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In the last ten years, the most important stimulus for development of program evaluation capability has been the Congress itself. This has been accomplished by increasingly requiring evaluation of a program in the authorizing legislation, by considering proposals for the provision of general evaluation capabilities for meeting Congressional needs, and by strengthening the evaluation role of the General Accounting Office. Evaluation processes and specific evaluation products still have many inherent problems, including: timeliness, relevance, inadequate data, analytical quality, incomprehensibility of reports, and inadequate followup. There seems to be no universal working definition of the term evaluation. Expectations are too high about the knowledge that can be gained from any given evaluation. Agencies need to make a greater effort to anticipate the needs of Congress, but Congress should help by making clear its committees' oversight needs. It might be wise to have several different evaluations for any given program. It must be recognized that different users have different needs for evaluation. To assure credibility, evaluation results should be available for reanalysis by other evaluators. None of the problems of evaluation techniques are insurmountable. (Author/SS)

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STATEMENT OF
HARRY S. HAVENS
DIRECTOR, PROGRAM ANALYSIS DIVISION

BEFORE THE

SENATE COMMITTEE ON HUMAN RESOURCES

ON

EXPENDITURES, PROBLEMS AND PROSPECTS OF MANAGEMENT

AND UTILIZATION OF PROGRAM EVALUATION

Mr. Chairman and Members of the Committee:

We appreciate the opportunity to appear at these hearings on the cost, management and utilization of program evaluation in human resources programs. GAO's concern for these matters is grounded both in our longstanding responsibilities for reviewing Government programs and the additional responsibilities assigned to us by Titles VII and VIII of the Congressional Budget Act of 1974.

I would like to focus briefly on several key problems which need to be overcome if evaluation is to achieve its greatest utility. In addition to these remarks, I would like to submit for the record several appendices to which I will be referring.

CONGRESSIONAL INITIATIVES IN
PROGRAM EVALUATION

In recent years, the most important stimulus for development of evaluation capability has been the Congress itself, which has taken action of two general types.

In the last 10 years the Congress has increasingly required evaluation of a program in the legislation authorizing that program. This language ranges from general requirements in some laws to rather detailed specifications for evaluation in other laws.

Another major congressional initiative has been more general in scope. The Congress has considered a number of proposals during the past 10 years for the provision of general evaluation capabilities for meeting the needs of the Congress. Title VII of the Congressional Budget Act of 1974 is perhaps the most important example of this sort of initiative. It specifically strengthens the evaluation role of the General Accounting Office by requiring us:

- to review and evaluate Government programs carried on under existing law,
- to develop and recommend methods for reviewing and evaluating Government programs and activities carried on under existing law, and
- to assist Committees on request in developing statements of legislative objectives and goals and methods for assessing and reporting actual program performance.

GAO has continued to expend a substantial part of its resources on its review and evaluation of particular programs. We also have initiated a number of activities to develop and test methods and approaches which

will improve the usefulness to the Congress of the evaluation information it receives.

More recently congressional interest has arisen in developing a process for assuring that programs will be systematically evaluated and an opportunity afforded for the results to be translated into congressional action. The Sunset approach, currently under consideration as the Program Evaluation Act of 1977 (S.2) is a leading example of this concern.

Congressional initiatives appear to reflect a growing recognition of the importance of evaluation as a source of information for decision-making, coupled with an awareness that the art of evaluation still has a long way to go. I believe there is also a growing recognition that the Congress and its Committees will need to play a more direct role in improving the use of evaluation research products.

KEY PROBLEMS

A host of problems can be identified in evaluation processes and in specific evaluation products. There are regular discussions in the community about problems of timeliness, relevance, inadequate data, analytical quality, incomprehensibility of reports, inadequate follow-up and so on. These are crucial problems and warrant our deepest concern because they go to the heart of the usefulness of evaluation. Other factors are more peripheral, but can still impede progress when they come to the surface. For example, there is no uniform understanding of the term "evaluation." I am not convinced that a rigid definition is desirable, but the absence of a common understanding can cause management

problems because of uncertain responsibilities and can greatly complicate any effort to assess the overall costs and effectiveness of evaluation.

In identifying the problems which we will discuss today, we are generalizing from several sources of information. We find these problems in broad surveys of departments' and agencies' evaluation activities, and in compiling inventories of evaluation reports such as those listed in our three volume series of Congressional Sourcebooks. (Appendix 1) We also have obtained information from surveys by OMB and some preliminary information from a survey of knowledge production activities, including evaluation, by the National Academy of Sciences. Another source of information on problems is our own program reviews in which we obtain and attempt to use information from evaluation reports and data on particular programs or activities. (Appendix 2) Still another source of this information is our in-depth assessment of evaluations performed in particular agencies or under particular laws requiring or authorizing evaluations.

Today I would like to concentrate on the matters which seem most likely to affect the use of evaluation by the Congress.

Expectations

First, expectations are still too high about the knowledge that can be gained from any given evaluation. The Congress needs information about the cost of programs and their impact on beneficiaries and others. A realistic expectation is that a well planned and managed evaluation will help supply that information. (Appendices 3 and 4) But evaluations are not black boxes into which evaluation funds can be poured and optimum decisions come out. Only the political process can judge

the value of program results and compare their priority to the results of other programs competing for a limited budget. There is no black box for that.

Timing

A second key problem has to do with timing of evaluations, making information available when it is needed by decisionmakers. This is closely related to the problem of over-expectations. I suspect that we may never truly "solve" this problem. Once a question has been asked, the questioner is understandably impatient for the answer. But there may be an unavoidable time lag of several years between the decision to conduct an evaluation and the issuance of a report, particularly if the program is a complex one.

While this time lag may be unavoidable, its effects can be mitigated by better long range planning of evaluation activities in the agencies. None of us have perfect foresight, but it should be possible to anticipate needs and aim evaluation products at key congressional decisions such as reauthorizations. (Appendix 5) This problem can also be alleviated by improvements in the flow of information and its accumulation over time in ways that coincide with the decision process. For example, we are currently working with your Committee to assess your requirements for systematic information on programs authorized by the Elementary and Secondary Education Act. (Appendix 6)

Relevance

Another problem is relevance. An evaluation which answers the wrong questions isn't likely to get much attention. Here again, agencies need to make a greater effort to anticipate the needs of Congress.

But Committees also need to help by specifying the congressional oversight issues and questions they want considered when the agency designs the evaluation. In response to a request from Senator Leahy for assistance in studying the feasibility of his proposed resolution (S.Res. 307) introduced in the 94th Congress, we are in the process of developing a suggested approach that could be used by the Congress when it desires to establish a structured oversight process. (Appendix 7)

After attempting to apply the proposed resolution to selected pieces of legislation, GAO found that many different evaluations—entailing varying costs, times to complete, and levels of measurement precision—seemed both possible and plausible for any particular program. In order to narrow the list of possible evaluations to those that the Congress will find most useful and worth the cost, the Congress itself needs to communicate its oversight and evaluative information needs and priorities to those responsible for conducting the evaluation.

