

United States Senate

WASHINGTON, DC 20510

March 14, 2024

VIA ELECTRONIC TRANSMISSION

The Honorable Shalanda D. Young
Director
Office of Management and Budget

The Honorable Xavier Becerra
Secretary
U.S. Department of Health and Human Services

Dear Director Young and Secretary Becerra:

To provide greater transparency and efficiency in tracking federal grant spending, Congress passed the Grant Reporting Efficiency and Agreements Transparency Act (“GREAT Act”) of 2019.¹ The GREAT Act requires the Office of Management and Budget (OMB) and the U.S. Department of Health and Human Services (HHS) to create “data standards to modernize grant reporting, reduce burden and compliance costs of grant recipients, and strengthen the management and oversight of federal grants.”²

The grant data standards are intended to establish a government-wide “approach for each data element, including its definition as well as technical specifications that describe the data’s format, structure, and transmission.”³ The data elements “represent information collected from all stages of the grant lifecycle, including the notice of opportunity, application review, active award management, recipient auditing, and post-award.”⁴ OMB and HHS were required to “meet a series of deadlines to implement the GREAT Act”; however, according to the Government Accountability Office (GAO), your agencies have failed to implement key statutory requirements by the deadlines.⁵

Specifically, the GAO released a report on January 25, 2024, titled *Grants Management: Action Needed to Ensure Consistency and Usefulness of New Data Standards*, which found that OMB and HHS have failed to fully satisfy three implementation deadlines.⁶

¹ Grant Reporting Efficiency and Agreements Transparency Act, Pub. L. No. 116-103, 133 Stat. 3266-3271.

² U.S. Gov’t Accountability Off., GAO 24-106164 *Grants Management: Actions Needed to Ensure Consistency and Usefulness of New Data Standards*, (Jan. 2024), at 9, <https://www.gao.gov/assets/d24106164.pdf>; The GREAT Act requires OMB to designate the federal agency that “administers the greatest number of programs under which federal awards are issued in a calendar year as the standard-setting agency.” 31 U.S.C. § 6402(a)(1). OMB designated HHS as the standard-setting agency in November 2020. GAO *supra* note 1, at 2.

³ *Id.* at 4.

⁴ *Id.*

⁵ *Id.* at 15.

⁶ *Id.*

First, the GREAT Act requires your agencies to “determine whether to use nonproprietary identifiers”⁷ for nonfederal entities to receive grant awards from the federal government and then to “publish and submit a report to Congress explaining the reasoning for the determination...”⁸ According to GAO, OMB and HHS failed to publish and submit this report by December 30, 2020, and still have not submitted it as of March 14, 2024.⁹

Second, the GREAT Act also requires OMB and HHS to “establish government-wide data standards for information reported by grant recipients” by December 30, 2021.¹⁰ At a minimum, data standards include “standard definitions for the data elements required for managing federal awards, and...unique identifiers for federal awards and recipients of federal awards that can be consistently applied government-wide.”¹¹ GAO found that OMB and HHS had partially met this deadline to establish data standards for grant recipients by “identifying and defining 540 grant data elements in June 2021.”¹² However, this requirement was not sufficiently met because many of these data elements “do not contain all the components necessary for operational data standards.” Therefore, they cannot be used to “ensure the data elements will be applied consistently and produce comparable data,”¹³ which is one of the goals of the GREAT Act. For example, of these 540 standards identified by OMB and HHS, 501 elements are not machine readable as required by statute, making it difficult to process and use the information.¹⁴

Third, GAO found that OMB and HHS failed to meet a December 30, 2022, deadline to provide guidance to other agencies to direct them on how to use the data standards for reporting grant data.¹⁵ All these missed deadlines make it increasingly unlikely that OMB and HHS will meet the implementation requirements of the GREAT Act to have government-wide grant data collected, published, and maintained by December 30, 2024.¹⁶ As of March 14, 2024, OMB and HHS have not met their implementation requirements, beyond failing to meet the deadlines mandated by the Act.¹⁷ GAO noted that “[a]ppropriately addressing the act’s requirements combined with following leading practices for the formulation of data standards promises to yield transparent, consistent, and comparable information that can be used to effectively manage and oversee grant awards.”¹⁸ This type of delay is not a one-off for OMB. In fact, OMB is over four

⁷ U.S. Gov’t Accountability Off., GAO 24-106164, *Grants Management: Actions Needed to Ensure Consistency and Usefulness of New Data Standards*, (Jan. 2024), at 9, <https://www.gao.gov/assets/d24106164.pdf>.

⁸ *Id.* at 13. Although in April 2022, The General Service Administration (GSA) announced government-wide adoption of a nonproprietary identifier, it did not explain the reasoning behind the change. *Id.*

⁹ GAO’s report notes the “GREAT Act does not define the term ‘nonproprietary.’ However, for the purposes of [GAO’s] report we apply the definition that the identifiers are not proprietary, if they are not relating to, or involving a proprietor, holding as property, or sold under a tradename.” *Id.* at 9.

¹⁰ U.S. Gov’t Accountability Off., GAO 24-106164, *Grants Management: Actions Needed to Ensure Consistency and Usefulness of New Data Standards*, (Jan. 2024), <https://www.gao.gov/assets/d24106164.pdf>.

¹¹ *Id.* at 14, (citing 31 U.S.C. § 6402(a)(3)).

