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Federal agencies that conduct some type of statistical inquiry can be grouped into four categories: a central coordinating agency, five general purpose statistical collection agencies, analytic and research agencies which use statistics collected by other agencies for interpretive purposes, and administrative and regulatory agencies which collect statistics primarily as a result of their administrative and operating responsibilities. Oversight of Federal statistical programs can be approached from several directions: attention could be focused on the agencies involved; concentration on groups of statistically related series, crossing agency lines; sources of information gathered by Federal statistical agencies; a cross-Government look at statistical collection, dissemination, and use; and the approach in H.R. 11253 which involves looking at individual statistical series with evaluation assistance provided by the Bureau of the Census. While H.R. 11253 provides a mechanism for detailed examination of Federal statistical programs, it only provides for one step to the reauthorization process. Congress' purposes would be better served by more front-end consideration of how oversight of Federal statistical programs can best be accomplished. Since January 1974, GAO has issued 14 reports reviewing Federal statistical programs, and 6 reviews are currently underway. The management of Federal statistical activities should either be maintained in the Office of Management and Budget or should be set up as a separate agency with sufficient authority to establish and enforce standards on the executive agencies. (RRS)

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STATEMENT OF
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BEFORE THE
SUBCOMMITTEE ON CENSUS AND POPULATION
COMMITTEE ON POST OFFICE AND CIVIL SERVICE
HOUSE OF REPRESENTATIVES
ON
FEDERAL STATISTICAL ACTIVITY
CONTROL ACT, H.R. 11253

Mr. Chairman and Members of the Subcommittee:

We are here at your request to discuss H.R. 11253, the "Federal Statistical Activity Control Act of 1978." Our testimony will respond to three areas of interest expressed by your Committee:

- First, you desire our views on how well H.R. 11253 meets the Congress' needs for effective oversight of Federal statistical programs.
- Second, you want information on any audit work we have performed on these programs in recent years, especially that undertaken as a result of congressional requests, and

--Third, you ask how much of a burden it would place on GAO to respond to further requests for reviews of Federal statistical programs.

In addition to commenting on these three items, my statement today will also address a related matter of much concern to us--the recent transfer of Federal statistical policy responsibility from the Office of Management and Budget to the Department of Commerce.

One of GAO's major responsibilities is to assist the Congress in its oversight of Federal agencies and their programs. Federal statistical programs are no exception. Recognizing the increasing importance of these activities, in 1973 we established a small unit to concentrate on the Federal statistical area. In 1976, we decided our initial modest efforts were insufficient and decided to apply more resources to audits of Federal statistical programs and to the related area of paperwork management. The importance GAO attaches to this work is evidenced by the Comptroller General's decision to designate it a major issue area whereby he and other top GAO officials are consulted in arriving at the amount and thrust of our audit efforts. I should note that a staff study describing our audit strategy for statistics and paperwork management will be released shortly as a public document. Hopefully, the information we gathered and our attempt to identify the issues will be of some use to this Committee.

THE SCOPE AND IMPORTANCE OF FEDERAL STATISTICAL PROGRAMS

Numerous Federal agencies conduct some type of statistical inquiry. In our staff study, we grouped the agencies involved into four categories:

1. A central coordinating agency to prevent duplication, achieve balance, and develop policy and procedures for an integrated system of governmental statistics. Formerly lodged in OMB, these functions are now the responsibility of the Office of Federal Statistical Policy and Standards in the Department of Commerce.
2. Five general purpose statistical collection agencies whose primary function is the collection, compilation and publication of statistics in specific fields for general use. These are (1) the Bureau of the Census, (2) the Bureau of Labor Statistics, (3) the Statistical Reporting Service, (4) the National Center for Health Statistics, and (5) the National Center for Education Statistics.
3. Analytic and research agencies which use statistics collected by other agencies for interpretive purposes including preparation of composite measures. Some of the major agencies in this category are

the Economic Research Service, the Bureau of Economic Analysis, and the Domestic and International Business Administration.

4. Administrative and regulatory agencies which collect statistics primarily as a result of their administrative and operating responsibilities. While some of the data collected by these agencies is of limited use, others clearly could be considered as general purpose statistical information, especially certain of the statistics gathered by the Internal Revenue Service, the Social Security Administration, and the Employment and Training Administration.

