The DATA Act
Overview, Framework, and Implementation Efforts

Briefing for the National Grants Management Association
March 11, 2015
Purpose: Provide an Overview of the DATA Act, the Federal and Departmental Governance Structure, and key activities supporting government-wide and HHS implementation

Key Topics
• Overview of the DATA Act, associated deadlines
• Federal DATA Act implementation strategy
• HHS’s approach toward implementation
• Data Standards – the fundamental pathways to collect, exchange and report information
• Overview of the proposed framework for the DATA Act Section 5 Pilot
• Development of a Data Standards Repository Proof of Concept to foster use of common data standards
• Current Workload and Activities
• Discussion/Questions
We currently:
• Employ many systems to collect, interpret and convey information about programs, initiatives, and financial condition.
• Expect people to navigate various processes, parochial language, and policies to communicate and share information.
• Expend resources decoding complex processes and conflicting & confusing terminology, and duplicative requests.
• Use central systems – i.e., Grants.gov, FedReporting.gov, and USASpending.gov for collecting and reporting information that do not leverage common data: standards, quality requirements, or platforms.

We envision a world:
• Where through the use of standard terms and definitions, consolidated reporting and collaborative information sharing, can focus our energy and collective knowledge on resolve issues that matter.
• Where a single electronic doorway provides access to meaningful information that can be understood, analyzed, and interpreted to deliver meaningful outcomes.
• Where people who do business with the federal government spend less time and resources figuring out what we want, and more energy delivering what we need.
What would it take to achieve a Vision of Common Terms and Collaborative Information Exchange?

• Focus first on building the lexicon of common business terms and definitions
• Build cultural awareness of data quality issues and opportunities
• Update policies and streamline business processes to foster information exchange based on common data standards
• Build a repository to capture common business terms and their respective definitions
• Leverage existing systems and build a common platform to support data exchange based on common terms
Vision
Provide reliable, timely, secure, and consumable financial management data for the purpose of promoting transparency, facilitating better decision making, and improving operational efficiency.

Better Data, Better Decisions, Better Government

Goals
• Capture and make available financial management data to enable the data consumers to follow the complete life cycle of Federal spending -- from appropriations to the disbursements of grants, contracts, and administrative spending
• Standardized information exchanges – definitions and format – to enable timely access to discoverable and reusable detail transaction level data

Approach
• Data-centric – Focus on managing data and systems as opposed to massive new system changes
• Incremental – Release data as it becomes available
• Reuse– Maximize and leverage use of existing processes/investments
• Collaborative – Feedback from multiple stakeholders drives incremental design improvements
• Iterative/Agile – Conduct small scale pilots
Goals of the DATA Act:

• Expand the Federal Funding Accountability and Transparency Act of 2006 (FFATA) to disclose direct Federal agency expenditures and link Federal contract, loan, and grant spending information to programs
• Establish Government-wide data standards for financial data and provide consistent, reliable, and searchable Government-wide spending data that is displayed accurately
• Simplify reporting for entities receiving Federal funds by streamlining reporting requirements and reducing compliance costs while improving transparency
• Improve the quality of data submitted to USASpending.gov by holding Federal agencies accountable for the completeness and accuracy of the data submitted
• Apply approaches developed by the Recovery Accountability and Transparency Board to spending across the Federal Government
• Require agency Inspectors General and the Comptroller General government watchdogs to audit and report on agency compliance with the law’s mandates
<table>
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<tr>
<th>Activity</th>
<th>Responsible Party</th>
<th>Deadline</th>
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| Sec 3 – Post on the web information about each appropriations accounts, program activities, etc. | Treasury, OMB, Agencies                       | 3 years after enactment and monthly when practicable (not less than quarterly) thereafter  
  • May 2017                                                           |
| Sec 4 – Develop and issue guidance on data standards                    | Treasury and OMB                              | 1 year after enactment  
  • May 2015                                                         |
| Sec 4 – Report financial and payment data in accordance with the new standards | Agencies                                      | 2 years after guidance  
  • May 2017                                                         |
| Sec 4 – Ensure the new data standards are applied to the data on USASpending.gov | OMB and Treasury                              | 2 years after guidance  
  • May 2017                                                         |
| Sec 5 – Establish Pilot program that will generate recommendations to standardize reporting, eliminate duplication and unnecessary reports, and reduce compliance costs | OMB  
  HHS - Financial Assistance/Grants (per OMB request) | 1 year after enactment, completed within 2 years after pilot established  
  • May 2015 – May 2017                                               |
| Sec 5 – Report on results of pilot                                     | OMB                                           | 90 days after pilot completion  
  • August 2017                                                     |
| Sec 5 – Guidance to agencies on how data standards can reduce burden and simplify reporting requirements/eliminate duplication | OMB                                           | 1 year after Report  
  • August 2018                                                     |
**Treasury and OMB Governance Structure**

