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UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548



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GENERAL GOVERNMENT  
DIVISION

JUNE 2, 1980

Mr. Joseph W. Duncan, Director  
Office of Federal Statistical Policy  
and Standards  
Department of Commerce

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Dear Mr. Duncan:

Subject: [Federal and State Officials Views on the  
Operations of Five Federal/State Cooperative  
Statistical Programs] (GGD-80-71)

The Office of Federal Statistical Policy and Standards' July 1978 report "A Framework for Planning U.S. Federal Statistics for the 1980's" disclosed the need for Government-wide attention to Federal/State cooperative statistical programs. 1/ Historically these programs have lacked Federal policy guidelines. Your Office recognized the need for joint Federal/State participation as a precondition to successful policy development. To discover the types of problems being caused by the absence of policy guidance, we obtained the views of Federal and State officials in 10 States operating statistical programs that produce data on employment, occupational injuries and illnesses, population, health, and education. We obtained views on the adequacy of (1) funding available to produce the statistics, (2) staff training opportunities for State participants, (3) quality controls over data collection and processing, and (4) evaluations of program operations.

Federal agencies have defined their role in managing and supporting the cooperative programs through contracts, grants, and various operating manuals and instructions. Although generally satisfied with the level of funding, training opportunities, and the data quality controls, Federal and State officials raised some concerns, most notably, the absence of program evaluations. Evaluations at

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1/About 20 such programs are federally initiated or sponsored in which State and local governments participate in collecting or compiling nationally standardized statistics on a diversity of economic and social concerns.

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the State level were nonexistent, and Federal evaluations were limited and infrequent.

The general satisfaction with the cooperative statistical programs expressed by officials at the Federal and State level does not mean these programs cannot be improved. The general absence of program evaluations does cause concern. As your Office is working to encourage the production of "Error Profiles"<sup>1/</sup> for the major Federal statistical series, the Federal/State cooperative programs should be included. These error profiles disclose survey data error in the programs which should help identify and rank areas of program operations where Federal policy guidance might be needed.

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Enclosed is more detailed information on the views we obtained from Federal and State officials by program and State.

Our review considered five Federal/State cooperative statistical programs in the Departments of Labor; Commerce; Health and Human Services; and Education. Programs included were the Bureau of Labor Statistics' Current Employment Statistics, and Occupational Safety and Health Annual Survey and Supplementary Data System; the Bureau of the Census' Local Population Estimates; the National Center for Health Statistics' Cooperative Health Statistics System; and the National Center for Education Statistics' Common Core of Data. The participating cooperative State agencies included were California, Illinois, Kansas, Louisiana, Massachusetts, Michigan, Missouri, Ohio, Utah, and Wisconsin. Programs and States were selected considering a diversification of statistical activities and the level of States involvement in the programs.

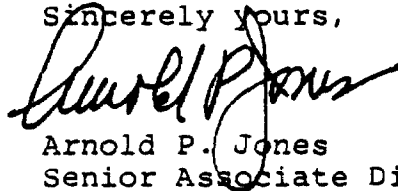
We are available to meet with you or your staff to further discuss our review. At this time we have no further work planned on the cooperative programs.

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<sup>1/</sup>"Statistical Policy Working Paper 3, An Error Profile: Employment as Measured by the Current Population Survey," Office of Federal Statistical Policy and Standards, September 1978.

Copies of this report are being sent to the Secretary of Commerce and the Chief Economist, and other Federal departments and States included in the review.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Arnold P. Jones". The signature is written in a cursive style with a large initial "A".

