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Program Evaluation and
Methodology Division

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The Honorable William F. Clinger, Jr.
Ranking Minority Member
Committee on Government Operations
House of Representatives

Dear Mr. Clinger:

You asked us in January to update our earlier study on the burden of federal paperwork, using the same methodology for the period 1987-92.¹ In response, we have prepared this report, addressing the same four questions for this later period:

1. How has the paperwork burden changed over time?
2. What factors account for the observed changes?
3. Have some groups been differentially affected?
4. Have the reasons for information collection changed?

Results in Brief

Our analyses show an increase in reported burden hours of 261 percent (from over 1.8 billion hours to nearly 6.6 billion) between 1987 and 1992.² Most of this change (3.4 billion of the 4.8 billion hour increase) is accounted for by Department of Treasury reestimates of the time spent in dealing with burdens rather than by the imposition of actual new burdens. A net increase of about 1.5 billion hours can be accounted for by changes in ongoing collections, primarily stemming from changes in population size and revisions to collection instruments.

In addition to the Treasury reestimates, we found some increases in the estimated paperwork burden because of new requirements. For example, a court-ordered expansion of the scope of the Hazard Communication Standard in 1988 led to an increase of 48 million hours in the burden estimated by the Department of Labor (DOL). We also found some decreases. For example, in 1991, revisions in forms related to estimated

¹U.S. General Accounting Office, Paperwork Reduction: Little Real Burden Change in Recent Years, GAO/PEMD-89-19FS (Washington, D.C.: June 1989).

²In our earlier report, the preliminary figure of 1.9 billion burden hours was estimated for 1987. However, the adjusted figure is now reported to be 1.8 billion.

income taxes and business partnerships led to a decrease of 38.6 million hours reported by Treasury.

As for the groups affected, our analyses show an apparent decline in the proportion of information collections that placed a burden on entities the Office of Management and Budget (OMB) describes as "businesses or other institutions" from 33 percent in 1987 to 6 percent in 1992. However, the apparent decline seems to reflect a shift in the way population is reported rather than an actual reduction in the proportion of collections affecting businesses.

The major reason for collecting information continues to be the existence of what OMB calls "regulatory or compliance requirements." These requirements appear to have increased, given that they rose from 77 percent of all collections in 1987 to 95 percent in 1992. But, here again, the seeming increase for this category reflects primarily the Treasury reestimate of time needed to deal with the compliance burden, not an actual change in the distribution of collection purposes.

Background

The U.S. government is the world's largest creator, collector, disseminator, and user of information. Yet the needs of federal agencies to collect, analyze, and disseminate information from individuals, businesses, and other levels of government must be balanced against the burden that is imposed on others who must provide it. Almost every adult American fills out at least one federally required form, survey, or questionnaire annually. Nearly 100 million individuals and more than 5 million businesses and organizations submit detailed information on income and finances to the Internal Revenue Service (IRS) yearly. More than 80 million Americans provide the detailed information necessary to obtain federal benefits, ranging from food stamps to mortgage assistance. Thousands of businesses, nonprofit organizations, and state and local governments must file lengthy applications and reports in order to receive federal benefits or to remain eligible as government contractors. Most businesses keep records necessary to demonstrate their compliance with a multitude of federal regulations.

During 1992, Americans spent nearly 6.6 billion hours filling out forms, answering survey questions, and compiling records for the federal government. This is equivalent to employing more than 3 million people full-time every year solely to collect, maintain, and report information in response to federal requirements and requests. This figure does not

include the hours federal employees spent in processing, synthesizing, and evaluating these data.

The Paperwork Reduction Act of 1980 was enacted in response to overwhelming public frustration with the amount of information being collected. One of the goals of the act was to minimize the paperwork burden on the public and maximize the usefulness of the information the government collects. Under the act, agencies must submit requests for information collections to OMB for approval before they are carried out and when a previous OMB approval has expired. OMB can approve such requests, can disapprove them, or can require changes in the proposed collection prior to approval.

Each year, OMB completes an information collection budget that measures federal information collection requirements imposed on everyone outside the federal government.³ To determine the burden associated with a particular collection of information, agencies usually develop an estimate of the average time each respondent requires to comply with that collection and of the total number of respondents who must comply with the collection requirement. Then the total burden, measured in hours, is calculated by multiplying the average response time per respondent by the expected number of respondents.