Needs of Varied Users

In discussing the problem of assuring relevance, it must be recognized that different users have different needs for evaluation. The individual program manager, for example, may be primarily looking for information which will help him improve the efficiency of the operation for which he is responsible. Other users—the agency head, OMB, the President and the Congress—may find information of this sort interesting, but may really need evaluation results which will help them compare the impact of this program against competing programs.

The task of identifying the intended user of an evaluation and assuring that the planned evaluation will meet that user's needs is further

complicated by the existence of various levels within an agency at which evaluation studies are performed. It is quite common, for example, to have both a central evaluation staff which reports to the Secretary and evaluation staffs in the major operating groups of an agency. In addition, of course, evaluation activities may be found in other parts of an agency, such as in the internal audit staff, the budget shop, and the legislative or policy development office. An arrangement like this can help assure that the needs of various users within the agency are met. But that makes it even more important to have good communication among the various evaluators and an effective evaluation planning process. It is essential that the planning process integrate the needs of users both within and outside the agency and allocate available resources as effectively as possible to meet the full range of needs. This is particularly important in view of the complexities introduced by varied sources of funds for conducting evaluations and research.

Assuring Validity

There is also an important question of how to assure the credibility of research findings, once they are determined to be relevant to a policy question. Results of research and their interpretation may be affected in complex ways by the research design, research procedures, and methods of analysis. GAO's role as an independent auditor leads it to be particularly alert to these problems and the social research community as a whole is giving increased attention to them. (Appendix 8) One approach being used by GAO and others is the reanalysis of one researcher's data by another. Careful reanalysis of evaluations and other research can identify the often subtle impact of particular methods on the research data or on its analysis and interpretation.

This sort of reanalysis, however, requires open access to the research and statistical data. On occasion this may include access to individually identified information for purposes of verification. While this sort of access raises several difficult matters, we believe the climate is good for acceptance by the social research community of the need for audit and reanalysis, particularly of policy-oriented research. I believe the question is not whether it will be done, but how best to do it.

EVALUATION PROBLEMS CAN BE OVERCOME

Indeed, I believe the climate is good for starting to deal effectively with most of the problems I have outlined in this statement. We have frequent contact with various parts of the community both inside Government and outside and have made use of individuals and groups as expert consultants in developing our evaluation capability. We are in the process of establishing a special group of experts who can help us in the task of developing solutions, both to the general problems I've been discussing and to the problems of how best to carry out a specific evaluation of a particular program. Our experience has been that most of the people who work in this area recognize the importance of solving these problems and want to help do so.

There is always a risk that enumerating problems, as I have done, will leave the impression that there is very little good to say about program evaluation. I want to dispel that notion. I have talked about problems because that's where we can make the greatest progress. At the same time, I want to emphasize our belief that a great deal of useful work is going on now. The Congress and the Executive Branch have access to

better information than ever before about the costs and impacts of Federal programs, and much of that information is being used.

To us, dissatisfaction with the state of program evaluation is a basis for optimism. It reflects the fact that the questions being asked by decisionmakers are properly, getting tougher to answer and that the answers are likely to be used. If the questions were easy, there would be no evaluation problems; if the answers went unused, it wouldn't matter whether we solved the evaluation problems or not. Because we believe the answers are needed and will be used, we are confident that the evaluation problems can and will be overcome.

That concludes my prepared remarks, Mr. Chairman. My colleagues and I would be happy to try to answer any questions.

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APPENDICES TO
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CONGRESSIONAL SOURCEBOOK SERIES

Federal Program Evaluation

One of the products developed in response to the Congressional Budget Reform Act of 1974 and as a direct result of the 1975 joint OMB/GAO survey of evaluation in 18 Federal agencies was the directory titled Federal Program Evaluations. This directory is intended to be an important link between the Federal agencies who develop evaluation information and the Congressional staffs who may require evaluation information for legislative and oversight purposes.

The first edition listed over 1700 evaluation reports that had been produced in fiscal years 1973, 1974, and 1975. The key features of the directory are its several indexes which allow the user to search for information by subject, legal authorization (name, public law number, and U.S. Code), agency, and program name. In addition, the basic citations identify the agencies or subunits responsible for both the program and the evaluation effort.

Currently we are updating Federal Program Evaluations. During the summer of 1977 we contacted more than 60 Federal departments, agencies, commissions and other organizations. Approximately 45 provided nearly 1500 evaluations covering fiscal years 1976 and 1977. The largest set of citations, over 400, represents, as might be expected, the GAO program evaluation effort. DHEW provided approximately 250 entries and the Agency for International Development and the Department of Housing and Urban Development each contributed more than 100. Other major sources included the Departments of Agriculture, Interior, Justice, Labor and Transportation

and the Veterans Administration. Most of the non-contributing agencies, generally among the smallest, simply do not perform a formal report-writing evaluation process.

We plan to publish this second edition with an improved format and additional features early in 1978. Successive editions, possibly on a biennial basis are envisioned. The information contained in the directory will also be available through SCORPIO, the Library of Congress' computer-based information retrieval system. As additional program evaluation information becomes available the computer data base can be updated and Congress will have access to the very latest information without the need for republishing at frequent intervals.

Federal Information Sources and Systems

This volume describes approximately 1,400 Federal sources and systems maintained by 91 executive agencies, which contain fiscal, budgeting, and program-related information.

Requirements for Recurring Reports to the Congress

This volume describes the various requirements for recurring reports to the Congress from the executive, legislative, and judicial branches and other agencies of the Federal Government.

EXAMPLES: GAO ASSESSMENTS
OF AGENCY EVALUATIONS OF PARTICULAR PROGRAMS
OR ACTIVITIES

Multi-Agency (including multi-HEW agency)

Returning the Mentally Disabled to the Community: Government Needs to do More, HRD-76-152, HRD-76-152A, January 7, 1977

Although deinstitutionalization of the mentally disabled has been a national goal since 1963, Federal agencies that can influence this goal have not yet developed a comprehensive and clearly defined national plan to achieve the goal, or a management system to insure that the goal is properly implemented.

"In the absence of a national strategy or management system to implement deinstitutionalization, Federal officials responsible for other programs that affect deinstitutionalization generally (1) were not aware of the national goal or had not received instructions on implementation, (2) had not implemented their programs to help achieve the goal, (3) had not undertaken joint efforts directed at deinstitutionalization, or (4) had not monitored or evaluated their programs' impact on deinstitutionalization."

Social Research and Development of Limited Use to National Policymakers, HRD-77-34, April 4, 1977.

The Office of Management and Budget has issued no directive establishing standardized or preferable criteria for monitoring social

R & D performers; and the criteria established by HEW for monitoring prospective performers was so broad that it was often of limited use to agency officials. Also, a uniform methodology for monitoring social R & D projects has not yet been established by HEW.

"During our review of the National Institute of Education, we noted that an opportunity exists for more consistent and effective project monitoring of R & D projects. We found

- a lack of detailed, formal guidance for assessing projects and
- inadequate staffing procedures which resulted in (1) some monitors being overloaded with projects and (2) monitors being assigned to oversee projects in areas where they have little expertise.

"At the Social and Rehabilitation Service, established guidelines for the monitoring of social R & D projects did not exist. We found

- project officers being responsible for monitoring as few as 1 and as many as 18 projects simultaneously,
- progress reports submitted as often as monthly or as infrequently as semiannually, and
- project officers not visiting or making different numbers of visits to projects."

