DATA Act Section 5 Grants Pilot

DATA Act PMO Generic Information Collection Request

Supporting Statement – Section A

Submitted: January 22, 2016

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A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary

Public Law 113-101, The Digital Accountability and Transparency Act of 2014 ("DATA Act") expands the Federal Funding Accountability and Transparency Act of 2006 by increasing accountability and transparency in Federal spending. The purpose of the DATA Act is to enable taxpayers and policy makers to track the Federal spending of Federal agencies more effectively as well as to establish Government-wide data standards for financial data, simplify reporting for entities receiving Federal funds, and improve the quality of the data submitted. Section 5 of the DATA Act ("Sec. 5. Simplifying Federal Award Reporting") tasks the Director of the Office of Management and Budget (OMB) to establish a pilot program (Sec. 5 (b)).

Sec.5. (b)(2) requires pilot program to:

> (A) include a combination of Federal contracts, grants, and subawards, the aggregate value of which is not less than $1,000,000,000 and not more than $2,000,000,000;
>
> (B) include a diverse group of recipients of Federal awards; and,
>
> (C) to the extent practicable, include recipients who receive Federal awards from multiple programs across multiple agencies."

OMB has designated the Department of Health and Human Services (HHS) as the executing agent of the pilot program. Within HHS, the DATA Act PMO (DAP) has been established under the Office of the Assistant Secretary for Financial Resources (ASFR) in order to implement this pilot program. DAP is requesting a generic clearance for the purpose of conducting tests under the pilot program to obtain qualitative and quantitative data and gain an understanding of the burden imposed on Federal recipients.

The Section 5 grants pilot program was launched in May 2015 and will conclude May 2017. The majority of data collection efforts related to the pilot tests will occur during calendar year 2016. This collection of information is necessary to enable DAP to garner feedback in an efficient, timely manner, in accordance with the project mission. Recipient outreach efforts will enable DAP to report findings and recommendations to OMB on standardized reporting elements, the elimination of unnecessary duplication, and the reduction of compliance costs for recipients of Federal funds.

2. Purpose and Use of the Information Collection

The DAP has designed several test models to evaluate recipient burden and assess quality of data. The goal of these test models is to determine whether new technology, data standards,

processes, and forms aid in reducing recipient burden and increase the accuracy and quality of the data submitted. Subsequent to the completion of the pilot, DAP is required to submit a report to OMB. The report will include a description of the test models and data collection process, assumptions and constraints that impacted the tests, testing results, and recommendations to improve standardization, eliminate duplication, and reduce compliance costs.

The test models relate to functions throughout the grant lifecycle; to include the initial application process, required financial reporting, and the audit process. The Section 5 pilot participants will consist of organizations receiving Federal funds (recipients). The primary focus of the pilot is on recipients that receive between 1 to 2 billion dollars in federal grants, contracts, and subawards, as required by legislation. In addition, DAP will engage recipients that do not meet the 1 to 2 billion dollar range in efforts to meet legislation requirements to "include a diverse group of recipients of Federal awards". There will be specific parameters established for stratifying these participants in efforts to analyze the results consistently.

Under this clearance, a variety of methods (surveys, focus groups, etc.) could be used to collect data, with the exact nature of the questions currently undetermined. DAP expects these questions to include, but not be limited to, topics pertaining to the Standard Form (SF) 424, the Consolidated Federal Financial Reports, and the expanded Single Audit form (SF-SAC). If this data is not collected, the requirements of the DATA Act Section 5 pilot will not be met. Additionally, vital feedback from recipients may not be available for consideration in future legislation related to data transparency and recipient burden reduction. This generic clearance enables a larger number of study participants, resulting in a more comprehensive reflection of the recipients to be affected by this and future legislation.

The Agency will only submit a collection of surveys, focus groups, etc. for approval under this generic clearance if it meets the following conditions:

- Information gathered will yield qualitative or quantitative data;
- The collections are voluntary;
- The collections are low-burden for respondents (based on considerations of total burden hours, total number of respondents, or burden-hours per respondent) and are low-cost for both the respondents and the Federal Government;
- Any collection is targeted to the solicitation of information from respondents who will be subject to the legislation in the near future.

To obtain approval for a collection that meets the conditions of this generic clearance, a standardized form (i.e. survey form, focus group) will be submitted to OMB along with any applicable supporting documentation.

