



WHAT IS A  
**VOLUNTARY  
CONSENSUS  
STANDARD?**

# What is a Voluntary Consensus Standard?

For some, *voluntary consensus standard* (also called Non-Government Standard) is a statutory or regulatory obligation. For others, the term '*voluntary*' creates a perception of a wide-open, unstandardized market in which closed, proprietary applications and services reign; and access and control of data, serve as the value propositions to attract customers and clients.

**The most important concepts to understand about *voluntary consensus standards*:**

- 1) *Voluntary consensus standards refer to data to be exchanged, shared, reported, sold and/or licensed between at least two separate and independent parties.*
- 2) *While the value of *voluntary consensus standards* lies in the open, transparent, neutral and balanced process in place in the user community to participate (equally), develop, produce and maintain a standard, the value proposition is based in costs-savings, return on investment, improved data quality and efficiencies gained in overall data management and service delivery.*
- 3) *Federal rules and regulations clearly articulate the roles and responsibilities for all Federal agencies with regard to *voluntary consensus standards* and Government-Unique Standards, including annual reporting to the Department of Commerce.*
- 4) *Voluntary consensus standards are governed by standards-setting bodies that operate on a voluntary consensus-based model.*
- 5) *A *voluntary consensus standard* can be mandated or required by an authoritative entity and emerges as a *best practice* model.*
- 6) *A Government-Unique and/or proprietary standard can become a *voluntary consensus standard*.*

The U.S. General Accounting Office describes *voluntary consensus standard* in a summary of the National Technology Transfer and Advancement Act (NTTAA) <https://www.gao.gov/new.items/rc00122t.pdf>:

“Government standards are developed by individual federal agencies for their own use. Although unique government standards sometimes are appropriate, such as standards for certain specialized military equipment, in other cases, a voluntary standard would suffice. This creates duplication for industry, which may have to provide two lines of production to meet both government and private needs and can put U.S. companies at a disadvantage in international trade.”

The major challenge for standards-development bodies and standards-setting bodies, like PESC, is maintaining a trusted, open, transparent, neutral, balanced and free *voluntary consensus standard* that in essence “levels the playing field,” while simultaneously promoting innovation in a market that may perceive the voluntary consensus standard as merely anti-competitive or optional compared to other technical standards. From a Federal Agency perspective, there may be a lack of confidence in the utility, timeliness and sustainability of a *voluntary* standard and inconsistency guidance in existing statute, rules and regulations.

## LAWS AND REGULATIONS FOR FEDERAL AND STATE GOVERNMENT

>> OVERVIEW <<

### NATIONAL TECHNOLOGY TRANSFER ADVANCEMENT ACT (NTTAA)

March 7, 1996

The NTTAA established the Federal Government's expectations and duties in seeking out and establishing data standards. The NTTAA serves as a critical and founding statute from which all other statutes, laws and regulations flow. At the time the NTTAA was enacted, the American National Standards Institute (ANSI) was the only recognized standards-setting body in the U.S.

### OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-119

February 10, 1998, revised 2018

OMB further described the responsibilities of the Federal Government with relation to NTTAA and *voluntary consensus standards*, adding in Circular A-119, *voluntary consensus standards* must be made available "royalty-free...to all interested parties." OMB also required that each Federal Agency report annually (by December 31 of each year) to the Department of Commerce its use of government-unique standards, voluntary consensus standards, along with a variety of performance and cost metrics.

### REAUTHORIZATION OF THE HIGHER EDUCATION ACT (HEA) OF 1965, AS AMENDED

Section 143: Simplification

1998

Addition of Section 143: Simplification to the Higher Education Act of 1965, as Amended, provided still further guidance requiring FSA, its leadership and the Secretary, to participate in standards-setting bodies.

### INDIANA ETRANSCRIPT

Legislation

July 1, 2015

Indiana state law now requires all providers and stakeholders to use and implement electronic processes based on *voluntary consensus standards*.

Additional laws, regulations and guidance may apply and can be added to this document.

## >> SPECIFIC CITATIONS <<

### NATIONAL TECHNOLOGY TRANSFER & ADVANCEMENT ACT OF 1995

“...all Federal agencies and departments shall use technical standards that are developed or adopted by voluntary consensus standards bodies, using such technical standards as a means to carry out policy objectives or activities determined by the agencies and departments.”

“...Federal agencies and departments shall consult with voluntary, private sector, consensus standards bodies and shall...participate with such bodies in the development of technical standards.”

