

**DATA COALITION POLICY STATEMENT AND RECOMMENDATIONS FOR
MODERNIZING THE PAPERWORK REDUCTION ACT OF 1995**

The Data Coalition supports reasonable efforts to coordinate government’s data assets, to reduce or minimize burden imposed by data collection on individuals and businesses, and to ensure government data collection produces high-quality, accessible, and usable data. Recognizing the importance and goals of the Paperwork Reduction Act of 1995, the Data Coalition calls on the Executive Branch and Congress to pursue modest improvements to modernize and reform the law. Modernization should aim to (1) improve alignment with recent legal authorities and current analytical capabilities, (2) to ensure the quality and value of government information is maximized, (3) to minimize burden on the American public in providing information to the government, and (4) to increase agency efficiency in achieving the law’s goals. As federal agencies are in the midst of transformational efforts, initiated through legislation like the bipartisan Foundations for Evidence-Based Policymaking Act, Congress and the Executive Branch should update and adjust the Paperwork Reduction Act’s authority to ensure timely, valid, and reliable information collection. Importantly, the Paperwork Reduction Act should be calibrated to ensure the law’s scope and applicability meets emerging needs and priorities for government data collection, while offering meaningful, effective, and efficient mechanisms to support data sharing and use.

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The Paperwork Reduction Act of 1995 (PRA) is perhaps one of the least well-known data collection, management, and sharing authorities in the Federal government. In its own right the PRA upholds important principles for government data through accountability and transparency mechanisms.¹ The PRA is most widely recognized as the law that requires federal agencies to develop Information Collection Requests (ICRs). ICRs apply to information collected from 10 or more respondents and are a central component for PRA’s governing of the government’s data collection processes. These requests are subject to public comment, as well as review and approval by the White House Office of Management and Budget’s (OMB) Office of Information and Regulatory Affairs (OIRA). The PRA also outlines the responsibilities of the chief statistician, authorizes OMB’s roles in information management, and enables certain capabilities for directing agencies to share data with each other.

In August 2020, federal agencies collectively had more than 9,000 approved and active information collections, imposing an estimated \$150 billion in costs on the American people and businesses.² The value of information to support implementation of government programs is not in question; the costs relative to the benefits are another matter. The cost of acquiring necessary

¹ Congressional Research Service. Paperwork Reduction Act (PRA): OMB and Agency Responsibilities and Burden Estimates. Washington, D.C.: CRS, 2009. Available at: <https://www.everycrsreport.com/reports/R40636.html>.

² RegInfo.gov. Current Inventory Report. Washington, D.C.: OMB, 2020. Available at: <https://www.reginfo.gov/public/do/PRAReport?operation=11>.

information for government through reporting, application, or statistical data collection can be reduced, including with the ability to improve accessibility for certain data that can be used by agencies who may already collect the same information from the American public. Thus, improving responsible data sharing will result in improved efficiencies for government operations and from data providers.

The PRA is intended to enable agencies to meet the government's legitimate need for information without unduly burdening those who have and can supply that information. While the PRA is a powerful and useful instrument, there are real frustrations about its implementation for government employees, public stakeholders, and government contractors alike. Clearance processes can be burdensome and time-consuming, resulting in delays in data collections necessary for agencies to fulfill their missions. At a minimum, the normal process takes four months to satisfy existing statutory and administrative requirements, though six to nine months is considered more realistic for new, non-emergency requests.³

These challenges are especially pronounced as the need for rapidly using data in our society increases to support informed decision-making. Challenges created by the PRA were also identified as impediments to data use in the country by the U.S. Commission on Evidence-Based Policymaking in its unanimous findings.⁴

RECOMMENDATIONS

In 2020, a group of experts convened by the Data Coalition considered potential reforms to address identified challenges and barriers to effective implementation of the PRA's purpose and intent. Building on the recommendation from the Evidence Commission---suggesting some modifications may be needed to the PRA to support evidence-building activities as well as other expertise---the following proposals are intended to advance a system that enhances the value of government-collected information, eases the burden and costs imposed on agencies, and prioritizes data as an asset, all while encouraging transparency and public trust in government data.⁵

Legislative Recommendations

Recommendation #1: Congress should review and propose modifications to the existing public comment procedures for the PRA. The rigid public comment approach for the PRA requires ICRs to be published in the *Federal Register* prior to submission to OMB and again once submitted to OMB. The solicitation of public comments adds substantial time to the data collection process, and yet most ICRs receive no public comments.⁶ Congress, in collaboration with the Executive Branch and transparency advocates, should develop a modified process that (1) allows for public comment on data collections on an ongoing basis, (2) incorporates

³ U.S. Commission on Evidence-Based Policymaking. *The Promise of Evidence-based Policymaking*. Washington, D.C.: GPO, 2017.

⁴ CEP, 2017.

⁵ See Rec. 5-3 from CEP, 2017.

