

## **Comments of the Sunlight Foundation**

Homeland Security and Government Affairs Committee

*Improving Federal Program Management and Enhancing Transparency*

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Chairman Carper, Ranking Member Coburn, and members of the Committee: thank you for the invitation to appear before you today to speak about federal program management and transparency.

My name is Tom Lee and I am the Director of Sunlight Labs, the technical arm of the Sunlight Foundation. Sunlight is a nonpartisan nonprofit dedicated to using the power of the Internet to catalyze greater government openness and transparency. We take inspiration from Justice Brandeis' famous adage that "Sunlight is said to be the best of disinfectants."

Our work on technology and accountability has naturally led to a focus on data and its capacity for improving how government functions. We collect, improve and redistribute a wide variety of types of government data, serving millions of citizens, journalists, watchdogs and researchers. In recent years, spending data has become a particular focus for us, most notably through our analyses of USASpending.gov data quality.

We believe that data about government spending and operations are among the most essential forms of information that a government can publish. This information is a prerequisite to any meaningful analytic effort to maximize efficiency or improve the value received for taxpayer dollars. But its utility extends beyond those important questions. Spending data is one of the clearest measures that citizens have of their government's priorities and effectiveness. It serves as an important antidote to appeals based solely on rhetoric.

We believe that the current administration deserves credit both for its commitment to open data and for its efforts to reduce duplication and waste. In particular, the effort that began with the Federal IT Dashboard to reduce unproductive IT spending is worthy of praise. Agency-led IT projects are particularly prone to failure and in need of stronger oversight. At their worst, such efforts represent complex, large-appropriation engineering projects that are implemented by

contractors and supervised by agency staff that do not have experience managing technical undertakings. The capabilities and incentives within this dynamic create a high potential for waste. The administration's stated commitment to a stronger, centralized supervisory role in such projects is welcome.

We are similarly pleased to see this committee considering the Taxpayer Right to Know Act. This legislation promises to expand the information available to both the public and oversight bodies, and to do so in a way that minimizes the associated disclosure burden. We believe that the existing programmatic description process conducted in connection to the Catalog of Federal Domestic Assistance (CFDA) could be expanded to include the data newly mandated by this act. The CFDA already includes some information about programs' salary costs, statutory authorizations and accomplishments. Making this reporting more granular, uniform and complete promises to substantially increase the usefulness of the CFDA. And because this reporting system already exists, we are optimistic that the costs associated with the Taxpayer Right to Know Act will be minimal.

However, we do wish to urge the committee to consider revisions to the act that would enhance its clarity and effectiveness. In particular, the difficulty of getting meaningful data from the jobs reporting requirements of the American Recovery and Reinvestment Act should serve to underscore the need for imposing a specific, clear methodology upon those reporting such data. For example, the language in the bill calling for counts of "the number of full-time Federal employees" rather than "full-time equivalents" is a potential source of imprecision that could result in data that is difficult or impossible to use effectively.

Similarly, the bill's definition of "services" specifies a criterion for inclusion based upon direct benefits to recipients. In the past, a similar provision in the Federal Funding Accountability and Transparency Act has, in Sunlight's opinion, been used inappropriately by agencies to claim that certain activities, such as the National School Lunch Program, are completely exempt from spending disclosure requirements.

Finally, although it is admittedly beyond the scope of the bill as currently written, we urge the committee to consider addressing agencies' programmatic contract spending. The data quality problems of USASpending.gov, the system's failure to associate disclosed contract data with

specific programs, and the opacity and complexity of the federal procurement system can make it surprisingly difficult to determine how agencies are using private firms to pursue their missions. Consider, for example, the initial difficulty in identifying CGI Federal as the vendor behind healthcare.gov's troubled launch. Yet anyone who spends time in Washington is sure to encounter contractors who perform the same work as agency personnel but at much higher hourly rates. In some cases these arrangements may be well-justified. In others, they may be the product of agency attempts to ignore personnel hiring and compensation standards, to avoid transparency requirements, or simply to obfuscate the degree of investment that a program represents. Collecting and publishing data about the major contracts associated with each program, their size and duration, and relevant employees' average compensation rates would enable oversight bodies to monitor and control program spending far more effectively.

But although we believe these alterations could significantly strengthen the bill, we wish to emphasize our support for the kind of transparency efforts that the Taxpayer Right to Know Act represents. Recent attention to federal spending data, notably including the DATA Act, promises to provide Americans with a more accurate accounting of their government's activities, priorities and options. We believe this will empower policy that is more efficient, equitable and cost-effective.

We welcome your attention to these matters and encourage you to continue to engage with transparency issues as they relate to this committee's work.

Thank you for the opportunity to speak to you today. I look forward to answering any questions you might have.