



# Facilitated Discussion: Funding and Resources

July 2022

# Summary

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## Big ideas

- *Resources for governments—both as data providers and users*
- *Resources for NSDS to meet its mission as a specific intermediary, supporting providers and users*

## Headline

For the data ecosystem to flourish, there must be adequate resources available to both (1) data providers across all levels of government and (2) public and private-sector data users, using mechanisms that are transparent, equitable, and sustainable. As a coordinator of services across the broad evidence-building ecosystem, the NSDS, as envisioned by the Committee, is strategically positioned to help meet the needs of both data providers and data users by using its own resources and harnessing mechanisms throughout the ecosystem.

# Resources and Funding: Federal Budget Request

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## Findings

- While the Evidence Act established new roles (i.e., statistical officials, chief data officers, and evaluation officers), responsibilities, and frameworks, the Committee recognizes that federal agencies could benefit from having additional staff dedicated to evidence-building activities
- Developing documentation, data cleansing, and formatting data for analysis are often the most time consuming and expensive parts of the process for creating evidence for decision-making
- In the Year 1 report, the Committee acknowledged the need for the OMB Director to prioritize resources for the Evidence Act in the President's FY 2023 Budget Request to Congress; however, major investments for the capacity of government and specifically the chief data officers, evaluation officers, and the federal statistical system were not adequately prioritized in that budget request.

## Recommendations

- In implementing the Evidence Act and the President's Memorandum on Scientific Integrity and Evidence-Based Policymaking to Agency Heads (January 27, 2021), the OMB Director and Agency Heads should allocate funds from their existing appropriations to adequately resource and support evidence-building activities in the current year. Because every agency has different budget amounts and needs, this allocation should be determined in consultation with the needs specified by the designated chief data officer, evaluation officer, and statistical official of each agency.
- In addition, the Committee strongly recommends that the OMB Director prioritize direct appropriations and funding flexibilities as part of the FY 2024 Budget formulation process and encourages all Agency Heads to prioritize Evidence Act implementation activities.

# Resources and Funding: Federal Transparency

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## Findings

- Traditionally, budget requests submitted by agencies are withheld by OMB as deliberative and not deemed public record under the Freedom of Information Act.
- OMB could create a separate class of budget submission for data and evidence-related submissions to make that information available to the public and to demonstrate its prioritization and commitment to funding these priorities in the FY 2024 Budget.

## Recommendation

- OMB should publish agency requests for funds in the budget formulation process as a matter of public record and to support transparency and accountability in evidence-based policymaking.

## Resources and Funding: OMB Staff

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### Findings

- There are meaningful limitations in the capacity at OMB, which collaborates with agencies in approving and providing guidance on many aspects of implementing the Evidence Act, working with statistical officials, chief data officers, and the evaluation officers.
- Underinvesting in these critical areas at OMB given the Administration's commitment to data and evidence priorities would greatly limit successful implementation of the Evidence Act in coming years.

### Recommendation

- The OMB Director should prioritize additional resources for OMB staff responsible for coordinating implementation of the Evidence Act Title 3 regulations, Title 2 guidance, Title 1 implementation activities, and other evidence-building priorities in the current fiscal year, for the FY 2023 appropriation and spending plan at OMB, and the FY 2024 Budget Request.

# Resources and Funding: Federal Resources for Government Data Providers and Users at Other Levels

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## Findings

- The lack of resources, capacity, and technical capability at the state, territorial, local, and tribal level hinders the data collection process and limits data management, use, and analysis.
- While the federal government must work with state and local governments to provide quality data, it also needs to ensure that state and local officials have access to the data once they go up to the federal databases.
- Additional funding to improve data infrastructures and analysis capabilities could be provided through existing programs and mechanisms—like the NCHS National Vital Statistics System modernization initiative, DOL Equity Data Partnerships, and the Infrastructure Investment and Jobs Act.
- State, territorial, local, and tribal capacity is exceptionally varied and realizing the vision of the Evidence Act requires substantial investments in human capital at the state, territorial, local, and tribal levels—even without the existence of the NSDS.

