

Financial Services and General Government Subcommittee
United States Senate Committee on Appropriations
General Services Administration, Office of Management and Budget, and U.S. Treasury Department

May 24th, 2019

**Joint Written Testimony of Nick R. Hart, Chief Executive Officer and Christian A. Hoehner
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Subject: Strengthening Federal Data Policies for Better Decision Making

Chairman John Kennedy, Ranking Member Christopher Coons, and Members of the Financial Services and General Government Subcommittee on Appropriations, thank you for this opportunity to provide outside written testimony on behalf of the Data Coalition.

The Data Coalition advocates on behalf of the private sector and public interest for government information to be high quality, accessible, and useable. In most cases, this means transforming information to be standardized, open, and machine-readable data. Based in Washington D.C., the Data Coalition represents technology and data analysis companies, public sector consulting and accounting firms, and non-profits.

The Foundations for Evidence-Based Policymaking Act, including the OPEN Government Data Act, and Confidential Information Protection and Statistical Efficiency Act

In December 2018, Congress passed the Foundations for Evidence-Based Policymaking Act (Evidence Act), which includes both the OPEN Government Data Act (Title II) and the Confidential Information Protection and Statistical Efficiency Act (Title III). President Trump signed the legislation in early 2019. Taken together, the acts have the potential to drastically improve how the Executive Branch agencies make data accessible and useful for decision-making and public accountability. Among other reforms, the monumental bipartisan law requires agencies to develop learning agendas aimed at improving the performance and outcomes of federal programs, create supporting enterprise-wide data management plans under the leadership of newly established Chief Data Officers, and renews and expands robust privacy and confidentiality protections for administrative records.

When the U.S. Commission on Evidence-Based Policymaking issued its final report to Congress and the president in 2017, its members unanimously concluded that government needed to both improve access to data and strengthen certain privacy protections.¹ The new laws create the legal framework to do just that. If properly implemented, the new evidence and data laws should provide the American public, Congress, and decision-makers across government greater assurances that federal programs and policies are being efficiently administered, supported by sound evidence and data-driven insights, and actually fulfilling their missions.

Furthermore, the legal presumption of openness incorporated into the Law's definition of "public data assets," the requirement for agencies to maintain "comprehensive data inventories" for non-sensitive

¹ "The Promise of Evidence-Based Policymaking," The Promise of Evidence-Based Policymaking § (2017), <https://www.cep.gov/cep-final-report.html>.

data assets, and the improved data capabilities for agencies that meet certain strict privacy standards means the public, as represented by Congress, has a critical new resource for understanding government. But in order for the vision of the Evidence Commission and the new laws to be realized, Congress must support the government's effective implementation of the key provisions.

Lastly, the President's Management Agenda recognizes "Data, Accountability, and Transparency" as a top three core "driver" of government modernization. These principles are codified by the new data and evidence laws. By ensuring successful implementation, Congress can assure the American public that federal agencies operate more effectively, efficiently, and transparently, perhaps even setting the stage for restoring public trust in our government.

Recommendation: Provide Strong Oversight of OMB's Agency Guidance and Fund Tech Support at GSA

The Committee should support, monitor, and encourage the White House Office of Management and Budget (OMB) to fully resource and enable agency officials who are accountable for implementing evidence and data laws, including the newly established Chief Data Officers and Chief Evaluation Officers. Furthermore, the establishment and ongoing support of the Chief Data Officer's Council should be prioritized.²³ Congress should use opportunities when OMB officials testify to promote effective implementation and prioritization of these activities, including during both appropriations and authorization hearings. Congressional staff should also be encouraged to follow-up with OMB and individual agencies with briefings regarding progress implementing the new requirements. Importantly, given the number of requirements imposed on OMB for issuing guidance and ensuring effective implementation of new data access, data quality, and privacy requirements, continued attention to OMB's progress is an imperative to success of the vision articulated by the new laws. The Committee should also prioritize centralized and dedicated funding within General Services Administration's (GSA) "Federal Citizen Services Fund" to support the government-wide implementation of the OPEN Government Data Act's requirement for the establishment and maintenance of a "Federal Data Catalogue" (i.e., Data.gov) at GSA.⁴ Such funding would support expanded staffing and consistent implementation assistance to federal agencies responsible for establishing individual "Comprehensive Data Inventories" that map openly available public data assets to Data.gov.⁵ To be effective, government needs some shared service capabilities to support implementation; GSA is a logical place for this.

