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May 15, 1979

The Honorable Alan K. Campbell  
Director  
Office of Personnel Management  
Washington, D. C. 20415

Dear Mr. Campbell:

I am pleased to respond to your letter of March 8, 1979, inviting the Board of Governors of the Federal Reserve System to participate in the nominations for the President's Award for Distinguished Federal Civilian Service.

After a thorough consideration of all potential nominees for the award, we will not be making a nomination this year. We are interested in the goals and objectives of this award program and you can be assured of our continued support of your efforts.

Thank you for your consideration in this matter and your invitation to participate in this program.

Sincerely yours,

(Signed) John M. Denkler

John M. Denkler  
Staff Director

bcc: Mrs. Mallardi (WH-32) ✓  
Personnel  
Ms. Hobbs

JMH:mv

United States of America  
Office of  
Personnel Management

Washington, D.C. 20415

In Reply Refer To

March 8, 1979

WH-32

Your Reference:

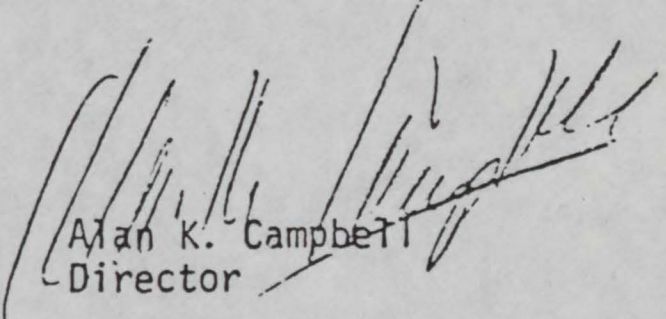
MEMORANDUM FOR HEADS OF DEPARTMENTS AND AGENCIES

Subject: 1978 President's Award for Distinguished Federal Civilian Service

I am pleased to announce that nominations for the 1978 President's Award for Distinguished Federal Civilian Service are now being accepted. The award is the highest honor which may be granted to a member of the Federal career service in recognition of exceptional achievement of unusual benefit to the Nation.

Criteria and procedures for nominations are outlined in the attachment to this memorandum. It is requested that you consider employees at all levels within your organization rather than limit consideration to officials serving in senior positions. Should you submit more than one nomination, please indicate your order of preference. Nominations are due May 18, 1979.

This award stands at the pinnacle of our system of granting awards to employees for their special efforts significantly above and beyond the requirements of their jobs. The President is keenly interested in seeing that the awards program is used effectively to encourage Federal employees at all levels to contribute new ideas and superior performance that will increase productivity and bring other improvements to our Government. For these reasons, I ask that you give the selection of candidates your personal attention, and encourage all Federal agencies to participate so that the President will have a full and rich field of nominees from which to make the final selections.

  
Alan K. Campbell  
Director

Attachment

CON 114-24-3  
January 1979

# THE PRESIDENT'S AWARD FOR DISTINGUISHED FEDERAL CIVILIAN SERVICE

## I. CRITERIA

The awards are presented for the best achievements *having current impact* in improving Government operations or serving the public interest. These achievements shall exemplify one or more of the following:

- (a) Imagination in developing creative solutions to problems in Government; or
- (b) Courage in persevering against great odds and difficulties; or
- (c) High ability in accomplishing extraordinary scientific or technological achievement, in providing outstanding leadership in planning, organizing, or directing a major program of unusual importance and complexity, or in performing an extraordinary act of credit to the Government and the country; or
- (d) Long and distinguished career service.

The importance of the achievements to the Government and to the public interest shall be so outstanding that the employee is *deserving of greater public recognition than that which can be granted by the head of the agency* in which he or she is employed. Consideration for these awards should be extended to employees at all grade levels; however, individuals appointed by the President may be nominated only if they are serving in what may be considered to be a career position.

## II. SUBMISSION AND REVIEW OF NOMINATIONS

Heads of the departments and agencies may nominate career employees of their own agency, or employees of other agencies when they have knowledge of their exceptional achievements. Nominations should be sent to Director, Office of Personnel Management, Room 350-H, Washington, D.C. 20415. Inquiries should be directed to the Incentive Awards Branch (632-5568).

Executive Order 10717, as amended by Executive Orders 10979 and 12014, established the President's Award for Distinguished Federal Civilian Service. The Director of the Office of Personnel Management reviews recommendations for the Award and decides which of them warrant presentation to the President for his consideration.

## III. PUBLICITY

No information is to be released on the nominations for the Award. After the President has made the Awards, departments and agencies are urged to give fullest possible publicity to the recipients.

#### IV. FORM AND CONTENT OF NOMINATIONS

1. An original and one copy of each nomination are required to be submitted.
2. Each nomination must be typed, single spaced, on standard size paper.
3. Each nomination must contain the following information, in the order listed:
  - A. First page--a brief biographical sketch, in itemized format, containing date and place of birth; significant educational background; significant employment record; a specific statement of type of appointment status; current grade level; etc.
  - B. Second page--a proposed citation for the signature of the President. The proposed citation must contain from 50 to 60 words in two-paragraph form, and highlight the significance of the individual's achievement.
  - C. Additional pages containing not more than 2,500 words with topical headings as follows:
    - Summary of Achievement--not more than one page.
    - Additional Details--in non-technical language, illustrating how the nominee was personally responsible. Also include:
      - The specific benefits in improving Government operations or serving the public interest. Describe separately the tangible and intangible benefits.
      - Examples of personal qualities of the nominee which make his or her achievement possible, if these have not been covered already under previous headings.
  - D. A statement describing any other significant awards received by the nominee, which support the nomination.
4. If desired, supporting or technical material may be submitted to supplement the nomination. There is no limitation on the amount of such material that may be submitted. However, supporting material should be submitted separately in bound form.

NOTE: Department and agencies are in no way restrained from making awards to employees who are being nominated for the President's Award.

THE WHITE HOUSE  
WASHINGTON

March 23, 1979

WH-31

RECEIVED  
OFFICE OF THE CHAIRMAN

1979 MAR 26 11 9:05

BOARD OF GOVERNORS  
FEDERAL RESERVE SYSTEM

MEMORANDUM FOR THE HEADS OF  
EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: 30th Anniversary of the Joint Financial  
Management Improvement Program

Thirty years ago the Executive and Legislative Branches saw the need for a closer working relationship to improve financial management in Government. The advances that have been made since the establishment of the Joint Financial Management Improvement Program and the passage of the Budget and Accounting Procedures Act reflect the efforts of many dedicated individuals. The 30th anniversary of the Joint Program is a timely reminder that significant accomplishments are possible through cooperative efforts without creating new and bigger bureaucracies.

One of my goals as President is to have an efficient and effective Government responsive to the needs of the American people. With the passage of the Civil Service Reform Act, Federal managers now have new incentives to eliminate waste and inefficiency, to develop innovative solutions to complex problems, and to build a new foundation for more effective Government. I am confident that Federal managers will respond to this challenge with efforts that will have a lasting impact on the public service.

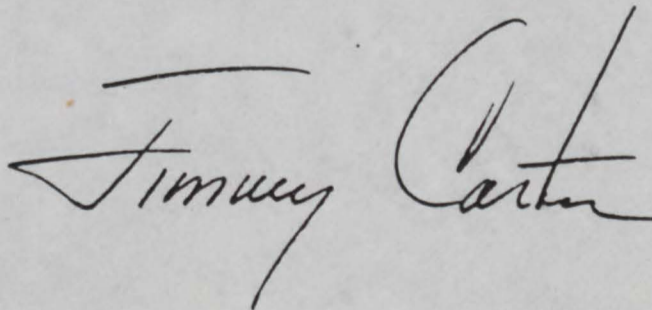
We need to re-establish public confidence in Government, and we are making progress. We are placing Inspectors General in each Cabinet-level Department to detect and eliminate fraud and abuses. They have broad powers and a substantial degree of independence. The significant features of this program must be extended throughout the Federal Government. The Office of Management and Budget will make sure that the auditing and investigative functions are meshed in a smooth and effective way.

In November 1977, we started a comprehensive review of cash management policies, practices, and organizations throughout the Executive Branch. The Office of Management and Budget and the Department of the Treasury have been working with Federal agencies to accelerate Federal collections, to time disbursements properly and to develop incentives to make Federal employees better cash managers. I am pleased that the review has identified \$400 million in interest cost savings during its first year alone.

A Government-wide effort led by the Office of Management and Budget and the General Accounting Office has now resulted in a breakthrough in auditing Federally assisted programs -- a single guide to replace the almost one hundred guides now in use. We need to bring the same kind of simplicity to other Government programs without sacrificing effectiveness.

The spirit of cooperation exemplified by these efforts is an essential ingredient in establishing a new foundation for responsible and responsive Government. JFMIP has pioneered the cooperative approach and produced major improvements in Federal financial management during the past 30 years.

Every anniversary is a time to look back and a time to look ahead. This anniversary reminds us not only of progress made, but also that improved financial management must be a continuous effort, and one that involves every agency of government. I look to the future with great confidence as we put in place many new innovative techniques to make better use of our resources -- everything from our cash to our human resources. The objectives of the Joint Program are clearly compatible with and reinforce those of my Administration to attain greater efficiency and effectiveness in Government operations. Therefore, I urge all of you to renew your commitment to the Joint Program and to better financial management in Government.







EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

BOARD OF...  
1979 MAR 23 11 31

OFFICE OF FEDERAL  
PROCUREMENT POLICY

MAR 19 1979

RECEIVED  
OFFICE OF THE...

WH-30

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

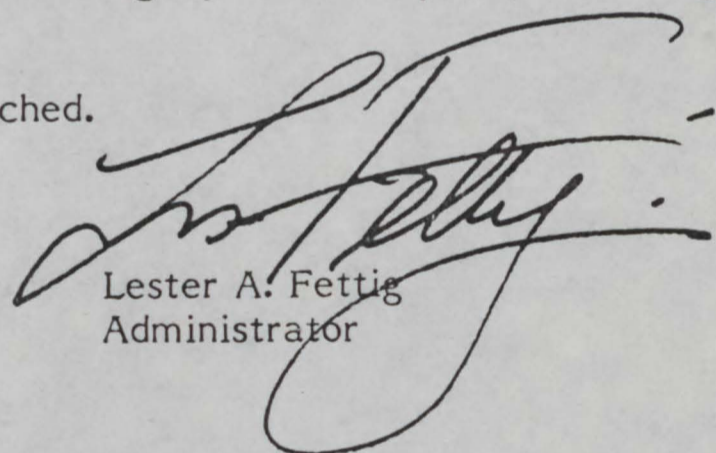
SUBJECT: Report on Preventing "Wage Busting" for Professionals Under Service Contracts -- OFPP Policy Letter 78-2

Office of Federal Procurement Policy Letter 78-2 dated March 29, 1978 expressed the policy of the Federal Government that all service employees, including professional employees, be fairly and properly compensated. This policy was promulgated in the Defense Acquisition Regulation and the Federal Procurement Regulations in June 1978.

The policy letter called on each agency to submit a report within six months of actions taken to implement the policy. Because of the delay in promulgating implementing regulations, agencies were notified informally that the reporting requirement would be deferred. Sufficient time has now transpired for agencies to evaluate how effective the regulatory coverage has been in preventing wage busting of professionals under service contracts.

Please furnish this Office by April 30, 1979 a report of the actions taken, the effectiveness of the regulations implemented, and suggestions, if any, on proposed revisions to the regulations. Your response will be useful in our continuing attempts to ensure the integrity of our policy and regulatory formulation.

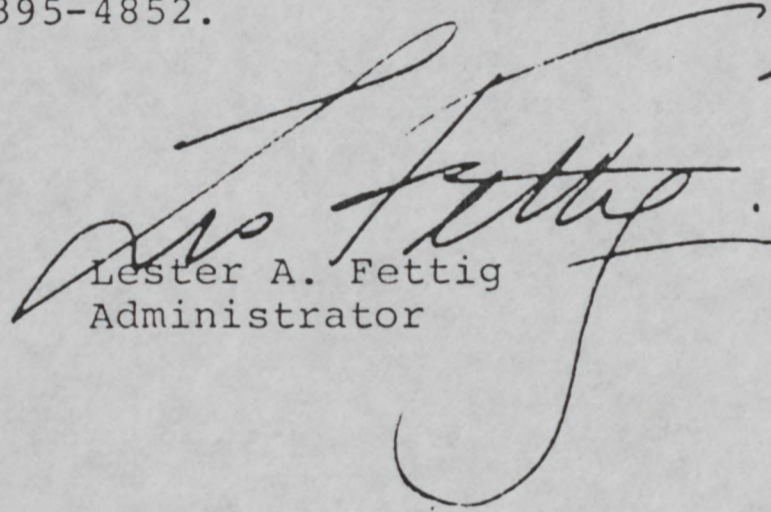
A copy of Policy Letter 78-2 is attached.



Lester A. Fettig  
Administrator

Attachment

a report to this Office for our review and assessment as to the actions which have been taken to implement this important policy. Following this review and assessment, we will determine whether additional guidance from this Office is required. Any questions related to this policy may be directed to Mr. Joseph F. Zimmer at 395-4852.



Lester A. Fettig  
Administrator

Attachment



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

OFFICE OF FEDERAL  
PROCUREMENT POLICY

MAR 29 1978

POLICY LETTER NO. 78-2

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Preventing "Wage Busting" for Professionals:  
Procedures for Evaluating Contractor Proposals  
for Service Contracts

The Federal Government has for many years contracted with American industry for a variety of services in support of Federal programs. In most cases the contracts have been entered into as a result of competitive procurement procedures and they normally are subject to periodic recompetition.

Unwarranted reductions in salaries and fringe benefits can occur during competition for Government service contracts. Since the costs of wages and fringe benefits constitute the largest cost element in a service contract, competitors often have driven down wage rates to unrealistically low levels, even though the employees that will perform the work under the new contract are the same performing the work under the predecessor contract.

The Service Contract Act of 1965 (P.L. 89-286), as amended, was enacted to prevent such "wage busting" practices with respect to blue collar and some white collar workers. The Department of Labor sets and maintains wage determinations for these service contract employees. Federal laws setting minimum standards for wages, working conditions, or other labor standards do not, however, apply to professional employees. In addition, professional employees traditionally have not been represented by union collective bargaining agreements.

The Government shares a deep concern for inequities such as "wage busting" practices generated in our procurement system. The Government should not inadvertently contribute to unwarranted, severe, and abrupt reductions in compensation provided to Federal service contract employees. This has happened to some professional employees, especially in areas of concentrated Federal support such as Cape Canaveral, Florida; Houston, Texas; Huntsville, Alabama; and several

areas of California. In these and other areas, experience has in some cases been bad; the potential for further problems is worse.

The Federal Government cannot allow the protracted labor instability, loss of morale, and undermined mission performance that comes from the fact or fear of "wage busting." The human impact on longstanding careers, family dislocations, and personal economic distress makes the problem even more compelling, even if it could be confined to isolated locales.

Therefore, pursuant to the authority vested in me under Public Law 93-400, it is the declared policy of the Federal Government that all service employees, including professional employees, employed by contractors providing services to the U.S. Government, be fairly and properly compensated. Federal procurement procedures shall be developed to assure equitable compensation for all such employees. This policy clearly recognizes the fact that there is a predictable and essential link between personnel compensation and work performance. Therefore, evaluation of bids and proposals for service contract work shall take into account the realism of the offeror's proposed personnel compensation plan to assure that the offeror has a proper understanding of the resources required to perform high quality work on an uninterrupted basis.

Therefore, all future solicitations shall include the language contained in the attachment to this Policy Letter whenever professional employees are expected to be needed to perform the services. If the procuring agency feels that a particular procurement covered by this policy statement does not warrant the use of such language in the solicitation, the agency shall request approval from the Administrator, Office of Federal Procurement Policy (OFPP) before omitting the criteria from any solicitation.

Implementation of the policy to be effective April 1, 1978, shall be made through regulatory guidance to be issued under both the Defense Acquisition Regulation and Federal Procurement Regulations.

This Office has a statutory responsibility to promote uniformity in procurement regulations to the extent it is feasible to do so. Accordingly, each agency is required, not later than 6 months from the date of this Policy Letter, to submit

INSTRUCTIONS TO BIDDERS

Total compensation (salary and fringe benefits) of professional employees under service contracts may in some cases be lowered by recompetition of such contracts. Such lowering of compensation can be detrimental in obtaining the necessary quality of professional services needed for adequate performance of service contracts. It is therefore in the best interest of the Government that professional employees be properly and fairly compensated in such contracts. The following evaluation factors and criteria, therefore, will be used in assessing the total compensation package submitted by each bidder.

EVALUATION FACTORS AND CRITERIA

Understanding the Requirement

In establishing compensation levels for employees not otherwise covered by the Service Contract Act, the total compensation (both salaries and fringe benefits) proposed, shall reflect a clear understanding of the requirements of the work to be accomplished and the suitability of the proposed compensation structure to obtain and retain qualified personnel to meet mission objectives. The salary rates or ranges must recognize the distinct differences in professional skills and the complexity of varied disciplines as well as job difficulty. They shall reflect the professional contributions,

abilities, professional status, responsibility, and value of the education and experience of such professional employees.

#### Cost Factor

Proposals which are unrealistically low or do not reflect a reasonable relationship of compensation to the job categories so as to impair the contractor's ability to recruit and retain competent personnel may be deemed reflective of failure to comprehend the complexity of the contract requirement. This agency is concerned with the quality and stability of the work force to be employed on this contract. The compensation data required will be used in evaluation of your understanding of the contract requirement. An assessment of the potential for adverse effect upon performance and maintenance of harmonious labor relations with employees resulting from an unrealistic low compensation structure will also be made.

#### Evaluation of Bids

This agency will evaluate the total compensation (both salaries and fringe benefits) to be paid to professional employees to assure that such compensation reflects an understanding of the requirements to be performed as outlined above. It will include an assessment of the bidder's ability to provide uninterrupted work of high quality. The total compensation proposed will be evaluated in terms of enhancing recruitment of personnel and its realism and consistency with a total plan for compensation (both salary and fringe benefits).

Bids offering total compensation levels less than currently being paid by the predecessor contractor for the same work will be evaluated, in addition to the above, on the basis of maintaining program continuity and availability of required competent professional personnel. Bidders are cautioned that instances of lowered compensation for essentially the same work may be an indication of lack of sound management.

#### Negotiations

During written and oral discussions, if provided for, bidders will be afforded an opportunity to clarify and support their total compensation plans. Supporting information will include data such as recognized national and regional compensation surveys and studies of professional public and private organizations used in establishing the total compensation structure. Failure to correct compensation weaknesses disclosed by agency evaluation may be cause for rejection of the bid.

#### The Contract

The bidder's proposed total compensation plan will be incorporated into any contract resulting from this solicitation. This will serve to lend authenticity to the plan proposed and reflect a commitment of the bidder to pay the compensation stated therein.

WA-29

March 23, 1979

Governor Coldwell

For your information.

cc: Mr. Kakalec

bcc: Ms. Hobbs

JMDenkler:dj





EXECUTIVE OFFICE OF THE PRESIDENT 23 011 9:31

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

RECEIVED  
OFFICE OF THE CHAIRMAN

MAR 8 1979

WA-29

MEMORANDUM TO HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Budget Supplementals and Amendments

In this time of high inflation, it is imperative that we exercise budget restraint. One important way to do this is for each of us to interpret strictly existing criteria for budget supplementals and amendments. The President has asked me to remind you of those criteria and the vital need to avoid requests that will increase the budget. Annual budget requests are expected to cover all anticipated needs, including continuation of existing programs that require new authorizing legislation.

You are reminded of existing requirements of OMB Circular No. A-11 that supplementals and amendments will be considered only when:

- ° existing law requires payments to be made within the fiscal year;
- ° liability accrues under the law and it is in the Government's interest to liquidate the liability as soon as possible;
- ° an emergency situation arises that requires unforeseen outlays for the preservation of life or property;
- ° increased workload is uncontrollable except by statutory change; or
- ° new legislation enacted after the submission of the annual budget will require additional funds within the fiscal year.

You are asked to make every effort to absorb additional costs, including those permitted by the above criteria, from existing funds. Consideration of absorption should include the possibility of offsetting essential increases in other appropriation accounts. Whenever possible, required requests will be transmitted with the regular budget. In any case where supplementals are determined to be urgently needed and necessary under the above criteria, your staff should consult with OMB on the need for the request and its timing.

Through a cooperative effort we can help the President achieve his objective of eliminating all requests that would increase the budget except those that are absolutely necessary.

James T. McIntyre, Jr.  
Director

United States of America  
**Office of  
Personnel Management**

Washington, D.C. 20415

March 22, 1979

In Reply Refer To

WH-28

RECEIVED  
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1979 MAR 22 PM 4:00

BOARD OF GOVERNORS  
OF THE FEDERAL RESERVE SYSTEM  
Your Reference

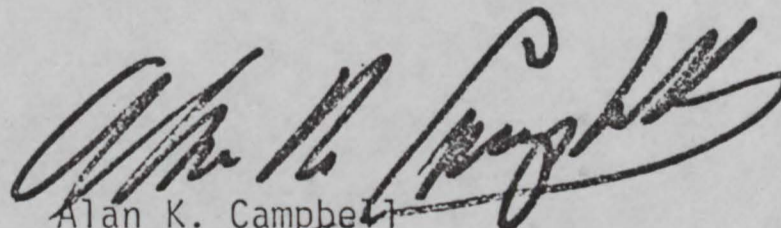
MEMORANDUM FOR HEADS OF DEPARTMENTS AND AGENCIES

Office of Personnel Management (OPM) staff have recently done an informal survey of agency intentions with respect to salary rates to be used in SES conversions. I am concerned that some agencies may not fully understand the considerations behind conversion decisions. It was, and is, OPM's philosophy that agencies should make the decisions. However, some agencies apparently intend automatically to promote individuals at GS-17 and GS-18 to ES-5 and ES-6.

I recognize the desire of agencies to use the conversion process to help rationalize some of the incongruities in present salary relationships. This desire must be balanced against the President's concern to avoid any action which would appear to fuel inflation. Similarly, we have assured Congress that we sought to end an automatic salary progression and therefore that the SES decisions would be performance related. Automatic conversions to ES-5 and ES-6 for all GS-17s and 18s are inconsistent with these policies.

The policy I have set at the Office of Personnel Management is that conversion will guarantee that no individual will lose salary if the salary cap is raised in October. Therefore, grades 17 and 18 have been converted to ES-4, and Executive Level V to ES-5. Variations upward and downward, of which there will be very few, are authorized only on an individually defensible basis.

I strongly believe that this pattern of distribution should prevail. If you have serious problems in following this guidance, I and OPM staff stand ready to consult with you about your situation.

  
Alan K. Campbell  
Director

THE WHITE HOUSE  
WASHINGTON

March 20, 1979

BOARD OF GOVERNORS  
FEDERAL RESERVE SYSTEM  
1979 MAR 21 AM 8:06

RECEIVED  
OFFICE OF THE CLERK

WH-27

MEMORANDUM FOR:

The Secretary of the Treasury  
The Secretary of Defense  
The Attorney General  
The Secretary of the Interior  
The Secretary of Commerce  
The Secretary of Labor  
The Secretary of Health, Education  
and Welfare  
The Secretary of Housing and Urban  
Development  
The Director of the Office of  
Management and Budget  
The Chairman of the Council of  
Economic Advisers  
The Director of the Community  
Services Administration  
The Director of ACTION  
The Chairperson of the Equal  
Employment Opportunity Commission

FROM:

Stu Eizenstat *Stu*

SUBJECT:

Proposed Youth Employment Issue  
Definition Memorandum

The President has asked that a policy study be conducted on Youth employment. Because of the many agencies involved in important aspects of youth employment policy, we propose to use the Domestic Policy Review System on this study.

The attached memorandum is a draft of the Issue Definition Memorandum which would formally initiate this study. Before submitting it to the President, I would like to solicit your comments on the memorandum by Monday, March 26.

Each agency needs to appoint an assistant secretary as the agency spokesperson for this policy review. Please contact Kitty Higgins (456-2761) of my staff with the name of the designee by Friday, March 23.

Should you or members of your staff wish to discuss the proposed study in more detail, please contact Tom Glynn of the Vice President's Task Force on Youth Employment (785-4986).

I look forward to working with you on this important effort.

cc: The Secretary of Transportation  
The Secretary of Energy  
The Administrator, Veterans Administration  
The Chairperson, Office of Personnel Management  
✓The Chairperson, Federal Reserve System  
Board of Governors  
The Chairperson, Commission on Civil Rights  
The Chairperson, National Commission on  
Employment Policy  
The Chairperson, National Commission on  
Employment and Unemployment Statistics  
The Chairperson, Minimum Wage Study Commission  
The Federal Co-chairperson, Appalachian Regional  
Commission

MEMORANDUM FOR:

The Secretary of the Treasury  
The Secretary of Defense  
The Attorney General  
The Secretary of the Interior  
The Secretary of Agriculture  
The Secretary of Commerce  
The Secretary of Labor  
The Secretary of Health, Education  
and Welfare  
The Secretary of Housing and Urban  
Development  
The Director of the Office of  
Management and Budget  
The Chairman of the Council of  
Economic Advisors  
The Director of the Community  
Services Administration  
The Director of ACTION  
The Chairperson of the Equal  
Employment Opportunity Commission

FROM: Stu Eizenstat

SUBJECT: Issue Definition Memorandum: Youth Employment  
in the Eighties

Purpose

The President has directed that a review of present Federal youth employment policies be undertaken through the Domestic Policy Review System. An Interagency Committee will be formed to analyze existing programs and develop options and recommendations for the President's Youth Employment Decision Memorandum. The Committee will be co-chaired by the Secretary of Labor and myself. It will consist of the addressees, the Domestic Policy Staff, and the Vice President's Task Force on Youth Employment.

