

Calendar No. 200

116TH CONGRESS }
1st Session }

SENATE

{ REPORT
116-96

GRANT REPORTING EFFICIENCY AND
AGREEMENTS TRANSPARENCY ACT OF 2019

R E P O R T

OF THE

COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

TO ACCOMPANY

H.R. 150

TO MODERNIZE FEDERAL GRANT REPORTING, AND FOR OTHER
PURPOSES



SEPTEMBER 10, 2019.—Ordered to be printed

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Mr. JOHNSON, from the Committee on Homeland Security and
Governmental Affairs, submitted the following

R E P O R T

[To accompany H.R. 150]

[Including cost estimate of the Congressional Budget Office]

The Committee on Homeland Security and Governmental Affairs, to which was referred the bill (H.R. 150) to modernize Federal grant reporting, and for other purposes, having considered the same, reports favorably thereon with an amendment (in the nature of a substitute) and recommends that the bill, as amended, do pass.

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I. PURPOSE AND SUMMARY

The purpose of H.R. 150, the Grant Reporting Efficiency and Agreements Transparency Act of 2019, or the GREAT Act, is to improve and modernize reporting by recipients of Federal grants. The bill does so by requiring the Director of the Office of Management and Budget (OMB), and the Secretary of the Executive Branch agency that awards the most Federal grants each year, to create

data standards for grantee reporting requirements across the Federal Government.¹

II. BACKGROUND AND THE NEED FOR LEGISLATION

In 2014, Congress approved, and President Barack Obama signed, the Digital Accountability and Transparency (DATA) Act, the nation's first open data law.² Included among the Act's provisions was the authorization of a 12-month pilot program to examine whether the establishment of data reporting standards across Federal agencies would reduce duplicative reporting requirements for Federal award recipients.³

The DATA Act tasked OMB with implementing the pilot program.⁴ As authorized, the pilot program applied standard data reporting requirements to contracts, grants, and sub-awards with a combined value over \$1 billion.⁵ OMB examined Federal spending data and how Federal awardees reported data back to the Federal Government to analyze the influence of standardized terms and interoperable financial data systems.⁶ The pilot program also included a variety of award recipients as participants, including recipients that accept awards from multiple Federal programs across multiple Federal agencies.⁷

OMB also tasked several agencies with overseeing differing aspects of the pilot program, including the Department of Health and Human Services (HHS).⁸ OMB made HHS responsible for the grants portion of the DATA pilot program due to its high involvement with grant recipients and maintenance of Grants.gov.⁹ To address inconsistent terms used in grant reporting, HHS created the Common Data Element Repository (CDER) Library model.¹⁰ The CDER is an online repository of Federal Government program data, terms, and attributes of grant reporting.¹¹ CDER is designed to provide a framework of agreed-upon data standards, improve transparency, and promote consistency in definitions and terms in the Federal grant world.¹² Using CDER, HHS collected and analyzed data related to grants from a 12-month reporting period.¹³

Upon completion of the grant portion of the pilot program, HHS, and ultimately OMB, concluded that grant reporting could be completed in a more accurate and timely fashion if they had access to

¹On Sept. 26, 2018, the Committee approved S. 3484, the Grant Reporting Efficiency and Agreements Transparency Act of 2018. That bill is substantially similar to H.R. 150. Accordingly, this committee report is in large part a reproduction of Chairman Johnson's committee report for S. 3484, S. Rep. No. 115-354 (2018).

²Pub. L. No. 113-101 (2014).

³*Id.* at § 5(b).

⁴*Id.* at (b)(1).

⁵*Id.* at (b)(2)(A).

⁶Office of Mgmt. & Budget, *Report to Congress: DATA Act Pilot Program 4* (Aug. 10, 2017), available at https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/sequestration_reports/2017_data_act_section5_report.pdf.

⁷*Id.* at 4.

⁸*Id.*

⁹*Id.* at 32. *Grants.gov* is a centralized website that allows grant seekers to find and apply for federal funding opportunities. Grants.gov, *About the Grants.gov Program Management Office*, <https://www.grants.gov/web/grants/support/about-grants-gov.html> (last visited June 18, 2019).

¹⁰Dept of Health & Human Services, *Common Data Repository (CDER) Library*, <https://www.hhs.gov/about/agencies/asfr/data-act-program-management-office/common-data-element-repository/index.html> (last visited June 18, 2019).

