

106TH CONGRESS
1ST SESSION

H. R. 409

IN THE SENATE OF THE UNITED STATES

FEBRUARY 25, 1999

Received; read twice and referred to the Committee on Governmental Affairs

AN ACT

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. SHORT TITLE.**

2 This Act may be cited as the “Federal Financial As-
3 sistance Management Improvement Act of 1999”.

4 **SEC. 2. FINDINGS.**

5 The 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) the Nation’s State, local, and tribal govern-
15 ments and private, nonprofit organizations are deal-
16 ing with increasingly complex problems which re-
17 quire the delivery and coordination of many kinds of
18 services; and

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

23 **SEC. 3. PURPOSES.**

24 The purposes of this Act are to—

25 (1) improve the effectiveness and performance
26 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) **DIRECTOR.**—The term “Director” means
10 the Director of the Office of Management and Budget.
11 et.

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

15 (3) **FEDERAL FINANCIAL ASSISTANCE.**—The
16 term “Federal financial assistance” has the meaning
17 given that term in section 7501(a)(5) of title 31,
18 United States Code, under which Federal financial
19 assistance is provided, directly or indirectly, to a
20 non-Federal entity.

21 (4) **LOCAL GOVERNMENT.**—The term “local
22 government” means a political subdivision of a State
23 that is a unit of general local government (as de-
24 fined under section 7501(a)(11) of title 31, United
25 States Code);

1 (5) NON-FEDERAL ENTITY.—The term “non-
2 Federal entity” means a State, local government, or
3 nonprofit organization.

4 (6) NONPROFIT ORGANIZATION.—The term
5 “nonprofit organization” means any corporation,
6 trust, association, cooperative, or other organization
7 that—

8 (A) is operated primarily for scientific,
9 educational, service, charitable, or similar pur-
10 poses in the public interest;

11 (B) is not organized primarily for profit;
12 and

13 (C) uses net proceeds to maintain, im-
14 prove, or expand the operations of the organiza-
15 tion.

16 (7) STATE.—The term “State” means any
17 State of the United States, the District of Columbia,
18 the Commonwealth of Puerto Rico, the Virgin Is-
19 lands, Guam, American Samoa, the Commonwealth
20 of the Northern Mariana Islands, and the Trust
21 Territory of the Pacific Islands, and any instrumen-
22 tality thereof, any multi-State, regional, or interstate
23 entity which has governmental functions, and any
24 Indian Tribal Government.

1 (8) TRIBAL GOVERNMENT.—The term “tribal
2 government” means an Indian tribe, as that term is
3 defined in section 7501(a)(9) of title 31, United
4 States Code.

5 (9) UNIFORM ADMINISTRATIVE RULE.—The
6 term “uniform administrative rule” means a govern-
7 ment-wide uniform rule for any generally applicable
8 requirement established to achieve national policy
9 objectives that applies to multiple Federal financial
10 assistance programs across Federal agencies.

11 **SEC. 5. DUTIES OF FEDERAL AGENCIES.**

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

15 (1) streamlines and simplifies the application,
16 administrative, and reporting procedures for Federal
17 financial assistance programs administered by the
18 agency;

19 (2) demonstrates active participation in the
20 interagency process under section 6(a)(2);

21 (3) demonstrates appropriate agency use, or
22 plans for use, of the common application and report-
23 ing system developed under section 6(a)(1);

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

4 (5) allows applicants to electronically apply for,
5 and report on the use of, funds from the Federal fi-
6 nancial assistance program administered by the
7 agency in a manner not inconsistent with the Gov-
8 ernment Paperwork Elimination Act (title XVII of
9 Public Law 105–277);

10 (6) ensures recipients of Federal financial as-
11 sistance provide timely, complete, and high quality
12 information in response to Federal reporting re-
13 quirements; and

14 (7) establishes specific annual goals and objec-
15 tives to further the purposes of this Act and meas-
16 ure annual performance in achieving those goals and
17 objectives, which may be done as part of the agen-
18 cy’s annual planning responsibilities under the provi-
19 sions enacted in the Government Performance and
20 Results Act of 1993 (Public Law 103–62).

