

# The Obama Administration: A Call for Data on What Works, What Doesn't

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President Barack Obama is living up to, if not exceeding, the expectations in the science community that he established during his campaign. One sees evidence in his words and actions, whether looking at his nominations, new policies, speeches, or science budgets. Highly symbolic was Obama's trip to the National Academies on April 27 to deliver a speech about his science policy, a trip that *Science* reported has not been made by a newly elected president since President John F. Kennedy.

Funding for research is one of the biggest issues for scientists, so Obama's April 27 pledge to devote the equivalent of 3% of the Gross Domestic Product (GDP) to research and development was music to the ears of many researchers. My colleague Keith Crank has written about funding for science research in the fiscal year 2010 (FY10) budget request and in the American Recovery and Reinvestment Act (ARRA—the "Stimulus Bill") in his *Amstat News* columns. So, I will focus here on the administration's perspective on statistical data, in general, and the federal statistical agencies, based largely on speeches during the May 8 symposium on the federal statistical system, co-hosted by the National Academies Committee on National Statistics (CNSTAT) and the American Academy of Political and Social Science and cosponsored by the ASA. (See the summary of the symposium by Howard Silver of COSSA on Page 10.)

## OMB's Peter Orszag

Beyond funding for research, science's influence is permeating the administration through Obama's leadership, appointments, and policies. Peter Orszag, the director of the Office of Management and Budget, is an excellent case in point. Orszag gave the opening presentation, titled "Federal Statistics in a Science-Driven Administration," at the May 8 symposium.

Orszag's speech manifested the support of this administration for the federal statistical agencies, and statistical data more generally, at many levels. Most impressive for me was that he made the appearance the day after the release of the annual budget

## IRS Statistics of Income

While this month's science policy column portrays the new administration as being a positive development for the federal statistical agencies and statistics more generally, it doesn't mean everything is going our way. The IRS Statistics of Income (SOI) Division, for instance, is in danger of losing control of its information technology (IT) resources. ASA President Sally C. Morton has written letters to many key administration officials regarding the ramifications this would have for SOI as a statistical agency, and I have been working with others in the community to address the situation.

I learned this spring that the IRS was acting quickly to take control of SOI's IT resources, including hardware, software, databases, and roughly 80 SOI IT staff (e.g., economists, statisticians, systems analysts, programmers, database administrators). Part of the IRS's motivation is data security and compliance with the Federal Information Security Management Act of 2002 (FISMA).

In response, Morton's letters to Director of the Office of Management and Budget Peter Orszag, IRS Commissioner Douglas Shulman, Treasury Secretary Lawrence Geithner, and others acknowledged the security concerns, but also highlighted confidentiality issues, the safeguards for which are set forth in the Confidential Information Protection and Statistical Efficiency Act of 2002 (CIPSEA).

Morton urged that the Statistics of Income Division be allowed "to maintain authority over its IT functions and personnel so it can continue to perform its work effectively and efficiently." Emphasizing "the respect for confidentiality, in reality and perception [being] of paramount importance to federal statistical agencies and programs," Morton expressed the concern that "IT centralization could jeopardize any CIPSEA pledges SOI makes, as well as significantly degrade its



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autonomy and ability to provide timely responses” to congressional and other client requests.

Morton also noted that the National Academies’ Principles and Practices for a Federal Statistical Agency lists independence as one of four key principles and that “authority to control information technology systems for data processing and analysis” is related to independence.

To date, the only reply has been from Michael Mundaca, the acting assistant secretary for tax policy at the Department of Treasury. Mundaca says in his letter to Morton that “the Office of Tax Policy is aware of the issues you raise and shares your interest in insuring [sic] that SOI has the IT resources that it needs to fulfill its mission while fully complying with all applicable laws and guidance. We plan on working with the IRS to see that IT restructuring intended to increase security does not compromise SOI’s effectiveness or the confidentiality of taxpayer information.”

Representative Carolyn Maloney, who chairs the Joint Economic Committee and is a longtime champion of federal statistical agencies, also wrote a letter to Shulman that stated, “It is imperative that a bright line be maintained between the collection, analysis, and use of data by the SOI for statistical purposes and that by the IRS more broadly for critical tax administration purposes. Any blurring of that line or merging of functions would undermine the ability of SOI to perform its mission, and the perception of its objectivity.”

Shulman replied to Maloney’s letter on May 6, saying “protection of taxpayer data is a top priority” for the IRS. He said he has asked the head of each IRS operating unit to work with the IRS “chief technology officer on a thoughtful plan to ensure that we have an integrated approach to securing taxpayer information” and that this effort is in the preliminary stages. Last, the letter states, “No one is exploring, nor am I interested in pursuing, any organization changes to the unique role SOI economists, statisticians, and other experts play within the division.”

I have also worked to examine other angles of influence, including meeting with staff for the Joint Committee on Taxation and the Senate Finance Committee.

