THE PRESIDENT'S MANAGEMENT AGENDA
Modernizing Government for the 21st Century

CAP Goal #8: Results-Oriented Accountability for Grants
Council On Governmental Relations
June 8, 2018

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Policy Analysts
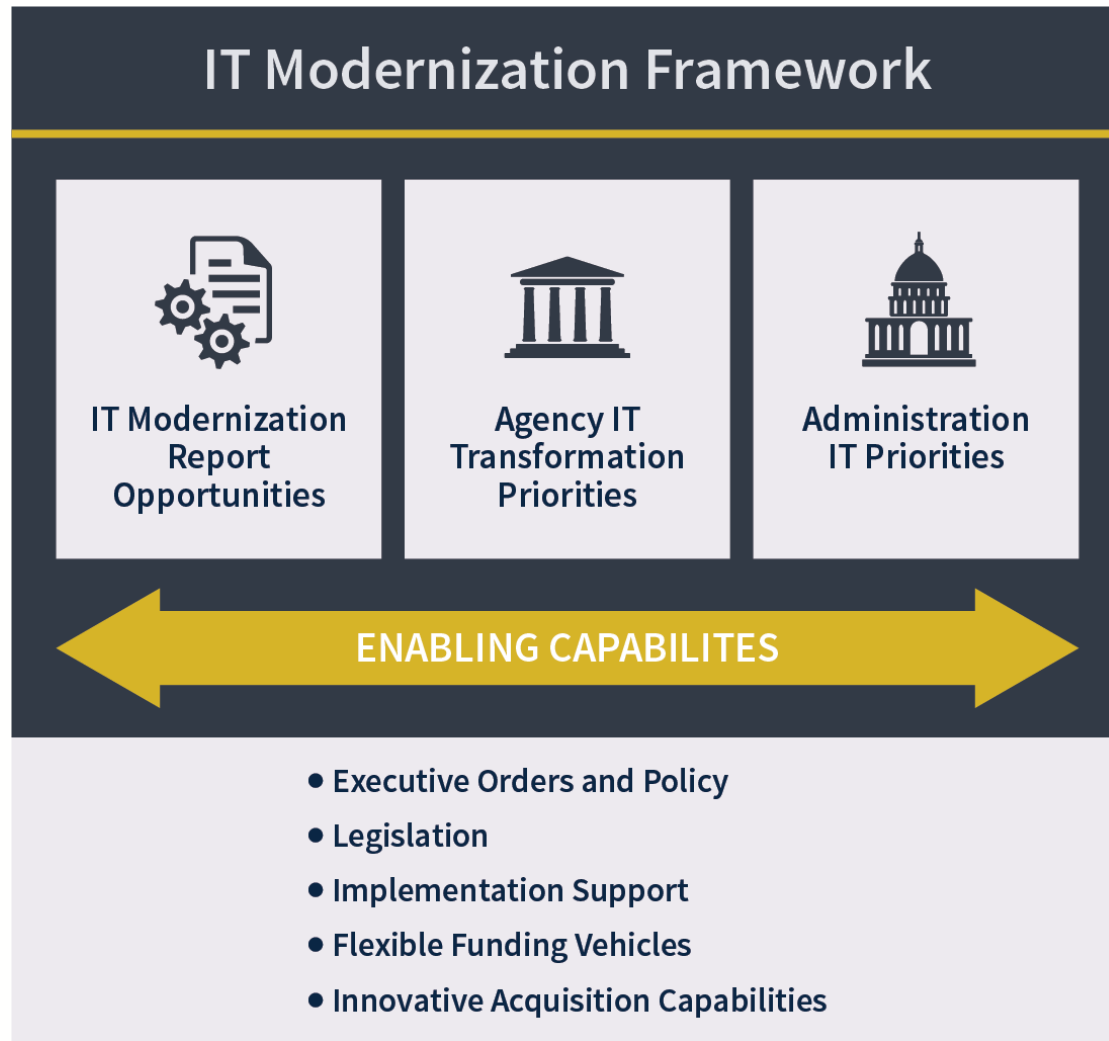
OFFICE OF MANAGEMENT AND BUDGET