Regarding monitoring procedures, also see: Grant and Contract Activities of the National Center for Health Services Research, MWD-76-89, April 6, 1976.

We found that: The Center

- had not clearly defined the role its project officers were to fulfill in carrying out monitoring activities and
- had not established any procedures or guidelines for carrying out monitoring responsibilities."

Inequalities in the Preventive Health Services Offered to Federal Employees, MWD-76-62, June 14, 1976. A major message in this report was the lack of data evaluating the value of providing preventive health services to Federal employees.

How States Plan for and Use Federal Formula Grant Funds to Provide Health Services, MWD-75-85, December 9, 1975. Few program evaluations or analyses identify the need for program improvements and methods or approaches to health problems which show success.

Fundamental Improvements Needed for Timely Promulgation of Health Program Regulations, HRD-77-23, February 4, 1977. This report evaluated and analyzed the process for the issuance of regulations for seven HEW agencies. This analysis was initially requested by the House Subcommittee on Health and the Environment, Committee on Interstate and Foreign Commerce. However, after the evaluation was started, the Secretary of HEW requested the study in order to assist them in their own evaluation of regulation processing.

The Well Being of Older People in Cleveland, Ohio, ERD-77-70,

April 19, 1977.

"To answer this question, the Congress needs information on the impact of Federal programs on the people they are trying to help. Such information is spread piecemeal throughout many Federal, State, local and private agencies. As a consequence, no Federal agency has evaluated the combined effect of the many programs on older people. Currently, even the amount of Federal funds supporting programs for older people cannot be determined. An overview of the impact of Federal programs on older people--multiprogram evaluation--is needed.

"Multiprogram evaluations performed by a single agency looking across agency lines at many different departments are necessary. To assist the Congress and demonstrate that meaningful multiprogram evaluations can be made, we attempted to determine the impact of Federal programs on older people. We looked at 23 Federal programs administered by various agencies, including the Department of Agriculture; Health, Education, and Welfare (HEW); Housing and Urban Development; Labor; and Transportation."

Most agencies' Programs to Assist Employees With Alcohol-Related Problems Still Ineffective, HRD-77-75, September 7, 1977. Federal agencies and the CSC should direct their efforts toward evaluations of civilian alcoholism program activities or they will not be in a position to know how effective programs really are.

Office of Human Development

New Child Support Legislation--Its Potential Impact and How to Improve It, MWD-76-63, April 5, 1976.

"The lack of action by HEW to administer and monitor the program was one major weakness noted. This was characterized by no single organization having total program responsibility, program efforts lacking coordination, and basic program information not being available."

"GAO is recommending that legislative changes be made and that the annual program report to the Congress contain information to help determine how much the new legislation has improved program operations."

More Can Be Learned And Done About the Well-being of Children, MWD-76-23, April 4, 1976.

"The report addresses the need for Federal evaluation of programs concerning the well-being of children, for research directed toward problems identified through such evaluation, and for greater dissemination of research knowledge.

"GAO devised an unprecedented method for measuring the progress of children accepted for protective services by welfare agencies. This method focuses on the well-being of children rather than on the number and types of services provided or available."

Office of Education/National Institute of Education

(also see appendix 5).

Follow Through: Lessons Learned From Its Evaluation And Need
To Improve Its Administration, MWD-75-34, October 7, 1975.

The Office of Education contracted for a national evaluation to assess effects of approaches undertaken in the Follow Through program--an experimental program designed to find more effective approaches to teaching young children from low-income families.

"We recommend that the Secretary of HEW direct the Office of Education to insure that future experimental programs are not designed apart from evaluation to maximize the degree to which experimental results will be statistically reliable."

Bilingual Education: An Unmet Need, MWD-76-25, May 19, 1976.

"Because adequate plans were not made to carry out, evaluate, and monitor the Bilingual Education Program, the Office of Education has progressed little toward

- identifying effective ways to provide
bilingual education instructions,
- adequate training of bilingual education
teachers, and
- developing suitable teaching materials.

"No comprehensive information is available on the program's effect on students' academic progress,

but the Office of Education has contracted for a national evaluation on this. Local project evaluation reports have been inadequate and of little use to local and Federal decisionmakers."

The National Assessment of Educational Progress: Its Results

Need To Be Made More Useful, HRD-76-113, July 20, 1976.

The National Assessment of Educational Progress is a project which annually surveys the knowledge, skills, and attitudes of young Americans. We reported that HEW needs to redirect the project by (1) identifying informational and other needs of decisionmakers, (2) determining the feasibility and cost effectiveness of alternative approaches to satisfy the needs, and (3) deciding on the assessment approach to be used.

Center for Disease Control

The Urban Rat Control Program Is In Trouble, MWD-75-90,

September 29, 1975. Our report specifically pointed out the need for the agency and Congress to determine more measurable objectives for program progress. Our review included a verification of the agency's evaluation process in which we concluded that the conclusions reached by the agency evaluations were subject to variables that had not, but should have been, considered.

Health Service Administration

Factors That Impede Progress in Implementing the Health Maintenance Organization Act of 1973, HRD-76-128, September 3, 1976. This review involved a nationwide questionnaire instrumental in evaluating the impact and attitudes of potential beneficiaries of the HMO Act of 1973. This information and that resulting from concurrent HEW and GAO studies of HEW management resulted in specific legislative changes to the HMO Act. In addition, GAO requested legislation which was passed to revise legally mandated evaluation requirements that the original act placed on GAO.

We found also in this review that "HEW has developed data-reporting requirements which, alone, will not provide sufficient information for the evaluations required by section 1315 of the Act. HEW will rely on special studies to fully meet its evaluation requirements."

Progress, but Problems in Developing Emergency Medical Services Systems, HRD-76-150, July 13, 1976. This report commented on the slow progress of the Federal program that encourages National Emergency Medical Services Systems and specifically criticized HEW by noting a need for the Department of improved guidelines for evaluation grantee progress and assessing readiness to proceed with system development.

Letter report to Senator James Abourezk on Investigation of Allegations Re: Indian Health Service, HRD-77-3, November 4, 1976. This report was the second of two reports that dealt specifically with the inability of the agency to respond to its management information and evaluation systems. We also criticized the input process of the evaluation system with regard to the number of American Indian women who had undergone sterilization procedures in the Indian hospitals.

Outpatient Health Care in Inner Cities: Its Users, Services, and Problems, MWD-75-81, June 6, 1975. One source of data for this review was health studies and demographic data from the various public and private agencies.

"HEW has developed an indicator to identify medically underserved areas. This indicator is composed of: percentage of population with income below the poverty level, percentage of population 65 and over, infant mortality rate, and physicians per 1,000 population.

"Using this indicator, we determined that the eight social planning areas in Cleveland were significantly medically underserved. Using the same indicator, the Erie County Health Department determined that an area in Buffalo having a large concentration of the poor also was significantly medically underserved. This area included most of the model cities area. In both cities these medically underserved areas contain the greatest concentrations of low income people."

