



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548



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HUMAN RESOURCES
DIVISION



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B-210510

FEBRUARY 2, 1983

The Honorable Lee H. Hamilton
Chairman, Subcommittee on Economic
Goals and Intergovernmental Policy
Joint Economic Committee
Congress of the United States

Dear Mr. Chairman:

Subject: The Equal Employment Opportunity Commission's
Progress in Meeting Goals Set Under the Paper-
work Reduction Act of 1980 (GAO/HRD-83-35)

In response to your January 26, 1982, letter and subsequent discussions with your office, we obtained information on the paperwork burden imposed on the non-Federal sector by the Equal Employment Opportunity Commission (EEOC). Specifically, your office requested information on the nature and extent of paperwork burden reductions claimed by EEOC under the Paperwork Reduction Act of 1980 (44 U.S.C. 3501, et seq.) and on EEOC's methodology for estimating its paperwork burden. We briefed your office on these matters in September 1982.

Several changes have been made to EEOC's reporting requirements that have resulted in paperwork burden reductions which exceed the reduction goals established by the act. In addition, EEOC officials told us that the agency intends to review its major data collection requirements. Although the primary objective of EEOC's review will be to reexamine the type of employment data needed to effectively enforce equal employment opportunity programs, minimizing the employer burden will also receive consideration.

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EEOC's paperwork burden estimates are based primarily on staff judgment with limited analytical support. Although we could not fully determine the estimates' validity from EEOC files, your office agreed that further work to validate the burden estimates for current reporting requirements would not be necessary at this time because of EEOC's planned reassessment.

The information we obtained on these matters is summarized below.

PAPERWORK BURDEN IMPOSED BY EEOC

EEOC is the leading Federal agency for enforcing Federal equal employment opportunity laws and regulations. As part of its enforcement activities, it has established reporting and recordkeeping requirements that impose a significant paperwork burden on the non-Federal sector. However, under the Paperwork Reduction Act, EEOC is trying to reduce the paperwork burden.

EEOC was created by title VII of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000e), to enforce the act's prohibitions against employment discrimination on the basis of race, color, religion, sex, or national origin in employee classification, selection, hiring, upgrading, benefits, layoffs, or any other condition of employment. EEOC's jurisdiction under title VII extends to virtually all non-Federal employers with 15 or more employees, including private companies, State and local governments, and educational institutions.

EEOC estimates that its reporting and recordkeeping requirements impose an annual paperwork burden of about 3.2 million hours. About 91 percent of the burden is imposed on employers by requiring them to (1) submit general employment reports and (2) maintain records on employee selection procedures. The remaining burden results from special purpose forms which generally request EEOC services, such as applications for processing employment discrimination complaints. These special purpose forms are filed primarily by individuals, not by employers.

The general employment reports account for about 1 million hours, or about 32 percent, of EEOC's estimated fiscal year 1983 paperwork burden. The reports are submitted by private employers, labor unions, State and local governments, public elementary and secondary school systems and districts, and institutions of higher education. They generally provide breakdowns of employers' workforces by race, national origin, and sex for specific job categories or salary levels.

Recordkeeping required by the Uniform Guidelines on Employee Selection Procedures (29 CFR 1607) accounts for about 1.9 million hours, or about 59 percent, of EEOC's estimated 1983 paperwork burden. These guidelines describe how tests should be used to make employment decisions which are consistent with Federal equal employment opportunity laws. They require employers to collect, maintain, and analyze data on job applicants by sex and various racial and ethnic groups and to maintain records showing whether their employment tests adversely affect any members of these groups. The guidelines do not require information to be submitted to EEOC.¹

The Office of Management and Budget (OMB) is primarily responsible for controlling Federal paperwork. As part of its efforts to control this burden, OMB reviews and approves an agency's requests for information from non-Federal sources. Agencies must explain why the information is needed and how it will be used. They must also provide (1) an estimate of the time it will take a respondent to collect and maintain the data and, if required, prepare a response; (2) the number of responses to be filed annually; and (3) the number of respondents. There may be more responses than respondents because employers, depending on their size, may be required to file more than one report. The total burden is calculated by multiplying the hours per response by the number of responses or, if no response is required, by multiplying the time to collect and maintain the data by the number of respondents. OMB also requires agencies to submit information collection budgets which report an agency's total annual burden hours and show any reductions made.

