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The Honorable Joseph Lieberman  
Chairman  
Committee on Homeland Security and  
Government Affairs  
United States Senate  
Washington, DC 20510

The Honorable Susan Collins  
Ranking Member  
Committee on Homeland Security and  
Government Affairs  
United States Senate  
Washington, DC 20510

November 09, 2012

Dear Chairman Lieberman and Ranking Member Collins:

We are writing to express our support for S. 3600, the Digital Accountability and Transparency Act, as introduced. We understand that this legislation may soon come before the committee for consideration, and we applaud the committee's continued focus on efforts that will improve transparency in federal spending.

We appreciate Senator Warner and Senator Portman for reintroducing a version of the Digital Accountability and Transparency Act which would require the federal government to standardize its own processes before requiring additional and repetitive reporting by state agencies. As an organization representing state finance officials, we fully support accountability and transparency in federal funding but caution that requiring additional reporting by state and local governments at this time could be detrimental to our already weakened financial conditions.

State and local governments have faced severe economic stress over the past several years and are anticipating a continued slow recovery due to fragile and tepid economic growth, outdated revenue systems and anticipated forthcoming cuts in federal funding.

As originally introduced, the Digital Accountability and Transparency Act (S. 1222) would have required Recovery Act-type reporting for all federal funds. While this type of information may be useful, instituting this type of reporting and oversight on all federal funds is not a simple endeavor. In fact, state and local governments in many cases do not have the systems, manpower or fiscal resources to implement such an enormous directive.

During implementation of the Recovery Act, many state employees were taken away from their everyday responsibilities to establish a reporting and oversight mechanism for reporting Recovery Act funds. Unfortunately, the Recovery Act reporting effort often required tedious manual intervention and processes. While many would say that Recovery Act reporting was successful, we are uncertain whether such efforts could be replicated on a large scale at this time. Recovery funds to state and local governments at the peak of recovery funding consisted of less than 25% of federal awards and applying recovery type reporting and oversight to the entire universe of grants and contracts is simply not feasible.

Further, the federal government has disparate systems that do not necessarily interface with one another, and the many issues apparent in instituting the Federal Financial Accountability and Transparency Act (FFATA) still exist today. Federal agencies are not fully complying with FFATA, and USA Spending continues to face issues with data quality. We believe these issues should be fully addressed before instituting a large-scale transparency initiative as is proposed in H.R. 2146, the House-passed version of the DATA Act.

We very much appreciate Senators Warner and Portman for recognizing the troublesome issues for recipients proposed in the original Senate version of the DATA Act (S. 1222). We also appreciate their introduction of a revised version of the bill, one that would build on FFATA and still make huge strides toward bringing increased transparency to federal funding by standardizing federal reporting across agencies while not unduly burdening federal award recipients.

We hope that as the new version of the DATA Act comes before the committee, you will support S. 3600 as introduced, by standardizing federal government reporting and processes while not requiring additional reporting of recipients until the federal government has consolidated and established their own standardized, efficient and successful data reporting processes. Should you have any questions, please feel free to contact our representative in Washington, Cornelia Chebinou, at 202-624-5451 or [cchebinou@nasact.org](mailto:cchebinou@nasact.org).

Regards,

A handwritten signature in black ink that reads "Kinney Poynter". The signature is written in a cursive, flowing style.

Robert "Kinney" Poynter  
Executive Director

cc: Senator Mark Warner  
Senator Robert "Rob" Portman