

**REPORT OF THE
SECRETARY OF HEALTH AND
HUMAN RESOURCES ON**

**RACE AND ETHNIC CLASSIFICATIONS
WITHIN STATE AGENCIES**

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



HOUSE DOCUMENT NO. 27

**COMMONWEALTH OF VIRGINIA
RICHMOND
1995**



COMMONWEALTH of VIRGINIA

Office of the Governor

George Allen
Governor

Kay Coles James
Secretary of Health and Human Resources

January 6, 1995

TO: The Honorable George Allen

and

The General Assembly of Virginia

This report contained herein is pursuant to House Joint Resolution 77, agreed to by the 1994 General Assembly.

This report constitutes the Secretary's response to the request to study race and ethnic classifications used in data collection for state programs. The Department of Social Services provided staff support working in cooperation with fourteen other state agencies. The study examined current demographic classifications, pertinent federal and state funding and reporting requirements, effects of race and ethnic classifications on service delivery and policy development, as well as the financial feasibility of uniform classifications.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Kay C. James", written over a horizontal line.

Kay Coles James
Secretary of Health and Human Resources

EXECUTIVE SUMMARY

- House Resolution Number 77 directs the Secretary of Health and Human Resources to study race and ethnic classifications in data collection for state programs, including current demographic classifications, pertinent federal funding and reporting requirements, effects on service delivery and policy development, and financial feasibility of uniform classifications.
- Fourteen state agencies participated in this study, with the Department of Social Services taking the lead. Each agency gathered information on four demographic classifications -- race, ethnicity, national origin, and language.
- The federal government is in the process of modifying race and ethnic classifications which would be applicable for federally funded program reporting.
- Since most state systems receive federal funding, Virginia should not move forward with uniform classifications until such changes are known.
- Uniform and standard coding of classifications, categories, and labels between computer systems and state agencies is not possible at this time without standard classification definitions or systems at the federal or state level.
- Conclusions related to appropriate broad classifications coming from the study include:
 - Race and ethnicity should be captured as separate elements to avoid misclassification and element definitions should distinguish a person's race independent of their ethnic background.
 - For the purpose of collecting uniform state reports and evaluations, appropriate broad categories for race and ethnicity are:

Race

- American Indian or Alaskan Native
- Asian or Pacific Islander
- Black
- White
- Other
- Unknown (to be used for reporting purposes only)

Ethnicity

- Hispanic and Non-Hispanic

ACKNOWLEDGEMENTS

Under the Secretary of Health and Human Resources, the Virginia Department of Social Services, in cooperation with the agencies listed below, conducted this study. Key staff included *Julie Eliades, John Francesconi, Lois Parker, and Molly Sheahan.*

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I. INTRODUCTION

□ Study Charge

House Joint Resolution Number 77 (HJR 77) requested that the Secretary of Health and Human Resources collaborate with other Cabinet Secretaries and state agencies to study the accuracy of data collection of race and ethnic classifications used in state databases. A copy of the resolution is attached in Appendix A.

Objectives of the study:

- Review current demographic classifications employed by state service agencies;
- Examine pertinent federal funding and reporting requirements that may necessitate the collection of specific demographic data;
- Review effects of race and ethnic classifications on service delivery and policy development; and
- Consider the appropriateness and financial feasibility of uniform modifications to race and ethnic classifications in state databases.

□ Background

The federal Office of Management and Budget (OMB) Statistical Policy Directive Number 15 provides standard categories and definitions for race and ethnicity. The collection of standard categories is used government-wide for a variety of statistical activities including the collection of census data.

The standards are as follows:

- Race
 - American Indian or Alaskan Native
 - Asian or Pacific Islander
 - Black
 - White
- Ethnicity
 - Hispanic origin
 - Not of Hispanic origin

If a combined race/ethnicity format is used the acceptable categories are as follows:

American Indian or Alaskan Native
Asian or Pacific Islander
Black, not Hispanic origin
Hispanic
White, not of Hispanic origin

State agencies use these standards to collect data on race and ethnic classifications for systems funded by the federal government.

For a number of years, many users have criticized Directive 15, indicating the classifications and categories are becoming less representative of the nation's diverse population. However, there are many other users who are opposed to changing the categories. In June 1994, OMB published an announcement to seek input on possible revisions.

Directive 15 is attached in Appendix B.

Scope and Approach

Fourteen state agencies participated in this study, with the Department of Social Services taking the lead.

Each participating agency gathered information on four demographic classifications - race, ethnicity, national origin, and language. Specifically:

- demographic classifications used by each automated system in the agency,
- definition of each classification,
- categories used in each classification,
- which systems are either federally or state funded,
- which classifications are federally or state mandated, and
- why data on the four demographic classifications are collected and how these data are used.

While reviewing the systems, the work group:

- checked to see if they were **accurate, specific, and uniform** in the coding of the classifications, categories and labels;
- reviewed the federal OMB study for any proposed impacts on race and

ethnic classifications and the proposed changes to the standard categories;
and

- considered whether state programs are sensitive to the linguistic and cultural diversity of the populations they serve.

II. CURRENT DEMOGRAPHIC CLASSIFICATIONS

Current Agencies and Systems

- Fourteen state agencies collect data through 59 automated systems.
- Race is collected in 39 systems.
- Ethnicity is collected in 20 systems.
- Race and ethnicity are combined into one classification (race/ethnicity) in 22 systems.
- National origin is collected by seven state agencies in 12 systems.
- Language is collected by five state agencies in 3 systems.

