



## Testimony

Before the Subcommittee on Regulatory  
Affairs, Committee on Government  
Reform, House of Representatives

---

For Release on Delivery  
2:00 p.m. EDT Tuesday, July 18,  
2006

# PAPERWORK REDUCTION ACT

## Increase in Estimated Burden Hours Highlights Need for New Approach

Statement of Linda D. Koontz, Director  
Information Management



---

---

This is a work of the U.S. government and is not subject to copyright protection in the United States. It may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.

---



Highlights of [GAO-06-974T](#), a testimony before the Subcommittee on Regulatory Affairs, Committee on Government Reform, House of Representatives

## 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](http://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](mailto:koontzl@gao.gov).

# PAPERWORK REDUCTION ACT

## Increase in Estimated Burden Hours Highlights Need for New Approach

### 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.

---

Madam Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss the implementation of the Paperwork Reduction Act (PRA).<sup>1</sup> As you know, one of the goals of the PRA is to help ensure that when the government asks the public for information, the burden of providing this information is as small as possible and the information itself is used effectively. In other words, the goal is to minimize the paperwork burden while maximizing the public benefit and utility of the information collected. To achieve this goal, the PRA includes provisions that establish standards and procedures for effective implementation and oversight of information collections. Among these provisions is the requirement that agencies not establish information collections without having them approved by the Office of Management and Budget (OMB), and that before submitting them for approval, agencies' Chief Information Officers (CIO) certify that the collection meets 10 specified standards—including that they avoid unnecessary duplication and reduce the paperwork burden as much as possible.

As you requested, I will begin by discussing the estimates of government paperwork burden provided in the annual PRA report (known as the Information Collection Budget) that OMB recently released, which presents federal agencies' estimates of federal paperwork burden as of the end of fiscal year 2005. I will also discuss results from a May 2005 report<sup>2</sup> that we issued on PRA processes and compliance, concentrating on our findings regarding agencies' processes to certify that information collections meet PRA standards and on alternative processes that two agencies have used to minimize the paperwork burden.

---

<sup>1</sup>The Paperwork Reduction Act was originally enacted into law in 1980 (Pub. L. 96-511, Dec. 11, 1980). It was reauthorized with minor amendments in 1986 (Pub. L. 99-591, Oct. 30, 1986) and was reauthorized a second time with more significant amendments in 1995 (Pub. L. 104-13, May 22, 1995).

<sup>2</sup>GAO, *Paperwork Reduction Act: New Approach May Be Needed to Reduce Government Burden on Public*, [GAO-05-424](#) (Washington, D.C.: May 20, 2005).

---

In preparing this testimony, we reviewed prior work and analyzed OMB and other documents. For our discussion of the Information Collection Budget, we examined the current OMB report as well as our reviews of previous annual PRA reports.<sup>3</sup> For our discussion of the certification process, we drew on our May 2005 report, for which we performed detailed reviews of paperwork clearance processes and collections at four agencies: the Departments of Veterans Affairs (VA), Housing and Urban Development (HUD), and Labor and the Internal Revenue Service (IRS). Together, these four agencies represent a broad range of paperwork burden, and in 2004, they accounted for about 82 percent of the almost 8 billion hours of estimated paperwork burden for all federal agencies. Of this total, IRS alone accounted for about 80 percent.<sup>4</sup> We also selected 12 approved collections as case studies (three at each of the four agencies) to determine how effective agency processes were. In addition, we analyzed a random sample (343) of all OMB-approved collections governmentwide as of May 2004 (8,211 collections at 68 agencies) to determine compliance with the act's requirements regarding agency certification of the 10 standards and consultation with the public. We designed the random sample so that we could determine compliance levels at the four agencies and governmentwide. Finally, although the Environmental Protection Agency (EPA) was not one of the agencies whose processes we reviewed, we analyzed documents and interviewed officials concerning the agency's efforts to reduce the paperwork burden of its information collections. Further details on our scope and methodology are provided in the report. All work on which this testimony is based was performed in accordance with generally accepted government auditing standards.

---

<sup>3</sup>For our most recent testimony on this subject, see GAO, *Paperwork Reduction Act: New Approaches Can Strengthen Information Collection and Reduce Burden*, [GAO-06-477T](#) (Washington, D.C.: Mar. 8, 2006).

<sup>4</sup>Although IRS accounted for about 80 percent of the burden, it did not account for 80 percent of collections: it accounted for 808 out of the total 8,211 collections governmentwide as of May 2004.

---

---

## Results in Brief

After 2 years of slight declines, the total paperwork burden imposed by federal information collections increased in fiscal year 2005 and is projected to increase again in fiscal year 2006, according to estimates provided in OMB's July 2006 annual PRA report to Congress. The estimated total burden for fiscal year 2005 was 8.4 billion hours, which is an increase of 5.5 percent (441 million burden hours) from the previous year's total of 8.0 billion hours. Nearly all this increase is the result of the implementation of new statutes. For example, there was an increase of about 224 million hours from the implementation of voluntary prescription drug coverage under Medicare. In addition, adjustments to the estimates (from such factors as changes in estimation methods and the population of respondents) accounted for a net increase in the burden of about 19 million hours, and agency discretionary program changes led to a net increase of 180,000 hours. With regard to PRA violations (information collections that did not have OMB approval or for which that approval had expired), OMB reports that fewer occurred in fiscal year 2005 than previously, for a total of 97 violations. OMB also stated in this year's report that IRS began using a new statistical model in fiscal year 2006 that will improve the accuracy and transparency of future taxpayer burden estimates. Using this new model is expected to result in an increase of 250 million hours in the burden estimate that IRS will report for next year. However, according to OMB, this expected rise does not reflect any real change in the burden on taxpayers, but only in how IRS estimates the paperwork burden.

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. As we reported in 2005, agency CIOs generally reviewed information collections before they were submitted to OMB and certified that the required standards in the act were met. However, our review of 12 case studies showed that CIOs provided these certifications despite missing or inadequate support from the program offices sponsoring the collections. Further, although the law requires CIOs to provide support for certifications, agency files contained little

---

evidence that CIO reviewers had made efforts to improve the support offered by program offices. Numerous factors have contributed to these problems, including a lack of management support and weaknesses in OMB guidance. Because these reviews were not rigorous, OMB, the agency, and the public have reduced assurance that the standards in the act—such as avoiding duplication and minimizing burden—were consistently met.

In contrast, our May 2005 report discussed how IRS and EPA have used additional evaluative processes that focus specifically on reducing burden. These processes are targeted, resource-intensive efforts that involve extensive outreach to stakeholders. According to these agencies, their processes led to significant reductions in burden on the public while maximizing the utility of the information collections. For example, in this year's PRA report, OMB cites a decrease of about 19 million hours from streamlining IRS's Form 1041 to make it easier and faster to understand and file.