⁶ S. Shapiro. *Paperwork Reduction Act Efficiencies*. Washington, D.C.: Administrative Conference of the United States, 2018. Available at: <https://www.acus.gov/sites/default/files/documents/paperwork-reduction-act-efficiencies-final-report.pdf>

requirements for ex ante stakeholder notification and outreach, and (3) eliminates the second public comment period if no substantial modifications are made following the first notice and public comment. This recommendation would permit more rapid development and implementation of data collection activities in government.

Recommendation #2: Congress should establish a more streamlined process for ICR review and adjust the scope of the PRA applicability. In a survey conducted by the Evidence Commission, agencies identified the PRA scope as a major process barrier for engaging in evidence-building activities.⁷ Under current law, federal agencies must complete an ICR for 10 or more respondents; the numeric threshold is fundamentally flawed and is not based on statistical or scientific procedure.⁸ Congress should initiate a process through which the threshold and procedure can be modified to reflect the significance of the information and action, not merely the number of respondents. In statute, the arbitrary number 10 should be eliminated, and OMB should be directed to administratively determine an appropriate scope. Consistent with this approach and recognizing major reforms are complicated with far-reaching consequences, Congress should direct OMB to facilitate an interagency that involves agency Chief Data Officers, Chief Information Officers, Evaluation Officers, Statistical Officials, and representatives of other major data collections to devise a modified approach that specifically takes into account the significance of the action, the anticipated aggregate cost or burden, and the complexity and policy significance of the data collection. Such an approach could, for example, result in a new framework for implementing the PRA that adjusts the reporting threshold to a higher number, like 200 respondents, continuing transparency, and public comment, with increased delegation to agencies.

The Data Coalition's group of experts considered an alternative to adjust the threshold triggering PRA's requirement for OIRA review to 50 or more respondents, with an exception for policy-relevant or significant data collection activities. This modification would reduce the burden on OMB and agency staff in reviewing smaller-scale ICRs, support agencies in improving efficiency of data collection, and be benchmarked to the number of states in the country which would be used for cooperative agreement and grant data collections, for example. This would reduce the current load of ICR reviews submitted for OIRA approval by approximately 13 percent (from 9,313 to 8,123).⁹ However, selecting one arbitrary threshold over another is not evidence-based policymaking; thus, a comprehensive review process is strongly recommended.

Recommendation #3: Congress must clarify the expectation for the Chief Data Officers to coordinate ICRs under the data governance process within individual agencies. When Congress modified the Foundations for Evidence-Based Policymaking Act and the OPEN Government Data Act, it did not modify existing requirements for Chief Information Officers (CIOs) to also approve agency-level ICRs. Clarifying Congress' intent for the CDOs to govern agency data collections, as is made clear in the Evidence Act, can be reaffirmed for agency CIOs

⁷ CEP, 2017.

⁸ The selection of the existing numeric threshold was an arbitrarily-established benchmark from a tax law in the early 20th century.

⁹ Authors analysis using bulk download data from RegInfo.gov.

by amending the PRA requirements for CIOs. This recommendation addresses an internal agency obstacle for efficient implementation of the PRA.

Administrative Recommendations

Recommendation #4: OMB should accelerate implementation of a government-wide automated tool for ICRs that support agency data inventories. To support ongoing reviews of ICRs, the public should be provided with access to increased and improved information about existing government data collections, in conjunction with implementation of the OPEN Government Data Act data inventory and metadata requirements. As part of the Federal Data Strategy 2020 Action Plan, the Department of Education is developing a pilot tool for automating ICR relationships with agency data inventories (Action 17).¹⁰ OMB should prioritize adoption and widespread implementation of this resource to support government-wide coordination to rapidly improve metadata and transparency about government data collection, including filling intra-agency and inter-agency data needs identified in agency learning agendas. This tool should be incorporated in any action plan for 2021 under the Federal Data Strategy to be rolled out government-wide. This recommendation supports an administrative approach to minimize burden on the American public by potentially reducing duplication in government data collections.

Rec. #5: OMB should issue clarifying guidance to agencies on pain points in implementing the PRA. In addition to the recommendation to Congress about the role of Chief Data Officers (CDOs), OMB should clarify the need for the individuals managing agency data governance processes to also coordinate and have appropriate resources for implementing internal agency PRA approvals and clearance. OMB should also clarify what data should be designated as “essential information” and provide additional guidance to agencies on calibrating respondent burdens for small businesses and individuals alike. OMB can also take further steps to encourage use of “generic clearances” and delegation authorities that exist in PRA. This recommendation supports continued transparency of government data collection and should be incorporated in any action plan for 2021 under the Federal Data Strategy.

CONCLUSION

The Data Coalition calls on Congress and the Executive Branch to prioritize modest improvements to the Paperwork Reduction Act to improve the efficiency of government data collection and management. Modernizing the Paperwork Reduction Act is long overdue. Small changes to the existing legal framework can offer substantial improvements for reducing the burden on the American public and the value of government-collected data.

¹⁰ OMB. Federal Data Strategy 2020 Action Plan. Washington, D.C.: OMB, 2020. Available at: <https://strategy.data.gov/action-plan/#action-17-pilot-an-automated-tool-for-information-collection-reviews-that-supports-data-inventory-creation-and-updates>