

# FEDERAL SPENDING TRANSPARENCY: FROM FFATA TO DATA AND BEYOND

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# Discussion Points / Questions

- ▣ Background
- ▣ Legislative and Regulatory Transparency Efforts
- ▣ State Transparency Initiatives

# Transparency

Thomas Jefferson is credited with saying, “We might hope to see the finances as clear and intelligible as a merchant’s books, so that every member of Congress, and every man of every mind in the Union should be able to comprehend them, to investigate abuses, and consequently, to control them.

# Transparency

- ▣ What is transparency ?
- ▣ Who needs more transparency?
- ▣ How much transparency is too much?
- ▣ What is the tipping point between burden and benefit?
- ▣ Can lessons be learned from State transparency sites?
- ▣ What can we expect moving forward?

# Transparency Advocates Today

- ▣ GATB
- ▣ OMB ([www.omb.gov](http://www.omb.gov))
- ▣ Treasury ([www.treasury.gov](http://www.treasury.gov))
- ▣ Congress
- ▣ Sunshine Groups
- ▣ Management
- ▣ The Public
- ▣ COFAR – As an interested party  
([www.cfo.gov/cofar](http://www.cfo.gov/cofar))



# The Quest for Efficiency and Better Transparency in Federal Spending

- ▣ IAEGC
- ▣ PL 106-107
- ▣ IPIA/IPERA/IPERIA
- ▣ FFATA
- ▣ ARRA
- ▣ DATA
- ▣ Next?

# IAEGC

- ▣ Interagency Electronic Grants Committee
- ▣ Worked on the administration side of grants, including coordination on federal grants data standards and supporting electronic grants processing activities, focusing specifically on grant application submission, award notification, organizational profiles, and professional profiles.

# PL 106- 107

- ▣ Federal Financial Assistance Management Improvement Act of 1999
- ▣ Purpose
  - improve the effectiveness and performance of Federal financial assistance programs
  - simplify Federal financial assistance application and reporting requirements
  - improve the delivery of services to the public
  - facilitate greater coordination among those responsible for delivering the services
- ▣ Required OMB to direct, coordinate, and assist Federal agencies in establishing a common application and reporting system, including electronic processes, and uniform administrative rules for Federal financial assistance programs across different Federal agencies



# IPIA / IPERA

- ▣ Improper Payments Information Act of 2002
  - Requires executive-branch agencies to identify programs and activities susceptible to significant improper payments, estimate annual amounts improperly paid, and report these estimates and actions taken to reduce them.
- ▣ Improper Payments Elimination and Recovery Act of 2010
  - IPERA amends IPIA and expands requirements for recovering overpayments across a broad range of federal programs related to (1) federal agency management accountability; and (2) recovery auditing aimed at identifying and reclaiming payments made in error.

# IPERIA

- ▣ Improper Payments Elimination Act of 2012
- ▣ Amends the Improper Payments Information Act of 2002 to
  - Identify annually Federal programs for greater levels of oversight and review based on highest dollar value or highest rate of improper payments, or a higher risk of improper payments;
  - Coordinate with agencies with high-risk programs, to establish annual targets and semi-annual or quarterly actions for reducing improper payments; and,
  - Provide guidance to agencies for improving estimates of improper payments
- ▣ Establishes a Do Not Pay Initiative

# FFATA

- ▣ 2006 Federal Funding Accountability and Transparency Act - FFATA (P.L.109-282),
  - Obama one of the original sponsors
  - reduce “wasteful and unnecessary spending” by the federal government by making the details of federal spending available to the public
    - ▣ government officials would be less likely to fund projects that might be perceived as wasteful.
- ▣ Establish a publicly available online website that provides access to information about entities that are awarded federal grants, loans, contracts, and other forms of assistance
- ▣ Preceded Recovery Act

# FFATA

- ▣ USASpending.gov – Launched Dec. 2007
- ▣ To date, agencies have reported contract or award information only at the prime level for transparency purposes.
- ▣ All agencies should have collected sub-award data by October 1, 2010.
- ▣ According to the Government Accountability Office in a 2014 report, which looked at 2012 spending data, data that does exist on USASpending is wildly inaccurate. Only 2% to 7% of spending data on USASpending.gov is "fully consistent with agencies' records."
- ▣ Revised USASpending released in April of this year

