

SEC. 5. (a) Agencies shall propose rules and regulations governing the formulation, evaluation, and review of proposed Federal financial assistance and direct Federal development pursuant to this Order, to be submitted to the Office of Management and Budget for approval.

(b) The rules and regulations which result from the process indicated in Section 5(a) above shall replace any current rules and regulations and become effective September 30, 1983.

SEC. 6. The Director of the Office of Management and Budget is authorized to prescribe such rules and regulations, if any, as he deems appropriate for the effective implementation and administration of this Order and the Intergovernmental Cooperation Act of 1968 [31 U.S.C. 6501 et seq.]. The Director is also authorized to exercise the authority vested in the President by Section 401(a) of that Act (42 U.S.C. 4231(a)) [31 U.S.C. 6506(a) and (b)] in a manner consistent with this Order.

SEC. 7. The Memorandum of November 8, 1968, is terminated (33 Fed. Reg. 16487, November 13, 1968). The Director of the Office of Management and Budget shall revoke OMB Circular A-95, which was issued pursuant to that Memorandum. However, Federal agencies shall continue to comply with the rules and regulations issued pursuant to that Memorandum, including those issued by the Office of Management and Budget, until new rules and regulations have been issued in accord with this Order.

SEC. 8. The Director of the Office of Management and Budget shall report to the President by September 30, 1984 on Federal agency compliance with this Order. The views of State and local elected officials on their experiences with these policies, along with any suggestions for improvement, will be included in the Director's report.

RONALD REAGAN.

#### § 6507. Congressional review of grant programs

(a) The committees of Congress having jurisdiction over a grant program authorized by a law of the United States without a specified expiration date for the program shall study the program. The committees may conduct studies separately or jointly and shall report the results of their findings to their respective Houses of Congress not later than the end of each period specified in subsection (b) of this section. The committees shall give special attention to—

- (1) the extent to which the purposes of the grants have been met;
- (2) the extent to which the objective of the program can be carried on without further assistance;
- (3) whether a change in the purpose, direction, or administration of the original program, or in procedures and requirements applicable to the program, should be made; and
- (4) the extent to which the program is adequate to meet the growing and changing needs that it was designed to support.

(b)(1) A study under subsection (a) of this section of a grant program authorized by a law of the United States enacted before October 16, 1968, shall be conducted before the end of each 4th calendar year after the year during which a study of the program was last conducted under this section.

(2) A study under subsection (a) of this section of a grant program authorized by a law of the United States enacted after October 16, 1968, shall be conducted before the end of the 4th calendar year after the year of enactment of the law and before the end of each 4th calendar year thereafter.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1009.)

#### HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
6507(a) .....	42:4241(a).	Oct. 16, 1968, Pub. L. 90-577, § 601, 82 Stat. 1106.
6507(b) .....	42:4241(b).	

In the section, the words “law of the United States” are substituted for “Act of Congress” for clarity. The word “grants” is substituted for “grants-in-aid”, and the words “grant program” are substituted for “grant-in-aid program”, for consistency in the chapter.

In subsection (a), before clause (1), the words “grant program” are substituted for “program under which such grants-in-aid are made” for consistency in the chapter and to eliminate unnecessary words. The words “committees of Congress” are substituted for “Committee of the Senate and the House of Representatives” for consistency in the revised title and with other titles of the United States Code. The words “The committees may conduct” are added for clarity. The word “report” is substituted for “advise” for clarity. In clause (2), the word “assistance” is substituted for “financial assistance from the United States” because of the definition in section 6501(1) of the revised title.

In subsection (b), the words “prior to the expiration of the fourth calendar year beginning after October 16, 1968, and thereafter” are omitted as executed.

#### § 6508. Studies and reports

(a)(1) When requested by a committee of Congress having jurisdiction over a grant program, the Comptroller General shall study the program. The study shall include a review of—

(A) the extent to which—

- (i) the program conflicts with or duplicates other grant programs; and
- (ii) more effective, efficient, economical, and uniform administration of the program may be achieved by changing the requirements and procedures applicable to it; and

(B) budgetary, accounting, reporting, and administrative procedures of the program.

(2) The Comptroller General shall submit to Congress a report on a study made under this subsection and any recommendations. To the extent practicable, a report on an expiring program shall be submitted in the year before the year in which a program ends.

(b)(1) When requested by a committee of Congress having jurisdiction over a grant program, the Advisory Commission on Intergovernmental Relations shall study the intergovernmental relations aspects of the program, including—

(A) the impact of the program on the structural organization of States and local governments and on Federal-State-local fiscal relations; and

(B) the coordination of administration of the program by the United States Government and State and local governments.