The Paperwork Reduction Act, intended to strengthen the paperwork control process, has a major goal of minimizing the paperwork burden imposed by the Federal Government. The act, effective April 1, 1981, directed OMB to set a goal to reduce the then-existing Federal information collection burden by 25 percent by the end of fiscal year 1983. OMB has applied this goal to each agency.

¹The guidelines' recordkeeping requirements have been designated for review by the Presidential Task Force on Regulatory Relief. Also, GAO has recommended that the guidelines be reviewed and revised. See our report entitled "Uniform Guidelines on Employee Selection Procedures Should Be Reviewed and Revised" (GAO/FPCD-82-26, July 30, 1982).

The base OMB uses for measuring progress in meeting the burden reduction goal is the paperwork burden known to have been in effect when the act was passed. In setting the base for EEOC, OMB used EEOC's fiscal year 1980 burden estimate, established in July 1980. This base estimate does not include the burden associated with the employee selection guidelines. An OMB official explained that, when EEOC developed this estimate, OMB did not require agencies to include a recordkeeping burden not associated with reporting in their paperwork burden estimates. However, according to OMB, the act specified that such a recordkeeping burden must be included, and as a result, the guidelines' burden is now included in EEOC's present paperwork burden estimates. Therefore, despite the paperwork burden reductions which have been made from the 1980 base, EEOC's reported burden in 1983 is larger than that reported in 1980.

OBJECTIVES, SCOPE, AND METHODOLOGY

As agreed with your office, the objectives of our review were to determine (1) the nature and extent of EEOC's paperwork burden reductions made under the Paperwork Reduction Act and (2) EEOC's methodology for estimating its paperwork burden.

We performed our review in accordance with generally accepted government auditing standards. We conducted our review primarily at EEOC's headquarters in Washington, D.C., where we interviewed agency officials and reviewed report files, information collection budgets, and other documents. We also interviewed the OMB official responsible for reviewing EEOC's information collection requests and information collection budgets, and we reviewed OMB's files on EEOC reports. Finally, we reviewed the current law and OMB's guidelines regarding paperwork reduction. We performed our work from May through September 1982.

We relied on estimates provided by EEOC regarding burden hours and the number of respondents and responses associated with each of its reports for fiscal years 1980 and 1983. As agreed with your office, we did not validate the accuracy of these estimates because EEOC plans to reassess and possibly change its general employment reports, making further validation efforts inappropriate at this time. However, as your office requested, we examined the bases for EEOC's burden estimates for two of its general employment reports.

ESTIMATED REDUCTIONS
IN PAPERWORK BURDEN

Since the implementation of the Paperwork Reduction Act, EEOC has made a number of changes to reduce the burden of its reporting requirements. Most of the reduction has been through changes in its general employment reports.

Our analysis of EEOC's paperwork estimates show that its fiscal year 1983 paperwork burden is 1,339,049 hours, excluding the burden associated with the employee selection guidelines, or 800,217 hours less than the 2,139,266 hours it reported in fiscal year 1980. However, EEOC estimated an actual reduction of only 695,875 hours, or about 32.5 percent, from its fiscal year 1980 burden.² The difference of 104,342 hours between our analysis and EEOC's estimated reduction is primarily a result of EEOC's subsequent reestimate of the burden associated with several of its reports. The majority of the adjustment involved the Employer Information Report (EEO-1). EEOC reduced this report's estimated burden by 100,000 hours based on a revised list of employers required to file the report. OMB did not recognize the adjustments as reductions, but rather considered them to be improved estimates of the actual burden imposed in fiscal year 1980. The actual reduction is about 34 percent if calculated against the reestimated fiscal year 1980 burden.

