

# Introduction to the DATA Act

**DATA**  
FOUNDATION

# HISTORY

- U.S. Constitution, Sec. 9: " ... a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time."

## **Since 1789: Appropriations and Cash-Based Budgeting**

- OMB and the Office of Federal Financial Management (1970)

## **Since 1990: Accrual-Based Accounting**

- CFO Act (1990)

## **2000s: A Focus on Awards**

- FFATA (2006)
- ARRA (2009)

# THE U.S. FEDERAL GOVERNMENT

## THE GOVERNMENT OF THE UNITED STATES

### CONSTITUTION

#### LEGISLATIVE BRANCH

##### THE CONGRESS

HOUSE OF REPRESENTATIVES  
 SENATE  
 ARCHITECT OF THE CAPITOL  
 BOTANICAL GARDEN  
 FEDERAL ACCOUNTING OFFICE  
 GOVERNMENT PRINTING OFFICE  
 LIBRARY OF CONGRESS  
 NATIONAL BUDGET

#### EXECUTIVE BRANCH

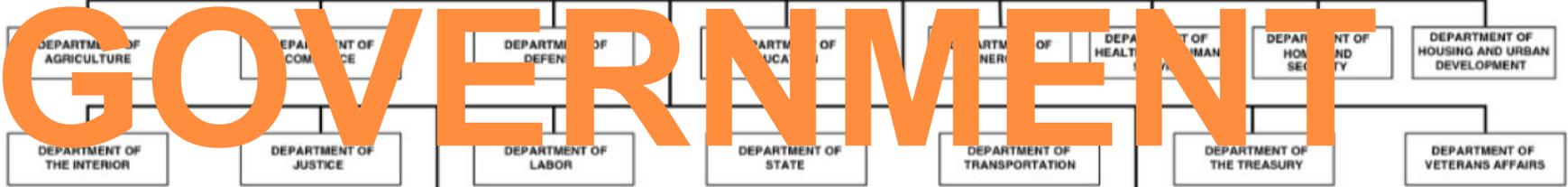
##### THE PRESIDENT THE VICE PRESIDENT

EXECUTIVE SECRETARIAT  
 OFFICE OF MANAGEMENT AND BUDGET  
 OFFICE OF NATIONAL DRUG CONTROL POLICY  
 OFFICE OF POLICY DEVELOPMENT  
 OFFICE OF SCIENCE AND TECHNOLOGY POLICY  
 TRADE REPRESENTATIVE  
 WHITE HOUSE  
 CHIEF OF STAFF  
 VICE PRESIDENT  
 COUNCIL OF ECONOMIC ADVISERS  
 COUNCIL ON INTERNATIONAL SECURITY  
 NATIONAL SECURITY COUNCIL  
 OFFICE OF ADMINISTRATION

#### JUDICIAL BRANCH

##### THE SUPREME COURT OF THE UNITED STATES

UNITED STATES COURTS OF APPEALS  
 UNITED STATES DISTRICT COURTS  
 TERRITORIAL COURTS  
 UNITED STATES COURT OF INTERNATIONAL TRADE  
 UNITED STATES COURT OF FEDERAL CLAIMS  
 UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES  
 UNITED STATES TAX COURT  
 UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS  
 ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS  
 FEDERAL JUDICIAL CENTER  
 UNITED STATES SENTENCING COMMISSION



#### INDEPENDENT ESTABLISHMENTS AND GOVERNMENT CORPORATIONS

AFRICAN DEVELOPMENT FOUNDATION  
 CENTRAL INTELLIGENCE AGENCY  
 COMMODITY FUTURES TRADING COMMISSION  
 CONSUMER PRODUCT SAFETY COMMISSION  
 CORPORATION FOR NATIONAL AND COMMUNITY SERVICE  
 DEFENSE NUCLEAR FACILITIES SAFETY BOARD  
 ENVIRONMENTAL PROTECTION AGENCY  
 EQUAL EMPLOYMENT OPPORTUNITY COMMISSION  
 EXPORT-IMPORT BANK OF THE U.S.  
 FARM CREDIT ADMINISTRATION  
 FEDERAL COMMUNICATIONS COMMISSION  
 FEDERAL DEPOSIT INSURANCE CORPORATION  
 FEDERAL ELECTION COMMISSION  
 FEDERAL HOUSING FINANCE BOARD