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 CAPABILITES →

- Executive Orders and Policy
- Legislation
- Implementation Support
- Flexible Funding Vehicles
- Innovative Acquisition Capabilities

A Federal Data Strategy for Today's Work Environment

Enterprise Data Governance

Access, Use, & Augmentation

Commercialization, Innovation, & Public Use

Decision-Making & Accountability
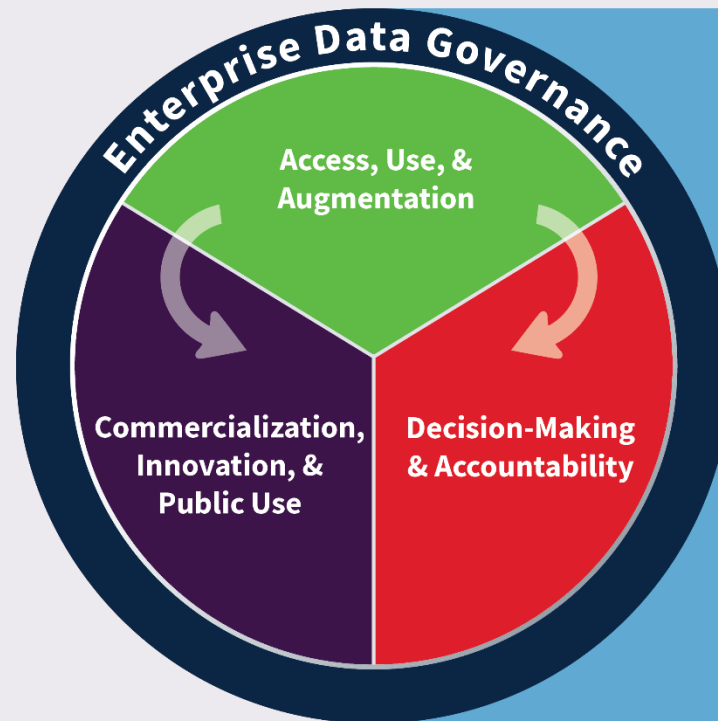
4 Crosscutting Drivers of Change

- Policy
- People
- Process
- Platform

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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

CONTINUOUS LEARNING: INNOVATIONS, RESEARCH & PILOT PROJECTS

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

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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

