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CONGRESSIONAL REPORTS

Efforts to Eliminate or Modify Reporting Requirements Need to Be Improved



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**Accounting and Financial
Management Division**

B-228848

April 19, 1988

The Honorable John Glenn
Chairman, Committee on
Governmental Affairs
United States Senate

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

We are addressing this report to you because of your committees' interest in managing the level of effort needed for federal agencies to respond to congressional requirements for financial and program information. As of fiscal year 1985, the latest year for which information was available at the time of our review, there were approximately 3,300 recurring reporting requirements, up from approximately 750 in 1970. While some requirements call for only a single annual report prepared by one agency, others call for multiple reports to be prepared by one or more agencies annually or more frequently. Senate Report 99-211, dated December 9, 1985, estimated the annual cost of meeting these requirements at \$240 million.

Over the years, both the Congress and the executive branch have expressed concern over the magnitude and growth of these requirements. The basic concern has been that some requirements result in reports which may be duplicative, unnecessarily burdensome to produce, or, in some instances, not very useful. By modifying or eliminating reporting requirements that are no longer needed, resources can be freed for other program activities, thereby improving productivity.

There have been several joint attempts by the executive and legislative branches to reduce congressional reporting requirements. These efforts resulted in the Congressional Reports Elimination Acts of 1980, 1982, and 1986. The 1986 act, Public Law 99-386, was a culmination of efforts undertaken by executive branch agencies, under the direction of the Office of Management and Budget (OMB), to identify recurring congressional reporting requirements that could be eliminated, consolidated, reduced in frequency, or otherwise modified to achieve cost savings.

In March 1984, OMB asked agencies to provide recommendations to eliminate, simplify, or consolidate existing legislatively mandated reports.

These were to be accompanied by justifications based on cost, utility, or other pertinent factors. After reviewing the recommendations received, OMB developed and submitted a legislative proposal to the Congress for modifying or eliminating 240 reporting requirements.

The Congressional Reports Elimination Act of 1986 changed or rescinded only 23 of these requirements,¹ and the House Committee on Government Operations, which sponsored the legislation in the House of Representatives, expressed disappointment with the methodology OMB and the agencies had used to identify and present the recommendations. Executive branch officials also voiced their disappointment with the low number of recommendations adopted.

Because of these concerns, we reviewed the procedures used by OMB and five executive branch agencies to develop and justify their recommendations. In assessing the activities that led to the 1986 act, we found that

- agency officials rarely discussed proposed changes with the Congress either before or after submitting the legislative proposal,
- the majority of justifications presented with the legislative proposal did not adequately demonstrate that the reporting requirements should be eliminated or modified, and
- agencies did not use existing reports management processes which might have provided better assurance that the recommendations they made recognized and satisfied current congressional information needs.

Because of these administrative weaknesses, we believe the government can improve the way it identifies those congressional reporting requirements which are still needed and those which can be modified or eliminated. This report provides recommendations to the Director, Office of Management and Budget, and to the Administrator of General Services, for improving the manner in which future proposals to modify or eliminate congressional reporting requirements are developed and supported.

Objective, Scope, and Methodology

We reviewed the procedures followed by OMB and the agencies to compile and present a legislative proposal for modifying or eliminating the 240 congressional reporting requirements. Our objective was to determine whether the procedures used were adequate to meet the needs of the Congress and still provide for efficient, effective, and economical reporting and data gathering.

¹The Congress added 2 additional modifications not proposed by OMB, for a total of 25.

We reviewed the activities of OMB and five major agencies (the Departments of Agriculture, Education, Energy, Housing and Urban Development, and Interior) which accounted for about 30 percent of the 240 reporting requirements proposed for elimination or modification. OMB officials told us they believed these agencies' efforts were typical of agency efforts leading to the Reports Elimination Act of 1986. We examined

- the extent to which agency representatives consulted with the affected committees to ensure that proposed changes did not conflict with their information needs and
- the extent to which information accompanying the draft legislation was sufficient to justify proposed modifications and eliminations of reporting requirements.

We also considered whether these agencies' policies and procedures for managing other reporting requirements were, or could appropriately be, applied to congressional reports. To do this, we reviewed reports management guidance issued by the General Services Administration (GSA), which promulgates regulations for such management within the executive branch.

