

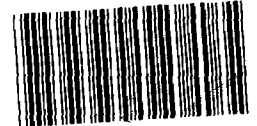


COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D.C. 20548

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June 17, 1982



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The Honorable Jack Brooks
Chairman, Committee on Government
Operations
House of Representatives

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Dear Mr. Chairman:

RELEASED

Subject: The Office of Management and Budget's Efforts to Develop and Augment the Federal Information Locator System Have Not Met Congressional Expectations (GAO/GGD-82-76)

As requested by your representatives on May 7, 1982, we are reporting to you on the Office of Management and Budget's (OMB) efforts to develop the Federal Information Locator System (FILS). We are also providing our recommendation as to what the Congress can do to ensure FILS is established as quickly as possible.

The Paperwork Reduction Act of 1980 (Public Law 96-511) required OMB to establish and operate a FILS by April 1, 1982. OMB's efforts to develop FILS have fallen short of the requirement. The Congress should require the Director of OMB to devote more attention and resources to establishing FILS. Draft legislation to implement our recommendation is on page 10.

To ascertain the type and extent of efforts to establish FILS, we: (1) reviewed OMB plans, reports, and correspondence on FILS; (2) examined the results of eight of OMB's past FILS evaluation projects; and (3) reviewed the proceedings and results of congressional hearings on the implementation of the Paperwork Reduction Act. We also interviewed OMB and Department of Defense (DOD) officials involved in establishing and operating FILS.

As your representatives requested, we did not obtain OMB's formal comments on our findings, conclusions, and recommendation. We did, however, discuss the report's contents with OMB officials responsible for developing FILS and have incorporated their views as appropriate.

BACKGROUND OF FILS

In 1977, the Commission on Federal Paperwork recommended the development of a locator system. The Commission found that the Government did not know what information it collected, where it was located once collected, how data could be retrieved efficiently and shared among agencies, and how new reporting

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requirements related to information already available. FILS was proposed as a way to:

- Identify duplication in existing or new information collection requests.
- Locate existing information that could meet the needs of a requesting agency and thereby promote sharing to avoid duplication.
- Provide a central coordinating mechanism for Federal, State, and local government requirements for information.
- Identify available information for the Congress to use in drafting legislation and the executive branch to use in operating programs.

Although not mandated to do so by statute, OMB made two attempts to develop FILS after the Commission finished its work. These are discussed on page 5.

The Paperwork Reduction Act of 1980
requires FILS

The Paperwork Reduction Act of 1980 required the Director of OMB to develop and have FILS operational by April 1, 1982. By law, FILS is to consist of a catalog of information collection requests with a synopsis of the questions contained in each request, a set of standard and uniform definitions and cross references for commonly used terms, and a referral service to assist individuals in obtaining access to FILS. FILS would be used by OMB's desk officers to review and approve agency information collection requests. Agencies planning new information collection requests, the Congress, and members of the general public would also have access to FILS.

The establishment and operation of FILS entails a design phase, operation of an index system, maintenance of data profiles of each information collection request, and a capability to compare profiles and to ensure that only descriptive data profiles are maintained in FILS.

Consistent with Commission recommendations, the act requires the Director of OMB to:

- Identify areas of duplication in information collection requests and develop a schedule and methods for eliminating duplication.

--Develop a proposal to augment FILS to include data about agencies' major information holdings.

--Promote, through the use of FILS, the review of budget proposals and greater data sharing.

In addition, the heads of Federal agencies were directed to establish procedures to ensure their agencies' compliance with OMB's FILS requirements.

OMB DID NOT ESTABLISH FILS
BY THE STATUTORY DEADLINE

OMB did not develop and have FILS operational by the April 1, 1982, deadline. Two factors contributed to the system not being established by the deadline, according to OMB in testimony before the House Committee on Government Operations on October 21, 1981. These included (1) the Congress not appropriating the funds needed to develop and operate FILS in fiscal year 1982, and (2) an unexpected delay in filling the FILS project manager position. While these problems have undoubtedly affected OMB's ability to take the necessary first step of developing the functional requirements for FILS, OMB could have reduced their effect by more aggressive action on its own. OMB has set October 1, 1983, as its target date for having FILS operational.

