

Title IX: This title of S. 698 establishes a uniform policy on land acquisition practices used in Federal and federally assisted development programs, and complements the previous relocation title.

Title IX of S. 698 incorporates the three land acquisition proposals that formerly appeared as section 10 of S. 1681, plus other land acquisition provisions adapted from sections 101-106 and 112 of S. 1201. (89th Congress.) In effect, this title represents the first attempt by the Federal Government to establish a uniform policy on land acquisition practices covering both Federal and federally assisted development programs.

The next portion of our statement deals, Mr. Chairman, with amendment No. 748 to S. 698, which recently was introduced by you, Mr. Chairman, dealing with "Accounting auditing, and reporting of grant-in-aid funds." This proposed new title would carry out a specific recommendation adopted by the Advisory Commission in its report on "Fiscal balance in the American Federal system" and we strongly urge its enactment.

A recent study by the State budget officers (NASBO) of Federal grant-in-aid requirements which impede State administration showed considerable dissatisfaction with the detailed, burdensome, and slow auditing and reporting procedures required by Federal grant programs. The variation between Federal and State requirements and among Federal requirements regarding frequency, classification systems, and methods of accounting were cited as creating particular problems. The excessively detailed reports on subprograms were mentioned by one State official who indicated that 54 individual fiscal reports must be prepared and filed regarding expenditures of funds under the Vocational Education Act at both State and local levels, taking weeks of staff time.

Although the difference in Federal program objectives, magnitude, and administrative arrangements can hardly be expected to yield completely to uniform reporting and accounting requirements, there remains the question of whether existing requirements are reasonable in their demands. Most State and local officials feel they are not and at least some Federal aid administrators agree.

In its recent report on "Fiscal balance in the American Federal system," the Advisory Commission adopted a three-pronged recommendation urging enactment of general legislation by the Congress applicable to grants-in-aid to the States whereby: (1) the Comptroller General would study and review the accounting and auditing systems of State Governments receiving Federal grants-in-aid and ascertain their general adequacy and integrity; (2) for those States meeting certified standards, the results of State audits of the expenditure of Federal grant funds would be accepted by Federal administrators in lieu of their own fiscal audits as long as the State accounting and auditing system continued to meet the prescribed standards; and (3) this authorization would be extended at the discretion of the Comptroller General to units of local government receiving sizeable grants directly from Federal agencies.

Concluding the discussion of the proposed new title, this new title seeks to develop new intergovernmental arrangements in the accounting and auditing field which would lead to a significant saving in time and energy and provide the basis for significant improvements in intergovernmental fiscal management without in any way shortcutting the