

**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET**
www.whitehouse.gov/omb

**Testimony of David Mader
Controller, Office of Management and Budget
before the
House Committee on Oversight and Government Reform
December 3, 2014**

Thank you, Chairman Issa, Ranking Member Cummings, and Members of the Committee for the invitation to highlight our progress in implementing the Digital Accountability and Transparency Act (DATA Act).

Since the DATA Act's enactment just seven months ago, we have charted an aggressive path, building off of our past successes, to transform the way the government does business. A one-stop shop for Federal spending data presents the opportunity to not only have an open, public-facing dialogue on how Federal dollars are spent, but also serves as a tool for better oversight, management decision-making, and innovation both inside and out of government. Transparency is not the end goal, but rather a means to both improve and ensure accountability for how the government works. It is a means to an end. Expanding and improving the intra-governmental and inter-governmental communication of how Federal dollars are spent empowers us with information to make the most efficient, effective decisions about how to allocate and apply the scarce resources that we have.

The Opportunity and Challenge of Government-wide Federal Spending Transparency

The DATA Act envisions that a one-stop shop – USASpending.gov – can become the authoritative source for information about how Federal agencies budget, obligate, and outlay appropriated dollars, and how those dollars ultimately are awarded through Federal contracts, grants, and other forms of financial assistance. USASpending.gov can be a useful tool for facilitating Federal collaboration with State, local, and tribal governments, non-profits, universities and academia, research organizations, among others, on how best to meet the needs of the American people. But this is no small feat and one that will take several years and additional resources. Historically, as agencies have been held accountable for their spending, agencies have administered their appropriations by developing agency-specific ways to document how dollars were spent, where, and for what purpose. While we have made great strides in providing unprecedented Federal spending data through our efforts under the Recovery Act and appropriations for recovery after Hurricane Sandy, there are complexities in replicating those models for all of Federal spending. In both cases, there were funds explicitly dedicated to enabling this level of reporting and the efforts covered only certain types of spending. Looking forward, we are committed to applying the lessons learned from these and other efforts. An updated and enhanced USASpending.gov, expanded consistent with the requirements under the DATA Act, will provide that one suite of spending data that can be analyzed and applied to inform management decisions, both Federal and non-Federal.

Progress Since the DATA Act's Passage

Since the DATA Act's passage in May 2014, the Office of Management and Budget (OMB), the Treasury Department, and the Federal community have come together to design what has become a government-wide effort. Over the past seven months, OMB and Treasury have executed several key activities:

(1) Establishment of a Government-wide Governance Structure (July 2014)

Early on, OMB and Treasury recognized that a strong governance structure across business/functional areas (grants, procurement, budget, finance) and Federal agencies was a necessary component of Federal spending transparency. To address this need as we began to implement the DATA Act, OMB and Treasury established an **Executive Steering Committee** (ESC) and the **DATA Act Inter-agency Advisory Committee** (IAC), in addition to reinvigorating the call for agency **Senior Accountable Officials** (SAOs).¹ The ESC is comprised of OMB and Treasury and oversees all aspects of both policies and implementation related to our Federal spending transparency efforts. The IAC includes members of the different government-wide Councils and communities such as the CFO Council, the CIO Council, the Award Committee for E-Government, and the Budget Officers Advisory Committee, among others. It provides feedback and input from the government Councils on issues related to DATA Act and Federal spending transparency, and serves as the vehicle through which OMB and Treasury disseminate information to the various Councils.

In addition, the agency SAOs, similar to their role in the Recovery Act, are the singular point of contact at Federal agencies and provide insights into challenges, best practices, and considerations to assure successful implementation at their specific agencies. The SAOs also serve the crucial role of bringing different functional areas of their agencies together. Since the DATA Act's passage, we have held multiple outreach sessions with agency SAOs, updating them on our implementation plan and progress.