Such funding would also support GSA's responsibility to maintain "an online repository of tools, best practices, and schema standards to facilitate the adoption of open data practices across the Federal Government".⁶ This Repository represents the foundational resource for agency Chief Data Officers to leverage common data management, standard setting, quality improvement, privacy and intellectual property protection, and collaboration best practices across the government. By providing agencies a robust and centralize resource at GSA, the OPEN Government Data Act's technical implementation can

² House Committee on Oversight and Government Reform and Chairman Trey Gowdy, "Foundations for Evidence-Based Policymaking Act of 2018" H. Rept. 115-411 § (2017), <https://www.congress.gov/115/crpt/hrpt411/CRPT-115hrpt411.pdf>. See page 14 of the report for a full description of Chief Data Officers.

³ Nick Hart and Robert Shea, "Focusing Government's C-Suite on Data Quality Makes Good Business Sense," *The Hill*, May 2019, <https://thehill.com/blogs/congress-blog/technology/445094-focusing-governments-c-suite-on-data-quality-makes-good>.

⁴ Foundations for Evidence-Based Policymaking Act of 2018 (P.L. 115-435) (2019). See Title II, Sec. 3511(c) "Federal Data Catalogue".

⁵ *Ibid.*, see Title II, Section 3511(a) "Comprehensive Data Inventory".

⁶ *Ibid.*, see Title II, Section 3511(c)(2) "Repository".

be properly equipped and the data assets needed for government-wide evidence-based policymaking can be brought online in a more methodical, efficient manner.

The DATA Act: Continued Agency Reporting Oversight Required to Assure Reliable USAspending.gov

As the Committee is aware, in 2014 Congress unanimously passed the Digital Accountability and Transparency Act (DATA Act) (P.L. 113-101) which charged the OMB and the U.S. Treasury Department (Treasury) with the task of transforming government-wide spending information into a standardized, searchable data-set and for this resource to be made openly available on a central website: USAspending.gov. USAspending.gov now reflects the entirety of the FY 2018 agency spending data for the public and Congressional scrutiny. Over eighty-five federal agencies are actively reporting spending information linked to over 1,600 federal accounts. This data set will continue to provide such real-time and comprehensive spending information on a quarterly-basis. Before the DATA Act's mandate, this connection between accounting and award data did not systematically exist⁷ and is now centrally defined by Treasury's DATA Act Information Model Schema (DAIMS)⁸, a relational data structure defining account and award information. In short, the DATA Act is the start to realizing a full life-cycle picture of the U.S. Government's financial information.⁹

Despite this progress, there remain issues with federal agencies not reporting accurate award information to the Treasury. The 2018 Senate Permanent Subcommittee on Investigation's report correctly identified¹⁰ a myriad of issues with reported award (contract and grant) information not reconciling with U.S. Treasury controlled account balances.¹¹ The DATA Act's implementation represents a significant investment and it is imperative that this national resource for financial accountability be improved. This will empower Congressional Budget, Appropriations, oversight, and policymaking work.

Recommendation: Continue to Emphasize Complete and Accurate Spending Data

As stewards of the taxpayer's dollar, the Committee is responsible for ensuring that the funds appropriated under its jurisdiction are wisely invested and properly spent. The Committee should emphasize that the OMB and U.S. Treasury continue to prioritize their legally-required duties to assure the submission of timely, accurate, high quality, and complete agency financial and award information for open publishing on USAspending.gov. Furthermore, the Committee should encourage the General Services Administration (GSA) to work with the U.S. Treasury to assure that award systems maintained externally to agency financial systems be provisioned in a manner that fully integrates with legally established DATA Act management guidance, reporting processes, and data standards.

⁷ Landefeld, Frank, Jamie Yachera, and Hudson Hollister. "The DATA Act: Vision and Value." Data Foundation. MorganFranklin Consulting, July 2016. <http://www.datafoundation.org/data-act-vision-and-value-report/>. See Section III "How Does the DATA Act Work?"

⁸ "DATA Act Information Model Schema (DAIMS) v1.3.1" Bureau of the Fiscal Service, Data Transparency, May 24, 2019. <https://fiscal.treasury.gov/data-transparency/DAIMS-current.html>.

