

# **Potential Benefits of the Statistical Efficiency Act of 1999**

## **Congressional Activity Affecting Our Profession**

As of this writing, the House Subcommittee on Government Management, Information and Technology, Committee on Government Reform (Chair, The Honorable Stephen Horn) has marked up and favorably reported out H.R. 2885, the "Statistical Efficiency Act of 1999." John T. Spotila, recently appointed Administrator of the Office of Information and Regulatory Affairs, Office of Management and Budget, in a letter to Congressman Horn indicated that the "Administration strongly supports this bill," and that "Enactment of the bill would help us enhance the efficiency of the federal statistical system and strengthen the quality and usefulness of our statistical programs."

The ASA Committee on Privacy and Confidentiality intends to review the details of the House version of the Bill for safeguards of the confidentiality of the respondents. The statement below developed by supporters of the bill gives a brief description of the bill and its potential benefits. Details about this legislation and bill text are available on the Library of Congress Web site at: <http://rs9.loc.gov/>. (Use the Search "By Bill Number" box to find H.R. 2885.)

Enactment of legislation allowing for sharing of data for statistical purposes under strong confidentiality safeguards would result in substantial benefits for the Federal Government and the people of the United States. The Statistical Efficiency Act would provide a specified group of Federal statistical agencies with a means to enhance the efficiency of the Federal statistical system and strengthen the quality and usefulness of the Nation's Federal statistics. Enactment of this legislation would reduce reporting burden on the public, achieve budget savings, foster greater efficiency within the Federal statistical system, and provide the Nation with higher quality statistics for economic and social policy decisions. It is good, common sense government.

### **Statistical Programs Would Achieve Budget Savings and Greater Efficiency**

Because current laws restrict sharing of data for statistical purposes, Federal statistical agencies' ability to collaborate to achieve budget savings and operational efficiencies is severely limited. The agencies conduct a number of activities independently when they could be accomplished more appropriately as a joint effort or by a single agency on behalf of several. For example, current laws restrict the agencies' ability to share universe lists of business establishments or households. In many circumstances, this restraint requires one agency to develop a universe list independently when another agency has a suitable list that it cannot share. Enactment of the Statistical Efficiency Act would permit the Federal statistical system to realize substantial saving and efficiencies through better management and coordination of statistical activities such as the development of lists of firms or households with rare characteristics.

### **Reporting Burden on the Public Would be Reduced**

Federal statistical agencies sometimes conduct separate collections of information from the public on the same or similar subjects. This occurs when multiple agencies have a critical need for such information, but are prohibited by law from sharing with each other. The Statistical Efficiency Act would provide new opportunities for Federal statistical agencies to coordinate their efforts by integrating or eliminating duplicative collections of information and by sharing collected information to meet overlapping statistical needs.

Because of current restrictions on sharing universe lists, Federal statistical agencies often do not have access to the most accurate and up-to-date information for use in selecting samples to participate in statistical surveys. If the universe lists could be shared, Federal statistical agencies would be able to improve the statistical efficiency of survey samples, permitting them to continue to produce high quality statistics with fewer survey responses from the public. For example, if the Bureau of Labor Statistics could use economic census information on product lines and on sales and receipts of establishments, accuracy of sampling frames and efficiency of sample designs for the Producer Price Index could be improved. Enactment of the Statistical Efficiency Act could foster substantial reductions in the public reporting burden, both in terms of the number of information requests received and the amount of information requested.

### **The Quality and Usefulness of Federal Statistics Would be Enhanced**

Through increased sharing of data for statistical purposes, Federal statistical agencies would be able to enhance the quality of existing statistical products. New capabilities would significantly improve the accuracy of Federal statistics, including Principal Federal Economic Indicators such as the Employment Situation, the Consumer Price Index, and the National Accounts.

Increased data sharing would also permit the agencies to conduct new statistical research on existing important emerging economic and social issues and to develop useful new statistical products. For example, data sharing to compare Gross Domestic Product, economic census, and detailed employment and wage data could support a variety of new researched leading to improved understanding of labor market topics and the publication of new statistical products. More generally, creating analytic files that draw on combines resources of Federal statistical agencies, such as health, economic, and demographic data for small geographic areas, could enhance the utility of existing surveys and minimize the need for new data collection activities.

### **Confidentiality Interest of Individuals and Businesses Would be Protected**

Data shared by the Statistical Data Centers under the authority of this legislation would be used for statistical purposed only. Disclosure of the data for any other use without the consent of the respondents would be strictly prohibited by statute (including criminal statute). The participating statistical agencies would be charged with responsibility for continuing their long tradition of safeguarding the confidentiality of respondent-identifying information.

### **Enactment of the Statistical Efficiency Act Would Reap Many Benefits**

The American Public would benefit from a reduction in request for information from Federal statistical agencies. After a start-up period, Federal budget savings from new operational

efficiencies also would benefit the public. The public would benefit from sound government economic and social policy making based on improved statistical information. The public also would benefit from the availability of new and higher quality statistics for research and informed decision making.

American businesses, the primary providers of information to Federal statistical agencies, would realize substantial direct savings, in time and in dollars, from a reduction on information requests. American businesses also would benefit from new and higher quality statistical information for better business decisions.

The Federal Government would benefit from data sharing in achieving paperwork reduction goals, budget savings, and improved efficiency and effectiveness of the Federal statistical system. Further, the Federal Government would benefit from improved statistics for use in defining national priorities and making public policy decisions.