Race/Ethnicity

Table 1 details the variety of race and/or ethnicity classifications used by the 14 state agencies.

- There is a lack of uniformity in the data collection of the classifications and categories between agencies. There is also a lack of uniformity between systems within an agency.
- The State Police use the least labels (five) and the Department of Health uses the most specific (22).
- Six state agencies collect information on ethnicity as a separate classification.

Issues raised from data presented in Table 1 include:

- Adding categories would create too many sub-groups and dilute the statistics rather than increase accuracy.
- The label "Indian" does not differentiate between an American Indian or a person from India.
- One agency uses the combined label Asian/Alaskan Native.

TABLE 1
Participating Virginia Agencies
Racial and Ethnic Classifications

Race and/or Ethnicity	Aging	* Corrections	Criminal Justice Ser	* DayCare Council	* Educ	Health	Long-Term Council	Housing & Comm.Develop	* DMAS	MHMRSAS	Rehab Services	Social Services	State Police	* VEC
<i>American Indian or Alaskan Native Category</i>														
Alaskan Native							X			X				
American Indian							X			X	X	X		X
American Indian/Alaskan Native	X				X	X					X	X	X	
Indian (Am.Indian or East Indian)		X	X											
Indian(North,Central & So.American, Eskimo, Aleut)						X								
Native American			X					X	X					
<i>Asian or Pacific Islander Category</i>														
Asian		X	X	X	X	X					X			
Asian or Alaskan Native											X			
Asian/Pacific Islander	X		X		X	X		X	X	X		X	X	X
Chinese		X				X								
Filipino						X								
Hawaiian						X								
Japanese		X				X								
Oriental												X		
Oriental/Asian							X					X		
Pacific Islander					X									
<i>Black Category</i>														
African American			X											
Black		X	X	X		X					X	X	X	
Black/African American							X			X				
Black, Not of Hispanic Origin	X				X	X		X	X					X

The "X" represents one or more systems/programs using the labels indicated on the left of the chart.

The asterisk (*) identifies those agencies that use the combined classification of race/ethnicity.

TABLE 1
Participating Virginia Agencies
Racial and Ethnic Classifications

Race and/or Ethnicity	Aging	* Corrections	Criminal Justice Ser	* DayCare Council	* Educ	Health	Long-Term Council	Housing & Comm. Develop	* DMAS	MHMRSAS	Rehab Services	Social Services	State Police	* VEC
<i>Hispanic Category</i>														
Hispanic	X	X	X	X	X	X	X	X	X	X	X	X		X
Mexican						X								
Mexican/Mexican American										X				
Puerto Rico						X				X				
Cuban						X				X				
Central/South America						X								
Other or Unknown Hispanic						X				X				
Non-Hispanic						X				X				
<i>White Category</i>														
Caucasian			X			X						X		
White	X	X	X	X		X	X			X	X	X	X	
White, Not of Hispanic Origin					X	X		X	X					X
<i>Other Category</i>														
Not Classifiable or Unknow						X								
Biracial												X		
Other		X	X	X	X	X		X	X	X		X		
Unknown			X				X			X	X	X	X	X
Minority	X													
Low-Income Minority	X													
Low-Income Non-Minority	X													
Number of Automated Systems (59)	4	2	3	1	15	7	1	1	2	5	5	8	4	2

The "X" represents one or more systems/programs using the labels indicated on the left of the chart.

The asterisk (*) identifies those agencies that use the combined classification of race/ethnicity.

- One of the proposed revisions to the OMB policy on race and ethnic classifications is to change the category of Black to African American. The group was concerned that if this change was implemented, a person who is black but from a Non-African country would be excluded from the category.
- There is no way to identify individuals with parents of different races. Adding a category of bi-racial or multi-racial may be more accurate and more sensitive to the person applying for services. However, the statistics would be diluted for reporting compliance.
- When race and ethnicity are combined in a single category, it is difficult to know where some individuals should fit. Should European and Middle Easterners be classified as "White"? Since Native Hawaiians are also Native Americans, should they be classified as Native American?

National Origin

National Origin is collected by seven agencies and twelve systems. Examples of some of the labels used are in Appendix C.

Examples of the definitions are as follow:

- Birth country
- Country of original citizenship
- Place of birth - may reflect circumstances (travel, military family, etc.) rather than national origin, makes no distinction of citizenship.
- Country from which alien received permission to enter the United States

Only certain programs collect information on national origin, such as countries of refugees and countries of health epidemics.

Language

Five agencies indicated that they collect data about language. One agency defined the language classification as the primary language used for written and spoken communication, and the second agency uses language understood at the client's home or language spoken by the client. In the three others, the labels used for classification are listed below:

- Communication of needs: Verbally - English, Verbally - Other Language, Sign Language, and Does not Communicate - Hearing Impaired
- Language indicators - English and Spanish

- Provided by Client: Speak, Read, Write

The purpose for collecting the data is program-specific. For example, the Virginia Employment Commission needs to know the written and spoken language capabilities of the client to assist in finding appropriate employment. Other agencies may only need to know how to communicate with the client.

Federal and State Funding and Reporting Requirements

Table 2 identifies the number of automated systems that are federally and/or state funded, and if the classifications are mandated or flexible.