## Recommendation

- Currently no recommendation drafted

# Resources and Funding: NSDS Direct and Discretionary Sources

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## Findings

- Direct spending authority is a reliable, justifiable, and necessary funding mechanism for the NSDS because of the use of existing supports and the expectation for a consistent baseline of service delivery as a shared service for government agencies and the broader evidence ecosystem.
- Supplemental service capability that could provide additional capabilities, rather than supplant or displace existing resources, is a reasonable basis for providing new direct spending authority, and perhaps a reasonable basis for OMB to consider where other core statistical, evaluation, and data infrastructure activities should also be adjusted for direct (mandatory) spending authority across the federal budget.

## Recommendation

- NSDS core capabilities should be funded by direct spending, supported by additional discretionary funding as the service evolves.

# Resources and Funding: NSDS Dynamic Funding Approaches

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## Findings

- The America's DataHub Consortium (ADC) model at the National Science Foundation that the Committee recommends as the pilot foundation for the NSDS allows for flexible discretionary funding streams from a variety of sources.
- Flexibility to leverage offsetting collections, user fees, gift authority, and other mechanisms should be considered for the NSDS, along with authority to obligate and outlay those funds for approved projects and activities.
- Recognizing the multi-directional value stream that exists in federal-state partnerships, funding for NSDS services could be channeled through specific programs, like unemployment insurance and federal job training and education initiatives.
- The National Center for Advancing Translational Science (NCATS) provides an example of how a shared services model can be used to support evidence building.

## Recommendation

- As data service capabilities and user demand for these services grow over time, the NSDS should explore sustainable and dynamic funding approaches, including Congressional appropriations, user fees for service, existing and new federal grant programs, repurposed agency funds, federal-state partnerships, private-sector support, and a shared services model.

# Resources and Funding: NSDS Support for State and Local Governments

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## Findings

- The Committee affirms that the “NSDS will support capacity building (including skills and knowledge development) at the data producer level so that data can be continuously improved as they are used and analyzed,” as stated in the Year 1 report.
- Using the ADC model, the NSDS could match users with potential funding partners for specific projects.

## Recommendation

- The NSDS should strive to connect state, territorial, local, and tribal governments with the resources they need to develop more robust and flexible data systems and to invest in human capital and technical expertise to engage in value-added evidence building.

# Resources and Funding: NSDS Project Sponsorship

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## Findings

- The COVID-19 pandemic provides a unique moment for civic engagement and highlights the need for more comprehensive and cohesive development of data infrastructures not only at the federal level but at the state and local levels.
- ACDEB's use cases and meetings with outside experts provide myriad examples of how the pandemic spurred more timely and relevant data for rapid decision-making and spotlighted the need for enhanced coordination and systematic investment.
- Funding for states to improve their data infrastructures and analysis capabilities is segregated across federal agency budgets and, as such, is focused on specific domains, topics, or areas and does not tend to encourage collaborative efforts across the evidence ecosystem more broadly.

## Recommendation

- The NSDS, under the direction of its policy and governing bodies and in coordination with other key stakeholders, should regularly sponsor projects that demonstrate the value of streamlining data sharing and increasing coordination, specifically with projects that highlight cross-functional, cross-agency, and cross-governmental topics. To sponsor projects, the NSDS must have a direct appropriation to provide sufficient resources as a sponsor across multiple program areas that enables blending and braiding of funding.

# Resources and Funding: NSDS Equitable Pricing Model

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## Findings

- Entities like FSRDCs may want to provide resources to less-resourced universities and non-academic researchers but to do that successfully requires a comprehensive funding strategy. While the FSRDC system does not have the mandate to do that today, to realize its goal, the NSDS should address issues like this.
- There is a finite privacy budget related to each data asset, so there is a privacy “cost” to using and disseminating the data.

## Recommendation

- Access to, and use of, NSDS services should be based on an equitable pricing model. When developing its pricing strategy, the NSDS should consider criteria like the following: (1) stakeholder ability to pay and (2) the “cost” of using the data, tied to a risk utility framework that reflects both the inherent privacy loss of using the data as well as the anticipated benefit of analysis.

# Full Committee Discussion

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## Discussion Questions

- Are there priorities within the funding recommendations? Is there a hierarchy among these priorities? What about different magnitudes of spending to achieve the desired outcomes?
- Is the Committee recommending that these items be funded in addition to current funding of the existing data and evidence infrastructure, or replacing some of the existing infrastructure? If the latter, is the Committee recommending that funding should be redirected from statistical agencies?