

Introduction to the DATA Act

DATA
FOUNDATION

WIFI

Network

TheRetreat-4thFloor

Password

brickwall

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.

THE GOVERNMENT OF THE UNITED STATES

CONSTITUTION

LEGISLATIVE BRANCH

THE CONGRESS

HOUSE OF REPRESENTATIVES
ARCHITECT OF THE CAPITOL
BOTANICAL GARDEN
GENERAL ACCOUNTING OFFICE
GOVERNMENT PRINTING OFFICE
LIBRARY OF CONGRESS
OFFICE OF MANAGEMENT AND BUDGET
OFFICE OF NATIONAL DRUG CONTROL POLICY
OFFICE OF POLICY DEVELOPMENT
OFFICE OF SCIENCE AND TECHNOLOGY POLICY
OFFICE OF TRADE REPRESENTATIVE

EXECUTIVE BRANCH

THE PRESIDENT

THE VICE PRESIDENT

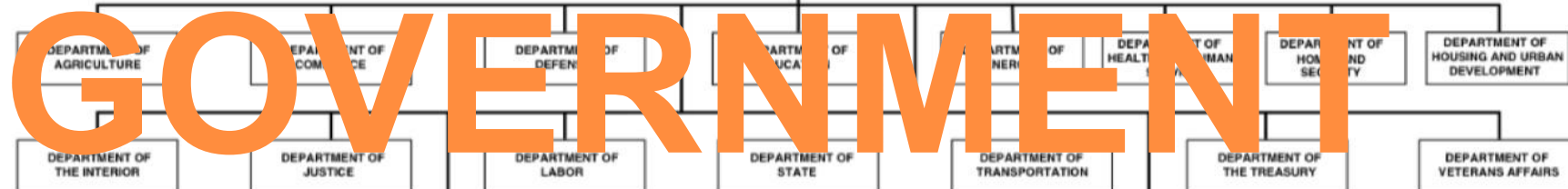
EXECUTIVE OFFICE OF THE PRESIDENT

VICE HOUSE CHIEF OF STAFF
VICE PRESIDENT
COUNCIL ON ECONOMIC ADVISORY
COUNCIL ON ENVIRONMENTAL QUALITY
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:**

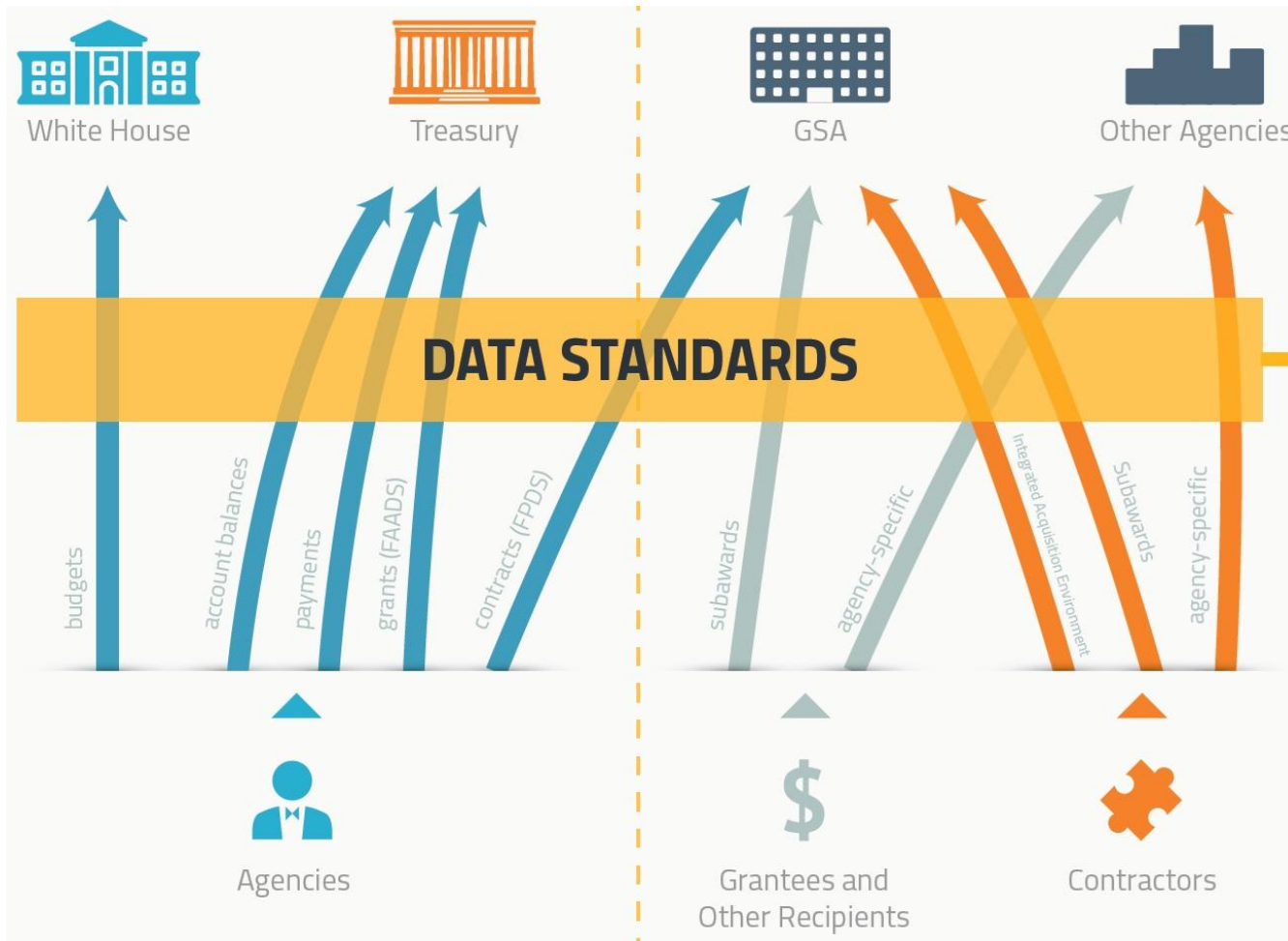
- **Grants:** An entity that receives a grant must report (1) to the agency that provided the grant (various systems) and also (2) to the White House Office of Management and Budget (Single Audit Clearinghouse)
- **Contracts:** A company that receives a contract must report (1) to the contracting agency 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



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.

TIMELINE

- **May 9, 2014:** President Obama signs the DATA Act into law.
- **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 - the DATA Act Information Model Schema, or DAIMS.
- **November 2016:** Inspector General reports on agency compliance.
- **May 2017:** Agencies begin reporting their financial and award data using the data standards; Treasury aggregates the reports and publishes the first-ever unified federal spending data set on beta.USASpending.gov.
- **May 2017:** Section 5 Pilot Program ends.
- **June 29, 2017:** DATA Act Summit.
- **November 2017:** Inspectors General report results of data audit.
- **May 2018:** Treasury and OMB must ensure that all spending data conforms to standards.
- **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.