In addition, we reviewed the legislative history and other documentation dealing with the 1986 and prior legislation. Finally, we interviewed OMB and agency officials and held discussions with staff members from the committees sponsoring this legislation. Our work, conducted from September 1986 through June 1987, was performed in accordance with generally accepted government auditing standards.

Agencies Had Not Adequately Discussed Proposals With the Congress

A report prepared by the House Committee on Government Operations (House Report 99-698, July 21, 1986) stated that while the administration claimed many of the reporting requirements proposed for elimination or modification were costly and burdensome, the Committee was unable to find any indication that the agencies had discussed them with the affected congressional committees. The report emphasized that such discussions are essential before agencies can determine that changes in the scope, content, format, or frequency of required reports are possible without sacrificing congressional information needs. In addition, a key staff member of the Senate Committee on Governmental Affairs told us that only 1 of the 29 or more agencies involved in proposing modifications or deletions had contacted a jurisdictional committee regarding the proposals.

The OMB criteria for developing proposals to change congressional reporting requirements are found in OMB Bulletin 84-10, "Reducing Executive Branch Reports to the Congress," dated March 28, 1984. The bulletin did not include a requirement for consultations with congressional committees prior to developing recommendations for modifying or deleting congressional reporting requirements. However, it did provide that OMB would ask agencies to consult with committees after the OMB legislative proposal was introduced.

Officials at the five agencies included in our review told us that they had not discussed their recommendations for eliminating or modifying congressional reporting requirements with the affected committees prior to forwarding these recommendations to OMB. In addition, officials at four of the five agencies told us they had not discussed their proposals with the appropriate committees even after the draft legislation was introduced. One agency did send a written justification for eliminating or modifying reporting requirements upon learning that its Senate oversight committee did not intend to consider many of the agency's proposed changes.

Agency officials said that OMB had not asked them to coordinate with the affected committees after the legislation was introduced. OMB officials told us this was an oversight and noted that, in retrospect, it would have been appropriate to discuss the proposals with the committees. They said that such discussions would have provided more awareness of congressional information needs and enhanced the agencies' opportunities to justify the proposed changes.

Justifications Presented With the Proposals Were Often Inadequate

Lack of communication with the Congress during preparation of proposals for modifying and eliminating reporting requirements made it especially important for agencies to make a convincing case when presenting the proposals for congressional consideration. We reviewed OMB's "section by section analysis" which accompanied the proposed legislation to determine whether the justifications provided appeared convincing. We made our determinations based on criteria in OMB Bulletin 84-10, which instructed agencies to consider such factors as duplication and overlap, reporting burden in terms of time and money, and continuing usefulness of reports. We also looked to see whether congressional information needs would continue to be met. We did not verify the accuracy of the justifications presented.

Of the 240 proposed changes, 98 were not accompanied by a justification, and 135 had insufficient justifications. Typical examples of insufficient justifications are presented below.

- One proposal involved deleting a requirement for an annual survey and report on the effectiveness of a program. The support offered for this revision was that this same information would be included in another report required of the agency. However, the agency had also proposed eliminating the requirement for the report to which this information was to be transferred.
- In another case, an agency’s justification for eliminating an annual report on the progress and results of a program stated that the information would be supplied to the Congress “upon request.” The justification did not indicate why the proposal was being made; why it would be more efficient, effective, or economical to provide the information on an ad hoc basis; or what assurances there were that the information could be readily compiled when requested.
- In a third case, a request to eliminate a report on the development of and compliance with industry product standards included a statement that standards had been developed and were being observed. However, the justification did not inform the Congress how the information on compliance would be provided, nor did it indicate what monitoring mechanisms were in place to ensure continued compliance.

Only 7 proposed modifications—less than 3 percent—appeared to contain sufficient justification to be convincing. As shown in table 1, we found that the proposals with adequate justifications had a far higher acceptance rate than those which did not.

