

Data, Technology, and Innovation in Government

Seminar 5: Government Spending Transparency
March 4, 2015

Nick Sinai
Walter Shorenstein Media and Democracy Fellow
Shorenstein Center for Media, Politics, and Public Policy
Harvard Kennedy School

@Nick Sinai

Seminar Background

Personal Background

- Government: White House, Federal Communications Commission,
- Technology VC: Insight Venture Partners, Lehman Brothers, Polaris

Goals

- Expose you to real projects, policy, and people
- Raise your Tech IQ
- Get credits toward your GSD degree

Logistics: Students get priority, seminar is not for credit

Seminar Series

- Introduction to Open Data
- Government Digital Services
- Privacy and Personal Data Portability
- Marketing U.S. Data: Data Jams, Datapaloozas, Hackathons, Prizes, & CDOs
- Government Spending Transparency
- Smart Cities/Internet of Things
- Data Journalism
- Freedom of Information Act
- Healthcare.gov: A Case Study
- Regulatory Modernization

Today's guest: Hudson Hollister

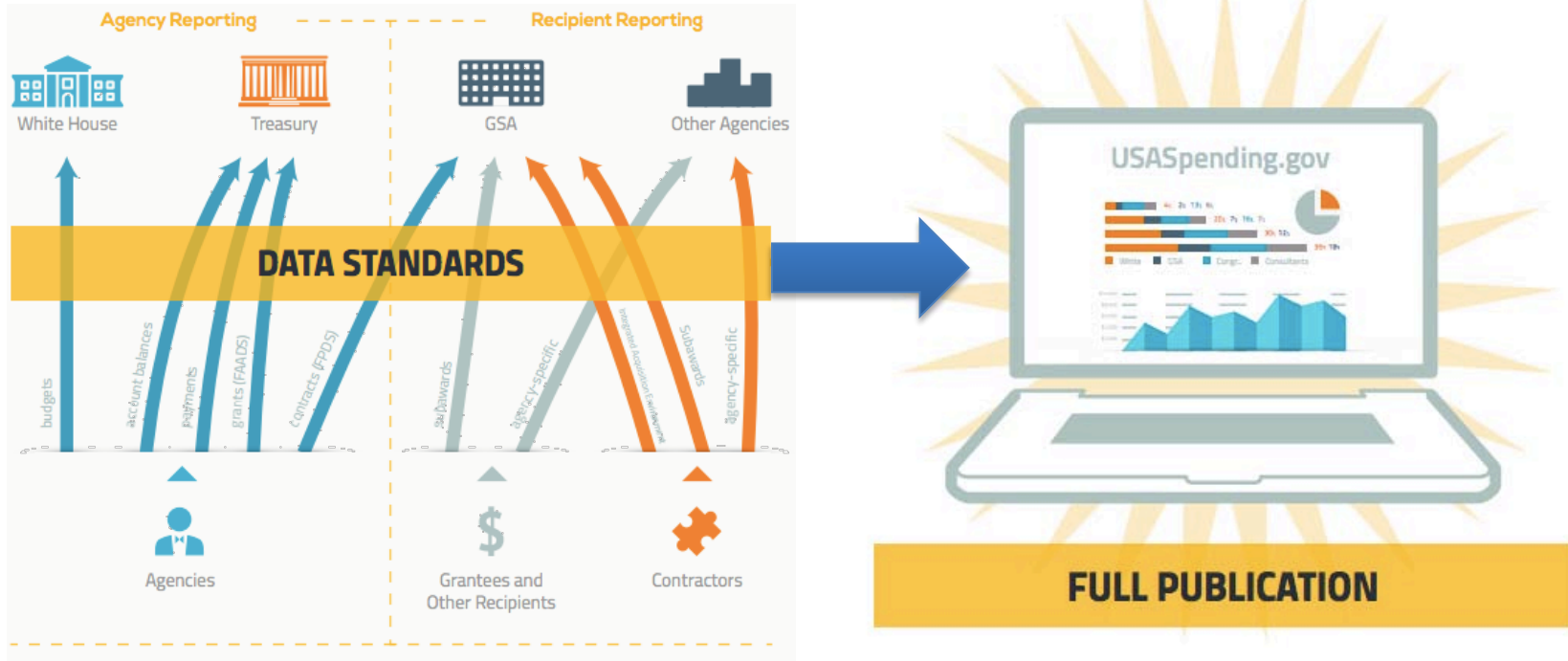


- Executive Director of the Data Transparency Coalition
 - Advocates on behalf of the private sector and the public interest for publication of standardized and machine-readable gov data.

Former

- House Committee on Oversight and Government Reform
- US Securities and Exchange Commission

The DATA Act



What's beyond? Similar mandates in financial regulation, other areas.

