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The Program Evaluation Act of 1977 represents a major landmark in the evolution of congressional oversight, and interest in this subject, stimulated by the legislative proposals, will lead to badly needed improvements in the oversight process and in the operations of the Federal Government. A resolution concerning the program review process would have program reviews, including evaluations, available on a time schedule tied to each committee's oversight plan. This would provide the committees the flexibility they need to plan meaningful program reviews. The definition of program includes exercises of the Federal taxing power and other activities that do not have directly associated Federal expenditures. GAO's work under the Congressional Budget Act of 1974 to develop standard classifications for fiscal, budgetary, and program-related information provides a basis for assuring an appropriate degree of consistency. Although the concept embodied in oversight reform proposals is not complex, guidance to agencies could become confused by separate planning processes in the House and Senate; committees should achieve a coordinated approach between the two Houses of Congress. In the evaluation process, the committees should concentrate on identifying questions to be answered rather than on the methodology of the process. (RRS)

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Statement of
Elmer B. Staats
Comptroller General of the United States
before the
Committee on Rules and Administration
United States Senate
on
Oversight Reform Proposals

Mr. Chairman and Members of the Subcommittee: We are pleased to be here today to present our views on proposals for strengthening Congress' ability to review programs. These proposals include the draft Senate Resolution developed by your staff working group, which would require periodic review of programs by committees of the Senate, to be cited as the "Senate program review reforms of 1978," and S.1244, the proposed "Federal Spending Control Act of 1977," as well as S.2, the proposed "Program Evaluation Act of 1977".

We have presented our views on S.2 and its predecessor bill on several previous occasions. Since that material is available to this Committee, it does not seem necessary to review it at this time. Suffice it to say that we have strongly supported--and continue to support--the idea of careful, thorough, and systematic review of Federal programs, with a view to terminating those which have outlived their usefulness and improving those which can be made more effective.

Notwithstanding our view that certain provisions of S.2 need modification, we believe that this proposal and the debate surrounding it, represent a major landmark in the evolution of congressional oversight. I am convinced that the interest in this subject--stimulated in large part by the proposals in S.2--will almost certainly lead to badly needed improvements in the oversight process and in the operations of the Federal Government.

Much of the credit for this emerging reform of the oversight process should go to Senator Muskie. He has taken the lead in the present efforts to improve the process, but his concern for this problem goes back at least as far as the Intergovernmental Cooperation Act of 1968, when he

was instrumental in the enactment of provisions encouraging the systematic review of Federal grant-in-aid programs.

These efforts, of course, have led to substantial activity in this area and to the development of alternative proposals for solving the problems, each containing useful ideas. These include Senator Biden's bill and Congressman Derrick's proposal, as well as the suggestions developed by this Committee's staff working group.

In my testimony today, I would like to focus on the nature of the program review process proposed in the resolution prepared by the staff working group. We would be happy to supply separately our more detailed comments updating our previous testimony on S.2 and commenting on other evaluation and oversight reform proposals.

We have consistently supported the principle of having program reviews, including evaluations, available on a time schedule tied to each committee's oversight plan. In our view, the proposed resolution is a constructive step toward providing committees the flexibility they need to plan meaningful program reviews. We believe this flexibility is preferable to a fixed schedule and that the flexibility should be used by the committees to reconcile the sometimes conflicting objectives of giving priority to the most urgent problems, while also assuring (insofar as possible) that all programs receive appropriate attention. To help in assuring both full and efficient coverage, we would suggest that committees develop plans for reviews of related programs in review packages. Such review packages should also consider the need to provide for reviewing multi-purpose programs in more than one context. For

example, when reviewing and reconsidering the Federal Government's efforts and roles in the health policy area, Congress should look at programs managed by the Department of Health, Education, and Welfare and included in the health budget function, as well as the health aspects of programs in other agencies and budget functions, such as the Veterans Hospitals and Medical Care (in the Veterans Benefits and Services function) and the Pollution Control and Abatement of the Environmental Protection Agency (in the Natural Resources and Environment function).