The President would like to receive recommendations by October 15. Therefore, the work of the Committee should be completed by September 15.

Youth unemployment is a critical national problem. Over the last twenty-five years, the unemployment rate for black teenagers has risen from approximately 17% to approximately 36%. During this same twenty-five year period, the rate for white teenagers has remained constant at about 13%. These statistics reflect the intractable nature of this problem, particularly in response to government action. They also reflect the complexity of this problem which is an outgrowth of fundamental labor market shifts over the last forty years as well as social and political changes. The purpose of this policy review is to review the state of the art of our knowledge and our policy prescriptions to determine the appropriate course of action for the Administration.

### Issues

The basic youth employment issues which need to be addressed include:

1. Changing Nature of Youth Unemployment - What is the relative importance of such contributing factors as: movement of job opportunities away from concentrations of young people, discrimination, unrealistic job aspirations of young people, immigration, etc.? How will the changes in the demand for labor in the eighties affect youth employment? What accounts for the particular difficulty faced by minority young people? What effects will the impact of technology and the growth of the service sector have on the demand side of the youth labor market? Are any changes in private sector employment practices over the next five years likely to affect the dimensions of the problem?

2. Categories of Unemployed Youth - What do we know about the residence, race, age, ethnicity, sex, education, skill and family income of young people in 1979 and 1985? Which of these people are likely to experience unemployment? How many unemployed young people are experiencing an additional social problem such as drug addiction, a status offense, a criminal offense, unwanted pregnancy, dropping out of school or exclusion from school, etc.? Which categories are most in need of employment assistance? How many young people live within inner city labor markets experiencing persistently high youth unemployment?

3. Effective, Existing Program Models and Strategies - In reviewing existing local programs including: the private sector; vocational education; career education; CETA (including YEDPA, SPEDY and Job Corps); and criminal justice services, which program models and strategies have proven relatively more effective? For which ages and groups? What role do supportive services play in these programs? What combination of services have proven most effective in facilitating the school to work transition? For which ages and groups?

4. Implementation and Institutions - What can be done to encourage expanded private sector hiring of young people? What can the Federal Government do to facilitate and encourage simplified implementation and quality programming at the local level? What are the most effective local institutions, public and private, to deliver employment education and training services to various age groups of young people?

5. Cost Implications - Given the various program options available, what are the budgetary costs, Federal, state or local, for each? Given limited resources, which options are most cost-effective for those most in need? What are the multi-year Federal budget requirements for each?

#### Structure

The study will be divided into three phases:

- Phase One - Defining the Nature and the Dimensions of the Problem (March - May)
- Phase Two - Review of Existing Efforts (April - July)
- Phase Three - Proposal for New Policy Initiatives (June - August)

Because of the tight timetable we are operating under, some activities will have to be undertaken in parallel fashion rather than in sequence.

Schedule

First Meeting of Agencies - April 2

Agencies' Final Reports Due - August 15

Agencies' Final Recommendations - September 15

Decision Memorandum for President - October 15

cc: The Secretary of Transportation  
The Secretary of Energy  
The Administrator, Veterans Administration  
The Chairperson, Office of Personnel Management  
The Chairperson, Federal Reserve System  
Board of Governors  
The Chairperson, Commission on Civil Rights  
The Chairperson, National Commission on  
Employment Policy  
The Chairperson, National Commission on  
Employment and Unemployment Statistics  
The Chairperson, Minimum Wage Study Commission  
The Federal Co-Chairperson, Appalachian Regional  
Commission



WH-26

"No response"

cc: Kakalec

FYI



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

1979 MAR 16 AM 9:14

DEPARTMENT  
OFFICE OF THE DIRECTOR

MAR 8 1979

WH-26

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Collecting Amounts Owed by the Public

Recent congressional hearings have revealed that debts owed the Government are growing rapidly, and that millions of dollars are going uncollected, are collected too slowly, or are written off.

This is a serious situation, indicating major weaknesses in agency collection systems. The situation demands immediate corrective action in order to establish effective accounting control over accounts receivable, and to pursue aggressively the collection of debts that are not paid by the due date.

Under the Federal Claims Collection Act of 1966, and the implementing Joint Standards issued by the Justice Department and the General Accounting Office, operating departments and agencies have primary responsibility for collecting claims arising out of their programs. The Joint Standards provide specific guidelines for collections, and call for prompt action to collect amounts due the Government.

We are asking, therefore, that each department and agency conduct a review of its system and procedures for collecting accounts receivable, and that you take such remedial action as is necessary to establish effective accounting control systems and followup action. Please provide a report on this review and a description of remedial action by March 30, 1979.

In the meantime, the Treasury Department is revising its regulations to provide for more specific financial reporting on accounts receivable. In collaboration with Treasury, we will be reviewing the reports, and following up with the agencies. I have also asked my staff to work with yours on any problems impeding immediate action on remedial measures.

*James T. McIntyre, Jr.*  
James T. McIntyre, Jr.  
Director

THE WHITE HOUSE  
WASHINGTON  
March 9, 1979

BOARD OF GOVERNORS  
FEDERAL RESERVE SYSTEM

1979 MAR 12 AM 8:59

RECEIVED  
OFFICE OF THE CHAIRMAN

MEMORANDUM FOR: AGENCY AND DEPARTMENT HEADS  
FROM: STU EIZENSTAT *Stu*  
JACK WATSON *Jack*  
SUBJECT: Vietnam Veterans Week

WH-25

The President will soon proclaim the week of May 28-June 3, 1979 to be Vietnam Veterans Week. He wants all agencies of the federal government to become involved in this national salute to Vietnam veterans.

Your immediate attention is requested for the preparation of a plan of action for your agency to participate in this observance and further its goals and objectives. The attached Congressional resolution and other material on Vietnam Veterans Week outlines the purposes of the Week and offers guidelines for your agency plan.

If your agency is not represented on the Veterans Federal Coordinating Committee, you will need to designate a member of your staff to draw up your agency plan. Your plan must be submitted to the White House no later than close of business Thursday, March 22, 1979. We must have your proposals this soon so that we can contact the Federal Regional Councils next week to coordinate and finalize the government-wide observance of Vietnam Veterans Week.

Please forward your agency plans to Mr. William Spring, Associate Director, Domestic Policy Staff, Room 218, Old Executive Office Building. Any questions you may have about the enclosed material should be directed to Mr. Paul Weston, Office of the Administrator, the Veterans Administration, 389-2633.

Thank-you.

Enclosures

THE WHITE HOUSE  
Washington

Veterans Federal Coordinating Committee

Operation Plans  
VIETNAM VETERANS WEEK



The White House  
March 5, 1979

Operation Plans

VIETNAM VETERANS WEEK

I. AUTHORITY: PUBLIC LAW 95-513, Signed October 25, 1978, via House Joint Resolution 1147, 95th Congress.

II. GOAL

The goal of Vietnam Veterans Week is to ensure that the Nation expresses its gratitude to the veterans of the Vietnam Conflict, for their service, sacrifice and patriotism by honoring them and recognizing their contributions to the society.

III. VIEW POINT

It is the view of the Administration that the purpose of Vietnam Veterans Week is primarily to honor all veterans of that era for their past service and current contributions to the Nation.

It is the purpose of the activities of the Presidential Review Memorandum on Vietnam Era Veterans, including the establishment of the White House Veterans Federal Coordinating Committee, to improve programs and services for Vietnam era veterans on an ongoing basis.

IV. OBJECTIVES

The objectives for Vietnam Veterans Week are stipulated in H.J. Res. 1147, 95th Congress, which authorizes the President to:

- o Issue a proclamation designating May 28 - June 3, 1979, as "Vietnam Veterans Week"
- o Call upon "the people of the United States and interested groups and organizations" to observe this week
- o Direct the executive branch to observe this week

V. ISSUES TO BE ADDRESSED

- o Absence of the expression of national gratitude for the services of Vietnam era veterans on behalf of the Nation
- o Transference of negative feelings about the war to those who fought it, including myths/stereotypes

- o Problems of adjustment of numbers of Vietnam veterans in their economic, social and personal lives

#### VI. THEMES TO BE EMPHASIZED

- o Contribution of Vietnam veterans to national defense in the past and to the community today.
- o Status of Vietnam era veterans, including progress and problems
- o Services available to Vietnam era veterans (outreach)

#### VII. COORDINATION

The White House Veterans Federal Coordinating Committee will serve as the central coordinating body for Vietnam Veterans Week. The Domestic Policy, Intergovernmental Affairs and other staffs of the White House will provide guidance for the committee. The Veterans Administration will provide operational coordination on behalf of the committee.

Coordination will provide the following functions:

- o Coordination of member federal agencies for their respective observance activities, to provide for a unified federal effort
- o Assistance for White House participation
- o Advocacy for participation by the non-federal government and the private sectors
- o Guidance and information for participating parties

Coordination will be applied to three sectors:

- o The federal government sector, for direct operation and management
- o The intergovernmental sector for coordination with the Congress and the state and local governments to participate in a national recognition program (on a voluntary basis)
- o The private sector, for advocacy to participate and complement the federal national effort

#### VIII. NATIONAL OBSERVANCE PROGRAMMING

The three themes for Vietnam Veterans Week will be programmed into several strategies, and will involve numerous components of the society. Emphasis will provide visibility for the recognition of

service in the Armed Forces and contributions/achievements as civilians, and for services available. A broader emphasis will be to concentrate on the fact that the participation of Vietnam veterans in an unpopular war should not detract from the fact that their service and patriotism were equal to that of any other war or conflict the United States has been engaged in. The week will zero in on the people who served during the Vietnam conflict rather than the conflict itself - their service, status, civilian achievement, and the services available for them.

#### The White House

The President will issue a proclamation for Vietnam Veterans Week in concert with the language of the House Joint Resolution.

The White House will advocate the participation of the national media, and the widest possible range of private sector participants, as well as state and local units of government.

The White House will conduct a reception during the observance week

A designee of the President will lay a wreath at the Vietnam Veterans Plaque in Arlington National Cemetery on May 28, 1979, Memorial Day, in honor of the nearly 57,000 killed in the Vietnam conflict.

#### The Member Federal Agencies of the Veterans Federal Coordinating Committee

Each member federal agency will develop a plan to recognize Vietnam era veterans, and to provide public visibility for services available to them. Agency plans will be submitted to the White House for review and coordination, to ensure that a unified federal effort is conducted nationwide.

Agency plans will include the following:

- o Schedule of major ceremonies and activities to be conducted
- o Plans for recognizing Vietnam era veteran employees
- o Public awareness/outreach mechanisms (ie, effort by DoL on employment needs of Vietnam era veterans)
- o Other initiatives as appropriate to the respective agencies

The agency plans will be compiled into a federal plan of action for Vietnam Veterans Week. This plan will be the operating base of the executive branch for the observance.

The federal plan will be forwarded to Federal Regional Councils

and Federal Executive Boards for review and regional/local coordination, both among the federal agencies and with non-federal participating parties.

#### The Federal Public Awareness Program

The intention of Vietnam Veterans Week is for the people of the United States to express their gratitude to their fellow citizens who served during the Vietnam era. Consequently, the attention of the electronic and printed media at the national, state, and local levels is important.

The White House will advocate to the media their special attention to Vietnam Veterans Week activities, to include:

- o Editorials
- o TV Guest Appearances
- o Articles in major magazines
- o Documentaries and commentaries
- o News coverage

Through a Vietnam Veterans Week clearinghouse, press kits and other press relations will be conducted, to include provision of information and statistics.

The White House will also pursue the widest possible distribution of the Presidential Proclamation and other printed items related to the observance (posters, brochures, etc.)

The Administrator of Veterans Affairs will provide television and radio spots, and editorial comments, for distribution nationwide.

#### The Public Awareness Theme

The observance of Vietnam Veterans Week will be "The National Salute to Vietnam Era Veterans." This terminology, coupled with the Vietnam Service Medal of the Armed Forces, will provide the logo for the observance. (Logo artwork attached.)

The logo will be used by the federal agencies in their observance efforts. It will be made available to all non-federal parties in photo-ready artwork fashion for their possible use.

#### IX. PARTICIPATION BY THE CONGRESS

Vietnam Veterans Week planning will be done in coordination with the Congress.



Members of Congress will be invited by the White House to participate in Vietnam Veterans Week observances, and to coordinate with their constituent governments and veterans organizations.

X. PARTICIPATION BY STATE AND LOCAL GOVERNMENTS - THE NATIONAL VIETNAM ERA VETERANS RECOGNITION PROGRAM

Through the Intergovernmental Affairs branch of the White House, the Governors, Mayors and County Commission Chairmen in the United States will be invited to participate in a National Vietnam Era Veterans Recognition Program. This program will provide for a unified national mechanism of recognition for Vietnam era veterans at the state and community levels. The program will have the following features:

- o A special package for state and local governments will be prepared to provide a format for the recognition program
- o Certificates will be presented to Vietnam era veterans for achievement and contribution to the community
- o Not less than five veterans should be selected for presentation by any jurisdiction
- o Veterans organizations will be encouraged to contact state and local officials and assist in selections of veterans
- o A photo-ready certificate of recognition, from the White House level, will be made available to state and local units of government
- o The certificate will allow for additional preparation prior to printing, to include localized copy of the presenting official(s) and locality
- o State and local governments will present national recognition, by forwarding the joint certificates by Presentation to Vietnam era veterans

Invitations for participation will be from the White House. For jurisdictions that do not wish to participate in the national awards, they will be encouraged to provide their own awards to outstanding Vietnam era veterans for community service and achievement.

Governors, Mayors and County Commission Chairmen will also be encouraged to:

- o Issue proclamations recognizing the services and contributions on Vietnam era veterans to the society
- o Provide and participate in ceremonies and activities for the recognition of Vietnam era veterans during the observance
- o Encourage state and local governments to provide public awareness for services available to Vietnam era veterans

Clearinghouse services for information, statistics and other assistance will be made available to the government units.

Governors, Mayors and County Commission Chairmen of large metropolitan areas will receive direct information from the White House. Mayors and County Commission Chairmen of smaller jurisdictions will be approached through their representative interest groups.

#### XI. PARTICIPATION BY THE VETERANS SERVICE ORGANIZATIONS

The Veterans Service Organizations of the United States are vital to the success of Vietnam Veterans Week. Each organization will be encouraged by the White House to:

- o Conduct a national recognition program for honoring Vietnam era veterans' military service and civilian achievement, especially among their memberships
- o Conduct programs to gain community awareness for Vietnam era veterans
- o Contact other community organizations and groups and encourage them to participate in local observances and to conduct programs during the week
- o Encourage state and local governments to participate in the National Vietnam Veterans Recognition Program, and assist with selections of outstanding recognition recipients
- o Conduct public awareness programs for their services and other services and programs available to Vietnam era veterans
- o Coordinate with other veterans organizations at the local levels to ensure maximum impact

Selected veterans organization representatives will be invited to give input to the White House as the operation plan proceeds.

Veterans organizations will also be asked to publicize the proclamation, logo and other items of the observance effort.

## XII. PARTICIPATION BY THE PRIVATE SECTOR

The major institutions, organizations and associations of the society will be contacted to the extent possible to participate in the Vietnam Veterans Week observance.

Information Packets will be prepared and distributed which will provide information, suggested activities, and other materials.

Private sector parties which will be contacted include the national leaderships of:

- o Civic organizations
- o Churches
- o Business and Labor organizations
- o Education associations
- o Professional associations and organizations
- o Others

These contacts will be from an advocacy standpoint, encouraging such parties to implement national recognition programs within their networks and state/local units.

### ATTACHMENTS:

I. TIMETABLE

II. LOGO

III. NATIONAL RECOGNITION - DRAFT CERTIFICATE

ATTACHMENT I. TIMETABLE FOR OPERATION PLAN

February

21 Meeting with Veterans Organizations

21-28 Finalization of White House Plan

March

5 Distribution of White House Plan

8 Meeting of Veterans Federal Coordinating Committee  
on Federal Observance Programming

1-15 Development of Proclamation and Basis Materials

15 Initiate Clearinghouse Services

15 Deadline for National Media Contacts

19 Submission of Federal Plans to the White House

23 Final Coordinated Federal Plan

15-30 Printing of Materials

15-30 Accumulation of Target Parties

April

2-6 Mass Mailings

6-30 Personal Contacts/Follow-Up/Advocacy

6-30 White House Briefings (as needed)

May

1-15 Continuation of Follow-up

16-27 Final announcements and events scheduling

20-27 Begin play of Public Service Spots

20-27 Initiate Build-up, Public Awareness

May 28-June 3

VIETNAM VETERANS WEEK

II. LOGO



**THE  
NATIONAL  
SALUTE  
TO  
VIETNAM  
ERA  
VETERANS**

**Vietnam Veterans Week  
May 28- June 3, 1979**

On behalf of the President of the United States,  
THE WHITE HOUSE VETERANS FEDERAL COORDINATING COMMITTEE  
forwards the

NATIONAL CITATION FOR COMMUNITY ACHIEVEMENT  
to

(Name)

as selected by the

(Local unit of government)

in recognition of outstanding service to the Nation  
in time of war, and outstanding achievement in the  
community in time of peace.

Presented as part of the national observance of  
Vietnam Veterans Week, to honor and recognize the  
contributions of Vietnam Era Veterans to the Nation.

(LOGO)

At Washington, .D.C,

At (locality)

(White House signees)

(State/local govt. signees)

\_\_\_\_\_  
\_\_\_\_\_  
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## Guidelines for Agency Action Plans

### VIETNAM VETERANS WEEK

#### GOAL OF VIETNAM VETERANS WEEK

To ensure that the Nation expresses its gratitude to the veterans of the Vietnam conflict for their service, sacrifice and patriotism by honoring them and recognizing their contributions to the society.

#### OBJECTIVES FOR FEDERAL AGENCIES

- o To call attention to the services of Vietnam era veterans to the Nation
- o To recognize Vietnam era veterans for their post-service achievements and contributions to the society
- o To publicize the observance
- o To identify information and services related to Vietnam era veterans

#### COMPONENTS FOR AGENCY ACTION PLANS

Each plan will address the following components. (Where a component subject is not applicable to a certain agency, please note. Where involvement by an agency is not applicable in any way to Vietnam Veterans Week, please advise by memorandum.)

##### Recognition

Possible recognition-related activities and ceremonies the agency can perform. Examples include:

- o Special letters/activities for Vietnam era veteran employees
- o Recognition of Vietnam era veterans in high-level management and leadership positions in the agency
- o Recognition of outstanding Vietnam era veteran associates and/or clients of the agency (including groups and organizations of special merit)
- o Ceremonies for Vietnam era veterans at the national, regional, state and local levels

##### Public Awareness

Plans for public visibility of Vietnam era veterans, services and programs of the agency available to them, and attention to outstanding Vietnam veterans of the agency. Examples include:

- o Application of available public information/public affairs operation to subject of Vietnam Veterans Week
- o Coverage in agency publications about Vietnam era veterans/Vietnam Veterans Week
- o Posters and other printed items displayed in public facilities
- o Press releases/statements for associated public interest groups' publications
- o Participation by agency officials in the ceremonies, activities, programs and events operated by other agencies or private sector groups
- o Providing knowledgeable speakers for functions as appropriate

Information

Please attach to the plan the following:

- o Mailing list of key interest, trade, professional, civic and other organizations and associations involved with the agency (for use in distribution of White House observance information)
- o Available demographic, trend, services/benefits use and other data related to Vietnam era veterans
- o Summary of benefits and service available from agency related to or used significantly by veterans

COMMENT

The White House has elected to mount a forceful effort for the observance of Vietnam Veterans Week in light of its moral significance. Expedient cooperation on the part of the agencies is essential and important.

Agency action plans should be brief, and derived from current data and resources. Include a contact name and phone number.

For further information, refer to the White House Operation Plans and the House Joint Resolution attached.

For discussion or further interpretation, call Paul Weston, Vietnam Veterans Week Coordinator, 389-2633.

Please submit plans to Room 212, Old Executive Office Building, attention Coordinator, Vietnam Veterans Week, at the time specified.



Public Law 95-513  
95th Congress

Joint Resolution

Oct. 25, 1978  
[H.J. Res. 1147]

Authorizing and requesting the President to designate the seven-day period beginning on May 28, 1979, as "Vietnam Veterans Week".

Whereas members of the Armed Forces of the United States who served in Southeast Asia during the Vietnam conflict performed such service under the most trying conditions because of the lack of domestic support for the conflict and because of the nature of the conflict itself:

Whereas the battlefield performance of America's soldiers, sailors, marines, and airmen during the Vietnam conflict was by all measures the equal of that of their counterparts in previous conflicts:

Whereas an adverse image has often been unfairly attached to the Vietnam veteran as an individual because of the controversial nature of the Vietnam conflict; and

Whereas the Nation has never fully expressed its gratitude to those who gave a substantial portion of their lives at their Government's request and in the name of the people of the United States to serve in such conflict: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the President is authorized and requested (1) to issue a proclamation designating the seven-day period beginning on May 28, 1979, as "Vietnam Veterans Week" and calling upon the people of the United States and interested groups and organizations to observe such period with appropriate ceremonies and activities, and (2) to initiate and coordinate appropriate ceremonies and activities within the executive branch for the observance of such period.

Approved October 25, 1978.

Vietnam  
Veterans Week.  
Designation  
authorization.

LEGISLATIVE HISTORY:

CONGRESSIONAL RECORD, Vol. 124 (1978):

Oct 10, considered and passed House.

Oct. 12, considered and passed Senate.



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

OFFICE OF FEDERAL  
PROCUREMENT POLICY

MAR 7 1979

RECEIVED  
OFFICE OF THE CHAIRMAN

WFF-24

OFPP POLICY LETTER NO. 79-1

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Implementation of Section 15(k) of the Small Business Act, as amended: Office of Small and Disadvantaged Business Utilization

On October 24, 1978, President Carter signed P.L. 95-507, amending the Small Business Act and the Small Business Investment Act of 1958. Section 221 of P.L. 95-507 amends Section 15(k) of the Small Business Act, 15 U.S.C. 637, to require that each Federal agency having procurement powers establish an Office to be known as the "Office of Small and Disadvantaged Business Utilization."

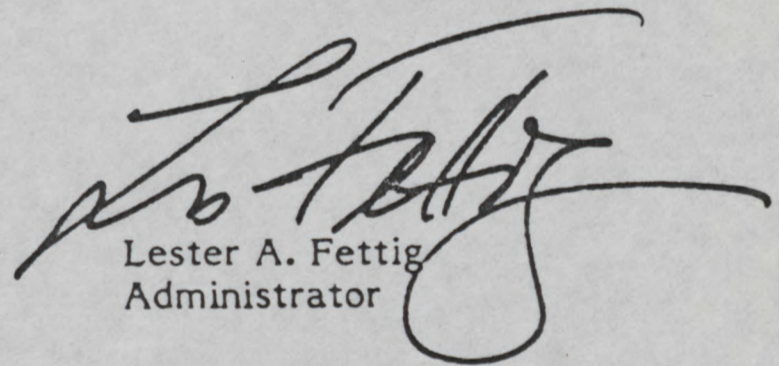
The purpose of this Policy Letter is to provide uniform policy guidance to the affected procuring activities on the organization and functions of that Office. Clearly, there will need to be special variations in administrative composition and procedures to accommodate the peculiar organizational arrangements of each agency. Nevertheless, the departments and agencies exercising procurement powers shall observe the following policies in implementing Section 15(k).

1. The primary function of the Office of Small and Disadvantaged Business Utilization shall be to implement and administer the programs under Sections 8 and 15 of the Small Business Act, as amended. Other duties consistent with the Government's small and disadvantaged business programs may be assigned to the Office.
2. The Director shall be a full-time employee whose full-time function will be to supervise the operations of the Office. He shall be responsible only to, and report directly to, the head of the agency or his deputy, i.e., the second ranking person in the agency.
3. The Director shall have supervisory authority over personnel of headquarters and the field of the agency when such personnel are performing duties for which the Office of Small and Disadvantaged Business has responsibility.

