

PUBLIC LAW 106-107—NOV. 20, 1999

FEDERAL FINANCIAL ASSISTANCE  
MANAGEMENT IMPROVEMENT ACT OF 1999

Public Law 106–107  
106th Congress

An Act

Nov. 20, 1999  
[S. 468]

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.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

Federal Financial  
Assistance  
Management  
Improvement Act  
of 1999.  
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note.  
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note.

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “Federal Financial Assistance Management Improvement Act of 1999”.

**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) the Nation’s State, local, and tribal governments and private, nonprofit organizations are dealing with increasingly complex problems which 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.

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**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.

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**SEC. 4. DEFINITIONS.**

In this Act:

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

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

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

(4) **LOCAL GOVERNMENT.**—The term “local government” means a political subdivision of a State that is a unit of general local government (as defined under section 7501(a)(11) of title 31, United States Code).

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

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

(A) is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest;

(B) is not organized primarily for profit; and

(C) uses net proceeds to maintain, improve, or expand the operations of the organization.

(7) **STATE.**—The term “State” means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, and any instrumentality thereof, any multi-State, regional, or interstate entity which has governmental functions, and any Indian Tribal Government.

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

(9) **UNIFORM ADMINISTRATIVE RULE.**—The term “uniform administrative rule” means a Governmentwide uniform rule for any generally applicable requirement established to achieve national policy objectives that applies to multiple Federal financial assistance programs across Federal agencies.

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

(a) **IN GENERAL.**—Except as provided under subsection (b), not later than 18 months after the date of the 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 Federal financial assistance programs administered by the agency;

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

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

(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) ensures recipients of Federal financial assistance provide timely, complete, and high quality information in response to Federal reporting requirements; and

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

(b) EXTENSION.—If a Federal agency is unable to comply with subsection (a), the Director may extend for up to 12 months the period for the agency to develop and implement a plan in accordance with subsection (a).

(c) COMMENT AND CONSULTATION ON AGENCY PLANS.—

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

(2) CONSULTATION.—The lead official designated under subsection (a)(4) shall consult with representatives of non-Federal entities during development and implementation 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 report may be included as part of any of the general management reports required under law.

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publication.

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

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

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

(A) a common application or set of common applications, wherein a non-Federal entity can apply for Federal financial assistance from multiple Federal financial assistance programs that serve similar purposes and are administered by different Federal agencies;

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

(C) uniform administrative rules for Federal financial assistance programs across different Federal agencies; and

(2) an interagency process for addressing—

(A) ways to streamline and simplify Federal financial assistance administrative procedures and reporting requirements for non-Federal entities;

(B) improved interagency and intergovernmental coordination of information collection and sharing of data pertaining to Federal financial assistance programs,

including appropriate information sharing consistent with section 552a of title 5, United States Code; and

(C) improvements in the timeliness, completeness, and quality of information received by Federal agencies from recipients of Federal financial assistance.

(b) **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 inter-agency working groups to assist in carrying out such responsibilities.

(c) **REVIEW OF PLANS AND REPORTS.**—Upon the request of the Director, agencies shall submit to the Director, for the Director’s review, information and other reporting regarding agency implementation of this Act.

(d) **EXEMPTIONS.**—The Director may exempt any Federal agency or Federal financial assistance program from the requirements of this Act if the Director determines that the Federal agency does not have a significant number of Federal financial assistance programs. The Director shall maintain a list of exempted agencies which shall be available to the public through the Office of Management and Budget’s Internet site.

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

(f) **DEADLINE.**—All actions required under this section shall be carried out not later than 18 months after the date of the enactment of this Act.

Records.

Deadline.

#### **SEC. 7. EVALUATION.**

(a) **IN GENERAL.**—The General Accounting Office shall evaluate the effectiveness of this Act. Not later than 6 years after the date of the enactment of this Act, the evaluation shall be submitted to the lead agency, the Director, and Congress. The evaluation shall be performed with input from State, local, and tribal governments, and nonprofit organizations.

(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 among the Director, Federal agencies, State, local, and tribal governments, and nonprofit organizations in implementing this Act.

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Deadline.

#### **SEC. 8. COLLECTION OF INFORMATION.**

Nothing in this Act shall be construed to prevent the Director or any Federal agency from gathering, or to exempt any recipient of Federal financial assistance from providing, information that is required for review of the financial integrity or quality of services of an activity assisted by a Federal financial assistance program.

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#### **SEC. 9. JUDICIAL REVIEW.**

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

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Act shall be construed to create any right or benefit, substantive or procedural, enforceable by any administrative or judicial action.

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**SEC. 10. STATUTORY REQUIREMENTS.**

Nothing in this Act shall be construed as a means to deviate from the statutory requirements relating to applicable Federal financial assistance programs.

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

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

Approved November 20, 1999.

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**LEGISLATIVE HISTORY—S. 468 (H.R. 409):**

SENATE REPORTS: No. 106–103 (Comm. on Governmental Affairs).

CONGRESSIONAL RECORD, Vol. 145 (1999):

July 15, considered and passed Senate.

Nov. 2, considered and passed House, amended.

Nov. 4, Senate concurred in House amendment.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 35 (1999):

Nov. 20, Presidential statement.