In our report, we recommended that OMB and agencies take steps to improve review processes and compliance with the act. We also suggested that Congress should consider mandating pilot projects to target some collections for rigorous analysis along the lines of the approaches used by IRS and EPA. OMB and the agencies agreed with most of the recommendations. Since our 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 to agencies. However, the updated guidance is not aimed at all information collections, but rather at conducting surveys that are used for general-purpose statistics or as part of program evaluations or research studies.<sup>5</sup> In addition, it does not provide clear guidance on one of the topics mentioned in our recommendation: determining whether small entities are affected by a collection and reducing reporting burden on these entities.

---

<sup>5</sup> The updated guidance is focused on surveys and statistical information collections, but it includes some general PRA requirements applicable to any information collection, namely, general information on submissions to OMB and the scope of the definition of *information collection* (explaining, for example, that focus groups are included).

---

## Background

Collecting information is one way that federal agencies carry out their missions. For example, IRS needs to collect information from taxpayers and their employers to know the correct amount of taxes owed. The U.S. Census Bureau collects information used to apportion congressional representation and for many other purposes. When new circumstances or needs arise, agencies may need to collect new information. We recognize, therefore, that a large portion of federal paperwork is necessary and often serves a useful purpose.

Nonetheless, besides ensuring that information collections have public benefit and utility, federal agencies are required by the PRA to minimize the paperwork burden that the collection of information imposes. Among the provisions of the act aimed at this purpose are requirements for the review of information collections by OMB and by agency CIOs.

Under PRA, federal agencies may not conduct or sponsor the collection of information unless approved by OMB; information collections for which OMB approval is expired or missing are considered violations of the PRA. Before approving collections, OMB is required to determine that the agency's collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility.<sup>6</sup> Consistent with the act's requirements, OMB has established a process to review all proposals by executive branch agencies (including independent regulatory agencies) to collect information from 10 or more persons, whether the collections are voluntary or mandatory.

In addition, the act as amended in 1995 requires every agency to establish a process under the official responsible for the act's

---

<sup>6</sup>44 U.S.C. 3508.



---

implementation (now the agency's CIO<sup>7</sup>) to review program offices' proposed collections. This official is to be sufficiently independent of program responsibility to evaluate fairly whether information collections should be approved. Under the law, the CIO is to review each collection of information before submission to OMB, including reviewing the program office's evaluation of the need for the collection and its plan for the efficient and effective management and use of the information to be collected, including necessary resources.<sup>8</sup> As part of that review, the agency CIO must ensure that each information collection instrument (form, survey, or questionnaire) complies with the act, certify that the collection meets 10 standards (see table 1), and provide support for these certifications.

---

<sup>7</sup>The 1995 amendments used the 1980 act's reference to the agency "senior official" responsible for implementation of the act. A year later, Congress gave that official the title of agency Chief Information Officer (the Information Technology Management Reform Act, Pub. L. 104-106, Feb. 10, 1996, which was subsequently renamed the Clinger-Cohen Act, Pub. L. 104-208, Sept. 30, 1996).

<sup>8</sup>44 U.S.C. 3506(c)(1)(A).

---

**Table 1: Standards for Information Collections Set by the Paperwork Reduction Act**

Standards
The collection is necessary for the proper performance of agency functions.
The collection avoids unnecessary duplication.
The collection reduces burden on the public, including small entities, to the extent practicable and appropriate.
The collection uses plain, coherent, and unambiguous language that is understandable to respondents.
The collection will be consistent and compatible with respondents' current reporting and recordkeeping practices to the maximum extent practicable.
The collection indicates the retention period for any recordkeeping requirements for respondents.
The collection informs respondents of the information they need to exercise scrutiny of agency collections information (the reasons the information is collected; the way it is used; an estimate of the burden; whether responses are voluntary, required to obtain a benefit, or mandatory; and a statement that no person is required to respond unless a valid OMB control number is displayed).
The collection was developed by an office that has planned and allocated resources for the efficient and effective management and use of the information to be collected.
The collection uses effective and efficient statistical survey methodology (if applicable).
The collection uses information technology to the maximum extent practicable to reduce burden and improve data quality, agency efficiency, and responsiveness to the public.

Source: Paperwork Reduction Act, Pub. L. 104-13, 109 Stat. 173-4, sec. 3506(c)(3).

In addition, the original PRA of 1980 (section 3514(a)) requires OMB to keep Congress “fully and currently informed” of the major activities under the act and to submit a report to Congress at least annually on those activities. Under the 1995 amendments, this report must include, among other things, a list of any increases in burden. To satisfy this requirement, OMB prepares the annual PRA report, which reports on agency actions during the previous fiscal year, including changes in agencies’ burden-hour estimates as well as violations of the PRA.

The 1995 PRA amendments also required OMB to set specific goals for reducing burden from the level it had reached in 1995: at least a 10 percent reduction in the governmentwide burden-hour estimate for each of fiscal years 1996 and 1997, a 5 percent governmentwide burden reduction goal in each of the next 4 fiscal years, and annual agency goals that reduce burden to the “maximum practicable opportunity.” At the end of fiscal year 1995, federal agencies estimated that their information collections imposed about 7 billion burden hours on the public. Thus, for these reduction goals to be

---

met, the burden-hour estimate would have had to decrease by about 35 percent, to about 4.6 billion hours, by September 30, 2001. In fact, on that date, the federal paperwork estimate had increased by about 9 percent, to 7.6 billion burden hours.

Over the years, we have reported on the implementation of PRA many times.<sup>9</sup> In a succession of reports and testimonies, we noted that federal paperwork burden estimates generally continued to increase, rather than decrease as envisioned by the burden reduction goals in PRA. Further, we reported that some burden reduction claims were overstated. For example, although some reported paperwork reductions reflected substantive program changes, others were revisions to agencies' previous burden estimates and, therefore, would have no effect on the paperwork burden felt by the public. In our previous work, we also repeatedly pointed out ways that OMB and agencies could do more to ensure compliance with PRA. In particular, we have often recommended that OMB and agencies take actions to improve the paperwork clearance process.

---

## Estimated Paperwork Burden Increased in 2005

After 2 years of slight declines, OMB reports that burden hours increased in fiscal year 2005 and are expected to increase again in fiscal year 2006. According to OMB's most recent PRA report to Congress, the estimated total burden hours imposed by government information collections in fiscal year 2005 was 8.4 billion hours; this is an increase of 441 million burden hours (5.5 percent) from the previous year's total of 8.0 billion hours. It is also almost a billion and a half hours larger than it was in 1995 and 3.8 billion larger than the PRA target for the end of fiscal year 2001 (4.6 billion burden hours). OMB's report also states that burden will increase in fiscal year 2006 by an estimated 303 million hours to about 8.7 billion hours; however, according to OMB, most of this projected increase (250 million hours or 83 percent) is attributable to a new method of

---

<sup>9</sup>We have included a list of related GAO products at the end of this statement.

---

estimating burden that is being implemented by IRS, rather than to any increase in the actual burden. Finally, according to OMB, fewer violations of the act were reported than in previous years.

