



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 16, 2011

### **H.R. 2146** **DATA Act**

*As ordered reported by the House Committee on Oversight and Government Reform  
on June 22, 2011*

#### **SUMMARY**

H.R. 2146 would establish a new independent board within the Executive Branch to track federal spending on grants, contracts, and loans and to provide information about federal spending on a single public Web site. H.R. 2146 also would require federal agencies and recipients of federal funds to comply with reporting requirements issued by the board. Finally, the legislation would end the authorization for the existing Recovery Accountability and Transparency Board (Recovery Board).

Assuming appropriation of amounts authorized and estimated to be necessary to improve the collection and reporting of government financial data, CBO estimates that implementing the bill would cost \$575 million over the 2012-2016 period. Enacting H.R. 2146 could increase revenues from the collection of civil and criminal penalties and direct spending of those amounts; therefore, pay-as-you-go procedures apply. However, CBO estimates that the net budgetary impact of any additional collections would be negligible for each year.

H.R. 2146 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.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 2146 is shown in the following table. The costs of this legislation fall within budget function 800 (general government) and all budget functions that include spending on grants, contracts, and loans.

	By Fiscal Year, in Millions of Dollars					2012- 2016
	2012	2013	2014	2015	2016	
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>						
Federal Accountability and Spending Transparency Board						
Authorization Level	51	51	51	51	51	255
Estimated Outlays	47	50	51	51	51	250
Collection and Reporting of Financial Data						
Estimated Authorization Level	50	90	75	60	50	325
Estimated Outlays	50	90	75	60	50	325
Total Changes						
Estimated Authorization Level	101	151	126	126	101	580
Estimated Outlays	97	150	126	126	101	575

Notes: Amounts may not sum to totals because of rounding.

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that the legislation will be enacted near the end of 2011, that the specified and necessary amounts will be appropriated near the start of each fiscal year, and that spending will follow historical patterns for similar activities. CBO estimates that implementing H.R. 2146 would cost \$575 million over the 2012-2016 period.

### **Federal Accountability and Spending Transparency Board**

H.R. 2146 would establish the Federal Accountability and Spending Transparency (FAST) Board to replace the Recovery Board that was created by the American Recovery and Reinvestment Act of 2009 (ARRA). The Recovery Board, consisting of a chairman and 12 inspectors general, was created to oversee ARRA spending and act to prevent waste, fraud, and abuse from federal expenditures. The Recovery Board produces reports on ARRA spending and maintains three Web sites.

The FAST board would consist of a paid chairman, appointed by the President, and 18 members, including eight Inspectors General from the Departments of the Treasury, Defense, Agriculture, Health and Human Services, Transportation, Energy, Education, and Homeland Security. The FAST Board would have an executive director and staffing would be provided by employees transferred from the Recovery Board. The FAST board

would have the authority to establish data standards for agencies and recipients of federal funds and to track and publicly report information about federal spending on grants, contracts, and loans. H.R. 2146 would authorize the appropriation of \$51 million annually over the 2012-2018 period to operate the FAST board. Assuming appropriation of those amounts, CBO estimates that implementing those provisions would cost \$250 million over the 2012-2016 period and around \$100 million after 2016.

### **Collection and Reporting of Financial Data**

The federal government has many databases that it uses to monitor and report on federal spending. Three of the major ones are the U.S. Census Bureau's Federal Assistance Award Data System (FAADS), the General Services Administration's Federal Procurement Data System (FPDS), and the U.S. Department of Health and Human Services' Web site, [www.Grants.gov](http://www.Grants.gov). There are also Web sites, such as the Office of Management and Budget's [www.usaspending.gov](http://www.usaspending.gov), which display award amounts for all federal contracts, grants, and loans, and the Recovery Accountability and Transparency Board's Web site, [www.recovery.gov](http://www.recovery.gov), which is limited to tracking spending stemming from ARRA.

H.R. 2146 would authorize creation of a single comprehensive database of federal spending that would be available through a public Web site. That site would include lists of all entities that receive federal contracts, grants, or loans. Creating this Web site would involve combining and eliminating some current systems. The FAST board also would establish consistent definitions for data, reporting, and standards to be used by federal agencies and certain recipients of federal funds.

Information from the Office of Management and Budget, the Recovery Board, and federal agencies indicates that the government currently collects most of the information that would be needed to create a comprehensive database on federal spending as required under H.R. 2146. However, not all of that information is standardized, accurate, or readily available. CBO estimates that improving the government's current efforts to collect and report on financial data would have a net cost of about \$325 million over the 2012-2016 period. Those costs are net of savings that would result from ending the authority for the Recovery Board and eliminating some federal information systems. Additional costs would cover computers, training, and communications between agencies and recipients about the reporting of financial information as well as activities to standardize financial reporting.

### **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. Enacting H.R. 2146

could increase revenues from civil and criminal fines imposed on those who violate the regulations issued by the board. Civil fines are recorded in the budget as revenues and deposited into the general fund of the Treasury. Criminal fines are recorded as revenues, which are deposited in the Crime Victims Fund and spent in subsequent years. CBO expects that any net effect associated with collecting and spending such penalties would not be significant in any year.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 2146 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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