FEDERAL LABOR RELATIONS AUTHORITY  
 FEDERAL MARITIME COMMISSION  
 FEDERAL MEDIATION AND CONCILIATION SERVICE  
 FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION  
 FEDERAL RESERVE SYSTEM  
 FEDERAL RETIREMENT THRIFT INVESTMENT BOARD  
 FEDERAL TRADE COMMISSION  
 GENERAL SERVICES ADMINISTRATION  
 INTER-AMERICAN FOUNDATION  
 MERIT SYSTEMS PROTECTION BOARD  
 NATIONAL AERONAUTICS AND SPACE ADMINISTRATION  
 NATIONAL ARCHIVES AND RECORDS ADMINISTRATION  
 NATIONAL CAPITAL PLANNING COMMISSION  
 NATIONAL CREDIT UNION ADMINISTRATION

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES  
 NATIONAL LABOR RELATIONS BOARD  
 NATIONAL MEDIATION BOARD  
 NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK)  
 NATIONAL SCIENCE FOUNDATION  
 NATIONAL TRANSPORTATION SAFETY BOARD  
 NUCLEAR REGULATORY COMMISSION  
 OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION  
 OFFICE OF GOVERNMENT ETHICS  
 OFFICE OF PERSONNEL MANAGEMENT  
 OFFICE OF SPECIAL COUNSEL  
 OVERSEAS PRIVATE INVESTMENT CORPORATION  
 PEACE CORPS  
 PENSION BENEFIT GUARANTY CORPORATION

POSTAL RATE COMMISSION  
 RAILROAD RETIREMENT BOARD  
 SECURITIES AND EXCHANGE COMMISSION  
 SELECTIVE SERVICE SYSTEM  
 SMALL BUSINESS ADMINISTRATION  
 SOCIAL SECURITY ADMINISTRATION  
 TENNESSEE VALLEY AUTHORITY  
 TRADE AND DEVELOPMENT AGENCY  
 U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
 U.S. COMMISSION ON CIVIL RIGHTS  
 U.S. INTERNATIONAL TRADE COMMISSION  
 U.S. POSTAL SERVICE

# PROBLEM

- Reporting requirements related to U.S. federal spending are complex and separate from one another.
  - The complexity and separate nature of U.S. federal spending reporting requirements impedes accountability, hinders management, and adds to the costs of reporting.
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## Reporting requirements for **U.S. federal agencies:**

- Agencies report their **budgets** to the White House Office of Management and Budget (MAX System);
- Agencies report their **account balances** to the Treasury Department (GTAS);
- Agencies report their **awards** to the Federal Assistance Awards Data System (grants and assistance) and the Federal Procurement Data System (contracts); and
- That's not all!

