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United States General Accounting Office

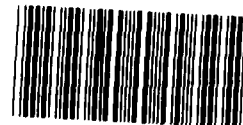
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STATEMENT OF
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COMPTROLLER GENERAL OF THE UNITED STATES
BEFORE THE
SUBCOMMITTEE ON LEGISLATION AND NATIONAL SECURITY
OF THE
HOUSE COMMITTEE ON GOVERNMENT OPERATIONS
ON
IMPLEMENTATION OF THE
PAPERWORK REDUCTION ACT PUBLIC LAW 96-511

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss our evaluation of the effectiveness with which the Paperwork Reduction Act of 1980, P.L. 96-511, has been implemented.

Our work has not proceeded smoothly. The Office of Management and Budget has denied us access to documents and information essential to reaching a full understanding of its processes and an assessment of its efforts. As a result, we cannot report to the extent we otherwise might have been able to at this point in our evaluation on how well OMB has done, particularly with regard to the correction of weaknesses which appear to exist in many agency information programs.



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The Paperwork Reduction Act's primary objectives are to reduce Federal paperwork burdens on the public and to achieve savings and increased productivity by better management of all Federal information resources. To accomplish these goals, the Act created a management structure, and established milestones and an accountability mechanism to assure that the stated goals and tasks are met by OMB and the agencies.

The management structure consists of three key elements. First, the Congress established the Office of Information and Regulatory Affairs (OIRA) within OMB. This Office was directed to provide the policy, leadership and oversight needed to reduce paperwork and improve Federal information management. Although not required by the Act, the Office has also been given a key role in reviewing regulations under Executive Order 12291.

The second element is the assignment of specific agency responsibilities for carrying out the law. Agency accountability is ensured through the designation of a senior official responsible for all the agency's information management activities.

The third element is the involvement of the General Services Administration and the Department of Commerce, both of which have important information management roles in support of OMB and its implementation of the Act.

Mr. Chairman, we believe OMB's efforts to implement the Paperwork Reduction Act can be characterized as lacking the visible and forceful leadership necessary to achieve the Act's objectives.

A sufficiently high priority has not been given to implementing the Act. Little or no effort has been directed to key requirements of the Act. As recently as October 16, 1981, OMB had approved no formal plans for implementing the Act. Resources have been allocated to other functions, and a growing workload of paperwork clearances is resulting in little or no effort being devoted to other key requirements of the Act.

Many of the agencies' plans for implementing the Act are inadequate and generally failed to lay an adequate groundwork for the more substantive efforts to follow.

No progress has been made toward developing the Federal Information Locator System, a key management tool required by the Act. The General Services Administration and the Department of Commerce, both of which have key responsibilities under the Act, have not been involved in the limited planning which has occurred. Critical Government-wide information management programs in both agencies are facing budget cuts, which may render them incapable of performing the functions envisioned by the Act.

Attached to my statement is a summary showing the status of 37 key requirements contained in the Act. You will note that only three are considered complete, including establishment of the Office, and five show signs of some progress. For the remaining 29 requirements, we could find little or no sign of progress by OMB.

OMB'S PRIORITIES, RESOURCE ALLOCATIONS, AND
A GROWING WORKLOAD ARE
CAUSING DELAYS IN IMPLEMENTING THE ACT

A substantial portion of OIRA resources have been devoted to regulatory review activities which are outside the scope of the Act. Also, a growing workload of individual paperwork review cases has resulted in delays in completing reviews of agencies' implementation plans. This heavy workload will require many short-term, conditional approvals.

Reviews of regulations containing reporting and recordkeeping requirements were required by the Act; 23 such reviews have occurred. Reviews of regulations under Executive Order 12291 were not required; over 2,000 Executive Order reviews have occurred. Further, OIRA officials stated they gave priority to the Executive Order reviews in the months immediately following establishment of the Office.

Concern regarding the possible diffusion of effort to regulatory reform matters was expressed in both House and Senate Committee Reports on the Paperwork Reduction Act. The Congress also expressed its intent in the language authorizing funds for the OMB Office. The Act provides for funds to be appropriated for carrying out the provisions of the Act but for no other purpose. The OMB appropriation request, however, did not provide a separate line item for OIRA operations in carrying out the Act.

We do not wish to minimize the importance of regulatory review for purposes of reform. Our point here is simply to highlight the fact that resources provided to OIRA are not being utilized primarily for Paperwork Reduction Act purposes.