Requested funds not obtained or
reprogrammed from available funds

OMB requested a fiscal year 1982 appropriation of \$38.2 million, a \$4.2 million increase from its estimated 1981 appropriation. The major reason for the increase, according to OMB, was the establishment of the Office of Information and Regulatory Affairs (OIRA) as required by the Paperwork Reduction Act. As part of the \$4.2 million increase, OMB specifically requested \$0.8 million for OIRA to develop specifications, compile information, and begin testing of FILS.

Although its 1982 appropriation has not been enacted, OMB estimates it will spend \$4.5 million in fiscal year 1982 implementing the act. The only money to be spent on FILS, however, will be to pay the FILS manager's salary. Our attempts to learn from OMB officials why OMB chose not to allocate more funds to FILS development in fiscal year 1982 were unsuccessful.

In addition to not allocating funds for FILS in fiscal year 1982, OMB has not specifically requested funds for FILS in its fiscal year 1983 budget request. In fact, OMB does not list FILS

as one of its information management projects to be given emphasis in fiscal year 1983.

When asked about expected fiscal year 1983 funding and staff levels for FILS, the OMB branch chief responsible for FILS said OMB planned to allocate no additional funds to FILS in fiscal year 1983. He also said that OMB had no plans to increase the size of the FILS staff.

Despite the lack of funding, OMB still believes it will have FILS operational by October 1983. OMB is considering the use of detailees from other Federal agencies beginning about July 1982. The act allows the Director of OMB to obtain services, personnel, and facilities from agencies to aid him in carrying out his responsibilities under the act. OMB is also considering requesting DOD to provide the funding needed to develop FILS in fiscal year 1983. We know of no authority which would permit OMB to use DOD funds to develop FILS.

Staff shortage contributed to delays

It took OMB 10 months to hire a FILS manager. On January 28, 1981, OMB advertised an opening for a FILS project manager, but did not hire a manager until December 7, 1981. According to OMB, the length of time taken to hire a FILS project manager was one of the factors which prevented developing FILS within the statutory deadline.

OMB devoted 5-1/2 months to selecting the most highly qualified candidate. Of this, 3 months were spent making an initial selection; another 2-1/2 months were spent interviewing the two most qualified candidates and making the final selection. Another month elapsed getting the selectee on the personnel register to comply with Office of Personnel Management (OPM) requirements. While waiting for the selectee to be placed on the register, OMB was notified by OPM that two displaced senior level officials would also have to be interviewed for the job. An additional 3 months elapsed in selecting one of the two displaced officials and getting him transferred to OMB from another Federal agency at which he had already accepted a position. On December 21, 1981, the FILS project manager reported to OMB.

We are not in a position to say how long it should have taken to hire the FILS project manager. We believe, however, some time could have been saved had OMB pursued a more aggressive course of action in selecting from the initial list of candidates and processing the necessary paperwork.

Since December 1981, OMB has had only the project manager assigned to the task of developing FILS. His duties are to:
(1) prepare the development plan and functional specifications for the system; (2) establish an index, data element dictionary,

and referral service; (3) develop a pro forma data profile to be used in compiling data for the system; and (4) provide the day-to-day management for the FILS once it is operational.

In addition to his duties as FILS project manager, he is responsible for managing OMB's Reports Management System. (See p. 6.) He also serves as desk officer for approving and reviewing the information collection activities of ACTION. ACTION is the agency responsible for mobilizing Americans for voluntary service throughout the United States and in developing countries.

FILS specifications delayed

Based on recommendations of the Commission on Federal Paperwork, OMB has attempted twice since 1978 to develop specifications and functional requirements for FILS. OMB officials recognize that specifications and functional requirements are needed before FILS can be made operational. OMB is planning another attempt using an interagency task force. Based on past experience, the use of such a task force can be questioned and could possibly further delay establishing FILS.

In 1978, OMB formed an interagency task force comprised of 31 members representing 26 Federal agencies to design FILS. Included in its charter was the requirement to develop specifications and functional requirements for FILS. Task force members could not agree on either specifications or functional requirements. The task force's final report, issued on December 31, 1979, was characterized by the task force leader as a "concepts paper" presenting issues to be addressed by OMB if FILS were to be developed.

In following up on the work of the task force, OMB contracted in mid-1980 with a private firm to develop specifications and functional requirements for FILS. The contractor submitted a draft report to OMB in January 1981 containing proposed specifications and functional requirements. OMB believed it might be possible to establish FILS quickly by finalizing the contractor's proposed FILS functional requirements or by expanding its existing Reports Management System. However, OMB concluded that neither approach would produce a cost-effective FILS or facilitate future expansion to comply with all the requirements of the act.