(2) Development of a DATA Act Implementation Plan (Summer 2014)

Within three months of the DATA Act's passage, OMB and Treasury collaborated to devise a clear implementation plan to expand and improve the quality of USAspending.gov. Our goals over upcoming years are twofold. First, we intend to use the site to capture and make available financial management data to enable data consumers to follow the complete life cycle of Federal spending. Second, USAspending.gov provides an opportunity to standardize information exchanges, both definitions and formats, to enable timely access to data required to be posted under the Act.

This implementation plan embodies five critical, fundamental principles:

- Data-centric – Focus on managing existing data and systems;
- Incremental – Release data as it becomes available;
- Reuse – Maximize and leverage use of existing processes/investments;

¹ See Appendix, Figure 1.

- Collaborative – Feedback from multiple stakeholders drives incremental design improvements; and
- Iterative/Agile – Conduct small scale pilots to inform work on an ongoing basis.

Using these principles to organize our efforts, the DATA Act implementation plan outlines five distinct but related workstreams, to include:

- Designing and implementing data exchange standards;
- Designing and implementing a blueprint or roadmap between data elements;
- Establishing common data definition standards on USASpending.gov;
- Conducting a pilot to reduce administrative burden; and
- Expanding Treasury’s data analytics capacity.

(3) Improving USASpending.gov’s Interface and Developing Data Exchanges, Establishing USASpending.gov Data Standards, and Designing Grants & Contracts Reporting Streamlining Pilot, Data Exchange Work (Summer/Fall 2014)

- Improving USASpending.gov Interface, Designing a Data Element Blueprint and Data Exchange Mechanisms. Over the past several months, Treasury has been working to improve the display, performance, and user interface of USASpending.gov in preparation for a spring of 2015 refresh. They also have been working very closely with agency representatives on designing a data element blueprint/roadmap between data elements and data exchange standards.
- Establishing Federal Financial Data Standards. Beginning this past summer, OMB and Treasury began work specifically on data standardization and data elements. The complexity in establishing standards for the financial data elements is not due to the fact that standards do not exist; rather because there have been multiple sets of standards for any given data element, established for legitimate and necessary purposes, based on management, oversight, or statutory/regulator needs. We must now determine how to harmonize or link these definitions in one public-facing website.

To facilitate this dialogue across all stakeholders, on a parallel track, we have been and will continue to consult with our Federal and non-Federal stakeholders to develop and establish these common DATA Act data standards. Leveraging technology, we have designed a public-facing GitHub site to disseminate information on our Federal spending transparency work, most recently posting the list of data elements we will be considering for standardization in upcoming weeks and months. In addition, Treasury and OMB have posted questions soliciting input from the public on their uses of this data, and Treasury published a Request for Information Notice in the Federal Register seeking input from stakeholders on the data exchange standards to be developed. This broad engagement has been complemented by additional meetings and calls with representatives of the recipient and open government communities.

- Designing Grants & Contracts Reporting Streamlining Pilot. Since May, work has been underway to plan the execution of the Section 5 pilot to reduce reporting burden. This pilot will encompass both the grants and procurement communities. The pilots will build on prior work, for example OMB's work on the Uniform Grants Guidance and the spring 2014 dialogue on improving how to do business with the Federal government. The pilots have been coordinating closely to ensure alignment.

(4) Release of Federal Spending Transparency Commitments in the United States Open Government National Act Plan (September 2014)

This Fall, building on the extensive work on Federal spending transparency to date, the President released a new series of initiatives as part of the United States' Open Government National Action Plan. Among these initiatives was a reaffirmation of the work underway for Federal spending transparency. During the U.N. General Assembly on September 24, 2014, the President underscored the Administration's commitment to providing easier access to Federal spending data, a critical component of open government. Aligned with this commitment, the United States' Open Government National Action Plan underscores the work envisioned and outlined by OMB and Treasury's DATA Act implementation plan.