**Executive Steering Committee – OMB and Treasury**

**Inter-Agency Advisory Committee – Recommendations to OMB & Treasury:**
Representatives from: CFOC, BOAC, ACE, COFAR, CAOC, CIOC, PIC

**Lead**

- **Treasury**
  - (Data Transparency PMO)

- **OMB**
  - (OFFM/OMB coordinates with OFPP, BRD, RMO & EOP- OSTP & NSC)

**Design and Implement**

- **Treasury**
  - Data Exchange Standards
- **Treasury**
  - Blueprint/roadmap between data elements
- **OMB**
  - Data Definition Standards
- **OMB**
  - Pilot to Reduce Admin Burden
- **Treasury**
  - Data Analytics

**Support**

- Senior Accountable Officials from each of the 24 CFO Act agencies

**Consult**

- Industry
- Non-Federal stakeholders
- Federal Lines of Business
Implementation Workstreams*

**DATA Act Requirements**

- **Sec. 3: Full disclosure of Federal Funds**
  - Ensure info posted on website includes obligation & expenditure by program activity, object class, & award/sub-award

- **Sec. 4: Data Standards**
  - Within one year, publish guidance—searchable, platform independent, cross comparisons

- **Sec. 5: Federal Award Reporting**
  - Reduce administrative burden on recipients

- **Sec. 6: Accountability for Federal Funds**
  - Establish/expand Data Analytics center
  - Conduct audit (not part of implementation workstreams)

**Executive Steering Committee – OMB and Treasury**

**Inter-Agency Advisory Committee**

**Data Exchange Standards**
- Treasury responsible for developing data “exchange” standards & new USAspending.gov site to post searchable, platform independent financial data

**Blueprint/Roadmap Between Data Elements**
- Treasury responsible, in collaboration w/ OMB & agencies, for developing blueprints that link relevant data in grants, procurement, & financial systems to better align govt-wide reporting consistent with the program activity/object class reporting roadmap/solution
- OMB responsible, in close collaboration w/ Treasury & agencies, for developing roadmaps/solution required to allow for program activity & object class reporting

**Data Definition Standards**
- OMB responsible, with leadership support from HHS & DOD to develop data “definition” standards for FFATA data elements, allowing for “cross-comparisons”

**Pilot to Reduce Admin Burden**
- OMB responsible, with tactical support from HHS & Procurement to lead pilot to standardize required recipient financial reporting and eliminate duplication

**Data Analytics**
- Treasury establish/expand analytics capabilities to prevent fraud & abuse

**Audit**
- IG reports due 18 months after guidance from Sec. 4, GAO reports to follow 30 months after guidance

*Amended FFATA sections only*
HHS DATA Act Implementation Framework

- **Governance**: The Financial Management Governance Board (FGB) forum for updates, deliberations and provides recommendations to the Assistant Secretary for cross-cutting, strategic decisions
  - August 5th, ASFR briefed the FGB on the DATA Act legislation and a proposed approach to Departmental implementation
  - FGB agreed that a holistic, coordinated and integrated approach would facilitate greater success toward meeting statutory deadlines, reduce risk of duplicated efforts, and foster lasting Departmental strategy for efficient collection, exchange and utilization of financial and programmatic information

