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RELEASED

The Honorable Jack Brooks
Chairman, Committee on
Government Operations

House of Representatives **RESTRICTED** — Not to be released outside the General Accounting Office without specific approval

Dear Mr. Chairman:

Subject: The Office of Management and Budget's Actions
Show Progress in Implementing the Paperwork
Reduction Act of 1980 (GAO/IMTEC-84-24)

This report responds to your February 6, 1984, request that we provide information on (1) whether the Office of Management and Budget's (OMB's) Office of Information and Regulatory Affairs (OIRA) is making progress in implementing the Paperwork Reduction Act of 1980 (P.L. 96-511) and whether OIRA should be reauthorized, (2) whether conflicts exist between Reform 88 activities and OIRA's activities in carrying out the act, (3) whether claims of reduced burdens made by OMB and the agencies are an accurate measure of the reductions in the paperwork burden since the act's beginning, (4) whether the OIRA desk officers' time¹ is being diverted to non-Paperwork Reduction Act activities, and (5) whether the annual report to the Congress contained in appendix I of the fiscal year 1984 Information Collection Budget of the United States Government meets the act's annual reporting requirements. It was also requested that we provide an opinion on whether OIRA is making a sincere effort to accomplish the intent of the act.

The Paperwork Reduction Act, which was signed by the President in December 1980 and became effective April 1, 1981, addresses a wide range of federal information resources management (IRM) issues. GAO identified in the legislation key tasks in five functional areas of (1) paperwork management, to include reducing the paperwork burden; (2) automatic data processing, telecommunications, and other information technology; (3) statistical policy; (4) records management; and (5) privacy and information sharing. The act specified a framework of policymaking and providing guidance; control and coordination; and oversight, review, and reporting. (See encl. I.) OIRA was established specifically to carry out the OMB Director's responsibilities under the law and to provide the necessary leadership in improving agency information resources management, with the Director retaining responsibility for the administration of such functions.

¹Desk officers are OMB staff members who are responsible for responding to agency questions on regulatory, reporting, and information policy issues for their assigned agencies.

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In our April 1983 report² we noted that OMB reported substantial reductions in the paperwork burden but had achieved limited progress in other IRM areas such as improving the acquisition and use of information technology, overseeing federal statistical activities, and developing uniform information policies. We recommended that OIRA provide clear guidance, identify specific resources needed to implement the act, and involve other agencies in implementing the act.

In this report, we conclude that OIRA has made further progress in implementing its responsibilities under the act since we last reported. The Office has initiated action on some tasks (e.g., information technology guidance and statistical activities) and moved further ahead on other tasks (e.g., paperwork management and agency IRM reviews). The act requires OIRA to (1) issue uniform and consistent policies and guidance to the agencies in all the IRM areas and (2) conduct reviews of agency IRM activities and report the results to the Congress. To meet these requirements, OIRA has provided mostly verbal guidance to the agencies and has issued written guidance primarily in the paperwork management area. In the other four areas--information technology, statistical policy, records management, and privacy and information disclosure--the guidance is limited in its scope. We found that this limited guidance has caused the agencies problems in carrying out their IRM responsibilities. OIRA, with OMB's management and budget staffs, has initiated joint reviews of agency management activities, including some information-related activities, the results of which may be incorporated in budget requests. OMB's agency management reviews have not resulted in reports to the Congress on agency IRM activities.

Regarding your other concerns, we perceive no conflict between the Reform 88 effort--a 6-year program to improve the management and administrative systems across the federal government--and OIRA's activities, in view of current cooperative efforts on the joint agency management reviews. Also, federal agency paperwork burden reductions have been considerable but they are not as great as OMB has claimed; and OIRA's desk officers told us they are spending a substantial amount of their time on tasks related to the Paperwork Reduction Act, although we cannot validate these statements or verify the time spent. Regarding the fifth issue, OMB did not intend for the Information Collection Budget appendix to serve as the act's annual report and distributed its third annual report in June 1984. This action, in our opinion, meets the law's annual report requirements.

Overall OIRA is making progress on 38 of the 39 key tasks we identified. However, we found that these tasks were in various

²Implementing the Paperwork Reduction Act: Some Progress, But Many Problems Remain (GAO/GGD-83-35, Apr. 20, 1983).

stages of implementation, from just getting underway to being fully completed.

The Congress established milestones for 13 key tasks considered to be essential building blocks for successful implementation of the act. Six of the tasks were to be completed by April 1, 1982, and the other seven by April 1, 1983. As of our April 1983 report, OMB had completed only one of the six tasks with an April 1, 1982, statutory milestone--identifying initiatives to reduce the burden associated with federal grant programs. The five remaining tasks had not been completed. Of the seven tasks with an April 1, 1983, statutory milestone, OIRA completed one--action on the Commission on Federal Paperwork recommendations--and two others were close to completion: development of an ADP and telecommunications 5-year plan and development of legislation to remove inconsistencies for privacy, confidentiality, and disclosure of information.

Since our April 1983 report, OIRA completed 2 more of the 13 tasks and has initiated actions on the remaining tasks. OIRA issued a 5-year ADP and telecommunications plan, updating it in April 1984. It also developed and began operating a Federal Information Locator System (FILS)--a system created by the act to identify duplicative data collections or to locate information. OIRA has made progress to augment FILS; has identified, with the agencies, some cases of duplication in information collections; has established audit standards related to the internal controls of information systems; has developed a draft IRM policy circular; and has begun using the clearance process as a mechanism to have agencies consider using information technology to obtain required information from the public.

