

GAO

Testimony



139725

For Release  
On Delivery  
Expected at  
9:30 a.m. EDT  
Thursday,  
October 12, 1989

Paperwork Clearance: It's Time  
For a Change

Statement of  
Eleanor Chelimsky  
Assistant Comptroller General for  
Program Evaluation and Methodology

Before the  
Subcommittee on Science, Research and  
Technology  
Committee on Science, Space, and Technology  
United States House of Representatives



046708 / 139725

**Mr. Chairman and Members of the Subcommittee:**

I am very pleased to be here today to discuss GAO's study of the paperwork clearance process.<sup>1</sup> Specifically, Mr. Chairman, we were asked to assess (1) how and how well OMB handles agencies' requests to collect information, (2) how OMB's reviews have influenced agencies' decisions to collect information, and (3) the likely consequences of these actions for the availability of data. My testimony today thus addresses a general concern about the adequacy with which provisions in the Paperwork Reduction Act of 1980 have been implemented and where changes are most needed.

With respect to the first question, our study shows some strengths and weaknesses in OMB's review process. On the positive side of the ledger, OMB's review process was well articulated, and the great majority of reviews were completed within the legal time limits. On the other side, OMB's policies were inconsistently applied by office staff, reviews were slower than in earlier years, there was a large increase in the number of reviews exceeding legally authorized time limits, and some requests OMB approved were technically flawed.

As for the second question, our study shows that agencies' decisions about information collection requests were indeed

---

<sup>1</sup>The complete study is presented in our report entitled Paperwork Reduction: Mixed Effects on Agency Decision Processes and Data Availability, (GAO/PEMD-89-20 Washington, D.C.: September 7, 1989).

influenced by OMB's policies and practices. To begin with, agencies have had to develop their own clearance procedures. For some agencies or units, these procedures have contributed to nearly perfect records in gaining OMB's approval. But such rates of approval also signify that OMB's review may be duplicative, merely adding delays without any notable benefit. Other agencies and units, however, have had persistent problems in obtaining OMB's approval. And some agency officials expressed concern that the procedures designed to bring about reductions in paperwork were used to "redline" specific data collections not favored by OMB.

Third, with regard to outcomes, OMB's actions have been associated with a reduction in the availability of certain types of information since the early 1980's. Agencies and units with low approval rates showed greater reductions in submissions, particularly submissions for new and research-oriented data collections. But it is also the case that some reductions were positive, in the sense that the collection of unnecessary data was discontinued.

Appendix III explains the methods we applied, how we did our analysis, and the evidence we used. The remainder of this statement details GAO's findings, conclusions, and recommendations.

## GAO'S FINDINGS

### How Requests Have Been Handled in OMB

Since the enactment of the Paperwork Reduction Act in 1980, OMB has received between 3,000 and 4,000 requests annually for approval to collect information from the general public, businesses, states, and localities. OMB has identified over 200 federal agencies or sub-agency units that have submitted requests. (We use the term agency to include both agencies and sub-agency units unless otherwise noted.) To handle this volume of submissions, OMB implemented regulations for submitting information collection requests, and has also developed a formal process for soliciting input on each request, reviewing submissions, deriving decisions, and notifying the agencies of its actions.

Although a seemingly orderly and formal review process was developed, we found that the main OMB reviewers, or desk officers, relied on a variety of informal practices that affected how decisions were made on individual requests. Further, although one of the main reasons for centralizing the review process within OMB was to ensure that information was not duplicative, the majority of desk officers we interviewed stated that they did not use systematic procedures to check for duplication. Personal experience or contacts with other desk officers served instead as the basis for making this determination. In addition, written

technical guidelines were rarely used, and criteria for determining priority among reviews varied according to staff. Part of this variation in practices appeared to stem from the fact that new desk officers have received little on-the-job training and that most have had minimal training in areas (such as research methods or data analysis) needed to judge the technical merits of an information collection request.

Variability in the actual review process did not, however, translate into variability of outcomes: 95 percent of the submissions were approved. About 8 to 12 percent were formally modified before gaining approval, and an unknown percentage was modified as part of the informal negotiation process between OMB and the agencies. Changes were often minor, such as requiring an expiration date on a form. Major alterations tended to involve the deletion or addition of questions and adjustments to data collection plans. Formal documentation of modifications was not always available.

With regard to disapprovals, two factors--failure to demonstrate the practical utility of a collection and lack of need for it--accounted for the majority of reasons given for disapprovals in OMB's automated Reports Management System. Concerns about technical issues were offered for fewer than 20 percent of the disapprovals.