- **Leadership**: DATA Act PMO develops HHS Data Act Strategy, ensures coordination and integration of HHS efforts & teams within the Department as well as HHS engagements external to the Department; articulates a holistic message/response on behalf of HHS that represents the diversity of our portfolio and lines of business

- **Outreach**: Establish HHS DATA Act Communications Network

- **Analytics**: Integrated Project Teams led by ASFR and OPDIVs
Technology Leverages Data Standards to Drive Information Exchange and Business Processes Across Financial Lifecycle – Example - Grants

<table>
<thead>
<tr>
<th>Grant Making Agencies</th>
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<tr>
<td>Pre-Award</td>
<td>Award</td>
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<tr>
<td>Forecast Opportunity</td>
<td>Announce Opportunity &amp; Receive Application</td>
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<td>Application Review and Decision</td>
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<tr>
<td>Award Financial Recording &amp; Awardee Notification</td>
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<tr>
<td>Transparency Reporting</td>
<td>Disburse Payments – HHS SSP</td>
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<tr>
<td>Management, Oversight, and Reporting</td>
<td>Audit and Audit Resolution</td>
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<tr>
<td>Closeout</td>
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| Hosted by Grants Mgmt Center of Excellence |
| Grants.gov (HHS Manages) |
| Grants Management Centers of Excellence (COEs) |
| Grants Mgmt COEs, Unified Financial System & PMS |
| HHS’ TAGGS to USASpending |
| Payment Management System (PMS) |
| Grants Mgmt Centers of Excellence & PMS |
| Nat’l External Audit Resolution System and Internal Systems |
| Managed by Agencies, COEs and PMS |

Public Expectation that Technology should foster Data Quality and Data Transparency
All communities across the Financial Lifecycle (Accounting, Budget, Acquisition, Grants, Loans) use standard data element names and associated standard data element definitions to collect, exchange, process and publish financial information – these data standards are imbedded into policy, processes & systems.

Not all communities have data standards that are in alignment or in agreement with their meaning and purpose.

Data elements fall into several key categories:

- organizational, geographical, budgetary/financial, programmatic, personnel, and other

Varying types of “authoritative sources” exist with some based in statute, regulation, government-wide industry standards, or other government forms.

Several key data elements defined in different ways by different communities: program, obligation, place of performance, agency identifiers, period of performance - these are now referred to as the “FAB 5”

While both the grants and financial communities both track funding information, there is a linguistic conflict in the terminology and associated meanings impacting how dollars are captured, tracked and reported.
“DATA” Related Elements & Standards

• ACE w/ FACE and PCE (Grants-DSWG)
  – Awardee/Recipient* (15 elements)
  – Funding Action Obligation*
  – Non-federal Funding Amount
  – Current Total Funding Obligation Amount on Award
  – Current Total Value of Award*
  – Potential Total Value of Award*
  – Type of Transaction Code*
  – NAICS* (2 elements)
  – CFDA* (2 elements)
  – Award Description*
  – Award Number*
  – Modification/Amendment #*
  – Parent Award #*
  – Action Date*
  – Period of Performance (4 elements)
  – Place of Performance (6 elements)
  – Highly Compensated Officer* (15 elements)
  – Record Type*
  – Type of Action*
  – Business Type
  – Award ID*
  – Entity ID*

• BOAC
  – Obligated Amount*
  – Unobligated Amount
  – Expenditure

• CFOC
  – Amount of BA Appropriated*
  – Amount of other budgetary resources*
  – Outlay*

• OMB
  – Funding Agency (2 elements)
  – Funding Sub Tier Agency (2 elements)
  – Awarding Agency (2 elements)
  – Awarding Sub Tier Agency (2 elements)
  – Awarding Office (2 elements)
  – Special Legislative Indicator
  – Federal Agency
  – Object Class
  – Program Activity