In 1989, we described the changes in estimated paperwork burden between 1980 and 1987.⁴ As Ranking Minority Member of the House Committee on Government Operations, you asked us in January 1993 to update that study with data through 1992. Accordingly, we describe changes in the volume of paperwork burden, identify factors contributing to the changes, and describe changes in the populations affected by information collections and in the reasons for those collections.

Scope and Methodology

The sources for this report are the annual information collection budget publications of OMB and its reports management system, which is an administrative data base on federal information collections maintained by OMB. The data are based on estimates of the paperwork burden of individual information collections that were developed by collecting agencies and reviewed by OMB. As in our earlier report, we did not

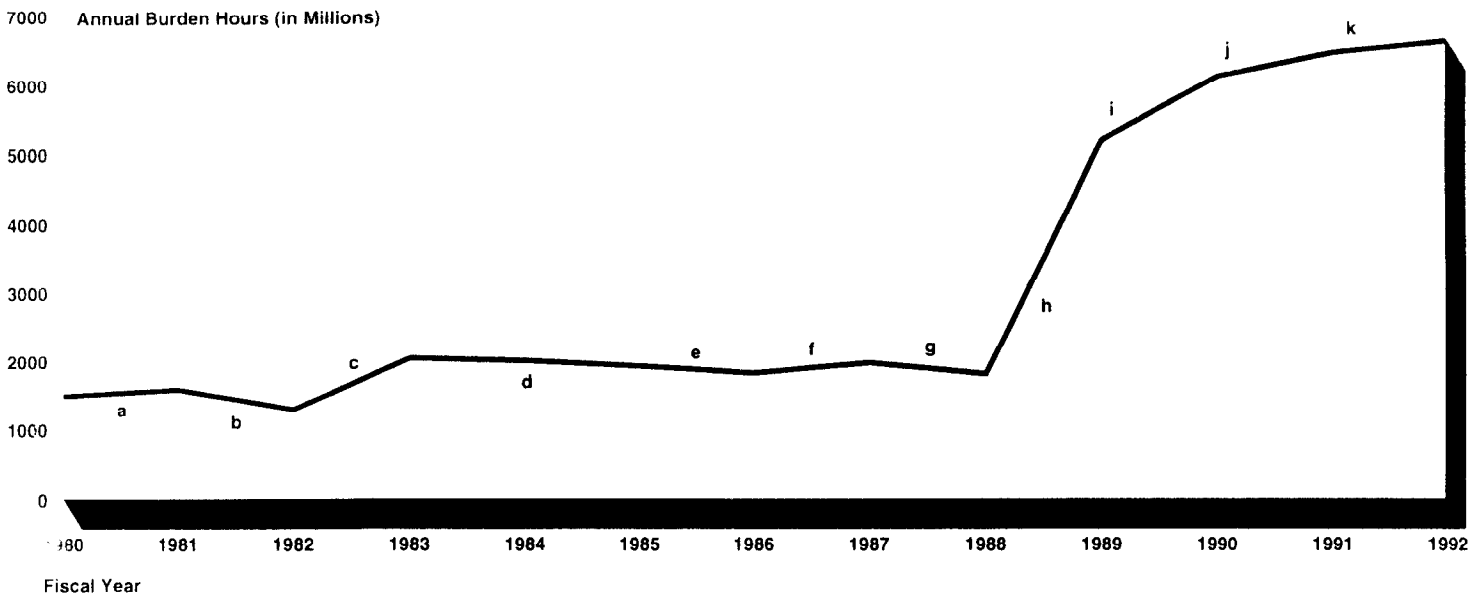
³The collection of information covered by the Paperwork Reduction Act includes reporting requirements (for example, report and application forms, schedules, and questionnaires), recordkeeping requirements, disclosure and labeling requirements, and other similar requirements.

⁴U.S. General Accounting Office, Paperwork Reduction, 1989.

independently replicate these estimates or verify their accuracy. We did, however, conduct interviews with OMB staff to clarify questions arising from the examination of these data. Further, we interviewed business association and public interest group officials in the private sector concerning the level of paperwork burden not reported through the OMB approval process and related issues.

The Change in Paperwork Burden Over Time

The paperwork burden OMB reported rose from over 1.8 billion hours in 1987 to nearly 6.6 billion in 1992, an increase of 261 percent. However, as we discuss below, this large increase was not primarily because of new burdens imposed on the public during this period. Rather, it resulted from a redefinition and reevaluation of burden hours by Treasury, especially affecting hours associated with tax-related reporting and filing requirements at IRS. The earlier rise in burden hours we reported was from 1.5 billion in 1980 to 1.9 billion in 1987, an increase of 27 percent. Figure 1 shows the change in burden hours between 1980 and 1992.