# ARRA

- ▣ **American Recovery and Reinvestment Act** of 2009
- ▣ At a time of economic turmoil the Act was created to save and create jobs. Also intended to provide temporary relief programs for those most impacted by the recession and invest in infrastructure, education, health, and renewable energy.
- ▣ The approximate cost of the economic stimulus package was estimated to be \$787 billion at the time of passage, later revised to \$831 billion between 2009 and 2019



# ARRA

- ▣ Unprecedented accountability and transparency
  - Recovery Accountability and Transparency Board (**new**)
  - Governor certifications
  - Recovery.gov
  - Quarterly reporting (Section 1512)
  
- ▣ Robust spending level reporting

# ARRA

## ▣ Recovery.gov

- One of the centerpieces of the Act was to promote transparency
- Mission:
  - ▣ Education: explain the American Recovery and Reinvestment Act
  - ▣ Transparency: show how, when, and where the money is spent
  - ▣ Accountability: provide data that will allow citizens to evaluate the Act's progress and provide feedback

# ARRA Lessons Learned

- ▣ Leadership (Governor's) buy-in is a critical element of success for new initiatives
- ▣ Outreach and communication essential to successful implementation
- ▣ Uniform Reporting is possible
- ▣ Timely expenditure data is possible but...

# From ARRA to FFATA or DATA

- ▣ Once subaward reporting capabilities are in place for Recovery Act funds and these data are displayed on Recovery.gov, the Administration intends to begin broadening subaward report requirements to all Federal funding, to comply with the Transparency Act.” Peter Orzag, Director of OMB, April 27, 2009

# DATA

- ▣ The Digital Transparency and Accountability Act of 2014 (DATA Act) is intended to increase the quality of the information captured in USASpending.gov through a uniform reporting process.
- ▣ The new data standards and other DATA Act requirements will change the way spending data is reported and analyzed across government



# DATA

- ▣ Requires that government-wide financial data standards be established for all federal funds and be used by both federal agencies and recipients.
  - The aim is to improve the usability, transparency and accountability of financial and performance information
- ▣ The Act requires that a pilot be established to develop recommendations for the use of common reporting elements, the elimination of unnecessary duplication in financial reporting, and the reduction of compliance costs for recipients
- ▣ The law also requires a series of reviews and audits by the GAO and agency inspectors general

# DATA Act Implementation

- ▣ The overall data standardization effort consists of two parallel, yet related efforts:
- ▣ Standardizing the definition of the data elements that the DATA Act requires
- ▣ Creating a data exchange standard that includes these elements and prescribes how to transmit them between agencies and the public.

# DATA Act Pilot

- ▣ Pilot will develop recommendations for
  - standardizing grant and contractor awardee reporting
  - eliminating duplicative and/or unnecessary reporting
  - reducing awardee compliance costs
- ▣ OMB asked HHS to be the executing agent for federal grants (a part of OMB leads procurement pilot)
- ▣ HHS's DATA Act PMO coordinates the Section 5 grants pilot

# DATA Act Pilot Rollout

- ▣ Deploy a blog-type dialogue to initiate a discussion among the grants community to discuss opportunities to reduce burden and compliance costs for Federal award recipients
- ▣ Launch a Common Data Element Repository Library (C-DER Library) (a federal-wide, “authoritative source” to facilitate consistency of federal financial and business terms and definitions) inclusive of agreed-upon standardized data elements
- ▣ Launch an expanded Grants.gov portal for public use to promote greater transparency and easier access to grants’ lifecycle information

# DATA

- ▣ Many still use paper-based records to track spending and also utilize archaic computing technologies, making it difficult to link them up.
- ▣ The problem is more than an information technology challenge; what is required is a different way of conceptualizing data.