This portrait suggests that OMB's review process was relatively straightforward and represented a minor obstacle for federal agencies. Such a picture, however, masks at least two important areas of concern. First, we found that a small proportion of agencies (7 percent) had persistent difficulties in securing OMB approval to collect information. Some of these difficulties were due to the quality of the submissions, but in other cases they appeared to stem from differences of opinion between OMB and an agency on the type of data that should be collected. (However, many agencies had perfect or nearly perfect approval rates.) Second, we found that new submissions were less likely to be approved, and of all new submissions, those that were research-oriented were more likely to be disapproved than other types of requests.

#### How Well OMB Handled the Requests

To examine how well OMB handled requests, we looked at the timeliness and the technical adequacy of the agency's decisions.

##### Timeliness of Reviews

The great majority of submissions were reviewed and acted upon within the time limits specified by the Paperwork Reduction Act of 1980. However, the median time for reviews increased by 41 percent between the early 1980's and 1987, according to a data base

that we developed from the Reports Management System. That is, for the early period of our review, 1982-84, the median was 39 days, but for 1987 alone, the median was 55 days. Much of this increase appeared to be accounted for by the practices OMB implemented in 1987 in response to congressional concern over how to encourage public comment in the review process. Further, there was a 25-percent increase in the number of submissions exceeding the 60-day review period. The number of submissions in review longer than 90 days has remained at a low level--385, or 4 percent of the total in 1985-87: however, this was four times the number in earlier years.

Our review of 17 case examples (all of which were research, evaluation, or statistical collections) indicates that the length of the OMB review process was often greater than the Reports Management System data indicated. This occurred in two ways: (1) there was some type of informal presubmission review that the system's data did not reflect, and (2) a proposal was sometimes submitted more than once before approval was obtained. For example, one request that resulted in an approval was preceded by a history of disapprovals; rather than taking 40 days, as indicated in the system, the request was actually under review for 138 days. Also, disapprovals were often followed by a resubmission that showed up with a separate file number and review period in the system's data. This masks the true amount of time it took for a collection to get through the review process. Four of the seven

disapprovals among our case examples were resubmitted. Although the initial reviews of these requests took between 86 and 91 days, adding the time required for reviewing the resubmissions meant that the actual review periods ranged from 120 to 550 days.

#### Technical Adequacy

We had experts conduct technical reviews for the same 17 agency submissions and compared the results with OMB's decisions on these submissions. Table 1 shows that we and OMB agreed on only 6 of 17 cases. Of the remaining 11 submissions, OMB disapproved of 4 submissions that we found to be technically adequate and OMB approved 7 proposals that our review found inadequate. It should be noted that 3 of the 4 submissions disapproved only by OMB were later modified, resubmitted to OMB, and approved. Some of the technical inadequacies we identified were: low expected response rates, the potential for response bias, and underreliance on conventional sampling methodology.

**Table 1: Comparison of GAO and OMB's Assessment of 17 Information Collection Requests**

<u>GAO rating<sup>a</sup></u>	OMB		
	<u>Approved</u>	<u>Disapproved</u>	<u>Total</u>
Approved	3	4	7
Disapproved	<u>7</u>	<u>3</u>	<u>10</u>
Total	10	7	17

<sup>a</sup>Our ratings are based on the experts' technical reviews.

More frequent use of sampling was seen by our experts as a way to conserve resources as well as to obtain more reliable data. For example, some of the collections reviewed planned to solicit responses from all members of the universe, or all persons in a certain category, but then would have allowed members of the universe to self-select and not respond. This is a weak procedure, because selective responses destroy the ability to make general statements, which was what motivated the decision to collect data from the universe in the first place. In one important case, the motivation not to report or respond might have been strongest exactly for the group whose responses were most critical to obtain. Often, expected response rates were either not reported or were unacceptably low.

Our experts suggested that in many such cases, a more accurate yet less burdensome approach would have been to (1) seek data from a sample of respondents rather than the universe (having first decided the percentage of potential respondents that would give an adequate representation of that universe) and (2) attempt to obtain higher response rates from those sampled. This use of sampling is entirely conventional, and it is preferred because it optimizes both effectiveness (that is, the quality of the data and the ability to generalize from them) and cost.

Another observation was that the agencies did not sufficiently narrow their questions, nor did they ask exclusively for

information that was really needed and would be used. Excessive detail increases burden on respondents, which may lower their response rate. Low response rates weaken information because the responses received may be biased and may not represent the full sample.

The potential for obtaining biased responses was a concern of our experts in 6 of the 17 case examples. This problem is particularly important when questions are asked of persons who have a vested interest in the topic at hand and no realistic method is provided to assess the validity of responses. Several submissions our experts reviewed did not contain safeguards against this type of bias or ways of estimating the size and direction of bias that might result.