Arnold P. Jones  
Senior Associate Director

Enclosures - 2

FEDERAL AND STATE OFFICIALS VIEWS ON  
THE OPERATIONS OF FIVE FEDERAL/STATE COOPERATIVE  
STATISTICAL PROGRAMS

INTRODUCTION

The cooperative programs are not a new idea in the Federal government. As early as 1917, the Bureau of Labor Statistics inaugurated its current employment statistics program. This program encouraged States to develop their own statistical offices to standardize, increase coverage, and prevent duplication of data on the part of Federal and State governments. In addition to recognizing the need to work jointly, the Congress has increasingly emphasized the roles of the States in resolving National as well as sub-national problems, and the Federal government has shown an increasing interest in improving and extending statistical data below the National level.

Federal and State governments conduct many joint ventures which fall under the definition of cooperative statistical programs. The Office of Federal Statistical Policy and Standards identified about 20 such currently operating programs in six Federal agencies. These programs cover a diversity of subjects, including agriculture, labor force, population, finance, health, education, and the criminal justice system.

The five cooperative statistical programs we reviewed generate subnational statistical data on employment, occupational injuries and illnesses, population, health, and education. The Bureau of Labor Statistics' current employment statistics program generates monthly employment estimates used as components in such major policy tools as the Gross National Product and the Nation's leading economic indicators. Another Bureau program, the occupational safety and health annual survey and its supplementary data system, provides estimates and details of work injuries and illnesses. This data is used to determine inspection priorities of the Occupational Safety and Health Administration and to develop standards for the work place. The Census Bureau's local population estimates program provides annual estimates of county population used in the allocation formulas of a variety of Federal assistance programs. The National Center for Health Statistics, through its cooperative health statistics program, develops health related data to assist in the planning, regulating, and evaluating of health services and resources at all levels. The National Center for Education Statistics' common core of data program annually develops educational statistics which are used to develop allocation formulas for Federal educational programs.

Because of the general absence of policy guidance to the Federal agencies governing cooperative program operations for the collection or compilation of those nationally standardized data, we obtained the views of Federal and State officials on the adequacy of (1) funding available to produce the statistics, (2) training opportunities for State participants, (3) quality controls over data collection and processing, and (4) evaluations of program operations. The views of the Federal and State officials by operating issue and program are detailed below. Enclosure II provides a general overview of the individual State views on the issues by program.

#### FUNDING METHODS AND LEVELS GENERALLY ADEQUATE

The Bureau of Labor Statistics' occupational safety and health cooperative program is the only program that had some external Federal agency guidance, although limited, on the funding methodology. Section 24 of the Occupational Safety and Health Act of 1970 (P.L. 91-596) provides that the Federal share for each grant may be up to 50 percent of the State's cost. The remaining four programs had no guidance, relying strictly on internal policy for the prescribed method of funding. Levels of funding to the States are defined through grants and contracts, where such funding is provided.

The Bureau of Labor Statistics' current employment statistics program allocates Federal funds among the States using an internally designed staff year allocation formula which takes into account the business establishments responding to the survey and the number of areas for which reports are being generated. Funds are provided to the States through grants administered by the Labor Department's Employment and Training Administration, which has the administrative responsibilities for the program. States provide no funds to maintain the program. The majority of the State officials we contacted had problems with the method of funding and they did not believe that the overall funding was adequate to produce the data the program requires. These State officials cited the need for an increase in (1) staffing, (2) sample size in the survey, and (3) level of required quality standards. The Bureau's Division Chief of Industry Employment Statistics felt that funding provided to the States was adequate except for quality control and sample design and implementation.

The Bureau's occupational safety and health program has a legislative requirement for the Federal government to fund up to 50 percent of the program cost in the States. Funds to the States are consistently provided at the maximum amount allowable under the law for grant funding. Some States are contracted at 100 percent of the cost for performing the annual survey where no State data is generated, only the

sample for National estimates. According to the Bureau's Division Chief of Program Assistance, negotiation will take place where the State figure appears to be too high. The majority of the State officials responding to our survey had no problems with the method of funding and all thought funding was adequate. The Bureau's division chief thought funding was adequate and any additional funds could be better utilized on specific types of injury surveys.