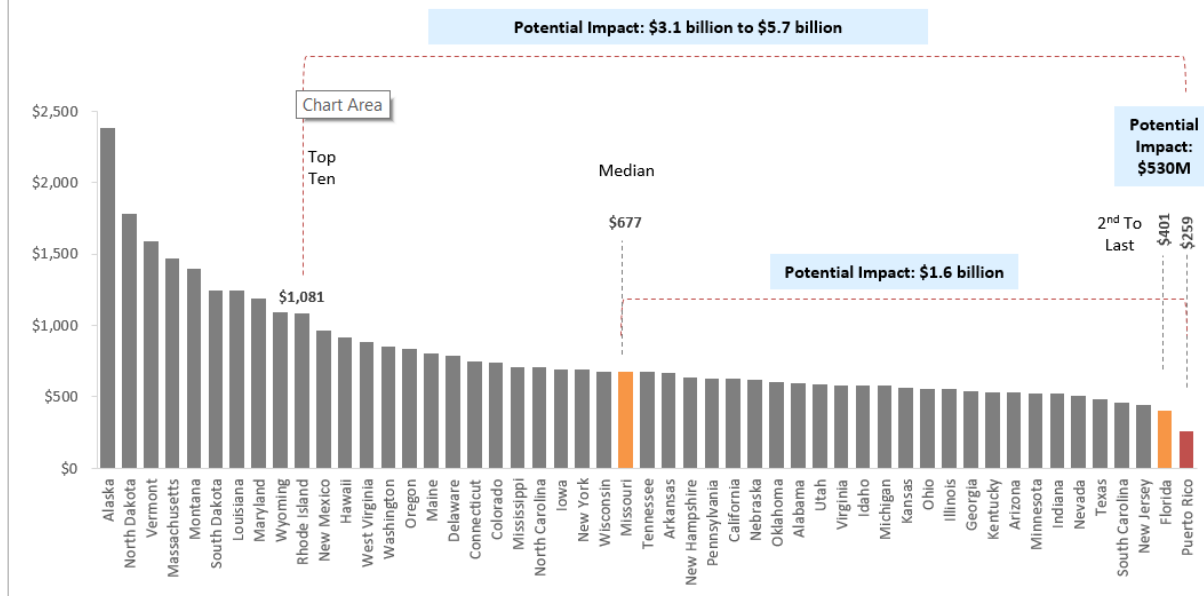


# Example: Reconcilable Data ...Then

IMPROVEMENT IN THE PER CAPITA RANKINGS FOR COMPETITIVE GRANTS WOULD  
IMPLY A RECURRING IMPACT OF \$530 MILLION TO \$3.1 BILLION



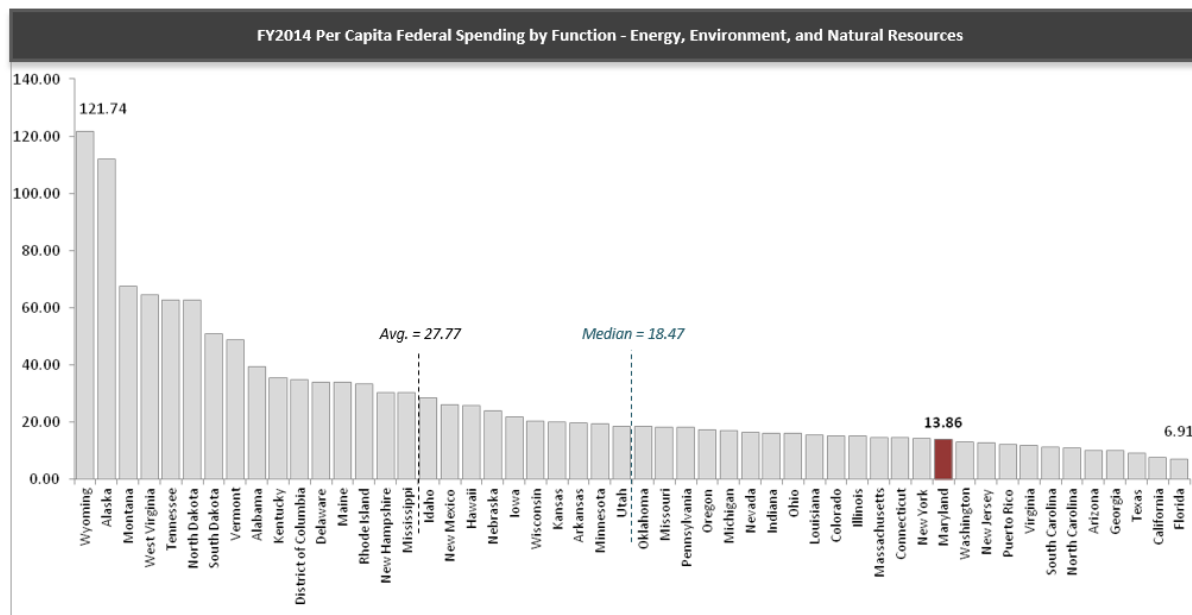
State Ranking Based on Number of Competitive Programs