Figure 1: Total Annual Burden Hours and Associated Events 1980-92

Source: Information collection budget publications, Office of Management and Budget, Washington, D.C., 1980-91. Values for each fiscal year 1980-91 are paperwork burden base values, calculated at the end of the fiscal year and reflecting the experiences of that year. The 1980 value is a revised value and includes the burden of collections by agencies that were not included in the initial calculation of the 1980 base. The 1992 value is the paperwork allowance value, reflecting fiscal year 1992 information collection activity as anticipated at the end of fiscal year 1991.

^aPassage of Paperwork Reduction Act; "adjustments" to base for DOL and other agencies.

^bFifteen-percent reduction from 1980 required under the act; 17-percent reduction from 1980 base reported.

^cTen-percent further reduction required under the act; 11-percent reduction from 1982 base reported; procurement, labeling and disclosure, and existing regulations incorporated into information collection budget.

^dDepartment of Defense (DOD) reestimate reduced reported burden by 83 million hours.

^eDOD procurement burden accounting change and further reestimate reduced reported burden by 152 million hours.

^fImposition of tax reform (includes burden of transitional requirement for universal W-4 filing), immigration reform, and Superfund amendments; burden of two Department of Health and Human Services (HHS) forms removed from information collection budget.

^gEnd of one-time universal W-4 filing requirement; imposition of the Hazard Communication Standard.

^hHazard Communication Standard increases 48 million hours.

ⁱReassessment of all collections within Treasury.

^jAddition of 27 million hours from 1990 census; reduction of 52 million hours from simplified tax forms.

^kDecrease of 138 million hours from Dole v. Steelworkers decision, offset by other increases.

Major Reasons for Yearly Changes

Yearly variations in burden hours are the result of many small changes and some large ones associated with the information collections. Table 1 shows the major changes that resulted in significant increases or decreases in burden hours over the 1988-92 period. A more detailed explanation of these causes appears later in this section.

Table 1: Major Reasons for Burden Hour Increases and Decreases^a

| Year | Major increases | | Major decreases | |
|---|---|-------|--|-------|
| | Information collection | Hours | Information collection | Hours |
| 1988 | Hazard Communication Standard (DOL) | 48 | IRS W-4 form (Treasury) | 66 |
| | Asbestos Hazard Emergency Response Act, Superfund Amendments and Reauthorization Act (Environmental Protection Agency, EPA) | 14 | Immigration Reform and Control Act (Justice) | 16 |
| 1989 | Reassessment of burden (Treasury) | 3,417 | Hazard Communication Standard (DOT) | 19 |
| | IRS forms (Treasury) | 108 | Employment Eligibility Verification program implementing the Immigration and Nationality Act (Justice) | 8 |
| | Public Water System Program (EPA) | 3 | | |
| | Uniform Hospital Bill (HHS) | 3 | | |
| | Disaster Payment Program (Agriculture) | 2 | | |
| | Food Security Act (Agriculture) | 2 | | |
| | Medicare Part B (HHS) | 2 | | |
| Emergency Response Communication Standard (Department of Transportation, DOT) | 2 | | | |
| 1990 | Census of the United States (Commerce) | 27 | IRS form 4562 and "EZ" tax forms (Treasury) | 52 |
| | IRS form 8275 (Treasury) | 14 | Acquisition Management Systems and Data Requirements Control List (DOD) | 36 |
| 1991 | Renewal of expired collections and Immigration Act (State) | 25 | Dole v. Steelworkers decision (DOL; DOT; HHS; EPA; Federal Trade Commission, FTC) | 138 |
| | Real Estate Settlement Procedures Act amendments and National Affordable Housing Act (Department of Housing and Urban Development, HUD) | 16 | IRS forms 1040-ES and 1065 (Treasury) | 39 |
| | Drinking water regulations (EPA) | 14 | Completion of decennial census (Commerce) | 30 |
| | | | | |
| 1992 | Drug-free workplace requirements (DOD) | 3 | IRS forms 1065, 1120-S, and 3468 (Treasury) | 127 |
| | Reporting requirements for unions (DOL) | 3 | Food stamp collections (Agriculture) | 2 |

^aBurden hours reported in millions.