Tasks critical to timely implementation of the Paperwork Reduction Act have already been delayed. OIRA reviews of the agencies' senior official designations--due to OIRA on July 1--had not been completed as of October 8, 1981. OIRA reviews of agencies' evaluation plans--due to OIRA by September 1--had barely begun at the end of September.

As you know, the Paperwork Reduction Act specifies that the public need not respond to an unapproved Federal information request after December 31, 1981. OMB's paperwork clearance workload is expected to rise sharply as agencies struggle to obtain approval by December 31 of the thousands of previously unapproved reporting and recordkeeping requirements.

This projected sharp increase may result in further delays and certainly will require many conditional approvals which will have to be reviewed again at a later date. OIRA officials indicated they planned to grant short-term approvals to provide for the use of all needed reporting and recordkeeping requirements by December 31. However, this action simply shifts the workload to a later period. In the interim, progress on other aspects of the Paperwork Reduction Act will be slow at best.

OMB HAS ISSUED MINIMAL GUIDANCE TO AGENCIES

OMB has issued minimal guidance to the agencies for implementing the Act because of its case-by-case management approach. OMB officials believe the case-by-case approach is an effective mechanism for implementing and enforcing the minimal guidance which has been provided. They therefore believe there is little or no need for prescriptive Government-wide policy guidance.

A basic objective of the Act was to establish OMB as the central policymaker and overseer for the Federal Government's information management activities. Specific provisions were included to allow OMB to eventually remove itself from much of the case-by-case review work required to control burdensome Federal paperwork. The approach taken to date, however, has not furthered this objective and, in fact, has resulted in additional case-by-case reviews by OMB staff.

Under the Paperwork Reduction Act and Executive Order 12291, agencies routinely submit information collection requests and proposed regulations, creating a flow of individual cases between agencies and OMB. These cases constitute a reviewing, negotiating, approving or disapproving process.

These case-by-case reviews are unavoidable because of OMB's role in approving information collection requests under the Act, although as discussed elsewhere, the Executive Order reviews

are not part of the Act's requirements. However, the Act provides that OMB may delegate authority to agencies for approving their own information collection requests if OMB determines the agency has demonstrated sufficient capability.

OMB has not, however, developed the necessary criteria or issued any guidance to the agencies on what they should do to obtain such a delegation. Consequently, the resources required to perform the case-by-case reviews will continue to be drained away from implementing other elements of the Act.

OMB has also applied a case-by-case approach to implementing elements of the Act where it was not required. It is being followed in connection with the designation of a senior official in each agency who will be accountable for all of the agency's information management activities. A similar approach is being taken for agencies' plans for evaluating their information management activities.

We analyzed both of these submissions and found them inadequate. While several reasons may have contributed to the submissions being inadequate, we believe OMB's lack of early prescriptive guidance is one significant factor because the case-by-case approach only allows OMB to react after the agencies act.

Moreover, the results of such minimal guidance make OMB's task more difficult than necessary. Faced with inadequate submissions, the case-by-case process necessarily becomes protracted because more extensive reviews and negotiations are required before a satisfactory result is achieved. Some agencies, mean-

while, must wait their turn for guidance because the cases can not all be reviewed simultaneously, as OMB personnel must weave the reviews into an already heavy schedule.

In our judgment, OIRA should balance its case-by-case approach with more definitive policy guidance. We would readily agree that the case-by-case approach is an effective enforcement mechanism and should be maintained. It is clear, however, that more definitive guidance is also necessary if agencies are to institutionalize operations under the Act more readily.

AGENCY SENIOR OFFICIAL DESIGNATIONS AND
INFORMATION MANAGEMENT REVIEW PLANS ARE INADEQUATE

Two key requirements under the Paperwork Reduction Act are (1) for each agency to designate by July 1, 1981, a senior official with responsibility for all information management activities, and (2) for each agency to review periodically its information management activities.

To implement these requirements, OMB issued Bulletin No. 81-21, which requested each agency to submit information about the senior official, descriptions of agency information resources and activities, and plans for reviewing its information activities. In our opinion, these submissions generally failed to lay an adequate groundwork for the more substantive efforts to follow in implementing the Act. OMB has not yet completed its reviews of these submissions so we are unable to determine if the serious deficiencies were corrected.

The overall response to OMB's request for information about senior agency officials was poor from the standpoint of conformity and timeliness. OMB requested 70 agencies to provide submissions designating senior officials. As of September 30, 61 agencies, or 87 percent, had responded. Less than half met the July 1 deadline, and only about one-fourth provided the documents requested. Some designated senior officials failed to report to the agency head as required by statute. Many of the agency responses failed to clearly delineate the senior official's responsibilities in accordance with the Act's requirements. We believe that, in general, agencies' submissions setting up their senior officials were inadequate to comply with the Act.