4. The position description of the Director should reflect the management role as well as other operational responsibilities. The position description should include, but not be limited to, the following items:
- o Items listed in Section 15(k):
    - .. Responsibility for the implementation and execution of the functions and duties under Sections 8 and 15 of the Small Business Act, as amended, which relate to the agency,
    - .. Assigning a small business technical adviser to each office to which the SBA has assigned a procurement center representative,
      - ... who shall be a full-time employee of the procuring activity and shall be well qualified, technically trained and familiar with the supplies or services purchased at the activity, and
      - ... whose principal duty shall be to assist the SBA procurement center representative in his duties and functions relating to Sections 8 and 15 of the Small Business Act, as amended, and
    - .. cooperate, and consult on a regular basis, with SBA with respect to carrying out the functions and duties of Sections 8 and 15 of the Small Business Act, as amended.
  - o Developing systematic procedures for insuring the effective execution of the Small Business Act, as amended.
  - o Recommending agency goals.
  - o Training and education of agency staff whose duties and functions relate to Sections 8 and 15.
  - o Conducting outreach, liaison, source listings, and seminars for small and disadvantaged business.

- o Publishing of required information brochures and documents.
  - o Interagency liaison of program procurement activities relating to small and disadvantaged business.
  - o Oversight of the implementation of Section 223(a) of P.L. 95-507.
- .. for any contract to be let by any Federal agency, such agency shall provide to any small business concern upon its request;
- (1) a copy of bid sets and specifications with respect to such contract;
  - (2) the name and telephone number of an employee of such agency to answer questions with respect to such contract; and
  - (3) adequate citations to each major Federal law or agency rule with which such business concern must comply in performing such contract.

The departments and agencies should report to OFPP within 90 days on the steps taken to implement the provisions of this Policy Letter. This will include (1) the date the Office was established, (2) the name of the Director, (3) organizational chart showing his reporting lines, (4) the extent of his supervisory authority including the number of people he supervises (5) program plans including scope of his duties and responsibilities, and (6) the budget for the Office.



Lester A. Fettig  
Administrator

Sandy

WH-23

no reply neccy  
per Joan Hobbs

cc for info:

Slenkler  
Shannon

R

THE WHITE HOUSE  
WASHINGTON

March 7, 1979

1979 MAR -3 PM 2:33

OFFICE OF PERSONNEL MANAGEMENT

WH-23

MEMORANDUM FOR THE HEADS OF  
DEPARTMENTS AND AGENCIES

SUBJECT: SES Pay Schedule

The Senior Executive Service (SES) will go into effect on July 13, 1979. The Civil Service Reform Act of 1978 provides for SES pay to range between the minimum rate for GS-16 of the General Schedule and EL-IV of the Executive Schedule. After consulting with the Director of the Office of Personnel Management I have determined that there shall be six salary rates for SES. Agency heads will, subject to the requirements of law, set the rate to be paid to each individual. In doing so agencies should be aware that the amounts payable to an individual before October 1, 1979, may be limited to the pay cap contained in Public Law 95-391. I am establishing the following as the initial SES Schedule:

ES-1 =	\$44,756
ES-2 =	46,470
ES-3 =	48,250
ES-4 =	50,100
ES-5 =	51,450
ES-6 =	52,800

The Director of the Office of Personnel Management will issue guidance and prescribe regulations for the administration of SES pay.

*Jimmy Carter*

Sandy

WH-22

no reply neccy  
per Jm Hobbs

cc: Deukler  
Shannon

2

THE WHITE HOUSE

WASHINGTON

March 6, 1979

WH-22

MEMORANDUM FOR THE HEADS OF  
EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Senior Executive Service Conversion Rights of  
Career Appointees to Presidential Appointments

In my memorandum to you of November 8, 1978, I requested that you forward to me names of candidates for Inspector General positions who possess exceptional integrity and ability. This request reflected my desire to fill these Presidential appointments strictly on the basis of merit.

Some candidates for these positions, and for other Presidential appointments, come from the career service and are now occupying positions which will be placed in the Senior Executive Service. If they were to remain in their present assignment, they would be entitled to convert to the Senior Executive Service, but if they should accept Presidential appointment prior to the effective date of the SES, their entitlement to conversion is less clear.

It is unmistakably the intent of Congress that Inspector General positions will be filled on a merit basis. It is equally clear that the Congress intended to permit career members of the Senior Executive Service to accept Presidential appointments while retaining full SES career status and SES benefits (PL 95-454 § 3392(c) and 3393(b)).

To carry out the intent of Congress and to facilitate the merit appointment of able career executives to Presidential appointments during the few months before the Senior Executive Service goes into effect, I am hereby directing the heads of Departments and Agencies to take the following actions:

OFFICE OF THE  
1979 MAR -8 10 51 AM '79



1. If a career executive in your agency has been nominated by me for a Presidential appointment and that executive is serving in a position which will be in the SES, the executive's present position should be officially designated SES immediately. (Such designation is authorized by Section 413 of PL 95-454, which became effective on October 13, 1978.)
2. The agency designation should be forwarded to the Office of Personnel Management for review and publication in the Federal Register.
3. On official designation by the agency, the career incumbent of this SES position should be given the option to convert to SES or to decline such conversion (PL 95-454 permits the incumbent up to 90 days to make a conversion decision, but the decision may be made at any time during that period. In this instance, the incumbent would need to make the decision before his/her Presidential appointment is confirmed by the Senate.)
4. If the career incumbent chooses to convert to SES, he/she may then elect to retain SES compensation and benefits as provided under PL 95-454 3392(c). Since SES compensation and benefits do not become effective before July 13, 1979, until that date the incumbent will serve under the Executive Level pay and benefit provisions.

If you need further guidance in carrying out this directive, the Office of Personnel Management will assist you.

*Jimmy Carter*



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

1979 FEB 23 11:48

FEB 23 1979

RECEIVED  
OFFICE OF THE CHIEF OF STAFF

WH-21

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: James T. McIntyre, Jr. *Jim McIntyre*  
Director

SUBJECT: Study of Decentralization of Federal Governmental Functions

The Civil Service Reform Act of 1978, PL 95-454, requires the Director of the Office of Management and Budget to conduct a detailed study of decentralization of Federal Governmental functions. Section 901 of the Act requires:

- o A review of the existing geographical distribution of Federal functions throughout the Nation, including the extent to which functions are concentrated in the District of Columbia.
- o A review of the possibilities of distributing some of the functions of the various Federal agencies currently concentrated in the District of Columbia to field offices located throughout the Nation.
- o A report and recommendations to the Congress.

As a first step in conducting the study, we need your suggestions of functions currently conducted by your agency in Washington, D.C., and the surrounding area that might be considered as possible candidates for decentralization.

In developing your suggestions you should consider either complete operations or portions of operations that logically could be conducted outside the Washington area. Examine each of your functions and activities, and develop your suggestions based on the criteria in OMB Circular A-60 (attached).

We also would appreciate your views on Circular A-60. We will be re-examining this Circular to modify and update the policies it reflects as appropriate.

The decentralization study is being conducted with the guidance and assistance of a steering group composed of senior officials from OMB, the Office of Personnel Management, and the Public Buildings Service of the General Services Administration. I have attached a copy of the work plan of the study for your information.

Please submit your initial recommendations to Howard M. Messner, Assistant Director for Management Improvement and Evaluation, (395-4960) within thirty days of the date of this memorandum. In addition, please designate a senior-level individual in your agency to serve as a point of contact for this study. We would appreciate your notifying us of your designee as soon as possible.

We look forward to working with you during this study and will be pleased to receive any additional suggestions you or your employees may have as the study progresses.

Attachment

STUDY OF DECENTRALIZATION  
OF FEDERAL GOVERNMENTAL FUNCTIONS

Work Plan

January 1979

Management Improvement and Evaluation Division  
Office of Management and Budget

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## GENERAL APPROACH TO THE STUDY

This study is designed to develop meaningful and practical recommendations which the President can consider and transmit to the Congress to fulfill the statutory mandate. Since Federal agency headquarters activities are often divided among various locations in Washington, D.C., and the surrounding area, this study will deal with the entire area for purposes of analysis.

The general approach to the study is to review and consider three major elements:

- o The existing geographical distribution of Federal Governmental functions throughout the United States.
- o The extent to which such functions are concentrated in Washington, D.C., and the surrounding area.
- o The possibilities of distributing some of the functions of various Federal agencies currently concentrated in Washington, D.C., and the surrounding area to field offices located at points throughout the United States based on specific criteria.

The review of the existing geographical distribution of functions will be a general survey which can be completed primarily with data currently available from the Office of Personnel Management, the Public Buildings Service of the General Services Administration, the National Capital Park and Planning Commission, and other standard reference sources. Findings will be confirmed with the appropriate Federal agencies. Identifying the extent to which Federal functions are concentrated in Washington, D.C., and the surrounding area will be accomplished in the same manner.

The third element, reviewing possibilities of decentralizing some activities and functions, will be the major analytical part of the study. Each Federal

## INTRODUCTION

### Study Requirement

Section 901 of the Civil Service Reform Act of 1978 (PL 95-454) requires the Director of the Office of Management and Budget to conduct a detailed study on the decentralization of Federal Governmental functions. It further directs that the study is to:

- o Review the existing geographical distribution of Federal Governmental functions throughout the United States, including the extent to which they are concentrated in the District of Columbia.
- o Review the possibilities of distributing some of the functions of the various Federal agencies currently concentrated in the District of Columbia to field offices located at points throughout the United States.

Within one year after the effective date of the Act, the Director must submit a report and recommendations, including draft legislation if the recommendations would require amending existing statutes, to the President for transmittal to the Congress.

### Current Situation--A Summary

As of the end of December 1976--the most current date for which complete figures are available--the overall Federal civilian and military work force in Washington, D.C., excluding the surrounding suburbs, numbered 220,885, approximately 5.4 percent of the total Federal work force in the United States. The parallel figures for the entire National Capital area were 388,418, representing about 9.5 percent of the nationwide Federal employment total. Federal civilian employment in the total National Capital area has increased from 10.6 percent of the United States total in 1955 to 12.2 percent at the end of 1976. National Capital military employment has decreased from 4.7 percent in 1970 to 4.3 percent in 1977.

## ORGANIZATION AND CONDUCT OF THE STUDY

Since the study will involve working with Federal agencies to identify functions which might be considered for decentralization, each agency will be asked to designate an individual to serve as principal contact for the study. As central staff agencies, the Office of Personnel Management and the General Services Administration (Public Buildings Service) play key roles in dealing with decentralization issues. Accordingly, a steering group composed of senior officials from OMB, OPM, and PBS-GSA will be constituted to provide guidance to the conduct of the study.

Initial comments on the study will be invited from principal public interest groups and views will be sought from all interested parties through publication of this study plan in the Federal Register. As indicated earlier, the views of all interested parties will be considered throughout the course of the study.

The specific study approach will begin with the two general surveys noted earlier: the review of the current geographical distribution of functions throughout the Nation and those concentrated in Washington, D.C., and the surrounding area. These should provide a sound framework for the rest of the study by relating Washington, D.C.-based functions to the total Federal work force. The major part of the study will be the examination of the possibilities for decentralizing some functions in terms of specific criteria presented previously as well as others considered relevant. Specific recommendations will then be developed, including any necessary legislative proposals.

A suggested schedule of major milestone dates is outlined in Appendix B. The schedule encompasses approximately nine months, with a final report available for transmittal by the President to the Congress by mid-October 1979.



agency in Washington, D.C., and the surrounding area will be asked to: (1) identify those of its functions or activities that might be considered for decentralization based on the criteria in OMB Circular A-60 (see Appendix C); (2) describe the factors involved in each decentralization; and (3) suggest logical geographical locations to receive each decentralized function or activity. The analysis of agency proposals will consider Circular A-60 criteria, associated costs and benefits, urban and community impacts as requested by Circular A-116, and other considerations that may surface during the study. Agencies will also be asked to suggest improvements to Circular A-60 so that any needed updating of Executive Branch policy can be accomplished as a result of the study.

Opportunities will be provided during the study for Federal agency managers, employees, employee unions, State and local officials, and other interested parties to offer comments and suggestions.

All relevant factors will be considered in the development of any recommendations. Such factors include, but are not limited to:

- o Implications of recommendations for affected employees, including family stability and personal finances.
- o Implications of recommendations for agency management and programs, including productivity, direct costs to the Federal Government (e.g., moving costs, office space, etc.), and getting agency work accomplished.
- o Implications of recommendations for local economies and tax bases, requirements for local services, and federal policies on urban core areas.

2. Federal Military Employment Totals: Washington, D.C. National Capital Area, and U.S. Total<sup>a</sup>

Year	District of Columbia		Remainder of National Capital Area	National Capital Area		Total U.S. Federal Military
	Number of Military	% of Total U.S.		Number of Military	% of Total U.S.	
1977	16,735	1.2%	41,329	58,064	4.3	1,360,487
1976	16,156	1.1	43,601	56,757	4.1	1,368,805
1975	18,096	1.2	42,642	60,738	4.3	1,414,349
1970 <sup>b</sup>	21,664	3.5	61,057	82,721	4.7	1,754,545

Notes: a. Source--DOD, Directorate for Information Operations and Reports.  
b. Data not available earlier than 1970.

Table 3 indicates that while Federal civilian employment in the National Capital area has been increasing so has the average grade of employees in the Washington, D.C., Standard Metropolitan Statistical Area (Washington SMSA). It has increased from 6.2 in 1950 to 9.4 in 1978. The comparable total United States average grade figures are 5.5 in 1950 and 8.1 in 1978.

3. Average Grade for Federal Civilian Employees: Washington, D.C. SMSA and United States<sup>a</sup>

Year	Washington, D.C. SMSA	United States
1978	9.4	8.1
1975	9.2	7.9
1970	8.9	7.9
1965	8.3	7.4
1960	7.6	6.7
1955	6.8	5.8
1950	6.2	5.5

Note: a. Source--USCSC, Bureau of Personnel Management Evaluation.

## BACKGROUND DATA

Tables 1 and 2 display individually both Federal civilian and military employment totals for the District of Columbia, the National Capital area (which in addition to the District of Columbia includes Montgomery and Prince George's counties in Maryland and Arlington and Fairfax counties and the cities of Alexandria, Fairfax, and Falls Church in Virginia), and the United States. They show that the percentage of Federal employees located in the District of Columbia has been fairly consistent over time. Since 1955, Federal civilian employment in the District of Columbia has been about 7.5 percent of the National total. Military employment in the District of Columbia has actually decreased from 3.5 percent in 1970 to 1.2 percent in 1977.

1. Federal Civilian Employment Totals: Washington, D.C., National Capital Area, and U.S. Total <sup>a, b</sup>

Year	District of Columbia		Remainder of National Capital Area <sup>c</sup>	National Capital Area		Total U.S. Federal Civilian Employees
	Number of Employees	% of total U.S.		Number of Employees	% of total U.S.	
1976 <sup>d</sup>	204,729	7.5	126,932	331,661	12.2	2,716,781
1975	203,831	7.4	125,660	329,491	12.0	2,738,167
1970	192,918	7.2	120,236	313,154	11.8	2,665,093
1965	192,889	8.0	84,114	277,003	11.5	2,403,048
1960	162,991	7.6	66,873	235,864	10.6	2,212,848
1955	163,316	7.6	64,149	227,465	10.6	2,152,387

Notes: a: From Annual Report of Federal Civilian Employment by Geographic Area, USCSC (1955-1976).

b: \*Excluding CIA, NSA, and Post Office Christmas help.

c: Includes Montgomery and Prince Georges counties in Maryland and Arlington and Fairfax counties, Alexandria, Fairfax City, and Falls Church in Virginia.

d: Most current year for which figures are available.

5. Federal Military Employment Payroll: National Capital Area and United States<sup>a</sup>

(Dollars in Billions)

Year	National Capital Area		United States Dollars
	Dollars	% of U.S.	
1977	\$ .7	4.8%	\$14.5
1976	.7	4.8	14.7
1975	.8	5.6	14.3
1970	.6	6.1	9.9
1965	b.	b.	7.8
1960	.2	3.3	6.1

Notes: a. Source--DOD, Directorate for Information Operations and Reports.

b. Figures unavailable.

Table 6 contains the Consumer Price Index for the Washington SMSA and those of the ten Federal regional cities for August/September 1978. During this period the CPI range for the ten Federal regional cities ranged from 193.8 to 207.0. The average for the total United States was 199.3; for the Washington SMSA it was 200.8.

Rounding out a view of the current employment situation, tables 4 and 5 display Federal civilian and military employment payrolls over time. In 1976 the Federal civilian employment payroll in the Washington SMSA was approximately \$6.3 billion, 14.9 percent of the United States total. Military payroll in the National Capital area for the same year was \$700 million, about 4.8 percent of the total military payroll in the United States.

4. Federal Civilian Employment Payroll: Washington, D.C. SMSA and United States<sup>a</sup>

(Dollars in Billions)

Year	Washington, D.C. SMSA		United States Dollars
	Dollars	% of U.S.	
1976	\$6.3	14.9%	\$42.2
1975	5.8	14.7	39.4
1970	3.9	14.3	27.3
1965	2.4	14.0	17.2
1960	1.6	12.6	12.7
1955	1.2	12.4	9.7
1950	.9	13.8	6.5

Note: a: Source--USCSC, Bureau of Personnel Management Evaluation.

## MAJOR MILESTONE DATES

1. Announce study to agencies and Public Interest Groups and request initial assistance. February 15
2. Announce study in Federal Register and solicit comments. February 23
3. Complete review of Federal functions in Washington, D.C., area and of all functions distributed nationally by organization. February 28
4. Complete preliminary identification of functions to be considered for decentralization. March 30
5. Complete analysis and assessment of functions for decentralization. June 15
6. Complete draft report. July 27
7. Submit report to Director of OMB. September 28
8. Submit report to the President for transmittal to the Congress. October 12

6. Consumer Price Index for Washington, D.C. SMSA and Federal Regional Cities as of August/September 1978. <sup>a</sup>

SMSA	Consumer Price Index All Urban Consumers (1967=100)
Washington, DC-Md-Va	200.8 <sup>b</sup>
Atlanta	195.1 <sup>c</sup>
Boston	195.8 <sup>b</sup>
Chicago	193.8 <sup>b</sup>
Dallas	197.2 <sup>c</sup>
Denver	207.0 <sup>b</sup>
Kansas City	194.3 <sup>c</sup>
New York	198.9 <sup>b</sup>
Philadelphia	197.8 <sup>b</sup>
San Francisco	204.7 <sup>c</sup>
Seattle	<u>201.0</u> <sup>b</sup>
Average--Total U.S.	199.3

Notes: a: Source--Bureau of Labor Statistics  
 b: September figures  
 c: August figures

Development of a well-informed judgment on the most desirable location of an agency or activity under review will require balanced consideration of all applicable criteria; no one criterion can be considered conclusive. In such an evaluation, consideration must be given to the needs of the Government as a whole, the relation of the work of the agency to other agency headquarters, and the needs of persons served or affected by the agency or activity.

3. Criteria for location of agencies or activities. In formulating and applying criteria regarding the proper location of an agency or an activity, consideration must be given to its major purpose, its principal working relationships with other governmental and non-governmental activities, and to costs and special requirements.

a. An agency or an agency activity is generally susceptible to location outside of the National Capital region when:

- (1) It performs functions or provides services to clientele in a particular region of the country other than Washington.
- (2) It is engaged in operations to carry out well-defined policies and programs which require only limited day-to-day headquarters supervision.
- (3) It is a regional, district or other field office (unless it can be demonstrated that the workload of the office is predominantly concerned with the National Capital region).
- (4) It provides large-scale supporting services of a relatively repetitive or routine nature, such as records maintenance; procurement and inventory control; training, including the operation of schools; administration of real property and related engineering services; manufacturing; financial accounting and disbursing activities; or statistics and data collection, and related fact-gathering and processing operations.
- (5) It is a review function or administrative service activity which could be performed equally well by field offices exercising general supervision over operating offices.
- (6) It operates in a relatively self-sufficient manner, which does not require it to have close intra-agency or interagency working relationships.
- (7) It requires close coordination with other governmental (Federal, State and local) and non-governmental activities or individuals within a given geographical area other than the National Capital region.

(No. A-60)



EXECUTIVE OFFICE OF THE PRESIDENT  
BUREAU OF THE BUDGET  
WASHINGTON 25, D. C.

July 18, 1963

CIRCULAR NO. A-60

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Criteria for decentralizing Federal activities from the  
National Capital region

1. Purpose. Section 3(d) of Executive Order 11035 of July 9, 1962, directs agencies to "review continuously their needs for space in and near the District of Columbia, taking into account the feasibility of decentralizing services or activities which can be carried on elsewhere without excessive costs or significant loss of efficiency." This Circular establishes general criteria to assist Federal departments and agencies in determining the desirability of decentralizing agencies or agency activities from the National Capital region.
2. Background. In a memorandum of November 27, 1962, to the heads of executive departments and establishments and to the Commissioners of the District of Columbia, the President set forth development policies to serve as guidelines for the agencies of the executive branch in fulfilling the objectives of the Year 2000 Plan developed by the National Capital Planning Commission and the National Capital Regional Planning Council. The plan projected a total regional population of five million by the year 2000. Among the assumptions on which that projection was based were that Federal employment in the region would not exceed 450,000 and, secondly, that Federal activities not essential to the seat of government would be located outside of the National Capital region.

The President's ad hoc Committee on Federal Office Space initially proposed criteria for decentralization of activities from the National Capital region. These criteria are refined and clarified in this Circular.

The criteria are designed to provide practical tests for determining whether agencies, new or expanding activities, or existing activities should be located in the National Capital region or located outside of the region through decentralization or delegation of responsibility to existing field facilities. The National Capital region includes the District of Columbia, Montgomery and Prince Georges Counties in Maryland, and Arlington, Fairfax, Loudoun and Prince William Counties in Virginia; the cities of Alexandria and Falls Church in Virginia; and all cities now or hereafter existing in Maryland or Virginia within the geographic area bounded by the outer boundaries of the combined area of aforesaid counties.

(No. A-60)

a. Department and agency heads. Department and agency heads will utilize the criteria contained in paragraph 3 in continuously reviewing their needs for space in and near the District of Columbia, as required by section 3(d) of Executive Order 11035, and in determining and justifying requests for additional space.

Whenever it is determined that decentralization of an agency or segments of an agency is desirable, but not permissible under existing laws, the department or agency head will request such amendments to these laws as may be required to carry out this objective. Department and agency heads (in coordination with the General Services Administration when appropriate) will also take such steps as may be required by applicable statutes and regulations to secure authorizations and appropriations for land acquisition, construction, alteration, or leasing of facilities.

b. The General Services Administration. The General Services Administration will utilize the criteria contained in paragraph 3 in its continuing investigation and survey of public building needs in the National Capital region under the Public Buildings Act of 1959 and Executive Order 11035 and in reviewing the requests of each agency for new space or facilities in the region.

Whenever decentralization of an agency or activity has been determined to be desirable, the General Services Administration, in coordination with the agency concerned, will take such steps as may be required by applicable statutes and regulations to secure authorizations and appropriations for land acquisition, construction, alteration, or leasing of facilities.

c. The Bureau of the Budget. The Bureau of the Budget will provide assistance to agencies, upon request, in utilizing the criteria established by this Circular and will further refine and clarify these criteria as necessary. It will take into account these criteria in reviewing agency reorganization proposals and in reviewing agency requests for funds for new space or facilities in the National Capital region.

d. Consultation with other agencies. Agencies considering decentralization of one or more of their activities will consult with the Area Redevelopment Administration (Department of Commerce), the Civil Service Commission and the Office of Emergency Planning, on matters affecting the responsibilities of these agencies. Agencies considering relocation of existing activities involving the construction of public works or the location of new activities in the National Capital region will consult with the National Capital Planning Commission on matters affecting its responsibilities. The Bureau of the Budget and the General Services Administration will similarly consult with these agencies in reviewing agency proposals for decentralization.

(No. A-60)

(8) It requires close coordination or working relationships with other Federal activities which are also susceptible to decentralization or delegation to a common new location or to existing field offices in a common location outside the National Capital region.

(9) Small liaison offices in Washington could effectively meet headquarters needs.

(10) Increased administrative economies, such as in travel, communications, rental, and recruiting, and improved efficiency, as in speed of decision-making or better service to the public, can be achieved through relocation and its initial costs can be justified accordingly.

b. An agency or agency activity is generally not susceptible to location outside the National Capital region when:

(1) It is directed to meeting the needs of the President, the Congress, or agency heads for continuing consultation, direction, and fixing of responsibility for governmental action.

(2) It is concerned with establishing national policies or developing broad principles and programs for nationwide application.

(3) It involves exercising general supervision over agency operations throughout the country to assure that those operations are in accord with general national policies.

(4) It is an activity conducted by persons who require close working relationships with those who make or direct major agency policy and who themselves must be located in the National Capital region.

(5) It requires close coordination or working relationships or continual communication with other headquarters agencies, the Congress, or non-governmental organizations or individuals located in the National Capital region.

(6) The costs of decentralization (including replacement of specialized physical facilities, loss of personnel with specialized skills, special training, relocation, travel, communications, and disruption of current operations) would outweigh benefits to be gained.

(7) Workload would not justify development of additional specialized staffs solely in order to achieve decentralization or delegation.

4. Responsibility for implementation. Responsibility for implementing the provisions of this Circular is assigned as follows:

(No. A-60)

5. Report to the Bureau of the Budget. Each department and agency head will advise the Bureau of the Budget not later than September 9, 1963, of the procedural arrangements (including assignments of responsibility) that he has made for the systematic utilization of these criteria in reviewing and determining his organization's space requirements in the National Capital region.

