

1 Purpose: In the nature of a substitute.

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4 S. 994

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6 To expand the Federal Funding Accountability and Transparency Act of 2006 to increase
7 accountability and transparency in Federal spending, and for other purposes.

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9 Referred to the Committee on _____ and ordered to be printed

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10 Ordered to lie on the table and to be printed

11 AMENDMENT IN THE NATURE OF A SUBSTITUTE INTENDED TO BE PROPOSED BY MR. CARPER (for
12 himself, Mr. PORTMAN, and Mr. COBURN)

13 Viz:

14 Strike all after the enacting clause and insert the following:

15 **SECTION 1. SHORT TITLE.**

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16 This Act may be cited as the “Digital Accountability and Transparency Act of 2014”.

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17 **SEC. 2. PURPOSES.**

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18 The purposes of this Act are to enable taxpayers and policy makers to track Federal spending
19 more effectively by—

20 (1) expanding the Federal Funding Accountability and Transparency Act of 2006 (31
21 U.S.C. 6101 note) to have agencies report upon and better link Federal contract, loan, grant
22 and other spending to their programs;

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Deleted: by disclosing direct Federal agency expenditures and linking

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23 (2) providing consistent, reliable, and searchable Government-wide spending data on
24 USAspending.gov and other platforms;

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Deleted: of Federal agencies to enable taxpayers and policy makers to track Federal spending more effectively

25 (3) simplifying reporting for entities receiving Federal funds by streamlining reporting
26 requirements and reducing compliance costs while improving transparency; and

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27 (4) improving the quality of data submitted to USAspending.gov.

Deleted: policy makers on USAspending.gov

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28 **SEC. 3. AMENDMENTS TO THE FEDERAL FUNDING**
29 **ACCOUNTABILITY AND TRANSPARENCY ACT OF 2006.**

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30 The Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6101 note) is
31 amended—

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32 (1) in section 2—

33 (A) in subsection (a)—

34 (i) in the matter preceding paragraph (1), by striking “this section” and
35 inserting “this Act”;

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(ii) by redesignating paragraphs (2) and (3) as paragraphs (3) and (5), respectively;

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(iii) by inserting after paragraph (1) the following:

“(2) FEDERAL AGENCY.—The term ‘Federal agency’ has the meaning given the term ‘Executive agency’ under section 105 of title 5, United States Code.”; and

(iv) by inserting after paragraph (3), as redesignated by subparagraph (A), the following:

“(4) OBJECT CLASS.—The term ‘object class’ means the category assigned for purposes of the annual budget of the President submitted under section 1105(a) of title 31, United States Code, to the type of property or services purchased by the Federal Government,” and

Deleted: “(4) FEDERAL FUNDS.—The term ‘Federal funds’ means any funds that are made available to or expended by a Federal agency. - “(5

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(B) in subsection (c)—

Deleted: “(6) PROGRAM ACTIVITY.—The term ‘program activity’ has the meaning given that term under section 1115(h) of title 31, United States Code.”; and .

(i) in paragraph (4), by striking “and” at the end;

(ii) in paragraph (5), by striking the period at the end and inserting a semicolon; and

(iii) by adding at the end the following:

“shall have the ability to aggregate data for the categories described in paragraphs (1) through (5) without double-counting data; and

Deleted: “(6)

“shall use open data structures.”;

Deleted: “(7) shall permit all information published under this section to be downloaded in bulk.”; and

(C) by striking subsection (g); and

(2) by striking sections 3 and 4 and inserting the following:

“SEC. 3. FULL DISCLOSURE OF FEDERAL FUNDS.

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“(a) In General.—Not later than 3 years after the date of enactment of the Digital Accountability and Transparency Act of 2014, and every quarter thereafter, the Director of the Office of Management and Budget, shall prescribe that the information in subsection (b) is posted and made accessible using open data structures (e.g. using a widely accepted, nonproprietary, searchable, platform-independent formats).

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“(1) on a site determined by the Director of the Office of Management and Budget, the amount of budget authority appropriated, other budgetary resources, obligations, and unobligated balances, for each appropriations account, both expired and unexpired);

“(2) on USAspending.gov, by reference to the appropriations account, the amounts –

“(A) obligated by each program, and

“(B) outlaid by each program; and

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“(3) on USAspending.gov, by reference to the appropriations account, the amounts –
“(A) obligated by object class, and
“(B) outlayed by object class.

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“(1) the amount of budget authority authorized; -
“(2) the amount obligated; -
“(3) the amount of outlays; -
“(4) the amount of any Federal funds reprogrammed or transferred; and -
“(5) the amount of expired and unexpired unobligated balances. -

“SEC. 4. DATA STANDARDS AND IMPLEMENTATION REQUIREMENTS.

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“(a) In General.—The Director of the Office of Management and Budget, in consultation with the Department of Treasury, shall:

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- (1) review and if necessary revise standards to ensure accuracy and consistency through methods such as establishing linkages between data in agency financial systems and information in section 4;
- (2) clarify and standardize definitions on grants and contracts used by agencies and entities that receive Federal funds; and
- (3) shall prescribe the use of open data structures to publish information, as required in section 4.