About 99 percent (692,050 hours) of the 695,875-hour reduction resulted from changes made in the seven general employment reports EEOC required when the Paperwork Reduction Act was implemented. EEOC achieved the remaining 1 percent (3,825 hours) of its reduction by decreasing the burden associated with five of its special purpose forms. Four of these forms pertain to EEOC's provision of technical assistance to private attorneys who prosecute or are interested in prosecuting civil rights cases. EEOC anticipates that recent program changes will result in fewer requests for technical assistance, thereby reducing the total burden associated with the forms. The fifth form was a one-time questionnaire for studying the impact of Federal equal employment opportunity programs.

²Estimates include a 266,500-hour annual reduction in the Employer Information Report (EEO-1) proposed by EEOC to be effective in fiscal year 1983. This proposal was presented as an alternative to an OMB decision to collect the data on a biennial basis which would have reduced the report's annual burden by 450,000 hours. OMB approved the proposal on December 21, 1982. The enclosure summarizes these issues.

Of the seven general employment reports required in 1980, two were eliminated, and the burden associated with the others was reduced. The two eliminated reports required information on participants in apprenticeship programs. These reports were discontinued because OMB determined that EEOC's need for these data could be met without requiring annual reports. EEOC achieved burden reductions in the other five reports through decreasing either the length, reporting frequency, or the number of respondents required to report. It made these reductions as a result of its own analyses or because it was directed to do so by OMB. (See the enclosure for a summary of the burden reductions made to EEOC's employment reports.)

METHODS USED TO ESTIMATE BURDEN

Because EEOC's burden estimates are used for measuring progress in reducing the paperwork burden, your office requested that we determine the methodology EEOC used in estimating the burden for two of its employment reports--the Employer Information Report and the Higher Education Staff Information (EEO-6) report. Although the estimates for the reports are based primarily on staff judgment, EEOC officials believe that they accurately reflect the burden imposed.

Employer Information Report burden estimate

Until fiscal year 1983 EEOC estimated that the Employer Information Report placed an annual burden of 900,000 hours on businesses. According to EEOC, the report covered about 45,000 employers, each employer completed an average of four reports annually, and each report took an average of 5 hours to file. Beginning in fiscal year 1983, EEOC reduced the number of reports employers must file for individual establishments, thereby reducing the annual burden to 633,500 hours.

In supporting documentation presented to OMB (then the Bureau of the Budget) when the report was initially approved in 1966, EEOC noted that many of the form's questions did not require extended thought or investigation by employers, and that requested employment data could be obtained by making a visual survey of employees. Although EEOC stated that there was no way to determine the time employers would need to complete the reports, it provided examples of two visual surveys as an indication of the burden involved. In one example, an EEOC official was able to prepare a tally on the race and sex of about 100 EEOC employees in less than 30 minutes. In another example, the official conducted a visual survey of 1,000 apprentices in the

New York City electrical industry in less than 2 hours by visiting various classrooms at the apprentice school. EEOC stated that these two examples provided some idea of the time involved in making visual surveys in a small, relatively compact work group and in a larger, scattered group.

In discussing the Employer Information Report's burden estimate with us, EEOC officials expressed confidence that it is a reliable estimate of the average time employers need to collect data and complete the report. They added, however, that the actual time may vary depending on such factors as employer size, sophistication of personnel systems, and experience in filing the report. According to the officials, the report does not impose an undue burden because small employers may visually survey their employees to obtain the required data, and most larger employers have computerized employment data which are easily accessed and transferred to the report form.

Higher Education Staff
Information report burden estimate

The higher education report is filed biennially by about 3,000 institutions of higher education. EEOC estimates that the report imposes a burden of 12,000 hours each year it is filed. When the report was first required in 1975, EEOC estimated its burden to average 5 hours for each institution, but noted that the burden could vary from 1 to 10 hours, depending on the institution's number of employees and organizational complexity. EEOC based this 5-hour estimate on a limited pretest³ and a comparison with another of its employment reports used to obtain employment data from State and local governments.