About \$775 million was earmarked for Federal statistical programs in fiscal year 1978.

I don't need to recite for this Committee the many important uses made of Federal statistics, especially series such as those on population, unemployment, per capita income, and the consumer price index which directly affect distributions of Federal funds to States, local governments, and individuals.

Just as important, but less measurable, is the increased use of Federal statistics by researchers, policymakers, and regulators. Much of the impetus for this comes from computer innovations which allow more people to analyze vast amounts of data and information in very short periods of time.

STATISTICAL OVERSIGHT--
A CHALLENGING TASK

The oversight of Federal statistical programs can be approached from several directions.

- Attention could be focused on the agencies involved, with graduated emphasis decreasing from the central control agency, to the five major agencies collecting general purpose statistics, down to the administrative and regulatory agencies producing single series essentially for their own use.
- Another approach would be to concentrate on groups of statistically related series, crossing agency lines. For example, health statistics, work force data, and economic indicators would be possible areas of inquiry and oversight on an across-the-board basis.
- Oversight could also be approached from the sources of the information gathered by Federal statistical agencies. Of all the forms for information gathering purposes approved by OMB, 655 are listed as being primarily for statistical purposes. This approach would start with identifying and classifying the respondents to these 655 forms, as well as the other forms not subject to OMB approval.

--Yet another approach would be that chosen by GAO. This involves a cross-Government look at statistical collection, dissemination, and use. The staff study I referred to earlier describes GAO's overall approach in some detail.

---Finally, there is the approach described in H.R. 11253 which involves looking at individual statistical series with evaluation assistance provided by the Bureau of the Census.

The approach described in H.R. 11253 certainly provides a mechanism for detailed examination of all Federal statistical programs, but we are not convinced that it is the optimum approach. This, in fact, is our principal reservation about the bill. It provides for one very big step to the re-authorization process.

GAO BELIEVES CONGRESS' PURPOSES
WOULD BE BETTER SERVED BY A TWO-
STEP APPROACH TO SUNSET

We believe that the Congress' purposes would be better served by more front-end consideration of how oversight of Federal statistical programs can best be accomplished. In our opinion, this could best be accomplished by a two-step legislative process.

First, there is a need to reach a carefully reasoned decision on the "review packages," that is the activity, program, or agency aggregations that are best suited for

analysis of management effectiveness and program outcomes. As noted earlier, we see five possible approaches with respect to Federal statistics.

Next, once the program packages have been identified, there is a need to establish tailored evaluation criteria for each. In effect, this entails coming to grips with the oversight requirements. It requires definition of statistical program objectives and of measures that will provide evidence of how well these objectives are being met.

Mr. Chairman, attached to my statement is a copy of the digest of our report entitled "Finding Out How Programs Are Working: Suggestions for Congressional Oversight" (PAD-78-3). It lays out a suggested approach for defining oversight requirements.

This step, in our opinion, would be the most important in the sunset process. These oversight requirements should be precisely defined at the outset, before the sunset clock begins to run.

We would anticipate initial congressional deliberations aimed at spelling out what the Congress expects the ongoing programs to accomplish and what general oversight questions it expects the Executive Branch to answer. This would lead to a dialogue with the executive branch to (1) specify the review packages and (2) develop the evaluative measures that will be used for review and reconsideration.

Once this was accomplished, the Congress would be in a position to establish a reasonable timetable for reauthorization, considering other demands on its own time and the time required to gather the requisite evaluative information. The very process of tasking the executive branch to take this disciplined approach to evaluation with input from the Congress at various stages would probably have some beneficial effects.

With respect to Federal statistics, we suggest the above approach be incorporated in H.R. 11253. This could be accomplished by changing section 3, paragraph 403 (b). As currently written, this section provides that the Office of Management and Budget assist agencies having Federal statistical authority to assure that they take appropriate actions to provide for orderly legislative review of that authority. We suggest that the Office of Management and Budget be required to analyze Federal statistical activities and to propose review packages that would lend themselves to effective oversight consideration.