Table 2

Automated Federal and State Funded Systems *

	Race and/or Ethnicity	National Origin	Language
Federal	35	3	2
Mandated	30	2	2
Flexible	5	1	
State	42	9	1
Mandated	21	5	
Flexible	21	4	1

* Some systems are a combination of federal and state funding

Effect on Service Delivery and Policy Development

Many of the participating state agencies use client-specific information on race and ethnicity for planning, policy development, evaluation of service delivery, and access to services. The following provides a sampling of these uses:

- Program assessment - the Long-Term Care Council recently implemented the Virginia Uniform Assessment Instrument to gather information on an individual's care needs and service eligibility. The information is used for planning and monitoring client care needs across agencies and long term care services.
- Identification of client (positive ID) - the Departments of Corrections and

Mental Health, Mental Retardation and Substance Abuse Services are required to have a description on all clients for identification purposes. Race and ethnicity are part of this description.

- **Research and Evaluation - data on race and ethnicity are used to describe the participants in research and evaluation studies. These may include a comparison of racial groups on outcomes, use of services, equal access, and cultural sensitivity issues.**
- **Policy and program development - data on race and ethnicity are used in estimating the incidence and prevalence of service usage. Data can be used to determine if services are used in proportion to the general public by comparison with census data.**
- **Reporting - many agencies collect information on race and ethnicity to meet federal reporting requirements. The data are also used for other state reports such as the Area Plan for Aging Services completed by the Department for the Aging and the annual report completed by the Department of Housing and Community Development:-----**
- **Accountability/compliance with federal and state law - collection of data on race and ethnicity is used to monitor compliance with federal and state law and regulations.**

III. FEASIBILITY OF UNIFORM CLASSIFICATIONS

Considerations

- OMB is currently conducting a study on race and ethnicity and may make changes that will need to be implemented in many of Virginia's state systems, because of federal funding requirements.
- Data are used for such diverse purposes that it is difficult to find a uniform classification to fit all needs.
- Current collection of data varies from agency to agency and, within agencies, from system to system. There are no easy ways to develop uniformity.

Cost Impacts

The study time did not permit a full analysis of the cost of modifying the systems. Key considerations of cost impacts are:

- The potential number of systems to be modified is greater than the 59 systems represented by this study. Some of these systems receive input from systems at the local level. These local systems would have to be modified at an unfunded cost to local governments. For example, the Department of State Police's Uniform Crime Reporting System receives data from local police department systems.
- Data bases would have to be re-sized if agencies which do not collect race and ethnicity separately were required to do so or if the expanded codes required additional record positions.
- Conversion from one data base to another would be an additional cost in situations in which a data base was re-sized. Also, all previously collected data in existing systems would have to be reviewed to see which of the expanded codes is most appropriate. The most accurate method would be to contact each client and ask which way their race and ethnicity should be classified.
- All computer programs that reference race and/or ethnicity would have to be modified, tested and implemented. Additional programming may be required to collapse the expanded coding structure to fewer values required for federal reporting. Future federal requirements may change the current conditions.

- Applications and input forms would have to be redesigned and printed. If a significant number of codes was recommended to enhance specificity, the forms may be less user friendly. Codes might have to be printed on a separate page if the list of choices was too long. In addition to the cost of reprinting, there is a cost involved with the loss of documents in inventory which become obsolete.
- User manuals and training guides would require modification. There would be a resource cost for making the changes as well as a cost for printing.
- If changes were extensive, staff utilizing revised codes and forms would need training.

□ Conclusions

Uniform and standard coding of classifications, categories, and labels between computer systems and state agencies is not possible at this time without standard classification definitions or a system at the federal or state level.

- Because the federal government is in the process of determining changes to race and ethnic classifications, Virginia should not move forward with changes until the federal requirements are finalized.
- Changes to existing systems should not be attempted until the federal and state methods of classification reporting are standardized.
- Before any changes are mandated, each agency must complete a true cost study. This will take agencies longer than is available for annual legislative studies and should be addressed by technical information systems staff.

Conclusions related to appropriate broad classifications coming from the study include:

- Race and ethnicity should be captured as separate elements to avoid misclassification and element definitions should distinguish a person's race independent of their ethnic background.
- For the purpose of collecting uniform state reports and evaluations, appropriate broad categories for race and ethnicity are:

- Race

- American Indian or Alaskan Native
- Asian or Pacific Islander
- Black
- White
- Other

Unknown (to be used for reporting purposes only)

- Ethnicity

Hispanic

Non-Hispanic

Based on the wide variety of needs for race and ethnic data for state agencies, a system which uses broad categories like those defined by the federal government, but allows each agency to develop sub-categories within the broader categories to meet agency-specific needs would seem the most feasible.

GENERAL ASSEMBLY OF VIRGINIA -- 1994 SESSION

HOUSE JOINT RESOLUTION NO. 77

Requesting the Secretary of Health and Human Resources to study race and ethnic classifications used in data collection for state programs.

