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The Statistical Policy Division (SPD) of the Office of Management and Budget (OMB) is vitally concerned with today's topic of the assessment of survey practices, especially for Federally-sponsored surveys. We have two specific involvements:

1. In our role of planning and coordinating Federal statistics, we are concerned with the quality of Federal statistical data and with using Federal dollars in a cost-effective manner to produce statistics that evaluate the social and economic well-being of the country. A large proportion of the statistical budget is spent on statistical surveys.

2. The SPD also has the responsibility for implementing the Federal Reports Act. This responsibility involves clearing any Federal data collection effort that contacts 10 respondents or more. In carrying out this responsibility, we review all proposed statistical projects before the data are collected. It should be noted, of course, that the review of statistical proposals before they are carried out does not include monitoring of the actual conduct of the statistical surveys; only in the case of repetitive surveys do we review what happened in the previous wave before approving the recurring effort.

The paper on "Progress and Problem in the Assessment of Survey Practices" that Barbara Bailer presented reports on the feasibility project she is directing. The objective of this project is "assessing survey practices, particularly as they affect the quality of the data gathered." This project was funded by a grant from the National Science Foundation (NSF) to the American Statistical Association's (ASA) subsection on Survey Research Methods. Her report focuses on two aspects: (1) the developing of sampling frames for surveys of human populations and (2) assessing survey practices by actually conducting an interview with the survey sponsor and/or executor to obtain a detailed report for evaluating the quality of the survey. The development of the frame covers surveys sponsored by Federal, State, and local governments; universities and other nonprofit organizations; and private commercial survey organizations. The actual feasibility study to assess the quality of surveys was carried out using mainly those surveys sponsored by the Federal Government. The preliminary results presented here consider it possible to assess Federally-sponsored surveys.

Because of the interest of the SPD in the quality of Federally-sponsored surveys, the results of this study can prove invaluable to our responsibility vis-a-vis surveys sponsored by the Federal Government. To the extent that the results of this study provide specific guidance on how to evaluate the quality of Federally-

sponsored surveys, we are prepared to act quickly in implementing the findings of this study.

Les Frankel, in his paper on "Why is Assessment Necessary?" describes the need for assessment of surveys from a broader point of view. In fact, the scope of the ASA's feasibility survey covers a much broader base; that is, all surveys of human population. Moreover, Barbara Bailer's conclusion from this preliminary study is that assessing the quality of surveys of human populations is feasible. Therefore, we concur with her and will stimulate the subsection on Survey Research Methods to propose a nationwide study to evaluate the quality of surveys.

This assessment project is important. In addition to the reasons cited by Bailer and Frankel and in the introduction to this discussion, there are several other important statements of concern. These include the Joint Ad Hoc Committee on Government Statistics and the Commission on Federal Paperwork.

Recommendations of Joint Ad Hoc Committee on Government Statistics

The Joint Ad Hoc Committee on Government Statistics (comprised of the American Sociological Association, the American Statistical Association, the Federal Statistics Users' Conference, the National Association of Business Economists, and the Population Association) has recently prepared a report which includes recommendations on Federal contracts for statistical services. The recommendation states:

"The Committee recommends a thoroughgoing review of the procedures for awarding Federal contracts for statistical services to nongovernmental organizations. The review should include after-the-fact audits of the quality of the services provided, performance in relation to time and costs, and a look into the comparative quality and costs of doing the work inhouse."

The report points out the following specific problems:

- "1. The Government agency may have little or no inhouse capability and, thus, cannot do an adequate job of developing specifications, evaluating bids, and supervising the execution of the contract.
- "2. There are no adequate standards for qualifying some contractors and disqualifying others in the light of their capability to produce survey or study results which meet acceptable standards of statistical quality.

- "3. The practice of favoring the low bidder may be counterproductive, especially if there is no adequate inhouse capability to evaluate the quality of work which the contractor provides.
- "4. Contractors may lack statistical staffs themselves and therefore subcontract an essential part of the project, thus further removing control over the execution of the project.
- "5. Well qualified contractors may have so many projects going at one time that top personnel cannot provide adequate attention to a particular one and thus the work is, in fact, assigned to relatively inexperienced personnel.
- "6. The contractor may not be in a position to develop the policy implications of a project. The agency staff may lack the statistical skills needed for a full evaluation and thereby be inadequately equipped to make the most effective use of the product."

Another recommendation of this committee on need for analysis includes the following statement:

"Throughout the Federal statistical system, there is also a need for more resources devoted to the development and application of statistical methodology in the collection, analysis, and presentation of statistical data."

The discussion of this recommendation suggests that SPD should followup on nonissuance of results of data collection projects:

"The collection of statistical data which does not result in tabulation, analysis, and publication is obviously a waste of resources. Clearly, at the time of clearance, SPD should be informed about plans for tabulation and issuance of the results. SPD should have a followup procedure to determine if and why such plans are not carried out in those instances in which this occurs."

