

as contemplated by title VI of S. 698, title VI of H.R. 5770, title III of H.R. 8194, and similar bills now pending in the Congress.

With respect to specific provisions of the bill, section 8 authorizes the establishment of joint management funds to account for projects financed from more than one Federal program or appropriation with any excess funds therein being returned to the participating Federal agencies in accordance with a formula mutually acceptable as providing an equitable distribution, and for effecting returns accordingly to the applicable appropriations. Consideration should be given to the extent to which this procedure might reduce congressional control over the appropriations for the individual programs. Also, section 9(a) would have the effect of permitting any appropriation that is available for training or technical assistance purposes to be used for any other Federal assistance program that becomes involved in joint funding, although the latter program may not have funds approved for training and technical assistance purposes. This could result in significant amounts of training and technical assistance funds being used for purposes beyond those for which they were originally authorized and appropriated.

Sincerely yours,

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

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., May 16, 1968.

HON. JOHN L. MCCLELLAN,
Chairman, Committee on Government Operations,
U.S. Senate.

DEAR MR. CHAIRMAN: This letter is in response to your request of February 20, 1968, for a report on S. 2981, a bill "To provide temporary authority to expedite procedures for consideration and approval of projects drawing upon more than one Federal assistance program, to simplify requirements for the operation of those projects, and for other purposes."

The proposed joint funding simplification bill offers a basis for needed improvement in our methods of supporting activities which cut across program and agency lines. Our Department continues to strive toward improving and simplifying our support mechanisms. We believe that S. 2981 will make a significant contribution to our pursuit of this goal by permitting a simplified, better coordinated and more expeditious review, approval and post award administration of jointly funded projects.

Specifically Section 6(b), provides an important new means by which Federal agency heads may arrange for joint review of proposals by a single panel, board, or committee in lieu of separate reviews. Moreover, Section 6(c) authorizes the waiver, in certain circumstances, of single state agency requirements, thereby permitting a more responsive and effective use of aid funds in meeting State, local, and other grantee needs and affording States needed flexibility in recognition of the comprehensive nature of some of our new programs.

In authorizing the establishment of joint management funds, the accounting and administration will be streamlined and simplified both for recipient institutions and awarding agencies. In addition, the establishment of uniform administrative and technical requirements encouraged by Section 6(a) will go far in reducing the administrative complexities which often stand in the way of responsive program administration.

In summary this Department strongly endorses the concepts of grant simplification reflected in the proposed bill, and we feel that the temporary authority requested in S. 2981 will permit an application of these concepts to help solve the mounting problems associated with the increasing complexity of Federal aid administration.

We are advised by the Bureau of the Budget that there is no objection to the presentation of this report and that enactment of this legislative proposal would be in accord with the Administration's program.

Sincerely,

WILBUR J. COHEN, *Secretary.*