¹² U.S. Gov’t Accountability Off., GAO 24-106164, *Grants Management: Actions Needed to Ensure Consistency and Usefulness of New Data Standards*, (Jan. 2024), <https://www.gao.gov/assets/d24106164.pdf>.

¹³ *Id.* at 14-15.

¹⁴ *Id.* at 20.

¹⁵ *Id.* at 15.

¹⁶ Grant Reporting Efficiency and Agreements Transparency Act, Pub. L. No. 116-103 Sec. 6(a), 133 Stat. 3266-3271.

¹⁷ Email from GAO (on file with Comm. staff).

¹⁸ U.S. Gov’t Accountability Off., GAO 24-106164, *Grants Management: Actions Needed to Ensure Consistency and Usefulness of New Data Standards*, (Jan. 2024), at 31, <https://www.gao.gov/assets/d24106164.pdf>.

and a half years late issuing implementation guidance and reporting on agencies' compliance with the Open, Public, Electronic and Necessary Government Act of 2018, known as the OPEN Government Data Act. This act is intended to provide a process for the government to quickly and efficiently release data to the public in useful formats. On September 15, 2023, I sent a letter to Director Young asking questions on these delays and have not received a response to-date.¹⁹

Additionally, GAO found that OMB and HHS failed to adequately involve stakeholders in the process of developing grant data elements and communicate on the implementation of the GREAT Act, including with Congress.²⁰ GAO reported that OMB and HHS “did not have a plan for such engagement moving forward nor a process to ensure regular, timely communication with Congress regarding GREAT Act implementation.”²¹

When granting hundreds of billions of taxpayer dollars, it's crucial that OMB and HHS timely implement statutory requirements to ensure the money can be accurately and efficiently tracked.²² Furthermore, the purpose of the GREAT Act is to promote transparency and by failing to meet critical deadlines to implement that plan, while keeping Congress and other key stakeholders in the dark, this goal has not been met.

GAO made four recommendations to HHS and OMB in this report.²³ All four remain open and none of the three statutory requirements mentioned have been completed as of March 14, 2023.²⁴ While the recommendations were issued in January 2024, it is important to remind OMB and HHS that they are years behind implementing the Act, which in turn affects other agencies' reporting timelines as they await the standards. While HHS concurred with all four recommendations, GAO reported that OMB neither agreed nor disagreed with the

¹⁹ Letter from Senator Charles E. Grassley, Ranking Member, Senate Budget Committee, to Shalanda Young, Director, Office of Management and Budget, (Sep. 15, 2023), https://www.grassley.senate.gov/imo/media/doc/grassley_to_omb_-_open_government_data_act_implementation.pdf.

²⁰ U.S. Gov't Accountability Off., GAO 24-106164, *Grants Management: Actions Needed to Ensure Consistency and Usefulness of New Data Standards*, (Jan. 2024), at 23-24, 29-31, <https://www.gao.gov/assets/d24106164.pdf>.

²¹ *Id.* at 2.

²² HHS granted \$391.9 billion in fiscal year 2024. USASpending, *Agency Profile: Department of Health and Human Services*, USA Spending (last accessed Jan. 30, 2024), <https://www.usaspending.gov/agency/department-of-health-and-human-services?fy=2024>.

²³ U.S. Gov't Accountability Off., GAO 24-106164, *Grants Management: Actions Needed to Ensure Consistency and Usefulness of New Data Standards*, (Jan. 2024), at 31-32, <https://www.gao.gov/assets/d24106164.pdf>.

²⁴ U.S. Gov't Accountability Off., *Grants Management: Action Needed to Ensure Consistency and Usefulness of New Data Standards*, GOV'T ACCOUNTABILITY OFF. (last accessed Mar. 13, 2024), <https://www.gao.gov/products/gao-24-106164>. The four recommendations are as follows: **Recommendation 1:** The Secretary of HHS, in consultation with the Director of OMB, should ensure the grant data standards are consistent with the definition of machine-readable by appropriately incorporating technical specifications. **Recommendation 2:** The Secretary of HHS, in consultation with the Director of OMB, should review and revise as necessary the Version 2.0 grant data elements based on leading practices for the formulation of data definitions. **Recommendation 3:** The Secretary of HHS, in consultation with the Director of OMB, should develop a stakeholder outreach plan to help ensure timely consultation of all grant stakeholders identified in the GREAT Act during development and implementation of the GREAT Act data standards. **Recommendation 4:** The Director of OMB and Secretary of HHS should jointly develop a process to ensure and document clear, regular, and timely communication with congressional stakeholders regarding implementation of the GREAT Act.

recommendations and did not have comments on the report, making OMB's commitment to implementing the GREAT Act unclear.²⁵

The American taxpayer deserves to be able to know how their money is spent. To that end, government-wide data standards are key to ensure the quality and usefulness of grant reporting data. Federal grants information must be accessible, transparent, consistent, and comparable in order to be meaningful, useful, and to facilitate oversight. So that Congress may conduct independent oversight and to ensure that the GREAT Act will be fully implemented as soon as possible, no later than March 28, 2024, please explain what steps HHS and OMB have taken—or plan to take—to close these open recommendations and provide an updated compliance timeline.

Thank you for your attention to this important matter. Please direct any questions or concerns to Jace Pimentel of my Committee staff at (202) 224-0642.

Sincerely,



Charles E. Grassley
Ranking Member
Committee on the Budget

²⁵ *Id.*