We believe much more needs to be done in many areas before the act can be considered fully implemented. Particular attention needs to be given to setting uniform and consistent IRM policies and guidance. Furthermore, because we consider most of the 39 tasks to be continual, OIRA must perform certain actions as long as the law remains in place. In view of OIRA's progress and the potential of some recent efforts still underway, we believe the act should be reauthorized. Based on the results of our review, we have no basis on which to conclude that OIRA's efforts to implement the act are not sincere. However, the appropriate congressional committees should consider whether OIRA's application of resources and pace of progress to date meet congressional expectations at this point in time.

OBJECTIVE, SCOPE, AND METHODOLOGY

Our objective was to evaluate OMB's progress in implementing the Paperwork Reduction Act. To gain a current perspective of OMB's program and strategy, we performed audit work from April through the first week of September 1984. We interviewed OMB officials and reviewed records, reports, and files related to the 39 key tasks identified in our April 1983 report.

We reviewed the circumstances surrounding the 27 largest federal burden reduction claims (accounting for over 80 percent of the total 477 million hours) since the act was passed and reported by OMB in its 1984 Information Collection Budget. To determine whether the actions taken would have reasonably resulted in eliminating some or all of the associated federal recordkeeping and reporting burden imposed on the American public, we interviewed OIRA officials and analyzed records, reports, dockets, and computer files related to these 27 claims. We also obtained information on these claims at the National Credit Union Administration, Federal Communications Commission, and the Departments of Agriculture, Commerce, Health and Human Services, Labor, and Transportation. We did not independently verify the agencies' definitions of the size of the respondent group or evaluate the agencies' procedures for determining the average burden imposed on each respondent. We also did not contact the respondents involved. We did not obtain OMB comments on this report. With these exceptions, we made our review in accordance with generally accepted government auditing standards.

OIRA IS MAKING PROGRESS IN IMPLEMENTING
THE PAPERWORK REDUCTION ACT

The Paperwork Reduction Act includes an explicit statement of the responsibilities which the OMB Director is expected to carry out to improve federal agency IRM activities. While OIRA has made progress in implementing 38 of the 39 tasks described in the act (all except overseeing information research practices), the degree of progress has varied.

Following is a summary of OMB's progress in implementing the key management tasks, classified by management function: policy-setting; control and coordination; and oversight, review, and reporting.

Policysetting

Section 3504 of the Paperwork Reduction Act states that the general policy functions of the OMB Director include "developing and implementing uniform and consistent information resources management policies and overseeing the development of information management principles, standards, and guidelines and promoting their use" in five functional areas: paperwork management, including burden reduction; information technology; statistics; records management; and privacy and information disclosure. Section 3503 requires the Director to delegate these responsibilities to OIRA. Because responsibilities for these areas existed under previously enacted legislation, some policies and guidance were already issued. We believe it is reasonable to expect that OMB would evaluate this existing guidance, update it to conform with the new act, and issue new guidance where needed.

Progress in policysetting has varied. For example, OIRA has issued new, written, government-wide guidance in the paperwork

management area; and the Office is also developing an information management policy circular. On the other hand, new formal guidance in the other four functional areas has been relatively limited. To explain this, OIRA stated that, rather than follow the traditional approach of issuing government-wide guidance, it has chosen to let agencies use their own initiative in implementing the act. OIRA said it will issue government-wide guidance only when there is overwhelming evidence that such policies are necessary and effective. In the meantime, OMB said it will tailor guidance and assistance to the needs of individual agencies. As discussed in the sections that follow, however, better guidance would have helped clarify what was expected of agencies in developing their plans for performing self assessments of their IRM activities, and facilitate the more effective use of agency resources.

OIRA's new information management policy circular is part of a Reform 88 project involving the evaluation of existing central agency guidance for the purpose of eliminating unnecessary administrative burdens on the agencies. The Reform 88 project resulted in a recommendation by the Assistant Secretaries for Management Group to consolidate four OMB circulars relating to ADP, information systems, and privacy. OIRA is working to replace these circulars with its new policy circular supplemented with procedural guidance in ADP security, accounting for ADP costs, and privacy. A draft of the new circular is now under review by OIRA management.

Paperwork management

As of August 1984, the new formal guidance OIRA has issued has been primarily in the paperwork management area, dealing with the forms clearance and information collection budget processes. In March 1983, OIRA issued a regulation covering the act's paperwork management area; and in April 1983 and again in February 1984, OIRA updated instructions for the agencies to follow when submitting information requirements and proposed regulations for approval. Annual instructions have been issued, beginning with fiscal year 1981, covering the information collection budget process. The Information Collection Budget provides an upper limit on the extent of paperwork burden which federal agencies may impose on the public during the coming fiscal year and provides a standard against which the achievement of budgeted reductions can be measured.

Information technology

Written guidance in the information technology area was primarily directed to strategic information technology planning and agencies' acquisition of long-distance telecommunications services.

In April 1984, OIRA issued its second annual 5-year ADP/telecommunications plan. Volume I of the plan presents a methodology developed by the General Services Administration (GSA) for strategic information technology planning. This guidance, which describes the planning experiences of several agencies, represents a good start but is aimed primarily at the agency strategic level.

