

United States Senate

WASHINGTON, DC 20510

May 16, 2016

The Honorable Shaun Donovan
Director
Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Dear Director Donovan:

We write regarding implementation of the Digital Accountability and Transparency Act (DATA Act) of 2014.¹ When fully implemented the DATA Act will improve transparency of federal spending, set government-wide financial data standards, streamline recipient reporting requirements, and improve overall federal financial data quality. The Act will help taxpayers identify and understand where their taxpayer dollars are spent, improve government performance, and will help agencies identify and eliminate improper payments. We ask your assistance in understanding the progress of the Office of Management and Budget (OMB) in implementing this important law.

The DATA Act requires the OMB Director to conduct a pilot program on recipient reporting to, among other objectives, reduce compliance costs for recipients of federal awards.² The goal is to learn from this pilot and then implement a program across the federal government that will reduce costs for all federal contractors and grantees. OMB selected the Department of Health and Human Services (HHS) to conduct a pilot focused on grants and the OMB Office of Federal Procurement Policy (OFPP) to conduct a pilot focused on reducing reporting burdens on federal contractors.³

We write to express our concern regarding the status of the OFPP pilot. A recent Government Accountability Office (GAO) report found that the pilot is four months behind schedule, does not adhere to leading management practices, and is unlikely to yield information that is broadly scalable to all contractors.⁴ GAO noted that the pilot's "narrow approach stands in contrast to the grants portion of the pilot where HHS has a broader, more comprehensive plan to explore several areas where grantee reporting burden might be reduced."⁵ GAO recommended that OFPP redesign the pilot program to test data elements applicable to all federal contractors and create a project plan that incorporates leading practices in project management. OMB must implement GAO's recommendations to bring the procurement pilot back on track so that it will meet its statutory deadline of May 2017.

¹ Digital Accountability and Transparency Act of 2014, (Pub. L. No. 113-101 s3.12).

² DATA Act §5(b).

³ Gov't Accountability Office, DATA ACT: SECTION 5 PILOT DESIGN ISSUES NEED TO BE ADDRESSED TO MEET GOAL OF REDUCING RECIPIENT REPORTING BURDEN, GAO-16-438, at 6 (2016).

⁴ *Id.* 23.

⁵ *Id.* 10.

To assist in understanding OFPP's efforts to promptly implement GAO's recommendations and deliver a completed pilot program that is fully responsive to the DATA Act's requirements and intent, we request the following information:

1. Please provide OMB's plan for completing each of the GAO recommendations including tasks, estimated completion dates, and individuals responsible for completing each task. Please include all risk-mitigation tasks that might be necessary if issues occur during the data reporting phase of the pilot.
2. Please describe the General Services Administration's role in the pilot as well as the tasks assigned and results they achieved.
3. GAO identified several leading practices common to the design of a high-quality pilot and found that the OFPP procurement pilot was not using any of these practices in its design or management.⁶ How does OMB plan to implement GAO's recommendation to incorporate leading management practices into the design of the procurement pilot?
4. The DATA Act requires the pilot program to include a diverse group of award recipients with an aggregate award value of \$1-2 billion.⁷ GAO found that the procurement pilot may not meet this statutory requirement.⁸ How does OMB anticipate changing the pilot to satisfy the requirement of the DATA Act?
5. GAO expressed concern that the procurement pilot was too narrowly focused and should be revamped to apply to all federal contractors.⁹ Please explain how OMB will revise the procurement pilot to address GAO's recommendation. Alternatively, please describe how the results of the OFPP pilot program can be expanded to reduce the reporting burden for other types of contracts.
6. Do you anticipate that you will have a full 12-month cycle of data collection by May 2017? If not, please provide a summary of what data will be available by the end date for the pilot program as required in the statute and discuss the value of the data in applying the portal to other contractor reporting requirements outside of construction contracts.

Please provide this information as soon as possible, but by no later than 5:00 p.m. on May 27, 2016.

The Committee on Homeland Security and Governmental Affairs is authorized by Rule XXV of the Standing Rules of the Senate to investigate "the efficiency, economy, and effectiveness of all agencies and departments of the Government."¹⁰ Additionally, S. Res. 73 (114th Congress)

⁶ *Id.* at 17.

⁷ *Id.* at 16.

⁸ *Id.*

⁹ *Id.* at 26.

¹⁰ S. Rule XXV(k); *see also* S. Res. 445, 108th Cong. (2004).

The Honorable Shaun Donovan

May 16, 2016

Page 3 of 3

authorizes the Committee to examine “the efficiency and economy of all branches and functions of Government with particular references to the operations and management of Federal regulatory policies and programs.”¹¹

Thank you for your attention to this matter. [REDACTED]

With best personal regards, we are

Sincerely yours,



Ron Johnson
Chairman
Committee on Homeland
Security and Governmental
Affairs



Thomas R. Carper
Ranking Member
Committee on Homeland
Security and Governmental
Affairs



Rob Portman
Member
Committee on Homeland
Security and Governmental
Affairs



Mark R. Warner
Senator

¹¹ S. Res. 73 § 12, 114th Cong. (2015).