Deleted: Secretary of the Treasury, in consultation with the

Deleted: the Administrator of General Services, the Director of the Office of Personnel Management,

Deleted: the heads of Federal agencies, shall establish Government-wide financial data

Deleted: for Federal funds, which shall include common data elements for financial

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“(b) Requirements for reported data, information in section 4 shall include a standard method of conveying the reporting period, reporting entity, unit of measure, and other associated attributes.

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“(c) Deadlines for Implementation.

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- (i) Not later than 1 year after the date of enactment of the Digital Accountability and Transparency Act of 2014, the Director of the Office of Management and Budget, in consultation with the Department of Treasury, shall ensure implementation of Section 3(b)(1) with the Department of Treasury responsible for the publication of information in the aforementioned section;
- (ii) Not later than 2 years after the date of enactment of the Digital Accountability and Transparency Act of 2014, the Director of the Office of Management and Budget, in consultation with the Department of Treasury, shall ensure implementation of Section 3(b)(2) with the Department of Treasury responsible for the publication of information in the aforementioned section ;and
- (iii) Not later than 3 years after the date of enactment of the Digital Accountability and Transparency Act of 2014, the Director of the Office of Management and Budget, in consultation with the Department of Treasury, shall ensure implementation of Section 3(b)(3) with the Department of Treasury responsible for the publication of information in the aforementioned section.

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“SEC. 5. SIMPLIFYING FEDERAL AWARD REPORTING.

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“(a) In General.—The Director of the Office of Management and Budget, in consultation with relevant Federal agencies, recipients of Federal funds, including State and local governments,

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1 and institutions of higher education (as defined in section 102 of the Higher Education Act of
2 1965 (20 U.S.C. 1002)), shall review the information required to be reported by recipients of
3 Federal awards to identify—

4 “(1) common reporting elements across the Federal Government;

5 “(2) unnecessary duplication in financial reporting; ▼

6 “(3) unnecessarily burdensome reporting requirements for recipients of Federal awards, ▼
7 and

8 “(4) costs and benefits of establishment of Government-wide universal identifiers for
9 Federal awards and entities receiving Federal awards;

10 “(b) Pilot Program.—

11 “(1) ESTABLISHMENT.—Not later than 1 year after the date of enactment of the Digital
12 Accountability and Transparency Act of 2014, the Director of the Office of Management
13 and Budget, or designee of the Director, shall develop and oversee a pilot program, with
14 participation of appropriate Federal agenc(ies) relating to reporting (in this section referred
15 to as the ‘pilot program’) to facilitate the development of recommendations for—

16 “(A) common reporting elements across the Federal Government;

17 “(B) the elimination of unnecessary duplication in financial reporting; and

18 “(C) the reduction of compliance costs for recipients of Federal awards.

19 “(2) REQUIREMENTS.—The pilot program shall—

20 “(A) include a combination of Federal contracts, grants, and subawards, the
21 aggregate value of which is not less than \$1,000,000,000 and not more than
22 \$2,000,000,000;

23 “(B) include a diverse group of recipients of Federal awards; and

24 “(C) to the extent practicable, include recipients who receive Federal awards from
25 multiple programs across multiple agencies.

26 “(3) DATA COLLECTION.—The pilot program shall include data collected during a 12-
27 month reporting cycle.

28 “(4) REPORTING AND EVALUATION REQUIREMENTS.— Each recipient of a Federal award
29 participating in the pilot program shall submit any requested reports of the selected Federal
30 awards, as required by the Office of Management and Budget or its designee.

31 “(5) TERMINATION.—The pilot program shall terminate on the date that is 2 years after
32 the date on which the Director of the Office of Management and Budget establishes the
33 pilot program.

34 “(6) AGENCY GUIDANCE.—Not later than 1 year after the date on which the pilot program
35 terminates under subsection (b)(5), the Director of the Office of Management and Budget
36 shall provide guidance to the heads of Federal agencies regarding how to simplify the
37 reporting requirements for recipients of Federal awards to reduce unnecessary duplicative
38 reports and to reduce compliance costs, as appropriate.

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“(A) a description of the data collected under the pilot program, the usefulness of the data provided, and the cost to collect the data from recipients; and

“(B) recommendations for—

“(i) consolidating aspects of Federal financial reporting to reduce the costs to recipients of Federal awards;

“(ii)

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“(c) Government-wide Implementation.—Not later than 1 year

after the date on which the Director of the Office of Management and Budget submits the report under Section 11(b), the Director shall determine, based on the review conducted under subsection (a) and the recommendations developed under subsection (b), how the data standards established under section 4(a) may be applied to the information required to be reported by recipients of Federal awards to—

“(1) reduce the burden of complying with the reporting requirements; and

“(2) simplify the reporting process.

“SEC. 6. ACCOUNTABILITY FOR FEDERAL FUNDING.

“(a) Inspector General Reports.—

“(1) IN GENERAL.—In accordance with paragraph (2), the Inspector General of each Federal agency, in consultation with the Comptroller General of the United States, shall—

“(A) review a statistically valid sampling of the spending data submitted under this Act by the Federal agency; and

“(B) submit to Congress and make publically available a report assessing the completeness, timeliness, quality, and accuracy of the data sampled and the implementation and use of data standards by the Federal agency.