KERMIT GORDON  
Director

(No. A-60)

February 26, 1979

Dear Mr. President:

The Federal Reserve Board will be pleased to promote the payroll savings plan with our employess again this year. We'll work with Ray Marshall and do our best to assure a successful campaign.

Best wishes.

Sincerely,

The President  
The White House  
Washington, D.C. 20500

bc: Mr. Denkler

THE WHITE HOUSE  
WASHINGTON

BOARD OF GOVERNORS  
FEDERAL RESERVE SYSTEM  
1979 FEB 23 04 03

February 22, 1979

RECEIVED  
OFFICE OF THE ASSISTANT  
SECRETARY FOR MANAGEMENT

WH-20

MEMORANDUM FOR THE HEADS OF  
EXECUTIVE DEPARTMENTS AND AGENCIES

In 1978, I appointed Ray Marshall, Secretary of Labor, to serve a two-year term as Chairman of the Interagency Savings Bonds Committee. I am confident that with your help he will be able to ensure that the 1979 Federal Savings Bonds Campaign is a most successful one.

Participants in the Payroll Savings Program choose this method of saving for a wide variety of excellent reasons. Whether their goals revolve around providing higher education for their children, a more comfortable retirement, or a ready reserve in the event of personal emergency, they all recognize this program as a safe and convenient means by which to save.

It is also important to understand the degree to which our government and our country benefit from the sale of U.S. Savings Bonds. Today Americans own over \$80 billion worth of these securities. These holdings constitute nearly one-fifth of the publicly-held portion of the Federal debt, helping to protect the value of the dollar and stabilize our nation's economy.

As the heads of Departments and Agencies who make up the Interagency Savings Bonds Committee, you have the special responsibility of offering and promoting the Payroll Savings Plan to each and every Federal employee. I know you will carry out this responsibility with your usual diligence and attention.

Jimmy Carter

C. Mallardi

February 16, 1979

Mr. Harrison Wellford  
Executive Associate Director  
for Reorganization and Management  
Executive Office of the President  
Washington, D. C. 20503

Dear Mr. Wellford:

Thank you for your letter of February 2 giving the Board of Governors an opportunity to comment on the draft decision memorandum on improving civil rights enforcement in Federally assisted programs, housing, and credit.

The Board considers that enforcement of civil rights laws is an area deserving strong emphasis. On February 1, the Board approved a permanent consumer compliance and civil rights enforcement program (copy enclosed) which includes significantly enhanced procedures for determining compliance with civil rights statutes dealing with credit, in particular Title VIII of the 1968 Civil Rights Act and the Equal Credit Opportunity Act.

Your proposal for coordination of civil rights enforcement by the Department of Justice certainly is preferable to establishing a single enforcement agency, and the Board will cooperate fully with the Justice Department when the executive order becomes effective. However, Congressional concurrence might be needed with respect to certain legislatively mandated enforcement responsibilities that the Board must now act upon within its own authority.

The Board is presently implementing some of the coordination features that the proposed executive order contemplates. We are in the process of developing with the other financial institution supervisory agencies uniform procedures for enforcement of the civil rights laws

Mr. Harrison Wellford

-2-

applicable to credit transactions. Also, we have utilized personnel from the Department of Justice to provide training in civil rights matters. We would anticipate that this spirit of cooperation would continue after the executive order is issued.

If you or your staff have any questions, Janet Hart or Jerauld C. Kluckman of the Board's staff will be glad to give whatever assistance they can.

Sincerely yours,

(signed) Theodore E. Allison

Theodore E. Allison  
Secretary of the Board

Enclosure

PEC/TEA:laj  
2-16-79

bcc: Mrs. Mallardi (WH-19)  
Mr. Denkler  
Ms. Hart  
Mr. Kluckman  
Ms. Hobbs





EXECUTIVE OFFICE OF THE PRESIDENT OF THE UNITED STATES  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

1979 FEB -5 PM 2:12

February 2, 1979

RECEIVED  
OFFICE OF THE CHAIRMAN

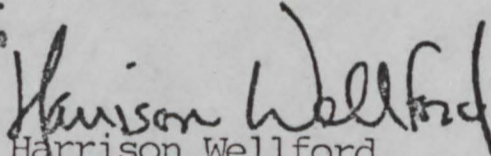
WH-19

MEMORANDUM FOR HEADS OF SELECTED DEPARTMENTS AND AGENCIES

SUBJECT: Draft Decision Memorandum on Improving Civil Rights Enforcement in Federally-Assisted Programs, Housing, and Credit

As you know, one of the priorities of the President's Reorganization Project has been reform of existing civil rights enforcement programs. Last year as a first step in that direction, the President reorganized the government's equal employment program. Since that time, our Civil Rights Task Force has conducted a comprehensive study of the enforcement of laws prohibiting discrimination in federally-assisted programs, housing, and credit. Many proposals have been evaluated and extensive governmental and public comments have been reviewed. Your own staffs have been especially helpful. We now have completed and are attaching for your review and comment a memorandum summarizing the Task Force's present findings and recommendation.

We plan to submit a decision memorandum concerning this subject to the President before the end of the month. Accordingly, it would be most helpful if I could receive your reactions to this document by February 13.

  
Harrison Wellford  
Executive Associate Director  
for Reorganization and Management

Attachment



REORGANIZATION  
PROJECT

**DRAFT**

WASHINGTON, D.C. 20503

MEMORANDUM FOR: THE PRESIDENT

February 1, 1979

FROM : James T. McIntyre, Jr.

SUBJECT : Assignment of Federal Civil Rights  
Leadership and Management Responsi-  
bilities

I. INTRODUCTION

This memorandum presents OMB's recommendation for improving the efficiency and effectiveness of Federal civil rights programs. This recommendation results from Phase II of our study of Federal civil rights compliance efforts.

Phase I, the examination of Federal equal employment opportunity programs, was the basis of Reorganization Plan No. 1 of 1978, which became effective May 5, 1978. That Plan made the Equal Employment Opportunity Commission (EEOC) the Federal Government's principal equal employment agency by transferring to it programs of the Department of Labor and the Civil Service Commission and by authorizing it to coordinate all other equal employment programs. Simultaneously, by Executive order, responsibility for the contract compliance program was consolidated in the Department of Labor.

Phase II examined ways of improving enforcement of laws prohibiting discrimination in federally-assisted programs, in housing, and in credit.

II. THE CURRENT STRUCTURE

Major civil rights provisions applicable to federally-assisted programs include Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, Title IX of the Education Amendments of 1972, and more than 30 other provisions applicable to specific programs. These laws primarily are enforced by individual program agencies and provide for fund termination in cases of noncompliance. The major nondiscrimination provisions applicable to housing and credit are Title VIII of the Civil Rights Act of 1968, which primarily is enforced by HUD through conciliation efforts, and the Equal Credit Opportunity Act of 1974, which is enforced by 12 regulatory agencies through a wide range of sanctions, including cease and desist orders.

EXECUTIVE OFFICE OF THE PRESIDENT • OFFICE OF MANAGEMENT AND BUDGET

Generally, all of the above statutes also are enforceable by the Department of Justice (DOJ) through civil actions instituted either unilaterally or upon referral from an agency. Additionally, four agencies have coordinative responsibilities in these areas: DOJ -- Title VI; HEW -- Handicap and Age; HUD -- Title VIII; and Federal Reserve Board -- Credit.

### III. PROBLEMS

Enforcement of civil rights provisions applicable to federally-assisted services, housing, and credit has not been effective. During the course of our study and public outreach effort, we identified the following five major problems which have impeded the fulfillment of these laws.

- (1) Lack of Compliance Activity. Agencies have failed to develop comprehensive compliance programs. Many have not issued regulations to implement civil rights requirements in a timely manner; while others have not expeditiously investigated complaints, conducted compliance reviews, or taken enforcement actions.
- (2) Conflict between Agency Mission and Civil Rights Objectives. Agencies have subordinated civil rights to programmatic concerns. Enforcement of civil rights laws has been inhibited because such actions may jeopardize or delay an otherwise desirable program, or may adversely affect an agency's relationship with a recipient. Forced to choose between denying funds and overlooking civil rights violations, agencies often have done the latter.
- (3) Overlapping Responsibilities. The overlap of compliance responsibilities has resulted in agencies instituting inconsistent policies and engaging in duplicative compliance activities. A number of agencies enforce the same or similar civil rights laws, and such laws generally apply to the same recipient and protect the same individuals. Accordingly, a single recipient usually is subject to the jurisdiction of several agencies.
- (4) Inadequate Coordination. Coordination has been fragmented and ineffective. There are four agencies that have overlapping coordinating responsibilities, while no agency coordinates the more than 30 program-specific civil rights provisions or any sex discrimination requirements. Thus, the Federal enforcement programs have been characterized by inefficiency, lacking a common definition of compliance, a central data source, and joint investigative activities.

(5) Poor Management. Many agencies have failed to plan, execute, and evaluate their civil rights activities so as to make maximum use of limited resources. Most have not developed management systems which provide the data necessary to predict the probability of noncompliance, permit a determination of the amount and nature of the resources necessary to uncover and remedy noncompliance, and provide adequate training to their staff.

#### IV. ALTERNATIVES CONSIDERED FOR COORDINATION

Two major options have been considered for improving Federal civil rights programs related to federally-assisted services, housing, and credit programs. The first entailed total consolidation of civil rights responsibilities in these three areas into a single agency. The second option creates a two-tiered system under which primary enforcement responsibility would be retained by the program agencies, while coordination and direction responsibility would be centralized in a single agency.

In our plan for reorganizing equal employment operations, we moved as far as feasible toward total consolidation. This step was necessary to eliminate duplicative and inconsistent standards and procedures from already fully activated equal employment programs. The plan received widespread support from business and civil rights groups because they viewed the advantages of incremental movement towards consolidation as far outweighing the disadvantages.

Consolidation of compliance activity in the services, housing, and credit areas would have similar benefits. It would place enforcement responsibility in a single-purpose agency, thus eliminating conflict between program goals and civil rights objectives and potentially increasing the volume of compliance activity. Consolidation also would reduce duplication, overlap, and inconsistency.

Despite these benefits, most civil rights groups and agency officials strongly believe that movement towards consolidation would be unwise at this time. Their opposition is based on the assumption that internal agency mechanisms are necessary to assure continued consideration of civil rights objectives in carrying out agency programs. Consolidation is likely to insulate program staff from consideration of civil rights issues.

Furthermore, such a centralization probably would require a lengthy transition period marked by diminished efficiency

and large-scale management problems. Such disruption in Federal civil rights efforts might irreparably curtail the already low level of compliance activity which marks these areas.

The foregoing considerations lead to the conclusion that consolidation is not presently a viable solution. We recommend, however, the designation of a lead agency to coordinate civil rights enforcement in federally-assisted services, housing, and credit. Such a designation would complement the Administration's assignment of EEOC as the lead agency for equal employment. Like EEOC, the coordinator would attempt, through strengthened leadership and oversight, to maximize the potential effectiveness of present civil rights mechanisms.

#### V. RECOMMENDATION

##### An Executive Order Assigning Responsibility for Coordinating Agency Efforts to Ensure Equal Services, Housing, and Credit to the Department of Justice

This Executive order would assign to the Department of Justice the responsibility for providing leadership and coordination to compliance activities in areas other than employment. It would expressly empower the Department, after consultation with relevant agencies, to ensure adoption of uniform standards, procedures, and data collection requirements; to develop uniform staff training programs; provide for sharing of compliance records and findings; and develop mechanisms to minimize duplicative efforts. The Department also would monitor and evaluate the effectiveness of agency civil rights operations. Agencies would remain responsible for conducting compliance reviews, investigating complaints, negotiating agreements, holding administrative proceedings, and imposing sanctions.

A centralized coordination effort is likely to increase both the quantity and quality of agency efforts. For example, unified coordination would reduce duplicative and often inconsistent agency reporting requirements and investigations. It also could spur the adoption of joint activities and the utilization of innovative approaches to discrimination in inter-related fields such as housing and education. Ultimately, this should eliminate unnecessary regulatory burdens and maximize the utilization of Federal funds.

The Civil Rights Division of the Department of Justice is the logical institution in which to vest centralized coordination. The Division's preeminence in the law enforcement field, its reputation for competence and objectivity, and its experience

in providing technical assistance to agencies outweigh the benefits to be gained from locating this function elsewhere.

The Civil Rights Division, however, has historically emphasized litigation and has relegated coordination to a secondary position. Although this Administration has taken measures to correct this imbalance, we believe that two safeguards would ensure that the full potential of coordination is reached.

First, a new Deputy Assistant Attorney General should be appointed within the Civil Rights Division for the sole purpose of directing a unit to implement the recommended Executive order. The Deputy's staff would consist of approximately 50 persons. These positions would be derived from the Division's present allocation for coordination, supplemented by other positions currently authorized for compliance agencies.

Second, the Attorney General should submit to the Director of OMB a plan for implementing the Executive order within 45 days of its issuance. Thereafter, the Attorney General should submit semi-annual reports on coordination activities. The Department of Justice has indicated its approval of these measures.

There are limitations, however, on the centralized coordination approach. First, coordination of the independent regulatory agencies which enforce the Equal Credit Opportunity Act will be dependent ultimately on their cooperation and may, therefore, be less likely to succeed. Second, because the responsibility to work with agencies to ensure that their housing programs operate in a manner consistent with fair housing goals involves a detailed knowledge of housing matters, it is appropriate for HUD to continue to fulfill this role. In order to ensure consistency, and to facilitate joint activities with other civil rights programs, HUD would coordinate its Title VIII effort with the Department of Justice.

Centralization of coordination responsibilities in the Department of Justice is endorsed by most civil rights organizations, including key members of the Leadership Conference on Civil Rights. In addition, it is supported by significant organizations representing recipients of Federal funds, such as the League of Cities and the National Governors' Association, as well as by the major Federal agencies.

Centralized coordination may not, however, satisfy proponents of full consolidation. These include a few governors and some Hispanic organizations. Beyond this, some women's groups have expressed concern over delegating increased coordination

authority to DOJ, believing that the agency has not been sufficiently sensitive to sex discrimination issues. Despite the misgivings of some interest groups, active opposition to this recommendation is not expected.

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_

VI. CONCLUSION

The time is ripe for reform of the Federal civil rights enforcement apparatus. Expenditures for such activities have grown significantly in the past decade, but program productivity has not increased proportionately. While the civil rights community has become cynical about the will of the government to enforce the law, those regulated cite instances of arbitrary agency action. Moreover, employees in the program are dispirited and require a renewed sense of moral challenge.

This proposal, combined with your reorganization of the equal employment area, should substantially advance the rate of civil rights compliance efforts. It establishes a cohesive administrative structure for the civil rights program, capable of maximizing the productivity of existing resources and ensuring consistent agency action.

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

# Office Correspondence

Date February 7, 1979

To Chairman Miller and  
Governor Coldwell

Subject: President Carter's request on

From John M. Denkler

energy reduction

*will continue to be  
and we should be  
the number  
cut great  
sell  
2/12/79*

**# 18**

The attached memorandum has been received from President Carter requesting a further reduction of energy use by the Federal Government. We are distributing a memorandum to the staff requesting all thermostats be set at 65° and advance planning - to the extent possible - in using the Board's sedans.

Our own energy savings program which has been in effect for several years is continuously being improved. Highlights of this program are:

Reduction of Lighting

- Delamping wherever possible
- Down lamping - using lesser wattage lamps and transformers
- Adding switching to improve off time
- Greater use of task lighting

Use of thermal glazing

- Installing glass thermal units in all new construction as well as reviewing existing construction for replacement with these units

Computerized temperature control system

- We are in process of installing an addition to present system in an effort to further reduce energy consumption, by programming on/off time of all HVAC equipment

Vehicle Use

- Trips have been reduced under a continuing program of combining and consolidating trips, also, the vehicle leasing and purchases were limited to those meeting EPA Standards

Space temperatures

- We are constantly trying to give greater comfort with less energy. Consistent with the President's



To: Chairman Miller and Governor Coldwell

-2-

memorandum we will lower the temperature even lower during the heating season and raise it during the cooling season

Heat recovery equipment

We have for several years used heat recovery equipment to convert heat of lights to heat the space

Parking policy

Present policy is founded on carpooling, however, we are continuing our efforts to improve the rider/car densities

Attachment

1979 FEB 5

February 2, 1979

WH-18

MEMORANDUM FOR THE HEADS OF  
EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Reduction of Energy Use by the  
Federal Government

Because of the world shortfall in oil production resulting from the Iranian situation, I am directing that executive departments and establishments take immediate steps to reduce the use of petroleum fuels. For this purpose, all agency heads should establish goals, prepare plans and issue necessary instructions to implement them. The specific actions that agency heads can take include, but are not limited to, the following:

- o Lowering thermostat settings in Federally owned and operated buildings to not more than 65 degrees during the day and 55 degrees during the night.
- o Reducing electrical use generally throughout agency activities, particularly lighting.
- o Reducing petroleum use by eliminating unnecessary activities and vehicle trips and combining and consolidating the essential ones.
- o Reducing agency activities that use large amounts of energy and could be deferred, such as research and experimental activities that involve the use of highly energy intensive equipment.

In addition, I urge all agency heads aggressively to pursue employee awareness programs on energy conservation, and to promote employee use of carpools and mass transit.

Agency heads should submit their goals and instructions for implementation to the Secretary of Energy by February 15, 1979. Agencies which currently submit quarterly reports on energy consumption to the Department of Energy should include in their FY 1979 second quarter report a statement showing energy savings accomplished from this special effort.

Department of Defense operational readiness activities are exempt from this directive.

*Jimmy Carter*

Sandy

WH-17

no reply recy.

Origl to Personnel

"For appropriate  
handling"

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WH-17

Weis said  
no reply necessary

D

THE WHITE HOUSE  
WASHINGTON  
February 1, 1979

BOARD OF GOVERNORS  
FEDERAL RESERVE

1979 FEB -2 PM 12:02

RECEIVED  
OFFICE OF THE

WH-17

MEMORANDUM FOR THE HEADS OF  
EXECUTIVE DEPARTMENTS AND AGENCIES

I have just signed a Presidential Proclamation designating the month of March as Red Cross Month.

For almost 100 years the American people have been counting on the Red Cross for disaster relief, the collection and distribution of blood, services to members of the armed forces, their families and veterans, first aid and water safety instruction and a wide variety of community health programs.

There are three things we can do to help the Red Cross during March:

1. Become a Red Cross volunteer
2. Donate blood
3. Support our Red Cross chapter's membership enrollment efforts.

The Red Cross is a part of the Combined Federal Campaign for Federal employees, but more than half of its 3,000 chapters raise all their funds in March. All chapters use the month to inform the public of Red Cross services available to citizens and to recruit new blood donors and volunteers.

As President of the United States and Honorary Chairman of the American Red Cross, I urge all civilian employees of the Federal government and members of the armed forces to support this vital voluntary effort to the best of their ability.

*Jimmy Carter*

Sandy

WH-16

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EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

1979 JAN 31 AM 9:37

JAN 15 1979

WH-16

RECEIVED  
OFFICE OF THE CHAIRMAN

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS  
AND AGENCIES

SUBJECT: Federal Grant and Cooperative Agreement Act Study

Attached for your information is a copy of the final plan for the study of Federal assistance programs which OMB is conducting under the mandate established by the Federal Grant and Cooperative Agreement Act (P.L. 95-224, Section 8). This Act establishes a distinction between Federal procurement and assistance relationships, and prescribes the use of legal instruments appropriate to procurement and assistance transactions.

The study of Federal assistance mandated by Section 8 of P.L. 95-224 is viewed as an initial step in rationalizing Federal assistance management practices. The subjects to be addressed are directly relevant to the operations of most, if not all, executive agencies. Such critical issues as proposing simplified Federal administrative practices, defining roles and responsibilities between Federal and non-Federal parties, and evaluating the impact of P.L. 95-224 will be addressed. In summary, this study is potentially an essential ingredient in improving the management of our Federal system and may be a precursor of significant reforms in Federal assistance practices over the long run. The Office of Federal Procurement Policy is already embarked on the task of rationalizing Federal Procurement standards and requirements, and the P.L. 95-224 study will parallel that effort in the assistance area.

A report is due to Congress in February, 1980. In the interim, extensive analyses will be completed and issue/option papers developed. We plan an extensive period for agency and public review of these analyses, and we will be particularly interested in your views on the relative merits of various options as they emerge. To allow time for the agency reviews, however, a great deal must be accomplished in a relatively short time.

I have designated Wayne Granquist, Associate Director for Management and Regulatory Policy, and William R. Feezle,

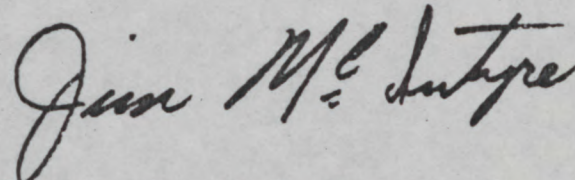


Acting Deputy Associate Director for Intergovernmental Affairs, to coordinate the effort in my behalf. They will be requesting the participation of individuals who are well qualified in topics under study or they will be seeking information relevant to various study elements. We will try to keep these requests to a minimum, but much of the knowledge we will need resides in your agencies.

I ask you to add your personal support to this effort by advising your senior management to provide the OMB study team with the necessary support wherever possible. I understand the resource restrictions you are facing, but one of the potential benefits that may result from the study is improved utilization of Federal assistance and greater return for each dollar spent. Therefore a high priority should be assigned.

Thank you for your help and cooperation.

Attachment



James T. McIntyre, Jr.  
Director

MONDAY, JANUARY 8, 1979  
PART V



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OFFICE OF  
MANAGEMENT AND  
BUDGET

PLAN FOR STUDY OF  
FEDERAL ASSISTANCE  
PROGRAMS

FRASER  
Project

[3110-01-M]

**OFFICE OF MANAGEMENT AND  
BUDGET**

**PLANS FOR STUDY OF FEDERAL ASSISTANCE  
PROGRAMS**

AGENCY: Office of Management and Budget.

ACTION: Notice of plan for the study of Federal assistance programs and practices required by the Federal Grant and Cooperative Agreement Act of 1977 (Pub. L. 95-224).

SUMMARY: The Federal Grant and Cooperative Agreement Act of 1977 requires the Director of OMB to study alternative means of implementing Federal assistance programs and to determine the feasibility of developing a comprehensive system of guidance for Federal assistance programs. A report to Congress is required not later than February 3, 1980. In conducting this study, OMB intends to consult with and, to the extent practicable, involve representatives of executive agencies, Congress, General Accounting Office, State and local governments, other recipients, and interested members of the public.

This notice is to communicate the OMB plan for conducting the study and to invite contributions and participation from interested parties. A draft plan was published in the FEDERAL REGISTER for comment on June 23, 1978. This final plan reflects many of the comments received on the earlier draft.

The Act also requires Federal agencies to take specific actions by February 3, 1979. These include use of procurement contracts for procurement transactions, and grants or cooperative agreements for certain types of assistance transactions. OMB published guidance to the Federal agencies for implementing the Act in the FEDERAL REGISTER on August 18, 1978.

**FOR FURTHER INFORMATION  
CONTACT**

Thomas L. Hadd, Intergovernmental Affairs Division, Office of Management and Budget, Room 5217 NEOB, Washington, D.C. 20503, telephone 202-395-5156.

**SUMMARY OF MAJOR COMMENTS ON THE  
PROPOSED STUDY PLAN AND THE OMB  
RESPONSE**

On June 23, 1978, OMB published a proposed study plan in the FEDERAL REGISTER to invite general comments on its scope and solicit participation by interested parties. Numerous comments were received from Federal agencies and others. The majority of the comments endorsed particular parts of the plan, dealt with ways to

improve its clarity, or suggested topics to make it more complete.

The proposed plan divided the scope of the study into three major tasks. These were:

A. Feasibility of a comprehensive system of guidance for Federal assistance programs.

B. Alternative means for implementing Federal assistance programs.

C. Study of specific issues.

Each of these tasks was further divided into a number of subtasks.

OMB accepted and tried to incorporate virtually all suggestions for improving the plan. A summary of the more important comments follows.

A. *Feasibility of a comprehensive system of guidance for Federal assistance programs.* 1. There were a number of comments agreeing with the need to study ways of consolidating the present body of assistance guidance into a single system. Some discussed the present array of guidance and its piecemeal development. Others commented on specific elements of existing guidance that might be improved through incorporation into a comprehensive system.

2. There were a few comments on the legal or regulatory aspects of a comprehensive system of guidance. These ranged from a proposal to develop a statutory assistance code to suggestions for the study of particular steps in the assistance process. There were comments about the total impact of regulations affecting assistance programs and the relation of this impact to the accomplishment of the primary purpose of the programs.

3. Some observers concentrated on the educational potential of a comprehensive system of guidance. They pointed out that the assistance field is becoming increasingly complex. Managers and specialists need to have better information on the full range of assistance management techniques, requirements, and alternatives available to them. It was also suggested that the educational aspect should concentrate on learning more about the basic implications of assistance policies and providing a basis for training personnel.