## Reporting requirements for entities receiving federal **grants** and **contracts:**

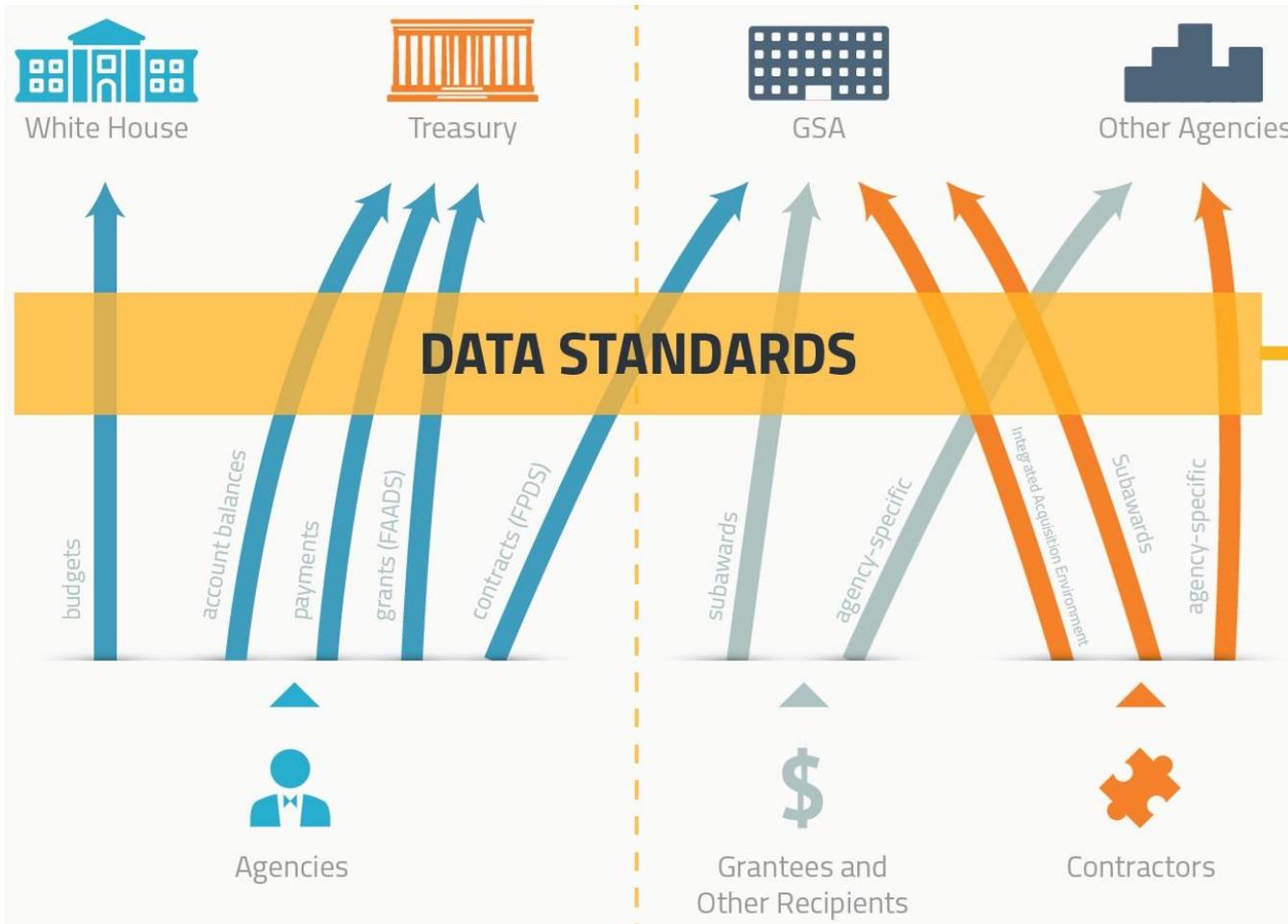
- **Grants:** An entity that receives a grant must report (1) to the agency that provided the grant (various systems) and also (2) to the White House Office of Management and Budget (Single Audit Clearinghouse)
- **Contracts:** A company that receives a contract must report (1) to the contracting agency and (2) to the General Services Administration
- **Sub-grants and sub-contracts** add extra reporting requirements

# SYMPTOMS

## **Three stories of dysfunction caused by complex and separate reporting:**

- “We don’t know how many agencies exist in the federal government!”
- A loan guarantee recipient goes bankrupt, taxpayers lose their investment--but the scandal could have been prevented!
- The advanced technology of the U.S. Treasury Department: pencils and highlighter markers!

# SOLUTION



# BATTLES

## **112th Congress:**

- December 19, 2010: The White House meeting
- June 13, 2011: First introduction in the House
- June 16, 2011: First introduction in Senate
- Summer 2011: Leaks
- April 26, 2012: First House passage
- Summer 2012: White House and Treasury Opposition
- September 20, 2012: A new version in the Senate

## **113th Congress:**

- May 21, 2013: Second introduction in the House, third in the Senate
- November 19, 2013: Second House passage
- January 2014: White House Proposal
- April 10, 2014: Senate passage
- April 28, 2014: House passage ... again
- May 9, 2014: Signed into law

