used to achieve the BLS outcome goal and address the societal need is included in the Overview section beginning on page BLS-12.

EXECUTIVE DIRECTION AND STAFF SERVICES

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2012 Revised Enacted	FY 2013 Full Year C.R.	FY 2014 Request	Diff. FY14 Request / FY 12 Rev. Enacted
11.1	Full-time permanent	\$20,054	\$20,184	\$20,386	\$332
11.3	Other than full-time permanent	143	145	147	4
11.5	Other personnel compensation	247	247	249	2
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	20,444	20,576	20,782	338
12.1	Civilian personnel benefits	5,825	6,206	6,058	233
13.0	Benefits for former personnel	56	56	56	0
21.0	Travel and transportation of persons	311	295	295	-16
22.0	Transportation of things	0	0	0	0
23.1	Rental payments to GSA	1,900	1,982	2,049	149
23.2	Rental payments to others	10	10	10	0
23.3	Communications, utilities, and miscellaneous charges	277	282	282	5
24.0	Printing and reproduction	97	34	34	-63
25.1	Advisory and assistance services	41	0	0	-41
25.2	Other services from non-Federal sources	691	610	610	-81
25.3	Other goods and services from Federal sources 1/	1,274	1,255	1,272	-2
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	2,597	2,560	2,969	372
26.0	Supplies and materials	226	176	176	-50
31.0	Equipment	487	404	404	-83
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	\$34,236	\$34,446	\$34,997	\$761
1/ Other goods and services from Federal sources					
	Working Capital Fund	\$707	\$680	\$712	\$5
	DHS Services	461	461	461	0
	Census Bureau	0	0	0	0

EXECUTIVE DIRECTION AND STAFF SERVICES

CHANGES IN FY 2014

(Dollars in Thousands)

Activity Changes

Built-Ins

To Provide For:

Costs of pay adjustments	\$258
Personnel benefits	75
One day more of pay	102
Federal Employees' Compensation Act (FECA)	128
Rental payments to GSA	179
Working Capital Fund	17
Operation and maintenance of equipment	125

Built-Ins Subtotal **\$884**

Net Program **-\$54**

Direct FTE **0**

	Estimate	FTE
Base	\$35,051	202
Program Decrease	-\$54	0

NOTE: Base Estimate includes the financing change (NLS repurposing). Base FTE reflects actual FTE.