---

## Changes in Paperwork Burden Estimates Can Be Attributed to Various Causes

Changes in paperwork burden estimates result from several causes, which OMB assigns to two main categories. OMB classifies all changes—either increases or decreases—in agencies’ burden-hour estimates as either *program changes* or *adjustments*.

- *Program changes* are the result of deliberate federal government action (e.g., the addition or deletion of questions on a form); these can occur as a result of
  - new statutes,
  - agency-initiated actions, or
  - the expiration or reinstatement of OMB-approved collections.<sup>10</sup>
- *Adjustments* do not result from federal activities but from external factors. For example:
  - an agency may reestimate the burden associated with a collection of information, or
  - the population responding to a requirement may change—such as if the economy declines and more people complete applications for food stamps; the resulting increase in the Department of Agriculture’s paperwork estimate is considered an adjustment because it is not the result of deliberate federal action.

As shown above, within the category of program changes, OMB distinguishes between changes due to new statutes and changes due to agency action, which it also refers to as agency discretionary actions. However, this term should not imply that agencies have no discretion in how they implement new statutes. A major goal of the

---

<sup>10</sup> When an agency allows OMB approval of a collection to lapse but continues to collect the information, this is a violation of the PRA. However, the expired collection is accounted for as a decrease in burden. When the approval is reinstated, the reinstatement is accounted for as an increase in burden in OMB’s accounting system. The lapse and reinstatement thus generally cancel each other out, unless the reinstatement involves changed burden estimates based on new analysis.

PRA is to ensure that agencies consider how to make the burden of information collections, whether old or newly established, as small as possible. In the second part of my statement, I will address one of the ways set forth in the PRA to help achieve this goal.

Table 2 shows the changes in reported burden totals from fiscal year 2004 to fiscal year 2005.

**Table 2: Changes in Governmentwide Reported Burden Totals by Category**

In millions

Category of change	Change from fiscal year 2004 PRA report	
	Hours	Percent
Baseline: fiscal year 2004 total	7971.18	
Fiscal year 2005 program changes:	0	
Changes due to agency action	0.18	0.00
Changes due to new statutes	418.89	+5.26
Changes due to lapses in OMB approval	2.80	+0.04
Total program changes	422.00	+5.29
Fiscal year 2005 adjustments	19.14	+0.24
<b>Fiscal year 2005 total</b>	<b>8412.27</b>	<b>+5.53</b>

Source: OMB annual PRA report.

Note: Numbers do not add exactly because of rounding.

As the table shows, the change due to new statutes was by far the largest factor in the increase for fiscal year 2005. OMB reports that the statute having the largest impact on burden was the statute establishing voluntary prescription drug coverage under Medicare;<sup>11</sup> implementing the program mandated by this statute required the collection of significant amounts of information, leading to an increase in burden of 224 million hours.<sup>12</sup> An additional significant increase—about 116 million hours—resulted from the implementation by the Federal Communications Commission (FCC) of the CAN-SPAM Act, which requires disclosure of certain information contained in unsolicited commercial e-mails.

<sup>11</sup> The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Pub. L. 108-173).

<sup>12</sup> The prescription drug program, which began on January 1, 2006, is also projected to result in an increase of about 5 million hours in fiscal year 2006.

---

In contrast to changes due to new statutes, changes due to agency action did not contribute significantly to the overall change in burden this year, adding 180,000 hours out of the total rise of 441 million. Although the overall result was a slight increase, agencies did take many actions that decreased burden; without these actions, the governmentwide increase would have been greater. The annual report does not list all these actions, but it does highlight actions that led to significant paperwork reductions and increases. (These include increases and decreases in burden from statutory requirements and miscellaneous agency actions, as well as burden reductions from changing regulations, cutting redundancy, changing forms, and using information technology.) From both an individual agency perspective and a governmentwide perspective, the relatively small increase due to agency action is the result of large increases and decreases that mostly offset each other:

- From an individual agency perspective, the net change in an agency's burden estimate is generally the result of disparate actions, some of which reduce burden and some of which increase it. An example is the IRS, which as an agency was responsible for a net decrease of about 3 million hours. Among the burden reductions that the annual report highlights are two IRS actions to change forms, both of which reduced burden by simplification and streamlining, for a reduction of about 19 million hours.<sup>13</sup> The ICB also reports that in January 2006 IRS completed an initiative to simplify the process of applying for an extension to file an income tax return, which is associated with a burden reduction of 8 million hours. Elsewhere, on the other hand, five IRS actions are highlighted that together resulted in an increase of about 24 million hours.<sup>14</sup> Examples of reasons IRS took these actions included increasing accuracy and improving the agency's ability to monitor compliance with the law.

---

<sup>13</sup> The two forms are Form 1041, U.S. Income Tax Return for Estates and Trusts and Form 8879, IRS e-file Signature Authorization.

<sup>14</sup> These actions were associated with Form 1120, U.S. Corporation Income Tax Return; Form 1023, Application for Recognition of Exemption; Form 4070, Employee's Report of Tips to Employer; Form 941, Employer's Quarterly Federal Tax Return; and Form 8858, Information Return of U.S. Persons With Respect to Foreign Disregarded Entities.

- 
- Similarly, from a governmentwide perspective, the overall change is the result of some agencies whose actions produced a net decrease and others whose produced a net decrease. In fiscal year 2005, agencies with net decreases produced a reduction of about 14.02 million hours. This reduction was offset, however, by agencies with net increases, which totaled about 14.20 million hours.

Compared to program changes as a whole, adjustments to the estimates were a relatively small factor (as table 2 also shows), accounting for a net increase in the burden of about 19 million hours. In previous years, adjustments have had a much greater impact and have tended to decrease overall burden estimates, thus masking the effect of increases from program changes. In fiscal years 2003 and 2004, the impact of adjustments was large enough to lead to overall burden estimates that were lower than for the year before. In fiscal year 2004, OMB reported a decrease of about 156 million hours in adjustments versus an increase of about 29 million hours in program changes; the result was a lower overall burden estimate than for the previous year. Similarly, overall burden in fiscal year 2003 was slightly less than in fiscal year 2002, also as a result of a decrease in adjustments (about 182 million hours) that more than offset an increase in program changes (about 72 million hours).

Besides these large decreases due to adjustments, another reason for the slight decrease in total burden in fiscal years 2004 and 2003 was that increases due to program changes were relatively small, as shown in table 3. This year, both program changes and adjustments went up, so adjustments did not have the effect of masking increases in program changes. As the table also shows, fiscal year 2005 saw the largest net increase from program changes since 1998.

---

**Table 3: Increases in Burden Hours Due to Program Changes between Fiscal Years 1998 and 2005**

In millions

<b>Fiscal year</b>	<b>Total governmentwide burden-hour estimate</b>	<b>Net increase in burden hours due to program changes</b>
2005	8,412.3	422.0
2004	7,971.2	28.5
2003	8,105.4	72.1
2002	8,223.2	294.1
2001	7,651.4	158.7
2000	7,361.0	188.0
1999	7,183.9	189.0
1998	6,951.1	41.1

Source: OMB.