Changes in 1988

DOL increased its burden hours by 48 million because of a court-ordered expansion of the scope of the Hazard Communication Standard. EPA showed an increase of about 14 million hours based on requirements of the Asbestos Hazard Emergency Response Act and the Superfund Amendments and Reauthorization Act.

Significant offsetting decreases in burden hours occurred at the departments of Justice and Treasury. The expiration of a one-time reporting requirement associated with the Immigration Reform and Control Act of 1986 reduced the Justice burden by 16 million hours. Decreased reporting requirements for IRS form W-4 resulted in a 66-million-hour decline in paperwork burden for Treasury.

Changes in 1989

Overwhelming all other changes during fiscal year 1989 was a comprehensive reassessment of burden estimates for all existing data collections within Treasury. This reassessment resulted in an increase of approximately 3.4 billion hours, based on more realistic burden estimates for many different reporting requirements, including those related to taxation at IRS.

Aside from the reassessment, Treasury experienced a further increase of 108 million hours because of significant increases in 12 collections (which included a change in the tax code to permit a trade or business to expend depreciable assets and also a change in the documentation of income tax due for partnerships); this was partially offset by significant decreases in 7 collections (which included a simplified unemployment contributions form).

The Department of Agriculture reported increases of 2.2 million hours to implement the Disaster Payment Program as authorized by the Disaster Assistance Act of 1988 and 1.6 million hours for new information requirements created by the Food Security Act of 1985 as amended by the Omnibus Budget Reconciliation Act of 1987. HHS reported an additional 2.6 million hours for continuing its mandate for exclusive use of the uniform hospital bill, and HHS imposed 2.3 million hours on facilities participating in the Medicare Part B program. (This Medicare requirement had been imposed on the public but not formally approved—and therefore included in the budget—until August 1989.) EPA claimed a 2.9-million-hour increase for Public Water System Program information; DOT also claimed a 1.8-million-hour increase for the Emergency Response Communication Standard.

A decrease of 8.4 million hours was reported by the Department of Justice Employment Eligibility Verification program implementing the Immigration Reform and Control Act (Public Law 99-603) and section 101 of the Immigration and Nationality Act because of increased user familiarity with the employment eligibility verification process. By providing additional guidance to employers on the Hazard Communication Standard, DOL was able to significantly decrease its estimated burden hours by 19.4 million.

Changes in 1990

The 1990 census of the United States added 27.4 million hours to the Department of Commerce's burden estimate for that year. More permanently, IRS expanded the use of form 8275, resulting in another increase of 14.3 million hours.

But Treasury reported a 52-million-hour reduction based on the elimination of form 4562 and the development of simplified (or "EZ") versions of tax forms. Further, DOD reported a 36.3-million-hour reduction based on the deletion of redundant information in the Acquisition Management Systems and Data Requirements Control List.

Changes in 1991

A major increase of about 25 million hours was accounted for by the Department of State, which included renewed approval under the 1980 Paperwork Reduction Act for several large information collections that had expired (although they were still being conducted) and the Immigration Act of 1990. Amendments to the Real Estate Settlement Procedures Act and the National Affordable Housing Act resulted in increases of about 16 million hours at HUD. Most of the 13.5-million-hour increase reported by EPA resulted from new recordkeeping and reporting requirements associated with drinking water regulations.

Significantly, fiscal year 1991 was the first full year after the Supreme Court's Dole v. Steelworkers decision, which held that some information collection requirements were not subject to OMB review under the Paperwork Reduction Act.⁵ By the end of 1991, five agencies (DOL, DOT, EPA, FTC, and HHS) had removed collections accounting for 138 million hours from the OMB approval process. Although these hours are no longer included in the information collection budget, they are still part of the burden imposed on the public.

⁵See U.S. General Accounting Office, Paperwork Reduction: Agency Responses to Recent Court Decisions, GAO/PEMD-93-5 (Washington, D.C.: February 1993).

There were also other reductions in estimated burden hours. Treasury showed a decrease of 38.6 million hours based on revisions to the individual estimated tax return (form 1040-ES) and changes to form 1065, which requests earnings information from business partnerships. Completion of the 1990 decennial census resulted in a reduction of approximately 30 million hours from the Commerce total.