Agreed to by the House of Delegates, March 10, 1994

Agreed to by the Senate, March 8, 1994

WHEREAS, many of the Commonwealth's human services programs rely on a variety of classification systems to compile and analyze data detailing the delivery of services to specific populations; and

WHEREAS, accuracy in the classification of data regarding race, ethnicity, national origin, and language is essential to ensure appropriate interpretation of survey results and to facilitate future program planning and policy development as well as responsiveness to political constituencies; and

WHEREAS, state agency databases that do not reflect the diversity of the Commonwealth's population may adversely affect program delivery and benefits determinations by producing inaccurate client profiles; and

WHEREAS, while differences in databases, coding structures, and formats used by state agencies are often necessary to meet state and local planning needs and various federal funding or reporting requirements, increased uniformity and accuracy in the collection and labeling of certain race, ethnicity, and language data elements may ultimately enhance the efficiency of data collection and analysis; and

WHEREAS, modifications to state agency data collection systems require careful review of those demographic elements necessary to enhance accuracy as well as consideration of state and local agency coordination, data systems compatibility, and fiscal concerns; and

WHEREAS, review of racial and ethnic classifications in data collection must necessarily include examination of databases in several Secretariats and state agencies to ensure appropriate coordination of any recommendations for change; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Secretary of Health and Human Resources be requested to study race and ethnic classifications used in data collection for state programs. The study shall include, among other things, review of current demographic classifications employed by state service agencies and the effects of these classifications on service delivery and policy development; examination of pertinent federal funding and reporting requirements that may necessitate the collection of specific demographic data; and consideration of the appropriateness and financial feasibility of uniform modifications to these classifications in state databases.

The Department of Social Services shall provide staff support for the study. The Secretary and the Department shall collaborate with other Cabinet Secretaries and state agencies, including, but not limited to, the Secretaries of Education and Public Safety and the Departments of Health, Rehabilitative Services, Mental Health, Mental Retardation and Substance Abuses Services, and Medical Assistance Services to ensure that the study addresses the use of racial and ethnic classifications in databases used by different programs and secretariats throughout state government. All agencies of the Commonwealth shall provide assistance to the Secretary and the Department, upon request.

The Secretary shall complete the study in time to submit his findings and recommendations to the Governor and the 1995 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.

OFFICE OF MANAGEMENT AND BUDGET

Standards for the Classification of Federal Data on Race and Ethnicity

AGENCY: Executive Office of the President, Office of Management and Budget (OMB), Office of Information and Regulatory Affairs

ACTION: Advance Notice of Proposed Review and Possible Revision of OMB's Statistical Policy Directive No. 15, Race and Ethnic Standards for Federal Statistics and Administrative Reporting; and Announcement of Public Hearings on Directive No. 15.

SUMMARY: During the past few years, OMB's Statistical Policy Directive No. 15, Race and Ethnic Standards for Federal Statistics and Administrative Reporting, has come under increasing criticism. These standards are used governmentwide for recordkeeping, collection, and presentation of data on race and ethnicity in Federal statistical activities and program administrative reporting. Since the standards were first issued 17 years ago, citizens who report information about themselves and users of the information collected by Federal agencies have indicated that the categories set forth in Directive No. 15 are becoming less useful in reflecting the diversity of our Nation's population. Accordingly, OMB currently is undertaking a review of the racial and ethnic categories in the Directive. (See Appendix for the text of Directive No. 15.)

ISSUES FOR COMMENT: OMB is interested in receiving comments from the public on (1) the adequacy of the current categories, (2) principles that should govern any proposed revisions to the standards, and (3) specific suggestions for changes that have been offered by various individuals and organizations.

ADDRESS: Written comments on these issues may be addressed to Katherine K. Wallman, Chief, Statistical Policy, Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17th Street, N.W., Washington, D.C. 20503.

DATE: To ensure consideration, written comments must be provided to OMB on or before September 1, 1994.

PUBLIC HEARINGS: To provide additional opportunities to hear views from the public on Directive No. 15, OMB has

scheduled a series of hearings, as follows:

Date/Time	Location
July 7, 1994 10:00 a.m.	Thomas P. O'Neill, Jr. Federal Building Auditorium 10 Causeway Street Boston, Massachusetts (Local arrangements contact: Harold Wood, Bureau of the Census Regional Office, (617) 424-0500)
July 11, 1994 10:00 a.m.	State Capitol Building Old Supreme Court Chambers 200 East Colfax Street Denver, Colorado (Local arrangements contact: Jerry O'Donnell, Bureau of the Census Regional Office, (303) 869-7750)
July 14, 1994 10:00 a.m.	Federal Reserve Bank of San Francisco Interpretive Center 101 Market Street San Francisco, California (Local arrangements contact: Vicki Cooper-Murphy, Bureau of Labor Statistics Regional Office, (415) 744-7166)

If you wish to present an oral statement at any of these hearings, please contact the Statistical Policy Office (at the address below) by telephone or fax (do not use electronic mail) by July 1, 1994, and provide the following information: your name, address, telephone and fax numbers, and the name of the organization which you represent. After July 1, please call the appropriate local arrangements contact identified above to be placed on the hearing schedule. Persons testifying are asked to bring three (3) copies of their statement to the hearing. Written statements will also be accepted at the hearings. Depending on the number of persons who request to present their views, the hearings in each location may be extended to the following day.

ADDRESS: Requests to be placed on the hearing schedule should be directed to the Statistical Policy Office, Office of Management and Budget, 725 17th Street, N.W., Washington, D.C. 20503. Telephone: (202) 395-3093. Fax number: (202) 395-7245.