The act gives OIRA responsibility for setting government-wide telecommunications policy and for overseeing agencies' implementation of established policies. In a Federal Register notice published April 12, 1984, OMB announced that it intends to propose new procedures which will allow agencies to choose among competing vendors, including the Federal Telecommunications Service of GSA, for long-distance telecommunications service beginning in fiscal year 1986.

In our report on OMB's actions in coping with the new telecommunications environment caused by the AT&T divestiture³, we pointed out that multiple vendors offering a wide variety of technologically advanced equipment and services necessitates that OMB address many issues on a government-wide basis. In this report, we pointed out OMB is focusing its attention on an agency-by-agency approach to telecommunications planning and management and has not acquired the necessary data and has not assigned organizational responsibility to address broader policy issues on a government-wide basis. With respect to OMB's activities to provide alternative long-distance telecommunications services, we pointed out that it had not yet finalized criteria for evaluating agencies' proposals and methodologies in assessing the government-wide costs and benefits of alternative telecommunications procurement strategies.

In this review, we identified a number of information technology areas which lacked policy and guidance, including acquisition and management of telecommunications and computer software management.

Statistics

We stated in our April 1983 report that OIRA had reduced the already limited resources devoted to coordinating and overseeing the decentralized federal statistical activities. OIRA had abolished its statistical policy branch, previously charged with

³OMB Needs to More Fully Consider Government-Wide Implications In Its Telecommunications Initiatives (GAO/IMTEC-84-21; Sept. 7, 1984).

these responsibilities, and moved some of its personnel to other OIRA branches. The remaining five staff had been combined with the staff having primary responsibility for performing regulatory analysis work. These staffing shifts led us to conclude that little attention was being given to the statistical policy functions mandated by the act.

Since that time, OMB has appointed a chief statistician and established a new statistical policy office, and some priorities have been established for improving statistical data and programs. Projects underway include improvements in income statistics and gross national product data and a revision of the Standard Industrial Classification structure. Statistical standards directives existing at the time of enactment are being reviewed by OIRA's statistical policy office. No new standards directives have been finalized, although one has been updated and circulated for agency comment. However, two working papers were published providing technical assistance and guidance on contracting for surveys and approaches to developing questionnaires.

Records management and privacy and information disclosure

OIRA has provided some guidance in the area of records management, but guidance in the area of privacy and information disclosure is still being developed. OIRA established a 3-year retention period as a guideline for agencies to follow in imposing requirements to maintain records. OMB is reviewing its privacy circular for possible consolidation in the new IRM policy circular under review in OIRA. That, however, is the extent of work OMB is doing to remove inconsistencies in legislation covering privacy, confidentiality, and disclosure of information.

Problems from a lack of guidance

There were a number of instances in which the absence of guidance handicapped the efficient and timely implementation of the act. For example, OMB's approach to issuing guidance has caused problems for agencies in making information management reviews. Based on OMB's requests for data from the agencies concerning their implementing actions, OMB selected the Environmental Protection Agency's format for its agency self-assessment submission as the model for other agencies to follow. Because most other agencies had already established their own formats, they had to rewrite their self-assessments to conform with the newly required format.

Much of the guidance agencies have received has been presented verbally to them by their respective desk officers within OIRA. OMB rejected the approach of issuing formal, government-wide guidance as an overall implementation strategy for three reasons. First, the administration was concerned about the regulatory burden imposed on federal agencies by the issuance of government-wide policies which limit the discretion of agency

officials in meeting the agencies' program responsibilities. Second, OMB's past experience had demonstrated that general management policies were often difficult to enforce, especially when no effective feedback mechanism existed by which OMB could insure agencies were actually implementing the policies. And third, OMB believed it was neither timely nor appropriate to issue any information policies until there was a better assessment of the problem areas. The implementation strategy OMB has adopted is based on its philosophy that primary responsibility for implementing IRM rests with the agencies.

Notwithstanding this, the agencies continue to express the need for guidance in numerous IRM areas. In late 1983, agencies suggested a need for guidance in such areas as (1) access to government data bases, (2) end-user computers, (3) computer performance evaluation, (4) providing information collected by the government to private firms for subsequent resale to the public, and (5) procuring information technology. In addition, several agencies identified the need for an integrated framework for establishing and issuing policies covering the full range of IRM. In January 1984, IRM officials representing 14 departments and agencies said they still do not know what is expected of them under the act.

Therefore, we believe OMB should proceed in:

- updating IRM guidance in effect when the act was passed;
- issuing its new IRM policy circular;
- analyzing areas that agencies have identified as warranting the issuance of new policies and guidance; and
- permitting agencies to further experiment in implementing new areas but limiting the time period before issuing government-wide guidance.

Control and coordination

To implement the act, OIRA has several control and coordination mechanisms in place. These include the reports clearance and information collection budget processes, statistical coordination, the review of budget submissions for both information technology acquisitions and statistical activities, and FILS--a system created by the act to identify duplicative data collections or to locate information.

Through the reports clearance and information collection budget mechanisms, OIRA has placed over 2 billion hours of information collection requirements under federal management control and has eliminated or consolidated over 500 information collection requirements proposed by agencies. The information collection budget process resulted in the discovery of hundreds of information requirements that were in use but unapproved for

use. Further, OMB believes the Information Collection Budget has forced agencies to establish information collection priorities.

OIRA established a statistical policy advisory group composed of the heads of statistical agencies to coordinate planning and advise OIRA on long-term issues. The statistical policy staff also reviews proposed statistical information collections.

