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Staff study by Victor L. Lowe, Director, General Government Div.

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Important paperwork and statistical issues facing the Government and the public, including individuals, businesses, and State and local governments, are identified. Statistical issues are concerned with the planning methodology, collection, analysis, tabulation, dissemination, use, and potential use of statistics. Paperwork issues involve the burden placed on those outside the Federal Government who are asked or compelled to supply information to the Government for any reason.

Findings/Conclusions: The statistical and paperwork implications of data collection from non-Federal sources have evolved into four broad issue areas or lines of effort: enhancing the utility of information collected by the Government from non-Federal sources, reducing the burden of the Government's information demands, improving management controls over Government information collection efforts, and carrying out GAO's responsibilities under the Federal Reports Act. These issues and related subissues were identified as part of a continuing reassessment of important national issues. The study was prepared as an internal guide to aid GAO in the statistics and paperwork areas. (RRS)

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STUDY BY THE STAFF OF THE U.S.

General Accounting Office

Data Collected From Non-Federal Sources--Statistical And Paperwork Implications

This study identifies and describes important paperwork and statistical issues facing the Federal Government as well as the public--individuals, businesses, State and local governments, and others.

Statistical and paperwork implications of data collected include needs for:

- improving the uses the Government makes of information it collects from non-Federal sources;
- reducing the burden of the Government's information demands;
- improving the Government's management controls over information it collects; and
- carrying out GAO's responsibilities under the Federal Reports Act.

In its original form the study was prepared as a guide to aid GAO work in the statistics and paperwork areas. It is hoped that others will find it helpful in their activities.

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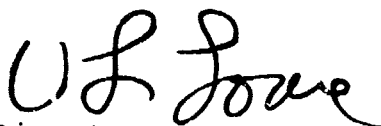
FORWARD

The statistical and paperwork implications of data collected from non-Federal sources have, from our perspective, evolved into four broad sub-issues:

- enhancing the utility of information collected by the Government from non-Federal sources;
- reducing the burden of the Government's information demands;
- improving management controls over Government information collection efforts; and
- carrying out GAO's Federal Reports Act responsibilities.

We have identified these issues as part of our continuing reassessment of important national issues and as an aid to focusing our own objectives and efforts in areas that are most in need of attention. This study identifies and describes what we believe are the important paperwork and statistical issues facing the Government as well as the public--individuals, businesses, State and local governments, and others. This study, in its original form, was prepared as an internal guide to aid our work in the statistics and paperwork areas. We hope that others will find it helpful in their own activities.

This study was developed by the General Government Division with the cooperation of other divisions and offices. Questions regarding the study should be directed to Associate Director Arnold P. Jones, who has overall responsibility for this area (275-5710), or to Assistant Director Theodore C. Gearhart (275-0030) for statistical issues and Assistant Director John M. Lovelady (275-3532) for regulatory reports and paperwork management issues.



Director
General Government Division

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CHAPTER 1

INTRODUCTION

The issue area "Data Collected From Non-Federal Sources--Statistical and Paperwork Implications" deals with two closely related matters. Stated simply, the statistical side concerns the Government's need for economic and social indicators to fulfill its role as policymaker, program manager, and regulator. The paperwork side concerns the burden placed on those who must supply the Government with information, balanced against the Government's information needs.

A casual reading of the newspaper or a glance at the evening news will confirm the importance of Federal statistics in the economic life of the Nation. Favorable or unfavorable economic news affects Government fiscal and monetary policies; triggers Federal aid programs, pension benefits, and wage increases; alters business decisions; impacts the stock market; measures the effectiveness of Government programs and administrations, etc.

While often less visible, other Federal statistics--health, crime, agriculture, population, education--cause similar ripples within their community of interest.

In a speech on June 13, 1977, the late Senator Hubert Humphrey summed it up well:

"When you have been involved in the public policy-making business as long as I have, you learn the value and importance of timely, accurate and uniform statistics. Without such information, public policy-making is no more than a guessing game based upon one's own personal observations."

He went on to list the major problems of this country's statistical system:

- The organizational structure is fragmented (108 agencies collect economic data).
- Its advocacy is weak and its funding grossly inadequate.
- Unnecessary duplication of effort abounds.
- Data quality varies greatly.
- Statistics lack comparability and compatibility.

This listing of problems is by no means complete. It's significance is that it comes from one who has had occasion to rely on Government statistics. Similar criticisms have come from those who have worked within the statistical system. This came through clearly at our March 1977 Conference on Auditing Government Statistics.

The Government's appetite for information about its citizens and their activities is insatiable, placing a massive burden on the public. Moreover, the problem is not new. It is interesting to note that the Federal Reports Act--the Government's principal attempt to enhance the usefulness of information it collects and minimize the burden of its information demands--was enacted in 1942. The size of Government and the number of agencies collecting data has proliferated since then. As the Federal Government's role expands, as it provides more services and conducts more programs, its need for information grows. In March 1976, President Ford told department and agency heads:

"Regardless of how necessary a program administrator or agency head may believe reports to be, the American people believe that they are too many, too long, too frequent, and take too much time to fill out. We simply have to reduce the Federal Government's reporting burden on the public."

The objectives of the Government's programs to improve the data it collects and minimize the impact on the public have stood the test of time and provide the framework around which this study is organized. Information collected from non-Federal sources should be

- collected and tabulated in a manner to maximize the usefulness of the information to Federal agencies and the public,
- obtained with a minimum of burden on those who must furnish data, and
- necessary for the proper performance of an agency's function.

From this simple statement of purpose the problem of achieving the objectives gets more complex. The users and uses of Government statistics are many; balancing respondent burden against user need is extremely vexing; and improving the Government's administrative machinery to insure that only necessary information is gathered in the most effective way is difficult.

Past GAO audits dealing specifically with the issue area have been relatively few. That is not to say that no work has been done. Some 37 reports in the past 4 years contained recommendations to improve the information upon which managers make program decisions. However, many of the recommendations were largely a fallout of program effectiveness reviews. (Appendix III is a listing of recommendations from these reports.)

Many others, outside of GAO, have been concerned with the Government's statistical system and information-gathering processes. Most notable are the Commission on Federal Paperwork and the President's Commission on Federal Statistics. Other Government efforts include the followup and reporting by the Office of Management and Budget (OMB) on actions being taken to implement Commission recommendations; the transfer, in October 1977, of statistical policy functions from OMB to the Department of Commerce; and OMB announcing in February 1978 the President's Reporting Burden Reduction Program for fiscal year 1978.

The public too is organizing its efforts. A "Citizens Committee on Paperwork Reduction" has been formed to monitor the Government's actions on the recommendations of the Commission on Federal Paperwork. In addition, a "Forum on Regulation" is being established with a goal of assessing and improving the Government's regulatory processes.

The results of the Commission on Federal Paperwork and the Commission on Federal Statistics have been of value to us in defining our 12 lines of effort and designating seven as priority lines of effort. We also drew heavily from the views expressed at our Conference on Auditing Government Statistics. We will continue to seek the advice and assistance of the experts who attended the conference.

CHAPTER 2

BOUNDARIES OF THE ISSUE AREA

"Pogo" defines organization as a system where everyone isn't looking in the same place at the same time. Because the scope of the issue area is so broad, some working definition of the area is needed. In arriving at one we've found it best to dissect the issue area into pieces.

Overall, we are dealing with data collected by the Federal Government from non-Federal sources--individuals, businesses, State and local governments, etc. Everything else is excluded. The major legislation relating to this issue area is included in Appendix I.

THE STATISTICAL PERSPECTIVE

On the statistical side we are concerned with the planning methodology, collection, analysis, tabulation, dissemination, use, and potential use of statistics. The programs and products of the "pure" statistical agencies fall within this issue area, as do the efforts of the Cabinet level Statistical Policy Coordination Committee, the Department of Commerce, and others who coordinate statistical programs and improve the quality of Government statistics.

In addition, program data generalized beyond the specific program uses for which they were collected are included. To illustrate, the Customs Service collects information on imports as part of its responsibility for assessing duties and taxes on imports. The data collected is a major input in the compilation of United States balance of trade statistics.

Many Federal agencies are involved in producing Federal statistics. Fifty-four Federal agencies have all or a portion of their budgets designated for statistical programs. In fiscal year 1978 over \$690 million will be expended for Federal statistical activities.

The agencies involved can be grouped into four categories according to their principal statistical activities:

1. a central coordinating agency to prevent duplication, achieve balance, and develop procedures for an integrated system of governmental statistics;

2. five general purpose statistical collection agencies whose primary function is the collection, compilation and publication of statistics in specific fields for general use;
3. analytic and research agencies which use statistics collected by other agencies for interpretive purposes including preparation of composite measures; and
4. administrative and regulatory agencies which collect statistics primarily as a by-product of their administrative and operating responsibilities.

The Statistical Policy Coordination Committee is to " * * * advise and assist the President with respect to the improvement, development, and coordination of Federal and other statistical services * * * ." It is chaired by the Secretary of Commerce and composed of the Secretaries of the other departments, the Attorney General, Chairman of the Council of Economic Advisors, the OMB Director, and the Chairman of the Board of Governors of the Federal Reserve System.

In addition to the Cabinet-level committee, the Office of Federal Statistical Policy and Standards within the Department of Commerce is responsible for developing and coordinating statistical policy and developing and implementing statistical standards and guidelines. This Office is responsible for assuring the integrity, accuracy, and timeliness of Federal statistics. The Office of Federal Statistical Policy and Standards serves as liaison on statistical matters between agencies and international organizations. It also assumes the lead in formulating recommendations to the OMB Director on the statistical budgets of the agencies.

The general purpose statistical agencies are the Bureau of the Census, Department of Commerce; the Bureau of Labor Statistics, Department of Labor; the Statistical Reporting Service, Department of Agriculture; and the National Center for Health Statistics and National Center for Education Statistics, Department of Health, Education and Welfare. The Bureau of the Census is the largest of the general purpose agencies and conducts the major censuses authorized by law. In addition, because of its expertise, the Bureau performs surveys for many other agencies.

Analytic and research agencies analyze both government and non-government statistics and produce estimates, analyses, and forecasts about the United States economy. The principal

agencies are the Council of Economic Advisors; the Economic Research Service, Department of Agriculture; the Board of Governors of the Federal Reserve System; and the Bureau of Economic Analysis and the Domestic and International Business Administration of the Department of Commerce.

Executive branch and independent regulatory agencies often collect statistical data in the course of their operations. While some data is of only limited interest to agencies and individuals other than the collecting agency, other data collected provides important general purpose statistical information. Examples include much of the data compiled by the Social Security Administration as an adjunct to its day to day program activities; unemployment statistics drawn from records maintained by the Employment and Training Administration, Department of Labor; and statistics on income, expenses, business revenues, estates, and trusts generated by the Internal Revenue Service.

The Office of Federal Statistical Policy and Standards and the Federal statistical agencies have established a number of advisory groups to provide advice on different aspects related to the statistical programs. The Office has chartered 19 interagency committees which will (1) contribute to standards development and the design of integrated statistical programs, (2) reduce interagency conflict through cooperation and coordination, and (3) fulfill statistical needs of the area. In addition, certain advisory committees assist the statistical agencies in their statistical activities.