21 (b) EXTENSION.—If one or more agencies are unable
22 to comply with the requirements of subsection (a), the Di-
23 rector shall report to the Committee on Governmental Af-
24 fairs of the Senate and the Committee on Government Re-
25 form of the House of Representatives the reasons for non-

1 compliance. After consultation with such committees, the
2 Director may extend the period for plan development and
3 implementation for each noncompliant agency for up to
4 12 months.

5 (c) COMMENT AND CONSULTATION ON AGENCY
6 PLANS.—

7 (1) COMMENT.—Each agency shall publish the
8 plan developed under subsection (a) in the Federal
9 Register and shall receive public comment of the
10 plan through the Federal Register and other means
11 (including electronic means). To the maximum ex-
12 tent practicable, each Federal agency shall hold pub-
13 lic forums on the plan.

14 (2) CONSULTATION.—The lead official des-
15 ignated under subsection (a)(4) shall consult with
16 representatives of non-Federal entities during devel-
17 opment and implementation of the plan. Consulta-
18 tion with representatives of State, local, and tribal
19 governments shall be in accordance with section 204
20 of the Unfunded Mandates Reform Act of 1995
21 (Public Law 104–4; 2 U.S.C. 1534).

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

1 agency in meeting the goals and objectives specified under
2 subsection (a)(7). Such report may be included as part
3 of any of the general management reports required under
4 law.

5 (e) DEPARTMENT OF HOUSING AND URBAN DEVEL-
6 OPMENT.—(1) Not later than 18 months after the date
7 of the enactment of this Act, the Department of Housing
8 and Urban Development shall develop and implement a
9 plan that establishes policies and procedures regarding an
10 applicant who has submitted an application for Federal
11 financial assistance to the agency that includes a technical
12 deficiency under which—

13 (A) the applicant shall be notified promptly of
14 the deficiency and permitted to submit the appro-
15 priate information to correct the deficiency within 7
16 days of receipt of notice by the applicant of the defi-
17 ciency, notwithstanding that the deadline for sub-
18 mission of an application has expired;

19 (B) the application shall continue to be consid-
20 ered by the agency during the period before the ap-
21 plicant is notified and the 7-day period during which
22 the applicant is permitted to correct the deficiency;
23 and

1 (C) if the applicant corrects the deficiency with-
2 in the 7-day period, the agency shall continue to
3 consider the application.

4 (2) A deficiency (including, but not limited to, a
5 misfiling, error, or omission) may be considered technical
6 for purposes of this subsection notwithstanding a material
7 impact on the eligibility of an applicant or proposed activ-
8 ity for requested funding. A technical deficiency for pur-
9 poses of this subsection does not include the failure to sub-
10 mit a substantially complete application by a deadline pub-
11 lished in the Federal Register.

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

13 (a) IN GENERAL.—The Director, in consultation with
14 agency heads, and representatives of non-Federal entities,
15 shall direct, coordinate and assist Federal agencies in es-
16 tablishing:

17 (1)(A) a common application or set of common
18 applications, wherein a non-Federal entity can apply
19 for Federal financial assistance from multiple Fed-
20 eral financial assistance programs that serve similar
21 purposes and are administered by different Federal
22 agencies;

23 (B) a common system, including electronic
24 processes, wherein a non-Federal entity can apply
25 for, manage, and report on the use of funding from

1 multiple Federal financial assistance programs that
2 serve similar purposes and are administered by dif-
3 ferent Federal agencies; and

4 (C) uniform administrative rules for Federal fi-
5 nancial assistance programs across different Federal
6 agencies.

