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CONTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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The Honorable Thomas F. Eagleton
Chairman, Subcommittee on
Agriculture, Rural Development
and Related Agencies
Committee on Appropriations 317
United States Senate



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Dear Mr. Chairman:

I am responding to several items concerning the work of the General Accounting Office that were discussed in the Committee's Report on the fiscal year 1980 Agriculture, Rural Development and Related Agencies Appropriation Bill. First of all, I want to express our appreciation for the Committee's kind remarks about our assistance in developing a mission budget structure for the Department of Agriculture and our report on "Long-Term Cost Implication of Farmers Home Administration Subsidized and Guaranteed Loan Program" (PAD-79-15, April 24, 1979). We also appreciate the opportunity we have had the past 2 years to inform your Subcommittee about the full range of GAO activities at the Department of Agriculture in testimony during appropriations hearings. We enjoy a close working relationship with your Subcommittee.

The Committee report also commented favorably on the inventory we completed in March 1979 of Federal food, agriculture, and nutrition programs (FANI). Compiled at the request of your Subcommittee, this inventory lists 359 programs in 28 agencies. It has many potential uses as an analytical tool and a provider of information on what Federal programs pertain to the food and agriculture sector. As you may know, the Department has agreed to maintain the inventory and update it for at least the next appropriations cycle, as was recommended in the Committee report.

The Committee also requested that we examine the feasibility of developing a Federal program inventory that would catalog all Federal programs. We believe this suggestion has considerable merit, but it is important to describe here some of the inherent difficulties in developing a program inventory.

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A few years ago, as part of our new responsibilities under Title VIII of the Congressional Budget Act of 1974 to identify congressional information needs and assist committees in obtaining information, we began collecting basic program and budgetary data on most Federal programs and activities. We have been furnishing this data annually to several authorizing committees in both the Senate and House of Representatives to assist them in developing their "views and estimates" on the Federal budget, as required by section 301(c) of the Budget Act. Out of these efforts, we have developed an automated data base that we call Legislative Authorization, Program and Budgetary Information System (LAPIS). This data base is essentially a Federal programs inventory that includes information on all Federal agencies. We maintain basic organizational, legislative authorization and financial data for programs and activities below the budget account level; we do not maintain as much detailed information about each program as is included in the special food program inventory.

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Part of the difficulty in discussing this issue results from ambiguity surrounding the word "program". For purposes of discussion, therefore, we use the word "program" in a very restrictive sense. In this sense, the word "program" means a single activity or small group of activities, the management of which is vested in a single organizational entity, usually at or below the bureau level in a major department or agency.

This use of the word "program" is contrasted with the phrase "policy area", which we use to describe a collection of programs which are aimed at, or directly relevant to, the accomplishment of a major policy objective. In this context, for example, grants to subsidize school lunches would be a program which would fit in the Food Policy Area.

A key point in this discussion, however, is that the School Lunch Program also fits in several other policy areas including, for example, education, aid to State and local government and (for that portion distributed on the basis of a needs test) income security. Because of the health-related nutrition standards which accompany the grants, it might well be appropriate to include the School Lunch Program in the Health Policy Area.

The basic idea underlying GAO's government-wide program inventory is to identify the government's programs, defined in the restrictive sense discussed above. Our present belief is that there are 2,000 to 3,000 of these individual entities. For each of these programs, certain basic information would be

gathered and maintained in an automated data base. This basic data (for each program) would include the following:

- Organizational data, identifying the department or agency, bureau, office, etc., responsible for carrying out the program;
- Legislative data, recording the Public Law and/or U.S. Code citations authorizing the program and governing its operations, and expiration dates, if applicable;
- Budget data, providing a record of authorizations, budget authority and outlays for the program;
- Brief narrative description of the program and its operations;
- Statements of program goals and objectives, derived from statutes, committee reports and/or agency statements;
- Indicators of program performance, primarily in the form of simple output measures (units produced, checks issued, clients served, etc.);
- Coding schemes to permit quick aggregation of programs with similar characteristics which analysts and decision-makers are most likely to want to review (or be aware of) simultaneously, or to add up for one reason or another. Some of these coding schemes are predictable; others will emerge over time. Some of the apparent ones which may well be included are:
 - House and Senate committee jurisdiction;
 - Budget function and subfunction;
 - Nature of program (grants, loans, R&D, procurement, construction, regulation, direct service operations, etc.);
 - Form of financing (agency funded with appropriations, self-financing business-type activity, etc.);
 - Target groups (particular industry, particular resource, veterans, minorities, low-income, elderly, children, etc.);

--Policy areas to which the program is relevant (food, health, education, civil rights, consumer affairs, urban problems, energy, national security, etc.).

It is important to recognize that these coding schemes (except for the budget functional categories) are explicitly not intended to require mutually exclusive classification. A program may be relevant to several policy areas at the same time. Suppose, for example, there were a program of Grants for Nutrition Education in Central City Schools. That program might well be coded as relevant to several policy areas, such as food, health, education, urban problems, etc. This is unlike the budget functional category approach, which would require a necessarily arbitrary choice among them. This has always been a serious limitation on our ability to use the budget functional structure for purposes of oversight and policy analysis.

For purposes of displaying the budget, a mutually exclusive structure is necessary, because the pieces must add to the totals. But in oversight and policy analysis, we need something quite different--the ability to aggregate the pieces which are relevant to the policy issue being addressed.

In overseeing or analyzing elementary and secondary education, for example, the mythical program of Grants for Nutrition Education in Central City Schools should be considered. But I would also want to consider it if I were concerned with food policy, or health policy, or if I wanted to know how much assistance we were providing to urban areas.