From time to time ad hoc commissions and groups have been formed to deal with different aspects of statistics and statistical organizations. These commissions result from executive branch initiatives, non-Federal group interests, or legislation.

THE PAPERWORK PERSPECTIVE

Our principal concern with paperwork is the burden placed on those outside the Federal Government asked or compelled to supply information to the Government for any reason. The Commission on Federal Paperwork has stated that the total costs are difficult to determine but, as best as it could estimate, more than \$100 billion a year is spent on Federal paperwork. There is another cost that has to be reckoned with--the psychological cost--measured by the attitude of the public toward the Government and its information requests. Increasingly, agencies are having a difficult time obtaining voluntary responses from the public, receiving data of questionable reliability, and being challenged on their right to collect the data.

The amount of paper per se, and the amount of time to actually record information on the paper, frequently is not great. The difficulty arises because the burden extends to the efforts to compile the information.

Other difficulties include the potential effect on the supplier of the data within the Federal Government, and whether or not personal or proprietary data will be made available to the general public.

An example of GAO's involvement with one highly controversial program serves to illustrate the scope and complexity of paperwork problems.

GAO's Regulatory Reports Review Staff has been involved with the Federal Trade Commission's Line of Business report since 1974. The report is designed to obtain information from about 475 of the Nation's largest corporations on their revenues, costs, and profits, broken out by "lines-of-business." Many corporations have resisted providing the information requested through every means available, including the Federal courts. As a basis for their resistance, they have questioned the need for the information, its usefulness, its accuracy and reliability, and the feasibility of developing it. They have asserted that the underlying structure of the report violates sound accounting and economic principles, that the cost of preparing it far outweighs any potential benefits, that to some degree it duplicates information collected by the Census Bureau, and that its availability to the public would damage competitive positions. In one form or another, litigation regarding the Line of Business report has been in the courts since 1974.

The form itself, while by no means simple, consists of 13 pages accompanied by approximately 25 pages of instructions. Notably, not one corporation has complained about the sheets of paper involved.

This example, although an unusually controversial one, serves to highlight the major "paperwork implications" of this issue area:

- developing and compiling data to go on forms is the primary source of burden on respondents,
- agencies often view their need for data in a particular format to automatically outweigh any burden on respondents providing the data,

--agencies are reluctant to use or are constrained from using data available elsewhere in the Federal Government,

--existing controls over Federal data gathering activities are subject to question, and

--the uses to be made of data collected are of great concern to those who must provide it.

With this concept of paperwork in mind, paperwork problems are a part of virtually all Government programs.

Paperwork Controls

For many years, the Federal Government's principal paperwork control mechanism has been the forms clearance process under the Federal Reports Act. This process, administered by OMB for most executive agencies and independent regulatory agencies until 1973, consists of a review of proposed information-gathering requirements to insure that the desired information is needed, that it is not duplicative of information already available in the Federal Government, and that it is obtained with minimum burden on those who have to provide it.

In November 1973, the Federal Reports Act was amended by the Trans-Alaska Pipeline Authorization Act. This amendment shifted responsibility for reports clearance for "independent Federal regulatory agencies" from OMB to GAO. GAO was given authority only in the areas of respondent burden and duplication--and that authority is ambiguous, at best. Final determination of the need for information was left to the discretion of the regulatory agencies.

We have had many problems in carrying out this task, which were summarized in a May 28, 1976, report to the Congress (OSP-76-14). This report included a recommendation that the Congress reassign GAO's reports clearance responsibilities to an executive agency responsible for the entire clearance function, preferably OMB. Alternatively, we recommended other options designed to clarify and strengthen the authority of the clearance agency. None of these recommendations have been acted upon.

One advantage of having a portion of the clearance responsibility is the fact that we have gained first-hand experience in trying to control the proliferation of Federal

paperwork, using a similar, albeit less effective, tool than that available to OMB. This experience, coupled with the results of two studies of the OMB process and several reviews of regulatory agencies' internal control systems, leads us to conclude that there are inherent limitations on the effectiveness of the clearance process as a means for controlling the growth of Federal paperwork.

We believe the best way to improve controls over paperwork is to focus on individual agency systems for developing information-gathering requirements. The central clearance process is a classic case of "too little, too late."

Growing Interest In The Paperwork Process

There have been a number of recent events which will impact on our work. First, the Commission on Federal Paperwork concluded its work in October 1977, reporting on practically every facet of paperwork activity. Second, OMB has begun to followup on agency implementation of Commission recommendations. Third, the public has begun to organize its efforts to assess and improve the Government's paperwork process.

The Commission estimates it developed about 800 recommendations addressing a broad range of Government activities through its 37 reports. (Reports of the Commission are identified in Appendix II.) Some recommendations, directed at departments and agencies, cover primarily program issues. These recommendations include proposals for legislative action by the Congress and the departments as well as administrative actions which can be implemented by agency administrators alone, such as changing data blocks on forms. Some have Government-wide applicability. These range from centralizing paperwork activities under a new cabinet-level department to decentralizing, or licensing, reports approval by departmental clearance units. The Commission also directed a number of recommendations at GAO. We have taken action to implement most of these. However, a few will require further work. GAO endorses the principal message of the Commission's studies that Federal Government paperwork and reporting burdens are not being properly managed and that comprehensive changes are sorely needed in the policies, practices, and procedures now employed.

The law establishing the Commission requires OMB, in coordination with the executive agencies, to

- formulate the executive agencies' views on the Commission's recommendations;
- carry out the Commission's recommendations in which they concur to the extent practicable within the limits of their authority and resources; and
- propose legislation needed to carry out or to provide authority to carry out other Commission recommendations in which they concur.

OMB is to report to the Congress and the President at least every 6 months on the status of action taken or to be taken and to submit its final report within 2 years. OMB plans to submit its first report in May 1978.

Recent public moves to organize its efforts include the creation of a Citizens Committee on Paperwork Reduction and a "Forum on Regulation." The Citizens Committee on Paperwork Reduction is composed of citizens in the private and public sectors and was formed in January 1978. The major purposes of the Committee will be to encourage implementation of the Paperwork Commission's recommendations; support and coordinate activities of interested groups; develop, support, and disseminate better methods to control paperwork and measure compliance costs; and influence legislation and regulations which would reduce paperwork. The Committee plans to focus its major effort on high priority issues identified for legislative and executive actions.

The Forum on Regulation was announced by congressional members on January 25, 1978. The Forum is to be a comprehensive 2-year program to assess and improve the Federal regulatory process. The Forum will survey the regulatory issue and obtain suggestions of what might be done to improve the overall process, define what can be done, test specific principles for improvement, and seek public support to bring about needed changes. Leaders from business, labor, academia, consumers, and the media will be asked to support the program.

The paperwork burden issue is a continuing one and the Congress will need to be kept advised long beyond OMB's 2-year reporting period on the Commission's recommendations. We will therefore be working with various interested committees to determine the additional reporting and followup work needed on the Commission's recommendations.

LINES OF EFFORT

As can be seen this issue area is quite broad and extremely challenging. We developed three groupings of related lines of effort and a separate line of effort for the Federal Reports Act responsibility. The interrelationships are such that we do not envision that any single line of effort will be the only aspect reviewed in individual assignments. Yet the lines of effort are constructed so each could serve as the principal focus for any assignment undertaken.

The groupings and lines of effort follow:

- I. Enhancing the Utility of Information Collected by the Government from Non-Federal Sources
 - A. Is information published by the Government reliable and accurate, and does it reflect what is meant to be measured? (priority)
 - B. Is information accessible to users, and disseminated in a timely manner and proper format to promote maximum use? (priority)
 - C. Is data collected by the Government analyzed and tabulated to meet the needs of users? (non-priority)
 - D. Are statistical series comparable in terms of time-frames and data classifications? (non-priority)
- II. Reducing the Burden of the Government's Information Demands
 - A. Are the Government's needs for information well defined and justified when balanced against the burden on respondents? (priority)
 - B. Are legal and administrative obstacles to data exchange and full data utilization justified? (priority)
 - C. Is adequate consideration given to the statistical and paperwork implications of proposed legislation? (priority)

III. Improving Management Controls Over Government Information Collection Efforts

- A. Are the Federal Government's information-management controls adequate to insure that reliable and useful information is collected with minimum burden on the public and at minimum cost to the Government? (priority)
- B. Could Federal information processes be improved through changes to the Government's organization for collecting data? (non-priority)
- C. Have appropriate technical standards for statistical methodology and paperwork management been promulgated and enforced? (non-priority)
- D. What controls are necessary over interagency funding of statistical work? (non-priority)

IV. Carrying Out GAO's Federal Reports Act Responsibilities

- A. Does information collected by independent Federal regulatory agencies duplicate information already available from other Federal agencies or create undue burden on respondents? (priority)

CHAPTER 3

ENHANCING THE UTILITY OF INFORMATION

COLLECTED BY THE GOVERNMENT FROM NON-FEDERAL SOURCES

Each year the Government collects vast amounts of information from non-Federal sources. The information is used by various agencies in activities such as deciding program eligibility, controlling and evaluating programs, regulating industries, granting licenses and permits, approving subsidies, and guaranteeing loans. Some of the information is analyzed, tabulated, and disseminated to the non-Federal sources that supplied it. In addition to the Federal Government, State and local governments, businesses, schools, farmers, and other private citizens need some of this information.

This sub-issue area focuses on ways of (1) improving the information collected from non-Federal sources and (2) enhancing its uses. In the long run, work in this area should improve the decision-making processes of governments, businesses, and private citizens by improving the information base for decision-making purposes. Efforts in this area may also contribute to reducing the burden presently borne by information suppliers.

We have designated two priority and two non-priority lines of effort in this sub-issue area.

IS INFORMATION PUBLISHED BY THE GOVERNMENT RELIABLE AND ACCURATE, AND DOES IT REFLECT WHAT IS MEANT TO BE MEASURED?

The usefulness of information is tied very closely to its reliability and accuracy, and whether it reflects whatever is being measured. If the data are not accurate or reliable, decisions made based on the information may be invalid with potentially costly results.

Reliability of statistical information refers to whether or not the information has been collected through sample survey methodology that will give the same results on successive attempts. Accuracy of information means that the data that was requested was supplied without error and that error did not creep in during the processing, analysis, and tabulation of the data.

Information should reflect what is intended to be measured. The information sought, therefore, must be defined so that it is consistent with the purpose for which it is to be used. For example, the Revenue Sharing Act required the use of tax data collected by the Bureau of the Census to measure a local government's efforts to use its own resources for generating revenue. However, the Bureau definition of tax excluded many common revenues that represented a local government's use of its own resources. As a result the information, tax data, did not reflect the total use of resources by local governments and many local governments did not receive full credit in the revenue sharing allocation formula for total revenues generated from their resources.

Committees and Members of the Congress use statistics to judge the progress and problems of their respective jurisdictions and to review the success of executive branch programs and the need for legislation. The President, in his economic report to the Congress, presents numerous statistics. Executive branch agencies cite statistics to measure the conditions of various social aspects of the population such as those related to living conditions. These agencies in justifying programs cite statistics on contracts or grants awarded and people served as a result of their programs.