4. There were a number of comments about studying a comprehensive system of guidance that reflected the views of various participants in the assistance field. These included:

a. How much should the system stress standardization as opposed to flexibility?

b. How might the system relate to different classes of recipients?

c. What types of resistance can be anticipated to a comprehensive system of guidance?

B. *Alternative means for implementing Federal assistance programs.* 1. Most comments on this task stressed

the importance of studying cooperative agreements. These included views that:

a. Cooperative agreements may actually be a third class of Federal/recipient relationship with elements of both procurement and assistance rather than purely assistance instruments as classified in the Act.

b. Much needs to be done to clarify the distinction between various classes of cooperative agreements and grants.

c. The needs and desires of recipients should be considered more in development of cooperative agreements than grants.

2. There were also comments on the need to study and experiment with the problem of choosing a particular form of assistance transaction from the array of alternatives. This included the need for a review of characteristics, strengths, and weaknesses of the full range of techniques available for achieving national objectives.

C. *Study of specific issues.* 1. There were a number of suggestions about studying the funding of research. These stressed the importance of finding the appropriate relationship and most effective level of Federal involvement in various types of research in order to attain the research objectives.

2. There were conflicting views on the question of basic or master agreements with recipients for meeting administrative and general Federal policy requirements. Some viewed them as more work for State government or recipients, while others asserted promise in their use.

3. The question of competition for assistance awards also drew mixed comment. A general view was that the proposed plan did not stress the issue enough. A second was that increasing competition may have negative aspects. A third opinion was that the feasibility of standards for competitive selection should be considered.

4. The issue of the eligibility of for-profit organizations drew substantial comment. Some felt that assistance awards should not be made to for-profits, while others felt the study issue should emphasize their encouragement. Some basic questions were proposed for review including:

a. The constitutionality of such awards.

b. The degree of latitude agencies should have to make such awards.

c. Special provisions that might be necessary.

5. There were a few comments in specific support of studying the concept of fixed-price or lump-sum payment assistance awards.

6. The question of cost sharing drew a few comments ranging from arguments that the practice should be eliminated to the view that a government-wide policy is not feasible.

7. There were some comments that there are classes of transactions covered by the Act which cannot be classified as either assistance or procurement.

8. Additional topics suggested for study included:

a. Non-monetary transactions including personal property and land donations.

b. Development of uniform standards and criteria for selecting recipients of formula and block grants and terminating assistance transactions by either party.

c. Relationship of the Model Procurement Code to present administrative standards on procurement.

d. Consideration of various aspects of "accountability."

e. Review of various proposals for new legislation.

f. Degree to which the Federal Government can intrude into the internal affairs of State Governments.

g. Federal controls on pass-through or sub-grants.

h. Various issues related to due process.

i. Specific terms in frequent use but with unclear definitions.

j. Relationship of Federal procedural requirements and funding cycles of various levels of government.

k. Internal agency organization theory and practice for primary assistance policy and management functions.

l. Program evaluation provisions that might be general requirements.

9. Several comments suggested that the study consider whether existing guidance contained in OMB Circulars should apply to cooperative agreements as well as to grants. We concluded that it was the intent of Congress, as expressed in Senate Report No. 93-1239, that the same guidance should apply. The report said, "A determination was made that the use of 'cooperative agreements' would not establish a class of . . . transactions that would be exempt from OMB Circular A-102 or other circulars whose authority applies to assistance transactions." This is consistent with the Administration's efforts to standardize and simplify the paperwork requirements of federally assisted programs. The study, therefore, will not address this matter. It will, however, be alert for opportunities to improve and build upon existing guidance for both grants and cooperative agreements.

In addition to the above comments on the proposed study plan, two general issues were suggested for treatment in the OMB implementation guidance, but were deferred to the study. These are:

1. Distinction between grants and subsidies.

2. Identification of types of government transactions not covered by Pub. L. 95-224.

One comment recommended that the study consider the issue of categorical grant program consolidation. While this is an important issue, OMB concluded that it is beyond the scope intended by Congress and should not be included in the study.

Finally, there were many suggestions of specific actions the government might take to resolve particular problems. Those that OMB considered to be too detailed for mention in the general study plan will be considered by the appropriate task groups during the conduct of the study.

#### PLAN FOR STUDY OF FEDERAL ASSISTANCE PROGRAMS

##### I. INTRODUCTION

Section 8 of Pub. L. 95-224 requires the Director of OMB to conduct a broad study of Federal assistance programs and related administrative practices. Section 8 says:

"The Director of the Office of Management and Budget, in cooperation with the executive agencies, shall undertake a study to develop a better understanding of alternative means of implementing Federal assistance programs, and to determine the feasibility of developing a comprehensive system of guidance for Federal assistance programs. . . . The report on the study shall include (1) detailed descriptions of the alternative means of implementing Federal assistance programs and of the circumstances in which the use of each appears to be most desirable, (2) detailed descriptions of the basic characteristics and an outline of such comprehensive system of guidance for Federal assistance programs, the development of which may be determined feasible, and (3) recommendations concerning arrangements to proceed with the full development of such comprehensive system of guidance and for such administrative or statutory changes, including changes in the provisions of sections 3 through 7 of this Act, as may be deemed appropriate on the basis of the findings of the study."

During the study, the primary attention of OMB must be on analyses that will contribute to meeting these statutory requirements. In addition, there is an extensive legislative history including recommendations on the content and conduct of the study which have been taken into consideration in this plan. Where possible, prior studies by Congress, executive branch agencies, and others will be used.

The study offers an opportunity to investigate many specific issues and problems in the Federal assistance area called to OMB's attention by State and local officials, the Congress, GAO, executive agency officials and others and to review systematically the proper Federal role in assistance activities. It is consistent with the President's objective and recent ac-

tions to simplify Federal assistance programs. A significant number of issues related to the Federal assistance system and reflected in this plan are addressed by the President's September 9, 1977, memoranda on cutting red tape; ongoing Presidential reorganization activities; and recommendations of the Commission on Government Procurement. The results of these and other reform initiatives will be integrated with the study effort as it progresses. The "comprehensive system of guidance" may prove to be an effective way to consolidate the results of these and other government activities into an integrated body of policy.

The study plan includes nine major tasks:

A. Description of existing guidance documents and processes

B. Alternatives for a comprehensive system of guidance for assistance programs

C. Alternative means for implementing Federal assistance programs

D. Analysis of Pub. L. 95-224

E. Equity, fairness, and competition in assistance transactions

F. Federal relationships in research and development

G. Recipient-related issues

H. Additional issues

I. Environment of Federal assistance

Each of these tasks will be performed as separate, but simultaneous investigation and development efforts. Core task groups composed of interested representatives from executive agencies, State and local governments, other recipients, and the public will perform substantial portions of the actual research and analysis. OMB will coordinate, review, and integrate the activities of these task groups. Parties wishing to contribute to or participate in the study are invited to contact Thomas L. Hadd, Intergovernmental Affairs Division, OMB, Room 5217, NEOB, Washington, D.C. 20503, telephone 202-395-5156 and indicate the specific task or subtask of interest. All materials submitted to OMB as a contribution to the study effort will become a part of the public record.

The study is viewed as a developmental as well as an analytical effort. Thus, during the course of the study, agreement on specific issues may be achieved or specific changes in administrative practice found to be both feasible and desirable. It is anticipated in such instances that implementation would begin immediately rather than await submission of the study report. The report would include both discussions of any actions taken and analyses and recommendations for the future.

In general, it is anticipated that draft analysis papers outlining problems, findings, and alternative solutions will be completed sometime in

mid-summer 1979 by each of the task groups. To the extent practicable, these papers will be made available for public review and comment. After public and agency review, these analysis papers will be put in final form as appendices to the report to Congress. The report itself will draw heavily on these papers for factual background information and concentrate on OMB's recommendations for future action as required by the Act. OMB will make final determinations on the content of issue and analysis papers to be published.

The Act requires the results of the study to be reported to Congress within two years after the date of enactment or no later than February 3, 1980. While additional follow-on study may be necessary, the two-year statutory requirement is to allow Congress to give timely attention to an executive branch progress report.

## II. SCOPE OF STUDY

The various issues to be included in the study are based on the statute itself; its legislative history; the experience of agencies in implementing Sections 4, 5, and 6 of the Act; and the numerous comments received in response to the draft study plan.

The terms "program requirements," "general Federal policy requirements," and "administrative requirements" are used throughout the plan. Program requirements are the terms or conditions of an assistance instrument (such as a grant) that are designed to ensure the purposes of the specific program are achieved. Program requirements are usually based on provisions of program statutes. General Federal policy requirements are developed to implement broad national statutory goals and have cross-cutting applicability to assistance programs. Examples of general Federal policy requirements include protection of the environment, historical preservation, payment of prevailing wages, provisions for the handicapped, and care for laboratory animals. Administrative requirements deal with the normal business processes of applying for, conducting, and terminating an assisted project that are common to all or a wide range of programs. Examples of administrative requirements include standards or standard processes for coordinating proposed projects, determining costs, financial reporting, developing new forms or public reporting plans, using government statistics, audit, and uniform requirements for various aspects of managing grant programs.

The study plan concentrates on issues that apply to all or broad ranges of assistance programs, such as general Federal policy requirements and administrative requirements. Except for a few specific questions, the study will

not address program requirements. Nor will it consider the structure of assistance programs or how funds are allocated to them. The entire study relates to the processes of developing and conducting assistance programs and how these processes are guided.

For convenience, the study issues have been arrayed as nine major task elements. It is planned for each of the tasks to produce an appendix to the report to Congress which will summarize the general study findings. The nine tasks follow:

A. *Description of existing guidance documents and processes.* This task is to inventory and describe the existing requirements and guidance for assistance programs.

1. What are the general components of the existing body of guidance. This will include a description of:

a. Major types of statutes that influence assistance programs;

b. Powers of the President and the Executive Branch that influence assistance programs;

c. Varying roles of guidance agencies that are responsible for administering general national policies that affect assistance programs;

d. Range of guidance materials that assistance agencies must follow including statutes of general applicability with no supplementary guidance, Executive Orders, codified regulations and circulars, court rulings, Comptroller General determinations and opinions, instructional materials developed by guidance agencies, and other forms of guidance;

e. The major premises and broad concepts which serve as the basis for the existing body of guidance;

f. Methods of assistance agencies for handling guidance including assignment of responsibilities in large and small agencies, techniques used for staying aware of current guidance, and requirements on to applicants and recipients.

2. What is the full array of administrative requirements for assistance activities? This will include:

a. Inventory of statutes containing generally applicable administrative provisions;

b. Directory of guidance agencies responsible for administering specific statutes;

c. Inventory of guidance materials other than statutes prepared by guidance agencies and others;

d. Description of methods of interpreting, administering, and enforcing guidance by both guidance agencies and assistance agencies.

3. What is the full array of general Federal policy requirements for assistance activities? This will include:

a. Inventory of statutes containing generally applicable Federal policy requirements;

b. Inventory of guidance agencies responsible for administering general Federal policy statutes;

c. Inventory of guidance materials other than statutes prepared by guidance agencies and others;

d. Description of methods of interpreting, administering, and enforcing guidance by both guidance agencies and assistance agencies;

e. Analysis of the effects of common Federal policy themes stated differently in individual program statutes.

4. What is the applicability of government-wide administrative and general Federal policy requirements to various types of assistance programs and how have they been implemented? This will include analytical matrices for a sample of administrative requirements, general Federal policy requirements, and assistance programs by:

a. Types of assistance provided;

b. Various classes of recipients;

c. Types of activities assisted.

B. *Alternatives for a comprehensive system of guidance for assistance programs.* This will concentrate on what a comprehensive system of guidance might be and how it could be developed. All of the eleven questions under this task relate to the basic question of feasibility.

1. What is meant by "a comprehensive system of guidance"?

2. What values might a comprehensive system of guidance serve as seen by Congress, the Executive Office of the President, guidance agencies, assistance agencies, State and local governments, and other recipients?

3. What is the range of major purposes a comprehensive system of guidance might serve and what, if any, conflicts among such purposes may be present?

A new guidance system could:

a. Provide for consolidation of the full range of existing and future administrative and general Federal policy guidance;

b. Codify legal elements into a Federal Assistance Code;

c. Provide educational basis for all involved in assistance activities from basic program design and development to implementation and operation;

d. Assist in the choice of appropriate Federal role for each assistance relationship;

e. Lead to the clarification of Federal and recipient roles;

f. Guide the choice of techniques and legal instruments to support the appropriate Federal role;

g. Permit participation of recipients, both public and private, in determination of roles;

h. Provide policymakers with choices for increasing or decreasing Federal involvement in managing assistance programs;

i. Help define Federal and recipient accountability;

j. Reduce paperwork, uncertainty about Federal requirements, overhead costs, time delays, and red tape.

4. What are the features that might be included in a comprehensive system of guidance? Such features might include provisions for:

a. Greater uniformity of conflict resolution procedures;

b. Improved techniques for ensuring compliance by assisting agencies and recipients;

c. Increased help by guidance agencies to assistance agencies for implementing administrative and general Federal policy requirements;

d. Adaptation of selected procurement system features that might appropriately serve assistance transactions;

e. Increased elements of flexibility, standardization, or both;

f. Capacity for policy research and evaluation.

5. What are the alternatives for administering a new guidance system that assure adequate adherence to established policies?

6. What is the range of assistance activities that should be covered by, a new guidance system?

7. What are the major problems of developing a new guidance system? This would include a description of such matters as:

a. Sheer size and scope of the range of subjects to be covered;

b. Varying degrees of interest that may be present for making a new guidance system work;

c. Possible special interests that would not favor a new guidance system;

d. Cost of a new guidance system;

e. Problems arising from the basic Federal Government structure and organization of assistance agencies.

8. How might a new guidance system relate to the internal systems of State and local governments, universities, other recipients?

9. What would be the major problems of implementing a new guidance system? This would consider such issues as organizational assignment of responsibilities, policy consistency and integration, timing of conversion, and cost of conversion.

10. How might a new guidance system serve in the development of new assistance programs?

11. How might a new guidance system be affected by future congressional actions and program legislation?

*C. Alternative means for implementing Federal assistance programs.* This task will examine a number of areas for which additional guidance could be developed.

1. What additional guidance is needed for transactions covered by

Sections 4, 5, and 6 of the Act or indicated by agency experience in implementing these sections? This analysis will consider:

a. Meaning of "procurement;"

b. Meaning of "assistance;"

c. Monetary grants, including the concept of a "grant," descriptions of types of grants, key features of grants, normal agency involvement in the assisted activity under grants;

d. monetary cooperative agreements including the concept of a cooperative agreement, descriptions of types or classes of cooperative agreements including financial joint ventures, and opportunities presented by cooperative agreements;

e. The concept of contracts, cooperative agreements, and grants as discrete classes of transactions related to specific purposes in contrast to the concept of a continuum that reflects varying degrees of Federal risk, accountability, and control;

f. Meaning of "substantial involvement in the assisted activity." This would include analysis of involvement in program substance, administrative involvement, general Federal policy requirements that may lead to substantial involvement, substantial involvement in relation to technical assistance, forces leading to the increase or decrease of Federal involvement, relationship of Federal involvement to recipient capacity;

g. Possible criteria for choosing cooperative agreements other than substantial involvement during performance;

h. Special issues related to non-monetary grants and cooperative agreements. This would include such topics as problems of property transfers and joint ventures and undertakings;

i. Types of transactions that have caused agencies the most difficulty in implementing Sections 4, 5, and 6;

j. Distinctions between grants and subsidies;

k. Problems that have led to OMB exceptions;

l. Issues involved in applying the Act to international assistance transactions;

m. Potential of the concept of lump-sum grants;

n. Productivity issues arising from alternative assistance relationships.

2. What additional guidance is needed for types of assistance not covered by Sections 5 and 6? This can include issues related to direct payments, loans and loan guarantees, insurance or assumptions of risk, subsidies, technical assistance.

3. What alternatives to Federal assistance should be considered as possible ways for achieving national objectives? Such alternatives can include Federal regulation, direct Federal action, federally mandated State regu-

lation, other techniques of Federal leadership.

*D. Analysis of Pub. L. 95-224.* Part of the report to Congress is to include recommendations for improving the Act. The questions included in this task are the ones identified thus far that relate to the Act itself. These are:

1. What were the agencies' early experiences in implementing Sections 4, 5, and 6?

a. What changes in agency practices occurred?

b. What transactions previously managed as procurement contracts are now managed as assistance awards, and vice versa?

c. What program management issues arose as a result of the framework decisions required by the statutory framework?

d. How do the transactions of agencies and their programs aggregate?

e. What is the picture of Federal control and involvement shown?

2. What definitions need to be added or clarified in the Act including procurement, assistance, State and local government, others?

3. Are there classes of transactions that are neither procurement nor assistance?

4. Should "substantial involvement during performance" remain the sole criterion for selecting cooperative agreements?

5. What linkages to other statutes are created by the Act's definitions and classifications, and what are the effects of these linkages?

a. How does the term "assistance" relate to the various missions of Federal agencies;

b. How does the description of "grants" relate to general Federal policy requirements?

6. How should programs or transactions for which OMB has provided exceptions be handled over the long run?

7. What should be the future provisions for OMB's exception authority?

*E. Equity, fairness, and competition in assistance transactions.* This task will concentrate on the questions that have been raised about the equity, fairness, and competition related to assistance transactions. Many of the questions will deal with both legal and administrative procedural issues.

1. What should be the policy and practice for general public notification of the agency's intent to fund or provide assistance?

2. What policies should exist for competition, including:

a. General policy on competition,

b. Different types of competition that could be used,

c. Eligibility of different classes of recipients?

3. What purposes are served by competition in the award of assistance intended to stimulate or support recipi-

ent activity? How should standards for competition in assistance and procurement activities compare?

4. What are the equity and fairness issues of recipient selection, including:

- a. Different selection techniques;
- b. Rights of applicants not selected?

5. What issues relate to the choice of particular assistance instruments, such as:

a. Variations of reciprocal rights by classes of relationships;

b. Problems and opportunities that arise from different relationships with recipients of the same class in a single program.

6. What should be the policies and procedures for completion and termination under different classes of assistance relationships?

7. What should be the policies for timely audit of completed transactions and resolutions of audit exceptions?

8. What should be the policies and procedures for due process, including:

a. Uniform administrative and judicial remedies for resolution of disputes at Federal, State, and local levels. Possible use of arbitration;

b. Uniform provisions for debarment and suspension?

9. What issues of equity and fairness relate to third parties?

These would include:

a. Beneficiaries of programs run by recipients;

b. Subgrantees and contractors of recipients

c. Others somehow affected by an assistance transactions but not a party to it;

d. Variations arising from different instruments or degrees of Federal involvement.

10. What equity and fairness issues are related to unanticipated costs of complying with general Federal policy requirements?

*F. Federal relationships in research and development.* The general field of expanding and applying knowledge has presented a series of important questions. These are:

1. What are the effects of using both procurement and assistance transactions to fund basic research, developmental or applied research, and demonstration of established techniques?

a. How does the choice of transaction type relate to agency mission?

b. What are the consequences for both the Federal agencies and the performers of using either a procurement contract or an assistance instrument?

c. Do inconsistencies result from the "principal purpose of the transaction" test? If so, what is the impact?

2. What issues are present and what generalizations can be made about the use of cooperative agreements and grants for basic research, developmental or applied research, Federal commercialization and technology innova-

tion objectives, demonstration of established techniques?

3. What issues relate to varying degrees of Federal direction and control over research and development?

a. Those related to general Federal policy and administrative requirements;

b. Those related to programmatic or substantive aspects of the work to be performed;

c. Range of views on researcher autonomy vs. Federal direction and control;

d. Cost of varying degrees of Federal direction and control in relation to accomplishment of desired ends.

4. What issues arise from research done by different classes of recipients including:

a. Process of selecting recipients;

b. Degree and form of Federal control?

5. Is there a need for additional policy guidance on the support or stimulation of:

a. Development of new knowledge;

b. Application of new knowledge?

*G. Recipient-related issues.* A number of issues have been identified that are related to particular classes of recipients or recipients in general. These are:

1. What are the particular problems or issues related to the following classes of recipients:

a. For-profit organizations, including:

General eligibility for assistance transactions

Cost sharing

Payment of fees;

b. Non-profit organizations, including:

Distinguishing characteristics

Rationale for preferred treatment;

c. Volunteer service organizations;

d. State governments;

e. Local governments;

f. Indian tribes;

g. Universities;

h. Subgrantees?

2. What can be done to improve the participation of recipients in the design of programs that affect them? This would include:

a. Executive Order 12044 on Federal rulemaking;

b. Constraints imposed by the Federal Advisory Committee Act;

c. Existing patterns of relationships among functional personnel at different levels of government;

d. The Intergovernmental Cooperation Act and OMB Circular A-85 (consultation with heads of State and local governments in development of Federal regulations) experience.

3. Should there be standards for selecting recipients of formula and block grants?

4. What is the relationship of program procedural requirements to Federal, State, and local funding cycles?

5. What are the limits to the allowable degree of Federal intrusion in State affairs that should be established for:

a. Federal program statutes;

b. Agency authorities for developing program implementation requirements?

6. Should there be special cost provisions for research done by State governments?

7. How should Attachment "O" of OMB Circular A-102 relate to the American Bar Association Model Procurement Code?

8. How can basic agreements between a Federal agency and a recipient or master agreements between a number of agencies and a recipients simplify compliance with administrative and general Federal policy requirements?

9. What policy and operational considerations stem from varying levels of recipient management capacity?

*H. Additional issues.* The questions that follow are ones that do not fit into any of the preceding tasks.

1. Should there be a change in the cost reimbursement policies for technical assistance established by the Intergovernmental Cooperation Act?

2. What cost sharing policies should apply to assistance programs?

3. What is the relationship between a comprehensive system of guidance and the proposed Federal Assistance Paperwork Reduction Act and Small Communities Act?

4. Should there be a policy on Federal efforts to stimulate expanded use of technological innovations? What might it be for:

a. Interactions between Federal agencies,

b. Interactions between the Federal Government and other parties,

c. Identifying appropriate management methods and uses for cooperative agreements?

5. Should special preference and allocation provisions of the procurement system (e.g., small business, minority business, and Indian preference) be extended to assistance programs?

6. What are the degrees of applicability or suitability of existing administrative standards to different types of grants and cooperative agreements with different types of recipients?

*I. Environment of Federal assistance.* This task is to describe the environment in which a comprehensive system of guidance for assistance programs must operate. Its purpose is to make explicit the array of different and often competing values that are major influences in the development of Federal assistance programs and the means by which they are adminis-

tered. It will serve as a supportive analysis for the other study tasks.

1. How do assistance programs come into being? This will include an analysis of:

a. Political process of program development;

b. Variations in perceptions of goals, objectives, and needs for the program;

c. Customary lack of total need analysis or total cost estimation for general policy requirements as well as substantive assistance programs;

d. Relatively narrow scope and purpose of most assistance programs;

e. Array of choices including direct Federal action, direct assistance to beneficiaries, or use of intermediaries;

f. Relationship of assistance to regulatory actions;

g. Frequent changes in concepts and perceptions over the life of a program.

2. What are the different concepts of Federal and recipient accountability, including fiscal or resource stewardship, program accountability (ends and results), process accountability (how achieved)?

3. What are other competing concepts of assistance system design? This will include an analysis of such basic values as:

a. General redistribution of resources by the Federal Government vs. the stimulation or support of specific objectives;

b. Pluralism or the strong participation of all parties as partners vs. Federal dominance;

c. Recipient operational autonomy vs. Federal accountability;

d. Emphasis on fairness for all parties vs. Federal convenience;

e. Desire for management flexibility vs. desire for uniformity and standardization;

f. Emphasis on response to recipient determined needs vs. federally specified goals, activities, and procedures.

VELMA N. BALDWIN,  
*Assistant to the Director for Administration, Office of Management and Budget.*

[FR Doc. 79-619; Filed 1-5-79; 8:45 am]



WH-15

no  
reply

recy

per J. Hobbs



# United States Department of the Interior

OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20240

FEDERAL RESERVE SYSTEM  
BOARD OF GOVERNORS  
OF THE

1979 JAN 30 PM 1:18

JAN 26 1979 RECEIVED  
OFFICE OF THE CHAIRMAN

WH-15

## MEMORANDUM

To: All Federal Departments, Agencies & Instrumentalities

From: Secretary of the Interior

Subject: Task Force to Prepare the Report to the Congress on Implementation of the American Indian Religious Freedom Act of 1978 (P.L.95-341)

The American Indian Religious Freedom Act of 1978 sets forth the policy of the United States to protect and preserve the inherent right of American Indian, Eskimo, Aleut and Native Hawaiian people to believe, express and exercise their traditional religions.

The Act calls for an evaluation of the Federal agencies' policies and procedures, as they affect the religious rights and cultural integrity of Native Americans, and requires that the President report the agencies' findings and recommendations to the Congress in August of this year. The preparation of this report accords us the opportunity to rethink antiquated policies, to develop uniform approaches and procedures, and to measure existing practices against practical experience.