7 (2) An interagency process for addressing—

8 (A) ways to streamline and simplify Fed-
9 eral financial assistance administrative proce-
10 dures and reporting requirements for non-Fed-
11 eral entities;

12 (B) improved interagency and intergovern-
13 mental coordination of information collection
14 and sharing of data pertaining to Federal fi-
15 nancial assistance programs, including appro-
16 priate information sharing consistent with the
17 provisions in the Privacy Act of 1974 (Public
18 Law 93–579); and

19 (C) improvements in the timeliness, com-
20 pleteness, and quality of information received
21 by Federal agencies from recipients of Federal
22 financial assistance.

23 (b) 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 (c) REVIEW OF PLANS AND REPORTS.—Agencies
4 shall submit to the Director, upon his request and for his
5 review, information and other reporting regarding their
6 implementation of this Act.

7 (d) EXEMPTIONS.—The Director may exempt any
8 Federal agency or Federal financial assistance program
9 from the requirements of this Act if the Director deter-
10 mines that the Federal agency does not have a significant
11 number of Federal financial assistance programs. The Di-
12 rector shall maintain a list of exempted agencies which
13 will be available to the public through the Internet site
14 of the Office of Management and Budget.

15 (e) REPORT ON RECOMMENDED CHANGES IN LAW.—
16 Not later than 18 months after the date of the enactment
17 of this Act, the Director shall submit to Congress a report
18 containing recommendations for changes in law to improve
19 the effectiveness and performance of Federal financial as-
20 sistance programs.

21 **SEC. 7. EVALUATION.**

22 (a) IN GENERAL.—The Director (or the lead agency
23 designated under section 6(b)) shall contract with the Na-
24 tional Academy of Public Administration to evaluate the
25 effectiveness of this Act. Not later than 4 years after the

1 date of the enactment of this Act, the evaluation shall be
2 submitted to the lead agency, the Director, and Congress.
3 The evaluation shall be performed with input from State,
4 local, and tribal governments, and nonprofit organizations.

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

7 (1) assess the effectiveness of this Act in meet-
8 ing the purposes of this Act and make specific rec-
9 ommendations to further the implementation of this
10 Act;

11 (2) evaluate actual performance of each agency
12 in achieving the goals and objectives stated in agen-
13 cy plans;

14 (3) assess the level of coordination among the
15 Director, Federal agencies, State, local, and tribal
16 governments, and nonprofit organizations in imple-
17 menting this Act.

18 **SEC. 8. COLLECTION OF INFORMATION.**

19 Nothing in this Act shall be construed to prevent the
20 Director or any Federal agency from gathering, or to ex-
21 empt any recipient of Federal financial assistance from
22 providing, information that is required for review of the
23 financial integrity or quality of services of an activity as-
24 sisted by a Federal financial assistance program.

1 **SEC. 9. JUDICIAL REVIEW.**

2 There shall be no judicial review of compliance or
3 noncompliance with any of the provisions of this Act. No
4 provision of this Act shall be construed to create any right
5 or benefit, substantive or procedural, enforceable by any
6 administrative or judicial action.

7 **SEC. 10. STATUTORY REQUIREMENTS.**

8 Nothing in this Act shall be construed as a means
9 to deviate from the statutory requirements relating to ap-
10 plicable Federal financial assistance programs.

11 **SEC. 11. EFFECTIVE DATE AND SUNSET.**

12 This Act shall take effect on the date of the enact-
13 ment of this Act and shall cease to be effective five years
14 after such date of enactment.

15 **SEC. 12. SENSE OF THE CONGRESS REGARDING FEDERAL**
16 **FINANCIAL ASSISTANCE.**

17 It is the sense of the Congress that Federal agencies,
18 in providing Federal financial assistance for the purpose
19 of economic development, should focus primarily on com-
20 munities with high poverty and unemployment rates.

 Passed the House of Representatives February 24,
1999.

Attest:

JEFF TRANDAHL,

Clerk.