We also support the view, expressed in the staff working group's report, that the definition of "program" includes "exercises of the Federal taxing power," and other activities that do not have directly associated Federal expenditures.

The program inventories required from each committee by Section 102 of the resolution is described in the staff working group's report as a necessary substructure for the entire program review process. We agree with this view. However, we see some potential problems in the lack of any requirement for standardization among these lists, particularly in facilitating coordination among committees and in communication with the responsible agencies. This could lead to further proliferation of program structures and assignment of different names to the same program. For example, the programs authorized by Title I of the Elementary and Secondary Education Act provide funds through grants, primarily for special reading and math instruction for educationally deprived children. This program is identified in different program lists

and reports to the Congress in several different ways. In one case, for example, it appears as "Elementary and Secondary Education, Title I." In another place, it is "Grants for Disadvantaged (ESEA I). Elsewhere it is referred to as "Educationally Deprived Children." It would take an expert to recognize that all three names refer to the same program.

In addition to confusion over names, there is potential confusion in the program structure itself. There now are at least three major structures: one based on agency organizations; a second on budget functions, national needs and agency missions; and a third on authorizing legislation.

We believe that GAO's work under Title VIII of the Congressional Budget Act of 1974--to develop standard classifications for fiscal, budgetary and program-related information--provides a basis for assuring an appropriate degree of consistency, but only if it is widely accepted and used. While the staff working group report acknowledges this work as a potential source of assistance, some more explicit guidance would make our job of helping to assure consistency a great deal easier. We are prepared, of course, to strengthen our efforts in this area in order to be responsive to any broadly expressed need.

Section 101(a) of the resolution allows committees to change their 10-year plan for conducting program reviews at the beginning of each subsequent Congress. Because of the need to experiment with what to include in review packages, we believe that this continuing flexibility is desirable. At the same time, some safeguards are needed to assure

that major programs are not entirely overlooked. This suggests the need to permit shifting the reviews of programs from one year to another, provided all significant programs over which a committee has legislative jurisdiction are still covered within the 10-year plan. In our report to the Congress on suggestions for congressional oversight, responding to a request from Senator Leahy, we pointed out that a flexible but orderly planning and review process is essential if committees are to obtain timely and relevant evaluation information from the agencies.

Although the concept embodied in oversight reform proposals, and in our suggested approach, is not complex, guidance to agencies could become confused by separate planning processes in the House and Senate. We would hope that committees would achieve a coordinated approach within and between the two Houses of Congress on such matters as program inventories, as well as on the composition of review packages, schedules and other plans and requirements. While there are certainly ways to overcome any problems that may arise, it appears to us that this coordination would be more difficult if the vehicle for oversight reform were a resolution of one house, rather than legislation. If the reforms were given a statutory base, the needed coordination might be accomplished through a concurrent resolution on oversight plans and requirements.

A committee's requirements might include annual reports by executive departments and agencies on planned and actual accomplishments, program implementation status; and on evaluation plans and status. These reports could be geared to the growing needs of authorizing committees for such

information in time for use in preparing their views and estimates reports by March 15, as required by the Congressional Budget Act of 1974. The need for lead time on the part of committee's in which to use this information suggests that an annual reporting date should be established between October 1 and November 30.

Another advantage of legislation over a resolution would include the possible creation of a commission to study Government organization and operation proposed in S.2, which we have supported and still believe would be a good idea.

Section 103(a) of the resolution would require committees to set forth, in their report on a bill or joint resolution of a public character, information of 3 types:

- (1) objectives to be achieved
- (2) review criteria and techniques
- (3) requirements for information to be generated, developed, and provided by Federal instrumentalities, for use in review and in determining regulatory, economic, privacy and paperwork impact.

We believe committees should be involved in specifying all 3 types of information and others as well, for example, identifying interrelated programs or programs with conflicting, overlapping, or duplicative objectives. However, we believe a single report is probably not the most practical way for the committees to specify all of their needs and criteria.