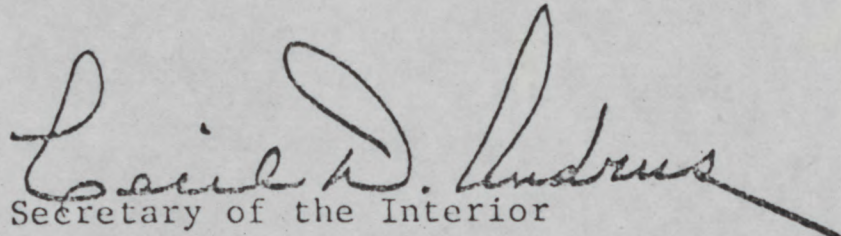
Specifically, the Act mandates that: 1) the Federal departments, agencies and other instrumentalities responsible for administering relevant laws evaluate their policies and procedures, in order to determine appropriate changes necessary to protect and preserve Native American religious cultural rights and practices; 2) the evaluation be conducted in consultation with Native traditional religious leaders; and 3) the President report to the Congress the results of the evaluation, including any changes which were made in administrative policies and procedures, and any recommendations for legislative action, within twelve months after approval.

Upon signing S.J. Res. 102 into law, the President directed that "the Secretary of the Interior establish a task force comprised of representatives of the appropriate Federal agencies (to) prepare the report to the Congress required by this Resolution, in consultation with Native leaders." The report will be based upon the internal reviews of the appropriate agencies and the work of the Task Force will be undertaken in consultation with Native religious and tribal leaders.

If any office within your jurisdiction falls within the category of appropriate agencies, I am requesting that:

1. The attached form be returned no later than February 12, 1979, along with any questions you may have regarding the mandate or work of the Task Force (all questions will be answered upon receipt of form)
2. The internal reviews and recommendations be completed and sent to me no later than March 12, 1979
3. The policy-level designee(s) be available for a Task Force meeting on March 26, 1979.

I look forward to working with the Task Force on the report to the Congress. Thank you for your cooperation in this important effort.

  
Secretary of the Interior

Attachment



# United States Department of the Interior

OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20240

PLEASE RETURN THIS FORM NO LATER THAN FEBRUARY 12, 1979, TO THE ATTENTION OF ASSISTANT SECRETARY - INDIAN AFFAIRS, DEPARTMENT OF THE INTERIOR, WASHINGTON, D.C. 20240 (CODE AS-IA 01/S)

1. The \_\_\_\_\_  
(name of department, agency or instrumentality)  
does not have policies, procedures, guidelines, rules, regulations or statutory authorization relevant to American Indians, Alaska Natives or Native Hawaiians, within the context of P.L. 95-341.
2. The \_\_\_\_\_  
(name or department, agency or instrumentality)  
is an appropriate Federal entity with policies, procedures, guidelines, rules, regulations or statutory authority relevant to American Indians, Alaska Natives or Native Hawaiians, within the context of P.L. 95-341.
3. The following person(s) will serve as the policy-level designee(s) on the Task Force to review government-wide recommendations and to plan for preparation of the Report to the Congress on Implementation of the American Indian Religious Freedom Act of 1978.



# United States Department of the Interior

OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20240

## PROJECTED SCHEDULE FOR PREPARATION OF THE REPORT TO THE CONGRESS ON IMPLEMENTATION OF THE AMERICAN INDIAN RELIGIOUS FREEDOM ACT OF 1978

Completion and receipt of Task Force designation forms	February 12, 1979
Completion and receipt of all internal reviews, recommendations and related material	March 12, 1979
Digest of all reviews and recommendations and overview report to Task Force Members	March 12-21, 1979
Meeting of Task Force to plan for preparation of draft report and to meet with Native traditional religious leaders	March 26, 1979
Preparation of draft report and distribution to Task Force Members for review and comment	March 27 - April 30, 1979
Meeting of Task Force to review draft report	May 7, 1979
Draft report circulated for review and comment by Native traditional religious leaders and Indian tribal leaders	May 21, 1979
Task Force meeting to prepare final report, based upon consultation and reviews, for submittal to the President	June 25, 1979
Report submitted to the President	July 16, 1979
Report submitted to the Congress	August 10, 1979

Public Law 95-341  
95th Congress

Joint Resolution

American Indian Religious Freedom.

Aug. 11, 1978  
[S.J. Res. 102]

- Whereas the freedom of religion for all people is an inherent right, fundamental to the democratic structure of the United States and is guaranteed by the First Amendment of the United States Constitution;
- Whereas the United States has traditionally rejected the concept of a government denying individuals the right to practice their religion and, as a result, has benefited from a rich variety of religious heritages in this country;
- Whereas the religious practices of the American Indian (as well as Native Alaskan and Hawaiian) are an integral part of their culture, tradition and heritage, such practices forming the basis of Indian identity and value systems;
- Whereas the traditional American Indian religions, as an integral part of Indian life, are indispensable and irreplaceable;
- Whereas the lack of a clear, comprehensive, and consistent Federal policy has often resulted in the abridgment of religious freedom for traditional American Indians;
- Whereas such religious infringements result from the lack of knowledge or the insensitive and inflexible enforcement of Federal policies and regulations premised on a variety of laws;
- Whereas such laws were designed for such worthwhile purposes as conservation and preservation of natural species and resources but were never intended to relate to Indian religious practices and, therefore, were passed without consideration of their effect on traditional American Indian religions;
- Whereas such laws and policies often deny American Indians access to sacred sites required in their religions, including cemeteries;
- Whereas such laws at times prohibit the use and possession of sacred objects necessary to the exercise of religious rites and ceremonies;
- Whereas traditional American Indian ceremonies have been intruded upon, interfered with, and in a few instances banned: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That henceforth it shall be the policy of the United States to protect and preserve for American Indians their inherent right of freedom to believe, express, and exercise the traditional religions of the American Indian, Eskimo, Aleut, and Native Hawaiians, including but not limited to access to sites, use and possession of sacred objects, and the freedom to worship through ceremonials and traditional rites.

American  
Indian Religious  
Freedom.  
42 USC 1996.

42 USC 1996  
note.

Presidential  
report to  
Congress.

SEC. 2. The President shall direct the various Federal departments, agencies, and other instrumentalities responsible for administering relevant laws to evaluate their policies and procedures in consultation with native traditional religious leaders in order to determine appropriate changes necessary to protect and preserve Native American religious cultural rights and practices. Twelve months after approval of this resolution, the President shall report back to the Congress the results of his evaluation, including any changes which were made in administrative policies and procedures, and any recommendations he may have for legislative action.

Approved August 11, 1978.

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LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-1308 accompanying H.J. Res. 738 (Comm. on Interior and Insular Affairs).

SENATE REPORT No. 95-709 (Comm. on Indian Affairs).

CONGRESSIONAL RECORD, Vol. 124 (1978):

Apr. 3, considered and passed Senate.

July 18, H.J. Res. 738 considered and passed House; proceedings vacated and

S.J. Res. 102, amended, passed in lieu.

July 27, Senate concurred in House amendment.

○

Office of the White House Press Secretary

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THE WHITE HOUSE

The President has signed S.J. Res. 102, which declares Federal policy to protect freedom of religious belief and exercise on th part of Native Americans. A report to the Congress is required in twelve months after an Executive Branch evaluation of this issue. The resolution is designed primarily to assure that Fedreal programs (such as Federal land management and customs procedures) are administered to accommodate and be sensitive to traditional native religious beliefs and practices.

The President issued the following statement on S.J. Res. 102:

SIGNING STATEMENT  
SENATE JOINT RESOLUTION 102  
ON AMERICAN INDIAN RELIGIOUS FREEDOM

I have signed into law S.J. Res. 102, the American Indian Religious Freedom Act of 1978. This legislation sets forth the policy of the United States to protect and preserve the inherent right of American Indian, Eskimo, Aleut, and Native Hawaiian people to believe, express and exercise their traditional religions. In addition, it calls for a year's evaluation of the Federal agencies' policies and procedures as they affect the religious rights and cultural integrity of Native Americans.

It is a fundamental right of every American, as guaranteed by the First Amendment of the Constitution, to worship as he or she pleases. This act is in no way intended to alter that guarantee or override existing laws, but is designed to prevent government actions that would violate these Constitutional protections. In the past government agencies and departments have on occasion denied Native Americans access to particular sites and interfered with religious practices and customs where such use conflicted with Federal regulations. In many instances, the Federal officials responsible for the enforcement of these regulations were unaware of the nature of traditional native religious practices and, consequently, of the degree to which their agencies interfered with such practices.

This legislation seeks to remedy this situation.

I am hereby directing that the Secretary of the Interior establish a task force comprised of representatives of the appropriate Federal agencies. They will prepare the report to the Congress required by this Resolution, in consultation with Native leaders. Several agencies, including the Departments of Treasury and Interior, have already taken commendable steps to implement the intent of this Resolution.

I welcome enactment of this Resolution as an important action to assure religious freedom for all Americans.

JIMMY CARTER

# # #



Sandy

WH-14

to Mr. Hampton.

No reply necy.

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COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

1979 JAN 25 PM 9:20  
JANUARY 23, 1979

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OFFICE OF THE CHAIRMAN

WH-14

B-115369  
B-130441  
B-173761

HEADS OF FEDERAL EXECUTIVE AGENCIES AND DEPARTMENTS

Enclosed are copies of our report to the Congress entitled "Automated Systems Security--Federal Agencies Should Strengthen Safeguards Over Personal and Other Sensitive Data." As discussed in the report, Federal agencies surveyed did not have an ongoing centrally directed program to effectively protect personal and other sensitive data in computer systems. Programs fell short of being comprehensive. We believe the shortcomings described in this report can be at least partially attributed to management not having an adequate appreciation for its responsibilities in this area or recognizing the potential for invading the privacy of information on people or organizations served by the agency and for damage to agency program operations.

Although the review was based on an assessment of computer security programs in 10 civil agencies, it tends to confirm findings in many of our previous reviews. We believe that many Government agencies are experiencing, to varying degrees, some of the same weaknesses.

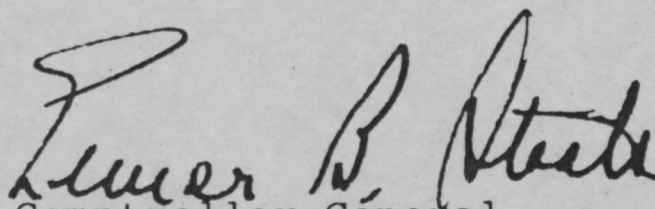
In a larger sense these findings have potential applicability wherever computers are used intensively. This is because of the pervasiveness of the root causes of poor data security. Modern computer-based information systems represent relatively recent technology that has introduced many new threats, adding to management's problem of maintaining data at traditional standards for integrity and security.

We recommend that all agencies take steps to strengthen their computer data security and integrity, highlighted as follows.

- Computer security programs should be comprehensive. They should include written plans, policies, and procedures which clearly establish responsibilities within agencies.
- Agencies should establish an automated systems security administration function with independence from computer operations. This organization should report directly to or through a principal official who reports directly to the agency head.

- Programs should provide for feedback for management control, both in routine monitoring and reporting and in independent internal audits.
- Risk management should be provided for and should be on the perspective of the total data systems.
- Security plans should anticipate training needs, particularly for risk management.

OMB Circular A-71, Transmittal Memorandum No. 1 Subject: Security of Federal Automated Information Systems, was issued to the heads of agencies after our review was completed. The document requires action by top managers which could contribute greatly to correcting many of the computer data security problems we have addressed in this and prior reports. The circular is directive. It is also quite comprehensive. It requires agency heads to report their plans and resource estimates needed for compliance. Because our report and OMB's circular have the same broad objectives, agencies could benefit from both in developing plans and programs to improve data security and integrity. We strongly endorse the policies and management controls of the circular and the planning effort it has initiated in Federal agencies.

  
Comptroller General  
of the United States

THE WHITE HOUSE  
WASHINGTON

January 19, 1979

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

1979 JAN 22 PM 9:01

RECEIVED  
OFFICE OF THE CHAIRMAN

WH-13

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES  
AND FEDERAL COCHAIRMAN OF MULTISTATE  
REGIONAL COMMISSIONS

SUBJECT: Regional Commission Support

Background and Purpose

The White House Conference on Balanced National Growth and Economic Development found that the varied and changing problems and economic circumstances in the Nation's regions require greater flexibility in the way Federal policies and programs are designed and administered across the country. This variety suggests a need for strong state and local action to develop regional balanced growth policies and to target local, state and Federal funds in accord with these strategies. Multistate regional commissions established under the Appalachian Regional Development Act of 1965 and Title V of the Public Works and Economic Development Act of 1965 and strengthened under the Regional Development Act of 1975 are intended to enhance development opportunities and conditions in multistate regions. Through planning and selective management of resources and activities, these commissions also afford a common framework within which the different levels of government can apply their energies to regional problems.

In light of the changing patterns of economic activity across the country, and in order to extend the ability of states and localities to shape Federal policies in behalf of regional concerns, new processes for planning, coordination and policy support are required. To develop and carry them out will require cooperation on the part of the Secretary of Commerce, Federal departments and agencies, the Interagency Coordinating Council, the Federal Cochairmen of the Appalachian and Title V Regional Commissions and the Federal Regional Councils.

By means of this memorandum, I am instituting a regional growth policy process to assist the regional commissions in developing and implementing their multi-year regional development plans and annual investment programs. These plans and, more importantly, the annual investment programs should be developed from the ground up, reflecting sub-state and state development plans. Through this policy process, the regional commissions will be given an opportunity to prepare recommendations to Federal departments and agencies for solutions to problems of regional growth and decline. In framing these recommendations, the commissions will consult with the Federal departments and agencies affected, taking advantage of the expertise available in the regional headquarters of each agency, as well as with sub-state, local and private interests.

#### Responsibilities of Federal Participants

To assure that Federal actions recognize regional differences and facilitate state, local and private initiatives in addressing the special problems of balanced growth which each region faces, I am directing that the following actions be taken by the Secretary of Commerce, the Federal departments and agencies, the Federal Cochairmen of the Appalachian and Title V Regional Commissions, the Interagency Coordinating Council and the Federal Regional Councils:

##### Secretary of Commerce

With respect to the Title V Regional Commissions, the Secretary of Commerce is directed to:

1. develop, in consultation with the appropriate parties, guidance for the preparation of regional plans, investment programs and growth policy recommendations. The multi-year regional development plans, annual investment programs, policy recommendations and obstacles to interagency coordination may be presented by the Secretary to the heads of the relevant Federal departments and agencies through the White House Interagency Coordinating Council;

2. assist each Federal Cochairman of a regional commission in presenting the multi-year regional development plan, annual investment program and growth policy recommendations developed from the plan; and
3. institute a mechanism for consultation with Federal Cochairmen regarding policy and administrative improvements in the program.

#### Federal Departments and Agencies

The head of each Federal department and agency is directed to:

1. assist and cooperate with the Secretary of Commerce, the Federal Cochairmen of the Appalachian and Title V Regional Commissions, and with the Inter-agency Coordinating Council in performance of their functions with respect to the regional growth policy process;
2. administer planning and development assistance programs so as to facilitate regional and unified state growth policy processes, and to the extent practicable, support multi-year regional development plans and annual investment programs of the regional commissions through financial assistance and direct Federal development activities which are consistent with such plans; and
3. recognize the mutual agreement of the governors in each regional commission that the commission may participate in the current process for evaluation, review and coordination of Federal and Federally assisted projects under Part II of OMB Circular No. A-95. Projects for review should be referred to the commission by State clearinghouses according to procedures jointly prescribed by governors. I am directing the Director of the Office of Management and Budget to propose amendments to OMB Circular No. A-95 to this effect.

### Interagency Coordinating Council

The Chairman of the Interagency Coordinating Council is directed to:

1. work with the Secretary of Commerce, the heads of the other federal departments and agencies, and the Federal Cochairpersons to overcome obstacles in carrying out the objectives of this policy; and
2. ensure that, at the request of the Secretary of Commerce and the Federal Cochairman of the Appalachian Regional Commission, the annual investment programs and policy recommendations receive a coordinated high-level analysis and review by relevant federal departments and agencies.

### Federal Cochairmen

In addition to the responsibilities defined in existing statutes, regulations and Executive Orders, the Federal Cochairmen of the Appalachian and Title V Regional Commissions, with the concurrence of the affected commission(s), shall become members of each Federal Regional Council which serves all or any portion of his/her region. It is my intention to further amend Executive Order 11647 to this effect.

Each Title V Federal Cochairman, working with the regional commission, is directed to:

1. assist the regional commission to participate in the regional growth policy process;
2. present the commission's multi-year regional development plan, annual investment program and growth policy recommendations to the Secretary of Commerce;
3. involve Federal departments and agencies in the activities of the commissions, as appropriate; and
4. participate in the consultative mechanism described under Secretary of Commerce directives, #3 above on page 3.

Federal Regional Councils

The Federal Regional Councils are directed to work with the Secretary of Commerce and the Interagency Coordinating Council to provide continuing liaison with regional commissions.

*Jimmy Carter*



Sandy

2 memos 2/16 & 22

fr. wruble

OPM

sent for info

Jenkins

Garwood

Maryellen Brown

Davita

United States Government  
MEMORANDUM

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

WH-12  
Office of  
Personnel Management

1979 JAN 19 AM 9:33

Subject: Post-Employment Restrictions for Government  
Personnel -- The Ethics in Government Act of 1978

Date: 17 JAN 1979  
In Reply Refer To:

From: The Director, Office of Government Ethics

Your Reference:

To: Heads of Departments, Independent Agencies and  
Government Corporations

The Office of Government Ethics intends to propose promptly regulations giving guidance on Title V of the Ethics in Government Act of 1978 (the "Act"), entitled "Post-Employment Conflicts of Interest." Executive agencies have administrative enforcement responsibility under Section 501(j) of the Act.

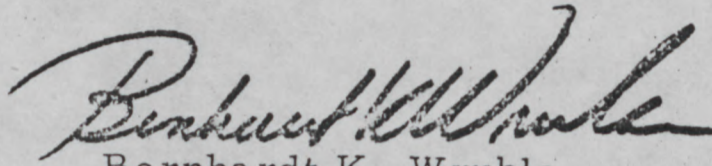
It is important that this title be effectively enforced, while at the same time avoiding unnecessarily severe applications which do not serve its purpose but adversely affect the government's ability to attract and retain employees, and, consequently, the achievement of its programs. I know that the formulation of balanced rules is of great concern to all government agencies.

Accordingly, pursuant to Sections 403 and 402(c) of the Act, I request that each executive agency transmit to me in written form its comments on those matters which are of concern to it in connection with the formulation of the proposed regulations. This may take the form of specific proposed regulatory language or specific problems which should be treated or accommodated by regulation. In the latter case, it is strongly recommended that factually detailed examples be submitted so that we are properly educated as to real-world factors which must be considered. Each response should also designate a point of contact.

Without in any way trying to restrict suggestions, I have attached a list of questions and topics to which your staffs might give attention. Although this is the kind of matter which may appropriately be assigned to each agency's general counsel, I would recommend that, in addition, the views of managers and others in various areas be sought, inasmuch as we have seen some of the most valuable observations and problems articulated by those who have firsthand exposure. Those who manage or have official responsibility for technical programs appear to be particularly affected.

CON 101-67-2  
OPM Form 631  
January 1979

Responses should be submitted by January 26, 1979. Because of the need, in fairness, to apprise current employees as to their obligations as rapidly as possible, we believe that every effort should be made to meet this deadline.



Bernhardt K. Wruble  
Director

Questions and Topics Relating to the Post-Employment  
Restrictions of the Ethics in Government Act of 1978

[Note: It is not intended that agencies confine themselves to these questions or answer all of them. We urge agencies to present their own problems in their own way. However, those marked with an asterisk should be addressed.]

1. Terms which may benefit from regulatory definition or examples:
  - a. "Participated personally and substantially"
    - o For example, does an official so participate with respect to each item in a budget he approves? If the item is not a "line item"? What if the agency has procedures for making certain budget items into "issues," and the item is not made an issue?
  - b. "Actually pending under his official responsibility"  
(See 18 U.S.C. § 203)
  - c. "Intent to influence"
  - d. "Particular matter involving a specific party."
    - o What are instructive examples of matters not included in this definition? (Possible examples: decisions on such matters as formulation of regulations, procedures and generally applicable policy; participation in the formulation of scientific or engineering concepts, feasibility studies, or proposed programs prior to the formulation of a contract.) Matters that are?
- \*2. What types of positions in your agency should not be designated by the Director pursuant to Section 501(d)(2) [18 U.S.C. § 207 (d)(2)]?
3. What tests should govern the designation of a "separate department or agency" under Section 501(e)? Examples in your own agency?
- \*4. The exemption for scientific and technological information contained in Section 501(f) was described by one of its legislative sponsors as "essential to preserve the free flow of scientific expertise from industry to the government."

What guidelines could be established to separate communications or advice designed to determine and supply technical information which the government needs (for example, identifying deficiencies in system design or performance and offering solutions) from that aimed at promoting a product or at how to "play the government"? When cost information is directly tied to technical alternatives, may it be provided under this exemption? When may it not be provided? What examples may illustrate how to draw lines?

- \*5. The foregoing exemption refers to "procedures acceptable to the department or agency concerned." What procedures are appropriate?
6. In connection with the exemption in Section 501(f) involving certification of certain individuals, would it be desirable to establish a registry for current employees and their areas of expertise to insure that if this exemption is used, there is some regularity in procedure? What procedure and tests might be employed in explicating the factors set forth in the Act?
- \*7. What basic elements should be incorporated into the procedures required to be established by Section 501(j)?
8. What are examples of prohibited activities which should be specially emphasized to give guidance? What types of borderline cases need review?

Rec'd 2/26 - to chairman Miller

*Personnel*



# FEDERAL LABOR RELATIONS AUTHORITY

1900 E STREET NW. • WASHINGTON, D.C. 20424

To Heads of Agencies and Presidents of Labor Organizations:

## Notice and Direction

1. The Authority has received a request from certain labor organizations affiliated with the AFL-CIO for a statement of policy and guidance concerning, in effect, whether employees who were on dues withholding on January 11, 1979, the effective date of the Federal Service Labor-Management Relations Statute (92 Stat. 1191), may terminate such dues allotments before a period of 1 year, i.e., before January 11, 1980, under section 7115(a) of the Statute (92 Stat. 1203). The Authority has also received submissions in support of the issuance of such a statement of policy and guidance from a number of other labor organizations. The Office of Personnel Management, while differing with the basic position of the labor organizations on the merits of the matter, also supports the issuance of such a statement of policy and guidance.

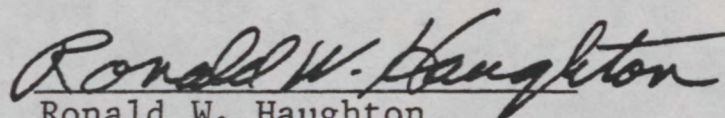
The Authority hereby determines, in conformity with 5 CFR § 2410.3(a) (1978) and section 7135(b) of the Statute (92 Stat. 1215), as well as section 7105 of the Statute (92 Stat. 1196), that an interpretation of the Statute is warranted on the following:

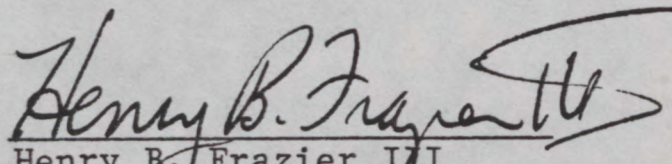
What is the proper interpretation and application of section 7115(a) of the Federal Service Labor-Management Relations Statute (92 Stat. 1203) as it relates to when written dues assignments in effect on January 11, 1979, may be terminated through revocations by the employees concerned? In this regard, interested persons are invited to address the impact, if any, of section 7135(a)(1) of the Statute (92 Stat. 1215) on section 7115(a) thereof as pertains to this matter.

Before issuing an interpretation on the above, the Authority, pursuant to 5 CFR § 2410.6 (1978), and section 7135(b) of the Statute (91 Stat. 1215), solicits your views in writing. You are further invited to submit your views as to whether oral argument should be granted. To receive consideration, such views must be submitted to the Authority by the close of business on March 14, 1979.

2. Pending disposition of the instant matter by the Authority and pursuant to the provisions of section 7105 of the Statute (92 Stat. 1196), agencies shall not effectuate employee revocations of dues assignments received by such agencies on or after January 11, 1979. Instead, where employees seek or have sought to terminate such dues assignments through revocations received by agencies on or after January 11, 1979, agencies shall hold such revocations in abeyance and continue to withhold dues as previously assigned, maintaining these funds in appropriate suspense or escrow accounts until otherwise advised by the Authority. Where agencies have received employee revocations of dues withholding assignments on or after January 11, 1979, and have already effectuated such revocations, the assignments shall be reinstated as if not terminated and the revocations shall be held in abeyance. Dues withheld pursuant to such reinstated assignments shall also be maintained in appropriate suspense or escrow accounts until otherwise advised by the Authority.

Signed and dated this 23rd day of February 1979.