¹¹Dept of Health & Human Services, *Common Data Element Repository (CDER) Library*, https://repository.usaspending.gov/cder_library/ (last visited June 18, 2019).

¹²*Id.*

¹³Office of Mgmt. & Budget, *supra* note 6 at 37.

an online repository containing defined data standards, such as the CDER Library.¹⁴ OMB issued guidance to Federal agencies, explaining how agencies are to apply data standards in the hopes of lessening the compliance burden and simplify the reporting process.¹⁵ OMB had four recommendations for grant reporting: (1) require that reported data elements are defined; (2) require that reported data is collected and maintained in a central location; (3) allow data to be re-used and auto-populated across the Government; and (4) have resources available to explain requirements and business processes when necessary.¹⁶

Although the DATA Act pilot program had a two-year sunset, the positive feedback from HHS's work with the pilot program as it related to Federal grants led to the introduction of H.R. 150. H.R. 150 implements all four of OMB's recommendations for Federal agencies to modernize reporting by defining and imposing data standards in an open repository managed by HHS and OMB. The data standards OMB and HHS establish will be applied government-wide to all Federal grant recipients' reporting to ensure continuity and efficiency.

III. LEGISLATIVE HISTORY

H.R. 150 was introduced on January 3, 2019, by Representatives Virginia Foxx (R-NC-5), Cynthia Axne (D-IA-3), Ben Cline (R-VA-6), Scott DesJarlais (R-TN-4), Tom Emmer (R-MN-6), Jimmy Gomez (D-CA-34), Josh Harder (D-CA-10), Robin Kelly (D-IL-2), Derek Kilmer (D-WA-6), Mark Meadows (R-NC-11), Ralph Norman (R-SC-5), Gary Palmer (R-AL-6), Mike Quigley (D-IL-5), Harley Rouda (D-CA-48), Pete Stauber (R-MN-8), and Mark Walker (R-NC-6). On January 17, 2019, a motion to suspend the rules and pass the bill was agreed to by yeas and nays (422-0).

The Act was referred to the Committee on Homeland Security and Governmental Affairs. The Committee considered H.R. 150 at a business meeting on June 19, 2019. During the business meeting, Senators James Lankford, Gary Peters, Maggie Hassan, and Michael Enzi offered a substitute amendment to better specify the standard-setting agency, to require guidance to be updated every ten years, and to provide more time for Federal agencies to establish data standards and guidance. Both the Lankford substitute amendment and the Act, as amended, were passed by voice vote en bloc with Senators Johnson, Portman, Paul, Lankford, Romney, Scott, Enzi, Hawley, Peters, Carper, Hassan, Sinema, and Rosen present.

IV. SECTION-BY-SECTION ANALYSIS OF THE BILL, AS REPORTED

Section 1. Short title; table of contents

This section establishes the short title of the Act as the "Grant Reporting Efficiency and Agreements Transparency Act of 2019", or

¹⁴Memorandum from Mick Mulvaney, Director, Office of Mgmt. & Budget, to Heads of Executive Departments and Agencies (Sept. 5, 2018) available at <https://www.whitehouse.gov/wp-content/uploads/2018/09/M-18-24.pdf>; Office of Mgmt. & Budget, *supra* note 6 at 42.

¹⁵Memorandum from David Mader, Controller, Office of Mgmt. & Budget, to Heads of Executive Departments and Agencies (May 3, 2016) available at <https://obamawhitehouse.archives.gov/sites/default/files/omb/financial/memos/management-procedures-memorandum-no-2016-03-additional-guidance-for-data-act-implementation.pdf>.

¹⁶Office of Mgmt. & Budget, *supra* note 6 at 6.

the “GREAT Act.” This section also provides a table of contents for the Act.

Section 2. Purposes

This section lays out the purposes of the bill, to improve Federal awardee’s reporting to the Federal Government by creating and using data standards when reporting annual productivity, budget requests, and other correspondence. The data standards are to be created by the Director of OMB and the Secretary of the standard-setting agency (as defined in section 4 of this bill).

Section 3. Definitions

This section explains that the terms agency, Director, Federal award, and Secretary have the same meanings as they are given in section 6401 of title 31, United States Code, which are added by section 4 of this bill.

Section 4. Data standards for grant reporting

This section adds a new Chapter 64 to follow chapter 63 in title 31 of the United States Code.

