

**One Hundred Third Congress
of the
United States of America**

AT THE SECOND SESSION

*Begun and held at the City of Washington on Tuesday, the twenty-fifth day of
January, one thousand nine hundred and ninety-four*

An Act

To provide a more effective, efficient, and responsive Government.

*Be it enacted by the Senate and House of Representatives of the United States of
America in Congress assembled,*

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE- This Act may be cited as the 'Government Management Reform Act of 1994'.

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TITLE IV--FINANCIAL MANAGEMENT

Sec. 401. Short title.

Sec. 402. Electronic payments.

Sec. 403. Franchise fund pilot programs.

Sec. 404. Simplification of management reporting process.

Sec. 405. Annual financial reports.

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SEC. 403. FRANCHISE FUND PILOT PROGRAMS.

(a) ESTABLISHMENT- There is authorized to be established on a pilot program basis in each of six executive agencies a franchise fund. The Director of the Office of Management and Budget, after consultation with the chairman and ranking members of the Committees on Appropriations and Governmental Affairs of the Senate, and the

Committees on Appropriations and Government Operations of the House of Representatives, shall designate the agencies.

(b) USES- Each such fund may provide, consistent with guidelines established by the Director of the Office of Management and Budget, such common administrative support services to the agency and to other agencies as the head of such agency, with the concurrence of the Director, determines can be provided more efficiently through such a fund than by other means. To provide such services, each such fund is authorized to acquire the capital equipment, automated data processing systems, and financial management and management information systems needed. Services shall be provided by such funds on a competitive basis.

(c) FUNDING-

(1) There are authorized to be appropriated to the franchise fund of each agency designated under subsection (a) such funds as are necessary to carry out the purposes of the fund, to remain available until expended. To the extent that unexpended balances remain available in other accounts for the purposes to be carried out by the fund, the head of the agency may transfer such balances to the fund.

(2) Fees for services shall be established by the head of the agency at a level to cover the total estimated costs of providing such services. Such fees shall be deposited in the agency's fund to remain available until expended, and may be used to carry out the purposes of the fund.

(3) Existing inventories, including inventories on order, equipment, and other assets or liabilities pertaining to the purposes of the fund may be transferred to the fund.

(d) REPORT ON PILOT PROGRAMS- Within 6 months after the end of fiscal year 1997, the Director of the Office of Management and Budget shall forward a report on the results of the pilot programs to the Committees on Appropriations of the Senate and of the House of Representatives, and to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives. The report shall contain the financial and program performance results of the pilot programs, including recommendations for--

(1) the structure of the fund;

(2) the composition of the funding mechanism;

(3) the capacity of the fund to promote competition; and

(4) the desirability of extending the application and implementation of franchise funds to other Federal agencies.

(e) PROCUREMENT- Nothing in this section shall be construed as relieving any agency of any duty under applicable procurement laws.

(f) TERMINATION- The provisions of this section shall expire on October 1, 2006.¹

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Speaker of the House of Representatives.

Vice President of the United States and

President of the Senate.

¹ As amended by Pub. L. 109–115, div. A, title VIII, § 831, Nov. 30, 2005, 119 Stat. 2472.