OMB is now considering organizing another interagency task force to assist in developing specifications and functional requirements for FILS. According to the branch chief responsible for FILS, the contractor's proposals will be considered by the task force. OMB is considering expanding the membership of its new task force to

include representatives from all agencies affected by the act. Such a group would be considerably larger than the first FILS task force. Based on GAO's participation in the 1978 FILS task force, we concluded that OMB did not provide adequate guidance and direction to the task force. It is, therefore, highly problematical that, with only one employee responsible for FILS work, OMB will be able to provide the guidance necessary to ensure the success of its new, larger task force.

DELAYS ON FILS PROJECT HAMPERED COMPLIANCE
WITH OTHER PAPERWORK ACT PROVISIONS

FILS is the basic building block upon which many other provisions of the Paperwork Reduction Act depend. OMB's failure to complete FILS on time is delaying successful implementation of the act, including

- developing a schedule and methods for eliminating duplication,
- developing a proposal for augmenting the FILS to include major information holdings,
- promoting greater sharing of information by agencies, and
- eliminating duplicate information collection requests.

OMB was directed to identify by April 1, 1982, areas of duplication in information collection and to develop a schedule and methods for eliminating duplication. OMB has not accomplished either.

OMB's efforts to identify duplication are being made in connection with information collection reviews. Under this approach OMB's desk officers must look for duplication, relying on their memories and OMB's automated Reports Management System. Designed to support OMB's mission of monitoring the Government's collection of information from the public, this system has current and past summary data on all agency proposed information collection requests. It is intended to allow OMB and agency personnel to access data needed for effective reports management. It represents the most comprehensive source of information about public use forms, according to OMB. In contrast to FILS, the Reports Management System lacks information on the questions contained in the information collection requests. Under this approach it could take from 3 to 5 years before OMB can develop methods or is able to identify all duplicate and overlapping information collection requests contained in its inventory.

Since the act went into effect in 1981, OMB has identified 19 instances in which agencies attempted to collect information from the public that duplicated information available elsewhere in the Government. OMB's approach, however, prevents it from identifying the seriousness and extent of duplication among the more than 6,300 approved information collection requests now in use. Also, a lack of FILS prevents Federal agencies from carrying out the act's mandate to use FILS as a tool to eliminate duplicate information collection requests.

OMB was also directed to develop, by April 1, 1982, a proposal for augmenting FILS to include data profiles of agencies' major information holdings. No progress has been made on this statutory requirement. OMB said it is waiting until FILS is operational before developing the proposal. As a result, the statutory deadline for the proposal will be missed by at least 2 years.

The act requires Federal agencies to neither conduct nor sponsor the collection of information unless certain actions are taken. Among the required actions is consultation with the Director of OMB to "eliminate, through the use of the Federal Information Locator System and other means, information collections which seek to obtain information available from another source within the Federal Government" [44 U.S.C.A. 3507(a)(1)(A)]. Until FILS is operational, agencies will be hampered in their efforts to comply with the requirement. Agencies will have to rely on their own knowledge and on OMB's approval process to identify duplicate collections and to locate sources of useable information.

We previously recommended that OMB make greater use of agency resources in the information collection approval process. In a report titled "Protecting The Public From Unnecessary Federal Paperwork: Does The Control Process Work?" (GGD-79-70, Sept. 24, 1979) we pointed out that, by involving executive departments and agencies in the approval process, OMB could shift its limited resources from time-consuming reviews of individual information collection requests to more important matters, such as (1) evaluations of the adequacy of information collection controls at executive departments and agencies and (2) post audits of information collection activities. Our 1979 report recommended that the Director of OMB delegate primary review authority to executive departments and agencies which have demonstrated adequate capability. Authority to make such delegations was provided for in the act. FILS would enable agencies, as required by the act, to do the routine work of searching for duplication before requests are sent to OMB for final approval.

POLICY DECISIONS ON FILS NOT MADE BY OMB

Unable to fulfill the requirements of the act, OMB is negotiating with DOD to take over development and operation of FILS. Under the proposed agreement, DOD would serve as OMB's agent and would be charged with developing, operating, and maintaining FILS. DOD believes that the speed with which FILS is developed will depend on the speed with which an agreement of understanding can be reached between OMB and DOD. DOD officials identified several policy issues which they believe OMB should address before work on FILS begins.