The Congressional Budget Act of 1974 assigned GAO responsibility for assisting the Congress in reviewing evaluation studies and developing and recommending to the Congress methods for review and evaluation. We are also authorized to perform such evaluations as are necessary to assist the Congress to carry out its oversight responsibilities.

In our opinion our proposal for evaluation information would provide not only the Congress with meaningful oversight information, but also be of assistance to the producers and users of statistics.

GAO ASSISTANCE TO CONGRESS

Since January 1974, GAO has issued 14 reports reviewing Federal statistical programs. Twelve of these reports were in response to congressional requests and two were self-initiated. The subject matter ranged from adjusted tax statistics, to automotive trade statistics, to population statistics. At the present time, we have five reviews underway which are in response to congressional requests and one self-initiated audit. As you can see, even without H.R. 11253 there is considerable congressional interest in the performance of Federal statistical programs.

It is extremely difficult to project the extent to which the enactment of H.R. 11253 would increase the GAO Federal statistical activities workload. In the current fiscal year we have allocated about 22 staff years to this work. How many requests we would receive for assistance and the scope of these requests would be the determining factor.

FEDERAL STATISTICS AND PAPERWORK POLICY AND COORDINATION

I would now like to take the opportunity to comment on an issue that has, in our opinion, a significant effect on the operation of Federal statistical programs. The responsibility

for establishing Federal statistical policy was recently transferred from the Office of Management and Budget to the Department of Commerce. As you know, the forms clearance function remained with the Office of Management and Budget. In a letter to you, Mr. Chairman, issued December 22, 1977, we told you that we opposed organizationally separating these responsibilities. We expressed the belief that the two functions were closely related and should remain within the same organization.

In that letter, we proposed two alternatives which we believed would effect desirable changes in the management of Federal statistical activities. We proposed that the responsibilities should either be maintained intact in OMB and given more emphasis than has been the case in the past or should be set up as a separate agency with sufficient authority to establish and enforce statistical standards on the executive agencies.

Concerning the first alternative, we believed an adequately staffed unit, reporting directly to the Director/Deputy Director of OMB offered many advantages, including the direct association with budgetary, organizational, and management decisions. It would have direct access, through the Director of OMB, to the President if necessary. Also its relationship with associated activities, such as the Council of Economic Advisers and the Domestic Policy Staff, would be greatly enhanced.

Amplifying a bit on the second alternative, the commission we proposed would not assume operational statistical functions. However, the commission would have statistical and paperwork responsibilities. Specifically its duties would consist of:

- recommending a statistical budget to the OMB annually;
- establishing and promulgating standards for information related activities such as freedom of information, privacy, and confidentiality;
- serving as the authoritative Government-wide body for establishing policy for information related activities such as freedom of information, privacy, and confidentiality;
- conducting hearings and resolving disputes between the public and Government agencies involving all of these programs (this would have the additional advantage of relieving the growing burden on the courts for resolving these disputes since there is currently no other place for their resolution);
- preparing periodic progress and oversight reports for the President and the Congress on needed changes in statutes or rules and regulations to reduce paperwork burdens;
- evaluating agency information management activities and recommending needed changes to agency heads, the President, and the Congress, and

--recommending organizational changes and reassignment of responsibilities for information collection, analysis, and dissemination to the President and the Congress.

Many functions contemplated for this new organization now exist in various Federal agencies. Consequently, reorganization and consolidation, as opposed to taking on totally new functions, would be a major thrust for the commission. GAO would continue its oversight role for the Congress in evaluating the efforts of the commission. Also, we believe the commission would be an ideal vehicle for assuming the executive responsibilities proposed in H.R. 11253.

Mr. Chairman and Members of the Subcommittee, this concludes our statement. I will be pleased to answer any questions your Subcommittee may have at this time.

D I G E S T

To enhance the congressional oversight process, GAO recommends that committees of the Congress, when reporting major authorizing legislation, include an oversight requirements section in the legislation.

The oversight requirements should specify congressional oversight issues and questions and provide for the feedback of program performance information and other evaluation data on some kind of reasonable timetable in order to answer the specified oversight questions.

