

2013 Annual Survey of Public Employment & Payroll Methodology

The U.S. Census Bureau sponsors and conducts this annual survey of state and local governments as authorized by Title 13, United States Code, Sections 161 and 182.

The survey measures the number of federal, state, and local civilian government employees and their gross payrolls for the pay period including March 12, 2013.

Population of Interest

The population of interest for this survey includes the civilian employees of all the Federal Government agencies (except the Central Intelligence Agency, the National Security Agency, and the Defense Intelligence Agency), all agencies of the 50 state governments, and 90,690 local governments (i.e., counties, municipalities, townships, special districts, and school districts) including the District of Columbia.

Content of the Survey

The survey provides state and local government data on full-time and part-time employment, part-time hours worked, full-time equivalent employment, and payroll statistics by governmental function (i.e., elementary and secondary education, higher education, police protection, fire protection, financial administration, central staff services, judicial and legal, highways, public welfare, solid waste management, sewerage, parks and recreation, health, hospitals, water supply, electric power, gas supply, transit, natural resources, correction, libraries, air transportation, water transport and terminals, other education, state liquor stores, social insurance administration, and housing and community development).

The survey provides Federal Government data on total employees, full-time employees, and total March payroll by governmental function. There is no detail available for part-time employment, part-time hours worked, full-time equivalent, or full-time or part-time employee payrolls. Three functions apply only to the Federal Government and have no counterpart at the state and local government levels: national defense and international relations, postal service, and space research and technology.

The questionnaires that were used to collect these data can be viewed at <[GET FORMS](#)> on the Survey of Public Employment & Payroll Website.

Critical definitions include the following:

Employment: Employment refers to all persons gainfully employed by and performing services for a government.

Employees: State and local government employees include all persons paid for personal services performed, including persons paid from federally funded programs, paid elected or appointed officials, persons in a paid leave status, and persons paid on a per meeting, annual, semiannual, or quarterly basis. Unpaid officials, pensioners, persons whose work is performed on a fee basis, and contractors and their employees are excluded from the count of employees. For federal employees, employee counts are the on-board "head count" as of the end of the report period. The data collected for this survey include all federal civilian employees, including seasonal and intermittent employees, and employees on foreign assignments residing outside the 50 states and the District of Columbia. Employees of the Central Intelligence Agency, the National Security Agency, and the Defense Intelligence Agency are not included in any of the data presented by government function. Federal judges, members of Congress and their staffs, employees of the Congressional Budget Office, and elected (with the exception of the President) and appointed officials of the Executive Branch are included. Employees of non-appropriated funds of defense activities are not classified as federal employees; therefore, they are excluded.

Full-time employees: Full-time employees are defined to include those persons whose hours of work represent full-time employment in their employing government.

Part-time employees: Part-time employees are those persons who work less than the standard number of hours for full-time work in their employing government.

Full-time equivalent: Full-time equivalent (FTE) is a computed statistic representing the number of full-time employees that could have been employed if the reported number of hours worked by part-time employees had been worked by full-time employees. This statistic is calculated separately for each function of a government by dividing the "part-time hours paid" by the standard number of hours for full-time employees in the particular government and then adding the resulting quotient to the number of full-time employees.

Payroll: Payroll amounts represent gross payrolls for the 1-month period of March (31 days). The gross payroll includes all salaries, wages, fees, commissions, bonuses, or awards paid to employees during the pay period that includes the date of March 12. Payroll amounts reported for a period other than 1-month are converted to represent an amount for the month of March. All payroll figures are represented in current whole dollars and have not been adjusted for inflation.

Conversion of a reported payroll to a payroll amount that would have been paid during a 31-day month is accomplished by multiplying the reported payroll by an appropriate factor. For example, a 2-week payroll is multiplied by 2.214, a 1-week payroll is multiplied by 4.429, and a twice-a-month payroll is multiplied by 2.000.

Part-time hours: These data represent the number of hours worked by part-time employees during the pay period. Note: These data are not collected for publication but rather are used to calculate full-time equivalent employment data.

Data Collection

Confidentiality

The data that are collected in this survey are public record and are not confidential¹.