New section 6401 of Chapter 64 provides definitions for the terms “agency,” “core data elements,” “Director,” “Executive department,” “Federal award,” “Secretary,” “standard-setting agency,” and “State.”

New section 6402 provides that the Executive department that issues the most Federal awards in a calendar year shall be considered the standard-setting agency. The Secretary of the standard-setting agency and Director of OMB shall establish the Government-wide data standards for all reporting by Federal award recipients. The data standards need to be consistent with accounting and reporting principles, nonproprietary, and yield information by being fully searchable and machine-readable.

New section 6403 details that the Secretary of the standard-setting agency and Director of OMB need to produce guidance directing all agencies to apply the data standards established under new section 6402 to all applicable reports from award recipients, not later than three years after the date of enactment of this bill. The guidance will help assimilate current reporting practices, while allowing some exceptions, such as for Indian Tribes. The Director must update the guidance at least every 10 years.

New section 6404 explains the requirements of agencies. Within one year of the Director issuing or updating guidance under new section 6403, agencies are required to have all grant and cooperative agreements recipients use the data standards established for all information collection requests.

Section 5. Single audit act

This section amends Sections 7502 and 7505 of United States Code to require all audit-related information be electronic and machine-readable.

Section 6. Consolidation of assistance-related information; publication of public information as open data

This section requires OMB and the standard-setting agency to collect, publish, and maintain the Federal award information re-

ceived from the reports. The Federal award information is to be displayed in a government-wide data set that is publically available.

Section 7. Evaluation of nonproprietary identifiers

This section establishes that OMB and the standard-setting agency should decide on using nonproprietary identifiers for the data standards, keeping in mind the accessibility and cost to recipients of Federal awardees.

Section 8. Rule of construction

This section clarifies that provisions of this Act shall not be interpreted to require the collection of data that is not already required.

Section 9. No additional funds authorized

This section makes clear that no additional funds are authorized to carry out this bill.

V. EVALUATION OF REGULATORY IMPACT

Pursuant to the requirements of paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee has considered the regulatory impact of this bill and determined that the bill will have no regulatory impact within the meaning of the rules. The Committee agrees with the Congressional Budget Office's statement that the bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

VI. CONGRESSIONAL BUDGET OFFICE COST ESTIMATES

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 25, 2019.

Hon. RON JOHNSON,
Chairman, Committee on Homeland Security and Governmental Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 150, the GREAT Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Chinmayee Balabhadrapatruni and Matthew Pickford.

Sincerely,

PHILLIP L. SWAGEL.

Enclosure.

At a Glance			
H.R. 150, GREAT Act			
As ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on June 19, 2019			
By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	*	*
Revenues	0	0	0
Deficit Effect	0	*	*
Spending Subject to Appropriation (Outlays)	0	50	not estimated
Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	< \$5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between zero and \$500,000.			

The bill would

- Direct the Office of Management and Budget to designate an executive agency to establish data standards for reporting information about federal grant programs
 - Aim to facilitate the management of federal grants and cooperative agreements
 - Require federal grant award data to be publicly available
- Estimated budgetary effects would primarily stem from
- The cost of establishing data standards, modifying reporting systems, and training personnel across 26 federal agencies

Bill summary: H.R. 150 would require the Office of Management and Budget (OMB) and a designated executive agency to jointly establish data standards for information reported by recipients of federal grants. The act also would require that information to be publicly available, subject to certain restrictions.

Estimated federal cost: The estimated budgetary effect of H.R. 150 is shown in Table 1. The costs of the legislation fall within all budget functions that include grant programs.

TABLE 1.—ESTIMATED INCREASES IN SPENDING SUBJECT TO APPROPRIATION UNDER H.R. 150

	By fiscal year, millions of dollars—						
	2019	2020	2021	2022	2023	2024	2019–2024
Estimated Authorization	0	10	10	10	10	10	50
Estimated Outlays	0	10	10	10	10	10	50

Basis of estimate: CBO assumes that H.R. 150 will be enacted near the end of 2019 and that spending will follow historical patterns for similar activities.

Under current law, the government uses several databases to monitor and track federal spending on grants. For example, the Department of Health and Human Services (HHS) uses www.grants.gov to provide information about federal grants and contracts. A similar OMB website, www.usaspending.gov, provides information on award amounts for all federal contracts, grants, and

loans. Information from HHS and OMB indicates that under current law, the federal government has standardized some reporting requirements by grant recipients, but that information is not collected or reported consistently by all federal programs.