# BASICS

The Digital Accountability and Transparency Act of 2014 ("**DATA Act**"):

- **Establishes standards.** The DATA Act requires the U.S. Treasury Department and the White House Office of Management and Budget to establish government-wide data standards for all federal spending.
- **Fields and formats.** The data standards to be established by the Treasury Department and the White House Office of Management and Budget include (1) consistent data fields, including agency identification codes, recipient identification codes, and program identification codes; and (2) a schema that connects all of the data fields.
- **Agency mandate.** U.S. federal agencies must report their spending information using the data standards by May 2017.
- **Recipient reporting pilot program.** There is no mandate for recipients of grants or recipients of contracts to use the data standards for their reporting requirements. Instead, Section 5 of the DATA Act requires the White House Office of Management and Budget to establish a pilot program to determine whether standards work properly. The pilot program ends in May 2017. By August 2018, OMB decides whether to standardize all reporting.

# BENEFITS

- For citizens, better **accountability**. Data standards can bring together new visualizations of federal spending to allow voters, media, and NGOs to scrutinize politicians' decisions.
- For federal agencies, better **management and oversight**. Data standards allow modern data analytics technologies to be used at less cost. If spending information is standardized already, it need not be translated before deploying analytics solutions.
- For recipients of federal grants and recipients of federal contracts, **automated compliance**. If the federal government adopts consistent data standards for reports that must be submitted by recipients of federal grants and recipients of federal contracts, then software can automatically gather information from those entities' existing accounting systems and automatically compile reports, reducing manual labor.

# CITIZENS

## Grants Explorer

Grants  
\$702 billion - 100.0% of all Grants

Agency  
**6900: DEPT OF TRANSP...**  
\$34.1 billion - 13.4% of all Grants

Bureau  
**6925: FEDERAL HIGHWA...**  
\$62.5 billion - 8.9% of all Grants

Program  
**Highway Planning and...**  
\$62.2 billion - 8.9% of all Grants

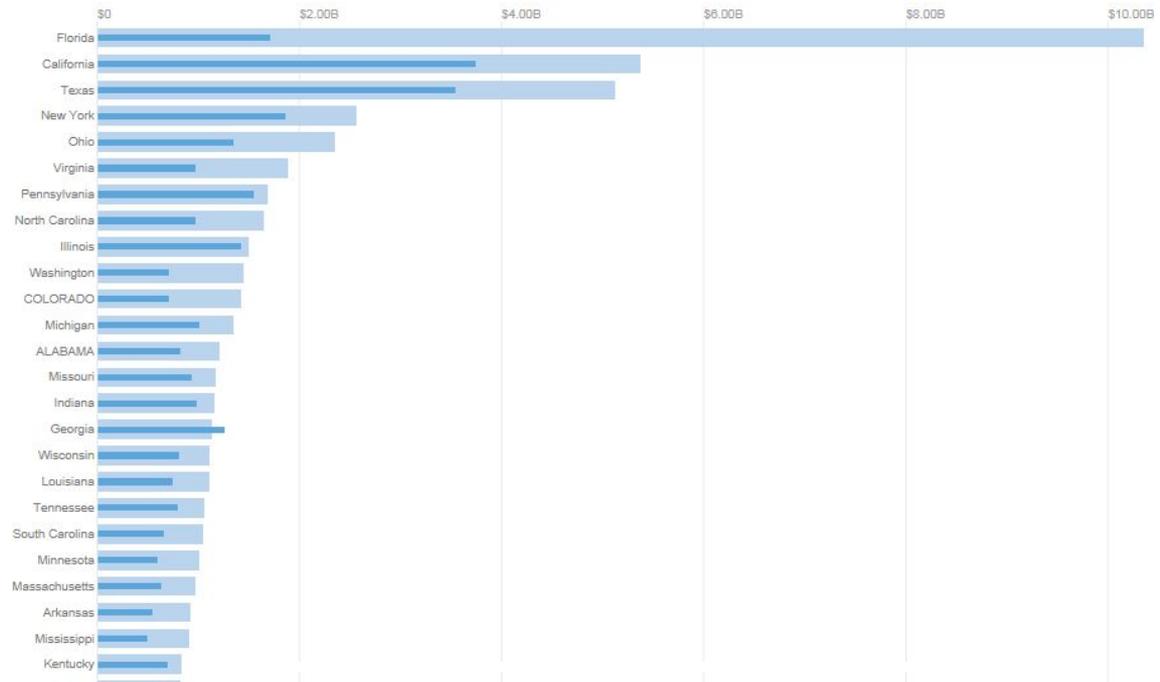
## \$62.2 Billion Highway Planning And Construction

Where's it going? How's it funded?