Source: Based on data from Consolidate Federal Funds Report FY 2010.

# Example: Reconcilable Data ...Now

## FY2014 PER CAPITA FEDERAL SPENDING BY FUNCTION – ENERGY, ENVIRONMENT, AND NATURAL RESOURCES



Source: Federal Funds Information for States (FFIS)

# What to Expect Down the Road

- ▣ The pilot will result in recommendations for regulatory/legislative changes
- ▣ New data standards could result in additional reporting requirements
- ▣ Increased work on DATA Quality
  - Quality is so important
  - So is Context
  - How do you assure accuracy in reporting ?( headline risks)
- ▣ More focus on performance – less on compliance

# Be Prepared

- ▣ Changes are coming
- ▣ Major changes usually involve resistance and some headaches
- ▣ Timelines will fluctuate.
- ▣ Knowledge is key. Stay up to date, be prepared and remain open minded
- ▣ The vision is big and the solution incremental
- ▣ Spread the word.....

# State Transparency Efforts

- ▣ There is a national trend underway for governments to develop websites that allow constituents to view financial information in searchable formats. Such websites are widely considered to improve transparency into the financial operations of government.
- ▣ In 2015, all 50 states operated websites to make information on state expenditures accessible to the public.
- ▣ In 2015, all but two states allow users to search the online checkbook by agency, keyword and/or vendor, and 44 states provide checkbook-level data for one or more economic development subsidy programs (Information provided by US PIRG)
- ▣ Each state is little different



# US PIRG – Findings From 2015 “Follow the Money”

- ▣ All states, including Leading States, have opportunities to improve their transparency.
- ▣ The checkbooks in five states have limited searchability.
- ▣ Only eight states provide checkbook-level information that includes the recipients of each of the state’s most important subsidy programs. While many other states provide checkbook-level information for some of their major subsidy programs, disclosure for all programs would provide greater transparency and accountability.
- ▣ Six states do not provide tax expenditure reports that detail the impact on the state budget of targeted tax credits, exemptions or deductions.