DOD does not want to be tasked with the responsibility for establishing Federal policy regarding FILS, and GAO believes it shouldn't be. The DOD officials who would be developing the system believe the responsibility for FILS policy belongs with OMB. We agree. According to DOD officials, OMB must decide:

- Whether FILS is to be a centralized or distributed system.
- The kinds and format of information agencies will be required to provide.
- The extent to which any existing locator systems and any new parallel locator systems operated by Federal agencies should use the same computer hardware and software as FILS.
- The frequency with which FILS will be updated.
- The basis upon which DOD will levy user charges on Federal agencies and private sector individuals who use FILS.
- The extent to which DOD should be given authority to design a FILS data element dictionary.

OMB officials agreed that it is OMB's responsibility to resolve the policy issues raised by DOD and plan to formally incorporate their decisions on the matters in an agreement of understanding with DOD. We agree with OMB that, with one exception, these are issues over which OMB has policymaking authority. On the issue of whether FILS is to be centralized or distributed, the act is clear that FILS is to be centrally located in OIRA. Because the act is silent on the remaining issues raised by DOD, it appears OMB is justified in developing policy on them. In those instances where OMB may choose to use DOD to design, operate, or maintain various FILS components, the act requires that OMB provide direct supervision of the DOD staff assigned.

The possibility of allowing parallel locator systems raises additional concerns. Currently, 18 Federal agencies are using locator systems to manage their information collections. Allowing the 18 agencies to continue operating their own locator systems and encouraging other agencies to design and operate similar systems could result in:

- Higher than necessary operating costs because of paying for developing, operating, and maintaining duplicate and overlapping locator systems.
- Precluding rapid development of the locator system envisioned by the act which contains all information related data elements for information collection requests.
- OMB being impeded in its ability to ensure the correctness of agency data about information collection requests.

CONCLUSIONS

FILS is essential for successful implementation of the Paperwork Reduction Act. It forms the basis for carrying out OMB's and agencies' responsibilities to eliminate duplicate information collections and holdings, and to promote information sharing. Because OMB's efforts to develop FILS have fallen short of the Paperwork Reduction Act's requirements, we conclude that further delays in developing FILS can be expected. Although OMB is making progress in establishing FILS, its level of effort demonstrates that OMB does not attach the same degree of importance to FILS as does the Paperwork Reduction Act.

Although OMB asked the Congress for the necessary funds, hired a FILS project manager, and attempted to develop FILS specifications and functional requirements, we believe that OMB could have done better. Even within its limited funding, it could have made more resources available for FILS development, and it could have taken a more aggressive leadership role in developing functional requirements for the system and in resolving the many policy issues affecting FILS development.

RECOMMENDATION TO THE CONGRESS

If the Congress wants to ensure the establishment of FILS, it should, as we previously recommended in 1981, amend OMB's appropriation to provide specific funding for OIRA paperwork reduction and related information management activities. The Paperwork Reduction Act authorization requires that a sum be appropriated "to carry out the provisions of this chapter, and for

no other purpose." (Emphasis added.) (See B-203533, Sept. 14, 1981.) To more fully reflect the spirit of the Paperwork Reduction Act authorization language and better ensure allocation of resources for establishment and operation of FILS, the appropriation for OMB could be amended as we previously recommended to read:

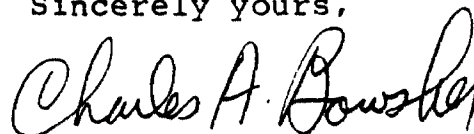
"For expenses necessary for the Office of Management and Budget, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, not to exceed \$_____ for official representation expenses, and \$_____ to be used only for activities authorized by chapter 35, of title 44, United States Code _____."

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It is our understanding that you intend to provide a copy of this report to the House Committee on Appropriations for its use in considering OMB's fiscal year 1983 appropriation request. As you know, we previously submitted a set of questions to the committee for use in its hearings on OMB's appropriation. Our questions address OMB's progress in implementing the Paperwork Reduction Act, including FILS.

As requested by your representatives, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from its issue date. At that time, we will send copies to the Director, Office of Management and Budget, and other interested parties and make copies available to others upon request.

Sincerely yours,



Comptroller General
of the United States