⁹ "Using the DATA Act to Restore the Power of the Purse," Data Coalition. Congressional Testimony. 2016. <https://www.datacoalition.org/wp-content/uploads/2016/11/Testimony.HudsonHollister.HouseOGR.12-01-16.pdf>

¹⁰ Homeland Security and Governmental Affairs Committee, Rob Portman, and Tom Carper. Federal Agency Compliance with the DATA Act, Federal Agency Compliance with the DATA Act § (2018). [https://www.hsgac.senate.gov/imo/media/doc/2018-07-24%20PSI%20STAFF%20REPORT%20-%20DATA%20ACT%20\(UPDATED\).pdf](https://www.hsgac.senate.gov/imo/media/doc/2018-07-24%20PSI%20STAFF%20REPORT%20-%20DATA%20ACT%20(UPDATED).pdf).

¹¹ "Senate Committee Finds Standardizing Trillions of Dollars of Government Spending Data Is 'Easier Said Than Done,'" July 2018, Data Coalition, <https://www.datacoalition.org/press-releases/senate-committee-finds-standardizing-trillions-of-dollars-of-government-spending-data-is-easier-said-than-done/>.

The President’s Budget: Direct OMB to Provide Consistent Guidance to Modernize Budget Request

As previously requested by this Committee, OMB is taking steps to centrally publish Congressional Budget Justifications for public accessibility. Going forward, and to ultimately facilitate efficient, reliable, and automated ingestion of these justifications into Congressional information systems, the Committee should request future budget justifications be prepared and issued in “machine-readable” formats, a term codified under the OPEN Government Data Act as meaning “data in a format that can be easily processed by a computer without human intervention while ensuring no semantic meaning is lost”. Furthermore, by incorporating financial identifying elements (e.g., federal account attributes, object class, and program activity) that are relationally defined in the U.S. Treasury’s DATA Act Information Model Schema (DAIMS), the Committee could more efficiently crosswalk enacted amounts and current spending activity from USAspending.gov with agency budget requests and other aligned agency reporting obligations.¹² Finally, and to facilitate continued oversight and alignment with agency performance goals, the budget request could ultimately link program activity information to relevant agency programmatic performance goals.

Recommendation: Direct OMB to Provide Consistent Data Formatting for Future Budget Requests

The Committee should convene internal discussions to explore how to provide clear and consistent requirements for OMB in order to modernize future fiscal year budget justifications to Congress in accordance with the principles and goals outlined above. Congressional appropriators have previously requested that OMB establish a central online repository making agency justifications publicly available in a consistent searchable, sortable, and machine-readable format.¹³ These budget justifications could be consistently formatted with a common schema, consistently link program activity to applicable performance goals, and systematically incorporate applicable financial identifying elements for account, object class, and program activity established under the requirements of the DATA Act. Practically speaking, the federal budget process is confusing for the American public and even many government staff. Improving access to information needed to inform decisions and to be transparent about those decisions just makes sense for modern society. It’s time for our budgeting information systems to enter the 21st century.

Conclusion: Enabling Data-Driven Decision-making

By focusing on empowering and guiding incremental improvements to the foundational data governance and processes common to every agency mission and program, Congress can promote effective modernization, efficiency, and meaningful accountability of our government. The recommendations outlined above build on existing law and management processes, equip talented civil servants, and leverage the Committee’s ability to provide critical, unifying direction to government-wide reform initiatives. If we want government data to be used to support good decision-making about government – and we do – effective oversight of data governance and processes is key.

¹² Office of Management and Budget, “M-18-16: Appendix A to OMB Circular No. A-123, Management of Reporting and Data Integrity Risk,” M-18-16: Appendix A to OMB Circular No. A-123, Management of Reporting and Data Integrity Risk § (2018), <https://www.whitehouse.gov/wp-content/uploads/2018/06/M-18-16.pdf>. See Figure 1 “Illustrative Relationship within Reporting Category of Objectives” on page 6.

¹³ House Appropriations Subcommittee on Financial Services and General Government and Chairman Tom Graves, “Financial Services and General Government Appropriations Bill, 2018” H. Rept. 115–234 § (2017), <https://www.congress.gov/congressional-report/115th-congress/house-report/234/1>. See “Online Budget Repository” under Office of Management and Budget.