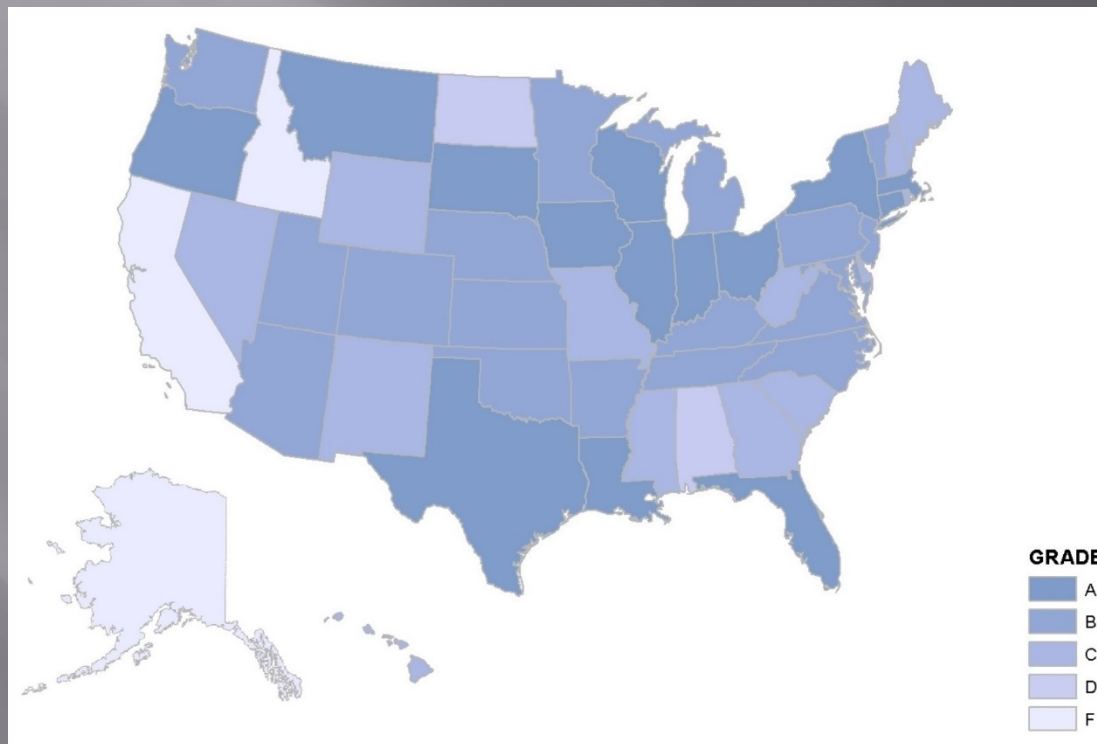
<http://uspirg.org/news/usp/new-report-ranks-all-fifty-states-government-spending-transparency>

# US PIRG – Findings From 2015

## “Follow the Money”

- ❑ In addition to improving the comprehensiveness of their transparency portals, states should begin to enhance user-friendliness in design and functionality.
- ❑ No state provides a comprehensive list of government entities outside the standard state budget. Ideally, all governmental and quasi-governmental entities – even those that are entirely financially self-supporting – would integrate their expenditures into the online checkbook, and a central registry of all such entities would be available for public reference.
- ❑ Even top-scoring states should continue to expand the universe of data accounted for by their transparency portals. Important advancements would include detailing all active public-private partnerships, and supporting municipal and county level transparency and making those data available centrally.

# How States Rate (US PIRG)



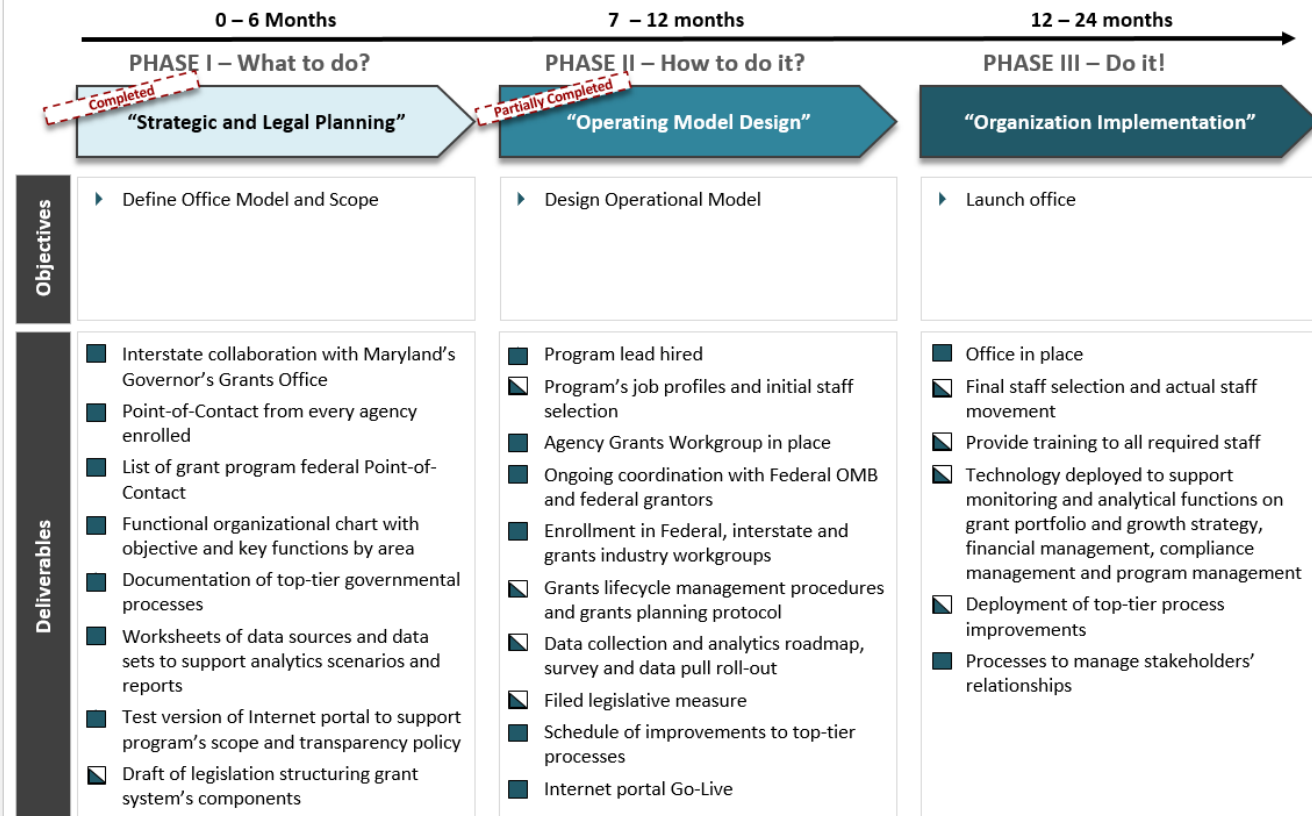
# Examples of State Transparency Initiatives

