Statement of
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Chairman Issa, Ranking Member Cummings, and members of the Committee, thank you for inviting me to discuss the Department of the Treasury's (Treasury) efforts to increase transparency and accountability in the Federal financial management and implement the Digital Accountability Transparency Act of 2014 (DATA Act).

The DATA Act Implementation

Since the enactment of the DATA Act in May 2014, Treasury has embraced its new responsibility to lead the government-wide implementation of the DATA Act in partnership with the Office of Management and Budget (OMB). Although Treasury has only recently assumed a more public leadership role in transparency, transparency is not new to Treasury. As the Federal Government's financial manager, Treasury has been working to increase transparency, accountability, and operational efficiency in Federal financial management for quite some time. We believe that the DATA Act provides not only an opportunity to improve Federal spending transparency for the public, but also an opportunity to improve how we manage the Federal Government internally. Better data leads to better decisions and ultimately a better government.

Like all large and complex initiatives, a well-thought-out implementation plan is one of the key success factors. The plan we have developed, in partnership with OMB, not only reflects the requirements and intent of the law, it also drives us toward a more data-driven government. Successful implementation is not just about reporting the additional required data elements, it is about making key Federal financial information accessible and reusable so that we can answer the questions of tomorrow. We developed our plan and approach based on some key principles. Our solution will be data-centric; our implementation will be iterative and agile; we will build on existing transparency and standardization efforts; we will collaborate with both Federal and non-Federal stakeholders; and leverage industry standards and practices to the furthest extent possible.

Accomplishments-to-date

Our approach to implementing the DATA Act is proving to be successful. Just a few months after enactment, we have made significant progress towards implementing the DATA Act requirements. One of the most significant accomplishments is establishing a government-wide DATA Act governance and implementation structure. The key to success in this governance structure is the shared vision that better access to quality financial management data will create value for agencies, improve decision-making, and ultimately result in a better government.

The DATA Act governance structure consists of an Executive Steering Committee and is supported by an Interagency Advisory Committee (IAC). OMB Controller David Mader and I sit on the DATA Act Executive Steering Committee and are ultimately responsible for setting overall policy guidance and making decisions related to DATA Act implementation.

The IAC includes representatives from across the Federal Government, including representatives from CFO, Chief Information Officer (CIO), procurement, financial assistance, budget, performance, and technology policy offices, and is responsible for endorsing and/or challenging recommendations on data standards and providing input on other issues related to DATA Act implementation. The IAC representatives also play a key role in updating their respective agencies and providing leadership in obtaining agency buy-in to implement guidance resulting from the DATA Act.

In addition, Treasury and OMB will leverage the Senior Accountable Officials (SAOs) at each agency to communicate updates and solicit feedback on DATA Act implementation and outputs. Agency SAOs are also responsible for taking a leadership role in implementing the requirements of the DATA Act as well as coordinating implementation within their respective agencies.

Treasury, in collaboration with OMB, has also established a DATA Act implementation structure with clear roles and responsibilities and lines of accountability. We have kicked off the DATA Act implementation areas or "workstreams" and corresponding working groups for each of the major requirements in the DATA Act and significant progress has been made in each of the workstreams.

In the workstream focused on defining the financial data definition standards, OMB, in collaboration with the IAC, has compiled the list of required data element areas and has established interagency working groups to develop data definition recommendations for the IAC and the Executive Steering Committee.

In the workstream focused on creating a blueprint or roadmap between data elements, we have drafted a data concept model that maps the required data elements, how they relate to one another in the context of the Federal spending process, and the authoritative source for each element.

In the workstream focused on implementing a "data centric" approach to accessing data via a standard exchange and publishing data, Treasury has successfully prototyped the "intelligent data framework." This framework leverages industry data exchange standards to enable timely access to discoverable and reusable financial data. Treasury is now piloting the concept with three Federal agencies by structuring the agencies' monthly trial balance data. The intelligent data framework reduces the need for massive system changes across all agencies to collect information and instead focuses on managing data. When fully implemented, the intelligent data framework can conceptually both provide the necessary linkages between financial events as well as enable users to query data across the government. Since all of the data to be published reside in multiple disparate systems across the government and each agency has unique process and system set up, we are working with agencies closely to assess the feasibility and benefits of the approach via small pilots. We also need to remain open to a hybrid model and incremental

approach if some agencies or communities could not adopt the intelligent data framework immediately.

In addition, to meet the requirement for Treasury and OMB to consult with public and private stakeholders in establishing data standards and incorporate widely accepted common data elements, Treasury has issued a public request for information on the data exchange standards via a Federal Register Notice (79 FR 58045). Under this Notice, we asked for input from public and private stakeholders on several data standards topics and questions, specifically on data exchange, to better ensure the data standards to be established by Treasury and OMB are informed and useful.

Treasury has also successfully completed a three-month visualization pilot to model future publication of the additional data elements required by the DATA Act on USAspending.gov, or a successor website. This initial visualization has demonstrated how users could interact with the data and have the best user experience possible, and has underscored the need for an identifier that will link financial data to management data (i.e., procurement and financial assistance data).

