July 27, 2018

<u>Delivered via Electronic Mail</u>

RE: Leveraging Data as a Strategic Asset, Phase 1 Comments [Docket Number USBC–2018–0011]

Dear Priority Goal Leaders:

As co-chairs of the Bipartisan Policy Center's Evidence-Based Policymaking Initiative and former chair and co-chair of the U.S. Commission on Evidence-Based Policymaking, we write to provide input on development of the federal data strategy under Cross-Agency Priority Goal 2: "Leveraging Data as a Strategic Asset."

We encourage the interagency team tasked with developing the federal data strategy to consider the findings and recommendations in the commission's final report, *The Promise of Evidence-Based Policymaking*.[1] The commission report offers specific examples of successes and challenges in using data to support evidence-building activities. While not framed explicitly around the four pillars that the data strategy intends to address, the commission recommendations have relevance to all four aspects of the plan.

Principles

The commission identified five guiding principles for evidence-based policymaking: privacy, rigor, transparency, humility, and capacity. The draft principles of the *Leveraging Data as a Strategic Asset* team directly address most of these concerns: "Stewardship" encompasses privacy and transparency, while "Quality" and "Continuous Improvement" emphasize the needs underlying capacity and rigor. One improvement to the draft principles might be to include a specific reference to the commission's principle of humility.[2] The draft principles do include reference to promoting a "culture of continuous and collaborative learning," but we encourage that the principles also recognize that a culture of learning requires accurately identifying the limits of current evidence and promising paths for future evidence building.

Privacy

The commission carefully considered ways to promote data privacy, security, and confidentiality protection, summarized in Chapter 3 of the commission's report. While federal statistical agencies are currently leaders in government for ensuring confidentiality

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[1] U.S. Commission on Evidence-Based Policymaking (CEP). The Promise of Evidence-Based Policymaking. Washington, D.C.: Government Printing Office, 2017. Available at: https://bipartisanpolicy.org/wp-content/uploads/2017/10/CEP-Final-Report.pdf.
[2] See CEP 2017, p. 17.

protections are in place and disclosure risks are minimized, there are major gaps across other parts of the federal government. To address these gaps the commission recommended that Federal departments conduct comprehensive risk assessments prior to releasing any de-identified confidential data (Recommendation 3-1). For example, before releasing a de-identified dataset, an agency should consider the possibility of unauthorized re-identification of data when combined with other publicly available information.

As an important part of protecting the privacy of data subjects, the commission emphasized the use of state-of-the-art technologies such as differential privacy and multiparty computation (Recommendation 3-2). Since the commission's report was released, several multiparty computation pilots with government data have been initiated. For example, during an event hosted by the Bipartisan Policy Center and New America in April 2018, George Alter described a project in which his organization is building a multiparty computation platform and testing it on synthetic education data with student-level records.[3] In coming weeks, the Bipartisan Policy Center will also publicly announce another multiparty computation pilot using real government data, in partnership with a government entity that has a well-developed existing data infrastructure to enable comparisons between traditional approaches and the potential benefits of multiparty computation. Multiparty computation is but one approach of many that could be considered for further development, and we encourage that the plans being developed consider strategies for funding and exploring additional privacy-protective technologies to improve confidentiality protections.

The commission also recognized the importance of leadership in coordinating government's data resources with appropriate privacy and confidentiality protections. The commission's recommendation 3-3 encourages federal departments to assign a senior official responsible for coordinating access to and stewardship of the department's data resources. This leader, ideally a Principal Statistical Agency head or other appropriately qualified official with the authority to make and implement actions on privacy protection, would have an appreciation of both the imperative to protect confidential data and the importance of Federal data for evidence building. The commission recognized that clear leadership will be instrumental in ensuring that departments meet legal, policy, and technical data stewardship requirements.

