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,
SECTION 1. TITLE.

This Act may be cited as the “Federal Financial Assistance Management Improvement Act of 1998”.

SEC. 2. FINDINGS.

Congress finds that—

(1) there are over 600 different Federal financial assistance programs to implement domestic policy;

(2) while the assistance described in paragraph (1) has been directed at critical problems, some Federal administrative requirements may be duplicative, burdensome or conflicting, thus impeding cost-effective delivery of services at the local level;

(3) State, local, and tribal governments and private, nonprofit organizations are dealing with increasingly complex problems that require the delivery and coordination of many kinds of services; and

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

SEC. 3. PURPOSES.

The purposes of this Act are to—

(1) improve the effectiveness and performance of Federal financial assistance programs;
(2) simplify Federal financial assistance application and reporting requirements;

(3) improve the delivery of services to the public; and

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

SEC. 4. DEFINITIONS.

In this Act:

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

(2) DIRECTOR.—The term “Director” means the Director of the Office of Management and Budget.

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

(4) FEDERAL FINANCIAL ASSISTANCE PROGRAM.—The term “Federal financial assistance program” means a domestic assistance program (as defined under section 6101(4) of title 31, United States Code) under which financial assistance is
available, directly or indirectly, to a State, local, or
tribal government or a qualified organization to
carry out activities consistent with national policy
goals.

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

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

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

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

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

(7) STATE.—The term “State” means each of
the 50 States, the District of Columbia, Puerto Rico,
American Samoa, Guam, and the Virgin Islands.
(8) **TRIBAL GOVERNMENT.**—The term “tribal
government” means the governing entity of an In-
dian tribe, as that term is defined in the Indian Self
Determination and Education Assistance Act (25

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

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

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

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

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

(4) a process for applicants to electronically
apply for, and report on the use of, funds from Fed-
eral financial assistance programs;
(5) use of common rules for multiple Federal financial assistance programs across different Federal agencies;

(6) improved interagency and intergovernmental coordination of information collection and sharing of data pertaining to Federal financial assistance programs, including the development of a release form to be used by grantees to facilitate the sharing of information across multiple Federal financial assistance programs;

(7) a process to strengthen the information resources management capacity of State, local, and tribal governments and qualified organizations pertaining to the administration of Federal financial assistance programs; and

(8) specific annual goals and objectives to further the purposes of this Act.

(b) ACTIONS CONSISTENT WITH STATUTORY REQUIREMENTS.—The actions taken by the Director under subsection (a) shall be consistent with statutory requirements relating to any applicable Federal financial assistance program.

(e) LEAD AGENCY AND WORKING GROUPS.—The Director may designate a lead agency to assist the Director in carrying out the responsibilities under this section. The
Director may use interagency working groups to assist in carrying out such responsibilities.

(d) Review of Plans and Reports.—

(1) In General.—The Director shall—

(A) review agency plans and reports developed under section 6 for adequacy;

(B) monitor the annual performance of each agency toward achieving the goals and objectives stated in the agency plan; and

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

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

(e) Exemptions.—

(1) In General.—The Director may exempt any Federal agency from the requirements of this Act if the Director determines that the agency does not have a significant number of Federal financial assistance programs.

(2) Agencies Exempted.—Not later than November 1 of each fiscal year, the Director shall sub-
mit to the Committee on Governmental Affairs of
the Senate and the Committee on Government Re-
form and Oversight of the House of Representa-
tives—
(A) a list of each agency exempted under
this subsection in the preceding fiscal year; and
(B) an explanation for each such exemp-
tion.
(f) GUIDANCE.—Not later than 120 days after the
date of enactment of this Act, the Director shall issue
guidance to Federal agencies on implementation of the re-
quirements of this Act. Such guidance shall include a
statement on the common rules that the Director intends
to review and standardize under this Act.
SEC. 6. DUTIES OF FEDERAL AGENCIES.
(a) IN GENERAL.—Not later than 18 months after
the date of enactment of this Act, each Federal agency
shall develop and implement a plan that—
(1) streamlines and simplifies the application,
administrative, and reporting procedures for each fi-
nancial assistance program administered by the
agency;
(2) demonstrates active participation in the
interagency process required the applicable provi-
sions of section 5(a);
(3) demonstrates agency use, or plans for use, of the uniform application (or set of applications) and system developed under section 5(a) (1) and (3);

(4) designates a lead agency official for carrying out the responsibilities of the agency under this Act;

(5) allows applicants to electronically apply for, and report on the use of, funds from the Federal financial assistance program administered by the agency;

(6) strengthens the information resources management capacity of State, local and tribal governments and qualified organizations pertaining to the administration of the financial assistance program administered by the agency; and

(7) in cooperation with State, local, and tribal governments and qualified organizations, establishes specific annual goals and objectives to further the purposes of this Act and measure annual performance in achieving those goals and objectives.

(b) PLAN CONSISTENT WITH STATUTORY REQUIREMENTS.—Each plan developed and implemented under this section shall be consistent with statutory require-
ments relating to any applicable Federal financial assistance program.

(c) COMMENT AND CONSULTATION ON AGENCY PLANS.—

(1) COMMENT.—Each Federal agency shall publish the plan developed under subsection (a) in the Federal Register and shall receive public comment on the plan through the Federal Register and other means (including electronic means). To the maximum extent practicable, each Federal agency shall hold public hearings or related public forums on the plan.

(2) CONSULTATION.—The lead official designated under subsection (a)(4) shall consult regularly with representatives of State, local and tribal governments and qualified organizations during development of the plan. Consultation with representatives of State, local, and tribal governments shall be in accordance with section 204 of the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1534).

(d) SUBMISSION OF PLAN.—Each Federal agency shall submit the plan developed under subsection (a) to the Director and Congress and report annually thereafter on the implementation of the plan and performance of the agency in meeting the goals and objectives specified under
subsection (a)(7). Such a report may be included as part of any of the general management reports required under law.

SEC. 7. EVALUATION.

(a) IN GENERAL.—The Director (or the lead agency designated under section 5(c)) shall contract with the National Academy of Public Administration to evaluate the effectiveness of this Act. Not later than 4 years after the date of enactment of this Act the evaluation shall be submitted to the lead agency, the Director, and Congress.

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

(1) assess the effectiveness of this Act in meeting the purposes of this Act and make specific recommendations to further the implementation of this Act;

(2) evaluate actual performance of each agency in achieving the goals and objectives stated in agency plans; and

(3) assess the level of coordination and cooperation among the Director, Federal agencies, State, local, and tribal governments, and qualified organizations in implementing this Act.
SEC. 8. EFFECTIVE DATE AND SUNSET.

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

[Report No. 105-194]

S. 1642

105TH CONGRESS

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.