COMPT 76-1116

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11 August 1976

OMB Waiver Letter In ERU File

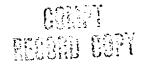
MEMORANDUM FOR THE RECORD

SUBJECT: Follow-up on Presidential Management Initiatives

STATINTL

and I spent yesterday afternoon at OMB discussing what actions the Agency had to take in response to the Presidential Management Initiatives. Following are the results, organized in parallel with the OMB instructions:

- 1. Decisionmaking and Departmental Organization
 - A. This has been done.
 - B. We will report the action as requested.
- C. OMB is asking for Objectives for both FY 1977 and 1978. We agreed that those we submit with our OMB budget on 15 September will extend into 1978 only if they involved a specific multi-year project. We may, however, have to provide more in the way of 1978 Objectives by late November.
 - D. The Comptroller will do this.
 - E. No action until we hear further from OMB.
 - F. I will discuss this further with our OMB examiner.
- 2. Evaluation of Current Programs
 - A. This has been done.
- B. We have requested descriptions of efficiency evaluations from the components.
 - C. No action until we hear further from OMB.
- 3. Reduction in the Burden of Federal Reporting and Regulation
 - A. This is not applicable to CIA.
- 4. Contracting Out and Holding Down Overhead Costs
- A. This is of questionable relevance to the Agency. I will, however, inquire whether we have done any past studies on contracting out. For example, OMB specifically mentioned contracting out for guard services, which they have found to be both cheaper and better.



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B. We will explain our methods of identifying overhead costs, controlling travel costs, and restraining the growth of ADP costs. As for cash management, this is not applicable to CIA. We will also explain our system for controlling costs of reproduction equipment and provide a brief description of our minimal audiovisual program. And we will tell them about our controls on telephone costs, mail costs, space allocation, and records disposal.

5. Personnel Management

Everything in this section can be taken care of by describing our existing systems.

Chief, Analysis Group
Resources Staff

Distribution:

O/Compt:AnG/

1 - Compt Chrono (FYI)

1 - Reading File

1 - AnG Chrono

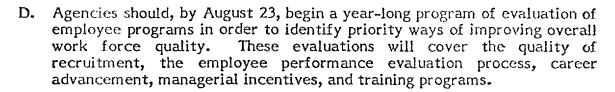
1 - DDA Group

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Agencies should, by September 3, begin a year-long program for the careful, systematic reexamination of internal position management and classification systems called for in the President's May 27 memorandum, in accordance with CSC instructions issued July 2.

OMB and CSC may specify special reviews or instructions on a selective basis, in agencies where there seem to be excessive problems of overgrading, duplication of work, or underutilization of personnel resources.

Agencies should institute a program to refine existing productivity measurements and extend them to a substantial number of functions not now covered. They should include a progress report on this program as part of their FY 1978 budget submission. General guidance and assistance will be provided by the Bureau of Labor Statistics and the National Center for Productivity and Quality of Working Life.

Agencies should increase the applied use of productivity measures in supporting staffing and budget requirements and for purposes of management evaluation and control. A government-wide goal of two percent improvement in productivity, in the functions currently measured, will be set between now and the end of FY 1978. Each agency should include projected improvements in its calculations for its FY 1978 budget request.

- Heads of agencies should take a personal interest in ensuring that Presidential employment ceilings for both full-time permanent and total employment are not exceeded.
- H. Agencies should evaluate their current internal systems for administering personnel ceilings to look for better ways of ensuring compliance with those ceilings and providing flexibility for intra-agency ceiling reallocation. A report on this evaluation should be submitted to OMB by Sentember 21.

Dickelyport 33 august

July 24, 1976

MEMORANDUM FOR:

DIRECTOR

OFFICE OF MANAGEMENT AND BUDGET

SUBJECT:

Management Initiatives

I think you will concur that our meeting yesterday on management issues was worthwhile. Many of the initiatives we have taken and many we have proposed to Congress — like our proposals for block grants, deregulation, and regulatory reform — have had a positive impact on the general management of government. Yesterday's meeting gave us an opportunity to focus solely on our managerial objectives and what our management priorities should be in the next two years.

As a follow-up to the meeting, I have over twenty specific sets of actions that I expect each of you to undertake. Some are to be done in the coming weeks. Some extend through FY 1978. These actions are directed at improving the processes within your agencies for setting priorities and for making and implementing decisions. They relate to evaluating and reducing the burden of Federal regulation, to cost reduction and to personnel management.

Each of these initiatives I consider important. As suggested in the meeting, just as it is more exciting to build a new boat than to scrape away the barnacles year after year, there is a tendency to give higher priority to a new dramatic policy initiative than to consider the programs we already have to see how they can be improved — to scrape away the "barnacles", that build up over time around almost any program or agency.

Within the next day or two OMB will confirm in writing to each of you what action I am requiring, how I should be kept informed and how its staff will help you carry out these initiatives.

I expect each of you to allocate whatevel exponal time iApproyed For Release 2001/07/16; GIA RDP79-00498A000364650022-9 time out on schedule. I know you have the capacity. And I know from the meeting that you have the will.

As I said at the close of our meeting, separate sessions devoted exclusively to management issues can serve a very useful purpose. I expect to continue to have such meetings, at least quarterly, and I have tentatively scheduled the next one for September. Judging from your enthusiasm at getting on with the job, it should be a very useful meeting.

Herold R. Ford

· OUCLUSTIED ·	ERNAL ONLY			CONFINENTIAL SECRET
Approved For Release 2	ROUTIN	G AND	RECOR	98A00030 00 ⁵⁰⁰²²⁻⁹ D SHEET
SUBJECT: (Optional)				
Presidenti	al Mana	gement I	nitiativ	ves (PMI)
FROM:			EXTENSION	TENSION NO.
C/MAS/DDA				DATE 16 August 1976
			5003	
TO: (Officer designation, room number, and building)	DATE		OFFICER'S	COMMENTS (Number each comment to show from whom
	RECEIVED	FORWARDED	INITIALS	to whom. Draw a line across column after each comment.)
1. A/I/DDA 7C-18, Hqs.				Hal: This will confirm our discussion
2.				
				Action
3.				/1. Identification of functions
			\	against which we maintain productivity measurements. (Ref: PMI
4.				Section 5 - Personnel Management) 2. Description of any past
5.		 		studies on contracting out of
				functions. (Ref: PMI Section 4 - Contracting Out and Holding Down
6.		-		Overhead Costs - Part A)
.				
<u>-</u>				3. Description of controls on records storage. (Ref: PMI
7.				Section 4 - Part B.10.)
8.				O/Compt is planning to forward
		STATI	NTL	August. did not give
9.				us a deadline but did request that we forward individual
				responses (thru MAS) as soon
10.				as possible.
				Information - Copy of:
11.				
1		STATIN	I TL	1. Last page of OMB letter on PMI, revised 9 August 76;
12.				2. Memo for Record from Ms.
				on results of meeting with OMB;
13.		-		3. President's letter to D/OMB
				dtd 24 July 76 on Management
14.				Initiatives.
				Helen
15.				
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