---

## IRS Continues to Account for Largest Portion of Estimated Governmentwide Burden

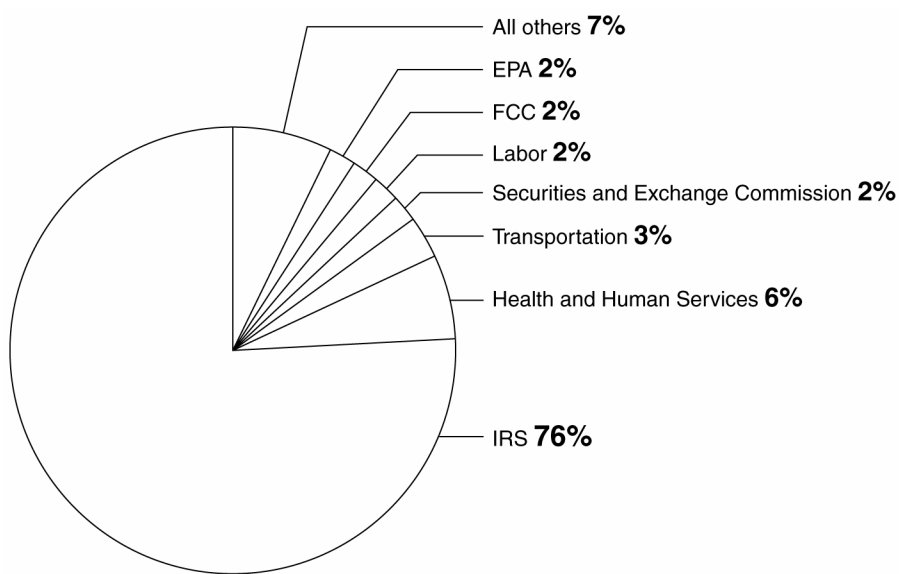
In fiscal year 2005, IRS accounted for about 76 percent of the governmentwide paperwork burden: about 6.4 billion hours. As shown in figure 1, no other agency's estimate approaches this level. Six agencies had burden-hour estimates of 100 million hours or more (the Departments of Health and Human Services, Labor, and Transportation; EPA; FCC; and the Securities and Exchange Commission). Thus, as we have previously reported, changes in paperwork burden experienced by the federal government have been largely attributable to changes associated with IRS.<sup>15</sup>

---

<sup>15</sup>GAO, *Paperwork Reduction Act: Agencies' Paperwork Burden Estimates Due to Federal Actions Continue to Increase*, [GAO-04-76T](#) (Washington, D.C.: Apr. 20, 2004).



**Figure 1: Distribution of Paperwork Burden among Agencies, Fiscal Year 2005**



Source: Annual PRA report, OMB.

OMB reports that starting in fiscal year 2006, IRS began using a new methodology based on a statistical model—the Individual Taxpayer Burden Model—to estimate the reporting burden imposed on individual taxpayers. Among other things, this new model, which was developed to improve the accuracy and transparency of taxpayer burden estimates, reflects the major changes over the past two decades in the way that taxpayers prepare and file their returns, including the use of electronic preparation methods. According to OMB, rather than estimating burden on a form-by-form basis, the new methodology takes into account broader and more comprehensive taxpayer characteristics and activities, considering how the taxpayer prepares the return (e.g., with or without software or a paid preparer) as well as the taxpayer’s activities, such as gathering tax materials, completing forms, recordkeeping, and tax planning. In contrast, the previous methodology primarily focused on the length and complexity of each tax form. OMB states that this new model will make it possible to estimate the burden implications of new legislative and administrative tax proposals.

OMB projects that these changes will create a one-time increase of about 250 million hours in the estimate of IRS burden levels in fiscal

---

year 2006. This increase represents most (83 percent) of the total projected governmentwide increase for fiscal year 2006 of 303 million hours. However, according to OMB, this increase does not reflect any change in the actual burden experienced by taxpayers, but rather a change in the way the burden is measured.

In the past, we reported that IRS's previous estimation model ignored important components of burden and had limited capabilities for analyzing the determinants of burden.<sup>16</sup> The new model is the result of work that IRS has performed over the past several years to improve its model and address these and other limitations. At this time, we have not analyzed IRS's new model to determine the extent to which it improves the accuracy of burden estimates, and we have not assessed the accuracy of the new model's estimates. However, IRS's efforts to increase the accuracy of its model appear to be an important step towards addressing the previous model's shortcomings.

These changes in IRS's estimation methodology highlight the importance, when trying to interpret the annual burden estimates, of bearing in mind their limitations. For more than 50 years, the "burden hour" has been the principal unit of paperwork burden and has been accepted by agencies and the public because it is a clear, easy-to-understand concept. But as IRS's efforts show, burden-hour estimates are not a simple matter. The degree to which agency burden-hour estimates reflect real burden is unclear. It is challenging to estimate the amount of time it will take for a respondent to collect and provide information or to estimate how many individuals an information collection will affect.<sup>17</sup> In addition, like all estimates, paperwork burden estimates are not precise; changes from year to year, particularly small ones, may not be meaningful. However, as long as the limitations are clearly

---

<sup>16</sup>GAO, *Tax Administration: IRS Is Working to Improve Its Estimates of Compliance Burden*, [GAO/GGD-00-11](#) (Washington, D.C.: May 22, 2000).

<sup>17</sup>See GAO, *EPA Paperwork: Burden Estimate Increasing Despite Reduction Claims*, [GAO/GGD-00-59](#) (Washington, D.C.: Mar. 16, 2000), for how one agency estimates paperwork burden.

---

understood, these estimates can be useful as the best indicators of paperwork burden available.

---

## Fewer Violations Reported in Fiscal Year 2005

OMB reports reductions in PRA violations for fiscal year 2005 compared to previous years. The PRA prohibits an agency from conducting or sponsoring the collection of information unless (1) the agency has submitted the proposed collection to OMB, (2) OMB has approved the proposed collection, and (3) the agency displays an OMB control number on the collection. According to OMB's annual report, agencies have made great progress in recent years in reducing the number of violations of these conditions and in resolving them more promptly. OMB attributed this reduction to several initiatives it had taken, including meeting with agency officials to discuss ways to reduce violations and adding reporting requirements.

According to OMB, during fiscal year 2005, agencies reported a total of 97 violations: 60 information collections that expired during the year, and another 37 that had expired before October 1, 2004, and were not reinstated until fiscal year 2005. Of the 27 agencies included in the annual report, the three agencies with the greatest number of violations were the Departments of the Treasury and Homeland Security and the Small Business Administration. In addition, OMB reported no unresolved violations at the end of fiscal year 2005 and only 6 violations during the first 8 months of fiscal year 2006. The 97 violations reported in fiscal year 2005 is much less than the 164 violations in fiscal year 2004 and the 223 violations in fiscal year 2003.