For this estimate, CBO assumes that HHS would be the lead agency to implement H.R. 150. HHS typically spends \$10 million to \$12 million annually on its grants website, and CBO expects that implementing H.R. 150 would involve a similar level of effort across the 26 major departments and agencies. Implementing the act would require personnel from multiple departments and agencies to develop the data elements, modify computer systems, and train staff. In total, CBO estimates implementing the act would cost \$50 million over the 2020–2024 period; that spending would be subject to the availability of appropriated funds.

Pay-As-You-Go considerations: The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. H.R. 150 could affect direct spending by agencies that are not funded through annual appropriations; therefore pay-as-you-go procedures apply. CBO estimates, however, that net changes in direct spending would be insignificant. Enacting the bill would not affect revenues.

Increase in long-term deficits: CBO estimates that enacting H.R. 150 would increase on-budget deficits by an insignificant amount in the four consecutive 10-year periods beginning in 2030.

Mandates: None.

Estimate prepared by: Federal costs: Chinmayee Balabhadrapatruni and Matthew Pickford; Mandates: Andrew Laughlin.

Estimate reviewed by: Kim P. Cawley, Chief, Natural Resources Cost Estimate Unit; H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

VII. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows: (existing law proposed to be omitted is enclosed in brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

UNITED STATES CODE

* * * * *

TITLE 31—MONEY AND FINANCE

* * * * *

SUBTITLE V—GENERAL ASSISTANCE ADMINISTRATION

Chap.	Sec.
61. Program Information	6101.
* * * * *	
64. <i>Data standards for grant reporting</i>	6401.
* * * * *	

Chapter 64—Data Standards for Grant Reporting

Sec.

6401. Definitions.

6402. Data standards for grant reporting.

6403. Guidance applying data standards for grant reporting.

6404. Agency requirements.

SEC. 6401. DEFINITIONS.

In this chapter:

(1) **AGENCY.**—*The term “agency” has the meaning given the term in section 552(f) of title 5.*

(2) **CORE DATA ELEMENTS.**—*The term “core data elements” means data elements that relating to financial management, administration, or management that*

(A) are not program-specific in nature or program-specific outcome measures, as defined in section 1115(h) of this title; and

(B) are required by agencies for all or the vast majority of recipients of Federal awards for purposes of reporting.

(3) **DIRECTOR.**—*The term “Director” means the Director of the Office of Management and Budget.*

(4) **EXECUTIVE DEPARTMENT.**—*The term “Executive department” has the meaning given the term in section 101 of title 5.*

(5) **FEDERAL AWARD.**—*The term “Federal award”—*

(A) means the transfer of anything of value for a public purpose of support or stimulation authorized by a law of the United States, including financial assistance and Government facilities, services, and property;

(B) includes a grant, a subgrant, a cooperative agreement, or any other transaction; and

(C) does not include a transaction or agreement—

(i) that provides for conventional public information services or procurement of property or services for the direct benefit or use of the Government; or

(ii) that provides only—

(I) direct Government cash assistance to an individual;

(II) a subsidy;

(III) a loan;

(IV) a loan guarantee; or

(V) insurance.

(6) **SECRETARY.**—*The term “Secretary” means the head of the standard-setting agency.*

(7) **STANDARD-SETTING AGENCY.**—*The term “standard-setting agency” means the Executive department designated under section 6402(a)(1).*

(8) **STATE.**—*The term “State” means each State of the United States, the District of Columbia, each commonwealth, territory, or possession of the United States, and each federally recognized Indian Tribe.*

SEC. 6402. DATA STANDARDS FOR GRANT REPORTING.

(a) **IN GENERAL.**—

(1) **DESIGNATION OF STANDARD-SETTING AGENCY.**—*The Director shall designate the Executive department that administers*

the greatest number of programs under which Federal awards are issued in a calendar year as the standard-setting agency.