ELECTRONIC AVAILABILITY AND COMMENTS: This document is available on the Internet via anonymous File Transfer Protocol (ftp) from <ftp://ftp.census.gov/pub/docs/ombdir15.txt> in ASCII format (do not use any capital letters in the file name). For those who do not have ftp capability, the document can also be obtained through the gopher (<gopher://gopher.census.gov>) and HTTP servers (accessible by mosaic, cello, lynx, etc.), or by sending an electronic mail message to ftpmail@census.gov with the following lines in the message area:

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open
get/pub/docs/ombdir15.txt
quit
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Comments may be sent via electronic mail to an OMB x.400 mail address, which is /s=ombdir15/c=us/admd=telemail/prmd=gov+eop. The Internet address is ombdir15@eop.sprint.com. Comments sent to this address will be included as part of the official record. Do not use this electronic mail address to have your name included in the hearing schedule.

For assistance using electronic mail, ftp, gopher, or HTTP, please contact your system administrator. You may also want to send an electronic message to access@census.gov with a subject of *HELP* and nothing in the message area. You will receive by return electronic mail "FAQ (Frequently Asked Questions)" and more information on how to access the services on census.gov.

FOR FURTHER INFORMATION CONTACT: Suzann Evinger, Statistical Policy Office, Office of Information and Regulatory Affairs, Office of Management and Budget, Telephone: (202) 395-3093.

SUPPLEMENTARY INFORMATION:

Background

Development of Directive No. 15.— Developmental work on the categories in OMB's Directive No. 15 originated in the activities of the Federal Interagency Committee on Education (FICE), which was created by Executive Order in 1964. More than 30 Federal agencies were members or regular participants in FICE's work to improve coordination of educational activities at the Federal level. The FICE Subcommittee on Minority Education completed a report in April 1973 on higher education for Chicanos, Puerto Ricans, and American Indians and sent it to then Secretary of Health, Education, and Welfare (HEW) Caspar Weinberger for comment. He showed particular interest in the portion of the report that deplored the lack of useful data on racial and ethnic groups. Further, he encouraged the implementation of the report's second recommendation which called for the coordinated development of common definitions for racial and ethnic groups, and the Federal collection of racial and ethnic enrollment and other educational data on a compatible and nonduplicative basis.

In June 1974, FICE created an Ad Hoc Committee on Racial and Ethnic Definitions whose 25 members came from Federal agencies with major responsibilities for the collection or use of racial and ethnic data. This Ad Hoc

Committee was charged with developing terms and definitions for the collection of a broad range of racial and ethnic data by Federal agencies on a compatible and nonduplicative basis. It took on the task of determining and describing the major groups to be identified by Federal agencies when collecting and reporting racial and ethnic data. While the Ad Hoc Committee recognized that there is frequently a relationship between language and ethnicity, it made no attempt to develop a means of identifying persons on the basis of their primary language. The Ad Hoc Committee wanted to ensure that whatever categories the various agencies used could be aggregated, disaggregated, or otherwise combined so that the data developed by one agency could be used in conjunction with the data developed by another agency. In addition, the Ad Hoc Committee thought that the basic categories could be subdivided into more detailed ethnic subgroups to meet users' needs, but that to maintain comparability, data from one major category should never be combined with data from any other major category.

In the spring of 1975, FICE completed its work on a draft set of categories, and an agreement was reached among OMB, the General Accounting Office (GAO), the HEW's Office for Civil Rights, and the Equal Employment Opportunity Commission (EEOC) to adopt these categories for a trial period of at least one year. This trial was undertaken to test the new categories and definitions and to determine what problems, if any, would be encountered in their implementation.

At the end of the test period, OMB and GAO convened an Ad Hoc Committee on Racial/Ethnic Categories to review the experience of the agencies that had implemented the standard categories and definitions and to discuss any potential problems that might be encountered in extending the use of the categories to all Federal agencies. The Committee met in August 1976 and included representatives of OMB; GAO; the Departments of Justice, Labor, HEW, and Housing and Urban Development; the Bureau of the Census; and the EEOC. Based upon the discussion in that meeting, OMB prepared minor revisions to the FICE definitions and circulated the proposed final draft for agency comment. These revised categories and definitions became effective in September 1976 for all compliance recordkeeping and reporting required by the Federal agencies represented on the Ad Hoc Committee.

Based upon this interagency agreement, OMB drafted for agency

comment a proposed revision of the race and ethnic categories contained in its circular on standards and guidelines for Federal statistics. Some agencies published the draft revision for public comment. Following the receipt of comments and incorporation of suggested modifications, OMB on May 12, 1977, promulgated for use by all Federal agencies the racial and ethnic categories now contained in Directive No. 15, the text of which appears in the Appendix. This meant that for the first time, standard categories and definitions would be used at the Federal level in reporting and presentation of data on racial and ethnic groups. While OMB requires the agencies to use these racial and ethnic categories, it should be emphasized that the Directive permits collection of additional detail if the more detailed categories can be aggregated into the basic racial and ethnic classifications set forth in the Directive.

As demonstrated by this brief history, the present categories were developed through a deliberate cooperative process; participation of the agencies that use the categories was an essential element in that process.

1988 Proposed Revision.—The standards promulgated in 1977 have not been revised since that time. OMB did, however, publish in the January 20, 1988, Federal Register a draft Statistical Policy Circular soliciting public comment on a comprehensive revision of existing Statistical Policy Directives. Among the proposed changes was a revision of Directive No. 15 that would have added an "Other" racial category and required classification by self-identification. While this proposal was supported by many multi-racial and multi-ethnic groups and some educational institutions, it drew strong opposition from Federal agencies such as the Civil Rights Division of the Department of Justice, the Department of Health and Human Services, the EEOC, and the Office of Personnel Management, and from large corporations.