Improving Federally Assisted Family Planning Programs, MWD-75-25, April 15, 1975. This report evaluated and questioned the usefulness of the National Reporting System for the Federal Family Planning Program and also recommend that HEW establish criteria for monitoring and evaluating costs and performance of family planning programs.

Community Services Administration

Improvements Needed in Community Services Administration's Grantee

Self-Evaluation System, HRD-76-151, July 20, 1976.

"Our review centered on the Agency's system requiring grantee self-evaluation. We assessed how grantees in CSA's Chicago, San Francisco, and Philadelphia regions had implemented the system. Our review included discussions with Federal, State, and local program officials and an examination of self-assessment, planning, and other related reports used in evaluating antipoverty programs.

"In July 1975 CSA issued standards to evaluate the effectiveness of CSA administered programs and projects. In June 1976 CSA was completing development of guidelines for using these standards in making CSA funding determinations. Following are CSA's standards which generally restate the 1969 OEO standards of effectiveness for local community action and other programs.

- Strengthen community capacity to plan and coordinate poverty-related programs.
- Improve organization of services related to needs of the poor.
- Maximize participation of poor in the program.

- Broaden community resources invested in antipoverty activities.
- Increase innovative approaches attacking the causes of poverty.
- Maximize employment and training opportunities for groups served.

"CSA headquarters needs to provide better oversight and guidance to its regional offices on implementing the self-evaluation process. Specifically, we found that:

- Regional and headquarters offices had not established or appropriately staffed formal organizational structures for oversight of CAA evaluation activities.
- Regional offices were not obtaining and using relevant CAA self-evaluation and planning reports.
- Inconsistent regional guidance contributed to disparity in the existence and quality of CAA self-evaluation systems."

Data Gathered on 189 Federal Programs Benefiting the Poor,

MWD-75-87, June 2, 1975. Our review gathered data on 189 Federal programs benefiting the poor. Data included 150 studies made during fiscal year 1969-73 by internal audit staffs, agency evaluation groups and contractors. About half of the 150 could be classified as program evaluation or effectiveness studies, usually performed by contractors.

"We identified 71 reports, issued by our Office from July 1968 through June 1974, dealing with reviews of the effectiveness of Federal programs benefiting the poor.

"Several of our reports in recent years have pointed out the need for more coordination among Federal programs. Where several agencies are providing assistance to individuals or communities, often no single agency is assigned responsibility for coordinating all programs having similar objectives.

"Our analysis of those reports dealing with the evaluation of programs having similar objectives suggests that in several areas persons can be served by more than one program, not necessarily duplicative but certainly similar in nature. Thus, a person might be eligible for similar benefits from at least two programs, one based on the type of assistance offered and one based on the category of persons served."

Department of Labor

Department of Labor's Past and Future Role In Offender

Rehabilitation, MWD-75-91, August /, 1975.

"Labor has tried a wide range of research and demonstration projects to find ways to alleviate the difficult problem of criminal offender rehabilitation. Some programs appeared to have promise. Pretrial intervention is a preventive program which seeks to save individuals from having criminal records while putting them on a constructive path to productive lives in society. Inmate training seemed to offer some help to offenders in developing employable skills. The model ex-offender program, as a job placement effort, assisted offenders in finding jobs.

"Because the objective of any research and development is to determine the best method for solving a problem, evaluation of these efforts is important and they are needed to decide the best course of action. Labor's past efforts to evaluate criminal rehabilitation programs have been hampered by poor recordkeeping and difficulties in locating ex-offenders after release from prison. Because followup data on ex-offenders who have completed rehabilitation programs is a key element in the present evaluation process, it may be necessary to revise evaluation concepts if there is no significant improvement in obtaining this data."

Labor stated that a set of goals and objectives is under review and programs are being evaluated. Labor said a study could be made to find the best way to make post release followup on offenders.

Social Security Administration

Improvements Needed in Medicaid Program Management Including
Investigations of Suspected Fraud and Abuse, MWD-75-74, April 14, 1975.

"Utilization review is the system used to determine the appropriateness of medical care provided and to identify and prevent overutilization of medical services. Utilization review has two basic purposes: (1) to help insure that individuals receive high quality medical care and (2) to control program costs by preventing unnecessary use.

"The Social Security Act requires States to have operational utilization review systems for all services provided by Medicaid and lists specific requirements for utilization reviews of institutional services.

"The compliance problems relating to utilization review reported by the regions and in numerous HEW audit reports indicate a lack of SRS action to insure that States have effective utilization review systems. HEW's delay in issuing regulations and its failure to impose penalties has delayed the effective implementation of utilization review systems in the States. SRS should move rapidly to assist the States in improving their

systems to protect against unnecessary and inappropriate utilization and thereby reduce Medicaid costs and improve the quality of care provided under Medicaid. Improved utilization review systems should also help detect and control fraud and abuse."

Improvements Needed in Rehabilitating Social Security Disability

Insurance Beneficiaries, MWD-76-66, May 13, 1976.

"Under the 1966 program management agreement, Rehabilitation Service Administration, (RSA) agreed to furnish data to SSA for evaluating the Beneficiary Rehabilitation Program effectiveness. In turn, SSA intended to provide an evaluation to the Board of Trustees for its annual report to the Congress. However, RSA has not furnished the necessary data and SSA has not developed it independently. As a result, program planning and evaluation have not occurred as originally intended, and the Board of Trustees has not had the information necessary to report program effectiveness to the Congress.

"Inadequate staffing for the Beneficiary Rehabilitation Program and the lack of an adequate management information system resulted in inadequate HEW assessments of program progress and potential and insufficient guidance to State vocational rehabilitation agencies in understanding the program's goal and in interpreting eligibility criteria.

"This may explain why, nationally, the number of beneficiaries reported by HEW as rehabilitated has increased each year since the beginning of the Beneficiary Rehabilitation Program, while the number of beneficiaries being removed from the benefit rolls have leveled off at about 2,500, having peaked at 3,078 in 1970.

"HEW and the Board of Trustees have not been able to provide accurate information on the program's operation and potential to the Congress.

"Program administration would be improved by the periodic monitoring of progress and performance assessments which are provided for in the Secretary's Operational Planning System. This would also assist the Board of Trustees in presenting to the Congress an evaluation of the program's operation."

Legislation Needed To Improve Program For Reducing Erroneous Welfare Payments, HRD-76-164, August 1, 1977.

"Since the quality control program was initiated in 1973, HEW has continually through 1976, overstated the programs' accomplishments. Savings estimates resulting from error reduction were not based on valid statistical projections and included actions which did not necessarily produce direct savings in welfare payments. HEW did not consider the administrative costs that would be associated with implementing

corrective actions. In addition, States generally did not conduct cost effectiveness studies before starting corrective actions, although required to do so by HEW."

EVALUATION AND ANALYSIS TO SUPPORT DECISIONMAKING

Source

The General Accounting Office issued a document, Evaluation and Analysis to Support Decisionmaking, PAD-76-9, September 1, 1976, which it described as "* * * a first step in collecting and disseminating general concepts on these activities and how they are related to other activities in the continuum of decisionmaking about Government programs."