According to EEOC's initial supporting documentation prepared in 1975, discussions with pretest respondents indicated that the burden of the higher education report ranged from 5 to 10 hours, depending on the particular personnel record system of the institution. Additionally, EEOC said that its experience with the State and Local Government Information (EEO-4) report suggested that the 5- to 10-hour range was a reasonably good estimate. EEOC noted that the government information report had an estimated burden of 8 hours and was roughly comparable in length and complexity to the higher education report. EEOC

³The pretest was sent to nine institutions, but only three responded by actually completing the pretest forms. The others failed to return the forms or submitted computer printouts of employment data.

further noted that, because many colleges and universities are State affiliated, their personnel systems could be expected to closely mirror those of State governments in terms of completeness and sophistication.

EEOC said it had little reason to doubt the burden estimate, even in the initial filing year, in cases where the institution's personnel system contained most of the data elements needed. It further said that the estimate would be reasonable for all institutions in subsequent years once they had experience with the form.

In 1981, EEOC decreased the amount of data requested on the higher education report by about 30 percent and reduced its burden estimate from 5 to 4 hours per response. EEOC said it was reasonable to assume that the reporting burden would be reduced 20 percent. (See enclosure I for a summary of the change in requested data.)

In discussing the burden estimates for the higher education report, EEOC officials told us that the time required for an institution to file the report the first time may exceed the burden hour estimate. Subsequent filings, however, should be less burdensome as institutions are essentially updating the previous year's reports. Additionally, the officials said that many colleges' and universities' personnel systems are maintained in a manner which allows them to respond easily to this information request.

EEOC'S DATA REASSESSMENT PLANS

Toward the end of our work, the Director of EEOC's Office of Program Research (which after EEOC's October 1, 1982, reorganization is responsible for employment data collection) told us that one of the office's major goals for fiscal year 1983 is to review all the data collected by the employment reports. According to the director, the review objective will be to reassess the type of employment data EEOC and other Federal agencies need to effectively enforce equal employment opportunity laws and regulations. The director said that the reporting burden placed on the non-Federal sector will be an important consideration in the review. He told us that he will make recommendations to the agency's commissioners for any report changes warranted by the review results. He further said that if the employment reports' information requirements are changed, the burden estimates will be changed accordingly.

AGENCY COMMENTS

We obtained oral comments from the EEOC official designated by the agency to respond to this report. EEOC commented that the report correctly identifies the burden reductions the agency has made under the Paperwork Reduction Act and its methodology for estimating the paperwork burden. EEOC also commented that in administering its enforcement activities it has minimized the paperwork burden on most small employers by collecting data primarily from employers with 100 or more employees rather than from all employers over which it has jurisdiction under title VII of the Civil Rights Act--those with 15 or more employees. EEOC further said that many employers would collect and maintain equal employment opportunity data, even if not required by EEOC, for their own use in nondiscrimination enforcement and litigation activities.

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Copies of this report are being sent to the Chairman, EEOC; the Director, OMB; and other interested parties.

Sincerely yours,

Edward A. Blensmore

for

Philip A. Bernstein
Director

Enclosure

EEOC'S ESTIMATED BURDEN REDUCTIONS IN EMPLOYMENT REPORTSUNDER THE PAPERWORK REDUCTION ACT

Title of report	Number of respondents		Number of responses		Burden hours per response		Frequency of collection		Total burden hours		
	FY 80	FY 83	FY 80	FY 83	FY 80	FY 83	FY 80	FY 83	FY 80	FY 83	Net change
Employer Information Report (EEO-1)	45,000	45,000	180,000	126,700	5	5	annual	annual	900,000	633,500	a/-266,500

Abstract: This report is required by both EEOC and the Department of Labor's Office of Federal Contract Compliance Programs, which enforces equal opportunity requirements relating to Federal contractors. This report is filed annually by private employers with 100 or more employees and Federal contractors with 50 employees and a contract of \$50,000 or more. It provides for reporting total employment by race/ethnic group, sex, and job category. The employment statistics provide the basis for research and analysis of the use of minorities and women in industry. Until fiscal year 1983, employers doing business at more than one establishment filed a report for each establishment employing 25 or more persons. EEOC uses the data to investigate charges of employment discrimination in the private sector and to support EEOC decisions and program activities. The Office of Federal Contract Compliance Programs uses the data in its monitoring, litigation, and compliance activities. The data are also shared with other Federal agencies.