Projected Changes in 1992

Increases of 2.9 and 2.6 million hours were anticipated at DOD and DOL, respectively.⁶ Within DOD, the implementation of new drug-free workplace requirements was expected to place an additional burden on defense contractors and other applicable respondents. In order to implement a Supreme Court decision that upheld employees' rights to obtain information about the use of their union dues for political purposes, DOL issued revised reporting requirements for unions.

The projected decreases for 1992 included 127 million hours at Treasury. This was based on reductions of 98 million hours expected from the simplification of a worksheet associated with form 1065 and 29 million hours because of changes in form 1120-S and form 3468. Agriculture revised food stamp collections that were projected to reduce paperwork burden by 2 million hours.

Changes by Agency From 1987 to 1992

Table 2 summarizes the change in estimated burden hours for the 5-year period by agency. The major increases were at Treasury and HUD; the major decreases were at DOD and DOL. The majority of the changes at these agencies can be attributed to the major causes discussed in the previous section: at Treasury, the general reestimation; at HUD, the implementation of the Real Estate Settlement Procedures Act and the National Affordable Housing Act; at DOD, the imposition of Acquisition Management Systems and Data Requirements Control List; and at DOL, response to Dole v. Steelworkers.

⁶Since final 1992 data were not available, we used projected data.

Table 2: Burden Hours by Agency^a

| Agency | 1987 | 1992 | Net change |
|---------------------------------|----------------|----------------|-----------------|
| Agriculture | 67.7 | 71.6 | +3.9 |
| Commerce | 5.4 | 4.1 | -1.3 |
| Defense | 279.7 | 215.2 | -64.5 |
| Education | 34.5 | 23.1 | -11.4 |
| Energy | 14.2 | 8.7 | -5.5 |
| Environmental Protection Agency | 68.9 | 60.7 | -8.2 |
| Federal Trade Commission | 7.1 | 0.2 | -6.9 |
| Health and Human Services | 163.2 | 156.7 | -6.5 |
| Housing and Urban Development | 13.3 | 30.3 | +17.0 |
| Interior | 3.7 | 4.9 | +1.2 |
| Justice | 40.4 | 32.6 | -7.8 |
| Labor | 72.6 | 51.8 | -20.8 |
| State | 1.0 | 2.0 | +1.0 |
| Transportation | 75.6 | 65.1 | -10.5 |
| Treasury | 852.2 | 5,743.7 | +4,891.5 |
| Veterans Affairs | 5.4 | 6.4 | +1.0 |
| All other | 123.6 | 119.9 | -3.7 |
| Total government | 1,828.5 | 6,597.0 | +4,768.5 |

^a1987 and 1992 hours are in millions.

Factors Accounting for Changes in Paperwork Burden

As seen in the previous discussion, the paperwork burden fluctuates yearly for numerous reasons. The information collection budget system began in the early 1980's, and many adjustments were necessary over the first few years to ensure that it worked properly. For example, information collections were reclassified, burden hours were reestimated, and preexisting collections were included as they were identified as subject to the Paperwork Reduction Act. However, since 1987, the system has become quite routine, and such changes are now less significant.

For the period 1987-92, we identified four categories of factors that account for changes in estimated burden hours: (1) a major reestimation by Treasury; (2) changes related to the *Dole v. Steelworkers* court case; (3) new, expired, and discontinued collections; and (4) other changes in ongoing collections. Table 3 shows the increase or decrease in estimated burden hours associated with each of these categories and the percentage of the total increase of 4.8 billion hours represented by each.

Table 3: Factors Accounting for Change in Burden 1987-92^a

| Factor | Burden hours | Percent of total change |
|--------------------------------------|---------------------|--------------------------------|
| Treasury reestimation | +3,417 | +72% |
| Dole v. Steelworkers | -152 | -3% |
| New collections | +298 | +6% |
| Expired and discontinued collections | -319 | -7% |
| Population size and other changes | +1,525 | +32% |
| Net change | +4,769 | +100% |

^aIn millions of hours.

Reestimates of Burden by Treasury

By far, the greatest change in estimated burden hours can be attributed to the Treasury reestimates in 1989, amounting to 3.4 billion hours, or 72 percent of the overall increase of 4.8 billion hours. Treasury conducted a reassessment of burden estimate for all existing data collections to provide a more accurate estimate of its burden hours. The result was essentially a threefold increase in burden hours. However, this does not mean that the burden on the public tripled; rather, it means the estimate of the burden already being imposed on the public is more accurately estimated.