Category Management

Results-Oriented Accountability for Grants

Getting Payments Right

Federal IT Spending Transparency

Improve Management of Major Acquisitions

Modernize Infrastructure Permitting

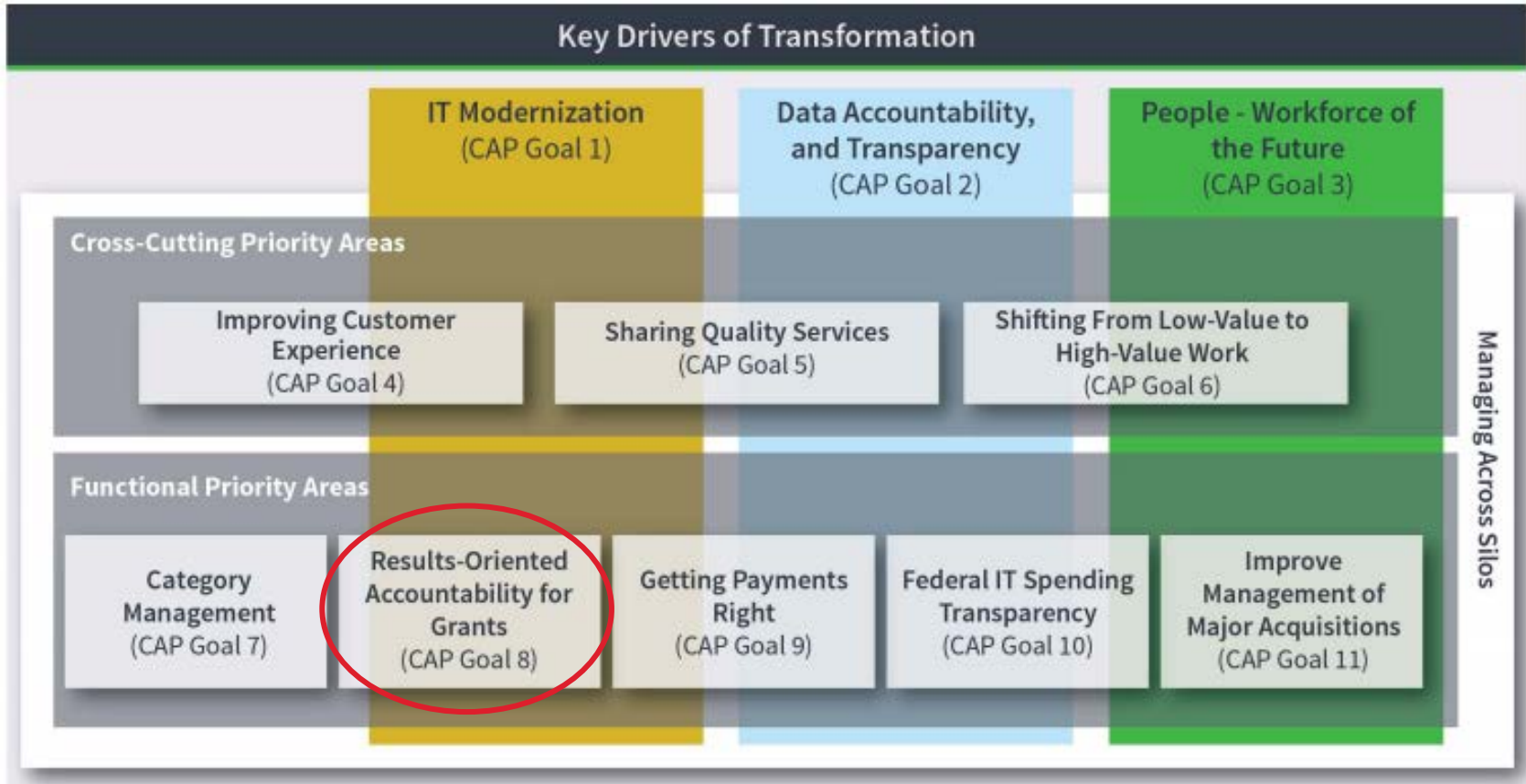Security Clearance, Suitability, and Credentialing Reform
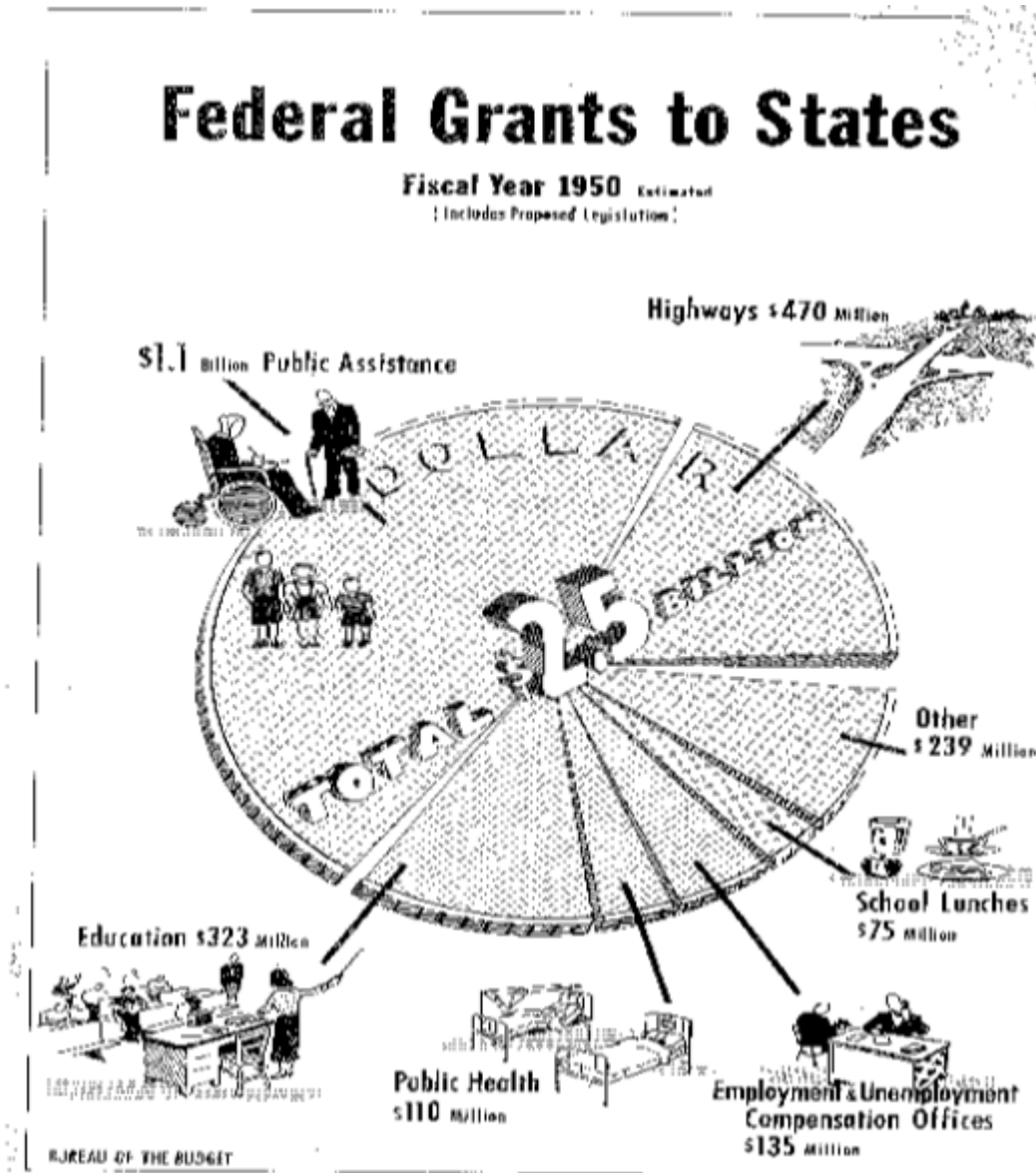
Lab-to-Market

