

106TH CONGRESS  
1ST SESSION

# S. 468

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## 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,*

3       **SECTION 1. SHORT TITLE.**

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

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) the Nation's State, local, and tribal govern-  
12 ments and private, nonprofit organizations are deal-  
13 ing with increasingly complex problems which re-  
14 quire the delivery and coordination of many kinds of  
15 services; and

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

20 **SEC. 3. PURPOSES.**

21 The purposes of this Act are to—

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

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

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

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

5 **SEC. 4. DEFINITIONS.**

6       In this Act:

7           (1) **DIRECTOR.**—The term “Director” means  
8       the Director of the Office of Management and Budg-  
9       et.

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

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

19          (4) **LOCAL GOVERNMENT.**—The term “local  
20       government” means a political subdivision of a State  
21       that is a unit of general local government (as de-  
22       fined under section 7501(a)(11) of title 31, United  
23       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.—Except as provided under sub-  
13   section (b), not later than 36 months after the date of  
14   enactment of this Act, each Federal agency shall develop  
15   and implement, including promulgation of rules and  
16   amendments to existing collections of information, a plan  
17   that—

18           (1) streamlines and simplifies the application,  
19       administrative, and reporting procedures for Federal  
20       financial assistance programs administered by the  
21       agency;

22           (2) demonstrates active participation in the  
23       interagency process under section 6(a)(2);

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

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

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

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

15          (7) in cooperation with recipients of Federal fi-  
16          nancial assistance, establishes specific annual goals  
17          and objectives to further the purposes of this Act  
18          and measure annual performance in achieving those  
19          goals and objectives, which may be done as part of  
20          the agency's annual planning responsibilities under  
21          the Government Performance and Results Act of  
22          1993 (Public Law 103-62; 107 Stat. 285).

23          (b) EXTENSION.—If an agency is unable to comply  
24          with the requirements of subsection (a)(5), the Director  
25          may extend the period for the agency to develop and im-

1 plement a plan that allows applicants to electronically  
2 apply for, and report on the use of, funds from Federal  
3 financial assistance programs administered by the agency  
4 to October 31, 2003.

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 (2  
21 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 **SEC. 6. DUTIES OF THE DIRECTOR.**

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

10 (1) a common application and reporting system,  
11 including—

12 (A) a common application or set of com-  
13 mon applications, wherein a non-Federal entity  
14 can apply for Federal financial assistance from  
15 multiple Federal financial assistance programs  
16 that serve similar purposes and are adminis-  
17 tered by different Federal agencies;

18 (B) a common system, including electronic  
19 processes, wherein a non-Federal entity can  
20 apply for, manage, and report on the use of  
21 funding from multiple Federal financial assist-  
22 ance programs that serve similar purposes and  
23 are administered by different Federal agencies;  
24 and



1 (C) uniform administrative rules for Fed-  
2 eral financial assistance programs across dif-  
3 ferent Federal agencies; and

4 (2) an interagency process for addressing—

5 (A) ways to streamline and simplify Fed-  
6 eral financial assistance administrative proce-  
7 dures and reporting requirements for non-Fed-  
8 eral entities;

9 (B) improved interagency and intergovern-  
10 mental coordination of information collection  
11 and sharing of data pertaining to Federal fi-  
12 nancial assistance programs, including appro-  
13 priate information sharing consistent with sec-  
14 tion 552a of title 5, United States Code; and

15 (C) improvements in the timeliness, com-  
16 pleteness, and quality of information received  
17 by Federal agencies from recipients of Federal  
18 financial assistance.

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

24 (c) REVIEW OF PLANS AND REPORTS.—Upon the re-  
25 quest of the Director, agencies shall submit to the Direc-

1 tor, for the Director's review, information and other re-  
2 porting regarding agency implementation of this Act.

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

11 (e) REPORT ON RECOMMENDED CHANGES IN LAW.—  
12 Not later than 18 months after the date of the enactment  
13 of this Act, the Director shall submit to Congress a report  
14 containing recommendations for changes in law to improve  
15 the effectiveness, performance, and coordination of Fed-  
16 eral financial assistance programs.

17 (f) DEADLINE.—All actions required under this sec-  
18 tion shall be carried out not later than 18 months after  
19 the date of enactment of this Act.

20 **SEC. 7. EVALUATION.**

21 (a) IN GENERAL.—The General Accounting Office  
22 shall evaluate the effectiveness of this Act. Not later than  
23 6 years after the date of enactment of this Act, the evalua-  
24 tion shall be submitted to the lead agency, the Director,  
25 and Congress. The evaluation shall be performed with

1 input from State, local, and tribal governments, and non-  
2 profit organizations.

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

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

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

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

16 **SEC. 8. COLLECTION OF INFORMATION.**

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

23 **SEC. 9. JUDICIAL REVIEW.**

24 There shall be no judicial review of compliance or  
25 noncompliance with any of the provisions of this Act. No

1 provision of this Act shall be construed to create any right  
2 or benefit, substantive or procedural, enforceable by any  
3 administrative or judicial action.

4 **SEC. 10. STATUTORY REQUIREMENTS.**

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

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

9 This Act shall take effect on the date of enactment  
10 of this Act and shall cease to be effective 8 years after  
11 such date of enactment.

Passed the Senate July 15, 1999.

Attest:

*Secretary.*

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