OMB reported that it was not aware of any significant efforts by other agencies to reestimate the burden of their collections. While some small reestimates of burden may have occurred for individual information collection packages, these changes have not been the result of a systematic effort to reestimate burden, as occurred several times prior to 1987. According to OMB, it would be nearly impossible to derive accurate, aggregate totals of burden reestimates from the data base. Any such changes would be included in the category of increases and decreases in ongoing collections.

The Effect of Dole v. Steelworkers

Another factor affecting changes in paperwork burden was the Dole v. United Steelworkers of America case, which was heard by the Supreme Court in 1990. The question in the case was whether OMB had authority to review and approve rules requiring disclosure of information to third parties (such as employees or consumers) but not to a federal agency. It centered on an Occupational Safety and Health Administration standard requiring employers to post a notice warning workers of potential hazards at multiemployer sites where chemicals are used. The Supreme Court

ruled that OMB did not have authority to review such third-party disclosure rules.

As a result of this decision, some agencies determined that certain information collections were no longer subject to OMB review and approval. Table 4 lists agencies, numbers of collections affected, and related burden hours removed from the information collection budget as a direct result of the Dole v. Steelworkers decision. It should be noted, however, that the numbers shown in the table may be underestimates, since agencies may allow Paperwork Reduction Act approval for existing collections to expire without explanation or not submit new information collection packages for review. Furthermore, it is important to understand that while these burden hours are no longer included in the information collection budget, they are collections still being imposed on the public, so the actual burden was unaffected.

Table 4: Burden Hours Related to Dole v. Steelworkers

| Agency | Number of affected collections | Decrease in burden hours |
|---------------------------------|---------------------------------------|---------------------------------|
| Environmental Protection Agency | 2 | 27,984,571 |
| Federal Trade Commission | 14 | 62,378,100 |
| Health and Human Services | 12 | 5,182,661 |
| Department of Labor | 73 | 56,886,253 |
| Total | 101 | 152,431,585 |

Burden Changes From New, Expired, or Discontinued Collections

Each year, some increases in burden result from new collections being added to the information collection budget and some decreases result from collections being discontinued or allowed to expire without renewal. The category of “new” may include some preexisting information collections that were not previously accounted for in the information collection budget. However, OMB told us that it is likely there have been very few such additions since our last report. In any case, using the OMB data base does not allow us to identify such cases because they would be recorded only as “new” collections.

Table 5 shows the burden hours associated with these changes for the last 5 years. In recent years, such changes have tended to reduce the overall reported number of burden hours. However, the table shows that while each year new and expired or discontinued collections affect the information collection budget, the effect these two categories have on the

budget is quite small, accounting for a net decline of 20.5 million hours during this period, or less than half of 1 percent of the total 6.6 billion burden hours reported.

Table 5: Changes From New, Expired, and Discontinued Collections^a

| Year | New collections | Expired or discontinued collections ^b | Net change |
|--------------|-----------------|--|--------------|
| 1988 | 104.5 | 45.6 | +58.9 |
| 1989 | 66.8 | 149.1 | -82.3 |
| 1990 | 25.8 | 43.5 | -17.7 |
| 1991 | 53.6 | 21.1 | +32.5 |
| 1992 | 47.5 | 59.4 | -11.9 |
| Total | 298.2 | 318.7 | -20.5 |

^aIn millions of hours.

^bTo adjust for the effects of the *Dole v. Steelworkers* case, 138 million hours have been removed from 1991 and 14 million hours have been removed from 1992.

Increases and Decreases in the Burden of Ongoing Collections

While the number of burden hours fluctuates yearly for numerous reasons, the majority of changes are caused by increases and decreases in ongoing collections, accounting for nearly one third of the net increase during 1988-92, or about 1.5 billion hours. (See table 3.) Changes in respondent population size, reestimates of burden (other than the 1989 Treasury reestimate), changes in the method of collection, and revisions to collection instruments are common reasons for changes in burden hours. Unfortunately, the OMB data base cannot readily identify what changes in burden are attributable to these various factors. However, from our discussions with OMB, we believe that changes in population size and, to a lesser extent, revisions to collection instruments are primarily responsible for this increase.