Through its review of the agencies' budgets, OIRA is to review and coordinate the acquisition and use of the agencies' information technology and the decentralized statistical activities. During the fiscal year 1985 budget review, OIRA staff reviewed data in both areas. However, we believe OIRA was somewhat restricted in its comments because agencies were not required to submit detailed information to OMB on proposed information technology acquisitions until the budget decisions were approved. So, OIRA could comment only on major items readily identifiable in the initial budget submissions. Beginning with the fiscal year 1986 budget, however, agencies must include this detailed technology information with their initial budget submissions.

OIRA reviewed the statistical agencies' budgets during the fiscal year 1985 budget cycle. Because only the general purpose statistical agencies' budget information was easily identifiable, the chief statistician had to call for the submission of comparable budget data from some 60 other agencies also involved in statistical activities. OIRA summarized the budget details in a report on the federal statistical activities issued in April 1984.

In 1983, OIRA and a group of 14 agencies began a pilot test of FILS. Few instances of duplication were found during the test period. OIRA directed the 14 agencies to update their FILS data--it had not been updated since September 1982--and further directed 22 additional agencies to provide information on their reporting and recordkeeping requirements to the FILS data base. An OIRA official told us that updating the data base had been completed in April 1984. Beginning in June 1984, OIRA directed the agencies to search FILS before requesting approval of new information requirements and to document their searches for possible OMB review in the future.

Review, reporting, and oversight

The act established two levels of review of agency information management activities--self-assessments by the agencies and reviews by OMB. Section 3506(c) requires each agency to

"...periodically review its information management activities, including planning, budgeting, organizing, directing, training, promoting, controlling, and other managerial activities involving the collection, use, and dissemination of information."

Section 3513(a) of the act requires the Director, OMB, to

"...with the advice and assistance of the Administrator of General Services, selectively review, at least once every three years, the information management activities of each agency to ascertain their adequacy and efficiency."

Section 3513(b) requires the Director

"...to report the results of the reviews to the appropriate agency head, the House Committee on Government Operations, the Senate Committee on Governmental Affairs, the House and Senate Committees on Appropriations, and the committees of the Congress having jurisdiction over legislation relating to the operations of the agency involved."

Agencies initiated 66 self-assessments under OIRA monitoring since passage of the act. OMB reported in March 1983 on the results of completed reviews, claiming improvements in service delivery, reduced paperwork burden, improved agency productivity, and budget savings.

At the time of our April 1983 report, OIRA, with GSA assistance, had performed one review at the Department of the Treasury as envisioned by the act. OIRA is conducting management reviews jointly with OMB's management and budget staffs. In July 1984, OMB initiated such joint reviews of 23 departments and agencies with the management staff providing leadership. These reviews are intended to identify proposed management improvements, including some related to the agencies' information activities, which may be funded in the fiscal year 1986 budget. Also, by linking these improvements to the budget process, resources needed to carry out the improvements may be provided. Given that this is the first year of the joint management review process, it is too early to evaluate whether the process will lead to improved information management.

As discussed above, the act provided an oversight mechanism for the Congress by requiring that OMB report on its reviews to specific congressional committees and that agencies respond to the reports. Under OMB's joint management review process, the congressional committees do not receive reports on agency IRM activities.

THERE ARE COOPERATIVE EFFORTS
BETWEEN REFORM 88 ACTIVITIES AND OIRA

While the act established OIRA as the leader in improving the agencies' IRM activities, Reform 88 was established by the administration in September 1982 as a 6-year program to improve the management and administrative systems across the federal government. It was to examine administrative systems in the budget

and financial, property, personnel, and management information areas. Initial Reform 88 projects concentrated on areas such as increased debt collection, improved cash management, procurement reforms, and paperwork reduction. Neither OIRA officials nor management officials saw conflicts between the two groups' activities but, rather, said that greater cooperation between them had been achieved during the past year.

The Task Force on Management Reform, responsible for implementing Reform 88, initially pursued its own objectives of improving administrative management activities in the executive branch. The task force, composed of agency detailees, worked initially with OMB's management division to carry out the Reform 88 projects. This effort has since been taken over by the management staff of OMB.

OIRA and management staff members told us that, initially, OIRA and the Reform 88 group within OMB were involved in their own activities which, on occasion, overlapped. The two staffs have, however, cooperated more during the past year. For example, as discussed above, a team approach is being used in planning and conducting the agency management reviews started in July 1984.

OIRA and the budget and management staffs have jointly selected a series of management issues and have requested information from the agencies on each issue. Included are some agency information activities covered by the act, such as ADP and telecommunications. The process includes (1) identifying management issues of importance to OMB or the agencies, (2) analyzing the issues and identifying costs and benefits of proposed improvement projects, and (3) reaching agreements between OMB and the agencies to proceed with potential improvements. The process is intended to culminate in the agencies budgeting for the improvements.

If improvements in the management of agencies' information resources are brought about by this process, it will further the objectives of the act. Because of the cooperative nature of these efforts, we do not see a conflict between the Reform 88 and OIRA activities.

CLAIMS OF REDUCED BURDENS ARE NOT
AN ACCURATE MEASURE OF PAPERWORK
BURDEN REDUCTIONS ON THE PUBLIC

Section 3505 of the act required the Director of OMB to

"set a goal to reduce the then existing burden of Federal collections of information by 15 per centum by October 1, 1982; and for the year following, set a goal to reduce the burden which existed upon enactment by an additional 10 per centum."