Excerpts from Introduction

"Thus ultimate choices about programs--decisions about whether to do or not to do something--will be policy choices. However, political leaders, public administrators, and the public need as much information as possible on the choices that must be made. This need has stimulated the development of various analytical techniques which have been grouped under labels such as program evaluation and policy analysis. The art of evaluation and analysis is not yet sufficiently developed to permit preparation of a manual covering 'how to do it' in every situation."

"Thus, we offer this document as a first step in collecting and disseminating lessons learned in GAO and elsewhere about analysis and evaluation. Generally speaking, we offer this guidance for the use of anyone who is 'evaluating' programs and 'analyzing' policy choices in the sense of engaging in a careful appraisal of what happened, why it happened, what choices are

available for future actions, and what the implications are of those choices.

"The concepts and guidance which we offer must be adapted to specific program situations. Program objectives are seldom as clearly stated or agreed upon as would be desirable for evaluative purposes, no program operates in isolation from other social or economic events; and data and measurement techniques are almost always less adequate than desired. It is in the adaptation of the ideal and the theory to the specific situation that the persons doing the work show their worth."

Excerpts form Chapter 3: The Evaluation and Analysis Continuum

"For purposes of this document, drawing sharp distinctions between evaluation and analysis is less useful than focusing on the two basic questions which decisionmakers, and their staff, face:

(1) What actually has happened as a result of past or current policies and programs and what have we learned? and (2) What should be done in the future and what are our options? Answering these questions can, in turn, be roughly translated into broad classes of activities: appraising the results of policies and programs and assessing alternative policies and programs."

Excerpts from Chapter 4: Appraising Results of Policies and Programs and Assessing Alternative Approaches

"The activities of appraising results and assessing alternatives of programs and policies share certain fundamental concepts in which the mode of inquiry is essentially the same. These fundamental concepts include:

- ascertain decisionmakers' needs,
- defining the nature and scope of the problem,
- determining valid objectives, and
- specifying comprehensive measures.

* * *

"The process of appraising results should begin concurrently with policy or program implementation and continue as needed. Continuous appraisal, through a well structured management information system, should be maintained, but even when it exists there will be a need for special reviews from time to time.

"After the fundamental concepts discussed above are understood they must be further developed through application of other more specific concepts and methods including:

- making valid comparisons,
- developing needed information,
- interpreting program results, and
- checking the completeness of the appraisal.

"As in the case of appraising policy and program results, the methods used in assessing policy and program alternatives build on the fundamentals discussed at the beginning of this chapter. In this case also, there are additional concepts and methods which are needed, such as:

- developing a range of alternatives,
- screening the preliminary alternatives,
- estimating the measurable consequences,
- assessing provisional orderings,
- determining the impact of constraints,
- reassessing the ordering of alternatives, and
- checking the completeness of the assessment."

Contents of Chapter 5: Practical Aspects of Managing and Performing Studies

Formulating an agenda of studies

Identifying emerging problems

Deciding which problems to study

Beginning a study

Preparing a detailed study plan

Selecting the study team

Establishing lines of communication

Selecting appropriate methods

Conducting a study

Collecting relevant data

Testing the reliability of data

Protecting the confidentiality of
information about individuals

Documenting and referencing

Adhering to time schedules

Leading and coordinating the study
team

Using computer-based models (see also Appendix 4)

Communicating study results

Specifying the nature of reports

Communicating with clarity and con-
ciseness

Following up

THE USE OF LARGE SCALE MODELS

To deal with complex issues in such areas as social welfare, food, energy, the environment, transportation, and urban planning; Government policy analysts and decisionmakers, in increasing numbers, have been using conceptual models, often implemented on a computer, to perform program and policy analyses. In concept, a model is a simplified representation of the underlying structure of an issue. Such a model can be used by analysts to assist decisionmakers in assessing the interaction of several elements of an issue and the combined response of these elements to specific alternative policy options.

Models allow analysts and decisionmakers to deal with aspects of these issues which are not readily susceptible to analysis with other tools. However, a model is a simplified representation of an issue based on simplifying assumptions, approximations, and judgments all of which affect the validity, reliability, and accuracy of the model's results. Obviously there is a need to guard against the temptation to view a model as a magic "black box" which automatically gives truthful and complete answers. The fact that aspects of an issue are examined by computer in minute detail and at electronic speed can give a false air of reality to the results. A prospective policy analyst/decisionmaker may use a model's results without being fully aware of the assumptions, approximations, and judgments that went into the model, and how they affect these results. Thus, GAO feels it is essential that these models are carefully evaluated to establish the confidence in their results.

With regard to programs and policies of concern to the Committee on Human Resources, we have conducted an assessment of the Transfer Income Model (TRIM). Several versions of this model have been used to provide estimates to policymakers in both the Executive branch and the Congress, of the distribution effects, program costs, and other impacts of proposed changes in major social programs. TRIM has been used to analyze programs such as Aid to Families with Dependent Children, Food Stamps, Supplemental Security Income, and Federal Individual Income Tax programs; variations of a housing allowance program; and, negative income tax proposals such as the Income Supplement Program and the Allowance for Basic Living Expenses Program. TRIM is being used to support the work of President Carter's Welfare Reform Task Force.

GAO's evaluation of TRIM sought answers to a number of questions such as:

- What are the major assumptions made in the model?
- What effect do these assumptions have on the model's results?
- Is the model documentation sufficient to understand, use, and maintain the model?

THE PROBLEM OF TIMING OF EVALUATION RESULTS

A recent GAO report Problems and Needed Improvements in Evaluating Office of Education Programs, (HRD-76-165, September 8, 1977) was focused on the usefulness and limitations of federally supported evaluations of programs under the Elementary and Secondary Education Act. This report demonstrates the need to consider differing views regarding effectiveness measures preferred by policymakers at different levels of Government. The report discusses actual difficulties reported by evaluation officials in implementing study results in the policymaking climate prevailing when the results were published. Difficulties occurred in cases where a direct effort had been made to cause utilization through use of a "policy implication memorandum" procedure implemented by OE in 1972.

In our opinion, OE needs to give higher priority to policy implication memorandums or some other procedure for achieving increased use of evaluation findings. We recommend to HEW that these evaluation results should be better timed to coincide with the legislative cycle and that more attention should be given also to more frequent briefing of congressional committee staffs on the objectives, data, and effectiveness measures being used in these evaluations.

Excerpts from Introduction of GAO Report

"The table below lists the funds available to OE for planning and evaluation. According to OE, these sums, although substantial, represent less than three-tenths of 1 percent of OE's total annual program appropriations and must cover approximately 85 legislative

programs. OE's Assistant Commissioner for Planning, Budgeting, and Evaluation estimated that from about 1971 on, approximately two-thirds of the OE planning and evaluation appropriation funds have been used for OE evaluation activities. (Chapter 4 provides funding information on State- and local-level evaluations of elementary and secondary education programs.