The Census Bureau does not provide funds to the States to participate in its local population estimates program because, according to the Census' Assistant Division Chief for Population, States do not want Federal funding and the Bureau does not want to fund the States' programs. Half of the States we contacted thought the program cost should be negotiated between the Federal and State partners, but the majority felt the present funding was adequate to produce the program's required data. The Census' Assistant Division Chief for Population stated that the lack of Federal funding is not adversely affecting the data.

The funding arrangement for the National Center for Health Statistics' cooperative health statistics program, recommended by an advisory committee task force, 1/ establishes that Federal and State governments are equal partners. As a result they should fund the system equally. Although the overall goal is to share costs equally, funding levels will sometimes depend on the State and Federal interest in the particular component. The Deputy Associate Director for the program said the contract funding is negotiated based on the State's ability to pay. State officials were evenly split as to whether the method of funding was presenting problems and whether the funding was adequate to produce the program's required data. Some thought funding was not adequate to carry out activities beyond the collection stage, such as training, evaluation, and quality assurance. The program's Deputy Associate Director thought the level of funding was satisfactory to both partners.

Funding for the National Center for Education Statistics common core of data program is simply a Center official's opinion as to what would be reasonable compensation to the States for the added cost of compiling existing educational data in the State for the Federal partner. The contract funding amounts distributed to each State depend mostly on the number of schools and school districts within the State, \$1 for each school and \$10 for each school district with a minimum amount

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1/Cost-Sharing Task Force of the Cooperative Health Statistics Advisory Committee.

of \$4,700. The majority of the State officials thought the present method of funding was adequate to produce the program's required data. Two State officials noted the program lacked adequate funding to do the job properly, thereby imposing on available staff resources. The program's Project Officer said that the funding distribution does not make allowances for school size, data formatting difficulties, and level of data processing sophistication.

TRAINING OPPORTUNITIES ADEQUATELY PROVIDED  
MAINLY BY FEDERAL AGENCIES

For three of the programs, Federal agency contracts or grants cover cooperative program training to the States. But the current employment statistics and local population estimates programs have less formalized means of transmitting available training. States have provided minimal training to their staffs on their own, most notably data processing in the current employment statistics and cooperative health statistics programs.

The Bureau of Labor Statistics is instituting a formalized training program for the current employment statistics because, according to the Bureau's Chief of Industry Employment Statistics, inadequate training has hurt data quality. High State personnel turnovers and a recent evaluation showing the States' unfamiliarity with program procedures highlighted the need for such training. The training will focus on the technical aspects and provide an overview of the program. In the past, States only received on-the-job training from the Bureau's regional offices. State officials unanimously thought the training provided was sufficient to produce high quality data, but the majority thought additional training was needed on the technical aspects of the program, such as editing, sampling, and public contact.

The Bureau's occupational safety and health program offers several training courses covering technical aspects and annual seminars to discuss program changes. The cost of such training is provided for in the grants and contracts. According to the Bureau's Division Chief of Program Assistance, States, as well as the Bureau's regional offices, participate in determining training needs and their frequency. State officials thought the training was sufficient, but some saw a need for more on-site training because of personnel turnover. The Bureau's division chief recognized turnover as a major problem but thought training was adequate.

Limited training is available in the Census Bureau's local population estimates program through courses offered on population estimates and projection techniques. The

targeted audience for these courses are not only participants in the cooperative program, but State and local government officials in general who want to increase their knowledge of population estimates. State officials thought training provided is reasonably sufficient. The Census' Assistant Division Chief for Population was satisfied with the existing training.

The National Center for Health Statistics' Applied Statistics Training Institute is responsible for meeting the training needs of the cooperative health statistics program. The Center stipulates in its contracts that it will provide the necessary training for States to produce accurate data. The Institute stresses job related courses in the design and implementation of the program's components. Additionally, State personnel attend annual workshops. State officials un-animously thought training was sufficient. A task force of the Cooperative Health Statistics Advisory Committee viewed the Institute as the most effective and efficient way to meet the State partners' training needs.

