

105TH CONGRESS
2D SESSION

H. R. 3921

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 HOUSE OF REPRESENTATIVES

MAY 20, 1998

Mr. PORTMAN (for himself, Mr. HOYER, Mr. HORN, Mr. MORAN of Virginia, Mr. SESSIONS, Mr. CONDIT, Mr. DAVIS of Virginia, Mr. KUCINICH, Mr. SHAYS, Mr. MCGOVERN, Mr. TALENT, Mr. SANFORD, Ms. DELAURO, Mr. SUNUNU, Ms. KILPATRICK, and Mr. WEYGAND) introduced the following bill; which was referred to the Committee on Government Reform and Oversight

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,*

3 **SECTION 1. TITLE.**

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

1 **SEC. 2. FINDINGS.**

2 Congress finds that—

3 (1) there are over 600 different Federal finan-
4 cial assistance programs to implement domestic pol-
5 icy;

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

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

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

19 **SEC. 3. PURPOSES.**

20 The purposes of this Act are to—

21 (1) improve the effectiveness and performance
22 of Federal financial assistance programs;

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

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

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

3 **SEC. 4. DEFINITIONS.**

4 In this Act:

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

11 (2) DIRECTOR.—The term “Director” means
12 the Director of the Office of Management and Budg-
13 et.

14 (3) FEDERAL AGENCY.—The term “Federal
15 agency” means any agency as defined under section
16 551(1) of title 5, United States Code.

17 (4) FEDERAL FINANCIAL ASSISTANCE PRO-
18 GRAM.—The term “Federal financial assistance pro-
19 gram” means a domestic assistance program (as de-
20 fined under section 6101(4) of title 31, United
21 States Code) under which financial assistance is
22 available, directly or indirectly, to a State, local, or
23 tribal government or a qualified organization to
24 carry out activities consistent with national policy
25 goals.

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

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

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

9 (C) a local educational agency as defined
10 under section 14101(18) of the Elementary and
11 Secondary Education Act of 1965 (20 U.S.C.
12 8801(18)).

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

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

22 (8) TRIBAL GOVERNMENT.—The term “tribal
23 government” means the governing entity of an In-
24 dian tribe, as that term is defined in the Indian Self

1 Determination and Education Assistance Act (25
2 U.S.C. 450b).

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

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

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

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

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

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

22 (5) use of common rules for multiple Federal fi-
23 nancial assistance programs across different Federal
24 agencies;

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

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

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

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

20 (c) LEAD AGENCY AND WORKING GROUPS.—The Di-
21 rector may designate a lead agency to assist the Director
22 in carrying out the responsibilities under this section. The
23 Director may use interagency working groups to assist in
24 carrying out such responsibilities.

25 (d) REVIEW OF PLANS AND REPORTS.—

1 (1) IN GENERAL.—The Director shall—

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

4 (B) monitor the annual performance of
5 each agency toward achieving the goals and ob-
6 jectives stated in the agency plan; and

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

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

15 (e) EXEMPTIONS.—

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

21 (2) AGENCIES EXEMPTED.—Not later than No-
22 vember 1 of each fiscal year, the Director shall sub-
23 mit to the Committee on Governmental Affairs of
24 the Senate and the Committee on Government Re-

1 form and Oversight of the House of Representa-
2 tives—

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

5 (B) an explanation for each such exemp-
6 tion.

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

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

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

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

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

24 (3) demonstrates agency use, or plans for use,
25 of the uniform application (or set of applications)

1 and system developed under section 5(a) (1) and
2 (3);

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

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

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

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

20 (b) PLAN CONSISTENT WITH STATUTORY REQUIRE-
21 MENTS.—Each plan developed and implemented under
22 this section shall be consistent with statutory require-
23 ments relating to any applicable Federal financial assist-
24 ance program.

1 (c) COMMENT AND CONSULTATION ON AGENCY
2 PLANS.—

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

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

19 (d) SUBMISSION OF PLAN.—Each Federal agency
20 shall submit the plan developed under subsection (a) to
21 the Director and Congress and report annually thereafter
22 on the implementation of the plan and performance of the
23 agency in meeting the goals and objectives specified under
24 subsection (a)(7). Such a report may be included as part

1 of any of the general management reports required under
2 law.

3 **SEC. 7. EVALUATION.**

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

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

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

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

19 (3) assess the level of coordination and coopera-
20 tion among the Director, Federal agencies, State,
21 local, and tribal governments, and qualified organi-
22 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.