Dates of Collection

The following are important dates in the data collection process:

| | |
|---------|---|
| 03/2013 | Initial mail-out |
| 04/2013 | Reminder letter mail-out |
| 05/2013 | Follow-up mail-out |
| 12/2014 | Preliminary release to Census Bureau Internet |
| 04/2016 | Revisions released to Census Bureau Internet |

Methods

Data in these files are based on information obtained in the Annual Survey of Public Employment & Payroll. Census Bureau staff compiled Federal Government data from records of the U.S. Office of Personnel Management. Forty-six of the state governments provided data from central payroll records for all or most of their agencies/institutions. Data for agencies and institutions for the remaining state governments were obtained by mail canvass questionnaires. Local governments were also canvassed using a mail questionnaire. However, elementary and secondary school system data in Delaware, Florida and North Dakota were supplied by special arrangements with the state government in each of these states. All respondents receiving the mail questionnaire had the option of completing the survey using a web-based survey instrument developed for reporting the data. The online survey instrument was completed by 24.2% of the state-level responding units and 72.9% of the local government respondents.

Sample Design

The 2013 sample for the Annual Survey of Public Employment & Payroll consists of the 50 state governments and a sample of local governments. The sample of local governments was selected from the 2007 Census of Governments: Employment Component (CoG-E) and was updated annually with births (units that did not exist in 2007). A two-stage sample was designed to produce state-by-type of government estimates with a relative standard error of three percent or less for FTE employees and total payroll. In the first stage, the sample design is stratified probability proportional to size (PPS). In the second stage, a modified cut-off sample method was used to reduce the number of small townships and

¹ Title 13, United States Code, Section 9(b).

special districts. At the time of sample selection, there were 90,690 local governments on the sampling frame.

Units satisfying the following criteria were automatically included in the sample with a probability of 1.0000. These certainty units represent themselves only.

- All county governments with a 2007 population of 100,000 or more.
- All municipalities with a 2007 population of 75,000 or more.
- All townships with a 2007 population of 50,000 or more.
- All independent school districts with a 2007 enrollment of 10,000 or more.
- All special districts meeting at least one of the following criteria:
 - FTE of 1,000 or more,
 - All water utilities (function code 91) in the state of Connecticut,
 - All electric utilities (function code 92) in the states of Maine, New Hampshire, Rhode Island, Utah, and Wisconsin,
 - All gas utilities (function code 93).

All other units were given a probability of selection proportional to the total payroll of the unit. Prior to sample selection, the sampling frame was stratified by state and type of government (county, city, township, special district, school district). For special districts, the sampling frame was sorted by function code within strata. (Note: See Chapter 12 of the [2006 Classification Manual](#) for the categories for classifying Employment data.)

Prior to the 2013 mail-out, the sampling frame was updated with newly discovered births. All city, county, township, and school district births were added to the sample with a probability of selection of 1.0000. Special districts were included with certainty if they met the certainty criteria mentioned above. The remaining special districts were sorted by function code and state, and then sampled systematically at a rate of 1 in 25.

Weighting

The weight for each unit in the sample is the reciprocal of that unit's probability of being selected into the sample. The weight was obtained by the modified cut-off PPS sampling method. The value of total payroll was used as the unit's measure of size.

Sample size

The 2013 sample contains 10,838 state and local governments. Of the total number of governments in the sample, approximately 0.5 percent are states, 13.4 percent are counties, 33.9 percent are cities and townships, 31.7 percent are special districts, and 20.5 percent are school districts. All 50 state governments, all Hawaii local units, and the District of Columbia are certainty units with a weight of 1.0000.

Data Processing

Editing

Editing is a process that tries to ensure the accuracy, completeness, and consistency of survey data. Efforts are made at all phases of collection, processing, and tabulation to minimize reporting, keying, and processing errors.

Although some edits are built into the Internet data collection instrument and the data entry programs, the majority of the edits are performed post collection. Edits consist primarily of two types: (1) *consistency edit* and (2) a *ratio edit*.

The *consistency edits* check the logical relationships of data items reported on the form. For example, if a value exists for employees for a function then a value must exist for payroll also. If part-time employees and payroll are reported then part-time hours must be reported and vice versa.