Although the reduction in violations is a positive trend, we should note that the violations reported may not be comprehensive; they include only those that agencies identified and reported to OMB. As a result, the statistics would omit violations of which agencies were unaware. In our May 2005 review, we examined forms posted on Web sites for four agencies (VA, HUD, Labor, and IRS). We found examples of violations among these forms of which the agencies

---

were generally unaware.<sup>18</sup> Based on our examination, we projected that the four agencies overall had an estimated 69 violations: 61 collections in use without OMB approval and 8 expired collections. For example, we estimated 16 violations at VA; at that time, OMB's report reflected VA's belief that it had no violations. Based on these results, we recommended that the four agencies periodically review their Web sites to ensure that all forms comply with PRA requirements; we also recommended that OMB alter its guidance so that all federal agencies would be required to periodically review Web sites in this way. Since then, VA has reported to us that it removed forms from its Web site that were in violation of PRA. However, OMB has not yet issued governmentwide guidance directing these types of reviews, so it is possible that some PRA violations remain undetected.

---

## Agency Processes for Reviewing Information Collections Were Not Effective

Among the PRA provisions intended to help achieve the goals of minimizing burden while maximizing utility are the requirements for CIO review and certification of information collections. The 1995 amendments required agencies to establish centralized processes for reviewing proposed information collections within the CIO's office. Among other things, the CIO's office is to certify, for each collection, that the 10 standards in the act have been met, and the CIO is to provide a record supporting these certifications.

The four agencies that we reviewed for our May 2005 report all had written directives that implemented the review requirements in the act, including the requirement for CIOs to certify that the 10

---

<sup>18</sup>We examined all the forms that we could locate on the VA and Labor Web sites and examined a stratified random probability sample of forms on the IRS and HUD Web sites. We randomly selected 119 forms from the 492 on the IRS Web site and selected a stratified random sample of 253 forms from the 423 on the HUD Web site. With these probability samples, each form in the population had a known and nonzero probability of being selected. Each sampled form was subsequently weighted in the analysis to account statistically for all the members of the population, including those that were not selected.

standards in the act were met. However, in the 12 case studies that we reviewed, this CIO certification occurred despite a lack of rigorous support that all standards were met. Specifically, the support for certification was missing or partial on 65 percent (66 of 101) of the certifications.<sup>19</sup> Table 4 shows the result of our analysis of the case studies.

**Table 4: Support Provided by Agencies for Paperwork Reduction Act Standards in 12 Case Studies**

Standards	Total <sup>a</sup>	Support provided		
		Yes	Partial	No
The collection is necessary for the proper performance of agency functions.	12	6	6	0
The collection avoids unnecessary duplication.	11	2	2	7
The collection reduces burden on the public, including small entities, to the extent practicable and appropriate.	12	5	7	0
The collection uses plain, coherent, and unambiguous language that is understandable to respondents.	12	1	0	11
The collection will be consistent and compatible with respondents' current reporting and recordkeeping practices to the maximum extent practicable.	12	3	0	9
The collection indicates the retention period for any recordkeeping requirements for respondents. <sup>b</sup>	6	3	3	0
The collection informs respondents of the information they need to exercise scrutiny of agency collections (i.e., the reasons the information is collected; the way it is used; an estimate of the burden; whether responses are voluntary, required to obtain a benefit, or mandatory; and a statement that no person is required to respond unless a valid OMB control number is displayed). <sup>b</sup>	12	4	8	0
The collection was developed by an office that has planned and allocated resources for the efficient and effective management and use of the information to be collected.	11	2	0	9
The collection uses effective and efficient statistical survey methodology (if applicable).	1	1	0	0
The collection uses information technology to the maximum extent practicable to reduce burden and improve data quality, agency efficiency, and responsiveness to the public.	12	8	4	0
<b>Totals</b>	<b>101</b>	<b>35</b>	<b>30</b>	<b>36</b>

Sources: Paperwork Reduction Act. GAO.

<sup>a</sup>The total number of certifications is not always 12 because not all certifications applied to all collections.

<sup>b</sup>For these two standards, the presence on the forms of the information indicated was categorized as support, the absence of some elements was categorized as partial support, and the absence of all elements was categorized as no support.

Under one of the standards mandated by the act, CIOs are required to certify that each information collection is not unnecessarily duplicative. According to OMB instructions, agencies are to

<sup>19</sup>The total number of certifications does not total 120 (12 cases times 10 standards) because some standards did not apply to some cases.

---

(1) describe efforts to identify duplication and (2) show specifically why any similar information already available cannot be used or modified for the purpose described. In 2 of 11 cases, agencies provided the description requested, and in an additional 2 cases, partial support was provided.<sup>20</sup> In 7 cases, support for these certifications was missing. An example of missing support is the following statement, used on all three IRS collections:

We have attempted to eliminate duplication within the agency wherever possible.

This assertion provides no information on what efforts were made to identify duplication or perspective on why similar information, if any, could not be used. Further, the files contained no evidence that the CIO reviewers challenged the adequacy of this support or provided support of their own to justify their certification.

A second standard mandated by the act is that each information collection should reduce burden on the public, including small entities,<sup>21</sup> to the extent practicable and appropriate. OMB guidance emphasizes that agencies are to demonstrate that they have taken every reasonable step to ensure that a given collection of information is the least burdensome necessary for the proper performance of agency functions. In addition, OMB instructions and guidance direct agencies to provide specific information and justifications: (1) estimates of the hour and cost burden of the collections and (2) justifications for any collection that requires respondents to report more often than quarterly, respond in fewer than 30 days, or provide more than an original and two copies of documentation.

---

<sup>20</sup> The following is an example of support that we judged to be partial: for one collection, the agency described how it attempted to identify duplicative sources, but it did not discuss why information from other sources could not be used, at least in part, to satisfy the needs of the collection.

<sup>21</sup> OMB's instructions to agencies state that a small entity may be (1) a small business, which is deemed to be one that is independently owned and operated and that is not dominant in its field of operation; (2) a small organization, which is any not-for-profit enterprise that is independently owned and operated and is not dominant in its field; or (3) a small government jurisdiction, which is a government of a city, county, town, township, school district, or special district with a population of less than 50,000.

---

With regard to small entities, OMB guidance states that the standard emphasizes such entities because these often have limited resources to comply with information collections.<sup>22</sup> The act and OMB guidance give various techniques for reducing burden on these small entities.<sup>23</sup>

Our review of the case examples found that for the certification on reducing burden on the public, the files generally contained the specific information and justifications called for in the guidance. However, none of the case examples contained support that addressed how the agency ensured that the collection was the least burdensome necessary. According to agency CIO officials, the primary cause for this absence of support is that OMB instructions and guidance do not direct agencies to provide this information explicitly as part of the approval package.

