AGENCY REPORTS ON S. 735 AND S. 458

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., March 13, 1967.

Hon. EDMUND S. MUSKIE,
Chairman, Subcommittee on Intergovermental Relations, Committee on Government Operations, U.S. Senate.

DEAR MR. CHAIRMAN: Your letter of February 28, 1967, transmitted a copy of S. 458, 90th Congress which has as its stated purpose "To provide for periodic congressional review of Federal grants-in-aid to States and to local units of government."

This measure is identical with S. 2114, 88th Congress, as that bill was passed by the Senate on June 19, 1964. As indicated in the report of the General Accounting Office on S. 2114, as originally introduced, and the testimony of its representatives which appears at page 56 of the published Hearings before your Subcommittee on S. 2114, January 14, 15 and 16, 1964, the General Accounting Office was strongly in accord with the objectives of the bill and recommended that it be given favorable consideration with certain suggested changes which were adopted. These changes are incorporated in S. 458.

We are strongly in accord with the objectives of S. 458, which would appear to be beneficial not only as an additional device for strengthing congressional control over Federal grants-in-aid but also as an additional means for acquiring current information as a basis for legislation in the complex and fast changing area of Federal-State-local relationships. We recommend that S. 458 be given favorable consideration.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS,
Washington, D.C., March 14, 1967.

Hon. EDMOND S. MUSKIE,
Chairman, Senate Subcommittee on Intergovernmental Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request of February 28 for the views and recommendations of the Commission with respect to S. 458, a bill "to provide for periodic congressional review of Federal grants-in-aid to States and to local units of government," and S. 735, the proposed "Federal Grant-in-Aid Review Act of 1967."

These bills, as well as Title V of the proposed Intergovernmental Cooperation Act of 1967 (S. 698), would provide for a uniform policy and procedure for systematic Congressional review of any grant program established subsequent to enactment of the legislation. In addition, both provide that each such grant-in-aid program enacted without a designated termination date shall expire on June 30 of the fifth calendar year which begins after the effective date of the Act. Finally, both stipulate that each grant-in-aid program of three years or more, authorized in the 90th (S. 458 cites the 89th, but we assume this is a clerical error) or any subsequent Congress, shall be reviewed by the Congress during the two years preceding the date upon which such program is to be terminated.

S. 458 differs from S. 735 essentially by its inclusion of Sections 4, 5, and 6 which, respectively, would provide (a) for studies of existing and future grant-in-aid programs by the Comptroller General, (b) for studies by the Advisory Commission on Intergovernmental Relations of the intergovernmental aspect of programs subject to provisions of section 3 on request of Congressional Committees, and (c) that State and local units of government would be required to keep financial records of programs receiving support from Federal grants-in-aid and that these records be open for inspection and audited by the heads of Federa agencies administering the grants and by the Comptroller General. S. 458 i nearly identical to S. 2114, which was passed by the Senate in the 88th Congress and to Title II of S. 561, as it passed the Senate in the 89th Congress.

S. 735 does not include the three titles discussed above. In addition, it differ from S. 458 and Title V of S. 698 in two other respects. First, Section 4(b) (2 authorizes each standing committee of the Senate and House of Representative to employ a review specialist to assist in carrying out the purposes of the legis lation. This provision further implements the recommendations of the Join