Treasury also has made progress in exploring whether to establish a data analysis center or expand an existing service to prevent and reduce improper payments and improve efficiency and transparency in Federal spending. Specifically, Treasury is assessing the existing capabilities of our Do Not Pay Business Center as compared to the capabilities of the Recovery Operations Center (ROC). Treasury has also visited the ROC and is conducting knowledge sharing sessions to learn their best practices. Moreover, Treasury is leveraging the Recovery Board's expertise by detailing two Recovery Board staff to work on the DATA Act effort with Treasury and have hired a key Recovery Board ROC manager to work in the Do Not Pay Business Center.

In the workstream related to the requirement to report delinquent nontax debts for the purpose of administrative offset at 120 days, which is 60 days earlier than the previous 180-day requirement, Treasury has formally informed agencies of the requirement. We also have conducted a survey to assess the impact that the new requirement will have on agencies' ability to submit delinquent debt referrals to Treasury, as well as to better understand the level of support Treasury will provide to our debt collection partner agencies so that the provision is implemented in the least burdensome manner possible.

Finally, recognizing that establishing government-wide financial data standards and improving federal spending transparency and accountability is a collaborative effort, Treasury and OMB, have developed a stakeholder outreach strategy with the goals of facilitating strong consultation across Federal communities (e.g., procurement, financial assistance, budget, and performance) as well as the public. Over the past several months we have been conducting stakeholder outreach by briefing government-wide councils (e.g., CFO Council), presenting at major public forums (e.g., AGA conference, Joint Financial Management Improvement Program conference, ACT-IAC panel, Data Transparency Coalition conference), and meetings with agencies, and non-Federal stakeholders. Treasury also hosted the DATA Transparency Town Hall on September 26, 2014, which included over 200 Federal agency representatives from various business lines as well as non-Federal stakeholders including, representatives from state and local governments, Congress, transparency advocacy organizations, and industry.

Moreover, in the spirit of transparency, Treasury and OMB have established on-line platforms to communicate with both Federal and non-Federal stakeholders. To facilitate communication and information sharing with the Executive Branch, Treasury and OMB have established online tools for the Federal Community. To facilitate communication and receive feedback from the public, Treasury and OMB recently launched a Federal Spending Transparency page on the open source collaboration site, GitHub (http://fedspendingtransparency.github.io/). Here we will continue to post questions to the public to help guide our implementation, including questions about data standards. Utilizing these collaborative tools will allow both internal and external stakeholders to provide feedback as the DATA Act implementation progresses.

While not directly related to the DATA Act, Treasury, as the new program owner over USAspending.gov, is making significant improvements to the "look and feel" of the USAspending.gov website to address stakeholder feedback. To make these improvements, Treasury is leveraging the Recovery Accountability and Transparency Board (Recovery Board) platform and expertise. The refreshed website, set to go-live in Spring 2015, will include improvements to the site navigation, geocoding the data to enable interactive mapping capability, a "get started" guide to orient users, displaying prime and sub-awards in one view, and expanded search capability.

In this re-launch, Treasury is focusing on high impact activities that do not require substantial changes to internal agency processes or systems or regulatory modification. As Treasury and OMB implement the DATA Act we will be working to address the longstanding data quality issues on USAspending.gov. These issues will be mitigated when agencies begin to adopt the data standards and when agencies map their data to the standard reporting taxonomy.

Next Steps

These accomplishments, while foundational, are just the beginning as we continue to implement the DATA Act. Over the next several months, before the first statutory deadline in May 2015, Treasury will work closely with OMB, the IAC, and the various data standards working groups to establish government-wide data standards for financial data. We know that agreeing on a common definition for data elements will be especially challenging as they can have different meanings at different Federal agencies.

In addition to setting data standards, we will be working to further refine the data element blueprint to include authoritative sources and data element linkages. This data model will enable us to identify where gaps exist in business processes and where greater integration and quality controls need to be implemented to ensure the integrity of the data.

Within the next month, Treasury will conclude the intelligent data pilot with three agencies and assess the viability of the concept. We hope to expand the intelligent data pilot to map government-wide trial balance data to an industry standard and build out the standard reporting taxonomy and corresponding governance structure. We will also be reviewing and incorporating the feedback from external stakeholders on the Federal Register Notice on data exchange standards.

Conclusion

The DATA Act provides the Federal Government with opportunities to improve spending transparency, transform Federal financial management, and stimulate the generation of ideas and innovation. Treasury looks forward to continuing to work with OMB, GAO, and the many Federal agencies to improve Federal financial management and transparency. As demonstrated by our accomplishments over the past several months, Treasury is committed to implementing the DATA Act in a way that not only increases spending transparency, but also improves government decision-making and increased operational efficiency through better access to data.

Finally, the implementation of the DATA Act is a significant effort requiring commitment and resources from the entire Federal community. While its benefits are significant, the challenges with driving changes and allocating resources in a budget-constrained environment are real and the DATA Act did not provide additional resources to Treasury or other Federal agencies. The progress we can make is therefore constrained by our ability to reallocate existing resources. The key to success in moving forward is perseverance, communication, collaboration, and holding people accountable for implementation. We look forward to working with Congress to help ensure the success of DATA Act implementation.

Thank you, Mr. Chairman. This concludes my testimony. I look forward to your questions.