PAPERWORK REDUCTION ACT

Increase in Estimated Burden Hours Highlights Need for New Approach

Why GAO Did This Study

Americans spend billions of hours each year providing information to federal agencies by filling out information collections (forms, surveys, or questionnaires). A major aim of the Paperwork Reduction Act (PRA) is to minimize the burden that responding to these collections imposes on the public, while maximizing their public benefit. Under the act, the Office of Management and Budget (OMB) is to approve all such collections and to report annually on the agencies' estimates of the associated burden. In addition, agency chief information officers (CIO) are to review information collections before submitting them to OMB for approval and certify that the collections meet certain standards set forth in the act.

GAO was asked to testify on OMB's burden report for 2005 and on a previous study of PRA implementation (GAO-05-424), which focused on the CIO review and certification processes and described alternative processes that two agencies have used to minimize paperwork burden. To prepare this testimony, GAO reviewed the current burden report and its past work in this area. For its 2005 study, GAO reviewed a governmentwide sample of collections, reviewed processes and collections at four agencies that account for a large proportion of burden, and performed case studies of 12 approved collections at the four agencies.

www.gao.gov/cgi-bin/getrpt?GAO-06-974T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Linda Koontz at (202) 512-6240 or koontzl@gao.gov.

What GAO Found

After 2 years of slight declines, OMB reports that paperwork burden grew in fiscal year 2005 and is expected to increase further in fiscal year 2006. Estimates in OMB's annual report to Congress show that the total paperwork burden imposed by federal information collections increased last year to about 8.4 billion hours—an increase of 5.5 percent from the previous year's total of about 8.0 billion hours. Nearly all this increase resulted from the implementation of new laws (for example, about 224 million hours were due to the implementation of voluntary prescription drug coverage under Medicare). The rest of the increase came mostly from adjustments to the estimates due to such factors as changes in estimation methods and in the numbers of respondents. Looking ahead to fiscal year 2006, OMB expects an increase of about 250 million hours because of a new model for estimating burden being implemented by the Internal Revenue Service (IRS). According to OMB, this expected rise does not reflect any real change in the burden on taxpayers, but only in how IRS estimates it.

The PRA requires that CIOs review information collections and certify that they meet standards to minimize burden and maximize utility; however, these reviews were not always rigorous, reducing assurance that these standards were met. In 12 case studies at four agencies, GAO determined that CIOs certified collections proposed by program offices despite missing or inadequate support. Providing support for certifications is a CIO responsibility under the PRA, but agency files contained little evidence that CIO reviewers had made efforts to improve the support offered by program offices. Numerous factors contributed to these problems, including a lack of management attention and weaknesses in OMB guidance. Based on its review, GAO recommended (among other things) that agencies strengthen the support provided for certifications and that OMB update its guidance to clarify and emphasize this requirement. Since GAO's study was issued, the four agencies have reported taking steps to strengthen their support for CIO certifications, such as providing additional resources and guidance for the process, and OMB has updated parts of its guidance.

In contrast to the CIO review process, which did not lead to reduced paperwork burden in GAO's 12 case studies, IRS and the Environmental Protection Agency (EPA) have set up alternative processes specifically focused on reducing burden. These agencies, whose missions involve numerous information collections, have devoted significant resources to targeted burden reduction efforts that involve extensive outreach to stakeholders. According to the two agencies, these efforts have led to significant reductions in paperwork burden on the public. In light of these promising results, the weaknesses in the current CIO review process, and the persistent increases in burden, a new approach to burden reduction appears warranted. GAO suggested that Congress should consider mandating pilot projects to target some collections for rigorous analysis along the lines of the IRS and EPA approaches.

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