### Highway Planning and Construction broken down by State

Within 6900: DEPT OF TRANSPORTATION and 6925: FEDERAL HIGHWAY ADMINISTRATION

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# AGENCIES



Agency Point-of-V..

## DATA Act Agency Solution

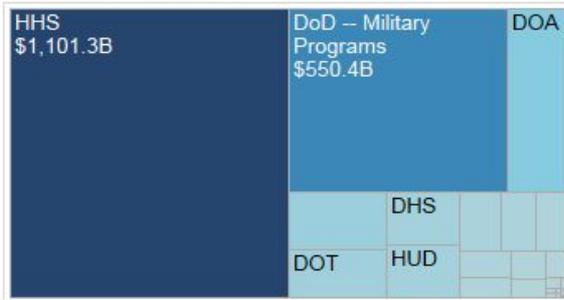
Citizen Point-of-V..



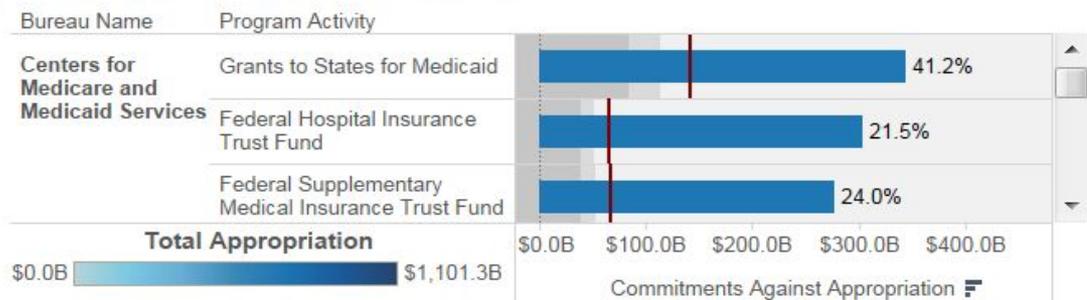
Agency (All)

Bureau (All)