Statistics are used to allocate Federal resources. For example, the Treasury Department's Office of Revenue Sharing has allocated billions of dollars to State and local governments on the basis of population, income, and governmental revenue statistics prepared by the Bureau of the Census and the Bureau of Economic Analysis. The Consumer Price Index (CPI), prepared by the Bureau of Labor Statistics (BLS), is used in many labor contracts as a cost of living adjustment mechanism. BLS estimates that a 1 percent increase in the CPI will trigger more than a \$1 billion increase in incomes under escalation programs. An error of 0.1 percent in the CPI can thus lead to unwarranted changes in income of over \$100 million.

Tight or loose money policies of the Federal Reserve Board are determined based on statistical measures of the needs of the economy. Units of State and local government use federally produced statistics in areas such as employment income, and housing to support their demands for increased Federal assistance or changes in Federal programs.

Potential Problem Areas

The President's Commission on Federal Statistics reported that neither the executive agencies nor the Congress work systematically enough to improve the character and quality of the information which they use in their evaluations. Essentially, there is great potential for erroneous data being published and utilized in decision making, and there is a need for consistent oversight in the area by GAO.

Economic statistics have been highly criticized because of the magnitude of the apparent errors. The Commerce Department's estimates of the value of inventories have been quoted as being off by as much as 200 percent and the rate of personal savings by one-third, which make them rather misleading leading indicators.

Many economists note that the Consumer Price Index, an upper limit measure of the cost of living, is accepted as a barometer of inflation in America. Unions and government have tied automatic wage increases to the index which, if it is an upper limit, will contribute to inflation.

Population statistics have historically suffered from problems of undercounts. Needy areas have been denied their fair share of Federal resources according to congressionally mandated allocation formulas because the Census Bureau did not count all persons in these areas.

At our Conference on Auditing Government Statistics, the participants generally agreed that the statistical activities of the new rapidly growing regulatory agencies are in great need of critical review.

Reports Issued

Adjusted Taxes: An Incomplete and Inaccurate Measure for Revenue Sharing Allocations (GGD 76-12) Oct. 28, 1975

Programs to Reduce the Decennial Census Undercount (GGD 76-72) May 5, 1976

An Assessment of Capacity Utilization Statistics-- Strengths and Weaknesses (CED 77-3) Oct. 28, 1976

Assignments in Process

Review of Public Opinion Surveys Conducted or Sponsored
By Federal Agencies

Survey of the Use and Calculation Methodology for Un-
employment Estimates

IS INFORMATION ACCESSIBLE TO USERS, AND DISSEMINATED IN A TIMELY MANNER AND PROPER FORMAT TO PROMOTE MAXIMUM USE?

As with any product requiring the use of scarce re-
sources, the collection of information by the Government must
be assessed and potential improvement weighed in terms of
final use. To promote maximum use, statistical or other
data must be accessible to users and disseminated in a timely
manner in proper formats.

Potential Problem Areas

In 1975, the Federal Statistics Users' Conference con-
ducted a survey on the timeliness of the availability of
Federal statistics to users. Although not a scientific
sampling of all users, the survey revealed that the lack of
timeliness in the availability of receipt of Federal Govern-
ment statistics continues to be a major problem to users.
Three principal reasons cited for delays in receiving statis-
tics were distribution problems at the Government Printing
Office, late deliveries by the postal system, and late release
by the statistical producing agencies.

An August 1976 report by the Joint Ad Hoc Committee on
Government Statistics recommended that improved procedures be
developed to give the public more adequate and timely access
to statistical data. The report stated that procedures for
disseminating statistical data by the Federal Government are
not adequate to meet users' needs.

Participants at our Conference on Auditing Government
Statistics commented on access to Government statistics. Com-
ments referred to the unsatisfactory performance of the Govern-
ment Printing Office in producing and printing reports, and
problems relating to data tapes which are often delayed and
sometimes flawed.

The conference brought out other problems of data accessibility. First there is no current source for finding out what information is available and second, although usable data exists, the cost of the data restricts the using group to large companies or institutions. For example, a professor doing research on the impact of foreign trade on Florida could not pay the \$12,000 Census Bureau price for computer tapes of foreign trade statistics and as a result was unable to obtain access to the taped data.

Reports Issued

Bureau of the Census Pricing of Foreign Trade Data
Tapes (B-180618) June 1, 1976

The Statistical Reporting Service's Crop Reports
Could Be of More Use To Farmers (GGD-78-29) April 13, 1976

Assignments in Process

None

NON-PRIORITY LINES OF EFFORT

Within the sub-issue of enhancing the usefulness of information collected from non-Federal sources, we have designated two non-priority lines of effort.

Is data collected by the Government analyzed and tabulated to meet the needs of users?

The Federal Reports Act (44 U.S.C. 3501 et. seq.) provides that information collected and tabulated by a Federal agency shall, as far as is expedient, be tabulated in a manner to maximize the usefulness of the information to other Federal agencies and the public. In addition, the act requires agencies to cooperate to the fullest extent in making information available to other agencies. Questions which have been raised include (1) whether the agency actually analyzes or uses the information it collects, (2) whether the collecting agency considers the needs of others when tabulating its data, and (3) whether different analyses would increase the value of the data.

Our work in this area would focus on the extent and type of analysis performed on data to determine how the value of information could be increased.

Are statistical series comparable
in terms of timeframes and
data classifications?

The problems with statistical series discussed at our Conference on Auditing Government Statistics included the problem of comparability. Several participants commented on the difficulties of using various series because of minor differences in definitions of data terms and because of the use of different timeframes. Our work on this line of effort would cover definitions used with various statistical series and methods of assuring the use of similar timeframes for series supposedly showing related information.

CHAPTER 4

REDUCING THE BURDEN OF THE GOVERNMENT'S INFORMATION DEMANDS

The burden on the public for providing information to its various levels of government has reached astounding dimensions. This burden affects all levels of the public including large businesses, small businesses, State and local governments, educational institutions, and individuals. To illustrate:

- Kaiser Industries published data indicating it expends 80 staff years and \$5 million annually on reporting to the Federal Government.
- Eli Lilly and Company reports that it spends \$15 million annually on Federal paperwork. A recent Lilly application to FDA for approval of a new drug ran to 120,000 pages, sufficient to fill two light trucks.
- Harvard University employs 26 people full time and spends over \$300,000 to comply with Government information requirements.
- Vienna, Virginia, publicly and noisily protested receipt of a 160-foot long EEO form weighing four pounds.

The list of "horror stories" could go on and on. We expect that some of them are exaggerated, but the simple fact is that Government's demands for information create substantial--and growing--burden on the public. For example, in March 1976 President Ford established a Government-wide program to reduce the public reporting burden. The program yielded a reduction of 644 forms, but an increase in burden of 3,600,000 hours. The additional hours of reporting burden occurred primarily because of three new forms, one relating to the settlement of real estate transactions and two to employee pensions. These forms were required under Federal statutes--presumably designed to provide greater protection for the public in its real estate transactions and for its pensions.

A broader based, although by no means comprehensive, measure of the Federal reporting burden can be gained from the number of reporting requirements and their related burden

estimates cleared by OMB and GAO. At August 31, 1977, OMB and GAO together had about 5,150 reporting requirements in their inventories. The sponsoring agencies estimated these reports required 184 million hours to complete.

These figures by no means encompass the Federal Government's entire data collection activity, because several data collectors, including the Internal Revenue Service, are exempt from the Federal Reports Act. Also, our experience indicates that agency burden estimates tend to be understated. Further, the GAO forms inventory contains only nine forms for the Securities and Exchange Commission and only one for the Commodity Futures Trading Commission because of a legal dispute regarding GAO's clearance authority.

In addition to the economic costs of reporting to the Government, there are psychological costs. These are, to some degree, reflected in the wide-spread antipathy of the public for its government at all levels. A more limited, but nonetheless disturbing measure of psychological costs is the increasing reluctance of individuals, businesses, educational institutions, etc., to voluntarily provide needed information to the Government. In instances where mandatory reporting is required, those with sufficient resources have shown no reluctance to take their case to the courts.

The foregoing serves to illustrate the magnitude and complexity of efforts to reduce the Government's reporting burden. Realistically, the best that can be hoped for is to address key issues which will illustrate opportunities for holding the growth of Federal reporting within reasonable bounds.

With that in mind, we have designated three priority lines of effort in this sub-issue area, focusing on what we believe to be critical matters for controlling the growth of reporting burden, while not impairing the Government's ability to acquire needed information.

ARE THE GOVERNMENT'S NEEDS FOR
INFORMATION WELL DEFINED AND
JUSTIFIED WHEN BALANCED
AGAINST THE BURDEN ON RESPONDENTS?

The Government's needs for information are based on legislation. The legislation may specify the kinds and amount of information required but, more frequently, it provides authority to the agencies to collect whatever

information and prescribe whatever regulations they deem necessary in carrying out their program responsibilities.

The Government's overall policy for information-gathering activities is contained in the Federal Reports Act. This act states that information needed by Federal agencies shall be obtained with a minimum burden upon business enterprises, especially small business enterprises, and other persons required to furnish the information, and at a minimum cost to the Government. The Office of Management and Budget requires the agencies to determine:

" * * * whether the proposed plan or report form exceeds the limits of reasonable need or practical utility, either with respect to number of respondents, frequency of collection, or number and difficulty of the items, and whether all of the items of information to be furnished or recorded are essential to the central purpose of such plan or report form."

The Government's requests or demands for information are costly, both to the respondent and the Government. There is little incentive for the Government to be concerned about the respondent's costs because it does not pay them. The Government's own costs are usually not identified or accounted for because these costs rarely show up as budget line items.

An example of a recent Regulatory Reports Review clearance case illustrates the results of the Government's tendency to ignore respondent burden in defining its information needs.

The Civil Aeronautics Board (CAB) has broad powers to collect information in carrying out its regulatory role over the airline industry. CAB recently submitted a reporting requirement for clearance which contained requests for certain documents and records related to selected airlines' relationships with banks, major creditors, and aircraft equipment manufacturers. Some of these requests for information spanned a ten-year period.

GAO received comments from respondents citing extensive costs for researching files, some in warehouses, and raised numerous questions regarding CAB's need for information covering ten years. When these questions were raised with CAB officials, they, in several instances, agreed to limit their demands to shorter time periods, thus substantially reducing the burden on respondents without harm to their purposes.

The President's Commission on Federal Statistics and the Commission on Federal Paperwork have both addressed the issue of balancing Government needs with respondent burden.

The Statistics Commission reported there were indications that too little emphasis was placed on terminating unproductive and outdated statistical programs during the budget formulation and review process. Since this review, OMB initiated a more systematic and comprehensive effort for planning Federal statistical programs than existed in the past. Steps were undertaken in 1975 on an interagency basis to achieve an operational planning system for Federal statistical programs. The first priority of the staff of the Office of Federal Statistical Policy and Standards will be completion of the planning system.

Principal areas of effort were (1) defining needs, (2) identifying priorities, (3) planning documentation, and (4) developing the planning process or flow. Statistical producing agencies were to identify major user groups and consult with them in defining needs and priorities. Elimination of low priority programs was also to be approached--in terms of reorientation of a given level of effort.