Formalized training for common core of data has recently been discontinued. Annual workshops focusing on technical aspects as well as administrative matters have stopped in favor of personal visits to States on an as needed basis. The National Center for Education Statistics' contracts stipulated that State personnel were expected to attend the workshops. The majority of the State officials we contacted thought training was sufficient, but we contacted the officials while the workshops were still in existence. Some State officials saw a need for expanding the training workshops, specifically on the program's technical aspects. The program's Project Officer noted that the personal visits will be less than comprehensive, sporadic, and untimely.

#### VARYING BUT SUFFICIENT QUALITY CONTROL

The Federal agencies instituted a variety of quality control measures and instructed their State counterparts to perform additional control measures, mostly mechanical and manual edits, spelled out in contracts and operating manuals. Manual edits pertain to the visual checking of the data for completeness while mechanical edits pertain to the machine screening of the data for abnormalities affecting data accuracy.

The current employment statistics quality controls consist of the Bureau of Labor Statistics performing mechanical edits and checking the prescribed procedures the States use. The Bureau also instructs the States in its operating manual



to manually and mechanically edit the data received from survey respondents. Eight of the ten State officials thought the checks were sufficient to insure high quality data, but many felt there was room for improvement, such as checking respondent error. The Bureau's Chief of Industry Employment Statistics concurred in the need to check the input from respondents. He also stated the checking of the States' implementation of the prescribed procedures needs to be upgraded by providing more training to the Bureau's regional personnel who are responsible for its implementation.

Quality control procedures for the occupational safety and health program routinely include mechanical edits and data evaluation surveys, similar to the prescribed checking procedures the States used in the current employment statistics program. Quality assurance surveys, which check input data from respondents, have been done on a limited basis. States are also provided written guidance in the operating manuals to perform manual and mechanical data editing. State officials were unanimous in their opinion that present measures were sufficient to insure high quality data and the Bureau's Chief of Program Assistance concurred.

The program for checking local population estimates is a mechanical edit performed by the Census Bureau. The States are also asked informally to review the estimates but no standards have been developed for their review. Almost all of the State officials responding to our survey thought quality control was sufficient to insure high quality data. The Census' Assistance Division Chief for Population was not totally convinced of the sufficiency of data quality.

Data quality control checks for the cooperative health statistics program are limited at the Federal level to a mechanical edit and an independent records check--a match of raw data against the computer data tapes--for one of three components being implemented in the States. The program's Chief for Systems Development and Quality Control Staff stated that the system is still in the development stage and when all of the components are implemented quality control will be included. States perform manual and mechanical edits for all of the components in accordance with contract specifications. Nearly all the State officials thought the checks being performed were sufficient to insure high quality data but suggested educating and keeping respondents informed of the need for quality data as improvements.

The common core of data quality control measures consist mainly of the National Center for Education Statistics performing mechanical and manual data edits. The Center recommends through its contracts that the States perform data edit

checks and inform them of their efforts, but the States are free to develop any checking process they desire. The majority of the State officials thought that quality control checks were sufficient to insure high quality data.

#### INFREQUENT AND LIMITED EVALUATIONS

Federal sponsors of the cooperative programs independently decide the type and extent of their evaluations. They do not perform the evaluations in a timely fashion, frequently limit the scope, and do not aim at the programs in the States. State partners were not performing evaluations. State officials felt that evaluations should be performed regularly or at least occasionally.

The Bureau of Labor Statistics has recently completed a major evaluation of how the current employment statistics program is operating in the States. The Bureau previously evaluated the program in 1957. The Bureau's Chief of Industry Employment Statistics recognized that the need for such a study was long overdue. The State officials generally felt the evaluation was adequate.