For each function reported for the employees, the *ratio edits* compare data for the number of employees and the average salary between reporting years. If data fall outside of acceptable tolerance levels, the item is flagged for review. Additional checks are made comparing data from the Survey of State and Local Government Finances to data reported on the Survey of Public Employment & Payroll to verify that if employees are reported on the Survey of Public Employment & Payroll at a particular function the government also reported a corresponding expenditure on the Survey of State and Local Government Finances.

For *ratio edits* and *consistency edits*, the edit results are reviewed by analysts and adjusted as needed. When the analyst is unable to resolve or accept the edit failure, contact is made with the respondent to verify or correct the reported data.

Imputation

Not all respondents answer every item on the questionnaire. There are also questionnaires that are not returned despite efforts to gain a response. Imputation is the process of filling in missing or invalid data with reasonable values in order to have a complete data set for estimating state and national totals.

For nonresponding general purpose governments, dependent and independent school districts, and for special district governments, the imputations were based on recent historical data from either a prior year annual survey or the 2012 Census of Governments: Employment Component, if available. These data were adjusted by a growth rate that was determined by the growth of responding units that were similar (in size, geography, and type of government) to the nonrespondent. If there were no recent historical data available, the imputations were based on the data from a randomly selected responding donor that was similar (based on the same criteria) to the nonrespondent. For general purpose governments, and for dependent and independent school districts, the selected

donor's data were adjusted by dividing each data item by the population (or enrollment) of the donor and multiplying the result by the nonrespondent's population (or enrollment).

Estimation

Estimation is the process by which sample data are used to project the value of an unknown quantity in a population. In the publications for employment statistics, total full-time employment, total full-time payroll, total full-time equivalent employment, total part-time employment, total part-time payroll, total part-time hours, and their coefficients of variation are published. Estimates of totals are calculated for each state-by-function "cell" (e.g., Corrections for Minnesota). To calculate estimates at such a detailed level, small area estimation is used. We employed a hybrid approach to small area estimation that is based on a combination of various estimation methods. Hybrid estimates can be obtained from the 2013 sample data and data from the 2012 Census of Governments: Employment Component.

There are three methods in the hybrid approach, and the method that works best for each cell is used. First, the Horvitz-Thompson (HT) estimator is a weighted sum of the sample data. Intuitively, each unit in the sample represents itself and possibly many other units. To calculate the HT estimate, each data point in the sample is multiplied by the number of units it represents, and then these values are summed. Second, the Empirical Best Linear Unbiased Prediction (EBLUP) estimator is based on a mixed linear model that uses 2012 data as covariates. The EBLUP estimate equals the unweighted sum of the sample data plus predicted values for the out-of-sample units. Third, the synthetic estimator is based on a Decision-Based estimator of the state total and the assumption that employment in 2013 is proportional to employment in 2012 for the same state and function. See the "For Further Information" section for papers related to these three estimation methods.

These methods have different tradeoffs. The HT estimator has no bias (the expected value equals the true value), but it can be sensitive to units with large weights. The model-based EBLUP estimator can be biased, but it often performs very well, especially when the underlying model is justified. Similarly, the synthetic estimator can have a large bias, but it often has lower variance than that of the HT estimator and can be used even if no sample data are available for the cell.

Sampling Variability

The data that are provided come from a sample rather than a census of all possible units. The particular sample that was selected is one of a large number of possible samples of the same size and sample design that could have been selected. A different sample would have yielded different estimates. The estimated coefficient of variation, which is provided for each estimate, is an estimate of this sampling variability. In this tabulation, the coefficients of variation

are expressed as percentages. The coefficient of variation (CV) is the ratio of the standard error to the expectation of the estimate. We used a Taylor series method to estimate the standard errors.

State government employment and payroll data are not subject to sampling error. Consequently, state and local government estimates for individual states are more reliable statistically than the local government only estimates.

Data Quality

Nonsampling Errors

Although every effort (as described in the Data Processing section) is made in all phases of collection, processing, and tabulation to minimize errors, the sample data are subject to nonsampling errors (such as, inability to obtain data for every variable from all units in the sample, inaccuracies in classification, response errors, misinterpretation of questions, mistakes in keying and coding, and coverage errors). These same errors may be evident in census collections and may affect the Census of Governments data used to adjust the sample during the estimation phase and used in the imputation process.

