

Calendar No. 386105TH CONGRESS
2^D SESSION**S. 1642****[Report No. 105-194]**

To improve the effectiveness and performance of Federal financial assistance programs, simplify Federal financial assistance application and reporting requirements, and improve the delivery of services to the public.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 12, 1998

Mr. GLENN (for himself, Mr. THOMPSON, Mr. LEVIN, Mr. LIEBERMAN, and Mr. AKAKA) introduced the following bill; which was read twice and referred to the Committee on Governmental Affairs

MAY 22, 1998

Reported by Mr. THOMPSON, without amendment

A BILL

To improve the effectiveness and performance of Federal financial assistance programs, simplify Federal financial assistance application and reporting requirements, and improve the delivery of services to the public.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. TITLE.**

2 This Act may be cited as the “Federal Financial As-
3 sistance Management Improvement Act of 1998”.

4 **SEC. 2. FINDINGS.**

5 Congress finds that—

6 (1) there are over 600 different Federal finan-
7 cial assistance programs to implement domestic pol-
8 icy;

9 (2) while the assistance described in paragraph
10 (1) has been directed at critical problems, some Fed-
11 eral administrative requirements may be duplicative,
12 burdensome or conflicting, thus impeding cost-effec-
13 tive delivery of services at the local level;

14 (3) State, local, and tribal governments and pri-
15 vate, nonprofit organizations are dealing with in-
16 creasingly complex problems that require the deliv-
17 ery and coordination of many kinds of services; and

18 (4) streamlining and simplification of Federal
19 financial assistance administrative procedures and
20 reporting requirements will improve the delivery of
21 services to the public.

22 **SEC. 3. PURPOSES.**

23 The purposes of this Act are to—

24 (1) improve the effectiveness and performance
25 of Federal financial assistance programs;

1 (2) simplify Federal financial assistance appli-
2 cation and reporting requirements;

3 (3) improve the delivery of services to the pub-
4 lic; and

5 (4) facilitate greater coordination among those
6 responsible for delivering such services.

7 **SEC. 4. DEFINITIONS.**

8 In this Act:

9 (1) COMMON RULE.—The term “common rule”
10 means a government-wide uniform rule for any gen-
11 erally applicable requirement established to achieve
12 national policy objectives that applies to multiple
13 Federal financial assistance programs across Federal
14 agencies.

15 (2) DIRECTOR.—The term “Director” means
16 the Director of the Office of Management and Budg-
17 et.

18 (3) FEDERAL AGENCY.—The term “Federal
19 agency” means any agency as defined under section
20 551(1) of title 5, United States Code.

21 (4) FEDERAL FINANCIAL ASSISTANCE PRO-
22 GRAM.—The term “Federal financial assistance pro-
23 gram” means a domestic assistance program (as de-
24 fined under section 6101(4) of title 31, United
25 States Code) under which financial assistance is

1 available, directly or indirectly, to a State, local, or
2 tribal government or a qualified organization to
3 carry out activities consistent with national policy
4 goals.

5 (5) LOCAL GOVERNMENT.—The term “local
6 government” means—

7 (A) a political subdivision of a State that
8 is a unit of general local government (as de-
9 fined under section 6501(10) of title 31, United
10 States Code);

11 (B) any combination of political subdivi-
12 sions described in subparagraph (A); or

13 (C) a local educational agency as defined
14 under section 14101(18) of the Elementary and
15 Secondary Education Act of 1965 (20 U.S.C.
16 8801(18)).

17 (6) QUALIFIED ORGANIZATION.—The term
18 “qualified organization” means a private, nonprofit
19 organization described in section 501(c)(3) of the
20 Internal Revenue Code of 1986 that is exempt from
21 taxation under section 501(a) of the Internal Reve-
22 nue Code of 1986.

23 (7) STATE.—The term “State” means each of
24 the 50 States, the District of Columbia, Puerto Rico,
25 American Samoa, Guam, and the Virgin Islands.

