THE PRESIDENT’S MANAGEMENT AGENDA

Modernizing Government for the 21st Century

CAP Goal #8: Results-Oriented Accountability for Grants

Council On Governmental Relations

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OFFICE OF MANAGEMENT AND BUDGET
What Is Different?

Government modernization will be rooted in the intersection of transforming technology, data, process, and people rather than working in silos.
IT Modernization Framework

- IT Modernization Report Opportunities
- Agency IT Transformation Priorities
- Administration IT Priorities

ENABLING CAPABILITIES

- Executive Orders and Policy
- Legislation
- Implementation Support
- Flexible Funding Vehicles
- Innovative Acquisition Capabilities
Data, Accountability, and Transparency

A Federal Data Strategy for Today’s Work Environment

- Policy
- People
- Process
- Platform

Enterprise Data Governance

- Access, Use, & Augmentation
- Commercialization, Innovation, & Public Use
- Decision-Making & Accountability
- 4 Crosscutting Drivers of Change
Workforce of the Future

STRATEGIC WORKFORCE MANAGEMENT

- Actively Manage the Workforce
  Improve Employee Performance Management & Engagement

- Develop Agile Operations
  Reskill & Redeploy Human Capital Resources

- Acquire Top Talent
  Simple & Strategic Hiring

ENABLERS:
- Leverage data and analytics
- Utilize information technology and tools
- Align financial models/incentives
- Simplify legal and policy framework (requires legislative and regulatory change)

CONTINUOUS LEARNING: INNOVATIONS, RESEARCH & PILOT PROJECTS
Cross Agency Priority (CAP) Goals

- IT Modernization
- Data, Accountability and Transparency
- People - Workforce for the 21st Century
- Improving Customer Experience
- Sharing Quality Services
- Shifting From Low-Value to High-Value Work
- Results-Oriented Accountability for Grants
- Getting Payments Right
- Federal IT Spending Transparency
- Improve Management of Major Acquisitions
- Modernize Infrastructure Permitting
- Security Clearance, Suitability, and Credentialing Reform
- Lab-to-Market
Linkage to Other CAP Goals

Key Drivers of Transformation

- IT Modernization (CAP Goal 1)
  - Cross-Cutting Priority Areas
    - Improving Customer Experience (CAP Goal 4)
    - Sharing Quality Services (CAP Goal 5)
    - Shifting From Low-Value to High-Value Work (CAP Goal 6)
- Data Accountability, and Transparency (CAP Goal 2)
- People - Workforce of the Future (CAP Goal 3)
  - Functional Priority Areas
    - Category Management (CAP Goal 7)
    - Results-Oriented Accountability for Grants (CAP Goal 8)
    - Getting Payments Right (CAP Goal 9)
    - Federal IT Spending Transparency (CAP Goal 10)
    - Improve Management of Major Acquisitions (CAP Goal 11)
The Evolution of Grants Management

Federal Grants to States
Fiscal Year 1950 Estimated
Includes Proposed Legislation:

- Education $323 Million
- Highways $470 Million
- School Lunches $75 Million
- Other $239 Million
- Employment & Unemployment Compensation Offices $135 Million
- Public Health $110 Million
- $1.1 Billion Public Assistance

TOTAL $5.4 Billion

Bureau of the Budget
Grants Challenges by Stakeholder Community

Oversight Community
- Weak internal controls
- Funds mismanagement
- Fraud
- Improper payments

Recipients and the Communities they Serve
- Burden
- Fragmentation
- Conflicting guidance

Federal Awarding Agencies
- Need for improved coordination across lines of businesses and program
- Opportunities to improve access to and quality of data
- Unstandardized business process
Striking the Right Balance between Historically Competing Goals

- Alleviate burden and compliance costs
- Reduce the risk of fraud, waste, and abuse
Goal Statement

- Maximize the value of grant funding by applying a risk-based, data-driven framework that balances compliance requirements with demonstrating successful results for the American taxpayer.

Challenge

- The Federal government uses grants to invest approximately $700 billion each year in mission-critical needs for American taxpayers, but managers report spending 40% of their time using antiquated processes to monitor compliance instead of analyzing data to improve results.

