

Another Win for Transparency: The DATA Act Passes

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President Obama is expected to sign legislation this week that will mandate standard coding and reporting of federal spending data. Last week the House passed the Senate version of the DATA Act. The Senate passed the legislation earlier in April.

The **Digital Accountability and Transparency Act's** leading sponsors include Rep. Darrell Issa (R-CA) and Sens. Mark Warner (D-VA) and Rob Portman (R-OH). The purpose of the act is to

- Disclose direct federal agency expenditures and link federal contract, loan, and grant spending information to federal programs to enable taxpayers and policy makers to track federal spending more effectively.
- Establish government-wide data standards for financial data and provide consistent, reliable, and searchable government-wide spending data that is displayed accurately for taxpayers and policy makers on USASpending.gov.
- 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.

Modelled after federal spending and reporting for the 2009 Stimulus, the DATA Act will give contractors and grant holders a central portal to log receipt and spending of federal funds. The law purports to save the federal government billions by reducing waste and fraud, and increasing performance. Less than 1% of Stimulus spending was lost to fraud.

"The DATA Act is but the first shot of a technology revolution that will transform the way we govern," according to House Oversight and Government Reform Committee Chairman Darrell Issa (R-CA). Other industry groups also praised the passage of the act including the Professional Services Council, the Center for Data Innovation, TechAmerica and the IT Alliance for Public Sector.

Rep. Issa would like to see a DATA Act "champion" to move the implementation process along and avoid delays. Treasury will also play a vital role in implementation due to its oversight and management of USASpending.gov. Execution of the act will not be easy. For example, the community of federal grants recipients has identified 1,100 data elements that could potentially be included in standard reporting.

However, many elements of the act fall in line with transparency efforts already underway in agencies. For instance, work to standardize CAGE Codes to show ownership relationships between corporate entities is already taking place. Efforts are also in process to standardize the designation of contract numbers.

Contractors will be affected by requirements to report data as a recipient of federal funds. Also, opportunities will likely arise to assist with implementation of the act in the way of technology solutions for data entry, storage, retrieval, analysis and display.

"The DATA Act gives policymakers in Congress and in the executive branch better data to make better decisions," Rep. Issa stated.