  
Ronald W. Haughton  
Chairman

  
Henry B. Frazier III  
Member



# National Association For Equal Opportunity In Higher Education

2001 S Street, N.W. • Washington, D.C. 20009 • Suite 450 • Telephone (202) 232-8500

February 28, 1979

RE:  
WA-11

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Norfolk State College, Virginia
- Executive Director  
Dr. Samuel L. Myers

## MEMORANDUM

TO: All Federal Agencies

FROM: Samuel L. Myers  
Executive Director *SLM*

RE: The Fourth National Conference on  
Blacks in Higher Education

We are pleased by the favorable response to President Carter's Memorandum to all Federal agencies that they increase their support to the historically black colleges. We shall be talking directly to representatives from departments to express a variety of ways of assisting departments to implement this Memorandum.

With respect to President Carter's wish that departments familiarize themselves with the historically black colleges, we extend a special invitation to you to send representatives to the Fourth National Conference on Blacks in Higher Education to be held April 26-29, 1979. This Conference is sponsored by the National Association For Equal Opportunity in Higher Education which represents the 105 historically black colleges that enroll some 200,000 students. The Conference has become the single most important forum to discuss issues affecting blacks in higher education. Most of the presidents/chancellors of the historically black colleges will be in attendance in addition to educators, concerned with the education of blacks, from over forty states.

We are asking that you or your designee select representatives from your department who would benefit from this Conference to submit names to us by March 23, 1979. The full registration fee is \$115.00. It covers all activities, including the Leadership Awards Banquet, and includes all Conference materials.

We expect to have a Summit Meeting of civil rights leaders and substantive sessions (three groups of concurrent sessions) so that the bestminds in the country will bring to the participants the latest research findings or insights impacting on blacks in higher education. Space limitations will restrict participation to 1,000 persons. We sincerely expect to have more than that number who desire to come to the Conference. Accordingly, we are asking that you submit names of your representatives to us as soon as possible, hopefully, before March 23rd.

SLM:pr



2/28/79 letter from [redacted] el L. Myers,  
~~Na~~ Association for Equal Opportunity in  
Higher Education.

No response required

cc: Personnel  
Mr. Daniels

original to records.

*ref: WH-11*

ADVANCE REGISTRATION FORM

Four National Conference on Blacks in Higher Education

Washington Hilton Hotel  
Washington, D. C.

April 26-29, 1979

Return this form with a check or money order made payable to NAFEO National Conference and mail to NAFEO in Higher Education, 2001 S Street, N.W., Washington, D.C. 20009, for the cost of the selected plan. Advance registration must be postmarked by April 19, 1979. Forms sent after the deadline will be held for on-site registration in Washington, D.C.. Registration will begin at the Washington Hilton Hotel, Thursday, 9:30 A.M., April 26, 1979. You are responsible for making your own hotel accommodations (202/483-3000).

Enclosed is:

- Plan A)  \$115.00 Full Registration Fee (All Activities, including the Leadership Awards Banquet)
- Plan B)  \$ 65.00 Registration Fee (All Sessions)
- Plan C)  \$ 50.00 Registration Fee (Leadership Awards Banquet)

Mr.  Mrs.  Ms.  Dr.

Name of Registrant: \_\_\_\_\_

Office Use Only  Last, First, Initial

Institution/Company: \_\_\_\_\_

Address: \_\_\_\_\_

No. & Street

City

State

Zip Code

Survey of Attendees

Your answers to the following questions will help us in planning future NAFEO Conferences. Please complete this form and return it with your registration.

Registrant Type

Affiliation Type

Sex

- Attendee
- Panelist
- Press
- Consultant
- Volunteer
- Staff

- Four-Year College/University
- Two-Year College/University
- Secondary Educational Institution
- Industry
- Government
- Assisting Agency
- Media
- National Organization
- Other (Specify) \_\_\_\_\_

- M
- F

Professional Activity

- College/University President, Chancellor
- College/University Administrator
- College/University Faculty
- College/University President Emeritus
- Other (Specify) \_\_\_\_\_

THE WHITE HOUSE  
WASHINGTON

RE: WH-11

February 8, 1979

BOARD OF GOVERNORS  
FEDERAL RESERVE SYSTEM  
1979 FEB 12 PM 3:06  
OFFICE OF THE SECRETARY

MEMORANDUM FOR HEADS OF DEPARTMENTS AND AGENCIES

FROM : Louis Martin  
Joe Califano *JM*

SUBJECT: Black College Directive

The President's January 17, 1979 memorandum on historically Black colleges asked you to appoint a high level liaison to oversee your agency's activities to improve Federal support to Black colleges. Please designate a top level member of your staff to work with us in overseeing this effort.

On Thursday, February 22, we will meet with all agency liaisons to discuss the Administration's concern for Black colleges and our plans to assist them. This meeting will be at 9:00 a.m. in Room 450 of the Old Executive Office Building.

Please call Karen Zuniga by February 20 to let her know the name of your liaison and other staff who will attend the February 22 meeting.

We look forward to working with you on this initiative.

THE WHITE HOUSE  
WASHINGTON

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

1979 JAN 19 AM 10:25

January 17, 1979

RECEIVED  
OFFICE OF THE CHAIRMAN

MEMORANDUM FOR THE HEADS OF  
EXECUTIVE DEPARTMENTS AND AGENCIES

WH-11

The approximately one hundred historically black colleges of this Nation have played and continue to play a unique and important role in providing educational opportunities to many thousands of students. They have done so in the past when there were no other avenues open to the overwhelming majority of black students. They do so now by continuing to provide special opportunities for students of all races.

The continuing importance of historically black colleges and universities, not only to students but also to this Nation's social, economic and educational life, cannot be over-estimated. This Administration is committed to enhancing their strength and prosperity.

In moving toward this goal the Department of Health, Education, and Welfare criteria call for efforts to strengthen the historically black public institutions through increased financial support, new and expanded programs, and the elimination of educationally unnecessary program duplication between them and their traditional white counterparts. These efforts are required to ensure that the historically black colleges are able to participate fully in the educational and social progress of our Nation.

I have repeatedly expressed my hope that the historically black colleges will be stronger when I leave office than when my Administration began. I am asking today that you personally join with me in meeting this objective by initiating and overseeing the following actions: //

- Conduct a thorough review of the operations within your department or agency to ensure that historically black institutions are being given a fair opportunity to participate in Federal grant and contract programs. Ensure that an affirmative effort is made to inform black colleges of the opportunity to apply

and compete for grants and contracts. Particular attention should be given to identifying and eliminating unintended barriers that may have resulted in reduced participation in and benefits from Federal programs by these colleges.

- . Identify areas where historically black institutions can participate more effectively in your Department's activities. Consider, for example, small research contracts or grants which can be let without competition, and new or existing cooperative education programs which facilitate minority student access to Federal employment.
- . Where appropriate, establish goals and timetables for increased participation of historically black colleges in the activities of your department or agency. These goals should reflect targets for increased expenditures beyond your fiscal 1978 levels.
- . Establish a forum for continuing consultation with representatives from the historically black colleges and universities. Plan visits and other efforts to familiarize appropriate staff in your agency with the unique and indispensable resources at black colleges.
- . Appoint a high-level liaison person to oversee these activities.

I am asking Louis Martin, my special assistant, in cooperation with the Secretary of Health, Education, and Welfare, to monitor the implementation of this directive government-wide. I personally plan to review periodically progress made toward increasing access of historically black colleges to all Federal agencies.

In a separate communication, I have asked that Secretary Califano resume publication of the Federal Interagency Committee on Education's annual report on patterns of Federal funding for historically black colleges.

I want to be certain that this Administration's strong commitment to the Nation's historically black colleges and the contents of this directive are thoroughly understood by everyone. Please be certain that copies of this directive are circulated to all appropriate individuals within your department or agency.

*Jimmy Carter*

HISTORICALLY BLACK COLLEGES

Institution	President/Chancellor	Address & Telephone No.
<u>ALABAMA (13)</u>		
Alabama A & M University	Dr. R. D. Morrison	Normal, Alabama 35762 205-859-7011
Alabama Lutheran Academy	Dr. Willis L. Wright	1804 Green St., Selma, Ala. 205-873-1550
Alabama State University	Dr. Levi Watkins	1100 S. Jackson St., Montgomery Alabama 205-262-3581
Bishop State Jr. College	Dr. S. D. Bishop	Mobile, Alabama 36603 214-372-8000
Daniel Payne College	Dr. W. L. Mayes	6415 Washington Blvd. Birmingham, Ala. 205-798-8240
Lawson State Community College	Dr. Jesse Lewis	3060 Wilson Rd., Birmingham, Alabama 205-788-1666
Max-Hannon College	Dr. W. J. Longmire	S. Conecuh St., Greenville, Alabama 205-382-8511
Miles College	Dr. W. Clyde Williams	P.O. Box 3800, Birmingham, Alabama 205-923-2771
Oakwood College	Dr. Calvin B. Rock	Huntsville, Alabama 35806 205-837-1630

Institution	President/Chancellor	Address & Telephone Number
Selma University	Dr. M. C. Cleveland, Jr.	1501 Lapsley Street Selma, Alabama 36701 205-872-2533
Stillman College	Dr. Harold N. Stinson	Post Office Box 1430 Tascaloosa, Alabama 35491 205-752-2548
Talladega College	Dr. Joseph Nathan Gayles	627 West Battle Street Talladega, Alabama 35160 205-362-2752
Tuskegee Institute	Dr. Luther H. Foster	Tuskegee, Alabama 36088 205-727-8335
<u>ARKANSAS (4)</u>		
Arkansas Baptist College	Attorney J. C. Oliver	1600 High Street Little Rock, Arkansas 72202 501-372-9611
Philander Smith College	Dr. Walter R. Hazzard	812 West 13th Street Little Rock, Arkansas 72203 501-375-9845
Shorter College	Dr. R. J. Hampton	604 Locust Street Little Rock, Arkansas 72114 501-374-6305
University of Arkansas (Pine Bluff)	Dr. Herman Smith (Chancellor)	North Cedar Street Pine Bluff, Arkansas 71601 501-535-6700



Institution	President/Chancellor	Address & Telephone Number
<u>DELAWARE (1)</u>		
Delaware State College	Dr. Luna I. Mishoe	Dover, Delaware 19901 302-678-5155
<u>DISTRICT OF COLUMBIA (2)</u>		
Howard University	Dr. James Cheek	2400 6th Street, N.W. Washington, D.C. 20001 202-636-6100
University of the District of Columbia	Dr. Lisle Carter	4200 Connecticut Avenue, N.W., Room 301 Washington, D.C. 20008 202-282-7300
<u>FLORIDA (4)</u>		
Bethune-Cookman College	Dr. Oswald Bronson	640 Second Avenue Daytona Beach, Florida 32014 904-255-1401
Edward Waters College	Dr. Cecil Cone	1658 Kings Road Jackson, Florida 32209 904-353-0551
Florida A&M University	Dr. Walter L. Smith	Tallahassee South Boulevard Tallahassee, Florida 32307 904-599-3000

Institution	President/Chancellor	Address & Telephone Number
Florida Memorial College	Dr. W. C. Robinson	15800 N.W. 42nd Avenue Miami, Florida 33054 305-625-4141
<u>GEORGIA (9)</u>		
Albany State College	Dr. Charles L. Hayes	Hazard Drive Albany, Georgia 31705 912-439-4234
Atlanta University	Dr. Cleveland Dennard	223 Chestnut Street, S.W. Atlanta, Georgia 30314 404-681-0251
Clark College	Dr. Elias Blake, Jr.	240 Chestnut Street, S.W. Atlanta, Georgia 30314 404-523-3538
Fort Valley State College	Dr. Cleveland Pettigrew	South Macon Street Fort Valley, Georgia 31030 912-825-6211
Morehouse College	Dr. Hugh M. Gloster	223 Chestnut Street, S.W. Atlanta, Georgia 30314 404-681-2800
Morris Brown College	Dr. Robert Threatt	643 Martin Luther King Drive, N.W. Atlanta, Georgia 30314 404-525-7831
Paine College	Dr. Julius S. Scott, Jr.	1235 Fifteenth Street Augusta, Georgia 30901 404-722-4471

Institution	President/Chancellor	Address & Telephone Number
Savannah State College	Dr. Clyde W. Hall	State College Branch Savannah, Georgia 31400 912-354-5717
Spelman College	Dr. Donald Stewart	350 Leonard Street, S.W. Atlanta, Georgia 30314 404-681-3643
<u>KENTUCKY (2)</u>		
Kentucky State University	Dr. William A. Butts	East Main Street Frankfort, Kentucky 40601 502-564-6340
Simmons University	Dr. William L. Holmes	1811 Dumesnell Street Louisville, Kentucky 40210 502-776-1443
<u>LOUISIANA (4)</u>		
Dillard University	Dr. Samuel DuBois Cook	2601 Gentilly Boulevard New Orleans, Louisiana 70122 504-944-8751
Grambling State University	Dr. Joseph Johnson	Post Office Drawer 607 Grambling, Louisiana 71245 318-247-6941
Southern University	Dr. Jesse Stone	Baton Rouge, Louisiana 70813

Institution	President/Chancellor	Address & Telephone Number
(Southern University)	Dr. Emmett W. Bashful	6400 Press Drive New Orleans, Louisiana 70125 504-282-4401
(Southern University)	Dr. Leonard Barnes	Shreveport, Louisiana 318-424-6552
Xavier University	Dr. Norman Francis	7325 Palmetto Street New Orleans, Louisiana 70125 504-486-7411
(Southern University)	Dr. Roosevelt Steptoe	Baton Rouge, Louisiana 70813 504-771-4680
<u>MARYLAND (4)</u>		
Bowie State College	Dr. Rufus L. Barfield	Bowie, Maryland 20715 301-464-3000
Coppin State College	Dr. Calvin Burnett	2500 West North Avenue Baltimore, Maryland 21216 301-383-4500
Morgan State University	Dr. Andrew Billingsley, Jr.	Cold Spring Lane & Hillen Road Baltimore, Maryland 21239 301-893-3000
University of Maryland (Eastern Shore)	Dr. William P. Hytche (Chancellor)	Princess Ann, Maryland 301-651-2200

Institution	President/Chancellor	Address & Telephone Number
<u>MICHIGAN</u> (1)		
Shaw College at Detroit	Dr. Romallus O. Murphy	7351 Woodward Avenue Detroit, Michigan 48202 313-873-7920
<u>MISSISSIPPI</u> (11)		
Alcorn State University	Dr. Walter Washington	Rural Station Lorman, Mississippi 39096 601-877-3711
Coahoma Junior College	Dr. James E. Miller	R. I. Box 616 Clarksdale, Mississippi 38614 601-627-2571
Jackson State University	Dr. John A. Peoples, Jr.	1400 Lynch Street Jackson, Mississippi 39217 601-968-2121
Mary Holmes College	Dr. Joseph Gore	Post Office Box 336 West Point, Mississippi 39773 601-494-6820
Mississippi Industrial College	Dr. Theodore Debro	Holly Springs, Mississippi 38635 601-252-3411

Institution	President/Chancellor	Address & Telephone Number
Mississippi Valley State University	Dr. E. A. Boykins	Highway 82 West Itta Bena, Mississippi 38941 601-254-2321
Natchez Junior College	Dr. Peter Rucker	1010 Extension North Union Natchez, Mississippi 39120 601-445-9702
Prentiss Normal & Industrial Institute	Dr. A. L. Johnson	Prentiss, Mississippi 39474 601-792-5899
Rust College	Dr. W. A. McMillan	Rust Avenue Holly Springs, Mississippi 38635 601-252-4661
Tougaloo College	Dr. George A. Owens	Tougaloo, Mississippi 39174 601-956-4941
Utica Junior College	Dr. J. Louis Stokes	Utica, Mississippi 39175 601-885-2311
<u>MISSOURI</u> (1)		
Lincoln University	Dr. James Frank	Jefferson City, Missouri 65101 314-751-2325

Institution	President/Chancellor	Address & Telephone Number
<u>NORTH CAROLINA (11)</u>		
Barber-Scotia College	Dr. Mable P. McLean	Cabarrus Avenue Concord, North Carolina 28025 704-786-5171
Bennett College	Dr. Issac H. Miller	Washington Street Greensboro, North Carolina 27402 919-273-4431
Elizabeth City State University	Dr. Marion D. Thorpe (Chancellor)	Elizabeth City North Carolina 27909 919-335-0551
Fayetteville State University	Dr. Charles "A" Lyons, Jr. (Chancellor)	Murchison Road Fayetteville North Carolina 28301 919-486-1111
Johnson C. Smith University	Dr. Wilbert Greenfield	100-153 Beatties Ford Road Charlotte, North Carolina 28216 704-372-2370
Livingstone College	Dr. F. George Shipman	701 West Monroe Street Salisbury, North Carolina 28144 704-633-7960
North Carolina A&T State University	Dr. Lewis C. Dowdy (Chancellor)	312 North Dudley Street Greensboro, North Carolina 28411 919-379-7940

Institution	President/Chancellor	Address & Telephone Number
North Carolina Central University	Dr. Albert N. Whiting (Chancellor)	Fayetteville Street Durham, North Carolina 27707 919-683-6100
Shaw University	Dr. Stanley O. Smith	118 East South Street Raleigh, North Carolina 27602 919-755-4800
St. Augustine's College	Dr. Prezell R. Robinson	1315 Oakwood Avenue Raleigh, North Carolina 27611 919-828-4451
Winston-Salem State University	Dr. H. Douglas Covington (Chancellor)	Winston-Salem, North Carolina 27102 919-761-2011
<u>OHIO</u> (2)		
Central State University	Dr. Lionel Newsom	Wilberforce, Ohio 45384 513-376-6011
Wilberforce University	Dr. Charles E. Taylor	Wilberforce, Ohio 45384 513-376-2911
<u>OKLAHOMA</u> (1)		
Langston University	Dr. Samuel Tucker	Langston, Oklahoma 73050 405-466-2281
<u>PENNSYLVANIA</u> (2)		
Cheyney State College	Dr. Wade Wilson	Cheyney, Pennsylvania 19319 215-399-6880
Lincoln University	Dr. Herman R. Branson	Lincoln University Pennsylvania 19352 215-932-8300



Institution	President/Chancellor	Address & Telephone Number
<u>SOUTH CAROLINA (8)</u>		
Allen University	Dr. Alvis Adair	1530 Harden Street Columbia South Carolina 29204 803-254-4165
Benedict College	Dr. Henry Ponder	Harden & Blanding Streets Columbia South Carolina 29204 803-256-4220
Claflin College	Dr. H. V. Manning	College Avenue Orangeburg South Carolina 29115 803-534-2710
Clinton Junior College	Dr. Sallie V. Moreland	Rock Hill, South Carolina 29732 803-327-7402
Friendship Junior College	Dr. Charles Petress	Allen Street Rock Hill, South Carolina 29732 803-327-1186
Morris College	Dr. Luns C. Richardson	North Main Street Sumter, South Carolina 29150 803-775-9371
South Carolina State College	Dr. M. Maceo Nance, Jr.	Post Office Box 1885 Orangeburg South Carolina 29117 803-534-6560

Institution	President/Chancellor	Address & Telephone Number
Vorhees College	Dr. George B. Thomas	Denmark, South Carolina 29042 803-793-3346
<u>TENNESSEE (7)</u>		
Fisk University	Dr. Walter Leonard	17 Avenue, North Nashville, Tennessee 37203 615-329-8500
Knoxville College	Dr. Rutherford H. Adkins	901 College Street Knoxville, Tennessee 37921 615-546-0751
Lane College	Dr. Herman Stone	501 Lane Avenue Jackson, Tennessee 38301 901-424-4600
LeMoyne-Owen College	Dr. Walter L. Walker	807 Walker Avenue Memphis, Tennessee 38126 901-948-6626
Meharry Medical College	Dr. Lloyd C. Elam	1005 18th Avenue, North Nashville, Tennessee 37208 615-327-6223
Morristown College	Dr. Raymon E. White	417 North James Street Morristown, Tennessee 37814 615-586-5262
Tennessee State University	Dr. Frederick Humphries	3500 Centennial Boulevard Nashville, Tennessee 37203 615-329-9500

Institution	President/Chancellor	Address & Telephone Number
<u>TEXAS</u> (9)		
Bishop College	Dr. Milton K. Curry	3837 Simpson-Stuart Road Dallas, Texas 75241 214-372-8000
Huston-Tillotson College	Dr. John T. King	1820 East 8th Street Austin, Texas 78702 512-476-7421
Jarvis Christian College	Dr. E. W. Rand	U.S. Highway 80 Hawkins, Texas 75765 214-769-2174
Paul Quinn College	Dr. William Watley	1020 Elm Street Waco, Texas 76704 817-753-6417
Prairie View A&M University	Dr. A. I. Thomas	Prairie View, Texas 77445 713-857-3311
Southwestern Christian College	Dr. Jack Evans	Post Office Box 10 Terrell, Texas 75160 214-563-3341
Texas College	Dr. Allen C. Hancock	2404 North Grand Avenue Tyler, Texas 75703 214-593-8311
Texas Southern University	Dr. Granville Sawyer	3201 Wheeler Avenue Houston, Texas 77004 713-527-7011

Institution	President/Chancellor	Address & Telephone Number
Wiley College	Reverend Robert Hayes	711 Rosborough Spring Road Marshall, Texas 75670 214-935-9461
<u>VIRGINIA (6)</u>		
Hampton Institute	Dr. William Harvey	East Queen Street Hampton, Virginia 23368 804-727-5000
Norfolk State College	Dr. Harrison B. Wilson	2401 Corprew Avenue Norfolk, Virginia 23504 804-627-4371
St. Paul's College	Dr. James A. Russell, Jr.	Lawrenceville, Virginia 23868 804-848-3111
The Virginia College	Dr. M. C. Southerland	Garfield Avenue & Dewitt Street Lynchburg, Virginia 804-845-0941
Virginia State College	Dr. Thomas Law	Post Office Box I Petersburg, Virginia 23803 804-526-5111
Virginia Union University	Dr. Allix B. James	1500 North Lombardy Street Richmond, Virginia 23220 804-359-9331



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

JAN 10 1979

WH-10

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Fiscal Year 1979 Paperwork Reduction Program

As you know, President Carter established a goal of eliminating all but essential paperwork requirements placed on the public. In the past two years we have learned that achieving this goal will require new efforts and techniques in addition to more attention to the causes of excessive paperwork. Our analysis indicates some of the causes are bad regulations, flawed legislation and ineffective program management.

We have underway a major revision of our system for managing paperwork to reduce the burden that the Federal Government imposes on the public. The attached interim guidelines are for your use in the Fiscal Year 1979 effort. They will remain in effect through July 20, 1979, unless replaced sooner.

We will be working closely with your departments and agencies over the next six months on new approaches to reduce paperwork. Initiatives already underway or about to be undertaken include:

- We are planning a major revision of Circular No. A-40, and the related forms, guidelines, and procedures. This process will involve extensive agency as well as public involvement.
- We have taken steps to establish a government-wide information locator system, as recommended by the Commission on Federal Paperwork. The system will help eliminate duplicate paperwork requirements, improve design of reporting requirements, and provide better information.

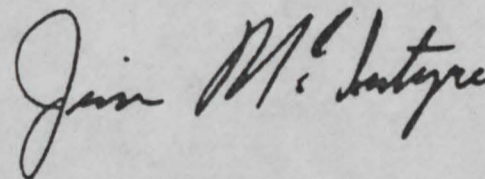
*not formal  
reply necessary  
Mr. Sigel*

- A comprehensive review of ways to measure the reporting burden on the public is underway. Our objective is to develop more effective and sophisticated measures and to control better those paperwork demands that result in the highest level of public complaint and cost.
- I have reorganized my staff to merge our reports clearance and regulatory responsibilities, including oversight of Executive Order 12044, Improving Government Regulation. Attached to the guidelines is a statement of the Regulatory Policy and Reports Management Division's functions and responsibilities.
- We have been working with the General Accounting Office and the Congress to identify and eliminate unnecessary Federal reports to Congress. We are giving thought to proposing an omnibus bill to eliminate unnecessary reporting requirements.

Since this Administration took office, we have made substantial reductions in the Federal reporting burden on the public. We are now in the process of analyzing Fiscal Year 1978 results. I would like for you to review carefully the quarterly reports we require of each agency to determine for yourselves whether everything possible is being done to meet the President's goal.

These reports will be due on January 31, April 20, and July 20, 1979. They should include the changes in reporting requirements that affect your agency's total reporting burden, progress in implementing the Commission on Federal Paperwork recommendations assigned to your agency, and steps completed in Federal grant-in-aid simplification referred to in my November 21 memorandum. The January 31 report should also include your goal for burden reduction in Fiscal Year 1979.

I want to thank you for all the hard work that has been put into this program so far. Further paperwork reductions are going to be more difficult to achieve; however, I believe that under the leadership of the President we can continue to eliminate unnecessary paperwork burdens on the American people.



James T. McIntyre, Jr.  
Director

Attachments

INTERIM GUIDELINES FOR CONTROLLING AND REDUCING  
THE BURDEN OF FEDERAL REPORTING AND RECORDKEEPING  
REQUIREMENTS ON THE PUBLIC AND FOR RESPONDING TO  
COMMISSION ON FEDERAL PAPERWORK RECOMMENDATIONS

I. GUIDELINES FOR CONTROLLING AND REDUCING REPORTING BURDEN

Objective: To control and reduce the burden of public reporting and recordkeeping below that prevailing on September 30, 1978. The reduction is to be achieved in the burden associated with repetitive reports. The burden of reporting associated with single-time reports is to be no higher on September 30, 1979, than it was on September 30, 1978.