1 (8) TRIBAL GOVERNMENT.—The term “tribal
2 government” means the governing entity of an In-
3 dian tribe, as that term is defined in the Indian Self
4 Determination and Education Assistance Act (25
5 U.S.C. 450b).

6 **SEC. 5. DUTIES OF THE DIRECTOR.**

7 (a) IN GENERAL.—The Director, in consultation with
8 agency heads, shall direct, coordinate, and assist Federal
9 agencies in establishing—

10 (1) a uniform application, or set of uniform ap-
11 plications, to be used by an applicant to apply for
12 assistance from multiple Federal financial assistance
13 programs that serve similar purposes and are ad-
14 ministered by different Federal agencies;

15 (2) ways to streamline and simplify Federal fi-
16 nancial assistance administrative procedures and re-
17 porting requirements for grantees;

18 (3) a uniform system wherein an applicant may
19 apply for, manage, and report on the use of, funding
20 from multiple Federal financial assistance programs
21 across different Federal agencies;

22 (4) a process for applicants to electronically
23 apply for, and report on the use of, funds from Fed-
24 eral financial assistance programs;

1 (5) use of common rules for multiple Federal fi-
2 nancial assistance programs across different Federal
3 agencies;

4 (6) improved interagency and intergovernmental
5 coordination of information collection and sharing of
6 data pertaining to Federal financial assistance pro-
7 grams, including the development of a release form
8 to be used by grantees to facilitate the sharing of in-
9 formation across multiple Federal financial assist-
10 ance programs;

11 (7) a process to strengthen the information re-
12 sources management capacity of State, local, and
13 tribal governments and qualified organizations per-
14 taining to the administration of Federal financial as-
15 sistance programs; and

16 (8) specific annual goals and objectives to fur-
17 ther the purposes of this Act.

18 (b) ACTIONS CONSISTENT WITH STATUTORY RE-
19 QUIREMENTS.—The actions taken by the Director under
20 subsection (a) shall be consistent with statutory require-
21 ments relating to any applicable Federal financial assist-
22 ance program.

23 (c) LEAD AGENCY AND WORKING GROUPS.—The Di-
24 rector may designate a lead agency to assist the Director
25 in carrying out the responsibilities under this section. The

1 Director may use interagency working groups to assist in
2 carrying out such responsibilities.

3 (d) REVIEW OF PLANS AND REPORTS.—

4 (1) IN GENERAL.—The Director shall—

5 (A) review agency plans and reports devel-
6 oped under section 6 for adequacy;

7 (B) monitor the annual performance of
8 each agency toward achieving the goals and ob-
9 jectives stated in the agency plan; and

10 (C) ensure that each agency plan does not
11 diminish standards to measure performance and
12 accountability of financial assistance programs.

13 (2) REPORT.—Not later than 3 years after the
14 date of enactment of this Act, the Director shall re-
15 port to Congress on implementation of this section.
16 Such a report may be included as part of any of the
17 general management reports required under law.

18 (e) EXEMPTIONS.—

19 (1) IN GENERAL.—The Director may exempt
20 any Federal agency from the requirements of this
21 Act if the Director determines that the agency does
22 not have a significant number of Federal financial
23 assistance programs.

24 (2) AGENCIES EXEMPTED.—Not later than No-
25 vember 1 of each fiscal year, the Director shall sub-

1 mit to the Committee on Governmental Affairs of
2 the Senate and the Committee on Government Re-
3 form and Oversight of the House of Representa-
4 tives—

5 (A) a list of each agency exempted under
6 this subsection in the preceding fiscal year; and

7 (B) an explanation for each such exemp-
8 tion.

9 (f) GUIDANCE.—Not later than 120 days after the
10 date of enactment of this Act, the Director shall issue
11 guidance to Federal agencies on implementation of the re-
12 quirements of this Act. Such guidance shall include a
13 statement on the common rules that the Director intends
14 to review and standardize under this Act.