In effect, the multiple coding approach (made possible through the use of automated data processing techniques) allows us to identify an almost unlimited number of subjects (policy areas) with which a particular program should be associated, and to rapidly compile basic information about all the programs associated with any particular policy areas.

Doing this efficiently, however, requires that the inventory with the basic data be maintained as a single, integrated data base. It is particularly important, from the standpoint of achieving efficiency and maximum versatility, that there be a single list of programs. This permits the data about each program to be gathered only once, even though an individual program may be included in an almost unlimited number of different compilations of programs with which it shares some common characteristic of interest.

The other major alternative is typified by the food inventory, in which an inventory is developed de novo, each time we want to identify all the programs in a particular policy area, or sharing some other common characteristic. Referring again to our mythical program of Grants for Nutrition Education in Central City Schools, that program might well have to be independently identified and data gathered about it, whenever a decision was made to compile any of the following inventories:

- Education programs,
- Health programs,
- Food programs,
- Urban programs,
- Grant programs,
- Aid to State and local government,
- Aid to the disadvantaged,
- Aid to minorities, and
- Aid to children.

The inefficiencies would be greatly increased if the compilers of these various inventories, operating independently, used a different definition of a "program". Depending on how the matter was approached, the inventorying party might conclude that our (mythical) program was not a program at all, but only a single activity within a large program. Alternatively, they might observe that our program contains several discrete activities (e.g., grants and administrative expenses) and define each of those activities as a separate program.

This would be confusing, to say the least. More importantly, however, it would mean that data about the program might have to be produced in several different forms, significantly increasing the workload.

Another difference between the government-wide and the individual policy area approaches is the level of detail that can be maintained on each program. In the government-wide data base, the amount of data maintained must be limited to basic information needed for identification, description,

and a few significant financial and performance measures or indicators. In an individual policy area inventory it is possible to maintain more detailed information on each program, as has been done in the food program inventory.

We must add that under any inventory approach, the data about each program must come from the agency and program managers who should be using it themselves. In our work with committees and agencies on oversight and evaluation information and reporting, we continue to make this point. To the extent agencies do have more detailed data readily available, it can be acquired and added to the basic data from a government-wide inventory to form a special policy area inventory when and as needed for oversight.

We also recognize that where a committee and/or a lead agency wants to conduct continuous oversight or policy direction over a somewhat specifically defined policy area, such as Food, that they would need a special inventory for their purpose. In these cases, we want to avoid the problems discussed earlier and assure that the special inventory is fully compatible with the government-wide inventory.

Accordingly, we view centralized development and maintenance of the program inventory as being much more efficient and effective than attempting to develop inventories separately for each policy issue or other characteristic of interest. Therefore, we will concentrate on completing the government-wide program inventory and produce special inventories as needed and we will work with any group that wants to maintain a special inventory. In our view, this task is well within GAO's responsibilities under Title VIII of the Congressional Budget Act. We are moving ahead on it with a modest commitment of resources giving priority to the programs of the committees that actively use the data.

Our approach has been a rather steady effort over the past several years. It evolved from our support for the views and estimates work, but now is being carried as a separate project for its own sake.

Expansion of this basic inventory data into a comprehensive inventory that would provide specific program and budgetary information to meet a wide range of user needs for oversight and decisionmaking will take 3 to 5 years to complete; but we will be continuing to support many committee needs as we improve the inventory.

Following is an outline of the steps we plan to take to complete the program inventory:

--By the spring of 1980, we plan to complete the initial inventory of federal programs with very basic information only, develop policy area codes and definitions, and identify programs that fall within each policy area. Program listings available then will include:

- .Federal Corporate-Type Activities
- .Federal Disaster Assistance Programs
- .Federal Research and Development Programs
- .Federal Regulatory Programs and Activities
- .Federal Civil Rights Programs
- .Entitlement Programs
- .Selected Major Policy Areas (approximately 25 policy areas)

--By the spring of 1981, we plan to add tax expenditure programs, add program objective statements for a few selected agency programs, cross-reference LAPIS programs with Federal Domestic Assistance Catalog data and programs, complete coding for target groups, and link LAPIS programs with data maintained in GAO's Information Sources Inventories. Additional program listings available then will include:

- .Federal Tax Expenditure Programs
- .Federal Domestic Assistance Programs
- .Programs Impacted by the 1980 Census
- .Federal Urban Programs
- .Federal Rural Programs

--Over the 1982-1984 time period we will collect, review, and include in the LAPIS file Federal agency objective statements and workload and performance data. Upon completion of this phase of the inventory, a wide range of information will be available on Federal agencies and programs for congressional oversight and many other purposes.

Oversight reform (Sunset) legislation is currently being considered by the Senate Committee on Governmental Affairs. We have testified several times this year in favor of developing a program inventory as part of any legislatively mandated oversight reform process. Our inventory efforts to date would serve as the basis for creating this inventory and enacting this legislation would likely accelerate our efforts.

In summary, we believe the establishment and maintenance of a single, government-wide program inventory along the lines we described above is technically feasible. We believe it is advisable to expand the scope of the inventory gradually working with the committees and agencies that have the greatest interest in using the service.

Again, we appreciate the Committee's interest in developing a Federal programs inventory and the other assistance we have provided. As we proceed with expanding and improving the government-wide program inventory and assisting USDA in expanding the Food, Agriculture, and Nutrition Inventory we would be glad to consult further with you and other Subcommittees on the subject areas of interest to you.

Sincerely yours,

SIGNED ELMER B. STAATS

Comptroller General
of the United States

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JLuke:pm: 10/29/79