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Oversight and Coordination of the U.S. Federal Statistical System

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This paper provides a brief overview of the U.S. Federal statistical system and the Office of Management and Budget's authorities and responsibilities for overseeing and coordinating the policies, standards, budgets, and activities of the system.

The national statistical system of the United States is highly decentralized. The statutory authorities and budgets for statistical activities are spread among 10 principal statistical agencies, plus more than 70 other Federal agencies, or organizational units within agencies, that collect statistical information, often in concert with their missions to administer or regulate government programs. The following agencies have statistical activities as their principal mission and function:

- Bureau of Economic Analysis in the Department of Commerce
- Bureau of Justice Statistics in the Department of Justice
- Bureau of Labor Statistics in the Department of Labor
- Bureau of Transportation Statistics in the Department of Transportation
- Census Bureau in the Department of Commerce
- Economic Research Service in the Department of Agriculture
- Energy Information Administration in the Department of Energy
- National Agricultural Statistics Service in the Department of Agriculture
- National Center for Education Statistics in the Department of Education
- National Center for Health Statistics, Centers for Disease Control and Prevention, in the Department of Health and Human Services

As can be seen from this list above, these principal statistical agencies are located in the various subject-matter cabinet departments. The heads of some of these agencies are appointed by the President with Senate confirmation (some with fixed, some without fixed, terms), while others are career appointments. These agencies operate on the basis of separate statutes that authorize,

or in some cases require, the secretaries of departments to collect and publish statistical data on particular subjects. The entire budgets of these agencies are devoted to statistical activities; in the case of other agencies and organizational units, the budgets for statistical activities constitute only a portion of the total appropriations for the respective agencies. In sum, in the United States there is not a single budget for statistics. Rather the funding for statistical work is included in the individual agency budgets, and is determined during the regular process of preparing the President's budget for the U.S. Government. Adding to this complexity, the statistical activities and budgets for the various agencies are overseen by various Committees of the Congress of the United States.

Statutory Authority for Statistical Policy Oversight and Coordination

The Office of Management and Budget (OMB) in the Executive Office of the President has the statutory authority and responsibility for coordinating the policies, standards, budgets, and activities of the decentralized Federal statistical system. These statutory authorities currently derive from the Paperwork Reduction Act of 1995, the Budget and Accounting Procedures Act of 1950, and Executive Orders as described below. (In accordance with previous laws, as well as Executive Orders, these functions essentially have resided in OMB since the late 1930's.)

! Sec. 3504(e) of the Paperwork Reduction Act of 1995 (44 U.S.C. 3504) assigns to the Director of OMB nine "statistical policy and coordination" functions. These are to:

- “(1) coordinate the activities of the Federal statistical system to ensure --
 - “(A) the efficiency and effectiveness of the system; and
 - “(B) the integrity, objectivity, impartiality, utility, and confidentiality of information collected for statistical purposes;
- “(2) ensure that budget proposals of agencies are consistent with system-wide priorities for maintaining and improving the quality of Federal statistics and prepare an annual report on statistical program funding;
- “(3) develop and oversee the implementation of Government-wide policies, principles, standards, and guidelines concerning --
 - “(A) statistical collection procedures and methods;
 - “(B) statistical data classification;
 - “(C) statistical information presentation and dissemination;
 - “(D) timely release of statistical data; and
 - “(E) such statistical data sources as may be required for the administration of Federal programs;
- “(4) evaluate statistical program performance and agency compliance with Government-wide policies, principles, standards and guidelines;
- “(5) promote the sharing of information collected for statistical purposes consistent with privacy rights and confidentiality pledges;
- “(6) coordinate the participation of the United States in international statistical activities, including the development of comparable statistics;
- “(7) appoint a chief statistician who is a trained and experienced professional statistician to carry out the functions described under this subsection;

“(8) establish an Interagency Council on Statistical Policy to advise and assist the Director in carrying out the functions under this subsection that shall --

“(A) be headed by the chief statistician; and

“(B) consist of -

“(i) the heads of the major statistical programs; and

“(ii) representatives of other statistical agencies under rotating membership; and

“(9) provide opportunities for training in statistical policy functions to employees of the Federal Government under which --

“(A) each trainee shall be selected at the discretion of the Director based on agency requests and shall serve under the chief statistician for at least 6 months and not more than 1 year; and

“(B) all costs of the training shall be paid by the agency requesting training.

- ! Section 103 of the Budget and Accounting Procedures Act of 1950 (31 U.S.C. 1104(d)) directs the President to develop programs and prescribe regulations to improve the compilation, analysis, publication, and dissemination of statistical information by executive agencies. Executive Order No. 10253, as amended, delegates these functions to the Director of OMB, to be redelegated to the Administrator of the Office of Information and Regulatory Affairs.
- ! Executive Order No. 10033 of February 6, 1949, as amended, assigns the Director of OMB responsibility for determining, with the concurrence of the Secretary of State, what statistical information shall be provided in response to official requests received by the United States Government from any international organization of which the United States is a member, and what agency is to provide the information.

Highlights of Oversight and Coordination Activities

The Paperwork Reduction Act, when first enacted in 1980, created within the Office of Management and Budget a statutory office, the Office of Information and Regulatory Affairs (OIRA); the Chief Statistician, together with members of the Statistical and Science Policy (SSP) staff, carries out the statistical policy coordination functions. Locating the statistical policy coordination function in OMB provides important tools that can be used to strengthen Federal statistics; in particular, these include the budget, legislative review, and information collection review processes.