In addition, four of our case studies did not provide complete information that would support certification that the collection specifically addressed reducing burden for small entities.<sup>24</sup> Specifically, 7 of the 12 case studies involved collections that were reported to impact businesses or other for-profit entities, but the files for 4 of these 7 did not explain either

- why small businesses were not affected, or

---

<sup>22</sup>“Particularly for small businesses, paperwork burdens can force the redirection of resources away from business activities that might otherwise lead to new and better products and services, and to more and better jobs. Accordingly, the Federal Government owes the public an ongoing commitment to scrutinize its information requirements to ensure the imposition of only those necessary for the proper performance of an agency’s functions.” H. Report 104-37 (Feb. 15, 1995) p. 23.

<sup>23</sup>Techniques give in the act include (a) establishing different compliance or reporting requirements or timetables for respondents with fewer available resources; (b) clarifying, consolidating, or simplifying compliance and reporting requirements; and (c) exempting certain respondents from coverage of all or part of the collection. OMB guidance gives techniques that might be used to simplify requirements for small entities, such as asking fewer questions, taking smaller samples than for larger entities, and requiring small entities to provide information less frequently.

<sup>24</sup>In our governmentwide sample, some agencies did cite activities that are consistent with this standard, such as exempting certain small businesses and providing assistance to small businesses and other small entities.

- 
- even though such businesses were affected, that burden could or could not be reduced.

Instead, the files included statements such as “not applicable,” which do not inform the reviewer whether or not there was an effort made to reduce burden on small entities. When we asked agencies about these four cases, they indicated that the collections did, in fact, affect small business.

OMB’s instructions to agencies on minimizing burden on small entities require agencies to describe any methods used to reduce burden only if the collection of information has a “significant economic impact on a substantial number of small entities.” This does not appropriately reflect the act’s requirements concerning small business: the act requires that the CIO certify that the information collection reduces burden on small entities in general, to the extent practical and appropriate, and provides no thresholds for the level of economic impact or the number of small entities affected. OMB officials acknowledged that their instruction is an “artifact” from a previous form and more properly focuses on rulemaking rather than on the information collection process.

The lack of support for the 10 certifications required by the act appeared to be influenced by a variety of factors. In some cases, as described above, OMB guidance and instructions were not comprehensive or entirely accurate. In the case of the duplication standard specifically, IRS officials said that the agency did not need to further justify that its collections are not duplicative because (1) tax data are not collected by other agencies, so there is no need for the agency to contact them about proposed collections, and (2) IRS has an effective internal process for coordinating proposed forms among the agency’s various organizations that may have similar information. Nonetheless, the law and instructions require support for these assertions, which was not provided.

Further, agency reviewers told us that management assigns a relatively low priority and few resources to reviewing information collections. Further, program offices have little knowledge of and appreciation for the requirements of the PRA. As a result of these conditions and a lack of detailed program knowledge, reviewers



---

often have insufficient leverage with program offices to encourage them to improve their justifications.

When support for the PRA certifications is missing or inadequate, OMB, the agency, and the public have reduced assurance that the standards in the act, such as those on avoiding duplication and minimizing burden, have been consistently met.

---

## Two Agencies Have Developed Processes to Reduce Burden Associated with Information Collections

IRS and EPA have supplemented the standard PRA review process with additional processes aimed at reducing the burden while maximizing the public benefit and utility of the information collected. These agencies' missions require them both to deal extensively with information collections, and their management has made reduction of burden a priority.<sup>25</sup>

In January 2002, the IRS Commissioner established an Office of Taxpayer Burden Reduction, which includes both permanently assigned staff and staff temporarily detailed from program offices that are responsible for particular information collections. This office chooses a few forms each year that are judged to have the greatest potential for burden reduction (these forms have already been reviewed and approved through the CIO process). The office evaluates and prioritizes burden reduction initiatives by

- determining the number of taxpayers impacted;
- quantifying the total time and out-of-pocket savings for taxpayers;
- evaluating any adverse impact on IRS's voluntary compliance efforts;
- assessing the feasibility of the initiative, given IRS resource limitations; and

---

<sup>25</sup>"IRS is committed to reducing taxpayer burden and established the Office of Taxpayer Burden Reduction in January 2002 to lead its efforts." Congressional testimony by the IRS Commissioner, April 20, 2004, before the Subcommittee on Energy Policy, Natural Resources, and Regulatory Affairs, House Committee on Government Reform.

- 
- tying the initiative into IRS objectives.

Once the forms are chosen, the office performs highly detailed, in-depth analyses, including extensive outreach to the public affected, users of the information within and outside the agency, and other stakeholders. This analysis includes an examination of the need for each data element requested. In addition, the office thoroughly reviews form design.<sup>26</sup>

The office's director<sup>27</sup> heads a Taxpayer Burden Reduction Council, which serves as a forum for achieving taxpayer burden reduction throughout IRS. IRS reports that as many as 100 staff across IRS and other agencies can be involved in burden reduction initiatives, including other federal agencies, state agencies, tax practitioner groups, taxpayer advocacy panels, and groups representing the small business community.

The council directs its efforts in five major areas:

- simplifying forms and publications;
- streamlining internal policies, processes, and procedures;
- promoting consideration of burden reductions in rulings, regulations, and laws;
- assisting in the development of burden reduction measurement methodology; and
- partnering with internal and external stakeholders to identify areas of potential burden reduction.

According to IRS, this targeted, resource-intensive process has achieved significant reductions in burden. For example, it reported that about 95 million hours of taxpayer burden were reduced through increases in the income reporting threshold on various IRS

---

<sup>26</sup>In congressional testimony, the IRS Commissioner stated that OMB had referred another agency to IRS's Office of Taxpayer Burden Reduction as an example of a "best practice" in burden reduction in government.

<sup>27</sup>The director reports to the IRS Commissioner for the Small Business and Self-Employed Division.

---

schedules.<sup>28</sup> Another example, mentioned earlier, was given in OMB's latest annual PRA report: in January 2006 IRS completed an initiative to simplify the process of applying for an extension to file an income tax return, which is associated with a burden reduction of 8 million hours.<sup>29</sup> Another example from the annual PRA report is a reduction of about 19 million hours from a redesign of IRS form 1041 to streamline the requirements and make it easier to read and file.

Similarly, EPA officials stated that they have established processes for reviewing information collections that supplement the standard PRA review process. These processes are highly detailed and evaluative, with a focus on burden reduction, avoiding duplication, and ensuring compliance with PRA. According to EPA officials, the impetus for establishing these processes was the high visibility of the agency's information collections and the recognition, among other things, that the success of EPA's enforcement mission depended on information collections being properly justified and approved: in the words of one official, information collections are the "life blood" of the agency.

According to these officials, the CIO staff are not generally closely involved in burden reduction initiatives, because they do not have sufficient technical program expertise and cannot devote the extensive time required.<sup>30</sup> Instead, these officials said that the CIO staff's focus is on fostering high awareness within the agency of the requirements associated with information collections, educating and training the program office staff on the need to minimize burden and the impact on respondents, providing an agencywide perspective on information collections to help avoid duplication, managing the

---

<sup>28</sup>In addition, the office reports that IRS staff positions could be freed up through its efforts to raise the reporting threshold on various tax forms and schedules. Fewer IRS positions are needed when there are fewer tax forms and schedules to be reviewed.