Change: On November 5, 1982, OMB disapproved the collection of these data on an annual basis because it said the burden imposed upon employers is unnecessary and excessive. According to OMB, EEOC had not demonstrated a need to collect the data on an annual basis and had apparently been unable to make full use of the data collected during fiscal year 1982. OMB said that EEOC could collect the data during fiscal year 1984 and in succeeding even-numbered fiscal years.

EEOC appealed this decision to the Director of OMB. EEOC said the inability to collect the data annually would have serious negative effects on its ability to carry out its mandate. The Office of Federal Contract Compliance Programs stated that changing to biennial reporting would seriously weaken its enforcement activities, but would not appreciably reduce the reporting burden of contractors and subcontractors.

As an alternative to the biennial filing requirement EEOC proposed to raise the filing requirement for separate establishment reports from 25 to 50 employees. EEOC said this would reduce the number of forms filed by multiestablishment companies by 53,300, resulting in a burden reduction of 266,500 hours annually. OMB approved this alternative proposal on December 21, 1982.

Title of report	Number of respondents		Number of responses		Burden hours per response		Frequency of collection		Total burden hours		Net change
	FY 80	FY 83	FY 80	FY 83	FY 80	FY 83	FY 80	FY 83	FY 80	FY 83	
Apprenticeship Information Report (EEO-2)	5,000	0	5,000	0	2	0	annual	-	10,000	0	-10,000
<p>Abstract: This report was filed annually by joint-management apprenticeship committees. The report provided apprenticeship data by race, ethnic group, sex, trade, and year of apprenticeship. EEOC used the data in investigating employment discrimination charges against apprenticeship training programs and provided the data to other Federal agencies and State and local governments that have data-sharing agreements with EEOC.</p> <p>Change: OMB disapproved this report in May 1982 because it determined that EEOC's need for apprenticeship data could be served with less cost and burden to the public with a recordkeeping rather than a reporting requirement. EEOC is currently considering regulations requiring that apprenticeship programs (1) retain data previously collected on the EEO-2 and (2) certify that the data will be supplied upon EEOC's request.</p>											

Apprenticeship Information Report (EEO-2E)	4,000	0	4,000	0	2	0	annual	-	8,000	0	-8,000
<p>Abstract: This report was filed annually by private employers who had 100 or more employees and who conducted and controlled apprenticeship programs with five or more apprentices per establishment. EEOC used the data in investigating employment discrimination charges against apprenticeship training programs and provided the data to other Federal agencies and State and local governments that had data-sharing agreements with EEOC.</p> <p>Change: OMB disapproved this report in May 1982 because it determined that EEOC's need for apprenticeship data could be served with less cost and burden to the public with a recordkeeping rather than a reporting requirement. EEOC is currently considering regulations requiring that apprenticeship programs (1) retain data previously collected on the EEO-2E and (2) certify that the data will be supplied upon EEOC's request.</p>											

Title of report	Number of respondents		Number of responses		Burden hours per response		Frequency of collection		Total burden hours		
	FY 80	FY 83	FY 80	FY 83	FY 80	FY 83	FY 80	FY 83	FY 80	FY 83	Net change
Local Union Report (EEO-3)	25,000	3,000	25,000	3,000	1.5	1.5	annual	annual	37,500	4,500	-33,000

Abstract: This is an annual report designed to obtain data to enable EEOC to perform its statutory responsibilities regarding unfair employment practices of labor organizations. The data are shared routinely with other Federal agencies. Until 1982, the report was filed by all local unions--referral and nonreferral unions alike--with 100 or more members. Referral unions directly influence entry into a job or trade by referring individuals to employers for hiring. Nonreferral unions have no direct influence and little or no indirect influence on hiring. Until 1982, the EEO-3 required referral unions to provide race, ethnic group, and sex data, while it required nonreferral unions to provide no information other than confirmation that they were not referral unions; that they had over a hundred members; and that they did not wholly exclude women, blacks, and Hispanics.