Respondents who opposed the change asserted that the present system provided adequate data, that any changes would disrupt historical continuity, and that the proposed change would be expensive and potentially divisive. Some members of minority communities interpreted the proposal as an attempt to provoke internal dissension within their communities and to reduce the official counts of minority populations. Because it was evident from all of these comments that this proposal would not

be widely accepted, no changes were made at the time to Directive No. 15.

1993 Hearings.—During 1993, Congressman Thomas C. Sawyer, Chairman of the House Subcommittee on Census, Statistics, and Postal Personnel, held a series of four hearings (April 14, June 30, July 29, and November 3) on the measurement of race and ethnicity in the decennial census. OMB testified at the hearing on July 29. Information on these hearings may be obtained by contacting the Subcommittee at (202) 226-7523.

Workshop.—As a first step in undertaking its review of the racial and ethnic categories, OMB asked the Committee on National Statistics (CNSTAT) of the National Academy of Sciences to convene a workshop to provide an informed discussion of the issues surrounding a review of the categories. Convened on February 17-18, 1994, the workshop included representatives of Federal agencies, academia, social science research, interest groups, private industry, and local school districts. A report on the workshop will be forthcoming from CNSTAT.

Interagency Committee. OMB has established an Interagency Committee for the Review of the Racial and Ethnic Standards, whose members represent the many and diverse Federal needs for racial and ethnic data, including statutory requirements for such data. The Committee will be an integral part of this review process, by assisting OMB in the evaluation and assessment of proposed changes, for example, on the quality of resulting data and costs of implementation.

Suggested Changes and Criticisms

Your comments are invited on any aspect of Directive No. 15; if you are satisfied with the existing racial and ethnic categories, it would be useful for OMB to know that also. You may also wish to comment on the following suggestions and criticisms about the Directive that OMB received during the recent hearings and the CNSTAT workshop:

- adding a "multi-racial" category to the list of racial designations so that respondents would not be forced to deny part of their heritage by having to choose a single category;
- adding an "other" category for individuals of multi-racial backgrounds and those who want the option of specifically stating a unique identification;
- providing an open-ended question to solicit information on race and ethnicity, or combining concepts of

race, ethnicity, and ancestry;

- changing the name of the "Black" category to "African American";
- changing the name of the "American Indian or Alaskan Native" category to "Native American";
- including Native Hawaiians as a separate category or as part of a "Native American" category (which would also include American Indians, Aleuts, and Eskimos), rather than as part of the "Asian or Pacific Islander" category;
- including Hispanic as a racial designation, rather than as a separate ethnic category; and
- adding a "Middle Easterner" category to the list of ethnic designations.

The critiques of the current standard and the proposals for change include as well a number of other concerns. For example:

- The categories and their definitions have been criticized for failing to be comprehensive and scientific. As cases in point, using the present definitions there are no proper categories for the original Indian population of South America or for Australian aborigines.
- Some have suggested that the geographic orientation of the definitions for the various racial and ethnic categories is not sufficiently definitive. They believe that there is no readily apparent organizing principle for making such distinctions and that definitions for the categories should be eliminated. Others disagree, stating that the current definitions of the racial and ethnic categories have served their uses well and thus should be maintained.
- The identification of an individual's racial and ethnic "category" often is a subjective determination, rather than one that is objective and factual, no matter what the process for arriving at the categories. Consequently, it has been suggested that it may no longer be appropriate to consider the categories as a "statistical standard."
- The issue of self-identification of race and ethnicity versus third party identification also has been raised. This issue will merit increased attention if multi-racial and/or multi-ethnic categories or identification procedures are adopted.
- Some have proposed eliminating

the five-category combined racial and ethnic classification in favor of separate, mutually exclusive, racial and ethnic categories. The combined format now permitted by the Directive is particularly suitable for observer identification, and is used by the Department of Health and Human Service's Office for Civil Rights, the Equal Employment Opportunity Commission, and the Office of Federal Contract Compliance because it facilitates aggregating data on the minority groups with which these agencies are concerned. The use of the Hispanic category in the combined format does not, however, provide information on the race of those selecting it. As a result, the combined format makes it impossible to distribute persons of Hispanic ethnicity by race and, therefore, reduces the utility of the four racial categories by excluding from them persons who would otherwise be included. Thus, the two formats currently permitted by Directive No. 15 for collecting racial and ethnic data do not provide comparable data.

- The perceived importance of historical comparability of racial and ethnic data has been questioned by some. Since the names of the categories have changed in the decennial censuses, and agencies use different methods even internally to collect the data, there is less continuity in racial and ethnic data than many believed. As a result, it has been suggested that this review of Directive No. 15 should have a more forward-looking approach, rather than being bound by past history.
- Some have suggested that consideration be given to collecting racial and ethnic data using "categories for response" that can be decoupled from "categories for reporting data." For example, the response categories could permit responses reflecting multiple origins; later these data would be aggregated into reporting categories following a set of standards and guidelines to make the reported data more useful for various program, administrative, and statistical purposes.
- There have also been suggestions that the classification of persons by race and ethnicity be eliminated entirely. Proponents of this view assert that the categories merely serve to perpetuate an over-

emphasis on race in America and contribute to the fragmentation of our society.