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Key Drivers of Transformation

IT Modernization (CAP Goal 1)	Data Accountability, and Transparency (CAP Goal 2)	People - Workforce of the Future (CAP Goal 3)

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)

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)

Managing Across Silos

Federal Grants to States

Fiscal Year 1950 Estimated
(Includes Proposed Legislation)

Highways $470 Million

$1.1 Billion Public Assistance

Other $239 Million

School Lunches $75 Million

Education $323 Million

Public Health $110 Million

Employment & Unemployment Compensation Offices $135 Million

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
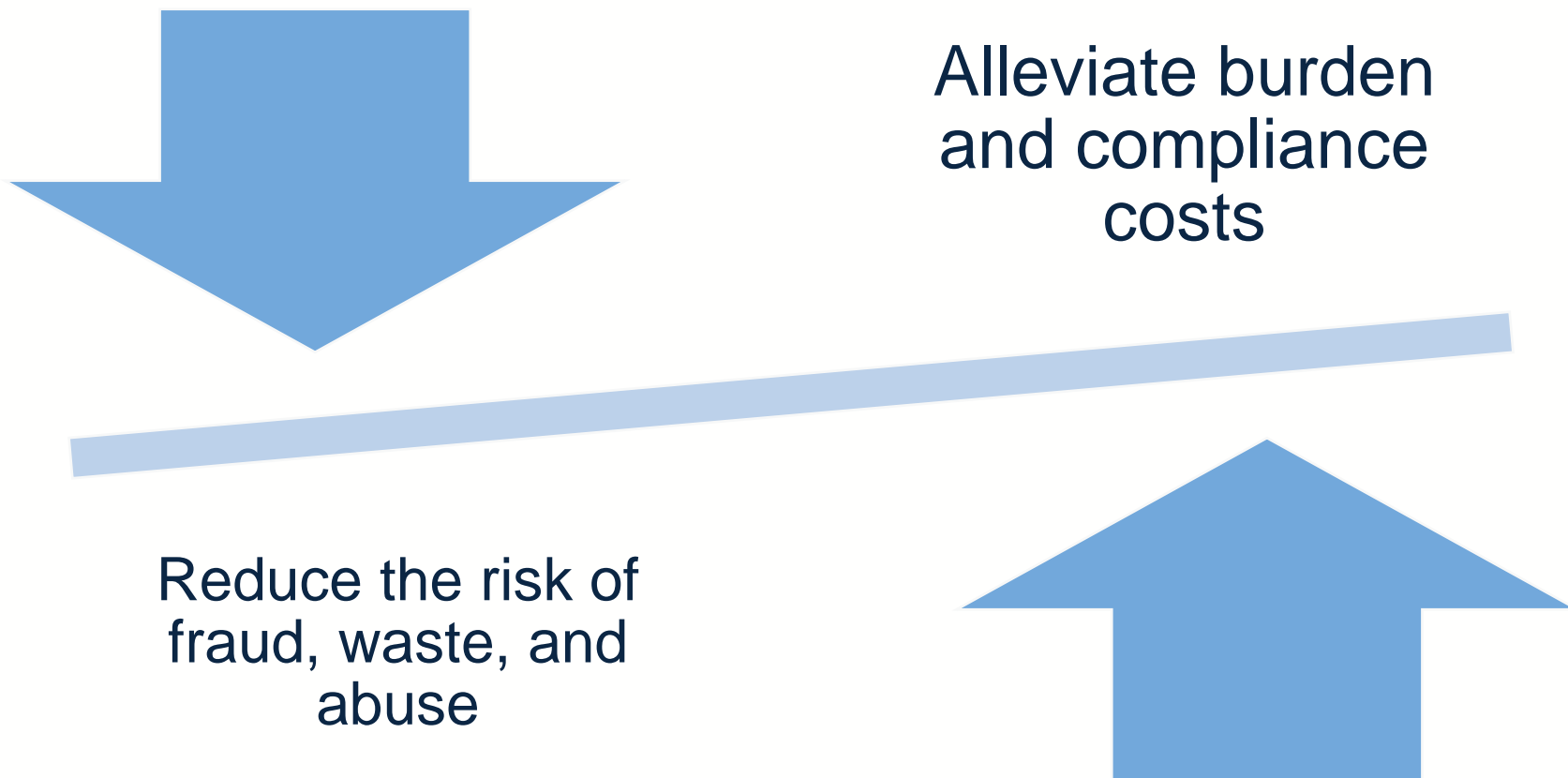- Fragmentation
- Conflicting guidance

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

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

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

STANDARDIZE DATA	LEVERAGE EXISTING DATA SOURCES & PROCESSES		RISK MANAGEMENT FRAMEWORK	RISK-BASED PERFORMANCE MANAGEMENT
	SINGLE AUDIT AND RISK MANAGEMENT CAPABILITIES	COMPLIANCE SUPPLEMENT		
Grants Management Data Standards Working Group	Single Audit Working Group	Working Group: • Compliance Supplement teams	Risk Management Framework Working Group	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

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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.