The Bureau's occupational safety and health program has two principal ongoing evaluation tools. The Bureau compiles its annual monitoring reports to show the States' progress in completing Federal objectives with regard to specific program milestones. Its biannual data evaluation programs focus on evaluating and improving the quality of data reported, processing activities, and operating and technical instructions. According to the Bureau's Division Chief of Program Assistance, these two measures are very effective in getting better State performance and surfacing problems. State officials felt these evaluations were adequate to insure high quality and useful data are produced.

Evaluation of the Census Bureau's local population estimates and the National Center for Education Statistics' common core of data have been limited to studies performed at the National level. The population program had one dealing with methodology in 1979 and another with data accuracy in 1970. The common core of data evaluation pertained to a review of the edit specifications in 1979.

Evaluation of the cooperative health statistics program has been limited until recently. The National Center for Health Statistics has contracted for an evaluation of the program with particular emphasis placed on how it is being implemented in selected States. Two of three State officials

responding thought the current evaluation was not adequate. One cited the evaluation's general nature and the other could not see the relationship between evaluation and quality data. Two earlier studies in 1976 and 1977 have been performed at the National level on the Applied Statistics Training Institute.

STATES' VIEWS ON ADEQUACY OF FUNDING, QUALITY CONTROL,  
TRAINING, AND EVALUATION TO PRODUCE DATA REQUIRED BY  
THE FEDERAL/STATE COOPERATIVE STATISTICAL PROGRAMS

<u>ISSUES</u> <u>AND</u> <u>COOPERATIVE</u> <u>PROGRAMS</u>	<u>California</u>	<u>Illinois</u>	<u>Kansas</u>	<u>Louisiana</u>	<u>Massachusetts</u>	<u>Michigan</u>	<u>Missouri</u>	<u>Ohio</u>	<u>Utah</u>	<u>Wisconsin</u>
<b>Funding</b>										
Current Employment Statistics	U	U	U	U	U	U	S	S	S	S
Occupational Safety and Health	S	(a)	S	S	S	S	S	S	S	S
Local Population Estimates	S	U	(b)	S	(a)	S	S	(b)	S	S
Cooperative Health Statistics System	S	U	U	S	U	U	S	U	S	S
Common Core of Data	S	S	(b)	U	S	U	S	S	(b)	S
<b>Training</b>										
Current Employment Statistics	S	S	S	S	S	S	S	S	S	S
Occupational Safety and Health	S	(a)	S	S	S	S	S	S	S	S
Local Population Estimates	S	S	(b)	S	(a)	N/R	S	(b)	S	S
Cooperative Health Statistics System	S	S	S	S	S	S	S	S	S	S
Common Core of Data	N/R	S	(b)	N/R	S	U	S	S	(b)	S
<b>Quality Control</b>										
Current Employment Statistics	U	U	S	S	S	S	S	S	S	S
Occupational Safety and Health	S	(a)	S	S	S	S	S	S	S	S
Local Population Estimates	S	U	(b)	S	(a)	S	S	(b)	S	S
Cooperative Health Statistics System	S	S	S	S	U	U	S	S	S	S
Common Core of Data	S	S	(b)	S	U	U	S	S	(b)	S
<b>Evaluation</b>										
Current Employment Statistics	U	S	U	S	S	S	N/R	S	U	N/R
Occupational Safety and Health	N/R	(a)	S	N/R	S	S	N/R	S	S	N/R
Local Population Estimates	N/A	N/A	(b)	N/A	(a)	N/A	N/A	(b)	N/A	N/A
Cooperative Health Statistics System	S	N/A	N/A	N/A	N/A	N/A	N/R	U	N/A	U
Common Core of Data	N/A	N/A	(b)	N/A	N/A	N/A	N/A	N/A	(b)	N/A

Legend: S - Satisfied  
 U - Unsatisfied  
 N/R- No response on the issue  
 N/A- Not applicable, no evaluation performed in the State

Note a--Illinois and Massachusetts do not participate in the local population estimates and the occupational safety and health programs, respectively

Note b--States which did not respond