Summary

Numerous factors account for changes in the information collection budget and these factors can change over time. We identified four categories—reestimation by Treasury; *Dole v. Steelworkers*; new, expired, and discontinued collections; and changes in ongoing collections—that affected estimated burden hours for the 1988-92 period. The Treasury reestimation overwhelmed all other changes during this period, although adjustments in ongoing collections represented about one third of the total change. While the burden hour estimate OMB reported increased

significantly over this 5-year period, the actual burden imposed on the public has not had such a dramatic change—the Treasury increase is simply a more accurate accounting of an existing burden and the Dole v. Steelworkers reduction has not freed the public from those collection requirements. Overall, the actual burden increase on the public reported through the OMB system would not have exceeded 1.5 billion hours.

Differential Effects on Groups

Information collections affect different groups, singly or in combination. The OMB data base identifies these groups as individuals or households, state or local governments, farms, businesses or other institutions, and “mix” (collections that affect more than one group). The Reports Management System does not indicate the proportion of the burden that is borne by each respondent in the “mix” category.

Table 6 shows the change in affected populations over the past 5 years. In 1989, two populations—individuals or households and businesses or other institutions—declined significantly from the prior year’s percentage. The category that increased significantly that year was the “mix” category, which contains more than one population. Although the data base system does not identify which populations are included under “mix,” it is logical to assume that it includes both individuals or households and businesses or other institutions. Thus, the decline in these categories apparently reflects merely a shift in how the burden was accounted for. The apparent increase in burden on individuals and households in 1992 may have resulted from a similar accounting shift.

Table 6: Percent of Collections by Affected Population

| Affected population | 1988 | 1989 | 1990 | 1991 | 1992 |
|----------------------------------|------|------|------|------|------|
| Individuals or households | 27 | 6 | 8 | 9 | 24 |
| State or local governments | 3 | 1 | 1 | 1 | 1 |
| Farms | a | a | a | a | a |
| Businesses or other institutions | 29 | 10 | 16 | 7 | 6 |
| Mix | 41 | 82 | 75 | 83 | 69 |

^aLess than 0.5 percent.

Changes in the Reasons for Data Collections

OMB has classified information collections according to six general purposes: (1) application for benefits, (2) program evaluation, (3) general purpose statistics, (4) regulatory or compliance, (5) program planning or management, and (6) research.⁷ Some collections may cover more than one purpose.

Table 7 shows how the purpose of collections has changed over the past 5 years. The overwhelming majority of collections were for regulatory or compliance purposes. There was a steady increase for the first few years, leveling off at about 95 percent in 1989. The benefit application category dropped off considerably in 1989 and has remained at the lower level. Since the definition for each category has not changed since 1987, the changes could represent a real change in the reasons for data collection. However, once the purpose of a collection has been determined, it generally does not change. A logical cause for this apparent shift in purpose is the reestimation of Treasury's burden hours, which rose from about 771 million hours in 1988 (representing about 43 percent of the information collection budget) to 4,253 million hours in 1989 (about 82 percent). Since all of Treasury's collections are for regulatory or compliance purposes, the percentage shift in the categories as seen in table 7 apparently stems from the increase in Treasury's share of the information collection budget rather than a real change in the purpose of collections.

⁷(1) "Application for benefits" is information a person completes in order to participate in, receive, or qualify for a grant, financial assistance, or other benefit (including employment) from a federal agency or program. (2) "Program evaluation" is a formal assessment of the manner and extent to which federal programs achieve their objectives or produce other significant effects, using objective measures and systematic analysis. (3) "General purpose statistics" are data collected mainly for use by the public or for general government use, without primary reference to policy or program operations of the agency collecting the data. (4) "Regulatory or compliance" are collections of information undertaken for the purpose of measuring or enforcing compliance with laws or regulations. This includes collections of information incidental to regulation, such as applications for waiver and exemptions, licenses, and certificates. (5) "Program planning or management" includes all collections of information (other than program evaluation and audits) relating to progress reporting and grants management, financial and supply management, procurement and quality control, and other collections of administrative information that do not fit in any other category. This category also includes surveys and other collections of information used to develop new regulations or to review existing regulations. (6) "Research" refers to collections of information to further the course of scientific or medical research, rather than for a specific program purpose.

Table 7: Percent of Collections by Purpose

| Purpose | 1988 | 1989 | 1990 | 1991 | 1992 |
|--------------------------------|------|------|------|------|------|
| Application for benefits | 11% | 2% | 1% | 3% | 3% |
| Program evaluation | 1 | a | a | a | a |
| General purpose statistics | 1 | a | a | a | a |
| Regulatory or compliance | 84 | 96 | 94 | 95 | 95 |
| Program planning or management | 1 | 1 | a | a | a |
| Research | a | a | a | a | a |
| Mix | 1 | 2 | 3 | a | 2 |

^aLess than 0.5 percent.