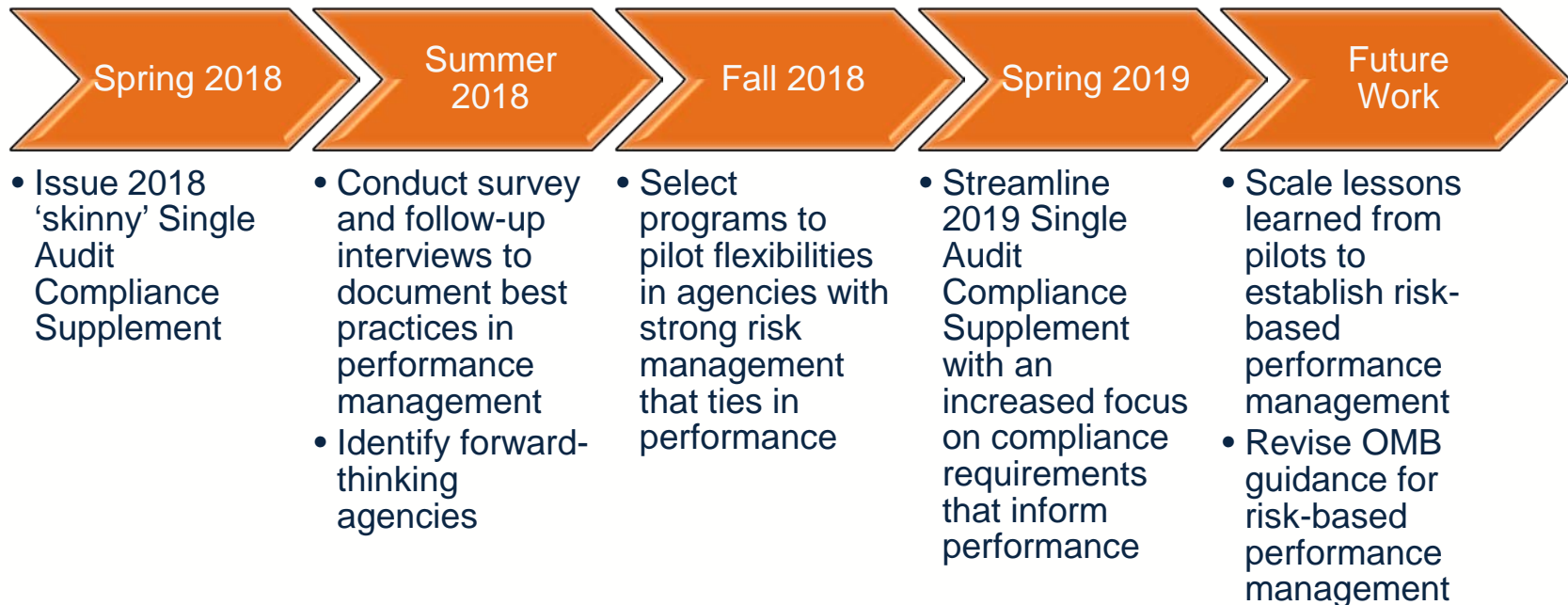| June 2017	September 2018	September 2018	Future Work
• Develop core capabilities for grants management	• Standardize core data elements to inform comprehensive taxonomy for core grants management data standards	• Develop plan for outreach, governance, and maintenance of data taxonomy	• Develop and execute long-term plan for implementing data standards government-wide

