

GAO Highlights

Highlights of [GAO-18-381](#), a report to Chairman, Subcommittee on Regulatory Affairs and Federal Management, Committee on Homeland Security and Governmental Affairs, United States Senate

Why GAO Did This Study

Federal agencies collect a wide variety of information to ensure the public is kept safe from harm, receives benefits to which they are entitled, and fulfill their missions. Such collections can also impose significant burdens on the public. The goal of the PRA is to minimize the burden of these collections and maximize their utility. To help accomplish this, the PRA requires agencies to estimate the burden, and consult with the public on these estimates.

This report examines (1) how agencies estimate burden hours and costs of their collections, and any limitations of agencies' approaches; and (2) the extent to which agencies consult with the public on estimated burden. To address these objectives, GAO selected four agencies with the largest burden hour estimates, reviewed the 50 ICRs with the largest burden hour estimates at each agency, with a focus on the 2 largest ICRs at each as case studies, and interviewed agency officials and OMB staff.

What GAO Recommends

Congress should consider more explicitly requiring agencies to consult with the public beyond the *Federal Register* notices. GAO is also making 11 recommendations: 1 to OMB on ensuring consistent application of the requirement for estimating respondent time costs; 4 on reexamining processes for reviewing ICRs to OMB, USDA, HHS, and DOT; 2 on improving public notices to IRS and DOT; and 4 on better leveraging existing public consultation to USDA, HHS, DOT, and IRS. USDA, HHS, DOT, and IRS agreed with the recommendations. OMB staff did not agree or disagree.

View [GAO-18-381](#). For more information, contact Kris Nguyen, (202) 512-2660, NguyenTT@gao.gov

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PAPERWORK REDUCTION ACT

Agencies Could Better Leverage Review Processes and Public Outreach to Improve Burden Estimates

What GAO Found

Agencies GAO reviewed—the Departments of Agriculture (USDA), Health and Human Services (HHS), and Transportation (DOT), and the Internal Revenue Service (IRS)—generally used existing data, such as historical data, to estimate the time, or “burden hours,” it takes for the public to complete an information collection request (ICR). IRS reported gathering original data on public burden through surveys of taxpayers to help estimate the burden for its two largest ICRs. When data were unavailable for one or more elements of the burden calculation (e.g., average time per response), agencies relied on professional judgment, informed in some instances by internal consultation with issue area experts.

GAO found two limitations with the agencies' current approaches for estimating burden. First, 76 of 200 ICRs that GAO reviewed, including the 2 largest ICRs at IRS and DOT, did not translate burden hours into dollars, or estimated “respondent time costs.” Although the Office of Management and Budget (OMB) requires agencies to include these costs, it reviewed and approved all 76 ICRs. ICRs that included respondent time costs did not consistently include fringe benefits, such as insurance contributions, in part because of a lack of clear guidance from OMB. Inconsistencies in estimating respondent time costs could lead to inconsistent implementation of new requirements under Executive Order 13771 that agencies offset the incremental costs of new regulations with reductions in regulatory burden, including paperwork burden, elsewhere.

Second, while all agencies and OMB reported having independent review processes in place, as required by the Paperwork Reduction Act (PRA), GAO found instances where 3 of the 4 selected agencies—USDA, HHS, and DOT—did not detect math errors through these review processes or inconsistencies among estimates provided on *Reginfo.gov*, and in the more detailed ICR supporting statements. For example, GAO found that one ICR underestimated burden by as much as \$270 million, and another overestimated burden time by more than 12 million hours. Agencies acknowledged they followed their review processes but not detect the errors and inconsistencies. OMB also did not detect the errors and inconsistencies in its review of the ICRs. Until agencies ensure that their review processes detect errors or inconsistencies, the public may have less confidence in agencies' ability to effectively manage and minimize burden.

While the agencies solicited public comments through the *Federal Register*, as required by the PRA, IRS and DOT did not always provide the level of information in the notices (e.g., the frequency of the collection) needed to allow the public to evaluate the burden estimates. Also, agencies did not always consult with the public beyond these notices, as required under the PRA. Of the 200 ICRs GAO reviewed, 113 contained information in their supporting statements indicating public consultation beyond the *Federal Register* notices. Only 6 of these 113 indicated that public outreach was related to the burden hour estimates. OMB could help ensure that agencies consistently obtain public input by directing agencies to consult with the public beyond the *Federal Register* notices on each ICR, as required in the PRA. However, OMB continues to believe that additional consulting should occur only for ICRs where important information may be missed by the public notice and comment period. Congressional action to clarify the PRA requirement may be needed.