- ▣ Puerto Rico Federal Funds Management Initiative
  - New Federal Funds Office [www.grants.pr.gov](http://www.grants.pr.gov)
  - Using SA Reports
  - FAC Data
- ▣ Maryland Transparency
  - Governor's Grants Office, [www.grants.maryland.gov](http://www.grants.maryland.gov)
  - State Stat, <http://www.statestat.maryland.gov/>
  - Open DATA Council <https://data.maryland.gov/>

# Working on a Dedicated Federal Funds Office

B

## PHASES TO IMPLEMENTATION OF A FEDERAL FUNDS OFFICE





# Puerto Rico Moves Toward Transparency

## NEW PR FEDERAL FUNDS MANAGEMENT WEBPAGE TO BUILD MOMENTUM AROUND THE INITIATIVE

[www.grants.pr.gov](http://www.grants.pr.gov)

The screenshot shows the homepage of the Puerto Rico Federal Funds Management Office. At the top, there is a navigation bar with the PR.gov logo and links for Servicios, Agencias, Municipios, and Subastas. Below this is a header section with the title 'Federal Funds Management Office' and 'COMMONWEALTH OF PUERTO RICO', accompanied by a map of Puerto Rico and the state seal. A secondary navigation bar includes links for HOME, Library, Contacts, and Links. The main content area features a welcome message, a 'Health' section with an image of a doctor and patient, and a 'USA SPENDING .GOV' section displaying a total of \$2,110,907,621.60. At the bottom, there are two prominent buttons: 'Grant Opportunities' and 'Grant Stewardship'.

**pr.gov** Servicios Agencias Municipios Subastas

**Federal Funds Management Office**  
COMMONWEALTH OF PUERTO RICO

HOME Library Contacts Links

Agencias > Federal Funds Management Office

**Welcome** to the Federal Funds Management Office, a program of the Governor's Office of Management and Budget. We seek to strengthen the Commonwealth's capacity to access and manage federal funds in order to advance the goals of the federal and local governments and foster our economic and social development.

**Health**

**USA SPENDING .GOV**  
Government spending at your fingertips

USA Spending's snapshot of grant dollars awarded in the current Federal Fiscal Year to public and private entities in Puerto Rico.

**\$ 2,110,907,621.60**

**Grant Opportunities** **Grant Stewardship**

### Functions

- Puerto Rico Federal Funds management webpage provides the tools to strengthen our capacity to **ACCESS** and **MANAGE** federal funds
- On the **ACCESS**, provides real time grant information on new opportunities, grant writing tools, and a number of resources to improve the success ratio on grant applications.
- On the **MANAGE**, provides detailed data on grant by grantee, granular data on findings based on single audits, compliance rules and norms, and many other resources
- Training resources from Pre-Award to Close-Out. Training is readily available from federal, state and industry sources, ranging from general to program-specific topics.