<sup>29</sup>We did not verify the accuracy of IRS's reported burden-hour savings. As discussed earlier, IRS's revision to the methodology that it uses to compute burden is expected to result in different estimates of burden hours and burden-hour savings.

<sup>30</sup>These officials added that in exceptional circumstances the CIO office has had staff available to perform such projects, but generally in collaboration with program offices.

---

clearance process for agency information collections, and acting as liaison between program offices and OMB during the clearance process. To help program offices consider PRA requirements such as burden reduction and avoiding duplication as they are developing new information collections or working on reauthorizing existing collections, the CIO staff also developed a handbook<sup>31</sup> to help program staff understand what they need to do to comply with PRA and gain OMB approval.

In addition, program offices at EPA have taken on burden reduction initiatives that are highly detailed and lengthy (sometimes lasting years) and that involve extensive consultation with stakeholders (including entities that supply the information, citizens groups, information users and technical experts in the agency and elsewhere, and state and local governments). For example, EPA reported that it amended its regulations to reduce the paperwork burden imposed under the Resource Conservation and Recovery Act. One burden reduction method EPA used was to establish higher thresholds for small businesses to report information required under the act. EPA estimated that the initiative will reduce burden by 350,000 hours and save \$22 million annually. Another example is an ongoing EPA initiative reported in this year's PRA report, the Central Data Exchange; this is an e-government initiative that is designed to enable fast, efficient, and more accurate environmental data submissions and exchange from state and local governments, industry, and tribes through the use of electronic reporting procedures. The estimated reduction for this initiative, which is expected to be complete in 2008, is 166,000 hours.

Overall, EPA and IRS reported that they have produced significant reductions in paperwork burden by making a commitment to this goal and dedicating resources to it. In contrast, for the 12 information collections we examined, the CIO review process resulted in no reduction in burden. Further, the Department of Labor reported that its PRA reviews of 175 proposed collections

---

<sup>31</sup>EPA Office of Environmental Information, Collection Strategies Division, *ICR Handbook: EPA's Guide to Writing Information Collection Requests Under the Paperwork Reduction Act of 1995*, draft (revised March 2005).

---

over nearly 2 years did not reduce burden.<sup>32</sup> Similarly, both IRS and EPA addressed information collections that had undergone CIO review and received OMB approval and nonetheless found significant opportunities to reduce the paperwork burden.

---

## Agencies Could Strengthen PRA Review and Try Alternative Approaches to Reducing Burden

In our 2005 report, we concluded that the CIO review process was not working as Congress intended: It did not result in a rigorous examination of the burden imposed by information collections, and it did not lead to reductions in burden. In light of these findings, we suggested options that Congress might want to consider when it next reauthorizes the act, including mandating pilot projects to test and review alternative approaches to achieving PRA goals. Such pilot projects could build on the lessons learned at IRS and EPA, which have used a variety of approaches to reducing burden, sharing information (for example, by facilitating cross-agency information exchanges), standardizing data for multiple uses, and integrating data to avoid duplication; and re-engineering work flows. Pilot projects would be most appropriate for agencies for which information collections are a significant aspect of the mission.

In addition, we recommended (among other things) that agencies strengthen the support provided for CIO certifications and that OMB update its guidance to clarify and emphasize this requirement (including that agencies provide support showing that they have taken steps to reduce burden, determined whether small entities are affected and reduced reporting burden on them, and established a plan to manage and use the information to be collected, including the identification of necessary resources). OMB and the agencies agreed with most of the recommendations, although they disagreed

---

<sup>32</sup>These reviews did result in a 1.3 percent reduction in calculated burden by correcting mathematical errors in program offices' submissions.

---

with aspects of GAO's characterization of agencies' compliance with the act's requirements.<sup>33</sup>

Since our report was issued, the four agencies have reported taking steps to strengthen their support for CIO certifications:

- According to the HUD CIO, the department established a senior-level PRA compliance officer in each major program office, and it revised its certification process to require that before collections are submitted for review, they be approved at a higher management level within program offices.
- The Treasury CIO established an Information Management Sub-Council under the Treasury CIO Council and added resources to the review process.
- According to the VA's 2007 budget submission, the department obtained additional resources to help review and analyze its information collection requests.
- According to the Office of the CIO at the Department of Labor, the department intends to provide guidance to components regarding the need to provide strong support for clearance requests and has met with component staff to discuss these issues.

OMB has updated parts of its guidance and plans to incorporate other guidance into an automated system to be used by agencies submitting information collections for clearance. In January 2006, OMB revised its guidance to agencies on surveys and statistical information collections.<sup>34</sup> This guidance, among other things, is aimed at strengthening the support that agencies must provide for certifying collections, as we recommended. For example, the guidance requires agencies submitting requests for approval to include context and detail that will allow OMB to evaluate the practical utility of the information to be collected. However, this

---

<sup>33</sup>For example, OMB, the Treasury, and HUD disagreed with our finding that certain forms have been improperly treated as certifications and elections that are not subject to the PRA. Our view was and is that the forms in question did not properly fall into this category, because they entailed significant burden.

<sup>34</sup> OMB, *Guidance to Agencies on Surveys and Statistical Information Collections*, (Washington, D.C.: Jan. 20, 2006).

---

guidance does not apply to all information collections. Rather, it applies only to surveys that are used for general-purpose statistics or as part of program evaluations or research studies. In addition, it does not provide clear guidance on one of the topics mentioned in our recommendation: determining whether small entities are affected by the collection and reducing reporting burden on these entities.

OMB also reported that its guidance to agencies will be updated through a planned automated system that is to begin operating this month.<sup>35</sup> According to the former acting head of OMB's Office of Information and Regulatory Affairs, the new system will permit agencies to submit clearance requests electronically, and the instructions will provide clear guidance on the requirements for these submissions, including the support required. This official stated that OMB has worked with agency representatives with direct knowledge of the PRA clearance process in order to ensure that the system and its instructions clearly reflect the requirements of the process. If this system is implemented as described and OMB withholds clearance from submissions that lack adequate support, it could lead agencies to strengthen the support provided for their certifications.

---

In conclusion, Madam Chairman, the PRA puts in place mechanisms to focus agency attention on the need to minimize the burden that information collections impose—while maximizing the public benefit and utility of government information collections—but these mechanisms have not succeeded in achieving the ambitious reduction goals set forth in the 1995 amendments. Achieving real reductions in the paperwork burden is an elusive goal, as attested by years of OMB's annual PRA reports, including the latest. That report shows the largest rise in estimated burden for the last several years, mostly due to new statutory requirements and how they have been

---

<sup>35</sup>The new system, ROCIS (the RISC/OIRA Consolidated Information System), is operated for OMB's Office of Information and Regulatory Affairs by the Regulatory Information Service Center of the General Services Administration.

---

implemented. As we have seen, the tendency is for burden to rise unless agencies take active steps to reduce it. Agencies have taken such actions—by cutting redundancy, changing forms, and using information technology, among other things—but these have not been enough to make up for the increases.