Concerns of Federal Paperwork Commission

The Federal Paperwork Commission (FPC) proposes to undertake a study on survey methods used by commercial firms working for the Federal Government. They would like to investigate steps which might improve survey practices. At the same time, they would like to determine how such practices might be changed to reduce paperwork and respondent burden.

This study would focus on the development of the Request for Proposal (RFP), the evaluation

of submitted proposals and letting contracts, and on monitoring of statistical work conducted under contract.

The need for an indepth study of contracting statistical work is obvious. The feasibility study which we are discussing today will begin to address this problem, although the objective of the ASA study is much broader.

Current Activities

While these investigations are being made, some recent actions at OMB are important as immediate steps to improve the quality of government-funded surveys.

The President's Reports Reduction Program. Guidelines for reducing public reporting to Federal agencies were issued by the President on March 1, 1976. For statistical surveys or reports, the following statement on response rates was given:

"It is expected that data collections for statistical purposes will have a response rate of 75 percent. Proposed data collections having an expected response rate of less than 75 percent require a special justification. Statistical data collection activities having a response rate of under 50 percent should be terminated. Proposed statistical data collection activities having an expected response rate of less than 50 percent will be disapproved."

The purpose of disapproving statistical data collection activities with response rates below 50 percent is the expected poor quality of such data. The need to compute response rates correctly is highlighted in the paper prepared by Barbara Bailar.

Since the clearance process in the SPD looks at expected response rates rather than actual response rates, we do not always obtain an adequate report of the response rate actually obtained. In repetitive surveys we often request historical information before clearing a subsequent wave of the survey. The need for an adequate review of results obtained in statistical data collection efforts may determine a modification of our requirements to agencies in order to be able to improve our capacity to monitor the quality of Federal statistical surveys.

Estimate of Contractual Workload in Federal Surveys. On June 30, 1976, the inventory of unexpired clearances which includes statistical surveys or reports, program evaluation, management reports, and other recordkeeping requirements included about 3,300 repetitive reports and 500 single-time reports are carried out by contracts. About five percent of the repetitive surveys and about 50 percent of the single-time involved contractors. The problems

of statistical data collection activities involving contractors outside of government are complex. In the development of better procedures for Phase II of the President's program, we have identified several things which should be done to improve contracting quality. They are:

1. The RFPs must clearly spell out the objectives of the survey and specify the statistical requirements to fulfill these objectives. The project officer writing the RFP needs both subject matter and statistical knowledge. If it is necessary to consult with a subject matter or a statistical expert, the project officer should do so. The definition of the programmatic goals of the data collection effort, however, are the responsibility of the sponsoring agency. Choosing the specific design alternatives must be worked out by the contractor.

2. Choosing among competitive RFPs requires sufficient insight to determine that the proposal submitted will fulfill the data needs and that the contractor has the required expertise.

3. Monitoring projects requires expertise in the sponsoring agency to assure that the data to be produced will address the issues at hand and meet the quality requirements needed.

4. An additional problem is that a principal contractor often subcontracts part of the work. Although this might be beneficial, if specific expertise is being sought, some negative consequences may ensue. The cost of the project may be increased by having profits at various levels of performance; in addition, further monitoring of the project is needed since each level of subcontractors should be monitored.

Future Areas of Investigation

In conclusion, two specific comments on future directives may be in order:

First, because the SPD is located within the Office of Management and Budget, we are very concerned with the cost of producing statistical data of adequate quality. During the clearance process, we often interact with appropriate budget examiners who will carefully evaluate costs of projects. Although we have not developed any specific guidelines of how much should be spent in collecting data using this or that methodology or implementing the project within the Federal sponsoring agency, by contract with another Federal agency or by contract with a noncommercial or commercial organization, a long-range project which would investigate factors which determine costs as well as how quality and costs of surveys are related would be very useful to us.

Second, the SPD is preparing "A Framework for Planning U.S. Federal Statistics, 1978-1989,"

in cooperation with the Federal statistical agencies. One chapter in the plan will address "Standards for Statistical Methodology." It will address some of these issues directly. For example:

-- A recommendation which may be included in the plan would suggest the revision of "Standards for Statistical Surveys" as given in Exhibit A of OMB Circular No. A-46. In addition, the development of standards for contracting statistical surveys would be recommended. This should include not only the standards for RFPs, but also standards for monitoring contractual data collection and processing.

-- Another recommendation might involve a centralized clearance system for publication of data. The objective of selective reviewing of new data releases in a centralized office before they are published would be to ensure a more uniform quality of Federal statistical data being released as well as to monitor the information given to users on the quality of the data. The review of the data after it is produced, in addition to the initial clearance of data collection projects, would give the SPD a much better capacity to control the quality of Federal statistical data.

Conclusion

Hence there is considerable evidence about the importance of this ASA project and related investigations. We are already taking some actions in OMB to improve the quality of government-funded surveys, and much activity is anticipated in the months ahead.