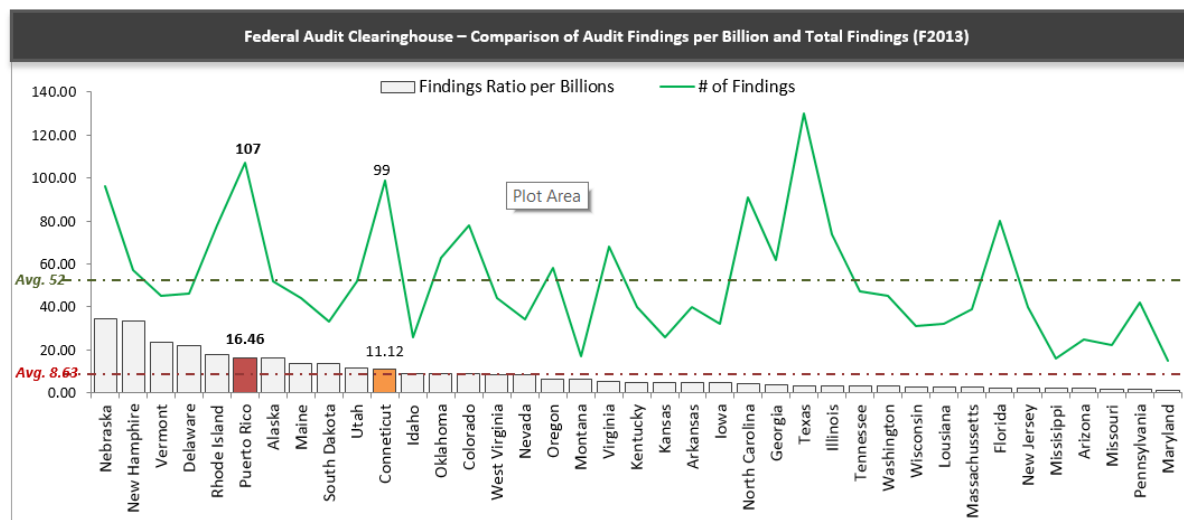
# Transparency – Making Compliance Findings Publically Available

## SUMMARY OF COMPLIANCE FINDINGS BY TYPE – PUERTO RICO

	2010		2011		2012	
Compliance Requirement	Including UPR	Excluding UPR	Including UPR	Excluding UPR	Including UPR	Excluding UPR
Activities Allowed or <u>Unallowed</u>	30	24	17	17	NA	19
Allowable Costs/Cost Principles	48	44	40	40	NA	42
Cash Management	39	35	29	29	NA	22
Davis Bacon Act	3	3	0	0	NA	1
Eligibility	22	22	7	7	NA	11
Equipment and Real Property Management	148	48	166	34	NA	21
Matching, Level of Effort, Earmarking	107	7	5	5	NA	2
Period of Availability of Federal Funds	16	16	7	7	NA	2
Procurement and suspension and debarment	21	21	143	9	NA	18
Program Income	1	1	1	1	NA	0
Real Property Acquisition and Relocation Assistance	0	0	0	0	NA	0
Reporting	56	56	205	73	NA	35
<u>Subrecipient</u> and Monitoring	24	24	18	18	NA	18
Special Tests and Provisions	60	60	56	47	NA	61
None	286	171	328	235	NA	135
Other	79	79	179	31	NA	42

# Use of Clearing House Data

## COMPARISON OF FINDINGS WITH OTHER JURISDICTIONS IN FY2013



### 2013 - TOP STATES WITH HIGHEST FINDING RATIO

#	State	# of Findings	Findings Ratio per Billion
1.	Nebraska	96	34.28
2.	New Hampshire	57	33.52
3.	Vermont	45	23.68
4.	Delaware	46	21.90
5.	Rhode Island	78	17.72
6.	Puerto Rico	107	16.46


### PUERTO RICO FINDINGS 2012 v 2013

	2012	2013	Change
<b>Findings</b>	192	107	-85
<b>Finding Ratio per Billion</b>	28.24	16.46	-11.77






FAC (Federal Clearing House)/ States Single Audits Reports Fiscal Year 2012 and 2013/ Schedule of Award Expenditures/National Ranking and Trends in Finding of Maryland's Annual Single Audit/Commonwealth of PR consolidated budget.