Change: Because of budgetary restraints, the report is now filed only by referral unions. EEOC's Office of Systemic Programs recommended this change because data previously collected on nonreferral unions were no longer useful. According to that Office, nonreferral unions can be identified through methods other than the EEO-3, and because nonreferral unions have no direct influence on hiring, if discrimination is occurring within a firm it is likely to be due to employer--not union--practices.

State and Local Government Information (EEO-4) report	5,700	5,700	45,600	28,500	8	7	annual	annual	364,800	199,500	-165,300
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Abstract: Until 1981, this report was filed annually by all State and local governments with 100 or more employees, and on a rotating sample basis by smaller governments with 15 to 99 employees. It provides for reporting employment data by race, ethnic group, sex, job category, and annual salary for each government function, such as "health" or "housing." These data are intended to provide a picture of the workforce composition and salary distribution of governments. EEOC uses these data in its enforcement activities. The data are also used by other Federal agencies that administer equal employment opportunity programs involving State and local governments.

Change: Effective with the 1981 report, requirements were changed to allow small governments with less than 250 employees to file one aggregate report, instead of one report for each government function. According to EEOC, this change was designed to reduce the burden on smaller local governments and entails very little overall loss of local or total government information.

Title of report	Number of respondents		Number of responses		Burden hours per response		Frequency of collection		Total burden hours		
	FY 80	FY 83	FY 80	FY 83	FY 80	FY 83	FY 80	FY 83	FY 80	FY 83	Net change
Elementary-Secondary Staff Information (EEO-5) report	7,500	7,500	82,500	82,500	5	5	annual	biennial	412,500	206,250	-206,250

Abstract: This report is used jointly by EEOC, the Department of Education's Office for Civil Rights, and the National Center for Education Statistics. It requires employment data by race, ethnic group, sex, and assignment classification for public elementary and secondary school systems and districts. Before 1982, the report was required annually from school districts with 100 or more employees and from smaller districts (15 to 99 employees) on a sample basis. EEOC uses the data to investigate charges of employment discrimination against public school districts.

Change: Since 1982, this report has been required biennially. OMB and EEOC agreed that this change should be made to reduce the reporting burden imposed on school districts. The reports will be filed in coordination with other Department of Education biennial data requirements.

Higher Education Staff Information (EEO-6) report

Higher Education Staff Information (EEO-6) report	3,000	3,000	3,000	3,000	5	4	biennial	biennial	15,000	12,000	b/-3,000
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Abstract: Biennial filing of this report has been required since 1975 from institutions of higher education with 15 or more full-time employees. The report requires employment data on full-time workers by salary classes, part-time workers, and new hires. Groups are reported by race, ethnic group, sex, and job category. EEOC uses the data in its enforcement activities, and shares the data with other Federal agencies, particularly the Department of Education's Office for Civil Rights and Labor's Office of Federal Contract Compliance Programs.

Change: EEOC's analysis of previous report data indicated that reporting by contract length (i.e., 9 to 10 months or 11 to 12 months) was not necessary for any occupational classifications except "faculty". Therefore, about 30 percent of the report's data cells were eliminated by deleting the contract length distinction for all job classifications except "faculty," thereby reducing the burden associated with this report by 20 percent.

a/In August 1981 Labor's Office of Federal Contract Compliance Programs proposed numerous changes to its regulations, including no longer requiring contractors with less than 100 employees to file this report. EEOC estimates that this would decrease the report's annualized burden by 50,000 hours. However, on July 29, 1982, the Office of Federal Contract Compliance Programs informed EEOC that publication of its revised regulations had been delayed and that this change could not be made until the final regulations are issued.

b/Estimates represent a biennial burden.