



January 4, 2016

Information Collection Clearance Staff
Office of the Secretary
United States Department of Health and Human Services
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Re: HHS-OS-4040-New-60D, DATA Act Sec. 5. "Simplifying Federal Award Reporting" Grants Pilot

To Whom It May Concern:

The Data Transparency Coalition¹ (the "Coalition") appreciates the opportunity to comment on the Department of Health and Human Services' proposed information collection request for the DATA Act Section 5 grants pilot program.

Our Coalition is the nation's only open data trade association. Representing over 40 leading technology and consulting firms and growing startups, we advocate the publication of government information as standardized, open data. We believe the transformation of government information from disconnected documents into open data leads to three benefits: open data facilitates public accountability, enables data-driven government management, and automates compliance. The DATA Act Section 5 grants pilot program offers an unprecedented opportunity for federal grantees to realize the third of these benefits.

Federal grantees face a bewildering array of complex forms and interlocking reporting requirements. Many data elements must be reported multiple times on multiple forms. The forms themselves are usually expressed as documents, instead of standardized data submissions, which means that their contents cannot be automatically generated using software. Grant reporting is expensive and time-consuming.

By moving all grant reporting from a document-based, uncoordinated system to a data-centric, centrally-coordinated one, the federal government could dramatically reduce grantees' costs. If there were a single, approved set of standardized data fields for federal grant reports, with defined relationships to one another, private-sector software vendors could build such standards into their solutions, allowing grantees to automatically generate the required reports. This kind

¹ www.datacoalition.org.

of standards-driven automation has already occurred in corporate tax reporting,² electronic benefit processing,³ and regulatory reporting regimes in foreign countries.⁴

The potential of standardized data fields and formats to automate grant reporting, and thereby reduce its costs, has already been proven. The Recovery Accountability and Transparency Board, which existed from 2009 to 2015 with a mandate to oversee all federal stimulus spending, demonstrated with its Grants Reporting Information Project (GRIP) that standardized electronic reporting to a single portal could significantly reduce costs for grantees.⁵

However, before the DATA Act, no federal entity was responsible for the data structure of all federal grant reporting, so no single set of standards could be created. Some agencies, and subdivisions of agencies, adopted information technology systems to collect information from their grantees in electronic formats. But because the formats and data elements are not consistent across multiple agencies, or even bureaus within the same agency, none of these systems created a sufficient foundation for grant reporting software providers to offer automated reporting to grantees.

The DATA Act, if fully implemented, will change all this. The DATA Act directs the Treasury Department and OMB to establish government-wide data standards for all information reported by recipients of federal funds, including all information reported by grantees.⁶ Section 5 of the law requires OMB, starting in May 2015, to conduct a pilot program to test whether these data standards can be used by grantees to automate the creation and submission of their required reports.⁷ If OMB concludes that the data standards do, indeed, allow the automation of these compliance tasks, OMB can choose to require all recipients to use the standards throughout all reports.⁸ Once OMB has endorsed a single set of standards for all grant reporting, private-sector vendors will have a sufficient incentive to iterate on those standards to automate compliance for grantees.⁹

The Office of the Secretary has requested comment on “(1) the necessity and utility of the proposed information collection for the proper performance of the agency's functions, (2) the accuracy of the estimated burden, (3) ways to enhance the quality, utility, and clarity of the information to be collected, and (4) the use of automated collection techniques or other forms of information technology to minimize the information collection burden.” We note that this

² See Internal Revenue Service, “Modernized e-File (MeF) Overview,” Dec. 14, 2015, <https://www.irs.gov/uac/Modernized-e-File-Overview>.

³ See United States Department of Agriculture, “A Short History of SNAP,” Nov. 20, 2015, <http://www.fns.usda.gov/snap/short-history-snap> (“Development of Electronic Benefit Transfer (EBT): 1988-2004”).

⁴ See Dutch Standard Business Reporting Programme, *Challenging the Chain*, 2015, available at <http://challengingthechain.com>.

⁵ See Recovery Accountability and Transparency Board, *Grants Reporting Information Project Report*, June 2013, republished at <http://www.streamlinksoftware.com/grip-report-download>.

⁶ P.L. No. 113-101, Digital Accountability and Transparency Act of 2014 (“DATA Act”), sec. 4(a)(1).