This report outlines an approach that could be used by the Congress when it desires to establish oversight requirements in legislation in order to enhance its oversight of programs being carried out by the executive branch and to measure how effective such programs are in accomplishing their intended results.

WHY THE OVERSIGHT PROCEDURE
WAS DEVELOPED

The oversight procedure was developed by GAO in response to a request from Senator Leahy and in fulfillment of GAO's responsibilities under the Congressional Budget Act to develop and recommend to the Congress methods for the review and evaluation of Government programs.

WHAT THE OVERSIGHT
PROCEDURE WOULD REQUIRE

The oversight procedure, when applied by the Congress, would establish a disciplined process for agencies to follow in monitoring, evaluating, and reporting on their programs in order to answer congressional oversight questions.

This procedure is designed to avoid pitfalls common to program evaluation and to give the Congress several opportunities to communicate

and clarify its oversight concerns to the responsible executive agencies.

Under the procedure, the Congress would first establish its oversight requirements in authorizing legislation. The purpose of these requirements is to assure that the agencies know, as explicitly as possible at the time the legislation is enacted, what it is they are to report to the Congress, and when, about the implementation and evaluation of the program.

The required reporting about program implementation and evaluation following enactment would be aimed at establishing the basis for translating the general oversight concerns of the Congress into practical questions and evaluation criteria that fit the legislation or program under review.

The procedure provides several opportunities for discussion between committees and agencies on the oversight questions which are most important and on the evaluation measures which can satisfactorily answer those questions.

Thus, the oversight procedure, while establishing a disciplined review process, permits case-by-case flexibility for tailoring the type of evaluation to the nature of the program or legislation under review.

RATIONALE FOR THE SUGGESTED APPROACH TO OVERSIGHT

GAO believes that the Congress, before requiring an agency to conduct a detailed, time-consuming, and costly evaluation study should first assure that the following oversight questions are answered in a manner consistent with legislative intent:

- 1--Has the executive branch initiated implementation of the program?
- 2--Has the responsible executive agency developed, designed, and established the program?

3--Are specific program activities and operations being carried out at the field or operating level of the program?

4--Can the operating program be evaluated and can congressional oversight questions be answered using agreed-upon measurements and comparisons within acceptable limits of time, cost, and precision?

Conducting a costly evaluation study if the answer to any of the above questions is "no" would be unwarranted. No program evaluation will show an unimplemented or inappropriate program to be successful. Nor will an evaluation be useful in oversight if program performance is not defined and measured in a manner acceptable to the Congress.

Since the cost of answering each of the preceding questions increases as one proceeds down the list, GAO's suggested oversight process is designed to proceed in a systematic manner both during and after the enactment of authorizing legislation in order to answer these kinds of basic oversight questions first. In this way, it will be possible for committees and members to detect and resolve, as necessary, any problems which may arise in program implementation and program evaluation planning before an evaluation study of a program's outcomes, impacts, and/or performance is conducted.

SIX ELEMENTS IN THE OVERSIGHT PROCEDURE

GAO's suggested oversight procedure has been segmented into six elements to illustrate and highlight the six different sets of activities and information GAO believes should be included in a carefully planned, structured, and disciplined approach to congressional oversight.

The first of the six elements of GAO's suggested oversight procedure would occur at the time the Congress enacts legislation authorizing a program. Elements 2 through 6 would occur sequentially following enactment of the legislation.

ELEMENT 1--SETTING UP OVERSIGHT REQUIREMENTS

The Congress, when enacting authorizing legislation, should spell out its oversight requirements. These requirements would spell out the Congress' intent to engage in oversight of the legislation and indicate, for any authorized program,

--what the Congress expects the program to accomplish,

--what general oversight questions the Congress expects the agency to answer as the program is implemented, and

--what committee or committees are responsible for oversight and assuring that the executive branch complies with congressional oversight requirements.

These requirements could be included in the statute itself (as a separate title or section) or in the supporting committee reports. Of course, if the oversight requirements were not included in the statute, they would not be legally binding but would have the advantage of allowing for additional flexibility in carrying out the oversight process under informal arrangements between the committee(s) and the agency. Statements of these requirements could be as simple as a statement of intent for the agency to carry out the major elements of the oversight process, with guidance that the agency report to the Congress any problems that are encountered and the results of the process.

