

*July: Pres Mgt
Metc*

11 August 1976

OMB Waiver Letter In ERU File

MEMORANDUM FOR THE RECORD

SUBJECT: Follow-up on Presidential Management Initiatives

STATINTL

[REDACTED] 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. *See from components 5 Sept.*

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.

[REDACTED]
Chief, Analysis Group
Resources Staff

STATINTL

Distribution:

- ✓Original - Compt Subject
- 1 - Compt Chrono (FYI)
- 1 - Reading File
- 1 - AnG Chrono
- 1 - DDA Group [REDACTED]

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O/Compt:AnG/[REDACTED]jes/6044 (11Aug76)

7 Aug 1978 Revision

D. Agencies should, by August 23, begin a year-long program of evaluation of employee programs in order to identify priority ways of improving overall work force quality. These evaluations will cover the quality of recruitment, the employee performance evaluation process, career advancement, managerial incentives, and training programs.

Completed
by
OP

E. 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.

F. 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.

G. 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.

OK
2001/07/16
Description

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 September 21.

Final report 23 August

4 32 PM '76
IMMEDIATE OFFICE
OF THE DIRECTOR
O.M.B.

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 whatever personal time is necessary to ensure that these initiatives are carried 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.

Gerald R. Ford

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Approved For Release 2001/07/16 : CIA-RDP79-00498A000300050022-9

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Presidential Management Initiatives (PMI)

FROM:

C/MAS/DDA

EXTENSION

5003

NO.

DATE

16 August 1976

TO: (Officer designation, room number, and building)

DATE

RECEIVED FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom 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 Section 5 - Personnel Management)

4.

2. Description of any past studies on contracting out of functions. (Ref: PMI Section 4 - Contracting Out and Holding Down Overhead Costs - Part A)

5.

6.

3. Description of controls on records storage. (Ref: PMI Section 4 - Part B.10.)

7.

8.

STATINTL

O/Compt is planning to forward its initial reply to OMB on 23 August. [redacted] did not give us a deadline but did request that we forward individual responses (thru MAS) as soon as possible.

9.

10.

Information - Copy of:

11.

STATINTL

1. Last page of OMB letter on PMI, revised 9 August 76;
2. Memo for Record from Ms. [redacted] on results of meeting with OMB;
3. President's letter to D/OMB dtd 24 July 76 on Management Initiatives.

14.

Helen
Helen

15.

FORM 3-62

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