We have recommended on many occasions that the Congress make every effort to set forth legislative objectives as clearly as possible in the authorizing legislation and in the accompanying committee reports and floor debates. The absence of such clearly stated objectives creates problems for agencies which must administer these programs but also makes it much more difficult for the Congress and the agencies to provide useful evaluations of accomplishments under the legislation. The GAO made proposals in this regard in August 1972; since that time, legislative language providing for evaluations have become much more frequent.

More recently, we have found that evaluations may not be fully responsive to oversight needs, even when required by law. This experience has led us to suggest that, to the extent possible, authorizing legislation should also indicate the kinds of oversight questions the Congress wants answered by the responsible agency. The committee reports could further supplement these specifications. Furthermore, our recent report on suggestions for congressional oversight (PAD 78-3, dated November 22, 1977) points out the need for feedback from the agencies as a program evolves so that committees may clarify intent and make adjustments if desired.

We are doubtful that the committee report on each bill or resolution is the most practical way to specify requirements for relatively standardized information on, for example, regulatory impact. If oversight reform legislation established annual reporting requirements, as we suggested earlier in this statement, such standardized requirements could be provided for

there. We believe some continuing study would be needed to eliminate from individual authorizing legislation any recurring reporting requirements which were duplicative and no longer necessary.

With regard to review criteria and techniques, we are concerned about the feasibility of committees setting this forth in any report on a proposed new program. Even where programs are being reauthorized, the choice of evaluation methods is complex and responsible agencies need flexibility to make use of the latest state-of-the-art. We believe committees should receive feedback from the agencies on their choice of program models, review methods and planned evaluation measures of effectiveness and costs. It is very difficult to make informed judgments on these matters while a program is still undergoing legislative debate and may be subject to change. Therefore, we suggest that the committees concentrate on identifying the questions to be answered during the evaluation process rather than on the methodology of the process.

In their assessment of agency evaluation plans, committees may wish to consider several key problems in addition to timeliness which we believe have hampered usefulness of evaluations in the past. These problems include:

- Over expectation
- Lack of relevance to the decisions to be made
- Failure to recognize different needs of decisionmakers at different levels of Government or in different functions
- Problems in assuring validity and credibility through the monitoring, audit, or reanalysis of processes or data generated by these processes. In some programs this particular

problem is further complicated by the need to protect the privacy of individuals who provide data.

Committees may want to get help to review agency plans and to suggest clarification or adjustment. In this regard, we do not believe the legislative support agencies should be lumped together, as the staff working group has done in its report. Rather, we believe it should be recognized that each has a special legislated mandate. For example, the GAO is required by Title VII of the Legislative Reorganization Act of 1974 to perform four types of evaluation activity:

1. reviews and evaluations of the results of Government programs carried on under existing law--upon request of committees or upon its own initiative;
2. development of statements of legislative objectives and methods for assessing and reporting actual program performance--upon request of committees;
3. analyses and assessments of program reviews or evaluation studies of Federal agencies--upon request of committees;
4. development and recommendation of methods for review and evaluation of Government programs carried out under existing law to the Congress--on its own initiative.

Title VIII of the 1974 Act requires GAO to develop sources and types of information needed by the committees. Our activities under this title are particularly relevant to the development of program inventories and any annual reporting requirements which oversight legislation might create. We believe any such legislation should reiterate existing mandates on which GAO

has expended substantial effort and made significant progress. Such reiteration might help to indicate the possible additional costs of implementing oversight legislation. In the case of GAO, the additional cost which would result from such legislation is uncertain but potentially significant. It is dependent in large measure upon the extent to which Committees request the kind of help GAO can provide.

In closing, I would like to emphasize our support for efforts to strengthen the oversight process. I consider these efforts to be of very great importance. The potential benefits are incalculable, so I urge that we not let disagreement over the details prevent us from moving forward toward accomplishing the real objectives.

Mr. Chairman, this concludes our prepared statement. We would be happy to respond to any questions.