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Contact: General Government Div.

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Two issues pertaining to H.R. 11253 which will affect its successful implementation and achievement of its desired results are: (1) Federal statistical programs should be grouped by some common denominator when presented to the Congress for evaluation; and (2) a two-step approach is needed for evaluating all Federal statistical programs. Possible approaches to program groupings are: focusing attention on agencies involved; concentrating on groups of statistically related series; approaching oversight from sources of information gathered by Federal statistical agencies; a cross-Government look at statistical collection, dissemination, and use (the approach favored by GAO); and looking at individual statistical series with evaluation assistance provided by the Bureau of the Census and legislative agencies (the approach described in H.R. 11253). In the two-step approach, tailored evaluation criteria must first be established which would define statistical program objectives and means of measuring how well objectives are met. The Congress would then be in a position to establish a reasonable timetable for reauthorization. The second step of making the actual evaluation could then be accomplished. (HTW)

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STATEMENT OF
VICTOR L. LOWE, DIRECTOR
GENERAL GOVERNMENT DIVISION
BEFORE THE
SUBCOMMITTEE ON THE RULES AND ORGANIZATION OF THE HOUSE
COMMITTEE ON RULES
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." We have previously testified on this bill before the Subcommittee on Census and Population of the House Committee on Post Office and Civil Service. Our testimony today will address the bill from the perspective of two issues we believe are important to the successful implementation and the achievement of its desired results:

--first, Federal statistical programs should be grouped
by some common denominator when presented to the Congress
for evaluation.

--second, a two-step approach is needed for evaluating all Federal statistical programs, which expands the approach described in H.R. 11253.

H.R. 11253 provides a mechanism for detailed examination of all Federal statistical programs. However we are not convinced that such a detailed examination is the optimum approach. This, in fact, is our principal reservation about the bill. We believe that use of the statistical program groups along with a two step reauthorization process will make the evaluations of Federal statistical programs more comprehensive, manageable, and meaningful.

THE FEDERAL STATISTICAL SYSTEM

Numerous Federal agencies conduct some type of statistical inquiry. In a recently completed staff study, we grouped the agencies involved into four categories descriptive of their principal activities, they are:

- A central coordinating agency to prevent duplication, achieve balance, and develop policy.
- Five general purpose statistical collection agencies whose primary function is the collection, compilation, and publication of statistics in specific fields for general use.
- Analytic and research agencies which use statistics collected by other agencies for interpretive purposes.
- Administrative and regulatory agencies which collect statistics primarily as a result of their administrative and operating responsibilities.

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

As I noted a few seconds ago, we believe that for effective evaluation of statistical programs, a grouping by some common denominator is necessary. Such program groupings 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 and legislative agencies.

The approach as described in H.R. 11253 certainly provides a mechanism for detailed examination of all Federal statistical programs, but as we mentioned earlier, we are not convinced that it is the optimum approach without the intermediate step of grouping statistical programs by some common denominator.

GAO BELIEVES CONGRESS' PURPOSES
WOULD BE WELL SERVED BY A TWO-
STEP APPROACH TO OVERSIGHT

Our second observation on the bill is that we believe that the Congress' purpose would be well 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 establish tailored evaluation criteria. 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. We 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 how statistical programs shall be grouped for evaluation 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 second step of making the actual evaluations could then be accomplished. 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 suggested to the Subcommittee on Census and Population that this approach be incorporated in H.R. 11253. We also suggested that the Office of Management and Budget be required to analyze Federal statistical activities and to propose evaluation packages that would lend themselves to effective oversight consideration. The Committee on Post Office and Civil Service considered our recommendations and presented the notion of a two-step approach in their May 17, 1978 Committee report.

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 16 reports reviewing Federal statistical programs. Fourteen 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 three 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.

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 we have issued a staff study describing our audit strategy for statistics and paperwork management as a public document. Hopefully, the information we gathered and our attempt to identify the issues will be of some use to this Subcommittee.

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.