ELEMENTS 2, 3, AND 4-- REPORTING OF AGENCY PROGRESS IN PROGRAM IMPLEMENTATION

In accordance with the oversight requirements of the Congress, the responsible executive branch agency (or agencies) would report to the Congress or designated committees its progress in implementing the program. The focus of these elements would be on answering basic oversight questions before starting a detailed evaluation study.

This periodic reporting of program implementation progress (i.e., progress in developing, designing, establishing, and executing programs) would give committees and members the opportunity to

- review and comment on program implementation as it occurs in the executive branch;
- clarify, elaborate, and if necessary modify oversight concerns, questions, and priorities;
- meet with responsible executive agency personnel to resolve differences in the interpretation of legislative intent which may arise as a program is implemented; and
- develop amendments to the authorizing legislation, if considered necessary or desirable, in light of new information that becomes available during the design, establishment, and/or conduct of a program.

ELEMENTS 5 AND 6--
REPORTING OF PLANNED EVALUATION
MEASURES AND EVALUATION RESULTS

The final two elements of the oversight procedure would require agencies to report the measures they intend to take in evaluating a program (element 5) as well as the results of completed evaluation studies (element 6).

Development of planned evaluation measures would occur after a program, as established and operating, has been surveyed by agency evaluators to better understand (1) the feasibility of measuring the performance of actual program operations and (2) which oversight and evaluation questions are both important and answerable.

Reporting of intended evaluation measures to the Congress would give committees and members the opportunity to review, comment, and

interact with agency evaluators to assure that the evaluators understand congressional oversight concerns and priorities so that the studies, when completed, will

- address pertinent congressional oversight issues or questions,
- use feasible performance indicators or measures that are acceptable to congressional interests,
- develop findings of acceptable "proof" or measurement precision and validity, and
- be reported in a form that the Congress can understand.

The completed monitoring and evaluation study results would measure actual program performance in order to answer the particular oversight questions the Congress has specified.

For the sake of convenience and efficiency, of course, the Congress could compress the six elements of the suggested oversight procedure into fewer sequential reporting steps.

The process carries the potential for involving an oversight committee quite extensively in the administering agency's implementation of a program. The value of this involvement is that it reduces the chances of large amounts being invested in a program which is markedly off the track with respect to legislative intent. Major deviations from intent would usually be detected early in the process.

On the other hand, involvement of this sort can consume large portions of an oversight committee's time and attention. If carried too far, the involvement can represent an unwarranted intrusion into matters which should be primarily the responsibility of

the executive branch and can be an impediment to timely and effective implementation of a program.

The oversight committee, therefore, should judge carefully the extent to which it wishes to pursue the various elements of the process. If desired, elements of the oversight process can be left to agency officials, perhaps with guidance that the agency report any serious problems or delays which are encountered.

SENATE RESOLUTION 307

GAO's suggested procedure was developed as an alternative to Senator Leahy's proposed resolution (S. Res. 307) introduced in the 94th Congress. The resolution would have required GAO to assess, at the legislative drafting stage (element 1), whether the programs to be authorized in proposed legislation could be usefully evaluated.

Senator Leahy wanted to know if his resolution was workable, and if it wasn't, whether GAO could develop a proposal that would lead to improved congressional oversight.

After attempting to apply the resolution to selected pieces of legislation. GAO found that many hypothetical evaluations--each entailing varying costs, times to complete, and levels of measurement precision--seem both possible and plausible for any particular program proposed in authorizing legislation.

Thus, any program can be evaluated in some sense. The question is not whether it can be done theoretically, but how it can be done in a way which will provide results useful to the Congress. In order to narrow the list of possible evaluations to those that the Congress would find useful and worth the costs incurred, the Congress itself would have to communicate its oversight and evaluative information needs and priorities to those responsible for conducting the evaluation.

Consequently, GAO developed the sequential oversight procedure as an alternative means of enhancing the congressional oversight process. GAO's suggested approach is not a "cookbook," but rather a conceptual framework within which effective oversight can be planned.

GAO believes that the suggested approach would be compatible with, and a useful adjunct to, "sunset" legislation.