Other Paperwork Burden Issues

While the information collection budget and burden hours are central to understanding the paperwork burden placed on the public, other issues are important if the totality of the paperwork burden is to be considered. From our prior work, and interviews with officials from OMB and business and public interest groups, we discovered other issues germane to the discussion of burden. In evaluations of the paperwork burden, we believe they should be considered as well as the data previously presented.

Not All Burden Is Counted

While much of the paperwork burden on the public is under OMB's purview and consequently included in the statistics we have reported here, there is some unknown burden placed on the public outside the scope of the Paperwork Reduction Act. Estimates vary widely on how large this burden is, and there seems to be no consensus on how to measure it. Even when the burden has shifted out from under OMB review, it is not always accurately measurable. In Dole v. Steelworkers, for example, OMB can document that approximately 152 million hours are no longer included in the information collection budget. However, OMB cannot be confident that this is a full and accurate account of the effect of the case, since this figure does not include collections that have expired without explanation or cases never submitted to OMB because of the Dole v. Steelworkers decision or for other reasons. Also, the fact that the burden hours are no longer included in the information collection budget does not mean the actual burden is any less, since the public continues to have to provide the information requested.

Burden Is Underestimated

There was a consensus among all the officials we interviewed that the paperwork burden that is measured is underestimated. For example, in

determining the time to fill out an information collection form, agencies rarely take into account the time necessary to gather the information before filling out the form. In addition, costs related to the storage of needed documents are not considered, nor are those for the personnel that companies often assign to assist agencies with examinations—for example, audits. The reestimation of burden by Treasury in 1989 illustrates this issue: in order to reflect a more realistic estimate of burden, Treasury virtually tripled the burden hour estimate for its information collections. Most of the officials we interviewed indicated that the other federal agencies should follow Treasury's example and reevaluate the accuracy of their estimates.

Costs Are Unknown

Although the estimate of burden hours may be flawed, there is no reliable estimate whatsoever for the costs of collecting and processing these data collections. In addition to the monetary cost, there is a further cost to the public through the lack of coordination, redundancy, and even conflict in the information collection process. As the public, especially businesses, is asked to provide the same basic information in somewhat different forms to different agencies, the quality of the information may be compromised.

Some of our informants also expressed the sense that laws are promulgated and regulations are written without regard to the burden they may impose on the public. Only after agencies implement rules does the burden associated with them become clear.

Benefits Are Unknown

While there are problems in estimating the burden hours and costs associated with information collections, it is also difficult to estimate the benefits the public, as well as the government, may derive from these data collection efforts. These can include such benefits as warnings of potential safety or environmental hazards, estimates of economic conditions, and information needed to enforce tax and other laws. Although it would be difficult to quantify many such social, economic, or legal benefits derived from these information collections, they can and should be considered qualitatively.

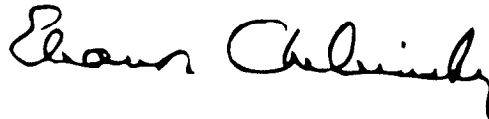
Agency Comments

We provided an oral summary of our findings to officials at OMB and have incorporated their comments where appropriate.

Unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from its date of issue. We will then send copies to the Director of OMB. We will also make copies available to others who are interested upon request.

If you have any questions or would like additional information, please call me at (202) 512-2900 or Robert L. York, Director of Program Evaluation in Human Services Areas, at (202) 512-5885. Other major contributors are listed in appendix I.

Sincerely yours,



Eleanor Chelimsky
Assistant Comptroller General

Major Contributors to This Report

Program Evaluation and Methodology Division

Patrick G. Grasso, Assistant Director
Debra L. McKinney, Project Manager
Penny Pickett, Reports Analyst
Venkareddy Chennareddy, Referencer

Related GAO Products

Paperwork Reduction: Agency Responses to Recent Court Decisions
(GAO/PEMD-93-5, Feb. 3, 1993).

Paperwork Reduction: Mixed Effects on Agency Decision Processes and Data Availability (GAO/PEMD-89-20, Sept. 7, 1989).

Paperwork Reduction: Little Real Burden Change in Recent Years
(GAO/PEMD-89-19FS, June 14, 1989).