OIRA established a baseline of about 1.477 billion respondent hours as the inventory against which burden reductions would be measured. In its 1984 Information Collection Budget, OMB stated that it had reduced by 32 percent the baseline of burden hours, thus exceeding its goals. Although we found that considerable federal burden has been removed from respondents, it is not as much as claimed by OMB because some burden reductions claimed in full only partially reduced the burden. Because of OIRA's criteria used in establishing burden reductions, some claims did not result in a reduction in federal burden. Others, while eliminating the federal burden, resulted in minimal change to the respondents' burden because of state or other requirements. Because we did not independently evaluate the size of each respondent group or the procedures for computing average respondent burden, nor contact respondents, we cannot estimate the extent to which OMB's claimed burden reductions are overstated. But, it is clear that burden reductions are not as high as claimed by OMB.

OMB presented 27 claims of reduced paperwork burden, each representing a savings of 3 or more million hours. The 27 claims cover over 80 percent of the 477 million hours claimed as reductions in respondent burden since the act was passed. While the majority of these claims represent the elimination of federal reporting and recordkeeping requirements, agency officials told us that some of the affected respondent groups continue to report or maintain records similar to those previously imposed by the federal requirement. OMB, in establishing the original burden baseline, required agencies to include in their burden estimates, recordkeeping considered to be general business practice. Agencies were also required to include in their estimates any recordkeeping or reporting required by a state or local government when the federal requirement also included such recordkeeping or reporting.

We reviewed the 27 claims of reduced paperwork burden. (See encl. II.) Our criterion for reviewing OMB-claimed reductions was whether the actions taken would have reasonably resulted in eliminating some or all of the burden imposed on the American public by a federally imposed reporting or recordkeeping requirement.

Of the 27 major claims, we found that:

- 10 accurately portray the reduction or elimination of recordkeeping or reporting burden for a total of about 74 million hours.
- 4 claims totaling about 76 million hours resulted in burden reductions less than claimed.
- 3 claims and part of a fourth claim totaling about 62 million hours are not supportable and resulted in no burden reduction for the respondent group.

--10 claims of about 173 million hours, including the remaining part of the nonsupportable claim previously identified, represent the removal of a federal recordkeeping requirement not benefitting the affected respondent group. This is because other federal or state requirements or business practices continue the burden.

Reduction of recordkeeping and reporting burden

There are 10 claims that reflect actual reductions of 74 million hours. Respondent burdens were effectively reduced by the Departments of Agriculture, Labor, and Health and Human Services by eliminating programs or through reporting and recordkeeping changes. The Internal Revenue Service (IRS) saved the American public millions of hours by eliminating and simplifying line items on tax forms.

Claims resulting in partial reductions

Four claims totaling 76 million burden hours resulted in some actual burden reductions for the American public; however, based on our review criterion, the real burden reduction is not as much as claimed. For example, OMB claimed that the Department of Transportation (DOT) reduced the total 11.1 million hours of burden originally counted in the baseline by modifying its regulations to give drivers the option of eliminating certain data requirements from its Driver Duty Status Record. In calculating the burden reduction, DOT assumed that 50 percent of the drivers would opt for the simplified recordkeeping requirement. DOT program officials told us, however, that most drivers are continuing to maintain the old records because the industry has made the old record a standard business practice.

Also, IRS, while simplifying some of its forms, transferred the spaces for calculating items, such as "All Savers Certificates," from the related form onto worksheets or into the instruction booklets. It also claimed a reduction of 2.6 million hours by eliminating the Schedule TC (Tax Computation). However, these calculations must still be completed by the taxpayer. We see only limited reductions in the burden on the American public from actions such as these.

Claims not resulting in a federal burden reduction

Three claims and part of a fourth claim totaling about 62 million hours have not resulted in any reduction in the federal paperwork burden imposed on the public. The burden has not been reduced because (1) the requirement will periodically recur, (2) the original estimate was in error, or (3) the burden reduced was not federally imposed.

OMB claimed a 27.9-million-hour burden reduction for the Department of Commerce's "1980 Census of Population and Housing." Because the census was last conducted in April 1980 (the same year OMB established the burden baseline), it was included in the 1984 Information Collection Budget as a major burden reduction. However, the census is a constitutionally mandated decennial report, so the burden will recur in 1990, which OMB has recognized. When questioned about the recurring burden, OIRA officials stated that a burden reduction had occurred because approval of the 1980 census form had expired. Since the reduction does not reflect a change in the burden between the 1970 and 1980 decennial censuses and no federal burden has been eliminated because it will recur in 1990, we believe this action should more appropriately be classified as an adjustment to the baseline instead of a burden elimination.

In the second case, on one of the DOT claims, about 17.8 million hours in claimed reductions was counted twice. We found that both the National Highway Traffic Safety Administration (NHTSA) and the Federal Highway Administration (FHWA) submitted burden estimates for the collection of the same information. That information was used to establish the baseline in the 1981 Information Collection Budget. OIRA officials told us that they did not detect this duplication because two different desk officers handled these agencies. Officials of both agencies acknowledged the burden estimates and subsequent claims should have totalled 35.6 million hours, with 17.8 million allocated to each agency. This interagency duplication caused the burden baseline to be overstated by 17.8 million hours, which subsequently was claimed as a burden reduction by NHTSA.