The Influence of OMB's Actions on  
Agencies' Decisions to Collect Information

When we turned to our second question, we saw that OMB's regulations and guidelines had a heavy influence on agencies' information-gathering decisions and on the processes used to make them. A factor affecting an agency's decision to collect information is the information collection budget, which determines the maximum number of hours an agency can require the public to spend annually responding to its information collections. Since 1981, a reduction in the overall burden of existing data

collections has been called for each year. Current legislation calls for a 5-percent reduction in existing paperwork burdens in each year from fiscal year 1987 through fiscal year 1990.

Some agency officials expressed concern about the effect of this budget process on information collections. Some officials indicated that the process was used to "redline" specific information collections not favored by OMB. OMB itself indicated that it sometimes recommended specific collections for reduction or elimination in the course of this budget process.

Among those agencies that were generally successful in gaining OMB's approval, we found formal, up-to-date, written paperwork clearance guidelines that addressed, in detail, issues such as levels of review and who was responsible for the review. Further, in several instances, we discovered that the agencies had compiled examples of successful practices, showing the necessary forms and illustrating what worked in obtaining OMB's approval.

Overall, the agency managers we interviewed reported both positive and negative experience with OMB and the paperwork review process. Some of these managers indicated that the review process had either a neutral or no effect on their capacity to plan information collections, their ability to continue existing collections, or the contents of their collections. However, nearly half, the respondents indicated that OMB's reviews had a negative

effect on one or more of these activities. For example, one official complained:

"Different offices in OMB are requesting or demanding detailed changes in what questions are asked, how the questions are worded and what survey will carry the questions. These requests now occur routinely during the final weeks of the forms review process. They are sufficiently frequent and inconsistent to be causing us significant problems in planning our work. As important, these requests and demands tend to bypass or subvert the professional judgment of [our] statisticians concerning matters in which they are trained, experienced, and held accountable by their supervisors in the Department and by users of the data."

Influence of OMB's and Agencies' Actions  
on Information Availability

With regard to the third question, OMB's and agencies' practices appear to have had positive, neutral, and negative influences on the likely availability of information. On the positive side, some agencies credited OMB's reviews with the elimination of collections that agency officials viewed as duplicative or no longer useful. In some agencies, officials told us that availability was not influenced at all by OMB's clearance process. In addition, data availability appears to have increased

for statistical agencies since the early 1980's. On the negative side, some agencies stopped collecting data because of difficulties they encountered in the clearance process. For these agencies, OMB's review had an inhibiting effect on the likely availability of information.

Number of Submissions

Since the early 1980's, the number of information collection requests submitted to OMB has declined by 10 percent. This reduction was not uniform across agencies and types of information, however. For the decreases, regulatory agencies submitted about 16 percent fewer requests. Further, the nonstatistical agencies (both regulatory and nonregulatory) that had difficulties with OMB submitted disproportionately fewer requests in recent years.

For the nonstatistical agencies experiencing problems with OMB, reductions were most likely for submissions involving new data collection efforts and research-oriented collections. We estimate that the inhibiting effect of OMB's clearance process resulted in a net reduction of 3 to 8 percent in the number of new submissions and 14 to 23 percent in research-oriented submissions for these agencies. Illustrations of these effects are given in appendix I.

### **"Bare Essentials"**

Submissions were increasingly focused on collecting only the most basic information. That is, submissions involving information that was required for receiving benefits or that was mandatory were more likely to be submitted than those involving voluntary participation. Research-oriented submissions were more likely to fall into the latter category. While only useful data should be collected, limiting collections to the bare essentials required by law may sacrifice information important for program evaluation and other public purposes.

### **Circumventing OMB**

The majority of agency officials we interviewed indicated that strategies to circumvent OMB's review process had been tried, regardless of their approval rates. One official told us that the Paperwork Reduction Act clearly permeated thinking in his agency with regard to planning as well as program evaluation. For one example, he indicated that every time a paperwork review became a possibility in connection with a project, a lot of energy went into finding an alternative. Our interviews identified a variety of examples showing how agencies circumvented OMB's review to collect data that were seen by an agency as needed. Examples included the use of public forums, focus groups, and joint ventures. These are described in appendix II.

## OBSERVATIONS AND RECOMMENDATIONS FOR CHANGE

At this point, Mr. Chairman, I would like to offer several observations and our recommendations for improving the clearance process.