Federal Uses of Racial and Ethnic Data

Given the broad range of suggestions and criticisms, OMB believes that a comprehensive review of all the categories is warranted. It is important to stress comprehensive, because these categories are not used simply for statistical purposes. Thus, while the use of the racial and ethnic categories in the collection of decennial census data is most widely known—and has most often been cited in the 1993 hearings and in the correspondence OMB receives—the categories are also used by Federal agencies for civil rights enforcement and for program administrative reporting. Some important examples of the Federal Government's uses of racial and ethnic data are:

- enforcing the requirements of the Voting Rights Act;
- reviewing State redistricting plans;
- collecting and presenting population and population characteristics data, labor force data, education data, and vital and health statistics;
- establishing and evaluating Federal affirmative action plans and evaluating affirmative action and discrimination in employment in the private sector;
- monitoring the access of minorities to home mortgage loans under the Home Mortgage Disclosure Act;
- enforcing the Equal Credit Opportunity Act;
- monitoring and enforcing desegregation plans in the public schools;
- assisting minority businesses under the minority business development programs; and
- monitoring and enforcing the Fair Housing Act.

These examples of statutory requirements are mentioned to foster public awareness and understanding of the Federal Government's many different needs for racial and ethnic data. Appreciation of the intended uses of the data helps determine what categories make sense. Further, these uses need to be taken into account when changes to the categories are suggested. In any event, OMB believes that it is essential for the Federal agencies to study the possible effects of any proposed changes to the categories on the quality and utility of the resulting data for a multiplicity of purposes.

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Name: Country of Origin

Values:	AF	Afghanistan
	AL	Albania
	AG	Algeria
	AQ	American Samoa
	AN	Andorra
	AO	Angola
	AV	Anguilla
	AY	Antartica
	AC	Antigua
	AR	Argentina
	AS	Australia
	AU	Austria
	BF	Bahamas, The
	BA	Bahrain
	BG	Bangladesh
	BB	Barbados
	BE	Belgium
	BH	Belize
	DM	Benin
	BD	Bermuda
	BT	Bhutan
	BL	Bolivia
	BC	Botswana
	BV	Bouvetoya
	BR	Brazil
	IO	British Indian Ocean Territory
	BX	Brunei
	BU	Bulgaria
	BM	Burma
	BY	Burundi
	CB	Cambodia (Kampuchea)
	CM	Cameroon
	CA	Canada
	PQ	Canal Zone, Panama
	EQ	Canton and Enderbury Islands
	CV	Cape Verde, Republic of
	CJ	Cayman Islands
	CT	Central African Empire (Republic)
	CD	Chad
	CI	Chili
	CH	China
	TW	China, Republic of (Taiwan)
	KT	Christmas Island (Indian Ocean)
	CK	Cocos (Keeling) Island
	CO	Columbia
	CN	Comoros
	CF	Congo

General Principles for the Review of the Racial and Ethnic Categories

The critiques and suggestions for changing Directive No. 15 have underscored the importance of having a set of general principles to govern the current review process. The following principles were drafted in cooperation with Federal agencies serving on the Interagency Committee. Comments on these principles are welcomed.

1. The racial and ethnic categories set forth in the standard should not be interpreted as being scientific or anthropological in nature.

2. Respect for individual dignity should guide the processes and methods for collecting data on race and ethnicity; respondent self-identification should be facilitated to the greatest extent possible.

3. To the extent practicable, the concepts and terminology should reflect clear and generally understood definitions that can achieve broad public acceptance.

4. The racial and ethnic categories should be comprehensive in coverage and produce compatible, nonduplicated, exchangeable data across Federal agencies.

5. Foremost consideration should be given to data aggregations by race and ethnicity that are useful for statistical analysis, program administration and assessment, and enforcement of existing laws and judicial decisions, bearing in mind that the standards are not intended to be used to establish eligibility for participation in any Federal program.

6. While Federal data needs for racial and ethnic data are of primary importance, consideration should also be given to needs at the State and local government levels, including American Indian tribal and Alaska Native village governments, as well as to general societal needs for these data.

7. The categories should set forth a minimum standard; additional categories should be permitted provided they can be aggregated to the standard categories. The number of standard categories should be kept to a manageable size, as determined by statistical concerns and data needs.

8. A revised set of categories should be operationally feasible in terms of burden placed upon respondents and the cost to agencies and respondents to implement the revisions.

9. Any changes in the categories should be based on sound methodological research and should include evaluations of the impact of any changes not only on the usefulness of the resulting data but also on the

comparability of any new categories with the existing ones.

10. Any revision to the categories should provide for a crosswalk at the time of adoption between the old and the new categories so that historical data series can be statistically adjusted and comparisons can be made.

11. Because of the many and varied needs and strong interdependence of Federal agencies for racial and ethnic data, any changes to the existing categories should be the product of an interagency collaborative effort.

The agencies recognize that these principles may in some cases represent competing goals for the standard. Through the review process, it will be necessary to balance statistical issues, needs for data, and social concerns. The application of these principles to guide the review and possible revision of the standard ultimately should result in consistent, publicly accepted data on race and ethnicity that will meet the needs of the government and the public while recognizing the diversity of the population and respecting the individual's dignity.