“(2) DEADLINES.—

“(A) FIRST REPORT.—Not later than 18 months after the date on which guidance is issued under section 4(c)(1), the Inspector General of each Federal agency shall submit a report as described in paragraph (1).

“(B) SUBSEQUENT REPORTS.—On the same date as the Inspector General of each Federal agency submits the second and fourth reports under sections 3521(f) and 9105(a)(3) of title 31, United States Code, that are submitted after the report under subparagraph (A), the Inspector General shall submit a report as described in paragraph (1). The report submitted under this subparagraph may be submitted as a part of the report submitted under section 3521(f) or 9105(a)(3) of title 31, United States Code.

“(b) Comptroller General.—Not later than 2 years after the date of enactment of the Digital Accountability and Transparency Act of 2014, and every 2 years thereafter until the date that is 6 years after such date of enactment, and after review of the reports submitted under subsection (a), the Comptroller General of the United States shall submit to Congress and make publically available a report assessing and comparing the data completeness, timeliness, quality, and accuracy of the data submitted under this Act by Federal agencies and the implementation and use of data standards by Federal agencies.

“(c) Recovery Operations Center.—Effective on the date on which the Recovery Accountability and Transparency Board terminates, there are transferred to the Department of the Treasury all system, software, and hardware of the Recovery Operations Center of the

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1 Recovery Accountability and Transparency Board relating to the detection and remediation of
2 waste, fraud, and abuse in the use of Federal funds by Federal agencies that are in existence on
3 the day before the termination. **Ninety days prior to such transfer, the Office of Management and**
4 **Budget, in consultation with the Department of Treasury, issue guidance to agencies defining**
5 **how such assets may be used by Federal agencies, in conjunction with existing efforts.**

6 **“SEC. 7. CLASSIFIED AND PROTECTED INFORMATION.**

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7 “Nothing in this Act shall require the disclosure to the public of—

8 “(1) information protected from disclosure under section 552 of title 5, United States
9 Code (commonly known as the ‘Freedom of Information Act’); or

10 “(2) information protected under section 552a of title 5, United States Code (commonly
11 known as the ‘Privacy Act of 1974’), or section 6103 of the Internal Revenue Code of
12 1986.”.

13
14 **SEC. 4. EXECUTIVE AGENCY ACCOUNTING AND OTHER**
15 **FINANCIAL MANAGEMENT REPORTS AND PLANS.**

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16 Section 3512(a) of title 31, United States Code, is amended

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17 in paragraph (a)(1), by inserting “and make available on the website described under
18 section 1122” after “appropriate committees of Congress”;

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Deleted: ”; and

19 **SEC. 5. DEBT COLLECTION IMPROVEMENT.**

20 Section 3716(c)(6) of title 31, United States Code, is amended—

21 (1) by striking “Any Federal agency” and inserting “(A) Any Federal agency”;

22 (2) in subparagraph (A), as so designated, by striking “180 days” and inserting “120
23 days”; and

24 (3) by adding at the end the following:

25 “(B) The Secretary of the Treasury shall notify Congress of any instance in which an agency
26 fails to notify the Secretary as required under subparagraph (A).”.

Deleted: (2) in paragraph (4), by adding at the end the following: -
“(C) Not later than 1 year after the date of enactment of the Digital Accountability and Transparency Act of 2014, and every 5 years thereafter, the Director shall make available on the website described under section 1122 a report regarding the implementation of the Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6101 note).”.

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28 **SEC. 6. REPORTING REQUIREMENTS**

29 (a) **Not later than 1 year after the date of enactment of the Digital Accountability and**
30 **Transparency Act of 2014, the Director of the Office of Management, in consultation**
31 **with the Secretary of the Treasury, shall provide a report to Congress that :**

32 “(1) describes the review of, and any revisions to, standards to ensure accuracy,
33 consistency through methods such as establishing a linkage between data in agency
34 financial systems and information reported to taxpayers in Section 4.

35 “(2) describes actions taken to clarify and standardize definitions on grants and
36 contracts, with a follow-up report due one year later providing timeframes when
37 guidance was or will be revised and implemented.

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(b) Not later than 1 year after the date on which the pilot program terminates under subsection (b)(5), the Director of the Office of Management and Budget shall submit to the Committee on Homeland Security and Governmental Affairs and the Committee on the Budget of the Senate and the Committee on Oversight and Government Reform and the Committee on the Budget of the House of Representatives a report on the pilot program, which shall include—

“(1) a description of the data collected under the pilot program, the usefulness of the data provided, and the cost to collect the data from recipients; and

“(2) recommendations for—

“(A) consolidating aspects of Federal financial reporting to reduce the costs to recipients of Federal awards;

“(B) automating aspects of Federal financial reporting to increase efficiency and reduce the costs to recipients of Federal awards;

“(iii) any legislative action required to simplify the reporting requirements for recipients of Federal awards; and

“(iv) improving financial transparency.

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