(2) *ESTABLISHMENT OF STANDARDS.—Not later than 2 years after the date of enactment of this chapter, the Secretary and the Director shall establish Government-wide data standards for information reported by recipients of Federal awards.*

(3) *DATA ELEMENTS.—The data standards established under paragraph (2) shall include, at a minimum—*

(A) *standard definitions for data elements required for managing Federal awards; and*

(B) *unique identifiers for Federal awards and recipients of Federal awards that can be consistently applied Governmentwide.*

(b) *SCOPE.—The data standards established under subsection (a)—*

(1) *shall include core data elements;*

(2) *may cover information required by law to be reported to any agency by recipients of Federal awards, including audit-related information reported under chapter 75 of this title; and*

(3) *may not be used by the Director or any agency to require the collection of any data not otherwise required under Federal law.*

(c) *REQUIREMENTS.—The data standards established under subsection (a) shall, to the extent reasonable and practicable—*

(1) *render information reported by recipients of Federal awards fully searchable and machine-readable;*

(2) *be nonproprietary;*

(3) *incorporate standards developed and maintained by voluntary consensus standards bodies;*

(4) *be consistent with and implement applicable accounting and reporting principles; and*

(5) *incorporate the data standards established under the Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6101 note).*

(d) *CONSULTATION.—In establishing the data standards under subsection (a), the Secretary and the Director shall consult with—*

(1) *the Secretary of the Treasury to ensure that the data standards established under subsection (a) incorporate the data standards established under the Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6101 note);*

(2) *the head of each agency that issues Federal awards;*

(3) *recipients of Federal awards and organizations representing recipients of Federal awards;*

(4) *private sector experts;*

(5) *members of the public, including privacy experts, privacy advocates, auditors, and industry stakeholders; and*

(6) *State and local governments.*

SEC. 6403. GUIDANCE APPLYING DATA STANDARDS FOR GRANT REPORTING.

(a) *IN GENERAL.—Not later than 3 years after the date of enactment of this chapter—*

(1) *the Secretary and the Director shall jointly issue guidance to all agencies directing the agencies to apply the data standards established under section 6402(a) to all applicable reporting by recipients of Federal awards; and*

- (2) *the Director shall prescribe guidance applying the data standards established under section 6402(a) to audit-related information reported under chapter 75 of this title.*
- (b) *GUIDANCE.—The guidance issued under subsection (a) shall—*
 - (1) *to the extent reasonable and practicable—*
 - (A) *minimize the disruption of existing reporting practices of, and not increase the reporting burden on, agencies or recipients of Federal awards; and*
 - (B) *explore opportunities to implement modern technologies in reporting relating to Federal awards;*
 - (2) *allow the Director to permit exceptions for classes of Federal awards, including exceptions for Federal awards granted to Indian Tribes and Tribal organizations consistent with the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5301 et seq.), if the Director publishes a list of those exceptions and submits the list to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Reform of the House of Representatives; and*
 - (3) *take into consideration the consultation required under section 6402(d).*

(c) *UPDATING GUIDANCE.—*

- (1) *IN GENERAL.—Not less frequently than once every 10 years, the Director shall update the guidance issued under subsection (a).*
- (2) *PROCEDURES.—In updating guidance under paragraph (1), the Director shall, to the maximum extent practicable, follow the procedures for the development of the data standards and guidance prescribed under this section and section 6402.*

SEC. 6404. AGENCY REQUIREMENTS.

Not later than 1 year after the date on which guidance is issued or updated under subsection (b) or (c), respectively, of section 6403, the head of each agency shall—

- (1) *ensure that all of the Federal awards that the agency issues use data standards for all future information collection requests; and*
- (2) *amend existing information collection requests under by chapter 35 of title 44 (commonly known as the “Paperwork Reduction Act”) to comply with the data standards established under section 6402 of this chapter, in accordance with the guidance issued by the Secretary and the Director under section 6403 of this chapter.*

* * * * *

Chapter 75—Requirement for Single Audits

* * * * *

SEC. 7502. AUDIT REQUIREMENTS; EXEMPTIONS.

(a) * * *

* * * * *

(h) *The non-federal entity shall transmit the reporting package, in an electronic form consistent with the data standards established under chapter 64 and which shall include the non-Federal entity’s financial statements, schedule of expenditures of Federal awards,*

corrective action plan defined under subsection (i), and auditor's reports developed pursuant to this section, to a Federal clearinghouse designated by the Director, and make it available for public inspection within the earlier of—

* * * * *

SEC. 7505. REGULATIONS.

(a) * * *

* * * * *

(d) Such guidance shall require audit-related information reported under this chapter to be reported in an electronic form consistent with the data standards established under chapter 64.

* * * * *

