

GAO Highlights

Highlights of [GAO-16-438](#), a report to congressional addressees

Why GAO Did This Study

The DATA Act directs OMB or a designated federal agency to establish a pilot program to develop recommendations for simplifying federal award reporting for grants and contracts. The grants portion will test six ways to reduce recipient reporting burden while the procurement portion will initially focus on centralizing contractor reporting of certified payroll. The act requires GAO to review DATA Act implementation as it proceeds.

This report (1) describes OMB's approach to the DATA Act pilot requirements, (2) assesses whether current plans and activities will likely allow OMB and its partners to meet the requirements under the act, and (3) evaluates the extent to which designs for the grants and procurement portions of the pilot are consistent with leading practices. GAO reviewed available pilot documentation; assessed them against leading practices for pilot design; and interviewed staff at OMB, HHS, and GSA, as well as groups representing recipients of federal grants and contracts. GAO will conduct a follow-on review focused on OMB's implementation of its pilot designs.

What GAO Recommends

GAO recommends that OMB (1) clearly document how the procurement portion of the pilot will contribute to the design requirements under the DATA Act and (2) ensure that the design of the procurement portion of the pilot reflects leading practices. OMB, HHS, and GSA did not comment on our recommendations. GAO incorporated technical comments from OMB and HHS where appropriate.

View [GAO-16-438](#). For more information, contact Michelle A. Sager at (202) 512-6806 or sagem@gao.gov.

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DATA ACT

Section 5 Pilot Design Issues Need to Be Addressed to Meet Goal of Reducing Recipient Reporting Burden

What GAO Found

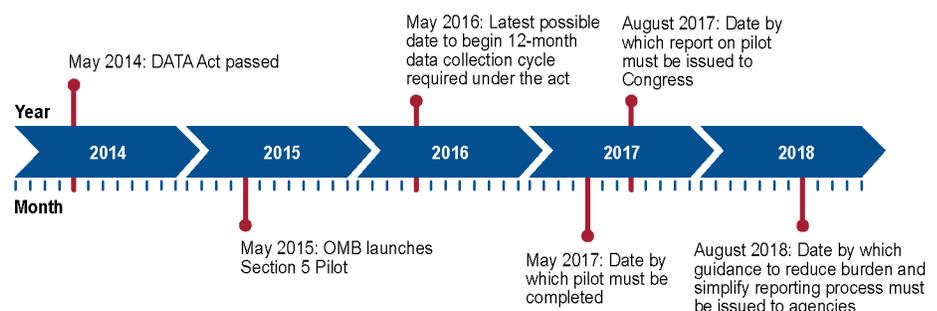
As required by the Digital Accountability and Transparency Act of 2014 (DATA Act), the Office of Management and Budget (OMB) is conducting a pilot program, known as the Section 5 Pilot, aimed at developing recommendations for reducing recipient reporting burden for grantees and contractors. OMB partnered with the Department of Health and Human Services (HHS) to design and implement the grants portion of the pilot, and with the General Services Administration (GSA) to implement the procurement portion. OMB launched the Section 5 Pilot in May 2015 and expects to continue pilot-related activities until at least May 2017.

If implemented according to HHS's proposed plan, the grants portion of the pilot will likely meet the requirements established under the act. In contrast, GAO has concerns with how the procurement portion of the pilot will contribute to the Section 5 Pilot's design requirements. For example, OMB has not fully described how it will select pilot participants that will result in a diverse group of contractors as required by the act. OMB staff stated that they intend to select participants for testing the procurement pilot by using a nongeneralizable sample of contractor data, but they have not provided a detailed, documented sampling plan.

The design of the grants portion of the pilot partially adhered to leading practices. Although five out of the six grants test models had clear and measurable objectives, only one had specific details about how potential findings could be scalable to be generalizable beyond the context of the pilot. HHS officials said they have updated their plan to address these concerns but that plan was not provided in time to allow GAO to analyze it for this review.

The design of the procurement portion of the pilot did not reflect leading practices. For example, the plan did not include specific information on the methodology, strategy, or types of data to be collected. Further, the plan we reviewed did not address the extent to which the proposed pilot approach would be scalable to produce recommendations that could be applied government-wide. The design also did not indicate how data will be evaluated to draw conclusions. Finally, while OMB has solicited general comments related to contractor reporting pain points, it has not released specific details on the design to stakeholders despite their repeated requests for that information.

Section 5 Pilot Activities, Requirements, and Reporting Time Frames



Source: GAO analysis of Public Law 113-101, 128 Stat. 1146. | [GAO-16-438](#)