### Appropriations



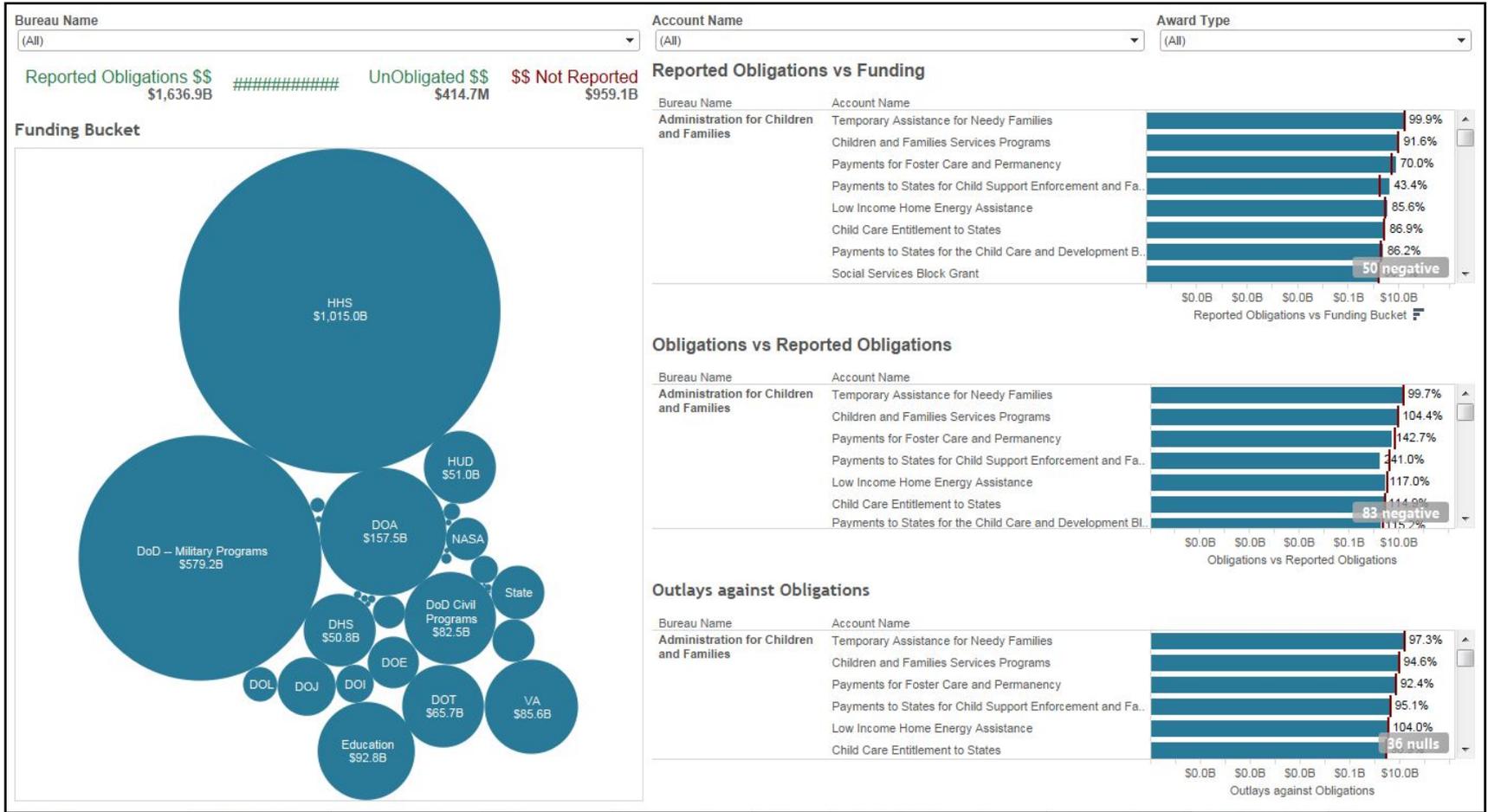
### Allocations and Allotments for All



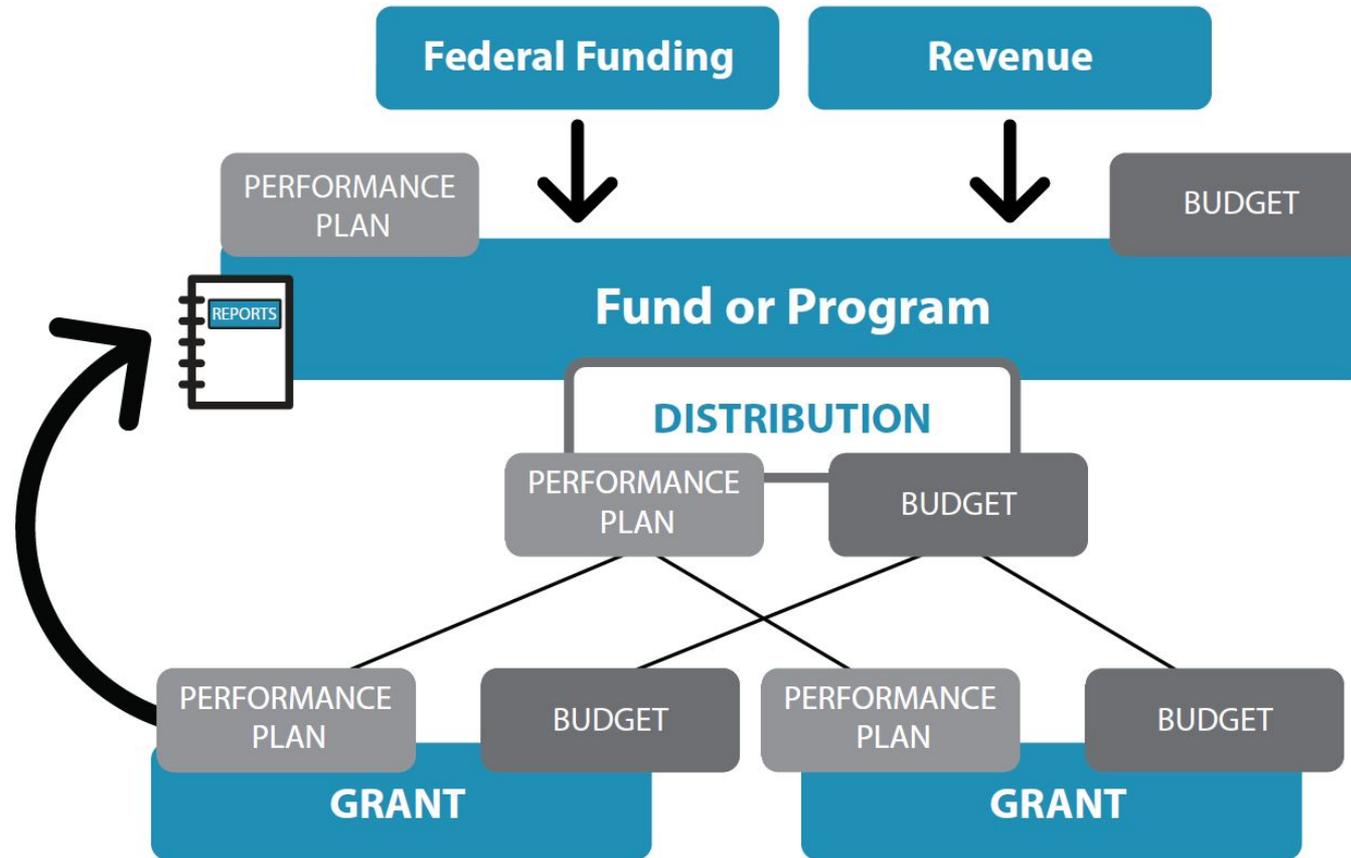
### Monies



# AGENCIES pt 2



# RECIPIENTS



# OVERSIGHT

## For Investigators:

- “Which of my agency’s contracts are most likely to involve fraud?”

## For Auditors:

- “Which of my agency’s offices logs the most overtime, and why?”
- “Why do these grantees claim USASpending.gov misstates their details?”



# TIMELINE

- **December 2014:** OMB appoints Department of Health and Human Services to lead Section 5 Pilot Program to standardize grantee reporting.
- **May 2015:** Treasury and OMB announce the first version of the data standards.
- **April 29, 2016:** Treasury and OMB announce the complete version of the data standards - DATA Act Schema, Version 1.0 - and reporting instructions.
- **November 2016:** Inspector General reports on agency compliance.
- **May 2017:** Agencies must report their financial and award data using the data standards.
- **May 2017:** Section 5 Pilot Program ends.
- **November 2017:** GAO report on implementation.
- **May 2018:** Treasury and OMB must publish all data on USASpending.gov.
- **August 2018:** OMB decides whether to standardize all recipient reporting.

# CHALLENGES

- **Integrating standards with existing reporting requirements.** The Treasury Department and the White House Office of Management and Budget have not yet decided how standardized reporting will be combined with the existing reporting requirements.
- **Proprietary recipient ID.** The Treasury Department and the White House Office of Management and Budget selected a proprietary identification code for recipients as one of the data standards.
- **No action on contractor pilot program.** The White House Office of Management and Budget has not yet established the necessary pilot program to test the use of data standards within reports by contractors. On April 13, OMB promised to submit a new plan to Congress.
- **Analytics platform missing.** The original DATA Act was intended to establish a government-wide analytics platform to perform electronic searches for waste and fraud. The final DATA Act did not include this policy.
- **New administration.** A new president will take office in January 2017, and could remove the current executive branch leaders who are managing the implementation of the DATA Act.