The Paperwork Commission has proposed that information should be treated as a resource the same as staff, money, and materials. The Commission also suggested that information costs should be budgeted and accounted for so that managers are held responsible as they are for other resources.

Potential Problem Areas

The Government's information needs should be defined in terms of decisions to be made based on that information. These needs, however, must be balanced against the costs required to provide the information. The evidence suggests that little attention is currently given to the respondent side of that equation.

In general, the agencies give little attention to estimating respondent burden and are, in most cases, inclined to understate it. For their part, respondents tend to overstate the burden of compliance.

A principal reason for the drastic differences in burden estimates is the lack of adequate estimating techniques to determine the true burden on individual respondents. This is

complicated by the fact that the burden can vary tremendously among respondents. Large companies with automated reporting systems and adequate financial resources can cope with complex requirements, despite their unwillingness to do so, much better than smaller firms. Such distinctions are seldom adequately addressed by agencies in developing reporting requirements.

An evaluation of the statistical and other information needs and the burden they impose on non-Federal respondents should be considered an open-ended problem. Some of the questions that need to be addressed include:

- How often do agencies request information that really is not needed?
- How often do they, through poor requirements design, request much more data than is needed to satisfy the objective?
- How many times do they ask for data that is not readily available or does not exist?
- How many times are the questions ambiguous?
- How many times are all potential respondents asked to provide the data where a sample might just as well answer the objective?

A clear statement of the information needed and the data required to meet that need must be developed to avoid the unnecessary expenditure of money and effort by the agency and respondents. An information requirement that is not needed, no matter how well designed, is an unnecessary burden on the Government and the respondent. Furthermore, unless an agency has determined exactly what information it needs, a requirement may be developed that produces less than optimum results.

We have two objectives in the area of the Government's information needs balanced against respondent burden. We will determine whether the agencies (1) adequately justify their need for information and appropriately assess the costs and benefits of meeting that need and (2) properly design and test their proposed requirements to eliminate any unnecessary burden on the respondents.

Reports Issued

None

Assignments in Process

Survey of Federal Paperwork Management

Review to Identify Nationwide Problems Caused by Federal Agencies' Fragmented Programs For EEO Compliance

Survey of Agency Routine Uses and Procedures For Determining Relevancy and Necessity of Information Collected Under the Privacy Act

ARE LEGAL AND ADMINISTRATIVE OBSTACLES TO DATA EXCHANGE AND FULL DATA UTILIZATION JUSTIFIED?

Government policy established in the Federal Reports Act requires that any agency maximize the usefulness of data it collects. Data being collected by one agency should be tabulated in such a manner that it is useful to other Federal agencies and the public. Unnecessary duplication of efforts in obtaining information are to be eliminated as rapidly as practicable. In addition, the act requires that agencies cooperate to the fullest practicable extent in making information available to other agencies.

The act includes general guidelines for exchanging information collected from respondents. Information collected by one agency may be provided to another agency (1) if the collecting agency had not pledged to hold the information confidential at the time of its collection, (2) in the form of statistical totals or summaries, (3) if the respondent consents to its release, or (4) if the receiving agency has the authority to collect the information and the respondent is subject to criminal penalties for failing to supply the information. The act further provides that, if information obtained under a pledge of confidentiality is released to another agency, the provisions of law, including penalties for unlawful disclosure of the information, apply to personnel of the receiving agency along with personnel of the transferring agency.

Other provisions of law preclude the exchange of information between agencies. The Commission on Federal Paperwork identified numerous provisions of law which restrict the exchange of information between agencies.

There are valid and practical reasons for not releasing certain information gathered from respondents. For example, information on personal tax returns, trade secrets, and certain unique financial information should probably not be released or shared except for the most specific and compelling reasons. The Privacy Act provides specific restrictions on the sharing of certain information. The Federal statistical agencies, almost as a matter of routine, pledge confidentiality to their respondents which results in no exchange of the detailed information. These agencies generally state that their use of the confidentiality pledge is to insure that requested information is received--since response to the majority of surveys is voluntary--and that the information is of good quality.

Potential Problem Areas

All Federal agencies are involved in gathering data. Where agencies have similar data needs, there is a need to exchange data to the greatest extent practicable.

The impact of the lack of data exchange is additional burden and cost imposed on respondents. Furthermore, the respondents perceive situations of having to furnish similar information to the Government as duplication--and unnecessary.

A Commission on Federal Paperwork study categorized three types of duplication:

- generic duplication - collections of information relating to the same subject such as business financial data;
- similar duplication - data elements that are related to a particular subject but not identical in definition or collection; and
- identical duplication - data elements that are precisely the same.

The Commission study suggests that identical duplication causes the least problems because of the ready availability of the information. Similar and generic duplication cause the respondents more problems because they are forced to provide information in a manner different from previous submissions. These differences may be in areas such as timing, level of detail, geographic breakdown, technical definitions, etc.

There are several causes of duplication. These include the lack of a generally accepted definition of what actually constitutes duplication and the lack of adequate tools to

identify duplication. The executive agencies frequently operate in a vacuum and have little incentive to look for information within their own or other agencies which might serve their purposes. It is frequently easier to go back to the respondent to obtain the information desired.

Government confidentiality pledges, whether at the request of the individual respondent or not, can result in duplication in collecting and storing information and can create impediments to the exchange of information within the Federal Government and limit its availability to the public. Additional collection of the information further burdens the respondents.

In addition, there is an inherent reluctance on the part of the agencies to use another agency's information. This is partly caused by the perception that it costs the Government little to collect more information and that information collected and analyzed by one's own agency is more reliable.

The Paperwork Commission suggests, and our own experience confirms, that another major cause of duplication is Federal, State and local agencies with similar responsibilities.

The long-term objective of this line of effort is to identify ways to eliminate obstacles to free exchange of data which result in duplicative reporting burdens on the public. Some of the basic questions which need to be addressed include:

- What is duplication and what impact does it have?
- Under what conditions should information be exchanged between agencies?
- What is the impact of confidentiality pledges on the quality of the data?
- What impact do confidentiality pledges have on the willingness of respondents to submit completed questionnaires to the requesting agencies?
- What administrative and legislative actions are needed to improve data exchange and utilization?

Reports Issued

None

Assignments in Process

None

IS ADEQUATE CONSIDERATION
GIVEN TO THE STATISTICAL
AND PAPERWORK IMPLICATIONS
OF PROPOSED LEGISLATION?

There is growing recognition, spurred substantially by the work of the Commission on Federal Paperwork, that a principal source of the Federal reporting burden is legislation passed by the Congress. In some instances, notably recent laws affecting energy, the Congress has specified the kinds of information it wanted reported. In other cases, such as grant programs, the enabling legislation provides eligibility criteria which tends to define the reporting required. More commonly, legislation includes very general or no reporting requirements and the program agency is left to design whatever types of reporting it believes are needed to administer the activity.

At our March 1977 Statistical Conference, one of the issues given top priority by the conferees was the legislative impact on the Federal Government's data demands. It was suggested that GAO, because of its unique relationship with the Congress, could and should play a strong role in assisting the Congress to consider the following items before enacting legislation requiring information collection:

- Does usable data already exist?
- Can the respondent supply the data?
- Are the data requirements usable for the intended purpose?
- Are the benefits commensurate with the costs?

The conferees proposed that GAO could provide input on these questions by commenting on proposed legislation, by testifying at hearings, or by performing audit work after enactment of legislation. The latter approach was viewed as least effective because of the difficulties in changing a law.

On the congressional front, some action to get a handle on the problem has already been taken. The Senate, in February 1977, amended its rules to require that economic, regulatory, and paperwork impact statements accompany legislation reported to the floor for action. A similar amendment, although limited to paperwork impact, has been introduced in the House by Congressman Frank Horton who served as Chairman of the Commission on Federal Paperwork.

Senator Thomas McIntyre, who co-sponsored the Senate rules change and was Co-chairman of the Commission on Federal Paperwork, asked what assistance GAO could provide the committees, particularly in the area of paperwork impact statements. In response, the Comptroller General outlined the numerous problems associated with preparing the types of impact statements called for by the Senate and suggested that the legislative committees use the impact evaluation criteria as a guideline for questioning the agencies regarding proposed legislation. The Comptroller General also indicated that GAO staff would be available to work informally with the committees to assist in evaluating the impact statements furnished by the executive agencies and others.

Legislation has also been recently introduced in both the House (H.R. 5880) and Senate (S. 1199) which, among other things, would amend the Administrative Procedures Act to require that agencies include in notices of proposed rule-making

" * * * an estimate of the projected paperwork burden involved in complying with the proposed rule, including the type and number of people affected, the time required to comply, the expertise or special training involved in compliance, and the cost of compliance."

Potential Problem Areas

The potential impact of the inability to assess the statistical and paperwork implications of proposed legislation includes the following:

1. Agencies may develop and promulgate reporting requirements far beyond the Congress' intent.
2. Reporting requirements may be mandated which are not useful for their intended purpose.
3. Federal funds may be improperly allocated because of faulty data.

4. The reporting burden on the public may be unnecessarily increased.

Reports Issued

None

Assignments in Process

None

CHAPTER 5

IMPROVING MANAGEMENT CONTROLS OVER

GOVERNMENT INFORMATION COLLECTION EFFORTS

The Federal Government's controls over its statistical and other information-gathering activities are of two types--central controls, administered primarily by OMB, and individual agency controls. OMB is responsible under the Federal Reports Act for reviewing most executive agencies' information-gathering proposals to insure that the information is needed, useful, and collected with minimum burden on respondents. The Budget and Accounting Procedures Act of 1950 authorizes the Secretary of Commerce (under delegation from the President) to develop programs and issue regulations for the improved gathering, compiling, analyzing, publishing, and disseminating of statistical information.

The 1973 amendments to the Federal Reports Act shifted responsibility for reviewing independent Federal regulatory agencies' reporting requirements from OMB to GAO. This split the central control process.

The Federal Government's statistical system is highly decentralized with a great deal of latitude left to the major statistical agencies in determining what types and in what form information will be collected. These agencies are, however, subject to Commerce-promulgated standards and OMB's reports clearance and budget review processes. The decentralized structure, while viewed by OMB to be most appropriate for the large scope of statistical activity undertaken, creates extremely difficult coordination and control problems.

We have identified four lines of effort in this sub-issue area, only one of which we judge to be a priority.

ARE THE FEDERAL GOVERNMENT'S
INFORMATION-MANAGEMENT CONTROLS
ADEQUATE TO INSURE THAT RELIABLE
AND USEFUL INFORMATION IS
COLLECTED WITH MINIMUM BURDEN ON
THE PUBLIC AND AT MINIMUM COST
TO THE GOVERNMENT?

Procedurally, the OMB and GAO clearance processes are quite similar. Both review processes include (1) analysis of the submission for completeness, clarity, and appropriateness

of the data to be collected, (2) meetings and discussions with agency officials to discuss problems or questions, (3) consultation with other knowledgeable parties within the respective clearance agencies, and (4) obtaining and considering views of respondents. (OMB does not routinely perform step 4 although it may convene panels for this purpose.)