The types of collections that this generic clearance covers include, but are not limited to:

- Surveys,

- Focus Groups,
- Other qualitative methods such as interviews, small discussion groups, and case studies.

3. Consideration Given to Information Technology

In an effort to reduce recipient burden, participant correspondence and data collection will be electronic, via email or knowledge sharing tools such as Microsoft SharePoint. To the extent possible, approved HHS survey tools will be utilized to streamline data collection and analysis efforts.

4. Duplication of Information

No similar data has been gathered nor is being gathered from other sources known to the Agency. Since the DATA Act is new legislation and OMB designated HHS to execute the Section 5 pilot, no other Agency should be conducting similar collection efforts. Under the pilot program, the test models are new to the public and data collected under these models will not create a duplication of already existing data.

5. Reducing the Burden on Small Entities

Although all organizations receiving Federal funds (recipients) will be included in the population, recipients receiving between 1 and 2 billion dollars in federal funds will be the primary focus of data collection efforts. The pilot is voluntary and small entities with limited resources will not be required to participate.

6. Consequences of Not Conducting Collection

This new legislation will impact recipients, regardless of their size or type (e.g. State, College/University, Non-Profit). Through this generic clearance, information will be collected to assess the impact of data standardization tools, data transparency, streamlined reporting, and restructured forms on recipient burden. If this project is not carried out, organized and comprehensive feedback on the effectiveness of these models will not be available.

7. Special Circumstances

There are no special circumstances. The information collected will be voluntary.

8. Consultations with Persons Outside the Agency

The 60 day Federal Register Notice was published November 2, 2015, volume number 80, page number 67412 - 67413 (2 pages).

In accordance with 5 CFR 1320.8(d), on January 4, 2016, the following comments were received. The Government response is also included below. These responses will be forwarded to the sender in accordance with standard procedure.

1. **Articulate a compelling vision for a government-wide transformation of grant reporting.**

OMB has characterized the Section 5 pilot as a program to "simplify" grant and contractor reporting. But the DATA Act's intent is not merely to simplify recipient reporting, but to fully transform it from document-based to data-centric by adopting a single set of standardized data fields and formats for all such reporting. To imply that the requirements of Section 5 will be satisfied by the consolidation of some forms with one another, or by a report outlining possible future changes of this kind, frustrates the will of Congress. Instead, OMB and HHS, in their public statements about the Section 5 grants pilot program, should clarify that the program is aimed at transformation, not mere simplification. OMB, in particular, should recognize, and restate, its statutory authority under the DATA Act to formally adopt DATA Act standards for mandatory use by all federal grantees.

Response:

It is the goal of OMB and HHS to continue to improve the grant reporting process in ways that reduce grantee burden and streamline/standardize reporting processes. The DATA Act requires OMB to create a pilot program to facilitate the development of recommendations for standardizing reporting elements, eliminating unnecessary duplication in financial reporting, and the reduction of compliance costs. OMB has partnered with HHS to fulfill this requirement on behalf of the grants community. OMB and HHS recognize the opportunity that is provided by the DATA Act legislation to bring positive change to the Federal grantee community, and are committed to using the pilot as an opportunity to take steps towards the goal of improving the grant process. OMB and HHS will continue to engage the Federal grantee community throughout the development of the Section 5 Grants Pilot.

2. **Expand the CDERL to cover all data elements for all grant reports.**

The pre-DATA Act development of the Central Data Element Repository Library (CDERL)13 is the HHS DATA Act Program Management Office's most valuable asset. The CDERL, since it currently encompasses nearly every form used by HHS' components for their grantees' reports, is already a valuable resource and sufficient to demonstrate the

transforming impact of standards. However, the Section 5 grants pilot program will only achieve Congress' intended government-wide scope if the CDERL is expanded to include all grant reporting, to all federal grantor agencies.

Response:

HHS continues to engage Federal Agencies in an effort to inform them about the value of the Common Data Element Repository Library (CDER Library) and to demonstrate the CDER Library's current and future possibilities. HHS and OMB agree that the CDER Library is an important asset that offers an even greater future possibility. One purpose of the pilot is to test the utility of the CDER Library to provide access to agreed-upon data standards, to promote consistency of Federal financial business terms, and to assist the Federal government in creating information collection instruments. Based on the results of this test, OMB and HHS will make recommendations about the future use and utility of the CDER Library.