Modal Distribution

Each respondent that received a mail questionnaire had the option of returning the paper questionnaire, reporting data using a website developed for reporting data electronically, or working directly with staff members to report over the phone, fax or email. In addition, some governments have developed alternative reporting arrangements, known as central collection. The following table shows the response rate by mode for state and local governments that reported to the 2013 Annual Survey of Public Employment & Payroll.

| | State Governments | Local Governments |
|---------------------------|--------------------------|--------------------------|
| Web | 24.2% | 72.9% |
| Paper | 9.9% | 21.2% |
| Central Collection | 64.8% | 1.0% |
| Other | 1.1% | 4.9% |

Overall Unit Response Rate

The overall unit response rate to the 2013 Annual Survey of Public Employment & Payroll was 81.3 percent. All unit response rates are well above the 60 percent Census Bureau's quality standard. All of the 50 state governments responded to the survey. The key variables for the survey are total employment and total payroll. The unit response rate was calculated for each state as well as for the total U.S., and gives the percentage of the units in the eligible universe that actually responded to the survey.

For 2013, weighted response rates are published for each item. This rate is calculated by dividing the weighted value of the item as reported by respondents by the weighted value of the item reported for respondents and imputations for nonrespondents.

Total Quantity Response Rate

The Total Quantity Response Rate (TQRR) is the percentage of the estimated total obtained from directly reported and equivalent quality data. It is calculated separately for each state and key variable, where the key variables for the survey are total employment and total payroll. The TQRR is computed as the weighted sum of the respondent data divided by the weighted sum of the respondent and imputed data. This result is then multiplied by 100. Files of the unit response rates and TQRR's for all states are available in the Response Rate Tabulations section below.

The Census Bureau's quality standard on releasing data products requires a 70 percent TQRR for the key variables. However, the state and local estimates of Louisiana, Massachusetts, Nebraska, New Jersey, New Mexico, and Washington failed to meet the 70 percent TQRR standard for at least one of the key variables.

For the state governments, there are eight states (Maryland, Minnesota, Missouri, Nebraska, New Mexico, North Carolina, North Dakota, and Virginia) that are noncompliant for at least one TQRR key variable.

For the local estimates, there are twelve states (Colorado, Connecticut, Louisiana, Massachusetts, Michigan, Montana, New Hampshire, New Jersey, South Dakota, Tennessee, Vermont and Washington) that are noncompliant for at least one TQRR key variable.

Response Rate Tabulations

[State & Local Response Rates](#) [TXT, 4KB] – Unit Response Rates and Total Quantity Response Rates (TQRR's), by state, for state and local governments combined

[State Response Rates](#) [TXT, 4KB] – Unit Response Rates and Total Quantity Response Rates (TQRR's), by state, for state governments

[Local Response Rates](#) [TXT, 4KB] – Unit Response Rates and Total Quantity Response Rates (TQRR's), by state, for local governments

Response Rate Notice for the 2013 Annual Survey of Public Employment & Payroll - (Please read [this notice](#) concerning the Government Response Rates) – [PDF, 268KB]

For Further Information:

Barth, Joseph, Yang Cheng, and Carma Hogue. "[Reducing the Public Employment Survey Sample Size](#)," Joint Statistical Meetings, 2009

Cheng, Yang, Casey Corcoran, Joseph Barth, and Carma Hogue. "[An Estimation Procedure for the New Employment Survey Design](#)," Joint Statistical Meetings, 2009

Cheng, Yang, Eric Slud, and Carma Hogue. "[Variance Estimation for Decision-Based Estimators with Application to the Annual Survey of Public Employment and Payroll](#)," Joint Statistical Meetings, 2010

Tran, Bac and Brian Dumbacher. "An Evaluation of Different Small Area Estimators for the Annual Survey of Public Employment and Payroll," Joint Statistical Meetings, 2014

Tran, Bac and Yang Cheng. "[Application of Small Area Estimation for Annual Survey of Employment and Payroll](#)," Joint Statistical Meetings, 2011