Sally Katran

Administrator, Office of Information and Regulatory Affairs

APPENDIX

DIRECTIVE NO. 15

Race and Ethnic Standards for Federal Statistics and Administrative Reporting (as adopted on May 12, 1977)

This Directive provides standard classifications for recordkeeping, collection, and presentation of data on race and ethnicity in Federal program administrative reporting and statistical activities. These classifications should not be interpreted as being scientific or anthropological in nature, nor should they be viewed as determinants of eligibility for participation in any Federal program. They have been developed in response to needs expressed by both the executive branch and the Congress to provide for the collection and use of compatible, nonduplicated, exchangeable racial and ethnic data by Federal agencies.

1. Definitions

The basic racial and ethnic categories for Federal statistics and program administrative reporting are defined as follows:

a. *American Indian or Alaskan Native.* A person having origins in any of the original peoples of North America, and who maintains cultural identification through tribal affiliations or community recognition.

b. *Asian or Pacific Islander.* A person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands. This area includes, for example, China, India, Japan, Korea, the Philippine Islands, and Samoa.

c. *Black.* A person having origins in any of the black racial groups of Africa.

d. *Hispanic.* A person of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, regardless of race.

e. *White.* A person having origins in any of the original peoples of Europe, North Africa, or the Middle East.

2. Utilization for Recordkeeping and Reporting

To provide flexibility, it is preferable to collect data on race and ethnicity separately. If separate race and ethnic categories are used, the minimum designations are:

a. Race:

- American Indian or Alaskan Native
- Asian or Pacific Islander
- Black
- White

b. Ethnicity:

- Hispanic origin
- Not of Hispanic origin

When race and ethnicity are collected separately, the number of White and Black persons who are Hispanic must be identifiable, and capable of being reported in that category.

If a combined format is used to collect racial and ethnic data, the minimum acceptable categories are:

- American Indian or Alaskan Native
- Asian or Pacific Islander
- Black, not of Hispanic origin
- Hispanic
- White, not of Hispanic origin.

The category which most closely reflects the individual's recognition in his community should be used for purposes of reporting on persons who are of mixed racial and/or ethnic origins.

In no case should the provisions of this Directive be construed to limit the collection of data to the categories described above. However, any reporting required which uses more detail shall be organized in such a way that the additional categories can be aggregated into these basic racial/ethnic categories.

The minimum standard collection categories shall be utilized for reporting as follows:

a. *Civil rights compliance reporting.* The categories specified above will be used by all agencies in either the separate or combined format for civil rights compliance reporting and equal employment reporting for both the public and private sectors and for all

levels of government. Any variation requiring less detailed data or data which cannot be aggregated into the basic categories will have to be specifically approved by the Office of Management and Budget (OMB) for executive agencies. More detailed reporting which can be aggregated to the basic categories may be used at the agencies' discretion.

b. *General program administrative and grant reporting.* Whenever an agency subject to this Directive issues new or revised administrative reporting or recordkeeping requirements which include racial or ethnic data, the agency will use the race/ethnic categories described above. A variance can be specifically requested from OMB, but such a variance will be granted only if the agency can demonstrate that it is not reasonable for the primary reporter to determine the racial or ethnic background in terms of the specified categories, and that such determination is not critical to the administration of the program in question, or if the specific program is directed to only one or a limited number of race/ethnic groups, e.g., Indian tribal activities.

c. *Statistical reporting.* The categories described in this Directive will be used at a minimum for federally sponsored statistical data collection where race and/or ethnicity is required, except when: the collection involves a sample of such size that the data on the smaller categories would be unreliable, or when the collection effort focuses on a specific racial or ethnic group. A repetitive survey shall be deemed to have an adequate sample size if the racial and ethnic data can be reliably aggregated on a biennial basis. Any other variation will have to be specifically authorized by OMB through the reports clearance process. In those cases where the data collection is not subject to the reports clearance process, a direct request for a variance should be made to OMB.

3. Effective Date

The provisions of this Directive are effective immediately for all new and revised recordkeeping or reporting requirements containing racial and/or ethnic information. All existing recordkeeping or reporting requirements shall be made consistent with this Directive at the time they are submitted for extension, or not later than January 1, 1980.

4. Presentation of Race/Ethnic Data

Displays of racial and ethnic compliance and statistical data will use the category designations listed above. The designation "nonwhite" is not acceptable for use in the presentation of Federal Government data. It is not to be

used in any publication of compliance or statistical data or in the text of any compliance or statistical report.

In cases where the above designations are considered inappropriate for presentation of statistical data on particular programs or for particular regional areas, the sponsoring agency may use:

(1) The designations "Black and Other Races" or "All Other Races," as collective descriptions of minority races when the most summary distinction between the majority and minority races is appropriate;

(2) The designations "White," "Black," and "All Other Races" when the distinction among the majority race, the principal minority race and other races is appropriate; or

(3) The designation of a particular minority race or races, and the inclusion of "Whites" with "All Other Races," if such a collective description is appropriate.

In displaying detailed information which represents a combination of race and ethnicity, the description of the data being displayed must clearly indicate that both bases of classification are being used.

When the primary focus of a statistical report is on two or more specific identifiable groups in the population, one or more of which is racial or ethnic, it is acceptable to display data for each of the particular groups separately and to describe data relating to the remainder of the population by an appropriate collective description.

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