On the Horizon: Next Milestones

To transform USASpending.gov, we recognize that there must be some shorter-term deliverables to chart our progress along the way. In order to meet the goals of the DATA Act, OMB and Treasury have identified upcoming milestones through Fiscal Year 2016 to include:

- Releasing a refreshed USASpending.gov that answers the immediate call for improved search capability, visualization, and other functionality using existing data;
- Issuing revised policies to agencies to implement new reporting requirements and data standards pursuant to the DATA Act; and
- Finalizing the scope of pilots to streamline grants and contract recipient reporting and begin the first year of pilot execution.

These intermediate deliverables will help lay a strong foundation for future success, while following our stated goals of being iterative and agile in our approach.

As we move beyond these first months of DATA Act implementation, the success of our efforts in upcoming months and years will be contingent on the appropriation of sufficient resources for Federal agencies to align their financial systems with new data standards. In its cost estimate, the Congressional Budget Office (CBO) stated that implementing the DATA Act would cost approximately \$300 million over five years, assuming yearly appropriations of the necessary amounts, but the DATA Act provided no additional funding. The implementation plan developed by OMB and Treasury cannot be realized without additional resources. We look forward to working with Congress in upcoming months to ensure that sufficient resources are made available for our DATA Act efforts and our shared goal for improved Federal spending transparency.

Next Steps: Continued Outreach to Federal and Non-Federal Stakeholders

Over the upcoming weeks and months, OMB and Treasury will continue to partner and consult with both Federal and non-Federal stakeholders. Across our Federal community, in addition to the formal governance structure of drawing participation from across agencies and councils, OMB and Treasury will be meeting with the Government Accountability Office (GAO) and the Council of the Inspectors General on Integrity and Efficiency (CIGIE) and will continue to communicate its work with the Government Accountability and Transparency Board (GATB).

Where the impact of Federal spending transparency extends beyond our Federal partners, we know that the success of our efforts will be impacted by the extent to which we effectively engage or consult with our non-Federal stakeholders, including those from the Open Government communities, recipient communities, and auditing communities, among others. Beginning with the Joint Financial Management Improvement Program (JFMIP) Conference on May 20, 2014, OMB and Treasury have begun the dialogue of DATA Act implementation at over a dozen different forums, including: State government conferences, auditor conferences, think tank organizations, and industry group roundtable and conference discussions. In addition, we have reached out to various communities through dedicated discussions with the Open Government communities, the Federal recipient communities, and the general public at large through face-to-face and virtual meetings, workshops, the September 26, 2014 townhall summit, and Federal Register notices soliciting public comment.

With each specific engagement and collaboration event, we have gained important insights on designing and evolving our current lenses into Federal spending. To continue this dialogue with our non-Federal stakeholders, beginning later this month, we will be hosting collaboration sessions on data standards. More broadly, we will also establish an on-going dialogue to solicit feedback on our initial DATA Act implementation plans. It is from this robust dialogue that we will be able to not only refine our Federal approach to improving spending data but also learn from the efforts underway in our State, local, tribal governments, non-profits, academia and research, IT, and other communities. We believe that it is through this constant engagement that we will be able to collectively change how we all – Federal and non-Federal partners alike –work together to allocate our scarce resources efficiently and effectively.