Table 1: Percentage of Proposals Accepted and Rejected Based on Adequacy of Justifications Provided

Category	Number of proposals	Percent of proposals	
		Accepted	Rejected
No justification	98	10	90
Inadequate justification	135	6	94
Adequate justification	7	71	29

OMB officials told us their legislative package did not contain more adequate justifications because agencies had submitted either weak or no support for many of the proposed changes. They told us that they had submitted the information as provided to avoid delays in the proposed legislative action which would have resulted from going back to the agencies for improved justifications.

Agencies Did Not Use Established Reports Management Processes

Agency officials told us that recommendations for eliminating or changing congressional reporting requirements are developed in response to periodic requests from OMB and are not part of any ongoing agency reports management process. During our review, we found that GSA regulations require agencies to follow a more structured, rigorous process for evaluating noncongressional reporting needs than was followed to assess congressional reporting requirements. These regulations, contained in the Code of Federal Regulations (41 CFR 201-45.103), affect all federal executive agencies. They call for ongoing, rather than ad hoc assessments. Guidelines for implementing the regulations, contained in GSA's *Reports Management*, July 1985, instruct agencies to (1) maintain communication with report users to determine whether reports are adequate and still needed, (2) analyze reports to determine whether they are prepared in the most efficient or cost-effective manner, and (3) establish and maintain an ongoing review process to ensure that all reports are regularly scrutinized.

All five agencies we reviewed had established information management activities which included reports management; however, none were routinely reviewing reports resulting from congressional reporting requirements. While GSA regulations exempt congressional reporting requirements, the implementing guidelines state that agencies should give congressional reports the same scrutiny accorded to the noncongressional reports which are covered by the regulations. Application of these GSA guidelines, as well as the more general ones prescribed in OMB Bulletin 84-10, could provide information to the Congress on the utility of reporting requirements to meet congressional information needs. It also should be more efficient and economical to incorporate reports generated in response to congressional requirements into an ongoing review process rather than undertake only periodic efforts to review these requirements. By making such reviews an integral part of an established management process, more timely dialogue could be held with the Congress. Finally, under such an approach, should OMB still wish to issue periodic calls for proposals to eliminate or modify reports, the requested information should be more readily available.

OMB and GSA officials agreed that including congressionally mandated reports with recurring assessments of other reporting requirements would be beneficial. They said that this would allow timely and more comprehensive input to OMB's periodic requests for recommendations to modify reporting requirements.

Conclusions

The latest efforts by the executive branch to modify or eliminate congressional reporting requirements were not successful. Congressional committees were reluctant to change many of the existing reporting requirements for two primary reasons. First, agencies had not sufficiently communicated with the Congress during the preparation and presentation of recommendations for eliminating or modifying congressionally mandated reports to ensure that the executive branch was aware of congressional information needs. Second, the justifications submitted with the legislative proposal did not adequately explain how modifications and eliminations of reporting requirements would better meet congressional information needs. As a result, the Congress had no assurance that needed data would still be available.

In addition, established procedures for assessing noncongressional agency reporting were not used to review legislatively mandated reporting requirements. These procedures call for communicating with report users and providing them assurance that information needs will be satisfied. Incorporating the assessment of congressional reporting requirements into procedures for evaluating noncongressional reports, which is an ongoing effort, would help ensure that information would be available for legislative oversight purposes.

Recommendations

To improve efforts to eliminate or modify congressional reporting requirements, we recommend that the Director, Office of Management and Budget, direct agency and OMB officials to:

- discuss information needs with the appropriate congressional committees prior to formulating a legislative proposal to eliminate or modify reporting requirements and consider these needs in developing the proposals and
- provide adequate justification for each recommended change to assist the Congress in determining whether the proposed eliminations or modifications will ensure that congressional information needs will be met in an efficient, effective, and economical manner.

In addition, we recommend that the Administrator of General Services amend the Code of Federal Regulations to include congressional reporting requirements in executive agencies' recurring evaluation of reporting needs.