Enabling Access and Use

The commission recognized that even when strong privacy and confidentiality safeguards are in place, access to government data has been complicated by a legal framework that is often not explicit about how data can be used, shared, or disclosed. There are laws that the administration could review as part of the strategy to ensure that the use restrictions in place sufficiently enable the evidence-building activities, then offer legislative solutions to Congress to address inadvertently unclear or overly restrictive authorities. The administration should also discuss possible administrative solutions to bottlenecks on data use being imposed by administrative procedures.

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[3] Bipartisan Policy Center and New America. Will Secure Multiparty Computation Reshape Data Privacy? Washington, D.C. April 17, 2018. Available at https://bipartisanpolicy.org/events/will-secure-multiparty-computation-reshape-data-privacy/

The commission found that the processes for accessing confidential government data can be slow and confusing, with some agencies lacking a consistent process for external researcher access for statistical purposes. Commission Recommendation 2-8 to OMB suggests the promulgation of a single, streamlined process for external researchers to apply for access to confidential government data. This action can be undertaken administratively without any additional legal authority and would help clarify how to go about applying to securely access data for legitimate research purposes.

This need for clarity and coordination also extends to data collected by states, and we encourage the federal data strategy to give careful consideration to how best to incorporate state-collected data relevant for evaluating federal programs. Commission recommendations 2-6 and 2-7 specifically address the need for state-collected data to be available for statistical and evidence-building purposes. Recommendation 2-6 recognizes the importance of state-collected wage and earnings data for evidence-building activities. While the commission did not recommend a specific strategy, it offered several options for improving the availability of these data that take advantage of existing systems and programs. The Longitudinal Employer-Household Dynamics Program (LEHD), for example, is a voluntary agreement under which most states provide earnings data to the U.S. Census Bureau. While LEHD has been successful in many regards, access to those data are limited to projects that support the Census Bureau's mission. Broadening the allowable statistical uses of the LEHD could have substantial benefits. Improved access to wage and earnings data will likely require legislative solutions, which we hope the administration will consider in developing and implementing the federal data strategy. Notably, the administration's fiscal year 2019 budget proposal references the use of the Department of Health and Human Service's National Directory of New Hires (NDNH) for research purposes, though the administration has not provided legislative language in conjunction with the budget proposal to Congress.[4] The commission similarly recognized that broadening access to the NDNH is one approach that could be considered for making wage and earnings data more available to researchers.

Decision-Making and Accountability

Transparency is an essential element of accountability and was identified as one of the principles of the commission. The commission's final report contained specific recommendations about how the federal government can operationalize transparency with regard to data uses. For example, when enabling access to data, government can do much more to be clear about what uses have been approved. If a decision is made to implement a central application process as proposed by the commission in its recommendation 2-8, OMB could consider how to build into that framework a process by which the public or other oversight bodies can be better notified about what projects are underway.

The goal of evidence-based policymaking is ultimately to support decision-making. Thus, evidence ultimately should be used by policymakers, who in turn should be accountable for

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[4] Nick Hart. Evidence in the Trump Budget. Washington, D.C.: Bipartisan Policy Center, 2018. Available at: https://bipartisanpolicy.org/library/evidence-in-the-2019-trump-budget/.

the role of evidence in their decision-making. Chapter 5 of the commission's report addresses strategies for agencies to increase their capacity for both generating and using evidence.

Commission recommendation 5-1 encourages each department to identify a Chief Evaluation Officer, tasked with coordinating department evidence-building activities and ensuring that evaluation policies are in place. Recommendation 5-2 encourages agencies to develop learning agendas, or strategic plans for evidence-building activities that can be instrumental in identifying data needs and priorities. As the commission identified in its final report, the Department of Labor and the Department of Housing and Urban Development both have successfully developed and used learning agendas.[5] The recommendations just mentioned can be implemented administratively and we encourage their inclusion in the federal data strategy and corresponding action plans.