In the third case, physicians were required to submit Medicare claim forms to the Health Care Financing Administration. In addition, they submitted claim forms required by private insurance companies in cases of multiple insurance coverage. Based on a cooperative action of the Health Care Financing Administration, the American Medical Association, and the states, a uniform health insurance claim form has been developed and is currently in use by Medicare and health insurance companies. This uniform claim consolidated Medicare and the third party insurer information onto one form, thus eliminating the need for physicians to complete multiple insurance forms in cases of multiple billing. In these cases, the uniform claim procedures clearly allow the physician to complete fewer different types of forms, thereby reducing paperwork burden. The federal burden, however, has not been reduced because the Health Care Financing Administration continues to require physicians to submit the same Medicare information as before.

Finally, "Emergency Reports from Nuclear Licensees" is a reporting requirement imposed by the Nuclear Regulatory Commission (NRC). When an emergency situation occurs, a report describing the emergency is filed with NRC. This report is evaluated and,

if NRC determines that the reported emergency situation has immediate, significant implications for other nuclear power plants, then NRC may require these other nuclear licensees to perform specific tests and submit emergency reports on the results of the tests.

The initial burden for these emergency reports was designated at 7.5 million hours based on the amount of emergency reports occurring before 1980. As of March 1982, only four emergency situations requiring reports had occurred. Based on the infrequent need for the reports, the burden estimate was reduced to 1 million hours. A reduction was claimed in the 1984 Information Collection Budget for the difference of 6.5 million hours. In this case, this burden change is not based on government action taken to alleviate an imposed federal burden. Instead, it is the result of a reduced occurrence of emergency reporting situations leading to a decreased number of reports.

Federal requirement removed but
some burden remains for other reasons

Ten burden reduction claims totaling about 173 million hours, including the duplicative claim previously discussed, resulted from the removal of federal recordkeeping requirements. However, other federal or state requirements or business practices, resulted in minimal change in the burden imposed on the affected respondent groups. These claims were affected by a policy decision to revise the definition of burden contained in OIRA's paperwork management regulations for the purpose of preparing burden estimates. Had this policy and burden definition been in effect when the burden baseline was established, most of these burden hours would not have been included in the baseline.

The new policy and definition states that burdens (1) incurred by persons in the normal course of their activities (e.g., in compiling and maintaining business records) or (2) resulting from the collection of the same information by both a federal agency and a unit of state or local government, will be excluded from the burden if the agency demonstrates that the requirement would be imposed even in the absence of a federal requirement.

Seven DOT claims totaling 88.1 million hours were based on eliminating federal reporting and recordkeeping requirements pertaining to highway safety programs. OIRA officials believe these seven claims are burden reductions because they are based on DOT's deregulation of the Highway Safety Program Standards which left the states operating their own highway safety programs. Although DOT's action to deregulate the program has relieved the federal reporting and recordkeeping requirements, since the states continue to require and maintain the same information, we believe this action has achieved little reduction in paperwork. DOT has proposed replacing those requirements with rules mandating that each state shall have a highway safety program. The

rules outline the minimum reporting and recordkeeping requirements that the states would have to comply with.

In another instance, the Federal Communications Commission (FCC) revised its rules in 1981, eliminating the requirement that broadcast stations maintain program logs. Program logs had been used by FCC in determining whether broadcast stations performed in the public interest. However, many radio stations continue to maintain these logs as a general business practice and because court action following FCC's rule revision requires stations to periodically report on their public service broadcasting; the logs furnish stations a tool for reporting such information.

Two National Credit Union Administration (NCUA) claims resulted from the removal of federal recordkeeping requirements; however, a requirement that federal credit unions follow generally accepted business practices was imposed. Based on the OMB policy change permitting agencies to exclude reporting and recordkeeping requirements from their burden estimate when such requirements are also a generally accepted business practice, NCUA claimed a 67.5-million-hour burden reduction. An NCUA official told us, however, that credit unions continue to maintain essentially the same records as before the deregulatory action.

In a 12.3-million-hour NCUA claim eliminating the requirement federal credit unions follow the accounting manual, some deregulation has occurred. However, regulations remain in effect requiring federal credit unions to adhere to general business practices and accounting principles. The other NCUA claim, regarding lending policies (recordkeeping), involved a federal recordkeeping requirement based on NCUA regulations that prescribed the forms and procedures through which federal credit unions lend to their members. Following changes to the regulations, NCUA claimed a total burden elimination of 55.2 million hours. Notwithstanding these rule changes, remaining NCUA regulations require the maintenance of loan records according to a minimum standard of generally accepted business practice, and federal credit unions continue to maintain loan files which are subject to review by NCUA examiners.

Since the federal government requires adherence to the business practice standard and since federal credit unions are subject to NCUA review, some of the federally imposed burden has not been eliminated.

OIRA DESK OFFICER EFFORT ON
TASKS RELATED TO THE ACT

Because OIRA does not maintain time records distinguishing between that portion of OIRA desk officers' time spent on Paperwork Reduction Act duties and that which is not, we could not objectively determine the extent to which desk officers are spending their time on act responsibilities. Nevertheless, the

available evidence suggests they are spending a substantial portion of their time carrying out tasks related to the act. The desk officers responsible for agencies with the 27 major burden reduction claims subjectively estimated they spend about 80 percent of their time on various aspects of the act.

Desk officers are located in three of the five OIRA branches, but staff members in the other two branches are also involved in tasks related to the act, so we used other measures to gauge the extent to which OIRA was devoting its time to these tasks. One such measure is the progress being made to implement the tasks specified in the act. We last reported on OMB's implementation of the act in April 1983. Since then, OIRA has made progress in carrying out more of the 39 tasks stipulated in the act, even though OIRA's staffing has remained at about 76 to 80 since October 1982.