Opportunity

- Identify, open, standardize, and link critical data sets to power data analytics to enhance financial stewardship, performance management, and accountability. Use digital tools to modernize antiquated compliance processes. Leverage available data such as those produced by annual audits of recipients to drive a risk-based framework for performance management that drives results.
Standardize Data

Identify, open, standardize, and link critical data sets to power analytics to enhance financial stewardship, performance management, and accountability.

Digital Tools to Manage Risk

Use digital tools to modernize antiquated form-based compliance processes to assess and manage risk.

Risk-Based Performance Management

Leverage existing data such as those produced by annual audits of recipients to drive a risk-based framework for performance management that drives results.

Better Results
Governance

EXECUTIVE STEERING COMMITTEE (ESC)
Doug Webster, ED | Sheila Conley, HHS | Fred Nutt, OMB

STANDARDIZE DATA
Grants Management Data Standards Working Group

LEVERAGE EXISTING DATA SOURCES & PROCESSES
SINGLE AUDIT AND RISK MANAGEMENT CAPABILITIES
Single Audit Working Group

COMPLIANCE SUPPLEMENT
Working Group: Compliance Supplement teams

RISK MANAGEMENT FRAMEWORK
Risk Management Framework Working Group

RISK-BASED PERFORMANCE MANAGEMENT
Risk-Based Performance Management Working Group

SUBCOMMITTEE OUTPUTS
ESC REVIEW
INTERAGENCY REVIEW AND/OR APPROVAL
CFOC REVIEW AND/OR APPROVAL
ESC APPROVAL
EXTERNAL STAKEHOLDER ENGAGEMENT
Data standardization reduces recipient burden, supports faster and more transparent decision making. Initial work will focus on the establishment of a comprehensive taxonomy for core grants management data standards.

This strategy supports the Improving the Efficiency and Effectiveness of Administrative Services Across Government and Leveraging Data as a Strategic Asset CAP Goals.

June 2017
- Develop core capabilities for grants management

September 2018
- Standardize core data elements to inform comprehensive taxonomy for core grants management data standards
- Develop plan for outreach, governance, and maintenance of data taxonomy

September 2018
- Develop plan for implementing data standards government-wide

Future Work
The Federal government has a tremendous amount of data that may be leveraged to identify opportunities and better manage risk, but that data is currently locked in an antiquated process, and driving burdensome compliance exercises. Powerful data and analytics based on risk could set the stage for a risk-based performance management framework in Strategy 3.

- June 2018: Draft business capabilities for single audit resolution common solution
- Summer 2018: Draft risk-management framework
- September 2018: Develop draft business capabilities for risk management tool
- Future Work: Deploy single audit resolution common solution, integrate to include risk-management tool
A comprehensive risk-management tool for determining Federal funding awards that are low-risk and high value must include consideration of past performance results, financial risk, and an applicant’s capabilities to deliver the proposed results. In order to do this, agencies need to have ready access to performance data and have the data infrastructure to include performance in risk modeling.
A New Risk-Based, Data-Driven Framework

Data generated throughout that may be leveraged for improved performance management

Past performance results → Award selection and issuance
Recipient audit → Post-award reporting
Financial and compliance reviews → Performance reviews
This initiative will require extensive engagement with key grants management stakeholders, including the following internal and external communities:

- Federal Awarding Agencies
- Recipients & Sub recipients
- Taxpayers
- Congress
- Oversight Community
- Software Providers

Stakeholders are integral to the success of this effort. Goal leaders are reaching stakeholders through various events throughout the community to learn from best practices.

Stakeholders will be encouraged to visit the Results Oriented Accountability for Grants community of practice site for valuable information on the initiative. This site is currently in development and will be available soon.

A formal stakeholder outreach strategy is forthcoming and will be posted to the Grants community of practice page.
https://www.performance.gov

www.cfo.gov

Interested in participating or additional questions?

Reach out to the OFFM grants team. Rhea at rhubbard@omb.eop.gov, Gil at htran@omb.eop.gov, or Nicole at Nicole.R.Waldeck@omb.eop.gov
Questions

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