In recommendation 5-3, the commission noted the important role of OMB in setting an example for evidence-building organizational structures across government, and suggested that consolidating or reorganizing evidence-related activities at OMB could send a strong signal to agencies about the administration's commitment to evidence and evidence-based policy. OMB could play an even more direct role by coordinating evidence-building across different agencies. The commission's report gives the example of data about veteran students collected by the Department of Education and the Department of Veterans Affairs using different approaches. Users of these data would benefit from cooperation between the two agencies in collecting data, rather than being forced to combine data later that were not designed to be compatible. Better coordination in this instance specifically could produce stronger statistics and analyses that support evaluation of the post-9/11 G.I. Bill. Importantly, OMB is to be commended for its work to develop a federal data strategy, and in so doing, beginning the complex process of bridging organizational and operational silos to improve how government uses data. We know this is a complicated and time-consuming task, but believe the benefits of tackling it successfully would be substantial.

Commercial Ventures and Public Use

The commission report also highlighted the essential role of partnerships—between agencies, between levels of government (as cited above with the LEHD), and between government and the private sector. Some agencies have used grants and cooperative agreements to great effect; for example, two offices within the Department of Agriculture collaborated with the Census Bureau to create the Next-Generation Data Platform, combining administrative and survey data about food assistance recipients to understand how separate assistance programs interact and vary across states. Information produced by this partnership is fed back to states in order to help improve services and close gaps in provision.[6]

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[5] CEP, 2017.

[6] Bipartisan Policy Center. What is Evidence-Based Policymaking: A Primer. Washington, D.C.: Bipartisan Policy Center, 2018. Available at: https://bipartisanpolicy.org/wp-content/uploads/2018/07/Evidence-Based-Policymaking-Primer.pdf.

Commission recommendation 4-4 highlights the role that public-private partnerships can play in maintaining and building the long-term capacity for evidence-building activities. While that recommendation falls within the scope of the commission's proposal to establish a National Secure Data Service, the value proposition for strong partnerships has broader implications for evidence-building activities. One successful example of this is the network of Federal Statistical Research Data Centers (FSRDCs)—partnerships between statistical agencies and research institutions spread across the country. Because some restricted-use microdata requires the physical presence of users, having the FSRDCs geographically dispersed significantly lowers the barriers for researchers to access these datasets, while also ensuring the strong privacy protections enabled through the FSRDCs and disclosure avoidance protocols are in place.

Unfortunately, some agencies lack the authority to use grants and cooperative agreements that enable this sort of partnerships. In these cases, OMB could assist in requesting that Congress provide this authority, as suggested by the commission.

Finally, once the government has successfully established the National Secure Data Service (NSDS), a structure for data linkage and technology adoption described in commission recommendation 2-1, there will be new opportunities to use data resources in a secure way—including data that are currently inaccessible for a variety of reasons. As suggested by commission recommendation 4-4, the data service could assist in grant-making and facilitating relationships with partner organizations. The data service also would touch each of the best practices listed above--for example, it would maintain an inventory of projects for confidential data to enable easier access while also conducting regular reviews of compliance with privacy and access rules (Recommendation 4-3). We encourage the federal data strategy to recognize the need for the development of the National Secure Data Service to fill critical gaps in the country's existing data infrastructure, while simultaneously serving the great benefit of enabling secure access to data in a transparent and secure manner.

If we can be of further assistance, or if you would like more information on the commission's recommendations and their application to developing the federal data strategy, please contact us (evidence@bipartisanpolicy.org) or Nick Hart, the Director of Evidence-Based Policymaking at the Bipartisan Policy Center (nhart@bipartisanpolicy.org, 202-204-2400).

Regards,

Katharine G. Abraham, Ph.D.
Co-Chair, Bipartisan Policy Center Evidence-Based
  Policymaking Initiative
Former Chair, U.S. Commission on Evidence-Based
  Policymaking

Ron Haskins, Ph.D.
Co-Chair, Bipartisan Policy Center Evidence-Based
  Policymaking Initiative
Former Co-Chair, U.S. Commission on Evidence-Based
  Policymaking