Validation of Data Used in Performance Measures – FY 2014

Name of indicator:	**Regulatory cost savings**
Name of office/program:	**Office of Advocacy**
Performance goal indicator header (title):	**Regulatory cost savings**
Indicator overview/summary. Briefly answer the following four questions:	
1. Why was this indicator chosen?	Best available measure.
2. Relevance of this indicator for measuring program success.	Measure is an indicator to quantify regulatory cost savings to small entities achieved as a result of Advocacy interventions in the rule development process. Regulatory advocacy on behalf of small entities is a primary statutory mission of Advocacy (see 15 U.S.C. 634a *et seq.*). Dollars saved by small businesses in regulatory compliance costs can be used to maintain and grow their firms.
3. Any limitations on relevance to measure program success?	This measure is directly relevant to program success, but limitations in its calculation and accuracy are described in Section 2 below.
4. How is this indicator used or will be used to manage the program?	Measure is used to assess the success of the regulatory advocacy program within standardized time frames (e.g., by fiscal year or moving five-year average).
Is this indicator intended for internal use only?	No
Section I: Indicator definition and relevance	
Identify the Strategic Goal and Objective, and Priority Goal if any, that the indicator measures.	Strategic Goal: 1 Objective: 1.1
Indicator type: Select the indicator measure as a Contextual, Customer Service, Efficiency, Input, Outcome, Output, Priority Goal or Process (result).	Outcome
Priority Goal indicator category.	N/A
Actual direction.	Decrease from FY 2011 to FY 2012, the last years for which full-year data was available for reporting in the FY 2014 Congressional Budget Justification, which includes the Annual Performance Report for FY 2012.
Unit of Measurement: Indicate unit in dollar, number or percentage and indicate what you are measuring.	Cost savings from rules on which Advocacy has intervened are measured in dollars and consist of forgone capital or annual compliance costs that otherwise would have been required in the first year of a rule's implementation.

Origination Date: (MM-DD-YYYY) (As applicable)	N/A
End Date: (MM-DD-YYYY) (As applicable)	N/A
Calculation Method: Explanation of how the measure is calculated.	Cost savings data are supplied by federal agencies or affected industries. Because each rule's scope and effects are different, no standard formula for cost savings is possible.
Timeliness: Identify the reporting lag time between an event/action and the availability of data reporting	Data on regulatory cost savings can lag an agency's final action on the rule which generated these savings. The length of this lag time varies with each rule/agency. On some rules data may be available immediately; on others months may pass before savings are scored. Advocacy includes cost savings data in quarterly management reports as soon as such data becomes available. It also appears in detail in Advocacy's annual report to the Congress and the President on implementation of the Regulatory Flexibility Act.
Section II: Data quality	
Describe the data collection process for the indicator: • Identify how the data record is captured. • What is the data source?	• Savings on a given rule on which Advocacy has worked are captured in an internal database when the agency promulgating that rule agrees to the changes that result in savings and finalizes that rule. • Cost savings data are supplied by the federal agencies promulgating the relevant rules or the industries affected by them.
Identify the frequency of data capture:	Cost savings data are captured in the quarter and fiscal year in which the regulating agency agrees to changes in its rule resulting from Advocacy's intervention; this is not necessarily during the period in which the intervention occurred.
Describe any limitations to accuracy, measuring program success, or completeness of data (records without data, wrong data, double counting, etc.). Include OIG/GAO findings.	A limitation of this measure is that it is impossible to predict with any degree of accuracy when federal agencies will publish final rules that reflect cost savings resulting from Advocacy interventions. Also, there is no way to determine in advance what rules will cost in any given year or what cost saving modifications will be made based on Advocacy's interventions. Advocacy must rely on data supplied by federal agencies or affected industries. Cost savings rely on externalities; Advocacy does not control the content or timing of the regulations on which it works and from which cost savings may be derived. Another limitation of this measure is that Advocacy is unable to include in its annual estimate of regulatory cost savings any savings that result solely from pre-decisional deliberative consultations or technical assistance provided to

	regulatory agencies. These savings are in addition to those scored under this performance measure and are substantial but impossible to measure with accuracy. No OIG or GAO findings pending in FY 2014.
Describe plans to address limitations to accuracy or completeness of data. Provide Internal Control, OIG/GAO recommendations.	Although Advocacy attorneys and economists do work with regulatory development officials in other agencies and with affected industries to validate and verify the accuracy of cost savings data, the ultimate sources of such data are beyond Advocacy's direct control. No OIG or GAO recommendations pending in FY 2014.
If this indicator was used in the prior year reporting cycle, then: (1) describe any changes affecting data quality, and (2) identify any changes that would impact comparability with the prior year's data.	No changes have occurred affecting data quality or comparability with prior years' data.
Data Quality Assessment: HIGH – No known weaknesses and accurately represents the results of the program. MEDIUM – Some risks or weaknesses exist but the data is of sufficient quality to manage the program. LOW – Shows significant weakness and cannot be used to manage or represent the results of the program. Data rated as "low" will not be used for reporting.	Medium. See sections relating to limitations above.

Certification

I hereby certify that actions were taken to provide reasonable assurance that the data supplied above is accurate and reliable. I also confirm the data/targets being reported for SBA's Congressional Budget Submission.

/s/ Claudia Rodgers, Deputy Chief Counsel for Advocacy