OE Planning and Evaluation Funds

<u>Fiscal Year</u>	<u>OE planning and evaluation appropriations</u>	<u>OE program funds used for evaluation (notes for a and b)</u>	<u>Total</u>
(000 Omitted)			
1968	\$ 1,250	-	\$ 1,250
1969	1,250	-	1,250
<u>c/</u> , <u>c/</u> 1970	9,512	\$ 4,155	13,667
<u>d/</u> , <u>d/</u> 1971	12,475	8,724	21,199
<u>d/</u> , <u>e/</u> 1972	11,225	3,950	15,175
<u>d/</u> 1973	10,205	9,880	20,085
<u>d/</u> 1974	5,200	5,268	10,468
<u>d/</u> 1975	6,858	11,043	17,901
1976	6,383	10,512	16,895

a/Includes funds authorized from Follow Through, Emergency School Assistance Act, title I of the Elementary and Secondary Education Act, Basic Opportunity Grants, Project Information Packages, and Career Education programs.

b/Does not include program funds used by State and local education agencies for evaluations under Elementary and Secondary Education Act, titles I, III, VII, and VIII.

c/Does not include \$5 million appropriated for grants to States for planning and evaluation under Elementary and Secondary Education Act, title V, part C--Comprehensive Educational Planning and Evaluation.

d/Includes support for the Educational Policy Research Centers (at Stanford Research Institute and Syracuse University Research Center) for the following fiscal years: \$900,000 (1971); \$900,000 (1972); \$950,000 (1973); and \$450,000 (1974). Monitorship of the centers was transferred to the Office of the Assistant Secretary for Education in fiscal year 1974.

e/Excludes \$1 million earmarked for NIE planning.

"Systematic, comprehensive evaluation of Federal education programs at the Federal level dates back only to 1970. At that time the Congress increased OE evaluation funds in response to HEW's request. According to OE, such efforts were largely precluded before then by insufficient appropriated funds for evaluation and too few technically qualified evaluation staff members. Since fiscal year 1970, OE has attempted to expand and upgrade its evaluation activities and capabilities. The equivalent of 23 professional full-time staff members are now assigned to evaluation.

"The Office of Planning, Budgeting, and Evaluation has designed and begun over 100 evaluation and planning studies; instituted an annual evaluation plan highlighting yearly priorities; and implemented a process for disseminating, chiefly at the Federal level, the major results of evaluation studies.

"Almost all OE evaluation and planning studies are performed under contract. OE's evaluation office issues a request for proposals after determining the study's

design and the techniques to be used--for example, sample size, analysis method, and data collection method. Contractors are selected competitively. After a contract is awarded, an OE project monitor from the evaluation office monitors the contractor's performance by exercising approval over the approach to be used, making site visits, and reviewing progress reports. The project monitor also reviews and approves the draft report's technical adequacy, completeness, and responsiveness before the report is finally accepted.

Excerpts from Chapter 4 of GAO Report

"State and local education agency officials, responding to our questionnaires, indicated a need to improve evaluation reports including the credibility of findings and the qualification and quantification of measurement data. Other evaluation problems at the State and local level include relevance to policy issues, completeness and comparability of data reported, and report timeliness.

GAO ASSISTANCE TO THE SENATE COMMITTEE
ON HUMAN RESOURCES IN SPECIFYING AND
DEVELOPING REQUIREMENTS FOR FISCAL,
BUDGETARY AND PROGRAM-RELATED INFORMATION

Title VIII of the Congressional Budget Act of 1974 requires that the General Accounting Office (GAO) assist the committees of Congress in specifying and developing their requirements for fiscal, budgetary and program-related information. Upon request GAO has been working with the Senate Human Resources Committee in advising and assisting it in specifying and developing its overall information requirements in order to fully participate in the new congressional budget process and to strengthen its oversight function.

Often the lack of an adequate base of information contributes significantly to the difficulty in the conduct of responsive program evaluations. Responsive program evaluations can be performed only if there is relevant and timely information readily available. Further, the range of information (budget, financial, program performance, program impact, etc.) must be structured or linked together in a meaningful way. Consequently, we consider the GAO responsibilities under Title VII and VIII of the Congressional Budget Act as not only closely related but mutually supportive. As we assess the information needs of committees, we also assess the information needs as they relate to conducting needed program evaluations. In addition, the management planning and feedback process to make the best use of the evaluative information and to capture timely and useable information is considered.

Support for Committee Reports on Views and Estimates

With the full participation and support of the agencies responsible for programs within the Committee's legislative jurisdiction, detailed budget information was specified and collected to support the March 15, 1975, 1976 and 1977 "views and estimates" reports required by the Budget Act. Continued collaboration is essential to support the Committee in its annual data requirements for the development of the March 15 "views and estimates" reports as well as other phases of the budget process. GAO will continue to support this maintenance requirement with an automated data base. The Senate Computer Center is implementing a tracking system for the Committee from a conceptual framework developed by GAO. This system will follow budget-related congressional actions for the Committee's programs. The system will be initiated each year from the GAO automated data base which supports the Committee's "views and estimates" report.

Support for Committee Oversight

In addition to this budget oriented development effort, we have been working directly with the Committee staff and the executive agencies on selected programs in defining and assessing the Committee's other information requirements. Fulfilling all the Committee's requirements will need continued work.

On December 18, 1975, we provided the Committee with an initial document (Discussion of Information Needs, Senate Committee on Labor and Public Welfare (OPA-76-57)) which identified the type of information the Committee needed in broad terms and described the conceptual framework

for providing that information. We then began work on two information systems to satisfy some of these needs.

The first information system was discussed above. The second focuses on program planning, execution and performance information to support oversight responsibilities.

Elementary and Secondary Education Act (ESEA) Programs

On May 25, 1976, we published a three-part document entitled "Proposed Formats for Information Collection from Selected Agencies of the Department of Health, Education and Welfare: Part I, Office of Education; Part II, the National Institutes of Health; and Part III, the Center for Disease Control, the National Institute for Occupational Safety" (PAD-76-33). Attachment I displays a list of the types of information elements these collection formats attempted to capture.

Information used to test the Elementary and Secondary Education Act (ESEA) programs part of this system was collected mainly from Office of Education. The programs included are those authorized by ESEA Title I - Educationally Deprived Children, Title IV, Part B - Libraries and Learning Resources (Consolidation), Title IV, Part C - Innovation and Support (Consolidation) and Title VII - Bilingual Education. The complete program structure is identified in Attachment II.

During last summer and fall GAO personnel assisted Office of Education program and budget personnel in completing the formats designed to collect information. An initial evaluation of the results has been made of the usefulness to the Committee of the information and the feasibility and desirability of providing the information to the Committee.

The selected education programs were and are currently being analyzed as to their potential for supplying information for measuring accomplishments against legislative, judicial, and executive operating objectives. The information collected included program overview and budget execution information, as well as performance and impact indicators. In accordance with guidance from the Committee staff we analyzed information and classified the requirements as (1) easily filled, (2) filled with some additional efforts, and (3) requirements needing long-range development to fill the information gaps. This effort is described in a GAO document which will soon be provided to the staff of the Committee on Human Resources. The appendices to the draft document exhibits the information collected from the Office of Education and demonstrates a display which could be used to present the information.