(2) The Commission shall submit to the committee requesting the study and to Congress a report and any recommendations.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1010.)

#### HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
6508(a) .....	42:4242.	Oct. 16, 1968, Pub. L. 90-577, §§ 602, 603, 82 Stat. 1107.

## HISTORICAL AND REVISION NOTES—CONTINUED

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
6508(b) .....	42:4243.	

In the section, the words “of Congress” are added for clarity. The words “grant program” are substituted for “grant-in-aid program” for consistency in the chapter.

In subsection (a)(1), before clause (A), the words “The study shall include a review of” are substituted for “to determine” for clarity. In clause (B), the words “among other relevant matters” are omitted as unnecessary.

In subsection (b)(1)(B), the words “administration of the program by the United States Government” are substituted for “Federal administration” for consistency in the revised title.

In subsection (b)(2), the words “requesting the study” are added for clarity.

**CHAPTER 67—FEDERAL PAYMENTS**

Sec.	
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**Editorial Notes****PRIOR PROVISIONS**

A prior chapter 67, consisting of sections 6701 to 6724, related to revenue sharing, prior to repeal by Pub. L. 99-272, title XIV, §14001(a)(1), (e), Apr. 7, 1986, 100 Stat. 327, 329, eff. Oct. 18, 1986.

**§ 6701. Payments to local governments****(a) PAYMENT AND USE.—**

(1) **PAYMENT.**—The Secretary shall pay to each unit of general local government which qualifies for a payment under this chapter an amount equal to the sum of any amounts allocated to the government under this chapter for each payment period. The Secretary shall pay such amount out of the Local Government Fiscal Assistance Fund under section 6702.

(2) **USE.**—Amounts paid to a unit of general local government under this section shall be used by that unit for carrying out one or more programs of the unit related to—

- (A) education to prevent crime;
- (B) substance abuse treatment to prevent crime; or
- (C) job programs to prevent crime.

(3) **COORDINATION.**—Programs funded under this title shall be coordinated with other ex-

isting Federal programs to meet the overall needs of communities that benefit from funds received under this section.

(b) **TIMING OF PAYMENTS.**—The Secretary shall pay each amount allocated under this chapter to a unit of general local government for a payment period by the later of 90 days after the date the amount is available or the first day of the payment period provided that the unit of general local government has provided the Secretary with the assurances required by section 6703(d).

**(c) ADJUSTMENTS.—**

(1) **IN GENERAL.**—Subject to paragraph (2), the Secretary shall adjust a payment under this chapter to a unit of general local government to the extent that a prior payment to the government was more or less than the amount required to be paid.

(2) **CONSIDERATIONS.**—The Secretary may increase or decrease under this subsection a payment to a unit of local government only if the Secretary determines the need for the increase or decrease, or the unit requests the increase or decrease, within one year after the end of the payment period for which the payment was made.

(d) **RESERVATION FOR ADJUSTMENTS.**—The Secretary may reserve a percentage of not more than 2 percent of the amount under this section for a payment period for all units of general local government in a State if the Secretary considers the reserve is necessary to ensure the availability of sufficient amounts to pay adjustments after the final allocation of amounts among the units of general local government in the State.

**(e) REPAYMENT OF UNEXPENDED AMOUNTS.—**

(1) **REPAYMENT REQUIRED.**—A unit of general local government shall repay to the Secretary, by not later than 15 months after receipt from the Secretary, any amount that is—

(A) paid to the unit from amounts appropriated under the authority of this section; and

(B) not expended by the unit within one year after receipt from the Secretary.

(2) **PENALTY FOR FAILURE TO REPAY.**—If the amount required to be repaid is not repaid, the Secretary shall reduce payments in future payment periods accordingly.

(3) **DEPOSIT OF AMOUNTS REPAYED.**—Amounts received by the Secretary as repayments under this subsection shall be deposited in the Local Government Fiscal Assistance Fund for future payments to units of general local government.

**(f) EXPENDITURE WITH DISADVANTAGED BUSINESS ENTERPRISES.—**

(1) **GENERAL RULE.**—Of amounts paid to a unit of general local government under this chapter for a payment period, not less than 10 percent of the total combined amounts obligated by the unit for contracts and subcontracts shall be expended with—

(A) small business concerns controlled by socially and economically disadvantaged individuals and women;

(B) historically Black colleges and universities and colleges and universities having a