3. **Engage with grant administration leaders from every major grantor agency.**

For similar reasons, OMB and HHS must involve the grant administration leadership of every major grantor agency in the conduct and management of the Section 5 grants pilot program.

Response:

OMB and HHS agree that it is important to engage the larger Federal grantor community. HHS and OMB have, and will continue to engage grant administration leadership regarding the Section 5 Pilot through councils such as the Award Committee for Egovernment (ACE) and the Financial Assistance Committee for Egovernment (FACE).

4. **Work with the vendors of grantees' data management solutions.**

The cost-reducing benefit of government-wide grant reporting data standards depends on whether vendors are able to use those standards within their software solutions. Therefore, OMB and HHS should involve such vendors in all phases of the Section 5 grants pilot. For a successful model of standards-driven automation, OMB and HHS could look to the Federal Deposit Insurance Corporation's (FDIC) implementation of the Extensible Business Reporting Language (XBRL) for banks' call reports. Because the FDIC worked closely with vendors of banks' data management software as they

developed and implemented standardized data fields and the XBRL format, replacing the

document-based PDF format, banks' compliance costs were reduced.

Response:

It will be valuable to receive input from this vendor community. At the moment, OMB and HHS are focused on executing the Section 5 pilot in accordance with the DATA Act legislation. This current implementation phase involves running a series of tests, collecting and analyzing data and submitting a final report to Congress as specified in the DATA Act. Vendor community input may be solicited at a future date. In the meantime, the vendor community and grantee community now can submit any desired input to the National Dialogue website found at: https://cxo.dialogue2.cao.gov/a/ideas/top/campaign-filter/byids/campaigns/13162. OMB and HHS will consider all input received at the above website.

9. Payment or Gift

The Agency will not provide payment or other forms of remuneration to respondents of its various forms of collecting feedback.

10. Confidentiality

The results of this data collection will be summarized in a report to OMB and at some point likely available to the public.

No Personally Identifiable Information (PII) will be collected during the course of any of these Test Models.

11. Sensitive Nature

No questions will be asked that are of a personal or sensitive nature.

12. Burden of Information Collection

A variety of instruments and platforms will be used to collect information from respondents. The annual burden hours requested are estimated based on the number of collections we expect to conduct over the requested period for this clearance. Although the sample size is dependent on the size of the population, which has not yet been fully defined, to calculate a probable, annual burden to respondents, we assume 300 responses across the test models. These responses will consist of large and small recipient organizations. Recipients may elect to participate in one or more of the models.

Each Test Model will address the specific burden amount in the corresponding child clearance.

Test Model	Type of Respondent	Number of respondents	Average Burden (in hours) per Response	Total Burden Hours
1	Form and Survey	60	24.5	1,470
3	Form and Survey	60	8.2	490
4	Form and Survey	60	238.8	14,328
5	Form and Survey	60	3.3	196
6	Quiz and Survey	60	6.5	392
Total		**300**		**16,876**

13. Costs to Respondents

No costs are anticipated.

14. Costs to Federal Government

The anticipated cost to the Federal Government is approximately $700,000 annually, for a total of $1 million over a period of 18 months (1.5 years). These costs are comprised of: operational expenses (e.g., salaries, system enhancements, IV&V), contractor payments and any other expense that is necessary to collect the information approved under this generic clearance. A period of 18 months was chosen due to the requirements of the legislation to complete the pilot by May, 2017.

15. Reason for Change

Not applicable. This is a new request for a generic ICR.

16. Tabulation of Results, Schedule, Analysis Plans

Information collected under this generic clearance provides useful information, but it may not yield data that can be generalized to the overall population. Findings and recommendations will be compiled in a report shortly after May 2017 (end date for Section 5 pilot program) and submitted to OMB. OMB is required to report to Congress on the pilot program by August, 2017. Outside of the report to OMB, if it is deemed appropriate and necessary to disseminate information related to this data collection, DAP will follow the HHS "Guidelines for Ensuring the Quality of Information Disseminated to the Public," and will include specific discussion of the limitation of the qualitative results discussed above. DAP may also receive requests to release

the information (e.g., congressional inquiry, Freedom of Information Act requests), and we will comply with those requests as appropriate.

17. Display of OMB Approval Date

We are requesting no exemption.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

These activities comply with the requirements in 5 CFR 1320.9.