# Maryland's Dedicated Grants Office

**MARYLAND**  
.gov

GOVERNOR'S  
GRANTS OFFICE




Enter search term 

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## How Do I Find

- > [State Grants](#)
- > [Federal Grants](#)
- > [Foundation Grants](#)
- > [Student Financial Aid](#)
- > [Help for My Small Business](#)
- > [Resources for My Family](#)



Governor's Grants Office  
**Training Conference 2014**  
Thursday November 13th

## Maryland Grant Opportunities


Agency	Grant Title	DueDate
MSDE	Maryland Childcare Resources Centers Network Grant	6/5/2015
GOCCP - Governor's Office of Crime Control and Prevention	Edward J. Byrne Memorial Justice Assistance (BJAG) Grant - 2015	6/4/2015
Governor's Office on Service and Volunteerism	Volunteer Generation Fund Mini-Grants	6/1/2015
MSDE	Continuation Grant	5/29/2015
Maryland Higher Education Commission	Health Personnel Shortage Incentive Grant (HPSIG)	5/18/2015
State Arts Council	Artist in Residence for Schools	5/15/2015
MEA	Maryland Freedom Fleet Voucher Program	5/8/2015
CBT	Anne Arundel Community Tree Planting Mini Grant Program	
CBT	Community Engagement and Restoration Mini Grant Program	



# Maryland StateStat



## STATESTAT



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### Tracking Progress


- [MD's Open Data Portal](#)
- [FY16 Proposed Capital Budget Map](#)
- [FY15 Bay Budget Map](#)
- [Children's Budget Map](#)
- [Contact StateStat](#)


### Learn More

- [StateStat in the News](#)
- [StateStat 101](#)
- [Open Data and Stat Map](#)
- [Maryland Maps](#)

## StateStat Analysis Series

*Planning for the 'Silver Tsunami'*







# Maryland Open DATA Portal

Maryland.gov | Phone Directory | State Agencies | Online Services || Maryland Open Data | Help | Sign Up | Sign In



## Department of Information Technology OPEN DATA PORTAL



SOCIAL MEDIA DIRECTORY

Local Data



### iMap: Maryland's Mapping & GIS Portal

Can't find the geographic data you are looking for on data.maryland.gov? Maryland iMap is Maryland's mapping and GIS data portal. Created by the Department of Information Technology, users can search for maps and dashboards in categories such as health, education, environment and more.

### MD iMAP: Maryland's Mapping & GIS Data Portal

#### Maryland's GIS Data Catalog



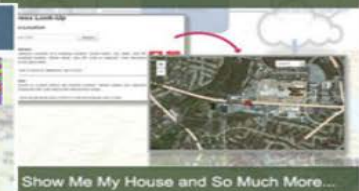
Geospatial Content from Partners Across Maryland  
Hundreds of services to search, view and download

#### Maryland's LiDAR Catalog



Statewide & County Services All In One Place  
Hundreds of services to view, query, and analyze

#### Maryland's Address Look-Up



Show Me My House and So Much More...



#### Search Payments Made by State Agencies in FY14

This dataset shows payments made by state agencies in FY2014 which were \$25,000 or more. All parties receiving funds are shown: private businesses, local governments, non-profit organizations, and individuals.



#### Compare Tax Rates by County

Think you're paying too much in taxes? Compare your county's income, personal and business tax rates with other Maryland counties.



#### Find EV Charging Stations Along Your Route

Find an Electric Vehicle Charging Station or Alternative Fuel Station in your neighborhood.



#### Lead Paint Inspectors

The Inspection Contractors (IC) listed have been accredited/licensed by the Maryland Department of the Environment to provide lead paint inspection services.

filter=100