The Paperwork Reduction Act gave OMB a broad mandate to improve many aspects of data collection in the federal government. With respect to paperwork clearance, OMB chose to keep all paperwork reviews centralized within the Office of Information and Regulatory Affairs. While this may have been appropriate in the early years of the implementation of the act, it seems to me that OMB should now consider some changes.

Given that many agencies have developed systematic procedures for reviewing data collection requests, we recommend that the director of OMB employ existing authority to delegate primary review responsibility to senior officials within those designated agencies that have demonstrated capability. The performance of these agencies can be monitored through spot-checks conducted by OMB. For executive agencies with less effective internal mechanisms for procedural and technical review, we recommend that OMB assist them in improving those mechanisms.

How reviews are conducted within OMB has varied considerably. Our study shows that desk officers have not consistently applied

the formal OMB review policies. Their education and training have often been nontechnical in orientation, and OMB has conducted little on-the-job-training in the proper application of its policies regarding paperwork clearance.

To facilitate sound reviews within OMB, we recommend that the Director of OMB develop an ongoing training program for the agency's paperwork review staff to ensure that both technical and nontechnical criteria are appropriately and consistently applied to submissions. Additional measures toward this end might include the expansion of technical staff and consultation with external experts.

We also noted an increase in time for reviews, and we recommend that OMB review information collection requests concurrently with their public comment period.

That concludes my statement, Mr. Chairman. I will be happy to respond to any questions that you or members of the Subcommittee may have.

ILLUSTRATIONS: HOW COLLECTION REQUESTS HAVE DECLINED

These illustrations were drawn from interviews with officials from six different agencies. They represent the views or perceptions of these individuals. We were not able to verify their statements.

Inhibiting Effects of OMB's Clearance ProcessThe "Catch-22"

One agency official we interviewed stated that data are now less available, especially with regard to the effects of the programs under his agency's jurisdiction. Further, the agency has been caught in a "catch-22." That is, OMB's budget examiners called for data detailing program effects to justify funding while the Office of Information and Regulatory Affairs cut away the data collections needed to provide such information. For this agency, the official noted that data on program recipients had in effect been eliminated, and, since the early 1980's, paperwork reviews and resulting cuts in collections had made it impossible to analyze patterns of program participation by various demographic categories.

Active Discouragement

In another agency, an official stated that information was not gathered in a particular area because of OMB's strong view that the less information collected on the subject, the better. According to the official, reviews of five or six requests had caused so much difficulty with OMB that further collections in this area had been inhibited. The official stated further that representatives of OMB's budget division actively discouraged work in the area. Studies on one topic in the area were approved only after a lot of negotiating, and expectations of OMB's negative reception of requests have created disincentives for further data collection in this area.

Short-Term and Small Collections Hindered

An agency official indicated that OMB's review process had not affected long-term data collection but that short-term collections were negatively affected. According to this official, (1) the time required for preparing a request and its reviews discouraged getting them started; (2) the agency's capacity to respond to discrete, short term events was impeded by the review process; and (3) some recurrent, small-scale collections were terminated in order to meet information collection budget reduction targets.

Developmental Research

An official from a research agency stated that OMB's criteria thwart the developmental process of research that is built on exploratory assumptions and methodology and only later culminates in the kind of structured, quantified research with identifiable users that can be justified by OMB's criteria. The area of AIDS and estimates of its transmission by drug users to the general heterosexual population was cited as an example of an area and a type of research that is not done because of OMB's review requirements.

Other Effects of OMB's Clearance ProcessSelf-Examination

In another agency, the official we interviewed indicated that his organization used the Paperwork Reduction Act as justification for a self-examination of the agency's information portfolio. Some data collections were terminated in the mid-1980's because of lack of use. One submission that OMB disapproved was not resubmitted because the agency decided that management issues could be resolved without this data collection.

Joint Ventures

According to an agency official, OMB disapproved a proposal to collect employment data, offering the rationale that it was redundant with an existing form used by another agency. In response, both agencies developed a joint form that satisfied their separate needs and minimized burden.

ILLUSTRATIONS: WAYS AGENCIES AVOIDED OMB's REVIEWPublic Forums

Partly in response to problems associated with OMB's review process, one agency used a public forum instead of a survey to ascertain public attitudes about a federal program. The official we interviewed indicated that the use of a public forum was about twice as costly as the use of a survey. In addition, such forums clearly have much lower potential for producing generalizable data than surveys. However, the official suggested that this format had the side-benefit for the agency of increasing public relations by enhancing public participation.