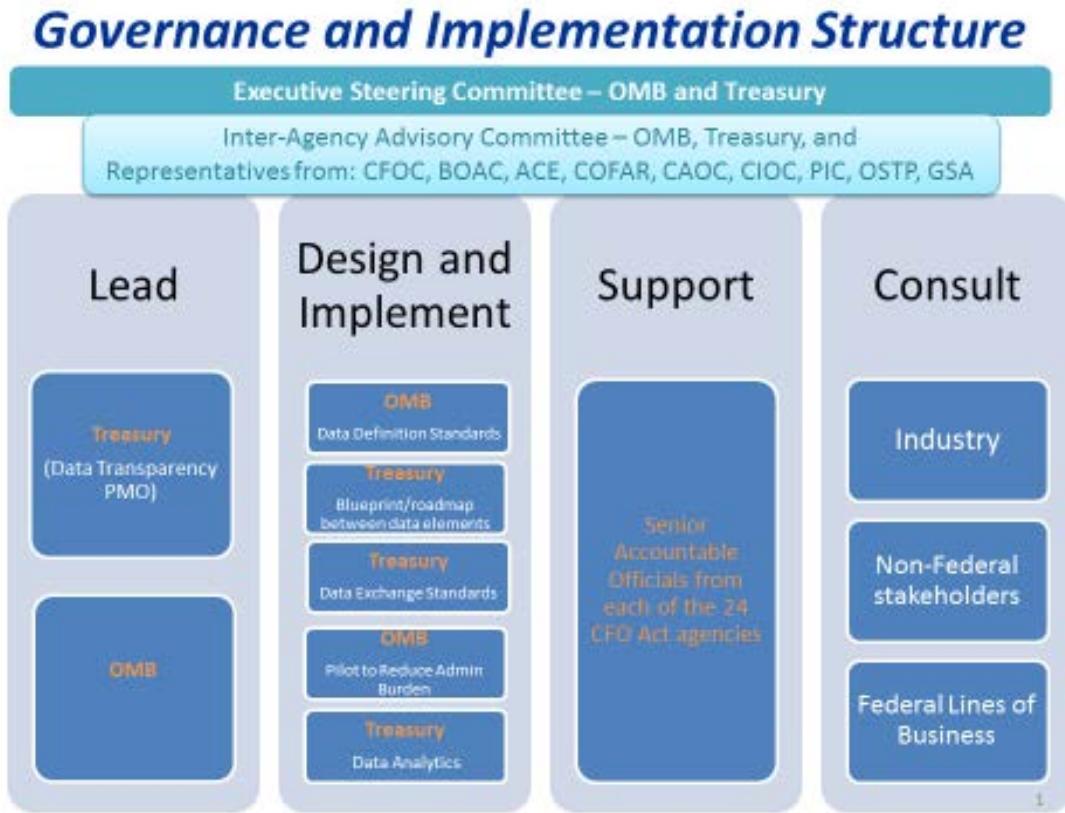
Conclusion

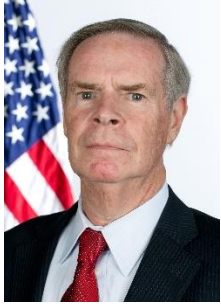
With Congress' continued support, appropriate funding, and ongoing interest to improve Federal spending transparency, we have an opportunity to change the landscape of government management and citizen awareness for years to come. Government-wide, presenting these spending activities in USASpending.gov – in an easily accessible and comparable way - will equip us with the tools needed to make data-driven management decisions. The success of our efforts will be not only in building this momentum for change in the business of government but also institutionalizing these best practices for years to come.

Thank you for the opportunity to testify today and I look forward to answering your questions.

Appendix

Figure 1. DATA Act Governance and Implementation Structure





**David Mader, Controller
Office of Management and Budget**

David Mader is the Controller. He was confirmed by the United States Senate on July 17, 2014. He previously served as Senior Vice President for Strategy and Organization at Booz Allen Hamilton, a position held since 2007. From 2004 and 2007, he was a Principal at Booz Allen Hamilton focusing on strategy and organization. From 2003 to 2004, Mr. Mader was the Managing Director of the Public Sector practice of Sirota Survey Intelligence. Before joining Sirota Survey Intelligence, Mr. Mader held various senior executive positions at the Internal Revenue Service from 1971 to 2003, including Acting Deputy Commissioner, Acting Deputy Commissioner for Modernization and CIO, Assistant Deputy Commissioner, and Chief for Management and Finance. Mr. Mader received a B.S. from Mount St. Mary's University. He is the recipient of both the Distinguished and Meritorious Presidential Rank Awards, the Treasury Secretary's Honor Award and is a Fellow in the National Academy of Public Administration.