Section 12 (d) (1-2)

### OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR NO. A-119 – REVISED FEBRUARY 10, 1998; 2018

“What are the goals of the government in using voluntary consensus standards?”

- Eliminate the cost to the Government of developing its own standards and decrease the costs of goods procured and the burden of complying with agency regulation.
- Provide incentives and opportunities to establish standards that serve national needs.
- Encourage long-term growth for U.S. enterprises and promote efficiency and economic competition through harmonization of standards.
- Further the policy of reliance upon the private sector to supply Government needs for goods and services.”

### REAUTHORIZATION OF THE HIGHER EDUCATION ACT (HEA) OF 1965, AS AMENDED

Title 1, Part D, Section 143 of the Higher Education Act of 1965, As Amended

‘SEC. 143. ADMINISTRATIVE SIMPLIFICATION OF STUDENT AID DELIVERY.

IN GENERAL- In order to improve the efficiency and effectiveness of the student aid delivery system, the Secretary and the Chief Operating Officer shall encourage and participate in the establishment of voluntary consensus standards and requirements for the electronic transmission of information necessary for the administration of programs under title IV.

PARTICIPATION IN STANDARD SETTING ORGANIZATIONS-

- The Chief Operating Officer shall participate in the activities of standard setting organizations in carrying out the provisions of this section.
- The Chief Operating Officer shall encourage higher education groups seeking to develop common forms, standards, and procedures in support of the delivery of Federal student financial assistance to conduct these activities within a standard setting organization.
- The Chief Operating Officer may pay necessary dues and fees associated with participating in standard setting organizations pursuant to this subsection.

ADOPTION OF VOLUNTARY CONSENSUS STANDARDS- Except with respect to the common financial reporting form under section 483(a), the Secretary shall consider adopting voluntary consensus standards agreed to by the organization described in subsection (b) for transactions required under title IV, and common data elements for such transactions, to enable information to be exchanged electronically between systems administered by the Department and among participants in the Federal student aid delivery system.

USE OF CLEARINGHOUSES- Nothing in this section shall restrict the ability of participating institutions and lenders from using a clearinghouse or servicer to comply with the standards for the exchange of information established under this section.

DATA SECURITY- Any entity that maintains or transmits information under a transaction covered by this section shall maintain reasonable and appropriate administrative, technical, and physical safeguards-

- to ensure the integrity and confidentiality of the information; and
- to protect against any reasonably anticipated security threats, or unauthorized uses or disclosures of the information.

#### DEFINITIONS-

CLEARINGHOUSE- The term `clearinghouse' means a public or private entity that processes or facilitates the processing of nonstandard data elements into data elements conforming to standards adopted under this section.

STANDARD SETTING ORGANIZATION- The term `standard setting organization' means an organization that--

- is accredited by the American National Standards Institute;
- develops standards for information transactions, data elements, or any other standard that is necessary to, or will facilitate, the implementation of this section; and
- is open to the participation of the various entities engaged in the delivery of Federal student financial assistance.

VOLUNTARY CONSENSUS STANDARD- The term `voluntary consensus standard' means a standard developed or used by a standard setting organization described in paragraph (2).'

### INDIANA STATE LEGISLATION

IC 21-18-12. Chapter 12. Indiana E-Transcript Program. 21-18-12-1. Establishment of program. 21-18-12-2. Rules.

#### IC 21-18-12-1 Establishment of program

Sec. 1. (a) The Indiana e-transcript program is created to allow students at all accredited high schools located in Indiana to request that the student's school transcripts be transmitted electronically to state educational institutions, participating Indiana not-for-profit or privately endowed institutions, and participating Indiana institutions authorized by the board for proprietary education established by IC 21-18.5-5-1.

(b) The commission shall administer the program.

(c) Beginning July 1, 2013, the department of education established by IC 20-19-3-1, in collaboration with the state educational institutions and the commission, shall develop a common electronic transcript, using common data fields and formats that are required by state educational institutions.

(d) Not later than July 1, 2015, all public secondary schools shall use the common electronic transcript developed by the department of education.

(e) The governing body of an accredited nonpublic secondary school may elect to use the common electronic transcript developed by the department of education.

As added by P.L.111-2013, SEC.1.

# BUILDING FOR THE FUTURE

## ONE STANDARD AT A TIME

A THRIVING, DIGITAL ECOSYSTEM REQUIRES  
SUSTAINABLE STANDARDS AND COMMON INFRASTRUCTURE



MULTIPLE STAKEHOLDERS. ONE VISION.