

**STATEMENT OF THE HONORABLE WM. LACY CLAY
AT THE HEARING ON
STREAMLINING THE FEDERAL GRANTS PROCESS**

APRIL 29, 2003

Thank you Mr. Chairman for holding this hearing, and I would like to thank all of the witnesses who have taken the time to be with us today to evaluate the implementation of the Federal Financial Assistance Management Improvement Act.

I would like to take this opportunity to recognize one of the witnesses who is a fellow Missourian. Karen Miller is the incoming President of the National Association of Counties and is from Boone County Missouri. Boone County is a part of the Columbia Missouri Metropolitan area, and one of the faster growing areas in the state. Between 1990 and 2000, Boone County population grew over 20%. That was nearly twice the growth rate for the state.

Ms. Miller is in her ninth year as a district commissioner for Boone County, and is responsible for Boone County public works and information technology. We look forward to her input for today's hearing both from her own experience in Boone County, and as the spokesperson for the National Association of Counties.

At the end of the first session of the 106th Congress, we passed the Federal Financial Assistance Management Improvement Act. We are now in the fourth year of the implementation of that Act, and part of our task today is to assess the progress on the implementation of the Act.

The current administration has chosen to focus the implementation of this act within its electronic governments projects. This seems appropriate since the goal of both the Financial Assistance Improvement Act and the electronic government initiative is to make government more efficient. However, the lack of funds for these electronic government initiatives is a serious concern. Without sufficient investment these projects will not achieve the intended goals.

Federal grants offer a maze of opportunities for state and local governments, for nonprofit groups, and for individuals. The system also offers an application system that is so complicated that it often discourages those who should apply. There are dozens of agencies offering grants on a single topic, and you may qualify for one and not the next without a clear understanding of why. Information critical to one application may be irrelevant to the next. Simply finding out what is available is one hurdle, filling out the applications is the next, and then the local government has to keep track of what money came from where and what it can be spent on. It is no wonder that both local and federal officials call for simplification.

Today we are going to examine just what simple means. For some it means block grants. Block grants bundle grants for a particular project in to a single fund, and give state and local governments more control over how the money is spent. For others, simplicity lies in the realm of accountability. The Federal government needs to know that the taxpayer dollars are being spent as directed, and not used for other purposes. For still others, simplicity lies in a single form for all grants. And some will tell us that simplicity is leaving things alone. They know how the system works, and too many changes will slow things down, not speed them up.

As we will learn today, the process for federal assistance has many dimensions, and what is important is often a function of where you sit. We will hear from a variety of experts today, and from those responsible for making the 1999 Act a reality. I look forward to a better understanding of a very complex subject by the end of this hearing.

Again, Mr. Chairman, thank you for holding this hearing, and I thank those who are testifying before us today.