With respect to the staff resources applied to carry out act responsibilities, we observed that:

- OIRA's staffing has remained at about 76 to 80 positions, although we estimated in March 1980 that about 120 positions would be required for effective and timely implementation of the act.
- OIRA has initiated action on 38 of the 39 tasks, though much remains to be done to fully implement the act and to achieve the benefits envisioned.
- As of our April 1983 report, the statistical policy office had been abolished and the remaining statistical staff were combined with staff having primary responsibility for performing regulatory analysis work. The statistical policy office was established in late 1983 and, as of August 1984, 7 staff are assigned. However, when the function was transferred to OIRA in August 1981 under the act, 15 staff members were assigned to carry out the statistical policy functions.

CONCLUSIONS

OIRA is addressing almost all of the tasks required by the act, but its levels of achievement and involvement vary. It has made progress on a broader range of tasks than was apparent when we reported in April 1983 even though it is not playing the central leadership role in all functional areas as envisioned by the act.

With regard to its policymaking responsibilities, OIRA has now permitted agencies ample time--3 years--to experiment in implementing different provisions of the act. It should now proceed in developing updated policies and guidance clearly establishing expectations on all IRM areas covered by the act. In

this regard, comments received from the agencies on the proposed OMB policy circular on federal information management should be used as a guide in determining areas where additional guidance should be provided. One of the suggestions was to establish and issue overall IRM-related guidance. We believe this is a necessary step in view of the act's requirement that the policies, principles, standards, and guidelines were to be uniform, consistent, and integrated.

OIRA's implementation of the control and coordination mechanisms under the act has made a difference in the federal paperwork burden that the government imposes on the American people, but its effect has been overstated. More requirements are under control now than in the past and OIRA continues to bring additional requirements under the act's controls. OIRA's review of the budget segments on information technology acquisitions and statistical activities has permitted priority areas to be identified for further study.

In carrying out its review, reporting, and oversight tasks, OIRA is participating in joint management reviews. While the management review approach provides a broad perspective of selected agency information-related activities, at the time we completed our review, it was not clear whether OMB plans to report the results of these management reviews to the Congress in fulfilling its obligation to report the results of IRM reviews it performs under the act. The results of the management reviews for issues related to information management activities under study by OMB and the agencies could be provided to the congressional committees as specified in the act to permit their oversight.

We believe specific IRM improvements identified during the management reviews may further the objectives of the act. We also believe that linking proposed improvements to the budget should help overcome problems that have resulted in the failure of previous management improvement efforts. Since this is the first year OIRA has participated in the management review process, it is too early to tell whether accomplishments will be achieved. OMB will, however, need to exercise care and track these improvements closely to insure they are effectively implemented by the agencies.

Because OIRA and the OMB management staff have been working cooperatively on management reviews of areas covered by the act, we perceive no conflict at this time between the Reform 88 effort and OIRA's activities.

The American people have realized millions of hours of paperwork burden reductions; however, not as much as OMB claims. While deregulatory actions have been taken by agencies to eliminate federal recordkeeping requirements, the affected respondent group's burden has, in some instances, remained essentially the

same. This is because of requirements imposed by state or local governments or federal requirements that recordkeeping be maintained as a common business practice. OMB's criteria allowed agencies credit for some burden reductions where the public has realized no reduced burden. We believe these claims would more appropriately be reflected as adjustments to the burden baseline.

OMB desk officers say they are spending most of their time on tasks related to the act. However, we cannot determine the specific distribution of their time because records with such detail are not maintained.

RECOMMENDATIONS TO THE CONGRESS

In view of OIRA's progress to date in implementing the objectives of the Paperwork Reduction Act, we recommend that funding for the act and OIRA be reauthorized. We also recommend that, in its deliberations, the Congress and the appropriate congressional committees explore with the OMB Director whether OIRA's progress to date meets congressional expectations and whether additional resources should be approved to speed progress in implementing the act.

RECOMMENDATIONS TO
THE OMB DIRECTOR

We recommend that the Director of OMB direct OIRA to:

- Take prompt action to provide clear, updated, written guidance to the agencies for implementing their responsibilities in all areas covered by the act, including the areas of information technology, statistics, privacy, and records management.
- Establish time frames for limiting further experimentation by agencies in implementing the act and, after a timely evaluation of the initiatives, establish guidance for all agencies to follow.
- Inform the appropriate congressional committees of how it intends to meet its obligation under the act to report the results of IRM reviews to them.
- Claim as burden reductions only actual reductions of federal burden imposed on the affected respondent groups.

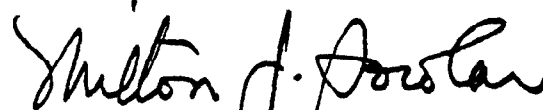
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As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from its date. At that time we will send copies to the Director of the Office of Management and Budget and

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to other interested parties, and will make copies available to others upon request.

Sincerely yours,

A handwritten signature in cursive script, reading "Milton J. Forster".

