

Government Finance Officers Association
International City/County Management Association
National Association of Counties
National Association of State Auditors, Comptrollers and Treasurers
National Association of State Budget Officers
National Association of State Chief Information Officers
National League of Cities

April 24, 2012

The Honorable Darrell Issa
Chairman
Oversight and Government Reform Committee
United States House of Representatives
Washington, DC 20515

Dear Chairman Issa:

On behalf of the above listed organizations, we are writing to commend on you on your efforts to further transparency and accountability in federal spending and to express our sincere appreciation to your staff in working with many of our organizations to include recommended changes in the most recent draft amendment to H.R. 2146, the Digital Accountability and Transparency Act. We agree with the long term purpose of the Act to consolidate and streamline the reporting of federal funds. However, in addition to the overall goals of modernization, efficiency and accountability, the shift toward data reporting standardization should keep in mind the costs and burdens for fiscally strained state and local governments and other federal grant recipients.

While there are a number of positive changes contained in the most recent draft, we remain concerned about the magnitude of reporting and the stated timelines for implementation. The lack of funding for state and local governments to carry out the reporting and necessary oversight is disappointing given the enormous administrative challenges inherent in implementing Recovery Act-type reporting for all grants and contracts. Having adequate staff and sufficient equipment and data systems are essential to effective implementation and oversight.

The ultimate success of Recovery Act reporting and the resulting low level of fraud and abuse can be attributed not only to the work of the Recovery Accountability and Transparency Board but also to the commitment and dedication of accountability and oversight professionals at the state and local levels. It was recognized early on that the lack of funding for state and local governments was a major oversight and shortcoming of the original Recovery Act, and it appears that this shortcoming will be repeated in the DATA Act.

We believe that an efficient and streamlined reporting process, such as the one established in the DATA Act, hinges on identifying challenges and establishing well thought out and vetted business processes. Relying on the success of reporting for a small number of ARRA grants and contracts and expanding that universe to include all federal awards will require significant planning and resources.

We have recently become aware that the current Recovery Accountability and Transparency Board will conduct a grants information reporting pilot project this summer to identify cost efficiencies and the potential pitfalls of moving toward a centralized system for data collection and warehousing. Such a pilot would be an important step in identifying the plausibility of expanding ARRA-like reporting requirements to the entire universe of grants and contracts.

As we have suggested previously, we believe that developing a phased-in approach to implementing the DATA Act would allow for grant recipients to establish the appropriate processes for such an enormous endeavor. Such an approach would also give the Recovery Board an opportunity to undertake its planned information reporting pilots and would help to mitigate the reoccurring data quality problems that have plagued USASpending.gov.

While we support the intent of the DATA Act, trying to implement the requirements on all grants and contracts all at once will severely limit the chances of meeting the intended goals and objectives. We hope that you will reconsider the legislation in its current form to develop a reasonable phased-in approach for implementation and that you will consider adding a funding provision to support state and local governments, which will be essential partners for successful implementation.

We look forward to continuing the dialog on this important initiative. Please feel free to contact our representatives in Washington should you have any questions or desire further information.

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