The agencies' plans for inventorying and evaluating their information management activities--a key function in implementing the Act--are seriously inadequate. OMB requested 70 agencies to submit by September 1 their plans for conducting the periodic reviews required by the Act. As of September 30, 1 month after the OMB deadline, only 31 agencies, or 44 percent, had submitted plans.

The agencies' plans vary widely in the degree to which they can assist either the agencies or OMB in clearly identifying the full range of information activities and functions to be managed and reviewed. Most of the activities were outlined in rather generalized terms so that it was difficult to identify specific activities or relate them to evaluation goals and

criteria. The agencies' plans did not consistently identify or quantify the staff resources to be committed to the reviews, and more importantly, the plans generally did not conform with the agency responsibilities mandated in the Act.

FAILURE TO INVOLVE GSA AND COMMERCE

The General Services Administration (GSA) and the Department of Commerce are to assist OMB in implementing the Act. OMB has yet to provide them leadership or formal guidance. Further, proposed budget cuts for certain programs within GSA and Commerce could have serious adverse effects on achieving the Act's objectives.

The GSA and the Department of Commerce have key information management roles which were reemphasized by the Act. GSA's Automated Data and Telecommunications Service (ADTS) and National Archives and Records Service (NARS) have major responsibilities for the acquisition and use of automatic data processing (ADP) and telecommunications equipment and Government-wide records management, respectively. Commerce's National Bureau of Standards (NBS) is responsible for developing and recommending Federal information processing standards, conducting research in computer technology and providing scientific and technical advice to both OMB and GSA in support of ADP policy development.

One major new responsibility requires that GSA assist OMB in the review of agencies' information management activities. This responsibility was given to GSA because of its expertise

in the ADP/telecommunications and records management areas. GSA's fulfillment of this role is a crucial part of the management structure created by the law.

Only minimal advice and assistance were sought from GSA and Commerce in developing the OMB guidance provided the agencies. No specific role has been assigned as to how GSA will participate in the OMB reviews of agencies' activities. Further, NARS has adopted the position that until guidance from OMB is clear, its programs will remain unchanged. Key officials of NARS are unaware of any specific role for their agency.

Another factor facing NARS and NBS is proposed budget cuts for programs which are to support OMB in carrying out its functions. These are the Federal information processing standards program in NBS and NARS' information and records management program.

We are unaware of comparable expertise and resources within OMB or other agencies which could be applied to carry out these programs. Without such resources, we seriously question the ability of OMB to meet the mandates of the Act in the areas of standards development for ADP and records management.

OMB should work more closely with both GSA and Commerce in implementing the Paperwork Reduction Act. In our opinion, the continued absence of heavy involvement by these agencies will inevitably have an adverse effect on achieving the goals of the Act.

NO PROGRESS TOWARD DEVELOPMENT OF A
FEDERAL INFORMATION LOCATOR SYSTEM

The Act requires OMB to have an operational Federal Information Locator System (FILS) by April 1, 1982. FILS is a critical management tool needed to identify and assist in eliminating duplication in Federal paperwork. OMB does not expect to meet the April 1, 1982, milestone.

The need for a capability to rapidly identify duplication and eliminate it on the thousands of Federal information requirements has been recognized for years. Although a great deal of preliminary work on development was done prior to passage of the Act, OMB has made no progress towards establishing FILS.

The Commission on Federal Paperwork completed extensive research and provided recommendations for a locator system in 1977. As a result of the Commission's recommendations, OMB convened an interagency task force to further examine the concept of a locator system as a tool to identify and eliminate unnecessary duplication in Federal information collections. Recommendations on the system's development were made by the task force in a report to OMB in December 1979.

OMB requested \$800,000 in its fiscal 1982 budget for FILS but it is doubtful that full funding will occur. In addition to the budget problem, OMB has not hired a FILS manager. The FILS manager is a key person in developing the system.

We recognize that OMB must live with budget constraints. However, priority has been given to other areas, despite the fact that Congress mandated development of the Federal Information Locator System.

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Mr. Chairman, I would now like to summarize our views on the status of implementation of the Paperwork Reduction Act. Progress has been slow and in many areas it has been nonexistent. OMB has failed to provide the forceful leadership and guidance needed to create the momentum for timely and effective implementation of the Act. OMB is entangled in case-by-case reviews of individual agency actions and is not giving overall guidance to the agencies. In addition, little or no attention is being given to many critical elements of the Act.