⁷ *Id.* sec. 5.

⁸ *Id.* sec. 5(b)(7).

⁹ See StreamLink Software, *The Changing Landscape of Grant Reporting* (Nov. 2013), available at <http://www.streamlinksoftware.com/blog/bid/154045/The-Changing-Landscape-of-Grant-Reporting-Free-Whitepaper>.

information collection is statutorily-required,¹⁰ and therefore is indispensable to the proper performance of the agency's functions.

Beyond the statutory requirement, we enthusiastically support the proposed information collection because we believe it will provide the necessary insights for OMB and HHS to all grant reporting from a document-based, uncoordinated system to a data-centric, centrally-coordinated one. We believe that the burden of the information collection will be far-outstripped by the benefit to federal grantees of being able to automatically generate and transmit their required reports. To further respond to the OS' request, we offer the following recommendations.

Because OMB has designated HHS to manage the grants portion of the DATA Act recipient reporting pilot program, HHS is responsible to lead a government-wide transformation that will modernize grant reporting from document-based to data-centric and deploy modern technology to reduce grantees' compliance costs. For the Section 5 grants pilot program to be successful, HHS and OMB must:

- **Articulate a compelling vision for a government-wide transformation of grant reporting.** OMB has characterized the Section 5 pilot as a program to “simplify” grant and contractor reporting.¹¹ But the DATA Act's intent is not merely to simplify recipient reporting, but to fully transform it from document-based to data-centric by adopting a single set of standardized data fields and formats for all such reporting. To imply that the requirements of Section 5 will be satisfied by the consolidation of some forms with one another, or by a report outlining possible future changes of this kind, frustrates the will of Congress. Instead, OMB and HHS, in their public statements about the Section 5 grants pilot program, should clarify that the program is aimed at transformation, not mere simplification. OMB, in particular, should recognize, and restate, its statutory authority under the DATA Act to formally adopt DATA Act standards for mandatory use by all federal grantees.¹²
- **Expand the CDERL to cover all data elements for all grant reports.** The pre-DATA Act development of the Central Data Element Repository Library (CDERL)¹³ is the HHS DATA Act Program Management Office's most valuable asset. The CDERL, since it currently encompasses nearly every form used by HHS' components for their grantees' reports, is already a valuable resource and sufficient to demonstrate the transforming impact of standards. However, the Section 5 grants pilot program will only achieve Congress' intended government-wide scope if the CDERL is expanded to include all grant reporting, to all federal grantor agencies.
- **Engage with grant administration leaders from every major grantor agency.** For similar reasons, OMB and HHS must involve the grant administration leadership of

¹⁰ DATA Act sec. 5.

¹¹ Testimony of David Mader before the House Committee on Oversight and Government Reform Subcommittee on Information Technology and Subcommittee on Government Management, *available at* <https://oversight.house.gov/wp-content/uploads/2015/07/Mader-OMB-Statement-7-29-DATA-Act.pdf>, p. 3.

¹² DATA Act sec. 5(b)(7).

¹³ DATA Act Program Management Office, Central Data Element Repository Library, *available at* <https://repository.usaspending.gov/poc-tool/>.

every major grantor agency in the conduct and management of the Section 5 grants pilot program.

- **Work with the vendors of grantees' data management solutions.** The cost-reducing benefit of government-wide grant reporting data standards depends on whether vendors are able to use those standards within their software solutions. Therefore, OMB and HHS should involve such vendors in all phases of the Section 5 grants pilot. For a successful model of standards-driven automation, OMB and HHS could look to the Federal Deposit Insurance Corporation's (FDIC) implementation of the eXtensible Business Reporting Language (XBRL) for banks' call reports. Because the FDIC worked closely with vendors of banks' data management software as they developed and implemented standardized data fields and the XBRL format, replacing the document-based PDF format, banks' compliance costs were reduced.

We appreciate the opportunity to comment on HHS' proposed information collection request for the DATA Act Section 5 grants pilot program. We believe that a comprehensive transformation of federal grant reporting from documents into standardized, open data will allow grantees to use software to dramatically reduce their reporting costs through automation. The Data Transparency Coalition and its members stand ready to support the transformation through advocacy, outreach, and events.

Sincerely,

/s/ Hudson Hollister

Hudson Hollister
Executive Director
Data Transparency Coalition