Acting Comptroller General
of the United States

Enclosures - 2

OMB'S TASKS AND RESPONSIBILITIES UNDER
THE PAPERWORK REDUCTION ACT OF 1980

<u>POLICYSETTING/GUIDANCE</u>	<u>CONTROL/COORDINATION</u>	<u>REVIEW/ REPORTING/OVERSIGHT</u>
# 5 Issue paperwork management guidance	# 1 Establish burden reduction goals	# 3 Complete action on Commission on Federal Paperwork recommendations
12 Develop records retention standards	2 Carry out reports clearance process	6 Propose legislative changes to improve government IRM activities
13 Develop ADP and telecommunications policy	4 Delegate clearance authority to agencies	19 Settle Brooks Act disputes between GSA and agencies
17 Revitalize Federal Information Processing (FIPS) standards development	7 Develop/operate Federal Information Locator System (FILS)	24 Propose legislative changes to remove inconsistencies in privacy, confidentiality, disclosure
21 Develop and coordinate statistical policies	8 Augment FILS: include major holdings	27 Review agency IRM activities at least once every three years and report results to the Congress
23 Develop guidance on information disclosure, confidentiality, and security	9 Identify duplicate information collections	28 Obtain GSA assistance in reviewing agency activities
25 Develop guidance on agency senior officials	10 Designate central information collection agencies	30 Oversee information research practices
26 Develop guidance on agency reviews (self-assessments)	11 Direct sharing of information	32 Provide annual report to the Congress on act implementation
29 Coordinate/make uniform information policies and practices	14 Oversee ADP and telecommunications acquisitions	<u>ADMINISTRATION</u>
33 Establish audit standards for information systems	15 Develop 5-year ADP and telecommunications plan	35 Organize Office of Information and Regulatory Affairs (OIRA)
34 Assign responsibility for multi-agency audits	16 Enforce FIPS standards	36 Delegate functions to OIRA
	18 Promote use of information technology	37 Transfer personnel
	20 Develop long-range statistical plans	38 Establish OIRA appropriations
	22 Coordinate records management with other IRM activities	39 Provide GAO access to OMB records
	31 Identify productivity initiatives using information technology	

NOTE: The numbers shown above are for reference purposes and refer to the task numbers as listed in appendix I of GAO's report entitled Implementing The Paperwork Reduction Act: Some Progress, But Many Problems Remain (GAO/GGD-83-35; Apr. 20, 1983).

**INDIVIDUAL REPORTING/RECORDKEEPING BURDEN
REDUCTIONS OF 3 MILLION HOURS OR MORE
(In millions of hours)**

	Agency	OMB Claim	Notes
<u>Supportable Claims</u>			
Report of Children Nutrition Operations Guideline for Financial Mgt. Cost Based Accountability System	USDA	18.2	
Employee Business Expenses	USDA	17.7	
Wage and Tax Statements and Transmittal of Income Tax Statements	IRS	7.6	
Title XX Social Services Reporting	IRS	7.5	
U.S. Corporate Income Tax Return	HHS	5.0	
Individual Income Tax Return (1040A)	IRS	4.1	
Annual Report of Revenue and Cost	IRS	4.0	
CETA Grant Application and Reporting	USDA	3.4	
WIC Program Regulatory Reporting	DOL	3.1	
	USDA	3.1	
<u>Subtotal</u>		<u>73.7</u>	
<u>Partially Supportable Claims</u>			
Individual Income Tax Return (1040)	IRS	30.9	a
Quarterly Federal Tax Return	IRS	26.9	d
Drivers Duty Status Record	DOT	11.1	c
U.S. Partnership Return of Income- Partner's Share	IRS	6.8	a
<u>Subtotal</u>		<u>75.7</u>	
<u>Nonsupportable Claims</u>			
1980 Census of Population and Housing	DOC	27.9	a
Accident Investigation and Reporting	DOT	17.8	e,f
Request for Medicare Payment	HHS	9.9	a
Emergency Reports from Nuclear Licensees	NRC	6.5	e
<u>Subtotal</u>		<u>62.1</u>	
<u>Federal Requirement Removed But Some Burden Remains for Other Reasons</u>			
Lending Policies (Recordkeeping)	NCUA	55.2	c
Periodic Motor Vehicle Inspection	DOT	31.5	b,c
Highway Traffic Accident Data	DOT	18.0	b,c
Accident Investigation and Reporting	DOT	17.8	b,c,f
F.M. Broadcasting Logging Requirements	FCC	17.1	c
Accounting Manual for Federal Credit Unions	NCUA	12.3	c
Motor Vehicle Registration	DOT	9.6	b,c
Highway Inventory Data	DOT	4.0	b,c
Highway Traffic Volume Data	DOT	4.0	b,c
Driver Licensing	DOT	3.2	b,c
<u>Subtotal</u>		<u>172.7</u>	
<u>TOTAL</u>		<u>384.2</u>	

ABBREVIATIONS**USDA** = Department of Agriculture**IRS** = Internal Revenue Service**HHS** = Department of Health and
Human Services**DOL** = Department of Labor**DOT** = Department of Transportation**DOC** = Department of Commerce**NRC** = Nuclear Regulatory
Commission**NCUA** = National Credit Union
Administration**FCC** = Federal Communications
Commission**NOTES:**

- a Federal burden not eliminated; will recur periodically or is being shifted to other forms, worksheets, or schedules.
- b Federal information requirement has been disapproved by OMB, but regulations remain in effect.
- c Federal requirement deregulated but, due to state, local government, or business practice, the burden continues.
- d Error in calculating federal burden reduction
- e Federal burden was initially recorded erroneously or estimated too high.
- f These two items were reported as one claim.