The key difference in the processes, at least on the surface, is that OMB has authority to deny approval based on its determination that the desired information is not needed. GAO's authority is limited to the issues of "unnecessary duplication" and "excessive burden." The regulatory agencies retain the final determination of their need for the information.

Both Presidents Ford and Carter have used an additional control over the Government's information-gathering activities during the past two years. Referred to as "The President's Burden Reduction Program," these efforts have been overlaid on the existing OMB clearance process and have taken the form of goal setting for numbers of reports to be eliminated and hours of burden to be reduced. Presidents Ford and Carter also imposed numerical ceilings for the numbers of reports allowed for each agency. A key element in both the Ford and Carter efforts was the tactic of holding the agency head "personally responsible" for achieving the targeted reductions.

As discussed in an earlier section of this study, the first stage of the Ford Burden Reduction Program resulted in the elimination of 644 forms, but the total estimated burden increased by about 3,600,000 hours. A recent GCD congressional assignment (GGD-77-38), assessing the program at the Department of Labor, indicated that some of the forms "eliminated" had only been consolidated with others or had been judged exempt from the Federal Reports Act by OMB. President Carter announced during his State-of-the-Union message that the burden had been reduced by 12 percent as of September 30, 1977.

Individual agency control systems vary greatly in terms of organizational structure, staffing, expertise, and authority. In some cases, the staff responsible for reports control has reasonably effective procedures, a degree of organizational clout, and expertise. Others have little in the way of procedural controls and it is not uncommon to find the responsible official at a very low level and performing numerous other duties.

Potential Problem Areas

Various provisions and/or interpretations of the applicability and implementation of the Federal Reports Act limit the effectiveness of the central clearance process for controlling the Government's information-gathering activities. Additionally, there are certain inherent limitations in the clearance process which tend to severely impair its usefulness in controlling the growth of Federal reporting. Some of these problems are outlined below.

- Several information-collection agencies, including the Internal Revenue Service, are exempt from the Federal Reports Act.
- OMB is inadequately staffed, and lacks effective tools to control the proliferation of Federal reporting.
- GAO's authority is limited, and statutory time constraints preclude an in-depth review of complex submissions.
- Clearance reviews occur too late in the development process to be effective in eliminating unnecessary requirements.
- The case-by-case review of reporting requirements limits the ability to identify and deal with basic problems.

The Presidential Burden Reduction Programs are well intended and force the agencies to give attention to the problems. However, the approaches used in these efforts--goal setting for numbers of reports and hours of burden reduction to be achieved--are susceptible to manipulation--which has occurred. Also, the use of numbers of forms alone is essentially meaningless because of the wide variance in complexity and consequently, in burden to complete. Further, the burden estimates, while probably a more reliable indicator than numbers of reports, tend to be understated and out of date at best.

The imposition of numerical ceilings on numbers of forms simply cannot be effective in controlling the growth of Federal paperwork. When new programs are legislated, new reporting requirements will inevitably result.

The development of strong individual agency control systems seems to be the most likely opportunity for exerting better control over the growth of Federal reporting burden. Although our work to date has been limited to the Department of Labor and several regulatory agencies, numerous deficiencies have been identified. However, the fundamental weaknesses in the central control processes are so great and the problem so widespread, that strengthening individual agency systems may improve the situation.

The principal objective of this line of effort is to assess the effectiveness of the Government's central and individual agency control processes and identify areas for improvement. Prior work, together with our own experience in trying to administer a portion of the central control system has identified numerous fundamental problems with that process. Consequently, we intend to devote most of our effort to evaluating the adequacy of agency controls, focusing on those with the greatest reporting burden. These assignments will address the adequacy of procedures, organizational structure, staffing, level of expertise, and results achieved by the agencies' systems for reports control.

We also plan to monitor the agencies' progress in achieving the objectives of President Carter's burden reduction program, although we do not plan a major self-initiated effort in this area in the near future.

In part, our rationale for focusing on agency controls, is based on proposals by the Commission on Federal Paperwork that agencies be "licensed"--or delegated--authority to promulgate reporting requirements without going through the central process. We believe substantial improvements would be required in most agencies' systems before this step is taken.

Reports Issued

Status of GAO's Responsibilities Under the Federal Reports Act (OSP-76-14), May 28, 1976

Case Study of Department of Labor and Office of Management and Budget Activities Under the Federal Reports Act (GGD-75-85), July 24, 1975

Letter Report to the Chairman, Subcommittee on Civil Service and General Services, Senate Committee on Governmental Affairs, on How the Office of Management and Budget Carried Out Its Responsibilities Under the Federal Reports Act (GGD-77-38) May 25, 1977

Review of the Information-Gathering Practices of the Federal Energy Administration (OSP-76-18) May 11, 1976

Letter Report to the Honorable Richard E. Wiley, Chairman, Federal Communications Commission, on the Commission's Information-Gathering Practices (OSP-76-19) May 7, 1976

Letter Report to the Honorable Karl E. Bakke, Chairman, Federal Maritime Commission, on the Commission's Information-Gathering Practices (ACGRR-77-1) October 21, 1976

Letter Report to the Honorable Betty Southard Murphy, Chairwoman, National Labor Relations Board, on the Board's Information-Gathering Practices (ACGRR-76-2) August 23, 1976

Letter Report to the Honorable John S. Byington, Chairman, Consumer Product Safety Commission, on the Commission's Information-Gathering Practices (B-180232) September 17, 1976

Letter Report to the Honorable Marcus A. Rowden, Chairman, Nuclear Regulatory Commission on the Commission's Information-Gathering Practices (ACGRR-77-3) December 28, 1976

Letter Report to the Honorable William T. Bagley, Chairman, Commodity Futures Trading Commission, on the Commission's Information-Gathering Practices (GGD-77-52) May 26, 1977

Letter Report to the Honorable Frank Horton, Chairman, Commission on Federal Paperwork, on Monitoring the Development of the Federal Power Commission's Regulatory Information System (GGD-77-95) September 30, 1977

Assignments in Process

Survey of Departmental Information Gathering Controls at Commerce, HUD, and Transportation

Review of Certain Costs Associated with Pretests for the 1980 Census

Review of Independent Regulatory Agencies' Information Gathering Activities

(Report drafts are in process on the Interstate Commerce Commission and the Federal Trade Commission.)

NON-PRIORITY LINES OF EFFORT

Under this sub-issue area we have designated three non-priority lines of effort.

Could Federal information processes be improved through changes to the Government's organization for collecting data?

The Federal Government's present organization for data collection is a decentralized system in which each agency assumes responsibility for its own data collection activities. As a result, extensive coordination is needed to prevent duplication of efforts and to assure proper use of the scarce professional resources needed in information collection activities.

Our work in this line of effort would concentrate on the organization of individual activities in ways that will facilitate cooperation between information collecting activities and the most efficient use of scarce professional resources.

Have appropriate technical standards for statistical methodology and paperwork management been promulgated and enforced?

The establishment of technical standards for statistical methodology and paperwork management is the shared responsibility of the Office of Management and Budget or GAO and the individual agencies. OMB has issued Circular A-40 to establish procedures for the control of paperwork. Similar procedures have been established by GAO for independent Federal regulatory agencies. OMB issued Circular A-46 to establish standards and procedures for collecting, processing, and disseminating statistics. This circular will be issued by the Office of Federal Statistical Policy and Standards as part of a Statistical Policy Handbook.

Our work in this line of effort would concentrate on evaluating standards and procedures and reviewing the extent of individual agency compliance with them.

What controls are necessary over interagency funding of statistical work?

Interagency funding in the context of Federal statistical programs means the transfer of funds from one Federal agency to another for the performance of data collection, analysis,

or a related statistical activity. In each case there is involvement of one or more sponsoring agencies which provide the funds and a performing agency which does the work.

Work in this line of effort would concentrate on the accountability of performing agencies and the impact of these arrangements on the costs of data collection and analysis activities.

CHAPTER 6

CARRYING OUT GAO'S

FEDERAL REPORTS ACT RESPONSIBILITIES

Prior to 1973, the Office of Management and Budget had responsibility for administering the Federal Reports Act. In 1973, the Trans-Alaska Pipeline Authorization Act (P.L. 93-153) amended the Federal Reports Act by requiring GAO to review the collection of information by independent Federal regulatory agencies. The purpose of these reviews is to insure that information collected by such agencies is obtained with a minimum burden upon business enterprises, especially small businesses, and other persons required to furnish the information.

We have designated the one line of effort a priority in view of its statutory mandate.

DOES INFORMATION COLLECTED BY INDEPENDENT FEDERAL REGULATORY AGENCIES DUPLICATE INFORMATION ALREADY AVAILABLE FROM OTHER FEDERAL AGENCIES OR CREATE UNDUE BURDEN ON RESPONDENTS?

It is GAO's position that each agency is directly responsible for planning and conducting its information-gathering activities in a manner consistent with the objectives of the Federal Reports Act. GAO's primary role is one of performing a final check to determine if the agency has complied with those policies.

GAO issued regulations which provide a general framework for the clearance reviews. The regulations cover the types of information collection devices that must be submitted for clearance, the agencies that must submit clearance proposals to GAO, and the basic responsibilities that an agency should fulfill before submitting a clearance proposal.

Our clearance reviews focus on opportunities to convince the agencies to make changes to their proposals which tend to reduce burden and eliminate duplication. Generally, the agencies are responsive to our suggestions. The Comptroller General is required to reach a decision on each proposed reporting or recordkeeping requirement within 45 days.

Upon receipt of an agency's proposed reporting or recordkeeping requirement, the submission is reviewed for completeness. As soon as the submission is judged to be complete, we start the 45-day countdown and publish a notice in the Federal Register requesting comments from all interested parties.

While the comment period is running, the staff reviews the submission and develops questions and issues for subsequent discussion with agency staff. Depending on the nature of the proposed requirement, we may request advice from other groups within GAO, other agencies, or outside consultants.

Copies of all comments are provided to the agency for its consideration. If the comments raise substantive points, we attempt to get the agency to resolve them. When no substantive issues of burden, duplication, or appropriateness of the forms remain open, clearance is granted. In a few cases where we were unable to resolve questions, we have "stopped the clock" and returned the proposed requirement to the agency for additional work.

Potential Problem Areas

The clearance function must operate quickly and with a high degree of flexibility because of three factors. First, the law requires GAO to make a clearance determination within 45 days of receipt of an agency's request. Second, GAO is unable to control the number of incoming requests. The number of requests being reviewed at one time has fluctuated from 15 to 70.

Third, some requests require more staff time than others. For example, a form might be basically a renewal of one that has been in use for a number of years and would require little time. Also, if we receive no public comments in response to our Federal Register notice, very little time is usually required. However, if we receive many comments on a form, if the form is highly controversial, or if the agency has a poorly prepared submission, it may substantially increase the staff time required.

Legal actions contesting GAO's clearance decisions also have implications for the staff time required for clearance reviews. GAO is currently involved in three lawsuits, which have and probably will continue to require significant amounts of staff time and coordination with the Office of the General Counsel in preparing affidavits, interrogatories, depositions, and responses to court requests for information.