Focus Groups

Agency officials in another interview indicated that their preference was to use a survey to gather information. On some occasions, however, they avoided OMB's review by conducting focus groups. These are generally small groups with a leader who facilitates a structured discussion of topics. Focus groups are also used to gather opinions, attitudes, beliefs, and behavioral measures. The data collection process is generally not as structured as in a survey questionnaire. In this way, with small

groups, it can be argued that no more than nine individuals should receive the same set of questions, which exempts the data collection from OMB's clearance requirements.

Cooperative Ventures

One agency reported that its efforts to evade the clearance process included seeking nonfederal sponsorship of studies and using the data that were collected. In one particular case, resistance at the federal level resulted in the study's being primarily funded through a foundation, with some assistance from federal agencies. The agency official we interviewed stated that the data were used in a legal decision regarding a jurisdictional dispute between his department and a state. The official went on to say that in his judgment, if the collection had depended on OMB's review, the study could not have been done.

THE METHODS WE USED TO ANSWER THE STUDY QUESTIONS

In order to answer the first question--How and how well are data collection requests handled in OMB?--we used four data collection methods. First, using the Reports Management System, we constructed a longitudinal data base of the universe of information collection requests agencies submitted to OMB between 1982 and 1987. This provided evidence on OMB's overall performance, including the volume of submissions handled, approval rates, reasons for disapprovals and modifications, the duration of OMB's review, and other descriptive information regarding the information collection requests submitted by federal government agencies<sup>1</sup>. As requested, we paid particular attention to the experiences of nonstatistical agencies, both regulatory and nonregulatory.

Second, we interviewed a sample of 19 OMB officials responsible for paperwork clearance at various levels (desk officers, assistant branch chiefs, and branch chiefs) to determine what happens to a data collection request once it enters OMB, such as who sees it and where it goes in the agency. In these interviews, we asked about the formal and informal procedures and

---

<sup>1</sup>As noted in the body of our testimony, our use of the term "agencies" includes sub-agency units identified by OMB as submitting information collection requests.

criteria used to assess the data collection requests and the training required for this job.

Our third method involved an in-depth look at 17 recent submissions (or case examples). We selected a sample of information collection requests in the areas of research, evaluation, and statistics that OMB reviewed in 1987. The focus of this investigation was on processes associated with OMB's review. The sample represented various types of research-oriented information collection (new versus previously collected, statistical and nonstatistical) as well as differing dispositions (approved, disapproved).

Fourth, we convened a panel of experts to assess the technical adequacy of the submissions included in our case examples. The experts' ratings and rationale for those ratings were compared with the results of OMB's review.

In answering the second question--How do OMB policies and practices influence agencies' decisions to collect information?--we used two methods. Our first method involved interviews with officials from a representative sample of 50 agencies. Specifically, using our longitudinal data base of the universe of actions, we selected a stratified random sample of 50 agencies

based on their current and prior experiences with OMB's review process.<sup>2</sup> We interviewed clearance officers representing 38 of the 50 agencies in our sample. We also interviewed a subsample of 17 agency managers. The purpose of these interviews was to understand the paperwork development policies and procedures in each of the agencies and the perceptions of the agency officials as to how the paperwork clearance process has affected data collection decisions. When they were available, we collected documents describing policies and practices within agencies. Our second method involved the 17 case examples mentioned above. Here, we examined more closely the development and submission of these collections within the agencies.

In order to address the third general question--How have agency and OMB actions influenced the availability of information? --we used two methods. First, using the data in the Reports Management System for our sample of 50 agencies, we examined the submission practices of the agencies over time. Of particular

---

<sup>2</sup>Agencies were classified according to their relative success at obtaining approval from OMB and changes over time in that success. The categorization resulted in five types of agency: (1) low approval rate (less than 90 percent) in both the early (1982-84) and late (1985-87) periods; (2) low approval rate in the early period but high (over 90 percent) in the latter period, (3) high approval rate in the early period and low in the latter period, (4) high approval rates in both periods, and (5) limited experience with paperwork clearance. Within each category, agencies were classified as having regulatory, nonregulatory, or statistical missions.

interest were the changes in the types of submission (research, evaluation or statistics; application for benefits; regulatory or compliance; and so on) made by statistical and nonstatistical agencies over time. Second, we coupled this information with information from the interviews with agency managers and clearance officers, as well as the interviews with OMB's desk officers and managers and additional interviews for the case examples, regarding the likely effects of the actions of OMB and the agencies on the availability of information.

A note of caution is in order about our study design. We were asked to assess how OMB influences agencies' decisions to collect data and to ascertain the joint influence of agency and OMB actions on the likely availability of information. But there are so many forces at work that can result in changes in organizational practices that it would be very difficult for any research design to separate and describe their individual influences. What our design allows us to do is to associate the processes and actions of OMB and agencies with the outcomes described.