

EXECUTIVE OFFICE OF THE PRESIDENT

File Privacy Act

OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

DATE: JUL 16 1976

REPLY TO
ATTN OF: ISD

SUBJECT: Report on Costs of Implementing the Privacy Act of 1974

- Agency Privacy Act Points of Contact
- IAC/ADP Members
- IAC/Telecommunications Members
- Regional ADP Council Chairpersons

Attached for your information is a copy of a new reporting requirement on Privacy Act Costs issued earlier this week.

Wally Haase

Walter W. Haase
Deputy Associate Director
for Information Systems

Attachment

Note: [Signature]

STATINTL

Information and Privacy Staff has a copy of the attachment. [Redacted] of ITPS verified by phone on 20 July that they have the action.



STATINTL



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

BULLETIN NO. TQ-1

July 13, 1976

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Report on Costs of Implementing the Privacy Act of 1974

1. Purpose. This Bulletin establishes procedures for a one-time report on the cost of complying with the Privacy Act of 1974 in order to permit an evaluation of the overall costs and effects of the Act.

2. Reporting Instructions.

a. General consideration:

(1) Reports should consist of agencies' best estimates of the costs of implementing the Act. Agencies should not establish separate permanent cost reporting systems to meet this reporting requirement.

(2) Many of the provisions of the Privacy Act prescribe record-keeping practices which are not unique to the Privacy Act. Therefore, only the incremental costs incurred as a direct consequence of the Privacy Act should be included in this report. For example, the workload estimates and associated costs of granting access to records should be based on the agency's estimate of the increase in such activity due to the Act, not the total cost of granting access to individuals under other agency procedures or the Freedom of Information Act. (It is recognized that, for many agencies, this can only be based on a rough estimate of the level of activity which would have existed absent the Privacy Act.)

(3) Where appropriate, the workload projections or assumptions on which estimates are based should be explained.

(4) If the agency expects annual recurring cost for future years (FY 77 and after) to be materially different from first year operating costs (e.g., because of workload projections) it should base the report on projected first

year operating costs and describe in an accompanying narrative how later year costs can be expected to vary. See paragraph d, below, regarding the period covered by this report.

b. Content of the Report -- Provide estimates of start-up (one-time) and operating (recurring) costs for each of the following:

(1) Publication requirements -- Report all costs for the development, publication, and distribution of rules, notices, administrative procedures, revisions to agency forms, notices to the public, and other publications required under the Act.

(2) Training -- Report both the cost of developing and conducting agency training (including training materials) and costs associated with participation of employees in training programs conducted by other central agencies such as the Civil Service Commission.

(3) Granting access -- Report the net costs associated with receiving, recording, reviewing and responding to requests for access to records as well as appeals of denials of access. This element should include only those costs directly attributable to activity under the Privacy Act. Workload estimates for inquiries and requests for access under the Privacy Act should be reduced by the levels of similar activity which existed prior to the Act. The development of any new procedures should be shown as one-time costs.

(4) Correcting records -- Report the costs associated with receiving, recording, reviewing, and responding to requests for correction of records including appeals of denial of such requests. As above, only the cost of additional activity directly attributable to the Privacy Act should be included.

(5) Security and control -- Report the cost of complying with the requirements to establish appropriate administrative and physical safeguards to protect the security and integrity of agency records beyond those otherwise necessary (e.g., for fiscal integrity, national security, or continuity of agency operations). Include both the costs of development or acquisition of hardware or computer programs to monitor or control agency record-keeping systems; costs for safeguarding files manually

maintained in files, safes or other special storage areas; and any other costs of developing and operating safeguards.

(6) Accounting for disclosures -- Report both the initial and continuing costs associated with accounting for disclosures. Include costs associated with development of any special administrative procedures or modifications of computer programs to permit maintenance of accounting records. Also include costs associated with the compilation and disclosure of accounting records to individuals exercising their rights under the Act.

(7) New data collection procedures -- Report the direct costs, if any, incurred by the agency because of limits imposed by the Act on the agency's ability to obtain information; e.g., costs associated with the establishment of new/separate data collection processes to seek information directly from individuals rather than from other agencies.

(8) All Other Costs -- Report any other costs attributable to the Act and specify the purpose of each. Such costs might include lost revenue from sale or rental of mailing lists, cost of preparing reports on new systems and the annual report, and the cost of any litigation including costs or damages awarded in actions in which the plaintiff prevailed.

(9) Reductions from Records/Systems eliminated -- Report the savings as a result of reports and systems eliminated as a consequence of a review of systems subject to the Act.

(10) Collections -- Report fees paid by individuals for copies of their records as provided for in 5 U.S.C. 552a(d)(1) and (f)(5).

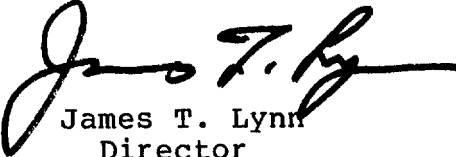
c. Report Format -- A standard format for agency reports is shown as the Exhibit to this Bulletin. A single agency summary is required for each agency although subsidiary detailed reports for major record-keeping subelements of the agency may be provided at the agency's option. If supporting material includes extensive tabular data, agencies should devise such formats as they deem appropriate to present the material. No special format is prescribed for any accompanying narrative which the agency deems relevant.

d. Reporting Period -- Start up costs will include any one-time costs incurred from January 1, 1975 through September 30, 1976. Operating costs should cover the period September 27, 1975 through September 30, 1976.

e. Distribution of the Report -- Provide two copies of the report to the Office of Management and Budget (Attn: Information Systems Division).

f. Timing -- Reports should be submitted to the Office of Management and Budget not later than August 31, 1976.

3. Inquiries. Inquiries may be addressed to the Information Systems Division, OMB (395-4814 or IDS 103).


James T. Lynn
Director

Attachment

PRIVACY ACT OF 1974

PART IV - INCREMENTAL COST OF IMPLEMENTATION

AGENCY

BUREAU (optional)

(\$ Outlays)

	START UP*	OPERATING**
1. Publication Requirements		
2. Training		
3. Granting Access		
4. Correcting Records		
5. Security and Control		
6. Accounting for Disclosures		
7. New Data Collection Procedures		
8. All Other Costs		
9. Reductions from Records/Systems Eliminated (deduct)		
10. Collections (deduct)		
TOTAL		

* Start up costs will include any one-time costs incurred from January 1, 1975 through September 30, 1976.

** Operating costs should cover the period September 27, 1975 through September 30, 1976.