Pre-DATA Act Landscape

- Financial reports: Agencies → Treasury
- Payment requests: Agencies → Treasury
- Budget planning and actions: Agencies → OMB
- Assistance: Agencies → Commerce, GSA
- Procurement: Agencies → GSA
- Grants: Awardees → agencies
- Contracts: Awardees → agencies, GSA
- Subawards: Prime awardees → OMB
- Government Performance and Results Act: Agencies → Congress, OMB

=

Information not available, accessible, or interoperable

Why a Law?



- **“It’s nobody’s job.”** – A law can align responsibilities
- **A permanent mandate** – An enforceable open data mandate
- **Congressional involvement** – Enable ongoing Congressional interest and funding

DATA Act: History



November 15, 1990 - CFO Act

The Chief Financial Officer and Federal Financial Reform Act of 1990, or CFO Act, requires large federal agencies to prepare audited financial statements and report detailed account balances to the Treasury Department.



June 13, 2011 - DATA Act introduced

Rep. Darrell Issa and Sen. Mark Warner introduced the first version of the DATA Act, requiring all federal spending information to be standardized and published.



May 9, 2015 - Data Standards

Under DATA, Treasury and OMB must establish government-wide data standards for all existing federal spending reports. These standards will include common data elements and a common data format.



May 9, 2018 - Full Publication

OMB and Treasury must begin publishing all standardized spending data on USASpending.gov.



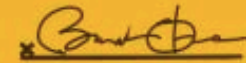
July 4, 1966 - Freedom of Information Act

The Freedom of Information Act (FOIA) gives citizens the right to request any information - including details on spending - from the federal government.



September 26, 2006 - USASpending.gov website

Under the Federal Funding Accountability and Transparency Act of 2006, OMB must publish summaries of federal grants and contracts on the USASpending.gov website.



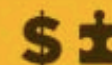
May 9, 2014 - President Obama signs DATA Act into law

The DATA Act passed both houses of Congress unanimously.



May 9, 2017 - Agency Reporting Starts; Recipient Pilot Program Complete

Agencies must begin reporting their spending information using the data standards. OMB must finish a pilot program testing the standards for recipient reporting.



August 7, 2018 - Recipient Reporting May Start

OMB must decide whether to require all federal grantees and contractors to report their information using the data standards.

DATA: the Basics

Treasury and OMB

- Establish government-wide data identifiers.
- Establish government-wide data format.
- Publish grants, contracts, and internal spending on existing USASpending portal.
- OMB to run pilot program to test standardized reporting by recipients.

Agencies

- Apply data standards to own reporting.
- After OMB pilot program, apply data standards to recipient reporting.
- Data quality reports by each inspector general.

Recipients

- Standardized reporting if imposed by agencies after OMB pilot.

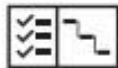
DATA: Impact

Benefits



Better Accountability

Citizens, watchdogs, and media will be able to view federal spending information in greater detail and trace its full life cycle from appropriations votes in Congress to final disbursement.



Better Management

Government managers will be able to use Big Data analytics to find waste and fraud and make data-driven decisions.



Automated Compliance

Grantees and contractors will be able to use software to automatically report to federal agencies on how they use federal funds - replacing today's costly manual compliance.



Tech Business Opportunities

New software tools and platforms will be needed to republish, analyze, and automate federal spending information once it is transformed from disconnected documents into open, machine-readable data. The DATA Act will launch business opportunities for established tech companies and ambitious startups.

DATA --- TRANSPARENCY --- COALITION

- **Founded:** February 2012.
- **Mission:** Representing the public interest and the private sector, advocate the publication of government information as standardized, machine-readable data.
- **Executive Members:** Teradata, Workiva, PwC, Research Data Group, RR Donnelley.
- **Role:** Advocacy, education, collaboration.
- **Future:** Advocate full DATA implementation for federal spending; pursue open data mandates in other areas, starting with financial regulation and legislative data.

Discussion Topics

Challenges and opportunities of open data in government spending

Open data laws vs. executive branch actions

Domain-specific opposition and support

Future of open data laws and executive branch actions

Key Takeaways

Despite widespread agreement on the need for open data, policy change requires determined change agents

The most valuable areas of government information (i.e. spending) tend to be the hardest to transform into open data

Next Week: Smart Cities

Homework

- The Federal Spending Transparency Github is open for public commenting.
- <http://fedspendingtransparency.github.io/dataelements/>
- Go and participate in the conversation!

Additional Resources

- DTC Contact
 - <http://www.datacoalition.org>
 - HUDSON.HOLLISTER@datacoalition.org
 - Twitter: @datacoalition
- Sunlight Agenda 2015 - Executive Branch Transparency Agenda
 - <http://sunlightfoundation.com/policy/agenda/>
- The Data Transparency Coalition – The DATA Act, an Overview
 - <http://www.datacoalition.org/wp-content/uploads/2014/11/dataactinfographic.pdf>
- House Committee on Oversight: Witness and testimony on transforming federal spending
 - <http://oversight.house.gov/hearing/transforming-federal-spending-implementing-digital-accountability-transparency-act/>