We believe that budget, financial and program information currently available within OE offers an opportunity to provide an improved base of information to the Committee. There is, however, no cohesive presentation of this information available to the Committee. If properly displayed and packaged for the Committee, we feel this information could be of valuable assistance to the Committee in carrying out its oversight and budgetary functions. This should facilitate linking the budgetary, evaluation, and performance information with congressional and agency decision-making processes. Also, linking the information with the congressional and agency decision-making process should force better timing of evaluations, more consistent information, and focus evaluation objectives on program impacts. One of the objectives of our project is to demonstrate the feasibility of agencies providing such a presentation.

We believe there is sufficient information to support the initiation of a system of information for the Committee. However, there is still a void in the area of good hard evaluation and performance type data.

Adequate program performance impact data is often not systematically available in agency information systems. For instance, we have found that evaluation information for some programs is not centrally coordinated. Further, the performance and impact information that is available is often difficult to link with planning and resource allocation structures.

Education Information at State and Local Education Agencies

Because of the information systems' inadequacies discussed above, conducting sound evaluations is difficult. In an attempt to determine whether information is available outside the federal sector which could help fill this void we have recently obtained assistance from the GAO New York Regional Office/Albany staff. We are jointly conducting an exploratory search of Education information at the State and local education agencies. This will not be a performance evaluation. Through this work an analysis will be made of Federal, State and local ESEA implementing regulations focusing on the information available at the State and local education agencies in relation to the regulation requirements. The results of this search will include an assessment of the: potential usefulness of the information available at the State and local level, location of the information, apparent voids in information, and any changes in legislation needed to provide required information. The results of this work will be incorporated in our overall information systems development effort.

Further Assessment

As further Regional Office staff becomes available we will direct other projects in evaluating and assessing the appropriateness and usefulness of currently available indicators. This work could also result in further refinements in the information requirements.

Any information systems developed from this work will be made available to the agency as well as the Committee.

Social Indicators

The Committee also requested that we assist it in specifying and developing an operational system of social indicators. Social indicators related to employment were chosen for this preliminary work.

We have reviewed the available employment data series. These included employment and unemployment statistics, wage and salary data, working conditions and benefit data, new job satisfaction measures, and worker health and safety data. We were able to describe the strengths and weaknesses of the data as social indicators. We found that these employment concerns were represented in several budget functions and many programs to varying degrees.

We examined the current state of the art for systems of social indicators and found that the indicators were not systematically related to particular programs or budget functions. Presently, the only operational system is a list of descriptive statistics. It is difficult to specify the contents of a list as complete because a theory has not been developed which can measure social well-being in employment. We are working with

the Committee staff to determine how to set up an operational system of employment indicators to improve oversight and to assist it in the budgetary decisions.

Need for Initiation of Systematic Information Processes

We believe that the approaches we are developing and testing for the Committee will assist the agencies in developing more responsive planning of evaluations and feedback of results and the Committee in receiving useful and timely information. It is our opinion that the usefulness of performance and evaluative information for the Committee could be improved through the initiation of a systematic process.

INFORMATION ELEMENTS

- authorizing legislation
- pending and proposed legislation
- time limits (if any on the authorizing legislation)
- funding constraints (if any) included in the authorizing legislation
- program/subprogram objectives
- other programs with similar or related objectives
- short program/subprogram description
- program/subprogram manager
- program/subprogram evaluation (accomplished, planned and in process)
- recipient information
- target group
- project, grant and loan information
- participating institution information
- program performance indices
- geographic distribution information
- budget authority
- apportionments
- allotments
- obligations
- receipts and reimbursements
- outlays
- transfers
- allocations

--reprogrammed funds

--estimated unobligated balances (prior years and current year)
(available and unavailable)

--OMB budget account number

--year's financial plan

--program direction and operation costs

Elementary and Secondary Education Act Programs

Title I - Educationally Deprived Children

- Grants to Local Education Agencies
- State Administration
- Special Grants to Urban/Rural (Repealed June 30, 1975)
- Incentive Grants
- State Programs
 - Handicapped in State Schools
 - Migratory Children
 - Neglected and Delinquent Children
- Studies and Evaluation
 - Participation Study
 - Study on Updating Count of Children
 - Study on Compensatory Education
 - Study on Measure of Poverty
 - Program Evaluation

Title IV, Part B - Libraries and Learning Resources, Consolidated

- State Administration
- Equipment and Minor Remodeling
 - State Administration
 - Loans to Non-profit Schools
- School Library Resources
 - Administration of the State Plan
- Guidance, Counseling, Testing
 - State Activities

Title IV, Part C - Innovation and Support, Consolidation

- Strengthening State and Local Education Agencies
- Supplementary Educational Centers and Services
- Dropout Prevention
- Nutrition and Health
- Comprehensive Planning and Evaluation
- State Administration

Title VII - Bilingual Education

- Basic Program (Grants to Local Education Agencies for Classroom Demonstration)
- Materials Development
- Advisory Council
- Training
 - Professional Development
 - Resource Centers
 - Fellowships
- Assistance to State Education Agencies
- Commissioner's Report on Bilingual Education

FINDING OUT HOW PROGRAMS ARE WORKING:
SUGGESTIONS BEING DEVELOPED FOR CONGRESSIONAL OVERSIGHT

A suggested oversight procedure is being developed by GAO in response to a request from Senator Leahy and in fulfillment of GAO's responsibilities under the Congressional Budget Act, to develop and recommend to the Congress methods for the review and evaluation of Government programs.

The suggested oversight procedure being developed, if applied by the Congress, would establish a disciplined process for agencies to follow in monitoring, evaluating, and reporting on their programs in order to answer congressional oversight questions.

This suggested procedure is being designed to avoid pitfalls common to program evaluation and to give the Congress several opportunities to communicate and clarify its oversight concerns to the responsible executive agencies.

Under the procedure being developed, the Congress would first establish its oversight requirements in authorizing legislation. The purpose of these requirements is to assure that the agencies know, as explicitly as possible at the time the legislation is enacted, what it is they are to report to the Congress, and when, about the implementation and evaluation of the program.

The required reporting about program implementation and evaluation following enactment would be aimed at establishing the basis for translating the general oversight concerns of the Congress into practical questions and evaluation criteria that fit the legislation or program under review.

The procedure under development would provide several opportunities for discussion between committees and agencies on the oversight questions which are most important and on the evaluation measures which can satisfactorily answer those questions.

Thus, the oversight procedure being developed, while establishing a disciplined review process, would permit case-by-case flexibility for tailoring the type of evaluation to the nature of the program or legislation under review.

The procedure under development would provide for the Congress to consider whether oversight questions such as the following can be answered in a manner consistent with legislative intent, before requiring an agency to conduct a detailed, time-consuming, and costly evaluation study:

- 1--Has the executive branch initiated implementation of the program?
- 2--Has the responsible executive agency developed, designed, and established the program?
- 3--Are specific program activities and operations being carried out at the field or operating level of the program?
- 4--Can the operating program be evaluated and can congressional oversight questions be answered using agreed-upon measurements and comparisons within acceptable limits of time, cost, and precision?

Since the cost of answering each of the preceding questions increases as one proceeds down the list, GAO's suggested oversight process is being designed to proceed in a systematic manner both during and after the enactment of authorizing legislation in order to answer these kinds of

basic oversight questions first. In this way, to detect and resolve, as necessary, any problems which may arise in program implementation and program evaluation planning before an evaluation study of a program's outcomes, impacts, and/or performance is conducted.

