

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., March 5, 1968.

Hon. JOHN L. McCLELLAN,
Chairman, Committee on Government Operations, U.S. Senate, New Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of February 20, 1968, requesting the views of the Bureau of the Budget on S. 2981, the "Joint Funding Simplification Act of 1968."

S. 2981 was developed in response to the President's request—in his March 17 Message on the Quality of American Government—for legislation that would make it possible "... for Federal agencies to combine related grants into a single financial package, thus simplifying the financial and administrative procedures—without disturbing, however, the separate authorizations, appropriations, and substantive requirements for each grant-in-aid program."

Separate Federal assistance programs should be amenable to joint utilization in single projects within which the several programs are melded to achieve mutual objectives. Such combinations of related programs would enable State and local governments and other grantees to use the wide variety of Federal assistance programs more effectively and efficiently.

However, such combinations cannot be "packaged" and administered easily under existing laws and regulations. Each Federal grant program may have different requirements in such matters as application forms, accounting procedures, advisory panels, reporting dates, etc. Further, the grantees must often work with several Federal agencies (or constituent elements of a single agency)—each with its own distinct administrative practices. As a result, considerable effort is required and significant delays are encountered.

The purpose of S. 2981 is to remove or simplify certain administrative and technical impediments which hamper or prevent the consideration, processing, approval and administration of projects which draw upon resources available from more than one Federal agency, program or appropriation. The bill would enable State and local governments and other public or private agencies to use Federal financial assistance under two or more programs in support of multi-purpose projects. Under the bill:

Federal agency heads would be authorized to establish uniform requirements respecting technical or administrative provisions of law so that jointly funded projects would not have to be subject to varying or conflicting rules or procedures;

In appropriate cases, Federal agencies would have authority to delegate to other agencies power to approve portions of projects on their behalf;

Federal agency heads could establish joint management funds in their agencies to finance multi-purpose projects drawing upon appropriations from several different accounts;

The President would prescribe appropriate regulations for, and approve agency delegations of power and functions under the bill. He would make reports to the Congress on actions taken, and make recommendations for additional legislative action, including proposals for consolidation, simplification or coordination of grant programs.

The authority contained in the bill would expire after three years.

The Joint Funding Simplification Act of 1968 would not affect substantive provisions of law relating to Federal assistance programs such as eligibility criteria, maintenance of effort, matching ratios, authorization levels, program availability, etc. Problems presented by the diversity in such provisions as these would be studied in connection with proposals for grant consolidation which the President also requested the Director of the Bureau of the Budget to explore in the Message on the Quality of American Government. That effort is now underway. Experience gained under the Joint Funding Simplification Act will be of great assistance in the development of a workable grant consolidation program.

Accordingly, the Bureau of the Budget recommends enactment of S. 2981.

Sincerely yours,

WILFRED H. ROMMEL,
Assistant Director for Legislative Reference.