• Treasury
  – Treasury Account Symbol (3 elements)*

• Currently identified as part of data elements in Phase 1*
• Phase 2 Data elements typically fit into the categories of the “Fab5”
  (organization, program, amount, period of performance, place of performance)
## Illustrative Examples of Challenges with Common Data Element Names and Definitions

<table>
<thead>
<tr>
<th>TERM</th>
<th>DATA ACT</th>
<th>A-11</th>
<th>OMB UNIFORM GUIDANCE</th>
<th>FEDERAL ACQUISITION REGULATION</th>
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<tbody>
<tr>
<td>AGENCY</td>
<td>The term &quot;Federal agency&quot; has the meaning given the term &quot;Executive agency&quot; under section 105 of title 5, USC</td>
<td>Means a department or establishment of the government for the purposes of this Circular</td>
<td>Federal Agency means an “agency” as defined at 5 USC 551(1) and further clarified by 5 USC 552 (f).</td>
<td>“Federal agency” means any executive agency or any independent establishment in the legislative or judicial branch of the Government (except the Senate, the House of Representatives, the Architect of the Capitol, and any activities under the Architect’s direction)</td>
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<tr>
<td>BUDGET</td>
<td>Means the Budget of the United States Government, which sets forth the President’s comprehensive financial plan and indicates the President’s priorities for the Federal Government</td>
<td>The financial plan for the project or program that the Federal awarding agency or pass-through entity approves during the Federal award process or in subsequent amendments to the Federal award. It may include the Federal and non-Federal share or only the Federal share, as determined by the Federal awarding or pass-through entity.</td>
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<tr>
<td>OBLIGATION</td>
<td>Means a binding agreement that will result in outlays, immediately or in the future. Budgetary resources must be available before obligations can be incurred legally</td>
<td>When used in connection with a non-Federal entity's utilization of funds under a Federal award, obligations means orders placed for property and services, contracts and sub awards made, and similar transactions during a given period that require payment by the non-Federal entity during the same or a future period.</td>
<td>No officer or employee of the Government may create or authorize an obligation in excess of the funds available, or in advance of appropriations (Anti-Deficiency Act, 31 U.S.C. 1341), unless otherwise authorized by law. Before executing any contract, the contracting officer shall— (a) Obtain written assurance from responsible fiscal authority that adequate funds are available or (b) Expressly condition the contract upon availability of funds in accordance with 32.703-2.</td>
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HHS’s Integrated Approach to the Section 5 Grants Pilot

Three-Pronged Framework

Governance/Outreach
- Ensure diversity in grant program and recipient community participation
- Provide structured opportunities for recipient community engagement in data element standardization discussions
- Provide structured opportunities for recipient community feedback on compliance costs and burden reduction
- Ensure all efforts feed into government-wide DATA Implementation strategy

Data Standardization
- Leverage existing work on grants data standards including: analysis on the 1100 data elements, data elements incorporated into the OMB Uniform Guidance, and the analysis on the FFATA data elements
- Ensure any common data element names/definitions used for the pilot have a burden associated with that name and definition and/or a burden associated with the overall collection of data elements
- Focus on a core set of data elements driven by what is possible for standardization now, vs. what’s desired for standardization over time: Core Data Elements should include: ORGANIZATION, AMOUNT/OBLIGATION, PROGRAM, PERIOD OF PERFORMANCE, PLACE OF PERFORMANCE
Three-Pronged Framework

Technology

- Expand the Grants.gov portal to allow “click and go” access to a full range of grants-related resources/websites (FY2014)
- Adjust the Grants.gov application forms so they are web based and accommodate some of the agreed upon FFATA Data elements or other agreed upon data standards so that the information is captured on the front end of the financial award lifecycle (FY2015 and on)
- Expand the proof of concept for the data element repository (based on gov-wide requirements) so that it can capture both grants (and other) common data standards and be hosted in a “cloud” environment that provides access to the federal community, as well as “read only” access to the public
Interaction

Comments

Questions