A more fundamental concern arises from a recent court opinion that GAO's clearance decisions are subject to judicial review. This decision appears to negate GAO's position that our decisions are of a purely interagency nature, and consequently not subject to such review. The long-term implications of the court's ruling are unclear, but could result in increased legal actions.

The GAO clearance staff has frequent contact with the public. Large corporations, chambers of commerce, public interest groups, law firms, State and local governments, media representatives, and trade and professional associations frequently contact GAO on our role under the Federal Reports Act on specific forms. The clearance files are open to the public and individuals may review and request copies of various documents.

Changes have recently been made in the agencies for which GAO has forms clearance responsibility. The law creating the Department of Energy recently transferred responsibility for the Federal Energy Administration back to OMB. However, GAO was assigned responsibility for the Office of Surface Mining, Reclamation, and Enforcement within the Department of Interior.

This line of effort will require staff resources as long as GAO is legally mandated to perform the clearance function for the independent Federal regulatory agencies. The primary objective is to review each agency clearance request to determine if the information requested duplicates information already available from another Federal agency or creates an undue burden on the respondents who complete the forms or questionnaires.

In addition to reviewing individual clearance actions, the GAO staff established interagency committees, such as the Steering Committee on Uniform Corporate Reporting, to study reporting problems. The staff participates in meetings of numerous interagency ad hoc committees, the Business Advisory Council on Federal Reports, the Council of Chief State School Officers and its subcommittees, and the Federal Information Requirements Management Council, presenting GAO's views and opinions on various reporting problems. The staff also provided extensive support to the Commission on Federal Paperwork.

Reports Issued

Status of GAO's Responsibilities Under the Federal Reports Act (OSP-76-14) May 28, 1976

Letters to agency heads or designated clearance officials setting forth GAO's findings with regard to clearance of each request received (issued throughout the year to the independent Federal regulatory agencies 1/).

Assignment in Process

Clearance of Forms and Questionnaires to Collect Information By Independent Federal Regulatory Agencies

1/ For purposes of the Federal Reports Act, these agencies are the Civil Aeronautics Board, Commodity Futures Trading Commission, Consumer Product Safety Commission, Equal Employment Opportunity Commission, Federal Communications Commission, Federal Election Commission, Federal Maritime Commission, Federal Trade Commission, Interstate Commerce Commission, National Labor Relations Board, Nuclear Regulatory Commission, Securities and Exchange Commission and the Office of Surface Mining, Reclamation, and Enforcement of the Department of Interior.

MAJOR LEGISLATION RELATING TO THE
STATISTICAL AND PAPERWORK ISSUE AREA

Establishment of the Bureau of the Census; Act of August 31, 1954, Pub. L. 83-740, as codified, 13 U.S.C. 1-307, (1970).

Establishment of the Department of Commerce; Act of February 14, 1903; Pub. L. 57-87, as codified, 5 U.S.C. 1501-1527, (1970)

Reference for Statistics:

Statistical information - 15 U.S.C. 1516

Transfer of statistical or scientific work - 15 U.S.C. 1517

Establishment of the Department of Labor; Act of March 4, 1913, Pub. L. 62-426, as codified, 29 U.S.C. 1-1651, (1970)

Reference for Statistics:

Bureau of Labor Statistics - 29 U.S.C. 1-7

Special Statistics - 29 U.S.C. 9-9b

Department of Agriculture; Act of August 14, 1946, Pub. L. 79-733; August 9, 1955, Pub. L. 84-272, as codified, 7 U.S.C. 1622 (g)(k), (1970). (Collection and dissemination of marketing statistics)

Health Statistics Act of July 23, 1974; Pub. L. 93-353, as codified, 42 U.S.C. 242b, 242c, 242k-242m, (Sup. V, 1970)

Omnibus Crime Control and Safe Streets Act of 1968; Act of June 19, 1968, Pub. L. 90-351, as codified, 42 U.S.C. 3761, 3763, (1970). (Sections cited pertain to the statistical-related responsibilities of the Law Enforcement Assistance Administration)

Establishment of a National Center for Education Statistics; Act of August 21, 1974, Pub. L. 93-380, title V, 502 (a)(1), amending Pub. L. 90-247, title IV, 407, as codified, 20 U.S.C. 1221 e-1, (Sup. IV, 1974)

Federal Reports Act; Act of December 24, 1942, Pub. L. 77-831; 1, as codified, 44 U.S.C. 3501-3511, (1970). (Coordination of Federal Reporting Services)

Privacy Act of 1974; Act of December 31, 1974 Pub. L. 93-579; September 3, 1976, Pub. L. 94-394, as codified, 5 U.S.C. 552a, (Sup. IV, 1974 and Sup. V, 1975). (Records maintained on individuals)

Crimes, Public Officers and Employees; Act of June 25, 1948 Pub. L. 80-772, as codified, 18 U.S.C. 1905, (1970). (Disclosure of confidential information generally)

Budget and Accounting Procedures Act of 1950; Act of September 12, 1950, Pub. L. 81-784; October 26, 1970, Pub. L. 91-510, as codified, 31 U.S.C. 18b, (1970). (Development of programs for preparing statistical information by executive agencies)

Trans-Alaska Pipeline Authorization Act of 1973; Act of November 16, 1973, Pub. L. 93-153, title IV 409, as codified, 44 U.S.C. 3512 (Sup. III, 1973). (Information for independent regulatory agencies)

Freedom of Information Act; Act of November 21, 1974, Pub. L. 93-502 1-3, as codified, 5 U.S.C. 552 (Sup. V, 1975) (Public information, agency rules, opinions, orders, records, proceedings)

REPORTS AND STUDIES
OF THE
COMMISSION ON FEDERAL PAPERWORK

<u>Formal Title</u>	<u>Date</u>
Final Summary Report	October 3, 1977
Occupational Safety and Health	July 6, 1976
The Employee Retirement Income Security Act	December 3, 1976
Equal Employment Opportunity	April 28, 1977
Segmented Financial Reporting	June 10, 1977
Title XX: Recommendations for Reform	June 10, 1977
Rulemaking	July 15, 1977
Consumer Credit Protection	July 29, 1977
Small Business Loans	April 28, 1977
Education	April 29, 1977
Employment and Training Programs	July 15, 1977
Energy	April 28, 1977
Statistics	(Undated)
Federal Health Programs	April 28, 1977
Housing Programs	June 10, 1977
Administrative Reform in Welfare	June 10, 1977
Procurement	June 10, 1977
Public Works	June 10, 1977
Environmental Impact Statements	February 25, 1977
Taxation	June 10, 1977
Information Resources Management	September 9, 1977
The Reports Clearance Process	September 9, 1977
Federal Information Locator System	July 15, 1977
Information Value/Burden Assessment	September 9, 1977
Federal/State/Local Cooperation	July 15, 1977
Confidentiality and Privacy	July 29, 1977
The Role of Congress	July 29, 1977
Records Management in Federal Agencies	July 29, 1977
History of Paperwork Reform Efforts	July 29, 1977
Impact of Federal Paperwork on State and Local Governments: An Assess- ment by the Academy for Contemporary Problems	July 15, 1977

APPROVED BY THE COMMISSION

BUT NOT FORMALLY PRINTED

<u>Formal Title</u>	<u>Date</u>
Federal Paperwork Burdens of Individuals	July 15, 1977
Federal Paperwork Requirements on Organized Labor	June 10, 1977
Federal Paperwork Impact on Small and Large Businesses	July 29, 1977
The Impact of Federal Paperwork on Farmers	February 25, 1977
Ombudsmen Function in Government	May, 1977

OTHER COMMISSION DOCUMENTS

Service Management	October 3, 1977
Handbook for Program Managers (Vol. 1)	
Handbook for Information Specialists (Vol. 2)	

GAO RECOMMENDATIONS RELATED TO THE
STATISTICAL AND PAPERWORK ISSUE AREA

I. ENHANCING THE UTILITY OF INFORMATION COLLECTED BY THE
GOVERNMENT FROM NON-FEDERAL SOURCES

Is information published by the Government reliable and
accurate, and does it reflect what is meant to be measured?

Adjusted Taxes: An Incomplete and
Inaccurate Measure for Revenue
Sharing Allocations

GGD-76-12
October 28, 1975

Recommendations:

That the Congress include as part of adjusted taxes for revenue sharing allocations, (1) profit transfers and payments from publicly owned utilities, (2) sanitation and other service charges collected by local governments, and (3) taxes levied by special districts. Additionally, that the Census Bureau advertise its availability to answer relevant questions by local governments so that the accuracy of the data collected may be improved.

Programs to Reduce the
Decennial Census Undercount

GGD-76-72
May 5, 1976

Recommendations:

That the Bureau of the Census increase its efforts to distribute undercounts. In addition, the Bureau should develop better methods for estimating the number of illegal aliens in the United States.

An Assessment of Capacity Utilization
Statistics -- Strengths and Weaknesses

CED-77-3
October 28, 1976

Differences in industrial capacity utilization rates reported by seven organizations for 1970 through 1975 ranged from 10.2 to 22 percentage points. The variations in the rates are caused by differences in data collection, calculation methods, and definitions of capacity. All of the capacity utilization statistics reviewed have weaknesses.

Recommendations:

We recommended that the Office of Management and Budget Director:

- Determine, in consultation with interested organizations, the Federal organization or organizations which can most efficiently calculate a reliable capacity utilization statistical series.
- Work with the organization or organizations to develop and implement this capacity utilization series, taking into consideration other Federal organizations' and private companies' needs and correcting the weaknesses existing in the current capacity utilization series.

Letter Report to the Chairman
Subcommittee on International Trade,
Senate Committee on Finance, on
Statistics Relating to U.S.
Automotive Trade with Canada

B-179129
April 12, 1974

Recommendation:

GAO explained the reasons for the wide discrepancies in the automotive trade figures with Canada as reported by the Commerce Department and the Tariff Commission. The Commerce Department reported two different statistics that showed significantly different trade deficits. GAO recommended using both approaches, since both measures are statistically valid.

Better Data on Severity and Causes
of Workers Safety and Health
Problems Should be Obtained
from Workplaces

HRD-76-118
August 12, 1976

Recommendation:

To provide the data the Occupational Safety and Health Administration (OSHA) needs to better direct its standards development, enforcement, and information and education activities toward reducing hazards that can cause death or seriously disabling injury and illness, we recommend that OSHA be directed to:

- Evaluate the data on causes of death and serious injury and illness to determine what standards development, enforcement, and information and education efforts are needed to eliminate or reduce such causes.

Recommendations:

We recommend to the Secretary of Agriculture that the following actions be taken, either administratively, if possible, or by seeking appropriate legislation:

1. The Export Reporting System be modified to improve its accuracy and reliability by requiring all exporters to explain contract changes, and to penalize exporters who modify export contracts for speculative or manipulative purposes. (This could be done on an experimental basis so that if export flows are impeded as a result, these procedures could be modified.)
2. All exporters who currently report export sales contracts to Agriculture also be required to report all verbal agreements concerning the sale of U.S. grain, including information on negotiations of sales exceeding 50,000 metric tons.
3. U.S. forecasting of foreign supply and demand--particularly for the Soviet Union and other non-market economies--should be upgraded and improved. Better market intelligence and analysis coupled with greater intra-agency and inter-agency communications and coordination is necessary and desirable. The recommendations of recent studies (by the Economic Research Service on short-term forecasting and by the Office of Technology Assessment on food information systems) should be considered in the response to this recommendation.