ASSISTANCE BY SOCIAL SCIENCE RESEARCH COUNCIL IN METHODS FOR
AUDIT AND REANALYSIS BY THE GENERAL ACCOUNTING OFFICE

The GAO's involvement in the audit and reanalysis of social experiments had led to heightened interest, both inside and outside of the GAO, in the development of standards and procedures for such work. The development of standards and procedures for audit and reanalysis requires that the audit community and the social research community resolve several difficult matters. Among these are; 1) issues about the premature release of research data; 2) the possibility that audit and reanalysis be viewed as intrusive procedures which might affect the outcome of an experiment; and 3) issues about the protection of individually identified research data obtained from participants. On this latter point, in addition to important legal and moral considerations, there is the practical matter that without a reasonable guarantee of confidentiality, citizen candor for evaluation purposes may suffer.

In order to prepare ourselves to deal with these difficult matters, the Social Science Research Council was awarded a contract by the GAO. The contract has the general purpose of assisting the GAO in its development of methods and techniques for auditing social experiments. Included in the contract scope is the specific purpose, "to identify and analyze alternative methods by which GAO might meet its legislated responsibilities in ways that will avoid being an undue influence on and/or causing damage to experimental design and research results."

GAO perceived the need to describe for the SSRC and the social research community its reasoning behind its desire to audit and re-analyze social experiments. Consequently, the attached background paper

dated April 8, 1977, was prepared. The background paper describes GAO's statutory responsibility to review and evaluate the results of Government programs and activities, which include social research and social experimentation. It also describes the nature of GAO's interest when it accesses individually identified personal data for such purposes.

We are conducting other related studies of audit and reanalysis experience from our own work. It is expected that these studies coupled with the report by SSRC will enable GAO to publish additional guidelines for the review and evaluation of social programs in accordance with our responsibilities under Title VII of the Congressional Budget Act. This work, it should be pointed out, is occurring simultaneously with what appears to be heightened awareness by social researchers that an appropriate next step is the development of a set of comprehensive standards and procedures by which to judge the quality of work performed by members of the field.

APRIL 8, 1977

BACKGROUND PAPER FOR USE BY
SSRC COMMITTEE ON AUDIT AND RESEARCH
ON
THE NEED FOR ACCESS BY GAO AUDITORS
IN THE AUDIT OF SOCIAL RESEARCH AND EXPERIMENTS

Purpose of this paper

SSRC has been awarded a contract which has the general purpose of assisting the GAO in its development of methods and techniques for auditing social experiments. Included in the contract scope is the specific purpose to identify and analyze alternative methods by which GAO might meet its legislated responsibilities in ways that will avoid being an undue influence on and/or causing damage to experimental design and research results.

This paper is intended to assure that the SSRC Committee has a full understanding of the GAO responsibilities so that any alternative methods are accurately evaluated in terms of meeting those GAO responsibilities.

Implications for research and experiments
of GAO responsibilities

The Budget and Accounting Act, 1921, requires the Comptroller General to investigate all matters relating to the receipt, disbursement and application of public funds and to make investigations and reports required by either House of Congress or by their Committees. So that he may do so, the Act also provides the Comptroller General or his authorized employees access to and the right to examine any books, documents, papers or records

of all departments and establishments of the Government except the Legislative Branch and the Supreme Court.

The Legislative Reorganization Act of 1970, as amended by the Congressional Budget Act of 1974, requires the Comptroller General to review and evaluate the results of Government programs and activities carried on under existing law when ordered by either House of Congress, or upon his own initiative, or when requested by any Congressional committee having jurisdiction over such programs and activities.

In order to carry out these broad investigative, evaluative, and reporting duties imposed on the Comptroller General, the GAO needs the access to records also provided by the above statutes. That access includes access to research and statistical records maintained in individually identifiable form.

The Privacy Act of 1974 specifically provides for GAO's access to records on individuals maintained by Federal agencies, including provision that such records may be disclosed to the Comptroller General or his authorized representatives in the course of performing the duties of the Office, without the written request of, or prior written consent of, the subject of the record.

The audit of social experiments

Social experiments, as distinct from the usual experiment conducted within the research community, are large and expensive, and are intended to have direct impact on the policy process. In contrast to the usual procedures of social research, such experiments are difficult to replicate. Verification through replication is an essential canon of the scientific tradition. All of the above point to the fact that by their very nature

the conditions which surround social experiments are such that they are not necessarily conducive to the open exchange, criticism, and careful examination which one would expect in any experiment. Thus, a strong case is made for the audit function as a surrogate for replication, a particularly important consideration in view of the policy-oriented objectives of a social experiment.

The GAO audit function is viewed by Congress as an independent source of information needed for use in its oversight of Federal programs and in its authorization and appropriations activities. The audit function can be viewed in an experimental program as a particularly important source of information about an experiment which, depending upon the outcome, could contribute to Congressional debate about whether to adopt a new national program.

The GAO activities in this type of audit may be broadly described as consisting of two functions:

1. The evaluation of the experimental design of a social experiment in order to determine whether the design is adequate to supply the data necessary to answer the questions which underly the experiment.
2. Sufficient verification activities to assess the adequacy of the implementation of the experimental design in the actual data collection efforts.

Audit practice and privacy of data

In 1972, GAO issued a document for guidance of government auditors, Standards For Audit Of Governmental Organizations, Programs, Activities And Functions. This document provides specific rationale for the standards which an auditor is expected to follow in his work. Regarding the possible need for the auditor's access to individually identified data

for purposes of verification such as reinterview, the following standards are particularly relevant:

- Due professional care is to be used in conducting the audit and in preparing related reports.
- Sufficient, competent, and relevant evidence is to be obtained to afford a reasonable basis for the auditor's opinions, judgments, conclusions, and recommendations.

However, the function of audit of social research and social experimentation and its need for direct access to the data raises the question of privacy and protection of individually identified social research data. There have been various occasions in which GAO has obtained selective access to such data, adequate for the objectives of the particular audit.

In its reviews of social research and social experimentation, GAO is not interested in personal information about individuals to make determinations about them or about their rights and entitlements. GAO is interested in that information only as an aid in evaluating the research or the experimental program being reviewed.

Most effective methods for the
audit of social experiments

The essence of an experiment should be to test some new idea. Such an experiment requires collection of data in a carefully designed procedure to measure the effect of some experimental treatment or treatments in comparison with what exists in very similar situations without the experiment.

GAO may decide that to test the validity of an experimental data base, access to individually identified data is required for several reasons. One reason might be that the auditor needs to reinterview a sample of the participants to verify that the subject selection procedures have been

carried out in accordance with the experimental design. Another reason might be to verify that other conditions or variables of the experiment are correctly recorded, e.g., type and quality of health care services received, quality of a participant's housing, etc.

Accordingly, it is important for GAO to consider, in planning each audit where review of a social experiment is involved, the costs and benefits of alternatives to reinterviewing that satisfy GAO's responsibilities. It should be expected that GAO will decide in some cases that in meeting its responsibilities to the Congress, reinterviewing is the most effective method to achieve its objective.