With a new administration comes a fresh look at federal statistical agencies, as the new political appointees consider the role of statistics in each of their agencies. Morton has written letters to administration officials regarding statistical agencies other than SOI, as well. I will report such letters in the Science Policy Actions box included in this column and online at [www.amstat.org/outreach/scipolicyletters.cfm](http://www.amstat.org/outreach/scipolicyletters.cfm).

request, overseeing the development of which is one of his largest responsibilities. I was also encouraged because he devoted that day’s blog to his speech at the National Academies. His words backed his actions. To quote from his blog:

The president has made it very clear that policy decisions should be driven by evidence—accentuating the role of federal statistics as a resource for policymakers. Robust, unbiased data are the first step toward addressing our long-term economic needs and key policy priorities.

### *Orszag on Health Care and Education*

Noting that “big decisions are being made, often on inadequate information,” Orszag called for better data to guide policy. He highlighted two “areas where more and better data would be useful: health care and education.” Again, from his blog:

In health care, bending the curve on cost growth will require more information about how we’re spending our health dollars, the health outcomes we’re producing, and how specific interventions rank against alternative treatments. In education, better longitudinal data on the progress of individual students, which can be linked to specific programs and teachers, will go a long way to helping us understand what works better—and what doesn’t—and as a result, where to target scarce resources to bolster student achievement.

To document his point, Orszag showed a graph estimating Medicare and Medicaid’s costs going from today’s roughly 4% of GDP to almost 20% by 2080. Previewing arguments that President Obama would make in his subsequent push for health care reform, Orszag cited inefficiencies and wide variation in treatment as part of the problem. One of his slides showed a map of the United States revealing wide variation in per capita Medicare spending and another graph suggesting that quality of care doesn’t correlate with Medicare spending. He cited an example of wide disparity in cost of treatment within a single hospital for the same condition, depending on which department treated the patient.

Orszag sees tremendous potential for cutting federal deficits through better health care spending. In addition to funds for computerizing health records; prevention and wellness interventions; and sufficient and well-trained doctors, nurses, and other health professionals, the Obama Administration



allocated \$1.1 billion in ARRA for “comparative effectiveness research to arm physicians with data on what works and what doesn’t.”

On education, Orszag links a boost in U.S. productivity from 1960 to 1980 to “educational attainment,” which the U.S. Census Bureau defines as the highest degree of education an individual has completed. Calling educational attainment an unappreciated tailwind that is subsidizing and needing a boost, he points to improvements in education quality as a way to sustain the tailwind. But, as in health care, he feels data on what contributes to quality education is lacking and calls for “more rigorous evaluation of educational interventions.” As a step in the direction of building the data systems needed to make the big decision, he highlighted the \$40 billion in the stimulus bill to build the longitudinal data systems to track “students from pre-K to postsecondary and match students to individual teachers.” As an example, he noted the need to evaluate teachers based on classroom performance, not credentials.

### Federal Statistical Agencies

Further establishing the administration’s commitment to statistical agencies, the president’s science adviser, John Holdren, closed out the May 8 symposium’s sessions with a broad endorsement for data-driven decisionmaking. As Silver notes in his article, Holdren cited the importance of data for the administration’s policies for climate change, health care, and public investment, particularly for science research. He also echoed the call for buttressing the research capacities of the statistical agencies.

The budgets for the federal statistical agencies also seem to reflect the administration’s appreciation for statistical data. One of Orszag’s slides, which plotted funding as a share of the GDP for the federal statistical programs (excluding the Decennial Census), showed a small up tick in their 2009 budgets, after an overall decline of 20% since highs in 1980 and 1992. Indeed, an examination of the FY10 budget requests for the 13 largest federal statistical agencies (excluding the U.S. Census Bureau) reveals an average 6% increase over the FY09 levels—17% over FY08 levels—in a tough budget environment.

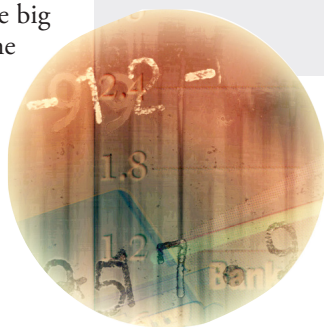
### ASA Science Policy Actions

ASA president sends letters to Attorney General Holder regarding Bureau of Justice Statistics and its director.

ASA president sends a letter to Senate leaders urging quick confirmation of Robert M. Groves for U.S. Census Bureau Director.

The ASA signs a letter to President Barack Obama on the importance of STEM Education.

ASA president sends a letter to Health and Human Services Secretary Kathleen Sebelius about the ASA Board’s data access and privacy statement. She also offered the help of the ASA Privacy and Confidentiality Committee for informing any updates to HIPAA privacy rules.



### Statisticians’ Opportunity

With an administration so receptive to statistical data and appreciative of statisticians, we have a golden opportunity. Orszag has opened the door, articulating what the administration needs: data for what works and doesn’t work, whether it be for health care, education, or any other challenge we face. Some of this will come from the federal statistical agencies, but the administration will also pay attention to findings from academia, think tanks, and other parts of the private sector. It is up to us to keep the door open. We must make a concerted effort to communicate findings useful to them, not necessarily what we think would or should be interesting. While the latter has its place, this administration has a clear vision for what it wants to achieve and a full agenda. I will also work with the ASA leadership to reach out to this administration and offer the help of statisticians. ■