The Adult Basic Education Program:
Progress in Reducing Illiteracy
and Improvement Needed

MWD-75-61
June 4, 1975

Recommendation:

We recommend that the Secretary of HEW direct OE to:

- Institute procedures to improve the accuracy and timeliness of program statistics and establish separate reporting on enrollments and completions for non-English speaking enrollees.

Progress and Problems in Achieving
Objectives of School Lunch Program

B-178564
June 23, 1973

Recommendation:

We recommend that, to help achieve the objective of making nutritious lunches available to all school children, the Administrator, Food and Nutrition Service:

- Make the studies necessary to obtain accurate information on the number and needs of schools not participating in the program and, if it is decided that the schools should be participating, determine whether changes in existing administrative policies or practices or in legislation are necessary.

Substantial Improvements Needed
in the Work Incentive Program
Atlanta, Georgia

B-164031(3)
July 10, 1974

Recommendations:

We recommend that the Secretaries of HEW and Labor take action to (1) clarify definitions of appraisal and certification in the management information system to improve the accuracy and consistency of reported program statistics and (2) insure that data is reported by the States in accordance with these definitions.

Improved Service to the
Small Shipper is Needed

CRD-77-14
December 22, 1976

The Interstate Commerce Commission is responsible for making sure that truckers provide adequate, reasonably priced service to all shippers. GAO believes the Commission, within its regulatory capacity, could further improve service to the small shipper by:

- collecting more reliable data.

Is information accessible to users, and disseminated in a timely manner and proper format to promote maximum use?

Supplemental Security Income
Payment Errors Can Be Reduced

HRD-76-159
November 18, 1976

Recommendation:

We recommend that the Secretary of Health, Education and Welfare direct the Commissioner of the Social Security Administration to:

- establish, where appropriate, a system to insure that information on benefits paid to Supplemental Security Income recipients by Federal agencies will be obtained on a timely and continuing basis for future payment computations.

The Employment Service--Problems
and Opportunities for Improvement

HRD-76-169
February 22, 1977

Recommendations:

We recommend that the Secretary of Labor:

- identify those offices which could improve their performance by implementing Job Information Services and encourage them to establish such systems, and
- reevaluate the benefits that can be achieved from computerized job matching to insure its cost effectiveness and also establish criteria for determining those States which justify the system before implementing the system nationwide.

Data-Reporting Requirements for State
and Local Educational Agencies

MWD-75-28
March 24, 1975

Recommendation:

We recommend that the Secretary of HEW:

- Develop ways to better inform respondents of the intended use of data the Education Division requests, including ways to meet the feedback needs of the the local educational agencies.

The Adult Basic Education Program:
Progress in Reducing Illiteracy
and Improvements Needed

MWD-75-61
June 4, 1975

Recommendation:

We recommend that the Secretary of HEW direct OE to:

- Develop a system to identify potential benefits of special projects and to insure maximum dissemination to, and adoption of, their results by State and local management levels as a part of OE's authority to establish an adult education clearinghouse.

Is data collected by the Government analyzed and tabulated to meet the needs of users?

Better Data on Severity and Causes of Workers Safety and Health Problems Should be Obtained from Workplaces

HRD-76-118
August 12, 1976

Recommendation:

To provide the data the Occupational Safety and Health Administration (OSHA) needs to better direct its standards development, enforcement, and information and education activities toward reducing hazards that can cause death or seriously disabling injury and illness, we recommend that OSHA be directed to:

- Modify the accident investigation program to (1) compile and analyze data on the specific causes of injuries and illnesses, (2) include the results of accident investigations by States, and (3) include, where necessary for getting additional causal data, investigations of nonfatal but serious accidents which are shown by other data to occur frequently.

Are statistical series comparable in terms of timeframes and data classifications?

No recommendations identified

II. REDUCING THE BURDEN OF THE GOVERNMENT'S INFORMATION DEMANDS

Are the Government's needs for information well defined and justified when balanced against the burden on respondents?

Better Data Collection and Planning is Needed to Justify Advanced Waste Treatment Construction

CED-77-12
December 21, 1976

Recommendations:

We recommend that the Environmental Protection Agency:

- Publish final regulations on data collection which indicate specifically how States are to obtain information on adequate water quality.
- Reassess its existing priorities to determine whether comprehensive water quality planning and data collection programs should be given additional emphasis.

Supplemental Security Income Payment Errors Can Be Reduced

HRD-76-159
November 18, 1976

Recommendation:

We recommend that the Secretary of Health, Education and Welfare direct the Commissioner of the Social Security Administration to:

- review other Federal benefit payments to Supplemental Security Income recipients, such as Civil Service Commission retirement benefits, to determine the need for and feasibility of obtaining benefit information from other agencies.

The Employment Service--Problems and Opportunities for Improvement

HRD-76-169
February 22, 1977

Recommendation:

We recommend that the Secretary of Labor:

- explore the feasibility of more frequent purging of application files.

Better Data on Severity and
Causes of Workers Safety and
Health Problems Should be
Obtained from workplaces

HRD-76-118
August 12, 1976

Recommendations:

To provide the data the Occupational Safety and Health Administration needs to better direct its standards development, enforcement, and information and education activities toward reducing hazards that can cause death or seriously disabling injury and illness, we recommend that OSHA be directed to:

- Give high priority to (1) resolving the issues on how to obtain the data it needs from employers on the severity and causes of injury and illness and (2) establishing a system for obtaining and using the data.
- After establishing an adequate system for getting data from employers and improving the accident investigations program, reconsider the need for such other efforts as supplementary studies and limit such efforts to obtaining specific data that is needed but not obtainable under the system and the accident investigations programs.

Assessment of Reading Activities
Funded Under the Federal Program of
Aid for Educationally Deprived Children

MWD-76-54
December 12, 1975

Recommendation:

The Secretary of HEW should direct the Office of Education to:

- Develop procedures for implementing the new program evaluation provisions mandated by the Education Amendments of 1974, to include in the uniform reporting system to be established information on (1) the number of students achieving at, below, and above grade level, and (2) whether a sample of former Title I students are retaining the gains made while in the program.

Data-Reporting Requirements for State
and Local Educational Agencies

MWD-75-28
March 24, 1975

Recommendations:

We recommend that the Secretary of HEW:

- Provide more advance notice for changes in reporting requirements.
- Devote more attention and sufficient resources to data coordination efforts, specifically the Task Force.

Issues Surrounding the Management
of Agricultural Exports, Volume I

ID-76-87
May 2, 1977

Recommendations:

We recommend to the Secretary of Agriculture that the following actions be taken, either administratively, if possible, or by seeking appropriate legislation:

1. A permanent "early-warning system" be established that supplements the daily and weekly export reporting system, taking into consideration a variety of other market and decision making factors that would result in a process that minimizes disruption and facilitates informed, orderly, and balanced decision making.
2. A permanent "prior approval system" be established as part of any early warning system to insure the Government reserves the right to defer, modify, or otherwise intervene in the market to insure adequacy of supply and fairness of price. Unlike past, ad hoc prior-approval systems, this system would be established as a formal entity with guidelines and subject to the rule making procedures of the Federal Register and the Administrative Procedures Act.
3. All exporters who currently report export sales contract data to Agriculture be required to submit additional data involving more specific destination information. This would require importers to declare the final destination and/or ultimate end-user location when known or determined. Exporters would also be required to identify the name of the buyer and submit information to Agriculture concerning the buyer's relationship to the seller.

The Adult Basic Education Program:
Progress in Reducing Illiteracy
and Improvements Needed

MWD-75-61
June 4, 1975

Recommendations:

We recommend that the Secretary of HEW direct OE to:

- Develop guidelines to help its regional program officers monitor and evaluate State program performance and give States specific criteria for evaluating their programs. Specifically, OE should require the States to (1) emphasize recruiting and educating participants from the first priority group, (2) report program expenditures by the three priority groups so that OE can determine whether the States comply with the 20 percent secondary-level instruction limitation, and (3) monitor local adult education programs in accordance with OE established guidelines to insure that they are being carried out in compliance with laws and regulations and are accomplishing program objectives.
- Revise the formula for allotting funds to States to recognize the higher priority and higher costs of reaching adults functioning at the lower grade levels. Part of the funds should be allotted on the basis of the number of adults with less than 8 years of school. Also States should be required to allocate funds to local programs on the basis of this principle.

Progress and Problems in Achieving
Objectives of School Lunch Program

B-178564
June 23, 1973

We recommend that the Administrator, Food and Nutrition Service, in developing the policy statement on per-lunch cost, specifically define the types of costs incurred by participating schools that are allowable for reimbursement.

Improvements Needed in Medicaid
Program Management Including Investi-
gations of Suspected Fraud and Abuse

MWD-75-74
April 14, 1975

Recommendations:

We recommend that the Secretary, HEW, direct the Administrator, Social and Rehabilitation Service, to:

- revise State reporting requirements to include data that will provide indicators of the effectiveness of States' Medicaid operations;
- insure, before approving Medicaid Management Information System (MMIS) systems, that State proposals for such systems provide for an efficient claims processing system which will include elements such as (1) eliminating unnecessary prescreening of claims, (2) providing for computer programs which process claims so that all data items are checked for accuracy and all errors are listed before a claim is rejected, and (3) insuring that recipient eligibility files are accurately maintained; and
- insure, before approving MMIS systems, that State proposals for such systems provide data needed to perform effective utilization reviews.

Observations on the
Food Stamp Program

RED-75-342
February 28, 1975

Recommendation:

We recommend that the Secretary of Agriculture direct the Administrator of the Food and Nutrition Service to:

- provide for better analysis and reporting of quality control review results by the States so that more meaningful information will be available on the significance and causes of program errors.

What is the Role of Federal
Assistance for Vocational Education?

MWD-75-31
December 31, 1974

Recommendations:

The Secretary of HEW should:

- Assist States in developing techniques for obtaining information from students and employers to assess the appropriateness and adequacy of training and annually review the extent to which changes have been made in programs as a result.

- Identify and accumulate data about strategies for providing vocational education that are catalytic and offer the greatest payoff and review the use of Federal funds to insure that they serve the catalytic role intended by the Congress.
- Develop with States an improved approach to planning which will better meet State needs as well as provide information necessary to monitor and evaluate adequately Federal program expenditures.

Letter Report to the Honorable
Richard E. Wiley, Chairman,
Federal Communications Commission,
on the Commission's Information-
Gathering Practices

OSP-76-19
May 7, 1976

Recommendations:

We recommend that the Federal Communications Commission:

- consider alternative sources of data when they are available as a means of meeting its reporting needs; and
- pretest all new or revised requirements, when warranted, to insure the data is reliable and the reporting burden on respondents minimized.