15 **SEC. 6. DUTIES OF FEDERAL AGENCIES.**

16 (a) IN GENERAL.—Not later than 18 months after
17 the date of enactment of this Act, each Federal agency
18 shall develop and implement a plan that—

19 (1) streamlines and simplifies the application,
20 administrative, and reporting procedures for each fi-
21 nancial assistance program administered by the
22 agency;

23 (2) demonstrates active participation in the
24 interagency process required the applicable provi-
25 sions of section 5(a);

1 (3) demonstrates agency use, or plans for use,
2 of the uniform application (or set of applications)
3 and system developed under section 5(a) (1) and
4 (3);

5 (4) designates a lead agency official for carry-
6 ing out the responsibilities of the agency under this
7 Act;

8 (5) allows applicants to electronically apply for,
9 and report on the use of, funds from the Federal fi-
10 nancial assistance program administered by the
11 agency;

12 (6) strengthens the information resources man-
13 agement capacity of State, local and tribal govern-
14 ments and qualified organizations pertaining to the
15 administration of the financial assistance program
16 administered by the agency; and

17 (7) in cooperation with State, local, and tribal
18 governments and qualified organizations, establishes
19 specific annual goals and objectives to further the
20 purposes of this Act and measure annual perform-
21 ance in achieving those goals and objectives.

22 (b) PLAN CONSISTENT WITH STATUTORY REQUIRE-
23 MENTS.—Each plan developed and implemented under
24 this section shall be consistent with statutory require-

1 ments relating to any applicable Federal financial assist-
2 ance program.

3 (c) COMMENT AND CONSULTATION ON AGENCY
4 PLANS.—

5 (1) COMMENT.—Each Federal agency shall
6 publish the plan developed under subsection (a) in
7 the Federal Register and shall receive public com-
8 ment on the plan through the Federal Register and
9 other means (including electronic means). To the
10 maximum extent practicable, each Federal agency
11 shall hold public hearings or related public forums
12 on the plan.

13 (2) CONSULTATION.—The lead official des-
14 ignated under subsection (a)(4) shall consult regu-
15 larly with representatives of State, local and tribal
16 governments and qualified organizations during de-
17 velopment of the plan. Consultation with representa-
18 tives of State, local, and tribal governments shall be
19 in accordance with section 204 of the Unfunded
20 Mandates Reform Act of 1995 (2 U.S.C. 1534).

21 (d) SUBMISSION OF PLAN.—Each Federal agency
22 shall submit the plan developed under subsection (a) to
23 the Director and Congress and report annually thereafter
24 on the implementation of the plan and performance of the
25 agency in meeting the goals and objectives specified under

1 subsection (a)(7). Such a report may be included as part
2 of any of the general management reports required under
3 law.

4 **SEC. 7. EVALUATION.**

5 (a) IN GENERAL.—The Director (or the lead agency
6 designated under section 5(c)) shall contract with the Na-
7 tional Academy of Public Administration to evaluate the
8 effectiveness of this Act. Not later than 4 years after the
9 date of enactment of this Act the evaluation shall be sub-
10 mitted to the lead agency, the Director, and Congress.

11 (b) CONTENTS.—The evaluation under subsection (a)
12 shall—

13 (1) assess the effectiveness of this Act in meet-
14 ing the purposes of this Act and make specific rec-
15 ommendations to further the implementation of this
16 Act;

17 (2) evaluate actual performance of each agency
18 in achieving the goals and objectives stated in agen-
19 cy plans; and

20 (3) assess the level of coordination and coopera-
21 tion among the Director, Federal agencies, State,
22 local, and tribal governments, and qualified organi-
23 zations in implementing this Act.

1 **SEC. 8. EFFECTIVE DATE AND SUNSET.**

2 This Act shall take effect on the date of enactment
3 of this Act and shall cease to be effective on and after
4 5 years after such date of enactment.

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