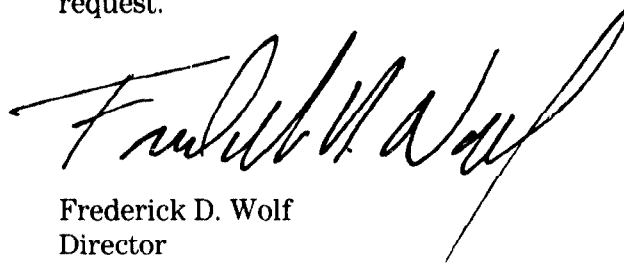
Agency Comments

In commenting on a draft of this report, GSA and OMB agreed with our findings, conclusions, and recommendations. Copies of their comments are included in appendixes I and II.

GSA's Commissioner of the Information Resources Management Service said that implementing our recommendations would provide for a comprehensive reports management program and would promote good management practices. He said GSA would amend the existing regulations to also require agencies to evaluate whether reports to the Congress and other external reporting requirements are still necessary. As a result, agency officials will be required to hold discussions with congressional staff regarding any report that could be streamlined or discontinued.

OMB said that implementing our recommendations should help identify reporting requirements that could be eliminated or modified. It also suggested several ways that the Congress could play a more active role in controlling the volume of reporting requirements. While we have not assessed how workable those options might be, they are consistent with the intent of GSA's regulatory plans.

We are sending copies of this report to the Director, Office of Management and Budget; the Administrator of General Services; and other interested parties. Copies will also be made available to others upon request.



Frederick D. Wolf
Director

Comments From the General Services Administration



General Services Administration
Information Resources Management Service
Washington, DC 20405



FEB 18 1988

Dear Mr. Wolf:

Thank you for the opportunity to review your draft report entitled Improvements Needed to Eliminate or Modify Congressional Reporting Requirements. I agree with the conclusions contained in the report and concur in the recommendation to the General Services Administration. I feel that all reports produced for internal government use should be reviewed periodically by the creator and the user to ensure that a continuing need exists.

The report concluded that review of congressional reporting requirements would be beneficial to Congress in the management of congressional reports. It recommended that the Administrator of General Services amend Governmentwide regulations to include congressional reporting requirements in executive agencies' recurring evaluation of reporting needs.

The Federal Information Resources Management Regulation (FIRMR) now contains mandatory provisions for the management of an agency's internal reporting requirements, including recurring evaluation of internal reports to assess need, adequacy, design, and economy of preparation and use. We will amend FIRMR provisions to require similar evaluation of congressional reports and other external reporting requirements, as appropriate. Agencies will be guided to conduct interviews at the user level in Congress for reports with a potential for discontinuance.

This action will provide for a comprehensive reports management program and will promote good management practices.

Sincerely,

Frank J. Carr
Commissioner

Comments From the Office of Management and Budget



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

FEB 11 1988

Mr. Frederick D. Wolf
Director
Accounting and Financial
Management Division
General Accounting Office
Washington, D.C. 20548

Dear Mr. Wolf:

Director Miller has asked me to respond to your request for comments on a draft report entitled, "Congressional Reports: Improvements Needed to Eliminate or Modify Congressional Reporting Requirements," that you sent to him on January 7, 1988.

I want to commend you and your staff on the preparation of the report, and wish to state at the outset that we concur with your recommendations.

Both we and the executive branch agencies that have participated in the Administration's efforts to reduce unnecessary and excessively burdensome reporting requirements have become increasingly concerned about the proliferation of congressionally-mandated reports. The recommendations you have made should help in identifying reports that are proper candidates for elimination or modification.

I am also concerned that regardless of the efforts made by the executive branch and GAO in support of these recommendations, that Congress may be unable or unwilling to consider responsible proposals for reducing required reports. I would hope that you could include in your report some recommendations for congressional reform in this area. Examples of such reforms are:

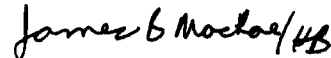
- the inclusion of a sunset provision for each new reporting requirement;
- a standard policy that all receiving committees annually assess the continued need of each report they receive; and

Appendix II
Comments From the Office of Management
and Budget

-- adoption of a policy that except in instances of an exceptional nature, all information requested by Congress shall be submitted as part of an agency's annual report to Congress.

I hope our views are helpful.

Sincerely,



James B. MacRae, Jr.
Deputy Administrator
Office of Information
and Regulatory Affairs

cc: Honorable Charles A. Bowsher
Comptroller General of
the United States

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