Federal Programs for Education of
the Handicapped: Issues and Problems

B-164031(1)
December 5, 1974

Recommendations:

To facilitate planning, HEW should provide for a uniform and systematic means for collecting data about the handicapped, including (1) numbers of handicapped by type, location, and severity, (2) types of services, and (3) program results. The Secretary should require that State applications for grant funds specify how the funds will be used in meeting the identified needs.

How States Plan for and Use Federal
Formula Grant Funds to Provide Health
Services

MWD-75-85
December 9, 1975

Recommendation:

We recommend that the Secretary of HEW replace the reports now required from the States with a report enabling HEW regional

offices to monitor the use of formula grant funds and to assess compliance with legal requirements. Such a report should show the type and volume of services being provided and should compare costs to services, with administrative and support costs shown separately.

Are legal and administrative obstacles to data exchange and full data utilization justified?

No recommendations identified

Is adequate consideration given to the statistical and paperwork implications of proposed legislation?

No recommendations identified

III. IMPROVING MANAGEMENT CONTROLS OVER GOVERNMENT INFORMATION COLLECTION EFFORTS

Are the Federal Government's information-management controls adequate to insure that reliable and useful information is collected with minimum burden on the public and at minimum cost to the Government?

Case Study of Department of Labor
and Office of Management and Budget
Activities Under the Federal
Reports Act

GGD-75-85
July 24, 1975

Recommendations:

Weaknesses and problems exist in the Office of Management and Budget's (OMB) organizational structure, its procedures for forms clearance, and its enforcement of the provisions of the Federal Reports Act.

We recommend the Director of OMB:

- Assume a more active role in Federal Reports Act enforcement by insuring that respondents are notified of act violations and by establishing a small investigative group to assist in enforcement.

- Require agencies of the executive branch to appropriately identify for respondents those forms which are not subject to the clearance requirements of the act.
- Require the expiration date to be printed on all OMB-approved forms.
- Require the agencies to submit sufficient documentation to serve as a basis for evaluating the initial and continued need for each data element to be collected from the public.
- Eliminate Standard Form 83B, "Clearance Request and Notice of Action (Extension - No Change)," from use in requesting forms approvals.
- Delegate his forms clearance responsibilities to an individual situated at a high enough level in OMB to exert the necessary control over the forms clearance process.
- Revise the wording of the requirement for preparing cost estimates to eliminate the differences between Standard Form 83A and OMB Circular A-40.
- Specify in Circular A-40 the requirements for agencies in terms of the management structure and types of reviews expected to be performed during forms clearance.
- Review and approve the agencies' structure and procedures for forms management and periodically reevaluate them to insure they are adequate.
- Establish quantity and timing guidelines for printing public-use forms.
- Adhere to the existing criteria applied to certifications to assure that forms which require the respondent to furnish supplemental information are subject to the clearance requirements and require resubmission for clearance of forms which do not meet existing criteria.
- Revise the treatment of forms used in Federal-State cooperative programs, such as the Employment Security Program, to require the forms to be submitted in accordance with the Federal Reports Act.

--Survey the agencies to identify public-use forms which have been granted indefinite approvals and have been waived from the clearance requirements and require the periodic resubmission of these forms for clearance.

We recommend the Secretary of Labor:

- Formalize the department-level review procedure to require the participation of all persons needed to insure an adequate review of forms.
- Establish written guidelines and criteria for personnel at all levels to insure a form and its questions are needed, not unnecessarily duplicative, and within Labor's legal authority and policy guidelines.
- Insure the timely development of both program plans and forms to preclude delays in program implementation and violations of the Federal Reports Act.
- In conjunction with the Director of OMB, identify and submit for approval those forms subject to clearance under the Federal Reports Act.
- Insure that departmental clearance requirements are enforced.
- Identify potential users of information collected by Labor and coordinate collection efforts to increase information exchange.
- Identify existing forms for potential consolidation or elimination using the functional and numerical files.

Letter Report to the Chairman,
Subcommittee on Civil Service and
General Services, Senate Committee
on Governmental Affairs, on How the
Office of Management and Budget Carried
Out its Responsibilities Under the
Federal Reports Act

GCD-77-38
May 25, 1977

Recommendations:

We recommend that the Director of the Office of Management and Budget:

- Determine and provide the additional resources needed by the Clearance Office to investigate the practical utility of agency reports.

- Obtain updated justifications from agencies on the need, including practical utility, of proposed revisions or extensions of existing reports.

Review of the Information
Gathering Practices of the
Federal Energy Administration

OSP-76-18
May 11, 1976

Recommendations:

To insure the best collection effort, the Federal Energy Administration should give more attention to the development of its information gathering process. GAO recommends that the Federal Energy Administration:

- more actively contact congressional organizations and other interested parties during the development process;
- field test proposals, when warranted, before implementation;
- establish an ongoing reassessment program;
- review the clearance organization's placement and practices and make appropriate revisions; and
- insure that organizations obtain official approval before soliciting information.

Data-Reporting Requirements for
State and Local Educational Agencies

MWD-75-28
March 24, 1975

Recommendations:

We recommend that the Secretary of HEW:

- Provide that the Task Force become more involved in reviewing data justifications.
- Give program officials written guidelines and criteria for data collection to help insure adequate data justifications.

Letter Report to the Honorable
Betty Southard Murphy, Chairwoman,
National Labor Relations Board,
on the Board's Information-
Gathering Practices

ACGRR-76-2
August 23, 1976

Recommendations:

We recommend that the National Labor Relations Board establish a formal forms management program which incorporates management controls and sets forth responsibilities, functions, and authority of each organizational entity. We also recommend that the National Labor Relations Board issue a policy statement on the purpose and objective of such a program.

Letter Report to the Honorable
Richard E. Wiley, Chairman,
Federal Communications Commission,
on the Commission's Information-
Gathering Practices

OSP-76-19
May 7, 1976

Recommendations:

We recommend that the Federal Communications Commission:

- insure that bureaus exert uniform and consistent levels of effort in carrying out their forms management responsibilities, especially by insuring that forms clearance representatives receive adequate training; and
- revise the forms management procedures to require the Management Systems Division to become involved early in the development process of a form, to coordinate the efforts of the participating bureaus, and to facilitate development of the form.

Letter Report to the Honorable
William T. Bagley, Chairman,
Commodity Futures Trading Commission,
on the Commission's Information-
Gathering Practices

GGD-77-52
May 26, 1977

Recommendations:

We recommend that the Commodity Futures Trading Commission (CFTC) develop a formal information-gathering program that (1) incorporates essential management control and (2) clearly defines

duties and responsibilities of the CFTC organization involved in the management of information collection. We also recommend that CFTC reconsider its position regarding GAO's clearance reviews of information-collection plans and forms.

Letter Report to the Honorable
Karl E. Bakke, Chairman, Federal
Maritime Commission, on the
Commission's Information-
Gathering Practices

ACGRR-77-1
October 21, 1976

Recommendations:

We recommend that the Federal Maritime Commission:

- implement a forms management program that prescribes specific management procedures and responsibilities as well as necessary management controls; and
- give greater emphasis to the forms management program and periodically review the forms management process.

Letter Report to the Honorable
Marcus A. Rowden, Chairman, Nuclear
Regulatory Commission, on the
Commission's Information-Gathering
Practices

ACGRR-77-3
December 28, 1976

Recommendations:

We recommend that the Nuclear Regulatory Commission:

- establish a formal information-gathering program that designates duties and responsibilities of the offices and bureaus involved in the information-gathering process and incorporates the critical management controls;
- place the information clearance function at an organizational level where it can make final, independent decisions; and
- appoint the information clearance representatives in the offices and bureaus which initiate requirements to act as liaison with the information clearance office.

Could Federal information processes be improved through changes to the Government's organization for collecting data?

Letter Report to the Honorable Robert M. White on the Review of the Environmental Protection Agency's Radiation Programs

B-166506
October 26, 1976

Recommendations:

We recommended in a similar letter to the Environmental Protection Agency's Administrator that EPA take the lead in developing and implementing cooperative agreements with other Federal and State agencies--including the National Oceanic and Atmospheric Administration--that provide for the coordinated collection of data and subsequent release of information regarding nuclear fallout.

Data-Reporting Requirements for State and Local Educational Agencies

MWD-75-28
March 24, 1975

We recommend that the Secretary of HEW:

- Establish an organizational focal point for current and future Education Division efforts to amplify participation in Federal education programs and give such an organization sufficient authority to insure that these efforts (1) are integrated with the overall management of data acquisition and (2) consider State and local needs for data.

Issues Surrounding the Management of Agricultural Exports, Volume I

ID-76-87
May 2, 1977

Recommendation:

We recommend to the Secretary of Agriculture that the following actions be taken, either administratively, if possible, or by seeking appropriate legislation:

Responsibility for managing and operating the Export Reporting System be transferred from any agency having operational export responsibilities, such as the Foreign Agricultural Service and the Office of the General Sales Manager, to an analytical and/or regulatory agency. Agencies with a more objective, analytical and/or regulatory orientation that appear to be appropriate repositories

of such a reporting function include Agriculture's Economic Research Service, Commerce's Office of Export Administration, and the Commodity Futures Trading Commission. Another alternative would be to establish within Agriculture a separate and independent organizational entity which would report concurrently to the Secretary and to the Congress.

Have appropriate technical standards for statistical methodology and paperwork management been promulgated and enforced?

Data-Reporting Requirements for State and Local Educational Agencies

MWD-75-28
March 24, 1975

Recommendation:

We recommend that the Secretary of HEW:

--Standardize terminology and formats or reporting requirements as much as possible.

Emphasis Needed on Government's Efforts to Standardize Data Elements and Codes for Computer Systems

B-115369
May 16, 1974

Recommendations:

We recommend that, to accelerate timely development and use of standard data elements and codes, the Secretary of Commerce should:

- Determine where standards would be most beneficial and establish standardization priorities.
 - Issue policy, delineating accepted theory and terminology, and provide for preparation of guidelines, methodology, and criteria to be followed by agencies in their standardization efforts.
 - Assign to specific agencies responsibilities for developing standard data elements and codes in specified areas.
- Monitor implementation of data standards to insure their uniform adoption and use.

What controls are necessary over interagency funding of statistical work?

No recommendations identified

IV. CARRYING OUT GAO'S FEDERAL REPORTS ACT RESPONSIBILITIES

Does information collected by independent Federal regulatory agencies duplicate information already available from other Federal agencies or create undue burden on respondents?

Status of GAO's Responsibilities
Under the Federal Reports Act

OSP-76-14
May 28, 1976

On November 16, 1973, the Congress amended the Federal Reports Act of 1942 and assigned to GAO, with reduced authority, certain review responsibilities relating to the information-gathering activities of independent Federal regulatory agencies. Previously the Office of Management and Budget had these responsibilities.

Recommendations:

GAO-recommends that the Congress consider reassigning GAO's responsibilities for information clearance to an executive agency responsible for the entire clearance function, preferably the Office of Management and Budget.

GAO believes there is a need for greater controls over information-gathering activities of the regulatory agencies and recommends that the Congress consider:

- returning the clearance function to the Office of Management and Budget with the Office of Management and Budget's present authority or
- clarifying and strengthening the legislation to allow the clearance agency to challenge the need for information.