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

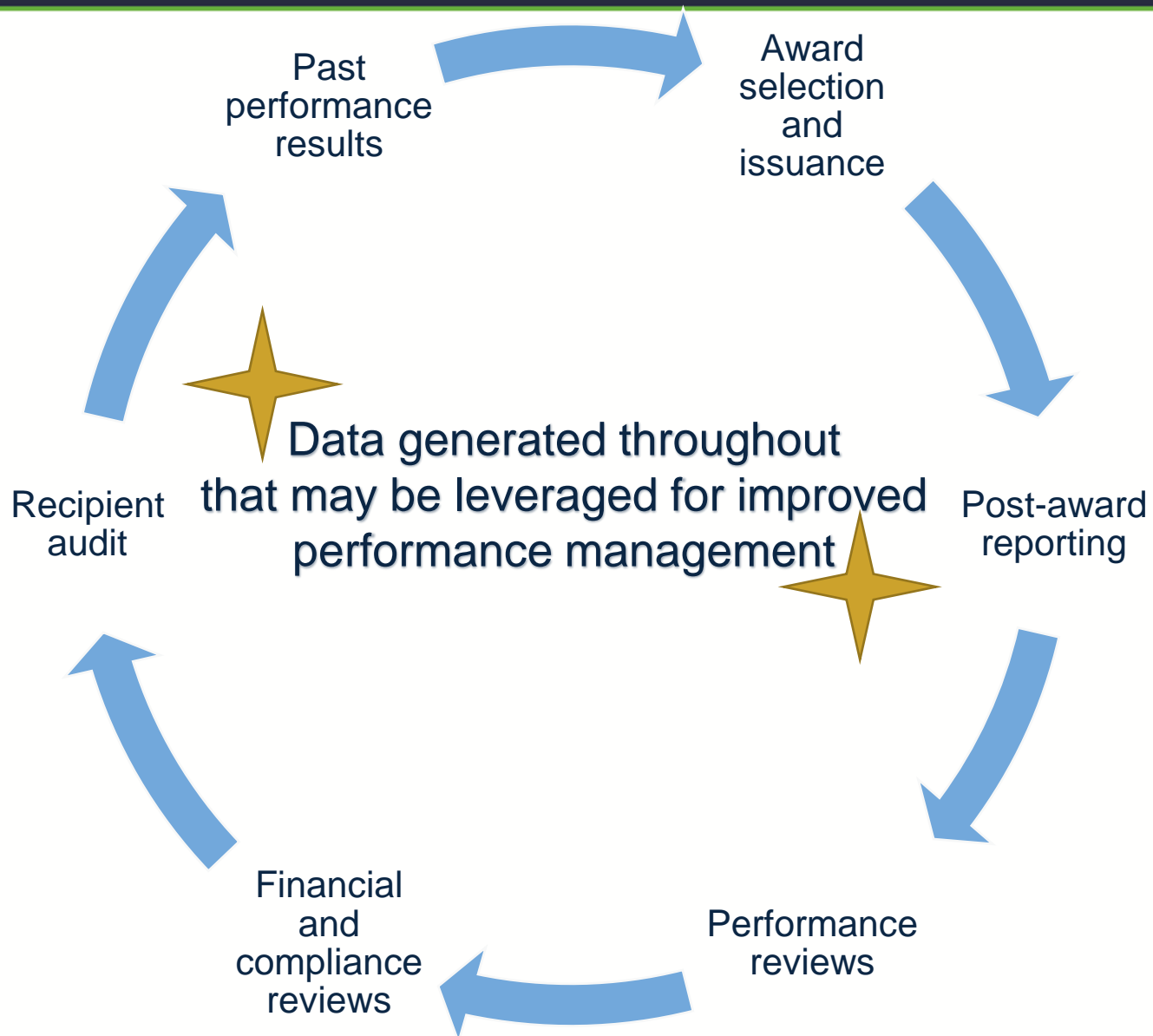**Future Work**
- Deploy single audit resolution common solution, integrate to include risk-management tool

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.

Spring 2018	Summer 2018	Fall 2018	Spring 2019	Future Work
• Issue 2018 'skinny' Single Audit Compliance Supplement	• Conduct survey and follow-up interviews to document best practices in performance management • Identify forward-thinking agencies	• Select programs to pilot flexibilities in agencies with strong risk management that ties in performance	• Streamline 2019 Single Audit Compliance Supplement with an increased focus on compliance requirements that inform performance	• Scale lessons learned from pilots to establish risk-based performance management • Revise OMB guidance for risk-based performance management

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Past performance results

Award selection and issuance

Recipient audit

Data generated throughout that may be leveraged for improved performance management

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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