Mr. Chairman, we believe that if the problems we have discussed today are not corrected, the reduction in Federal paperwork burdens, the savings and the improved productivity envisioned by the Congress will not be achieved.

Action is needed:

- To ensure that OMB gives priority to implementing fully the Paperwork Reduction Act;
- To balance OIRA's case-by-case management approach with more definitive policy guidance to agencies;
- To ensure that agencies develop the management structure essential to achieving the objectives of the Act; and

--To ensure proper coordination with GSA, the Department of Commerce, and the agencies to achieve the Act's objectives.

Mr. Chairman, this concludes my prepared statement. We would be happy to answer any questions you or other Members of the Subcommittee may have.

Attachment

PROGRESS REPORT ON OMB'S TASKS AND
RESPONSIBILITIES UNDER THE PAPERWORK
REDUCTION ACT OF 1980, P.L. 96-511

<u>Description of Task</u>	<u>Status</u>
Define OIRA structure.	Completed.
Delegate Act functions to OIRA.	Completed.
Arrange for transfer of personnel, by 4/1/81.	Slow progress, statistical personnel transfers not completed until August 23, 1981.
Establish agency burden reduction goals.	Completed.
Issue guidance to agencies on establishing their senior official.	Minimal guidance provided. OMB Bulletin 81-21 simply restates P.L. 96-511.
Issue guidance to agencies for conducting their information management reviews.	Poor guidance provided. OMB Bulletin 81-21 simply requests agencies to submit their plans.
Review agency information management activities and report to the Congress.	No reviews or evaluations made.
Coordinate records management with other related information programs.	No progress.
Obtain advice and assistance from GSA.	No formal arrangements have been made. NARS' records management program facing budget cuts.
Develop and oversee ADP/telecommunications policy.	No policy developed.
Oversee ADP/telecommunications acquisitions.	No progress.
Coordinate and make uniform Federal information policies and practices, by 4/1/83.	No progress.

<u>Description of Task</u>	<u>Status</u>
Appropriations for OIRA funding authorization.	OIRA did not appear as a separate line item account in OMB's budget. The absence of a specific amount for OIRA in OMB's budget and the failure of OMB to designate funding for this Office conflict with Congressional intent.
Oversee information research practices.	No progress.
Oversee agencies information collection requests-approval process.	Existing process continued.
Complete actions on Commission on Federal Paperwork recommendations, 4/1/83.	Some progress made. OMB anticipates completion of project March, 1982.
Delegate clearance authority for approving proposed information collection requests to the agencies.	No progress. No delegations have occurred; no specific criteria have been developed to consider in recommending delegation of clearance authority.
Issue guidance and promulgate rules, regulations or procedures necessary to exercise the authority provided by the Act.	No progress. OMB has not issued guidance beyond that in the law.
Develop long-range plans for improved performance of Federal statistical activities and programs.	No progress. Statistical policy function was not transferred until August 23, 1981.
Develop and coordinate government-wide statistical policies.	No progress.
Develop ADP/Telecommunications Five-Year plan, by 4/1/83.	No progress beyond what was in place prior to P.L. 96-511.
Develop a program to enforce Federal information processing standards.	No progress.

<u>Description of Task</u>	<u>Status</u>
Revitalize standards development program.	No progress. Federal information processing standards program is facing budget cut.
Identify productivity initiatives using technology.	No progress.
Promote use of information processing technology.	No progress.
Report to Congress on major paperwork activities.	Annual report required.
Propose needed legislation to improve Federal information management practices.	No progress.
Establish audit standards and requirements for information systems.	No progress.
Assign responsibility for multiagency audits by 4/1/82.	No progress.
Settle disputes between GSA and agencies under the Brooks Act (P.L. 89-306).	No guidance has been issued. No disputes have been formally referred to OMB.
Develop a Federal Information Locator System (FILS) and have it operational by April 1, 1982.	No progress. OMB does not expect to meet deadline.
Develop a proposal to augment FILS to include major information holdings of agencies.	No progress.
Develop and implement policy guidance on disclosure of information, confidentiality, and security of information.	No policy or guidance issued.
Propose legislation to remove inconsistencies for privacy, confidentiality, and disclosure of information.	No legislative proposals presented.

<u>Description of Tasks</u>	<u>Status</u>
GAO access to records.	GAO has not been provided full access to OMB records. GAO is proceeding with provisions for remedy, pursuant to GAO Act of 1980.
Designate central collection agencies.	None designated.
Direct agency sharing of information.	No procedures established. No formal arrangements made.