The primary role of the Office of Information and Regulatory Affairs= Statistical and Science Policy staff is to provide oversight, coordination, and guidance for Federal statistical activities. Staff members identify priorities for improving Federal statistical programs, establish government-wide statistical policies and standards, and evaluate statistical programs for compliance with OMB guidance.

Key OMB statistical policy coordination activities can be grouped in four broad areas:

- **Long-range planning and budget formulation.** SSP staff members formulate and implement long-range plans to improve the performance of Federal statistical programs so that robust measures are available for use by public and private decision makers. The staff works closely with OMB's budget experts responsible for agencies that have statistical programs to ensure that high priority activities are adequately funded when the President's budget is prepared annually. To highlight critical program improvements, SSP prepares a *Statistical Programs Crosscut* as an integral part of the President's budget formulation and a chapter on *Strengthening Federal Statistics* for the *Analytical Perspectives* volume of the President's budget documents. SSP also prepares OMB's annual report to Congress on the *Statistical Programs of the United States Government* that provides detailed information on Federal agencies that have annual budgets of \$500,000 or more for statistical activities, as well as a chapter on selected ongoing and new initiatives to improve the performance of Federal statistical programs. This report is available on the OMB web site at:
<http://www.whitehouse.gov/omb/inforeg/statpolicy.html#sp>.
- **Policy and standard setting.** SSP staff members ensure the quality, integrity, and accessibility of Federal Government statistical methodologies, activities, and products through the issuance of government-wide policies, guidelines, standards, and classifications that are developed in collaboration with the Federal statistical agencies. The classifications include the: North American Industry Classification System; North American Product Classification System; Standard Occupational Classification; Standards for Defining Metropolitan and Micropolitan Statistical Areas; and Standards for Maintaining, Collecting, and Presenting Federal Data on Race and Ethnicity. Other examples of standards and policy setting are the recently updated core standards and guidelines for statistical surveys; guidelines on statistical confidentiality; and guidelines on the compilation, release, and evaluation of the principal Federal economic indicators. Information about statistical standards is available at:
<http://www.whitehouse.gov/omb/inforeg/statpolicy.html#sp>.
- **Statistical program evaluation and review.** SSP staff members coordinate and oversee statistical programs, surveys, and publications to ensure that the performance measures the Nation depends on for demographic, economic, natural resource, and social decision-making provide relevant, accurate, timely, and accessible information. A key tool for monitoring and enforcing the government-wide use of the standards and classifications is the information collection review process. Under the Paperwork Reduction Act, all information that will be collected from 10 or more members of the public, whether from individuals, households, establishments, educational institutions, organizations, or other levels of government, must be approved by OMB. Surveys and other data collections are reviewed to ensure that they conform to the proper statistical methodology, standards, and practices. SSP staff members also participate in OMB's legislative review process to help ensure that draft legislative proposals do not adversely impact Federal statistical programs or the use of Federal statistical standards or data.

At the request of OMB and the Federal statistical agencies, the Committee on National

Statistics (CNSTAT) of the National Academy of Sciences also undertakes evaluations of statistical programs. Established in 1972, following recommendations of the President's Commission on Federal Statistics, CNSTAT's original mandate was to provide an independent, objective resource for evaluating and improving the work of the highly decentralized U.S. Federal statistical system. While it still serves that mandate, CNSTAT also has undertaken studies for a broad range of research and program agencies in order to improve statistical methods and information. Recent projects for statistical agencies cover such topics as coverage evaluation and residence rules for the 2010 census; functionality and usability of estimates from the American Community Survey; benefits of sharing business data among statistical agencies; and review of the Census Bureau's state and local government statistics program.

- **Interagency and international coordination.**

As required by the 1995 Paperwork Reduction Act, OMB has established the Interagency Council on Statistical Policy (ICSP) that is chaired by the Chief Statistician. This group enables OMB to obtain more direct participation from the agencies in planning and coordinating Federal statistical activities. The members of the ICSP currently include the heads of the principal statistical agencies noted above, plus the heads of the statistical units in the Environmental Protection Agency, the Internal Revenue Service, the National Science Foundation, and the Social Security Administration. Because the members have management responsibility for statistical programs in their respective agencies, their advice and cooperation are essential for effective implementation of OMB statistical policy decisions and for planning improvements in Federal statistical programs. The ICSP is a vehicle for coordinating statistical work, particularly when activities and issues cut across agencies; for exchanging information about agency programs and activities; and for providing advice and counsel to OMB on statistical matters.

Among the ICSP's activities has been the development of *FedStats*, an interagency web site (www.fedstats.gov) that permits easy access via an initial point of entry to the wide array of Federal statistics available to the public. *FedStats* provides a centralized set of links to the Internet sites that individual agencies have developed for disseminating Federal statistics. The site's primary objective is to help users find the information they need without having to know and understand in advance how the decentralized Federal statistical system is organized or which agency or agencies may produce the data they are seeking.

SSP also chairs the Federal Committee on Statistical Methodology, a group of senior statisticians from Federal agencies who prepare in-depth working papers on methodological topics that bear on the quality and efficiency of the Federal Government's statistical work. These papers are available through the committee's web site at: www.fcsm.gov. In addition, staff members initiate and oversee initiatives that foster interagency collaboration and public-private partnerships to integrate the collection and reporting of data on key sectors of the population, such as children, the elderly, and the

disabled.

OMB coordinates the Federal Government's participation in international statistical activities, including the development of international statistical classifications and standards. The Chief Statistician represents the United States in international statistical policy setting forums such as the United Nations (UN) Statistical Commission, the UN Economic Commission for Europe Conference of European Statisticians, and the OECD Statistics Committee.