Besides demonstrating once again how challenging it is for the government to achieve true burden reduction, this year's results highlight the need to look for new ways to achieve this and the other goals of the PRA. Among the mechanisms already in place is the CIO review and certification process. However, as it was implemented at the time of our review, this process had limited effect on the quality of support provided for information collections, and it appeared to have no appreciable impact on burden.

The targeted approaches to burden reduction used by IRS and EPA appear promising, but the experience of these agencies suggests that success requires top-level executive commitment, extensive involvement of program office staff with appropriate expertise, and aggressive outreach to stakeholders. However, such an approach would probably also be more resource-intensive than the CIO certification process, and thus it may not be warranted at agencies where paperwork issues do not rise to the level of those at IRS and similar agencies. Consequently, it is critical that efforts to expand the use of the IRS and EPA models take these factors into consideration.

Madam Chairman, this completes my prepared statement. I would be pleased to answer any questions.

---

## Contacts and Acknowledgments

For future information regarding this testimony, please contact Linda Koontz, Director, Information Management, at (202) 512-6420, or [koontzl@gao.gov](mailto:koontzl@gao.gov). Other individuals who made key contributions to this testimony were Barbara Collier, Nancy Glover, and Alan Stapleton.



---

---

## Attachment 1. Related GAO Products

*Paperwork Reduction Act: New Approaches Can Strengthen Information Collection and Reduce Burden.* [GAO-06-477T](#). Washington, D.C.: March 8, 2006.

*Paperwork Reduction Act: Subcommittee Questions Concerning the Act's Information Collection Provisions.* [GAO-05-909R](#). Washington, D.C.: July 19, 2005.

*Paperwork Reduction Act: Burden Reduction May Require a New Approach.* [GAO-05-778T](#). Washington, D.C.: June 14, 2005.

*Paperwork Reduction Act: New Approach May Be Needed to Reduce Government Burden on Public.* [GAO-05-424](#). Washington, D.C.: May 20, 2005.

*Paperwork Reduction Act: Agencies' Paperwork Burden Estimates Due to Federal Actions Continue to Increase.* [GAO-04-676T](#). Washington, D.C.: April 20, 2004.

*Paperwork Reduction Act: Record Increase in Agencies' Burden Estimates.* [GAO-03-619T](#). Washington, D.C.: April 11, 2003.

*Paperwork Reduction Act: Changes Needed to Annual Report.* [GAO-02-651R](#). Washington, D.C.: April 29, 2002.

*Paperwork Reduction Act: Burden Increases and Violations Persist.* [GAO-02-598T](#). Washington, D.C.: April 11, 2002.

*Information Resources Management: Comprehensive Strategic Plan Needed to Address Mounting Challenges.* [GAO-02-292](#). Washington, D.C.: February 22, 2002.

*Paperwork Reduction Act: Burden Estimates Continue to Increase.* [GAO-01-648T](#). Washington, D.C.: April 24, 2001.

*Electronic Government: Government Paperwork Elimination Act Presents Challenges for Agencies.* [GAO/AIMD-00-282](#). Washington, D.C.: September 15, 2000.

---

*Tax Administration: IRS Is Working to Improve Its Estimates of Compliance Burden.* [GAO/GGD-00-11](#). Washington, D.C.: May 22, 2000.

*Paperwork Reduction Act: Burden Increases at IRS and Other Agencies.* [GAO/T-GGD-00-114](#). Washington, D.C.: April 12, 2000.

*EPA Paperwork: Burden Estimate Increasing Despite Reduction Claims.* [GAO/GGD-00-59](#). Washington, D.C.: March 16, 2000.

*Federal Paperwork: General Purpose Statistics and Research Surveys of Businesses.* [GAO/GGD-99-169](#). Washington, D.C.: September 20, 1999.

*Paperwork Reduction Act: Burden Increases and Unauthorized Information Collections.* [GAO/T-GGD-99-78](#). Washington, D.C.: April 15, 1999.

*Paperwork Reduction Act: Implementation at IRS.* [GAO/GGD-99-4](#). Washington, D.C.: November 16, 1998.

*Regulatory Management: Implementation of Selected OMB Responsibilities Under the Paperwork Reduction Act.* [GAO/GGD-98-120](#). Washington, D.C.: July 9, 1998.

*Paperwork Reduction: Information on OMB's and Agencies' Actions.* [GAO/GGD-97-143R](#). Washington, D.C.: June 25, 1997.

*Paperwork Reduction: Governmentwide Goals Unlikely to Be Met.* [GAO/T-GGD-97-114](#). Washington, D.C.: June 4, 1997.

*Paperwork Reduction: Burden Reduction Goal Unlikely to Be Met.* [GAO/T-GGD/RCED-96-186](#). Washington, D.C.: June 5, 1996.

*Environmental Protection: Assessing EPA's Progress in Paperwork Reduction.* [GAO/T-RCED-96-107](#). Washington, D.C.: March 21, 1996.

*Paperwork Reduction: Burden Hour Increases Reflect New Estimates, Not Actual Changes.* [GAO/PEMD-94-3](#). Washington, D.C.: December 6, 1993.

---

---

This is a work of the U.S. government and is not subject to copyright protection in the United States. It may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.

---

## GAO's Mission

The Government Accountability Office, the audit, evaluation and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

---

## Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's Web site ([www.gao.gov](http://www.gao.gov)). Each weekday, GAO posts newly released reports, testimony, and correspondence on its Web site. To have GAO e-mail you a list of newly posted products every afternoon, go to [www.gao.gov](http://www.gao.gov) and select "Subscribe to Updates."

---

## Order by Mail or Phone

The first copy of each printed report is free. Additional copies are \$2 each. A check or money order should be made out to the Superintendent of Documents. GAO also accepts VISA and Mastercard. Orders for 100 or more copies mailed to a single address are discounted 25 percent. Orders should be sent to:

U.S. Government Accountability Office  
441 G Street NW, Room LM  
Washington, D.C. 20548

To order by Phone: Voice: (202) 512-6000  
TDD: (202) 512-2537  
Fax: (202) 512-6061

---

## To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: [www.gao.gov/fraudnet/fraudnet.htm](http://www.gao.gov/fraudnet/fraudnet.htm)

E-mail: [fraudnet@gao.gov](mailto:fraudnet@gao.gov)

Automated answering system: (800) 424-5454 or (202) 512-7470

---

## Congressional Relations

Gloria Jarmon, Managing Director, [JarmonG@gao.gov](mailto:JarmonG@gao.gov) (202) 512-4400  
U.S. Government Accountability Office, 441 G Street NW, Room 7125  
Washington, D.C. 20548

---

## Public Affairs

Paul Anderson, Managing Director, [AndersonP1@gao.gov](mailto:AndersonP1@gao.gov) (202) 512-4800  
U.S. Government Accountability Office, 441 G Street NW, Room 7149  
Washington, D.C. 20548