- A. Each department and agency has a ceiling on the number of repetitive and of single time reports and on the burden associated with repetitive reports. These ceilings for fiscal year 1979 are continued at the levels established for fiscal year 1978.

OMB will periodically review these ceilings and revise them as appropriate.

- B. OMB will not approve any new or revised reporting requirement which would, if approved, cause the department or agency to exceed the ceiling unless:

- (1) the additional information is specifically required by law, or
- (2) the additional information has been specifically requested by Congress, or
- (3) the request for clearance is accompanied by a request for the elimination of an existing report. The elimination of an existing single-time report is not acceptable as an offset to the introduction of a repetitive report.

C. Sponsorship

In some cases one agency collects information on behalf of another. In such a case, if the data collection involves a separate survey, the agency that sponsors the collection of information from the public shall have the data collection included in its inventory of reports and estimated reporting burden.

## II. GUIDELINES FOR OPERATION OF CLEARANCE PROCESS

Objective: To give departments and agencies increased responsibility and administrative flexibility to reduce the reporting and recordkeeping burden on the public.

- A. Each department and agency shall have a clearance process which is operated outside the area of any program responsibility. The designated clearance officer must be responsible to the department or agency head, either directly, or in a designated line of delegation.
- B. For each request for clearance, the department and agency shall:
- (1) Review the need for the reports or recordkeeping requirements. Request clearance only for those requirements that are essential to Federal Government policy decisions, program planning, management or evaluation.
  - (2) Review the practical utility to the Federal Government of the information collected. If the information is not used, do not collect it even though it may be "needed." (This should be an important part of any review for continued use of an existing report.)
  - (3) Reexamine use of samples, cutoffs, and other statistical methods which can reduce reporting burden. If these techniques are not being used, why can't they be used? If they are being used, can the samples be reduced or cutoff levels raised?
  - (4) Reexamine the need for frequency of data collection. Would less frequent data collection adequately serve minimum department or agency needs?
  - (5) Consider the possible use of "short" forms for use by individuals or by small organizations.



- (6) Reasonably assure that each question asked is germane to the purpose for which the inquiry is being conducted.
- (7) Address special efforts to a reexamination of the use of information collected by "large burden" programs such as medicare and medicaid, the food stamp program of the Department of Agriculture, and the like. Such special efforts should concentrate on an evaluation of the practical utility of the information collected.
- (8) Review and document estimates of total burden and of average respondent burden to make sure that the estimates are reasonable.
- (9) Provide for consultation with other interested agencies, with prospective respondents, and with the public as may be appropriate. Consultation with the Office of Federal Statistical Policy and Standards is desirable for any statistical survey.

Consultation may include a public hearing if deemed appropriate. Consultation shall include a public hearing on each new proposed data collection which is mandatory and is estimated to impose a burden of 20,000 reporting hours or more unless the department or agency head finds that it is in the public interest to limit consultation to written comments.

Consultation shall always include Federal Register notification of a proposal to collect data under statutory authority to compel response. Federal Register notification need not be made if the proposed data collection is to continue to collect data in the same form and manner in which it is already being collected, or the head of the department or agency finds that the exigencies of the situation do not permit such consultation.

C. Each department and agency shall give special consideration to the following:

- (1) Applications. No request for clearance of a new application form or for the continued use of an existing application form will be granted for

forms that contain anything other than the information necessary to determine (1) whether the applicant is eligible to receive the benefit applied for or (2) the amount of benefit to which an eligible applicant is entitled.

When narrative statements are required as part of an application, reporting instructions are to be explicit as to what is needed.

An agency which requires the name or names of project directors/principal investigators (and information on their staffs) as part of an application shall present a specific justification for such information in its request for clearance. The justification shall include a description of the consequences of not receiving such information.

No request for clearance of a grant application used by State or local governments will be approved unless it conforms to the provisions of OMB Circular No. A-102 except that additional information specifically required by law or specifically requested by the Congress may be proposed for clearance.

No department or agency should require an applicant to submit information that is available to the department or agency from other sources or that has already been submitted to the department or agency in support of another application.

- (2) Grant Reporting. No request for clearance of a financial report from a grantee will be approved unless it conforms to the provisions of Circular No. A-102 or Circular No. A-110 except that additional information specifically required by law or specifically requested by Congress may be proposed for clearance.

Grant-in-aid reporting shall be required only of the grant recipient. Reports from subgrantees, projects or ultimate beneficiaries are not to be required unless specifically required by law or specifically requested by Congress.

- (3) Program Evaluation (as defined in Standard Form 83A). Data required for program evaluation must directly contribute to the assessment of the effects of programs, their processes or management. Acquiring large amounts of descriptive data not directly relevant to these purposes is to be avoided.
- (4) Other Management Reports (as defined in Standard Form 83A). No report is to be required of an employer of fewer than 100 employees unless the report is specifically required by law or unless the report is consequent to a benefit received.

Each request for clearance of a management report must be accompanied by a statement indicating whether any respondent organization has fewer than 100 employees and, if so, the condition requiring the reports.

- (5) Statistical Surveys or Reports (as defined in Standard Form 83A). No general purpose statistics program that collects information annually or more frequently shall be designed to produce geographic detail below national totals for the United States unless:
- a. the information is required by law more frequently than would be provided by a census and
  - b. cannot be obtained from existing administrative records or
  - c. the data collection is an integral part of a specific Federal-State cooperative program or of a specific Federal-local government cooperative program or
  - d. the survey is designed to produce statistical information for only a defined portion of the United States and not for the nation as a whole.

Federal agencies are not to engage in any general purpose statistical survey activity not financed wholly by Federal funds, except a data collection which is undertaken as a consequence of cooperative

efforts with State and/or local governments or which the department or agency head personally determines is in the public interest. (Such surveys will count against the department or agency ceiling on numbers of reports and reporting burden.)

- (6) Data Collection for Research Purposes. A proposed data collection for research purposes will be approved only if (1) it tests a stated hypothesis or (2) it is part of an investigation designed to discover new facts or principles in a specified area of knowledge. The anticipated benefits expected from the data collection and the consequences of not engaging in the proposed data collection are to be specified.
- (7) Data Collections from Individuals. A request for data collection from individuals which requires more than one hour of a respondent's time will be disapproved.
- (8) Survey Response Rates and Sample Design. It is expected that data collections based on statistical methods will have a response rate of at least 75 percent. Proposed data collections having an expected response rate of less than 75 percent require a special justification. Data collection activities having a response rate of under 50 percent should be terminated. Proposed data collection activities having an expected response rate of less than 50 percent will be disapproved. As a general rule, no request for clearance of a general purpose statistical survey or report having an anticipated response rate of less than 75 percent will be approved unless the Office of Federal Statistical Policy and Standards of the Department of Commerce concurs in the request.

An agency will make every reasonable effort to assure that no individual and no employer of fewer than 100 is included in more than one of its statistical samples at the same time. Each department and agency is expected to describe the steps it has taken to assure that individuals and small organizations are not included in more than one of its samples.

- D. Each request for clearance by a department or agency is to be forwarded to the Office of Management and Budget in the normal way (as specified by the instructions for completion of Standard Form 83).

The department or agency clearance officer who signs the certification on the Standard Form 83, "Clearance Request" must be prepared to document the steps taken to make sure that the certification is accurate and that these guidelines have been followed.

- E. (1) Departments and agencies will assume primary responsibility for substantive review of all requests for clearance of repetitive public use reports which:
- a. have a total annual reporting burden of 20,000 hours or less and
  - b. impose an average burden of no more than one-half hour per response.
- (2) Upon receipt of the clearance request (in accordance with D above, the Office of Management and Budget will enter the request into its Clearance Office Information System and give notice of its receipt in the Federal Register. Within ten (1) working days after the appearance of the Federal Register notice, the Office of Management and Budget will clear the request unless:
- a. there has been substantial public complaint about the proposed data collection or
  - b. the Office of Federal Statistical Policy and Standards of the Department of Commerce notifies OMB of a significant statistical deficiency in the proposal or
  - c. unforeseen circumstances have intervened.

- E. Each response to a Commission recommendation shall include an estimate of the reduction in reporting burden resulting from the implementation of the proposal.

#### IV. REPORTS

Objective: To insure timely reporting to the President and to Congress on progress in achieving the goals of the President's reporting burden reduction program and implementation of the recommendations of the Commission on Federal Paperwork.

- A. Establishment of Goals. Each department and agency is requested to establish and report its Fiscal Year 1979 public reporting burden reduction goal to OMB by January 31, 1979.
- B. Recommendations for Changes in Legislation. Each department and agency is requested to make recommendations for changes in legislation to reduce public reporting burden if such changes appear to be desirable. Each recommended change should be accompanied by an estimate of the savings in reporting burden it would achieve. The report is due on December 31, 1979 in order that department and agency recommendations might be considered for inclusion in the President's legislative program.
- C. President's Reporting Burden Reduction Program. A report of progress in achieving reporting burden reduction goals will be submitted on January 31, 1979 covering the period October 1, 1978 thru December 31, 1978.

The report for the period January 1, 1979 through March 31, 1979 is due on April 20, 1979.

The report for April 1 thru June 30, 1979 is due on July 20, 1979.

- D. Responses to Recommendations of the Commission on Federal Paperwork. Reports will be submitted in accordance with the schedule developed by the department or agency (see Guideline III, paragraphs A and B). In addition, a status report will be submitted to OMB as part of the quarterly progress reports on reporting burden reduction (see paragraph C above).
- E. Federal Aid Reform. In September 1977, the President initiated a series of reforms to streamline federal aid and cut red tape. Reports on progress are to be submitted with the quarterly reports described in C above, as requested in the November 21, 1978 memorandum from Director McIntyre to the heads of major departments and establishments.

REPORT FORMAT APPENDIX  
PRESIDENT'S REPORTING BURDEN REDUCTION PROGRAM

ACCOMPLISHMENTS--QUARTER ENDING

	<u>Number of Reports</u>	<u>Reporting Hour Burden</u>
Repetitive reports in use, beginning of quarter		
Change in usage of reports and other corrections (+ or -1) <u>1/</u>	_____	_____
Add:		
New reports added during period <u>2/</u>	_____	_____
Less:		
Reports eliminated during period <u>3/</u>		
Reductions in burden of reports continued in use <u>4/</u>	_____	_____
Repetitive reports in use, end of quarter		

1/ Increases or decreases in reporting burden resulting from changed usage of report or other corrections should be listed as an attachment to this report. Listings of increases or decreases should be reported separately. Each listing should contain the OMB number, report title, and change in reporting hour burden.



- 2/ New reports introduced into use are to be listed as an attachment to the report. The listing should include OMB number, title of report, and reporting hour burden.
- 3/ Reports eliminated are to be listed as an attachment to the report. The listing should include OMB number.
- 4/ Reductions in burden of reports continued in use are to be listed as an attachment to the report. Include only reductions in burden resulting from actions taken to decrease burden. Reductions in burden from decline in usage or from new calculations of time required to complete a report are to be included in "Change in usage of reports and other corrections." The listing should include OMB number, title of report, and amount of decrease.

If there are any revisions to existing reports which add to reporting, that increase should be shown as an offset to the reductions achieved.

RECOMMENDATIONS OF COMMISSION ON FEDERAL PAPERWORK

QUARTERLY STATUS REPORT

Number of recommendations \_\_\_\_\_

Number of recommendations to which  
affirmative responses have been made \_\_\_\_\_

Number implemented \_\_\_\_\_  
Number in process of being  
implemented \_\_\_\_\_

Number of recommendations rejected \_\_\_\_\_

Number of recommendations yet to be  
acted upon \_\_\_\_\_

Anticipated annual savings in public reporting  
burden from recommendations accepted and  
implemented \_\_\_\_\_

Anticipated one-time dollar savings to  
Federal Government from recommendations  
accepted and implemented \_\_\_\_\_

Anticipated recurring savings to Federal  
Government from recommendations accepted and  
implemented \_\_\_\_\_

RESPONSE TO RECOMMENDATION

OF

COMMISSION ON FEDERAL PAPERWORK

INITIAL REPORT

Department or Agency: \_\_\_\_\_

Commission on Federal Paperwork Report Name (source of  
recommendation): \_\_\_\_\_

TEXT OF RECOMMENDATION

Recommendation has been accepted and implemented.  
 Action report attached.

Response to recommendation (an action report) will  
be forwarded to OMB by \_\_\_\_\_.

Any questions relating to this report should be addressed  
to:

Name

Telephone No.

RESPONSE TO RECOMMENDATION  
OF  
COMMISSION ON FEDERAL PAPERWORK  
ACTION REPORT

Department or Agency: \_\_\_\_\_

Commission on Federal Paperwork Report Name (source of recommendation): \_\_\_\_\_

TEXT OF RECOMMENDATION

Recommendation/alternative to recommendation has been accepted and implemented. Anticipated saving to the public \_\_\_\_\_ reporting hours per year.

Will the acceptance of the recommendation result in any savings to the agency?

Yes  No

If yes, give amount \$ \_\_\_\_\_. Is this saving: one time  annual

Recommendation/alternative to recommendations has been accepted and is being implemented. Implementation is expected by \_\_\_\_\_.

Recommendation/alternative to recommendations has been accepted. Implementation will require change in legislation. Proposed legislative change attached.

Recommendation not accepted. Explain why the recommendation was not accepted. Describe your efforts to develop an alternative to the recommendation and explain why you were not able to develop a satisfactory alternative.

Any questions relating to this report should be addressed to:

Name

Telephone No.

THE REGULATOR POLICY AND REPORTS MANAGEMENT DIVISION

Under the Associate Director for Management and Regulatory Policy, the Regulatory Policy and Reports Management Division (RPRM) has responsibility for the implementation of the Federal Reports Act of 1942 and its accompanying Circular A-40. It oversees the President's Paperwork Reduction Program and carries out OMB's responsibility for overseeing implementation of the Commission on Federal Paperwork's recommendations (P.L. 93-556). It has overall regulatory policy responsibilities within OMB which include overseeing and evaluating agency implementation of Executive Order 12044 (Improving Government Regulations, March 23, 1978). In addition, it has responsibility for identifying important regulatory reporting or recordkeeping issues in budget and legislative reviews.

The Division headed by Stanley E. Morris, Deputy Associate Director for Regulatory Policy and Reports Management, is divided into three branches: Regulatory Policy Branch - Diane K. Steed, Chief; Reports Management Branch - C. Louis Kincannon, Chief; and Analysis Branch - Robert W. Raynsford, Chief. Each reviewer with an agency assignment has responsibility for all Division activities regarding the assigned agency, i.e., regulatory oversight and reports clearance.

The principal assignments are as follows:

<u>Agency</u>	<u>Staff</u>
Department of Agriculture	Ellett, Charles A.
Department of Commerce	Kincannon, C. Louis
Department of Defense	Caywood, David P.
Department of Energy	Hill, Jefferson B.
Department of Health, Education, and Welfare:	
Public Health Service, Health Care Financing Administration	Eisinger, Richard A. (Regulatory Coordinator)
Social Security Administration, Welfare, & Human Development Education	Reese, Barbara F. Collins, LaVerne Vines
Department of Housing and Urban Development	Strasser, Arnold Ellett, Charles A.
Department of the Interior	Collins, LaVerne Vines
Department of Justice	Strasser, Arnold
Department of Labor	Traynham, Marsha D.
Department of State	Geiger, Susan B.
Department of Transportation	Geiger, Susan B.
Department of the Treasury	

Agency

ACTION  
 Community Services Admin.  
 Council on Environmental Quality  
 Environmental Protection Agency  
 Equal Employ. Opport. Comm.  
 General Services Administration  
 U.S. International Trade Comm.  
 National Aeronautics & Space  
 Administration  
 National Foundation for the Arts  
 and Humanities  
 National Science Foundation  
 Office of Personnel Management  
 Railroad Retirement Board  
 Small Business Administration  
 Tennessee Valley Authority  
 Veterans Administration  
 Independent Regulatory  
 Commissions

Staff

Reese, Barbara F.  
 Reese, Barbara F.  
 Clarke, Edward H.  
 Clarke, Edward P.  
 Collins, LaVerne Vines  
 Traynham, Marsha D.  
 Geiger, Susan B.  
  
 Caywood, David P.  
  
 Collins, LaVerne Vines  
 Collins, LaVerne Vines  
 Traynham, Marsha D.  
 Reese, Barbara F.  
 Caywood, David P.  
 Ellett, Charles A.  
 Caywood, David P.  
  
 Steed, Diane K.\*

\*With respect to all division responsibilities except reports clearance which is the responsibility of the General Accounting Office.

WA-9

no reply neccy

no cc's sent



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

January 4, 1979

BOARD OF GOVERNORS  
OF THE FEDERAL RESERVE SYSTEM  
1979 JAN 15 AM 10:48

RECEIVED  
OFFICE OF THE CHAIRMAN

WH-9

MEMORANDUM FOR HEADS OF CERTAIN EXECUTIVE DEPARTMENTS  
AND ESTABLISHMENTS

SUBJECT: GAO's Information Data Base on Food, Nutrition,  
and Agriculture

The General Accounting Office (GAO), at the request of the Senate Appropriations Committee, is in the process of developing a data base on Federal programs relating to food, nutrition, and agriculture. No such comprehensive source of information exists at this time.

I feel that such a comprehensive information system would be extremely valuable to both the Congress and the Executive Branch. The entire food system and the Federal role in it has taken on increased visibility and importance over the last few years. In the future, important decisions will need to be made covering the full spectrum of that system, ranging from nutrition to agricultural production.

For this reason, I urge you to support the GAO effort and respond to their data request in the most timely manner possible.

*James T. McIntyre, Jr.*  
James T. McIntyre, Jr.  
Director



Sandy

WH-8

no reply recy

cc Kakalec

Lopez



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

WH-8

OFFICE OF FEDERAL  
PROCUREMENT POLICY

DEC 27 1978

POLICY LETTER NO. 78-6

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Wage and Price Standards for Federal Contractors

A program of voluntary wage and price standards was announced by President Carter on October 24, 1978. The President directed that Federal procurement of supplies and services be conducted so as to recognize anti-inflationary efforts and to benefit Federal contracting by doing business with those firms which limit wage and price increases. Application to executive agencies and military departments was provided by Executive Order 12092 of November 1, 1978.

To implement this program, the following provisions will be incorporated into the Defense Acquisition Regulation (DAR) and the Federal Procurement Regulations (FPR) (FPR citations are within parentheses). The provisions are specifically designed to avoid placing administrative burdens on the acquisition process. Contracting officers, auditors, or other acquisition officials are cautioned that it is not their responsibility to determine if an offeror or contractor is or is not in compliance with the wage and price standards.

DAR 1-340 (FPR Sec. 1-1.340) (new):

"1-340(Sec. 1-1.340) Prohibition Against Inflationary Procurement Practices.

(a) Authority. Executive Order 12092, November 1, 1978, (43 FR 51375, November 3, 1978) requires that procurement of personal property and services by executive agencies and military departments be accomplished at prices and wage rates which are noninflationary.

(b) Acquisition Policy. The Government will, to the extent provided in paragraph (d) below, purchase goods and services only from companies, as companies are defined by the published standards of the Council on Wage and Price Stability (CWPS), in compliance with wage and price standards reflected in Executive Order 12092 of November 1, 1978, and the Wage and Price Standards issued by CWPS (6 CFR Part 705, Appendix, and Part 706). The company which signs the contract or solicitation is considered to be certifying compliance for all units contained within the business structure of that company. Companies determined by CWPS, after notice and opportunity to be heard, to be in noncompliance with the standards will be considered noncompliant companies.

(c) Compliance Monitoring by CWPS. The CWPS will monitor overall compliance with the wage and price standards (6 CFR Part 705, Appendix, and Part 706). The CWPS will publish in accordance with procedures designed to ensure fairness and due process the names of companies which are not in compliance with the standards. The names of those determined to be in noncompliance with the standards will be republished in Defense Acquisition

Circulars (FPR Bulletins) for the convenience of contracting officers. Contracting officers, auditors and other acquisition officials are cautioned that it is not their responsibility to determine if an offeror or contractor is or is not in compliance with the wage and price standards.

(d) Noncompliant Companies.

1. Companies determined by CWPS to be in noncompliance shall be ineligible for contract awards anticipated to exceed \$5 million resulting from solicitations or other actions issued on or after February 15, 1979, unless the certification provision(s) is waived as provided for in paragraph (i). This dollar threshold may be lowered at a later date.

2. Companies listed by CWPS as not being in compliance shall not be considered to be in compliance until CWPS removes them from the list of noncompliant companies or otherwise determines that they are in compliance.

(e) Sales Contracts and Foreign Contracts and Subcontracts. This paragraph does not apply to sales contracts awarded by the Government, or to contracts or subcontracts that are to be performed wholly outside the United States, as that term is defined in 10 U.S.C. Sec. 101 (1970), with labor recruited and material purchased outside the United States.

(f) Certification Provisions.

1. Solicitation Provision. All bids and proposals received as a result of solicitations issued on or after February 15, 1979, where it is expected that the award will exceed \$5 million or where cumulative orders expected to be placed under an indefinite delivery type contract award will exceed \$5 million, shall include the following certification. The certification shall be accepted by the contracting agency unless the company has been determined by CWPS to be noncompliant. Any CWPS determination is not subject to protest to the General Accounting Office.

CERTIFICATION — WAGE AND PRICE STANDARDS (1979 JAN)

(Applicable to awards in excess of \$5 million, and awards of indefinite delivery type contracts under which cumulative orders are expected to exceed \$5 million.)

(a) By submission of this bid or offer, the bidder or offeror certifies that he is in compliance with the Wage and Price Standards issued by the Council on Wage and Price Stability (6 CFR Part 705, Appendix, and Part 706).

(b) The clause entitled, "Certification — Wage and Price Standards," set forth elsewhere in this solicitation, shall be incorporated in any resulting contract except where waived by agency head involved.

(End of Notice)

2. Contract Provision. All contracts, including indefinite delivery type contracts, resulting from solicitations issued on or after February 15, 1979 expected to exceed \$5 million, and all orders or new work added by supplemental agreements to existing contracts in excess of \$5 million executed on or after February 15, 1979, will contain the following clause. The certification shall be accepted by the contracting agency unless the company has been determined by CWPS to be noncompliant.

CERTIFICATION — WAGE AND PRICE STANDARDS (1979 JAN)

(This clause is applicable if the award, an order under an existing contract or a supplemental agreement for new work is in excess of \$5 million, or the expected cumulative value of orders (when the contract is of the indefinite delivery type) is in excess of \$5 million.)

(a) The contractor hereby certifies that, as of the date of this action, he is in compliance with the Wage and Price Standards issued by the Council on Wage and Price Stability (6 CFR 705, Appendix, and Part 706).

(b) If it is later determined after notice and opportunity to be heard, that the contractor was willfully not in compliance with such standards as of the date of this certification, then this contract may be terminated in accordance with the provisions of the Termination for Default Clause.

(c) Should the Government determine that termination for default would not be in the public interest, the contractor agrees that he will accept an equitable reduction of the contract price or cost allowance and profit or fee, as appropriate under the circumstances.

(d) The contractor shall require a Certification - Wage and Price Standards limited to (a) above, as a condition of award of any first tier subcontract which exceeds \$5 million. The contractor further agrees that should any price adjustment in subcontract prices result from the operation of this provision as to subcontracts, he will advise the contracting officer and an equitable adjustment of the contract price will be made. The operation of this provision in any subcontract shall not excuse the contractor from performance of this contract in accordance with its terms and conditions. Any waiver or relaxation of the certification requirements with respect to such first-tier subcontractors can only be made by the agency head involved.

(End of Clause)

(g) Enforcement.

1. A contractor who has certified as provided in paragraph (f) above and who has been determined, after notice and opportunity to be heard, to have been willfully not in compliance with the wage and price standards as of the date of the certification, may be terminated for default in accordance with the contract provision in paragraph (f)(2) above.

2. Any such contractor will be ineligible for any further Federal contracts and subcontracts in excess of \$5 million unless such ineligibility is waived by the agency head in accordance with paragraph (h) below.

3. If the contractor has been determined to be in breach of contract under (f) above, he shall be notified of such determination and given the opportunity within 10 days, to apply for waiver of default termination and the application of some lesser penalty. The contracting officer shall furnish his decision and the reasons therefore, within 10 days after receipt of the application.

(h) Waiver of Termination for Default and of Ineligibility for Federal Contracts and Subcontracts. Termination for default or a determination of ineligibility for Federal contracts and subcontracts may be waived by the agency head if he determines in writing that:

(i) the agency's need for the product or service is essential to National security or public safety, and there are no alternative sources of supply, or that seeking alternative sources is not feasible because of urgency of requirements, or disruption of essential program functions; or

(ii) such action would result in severe financial hardship and threaten the contractor's or subcontractor's ability to survive; or

(iii) the contractor or subcontractor agrees to come into compliance with the wage and price standards and to make any reduction of the contract price that is equitable in the circumstances.

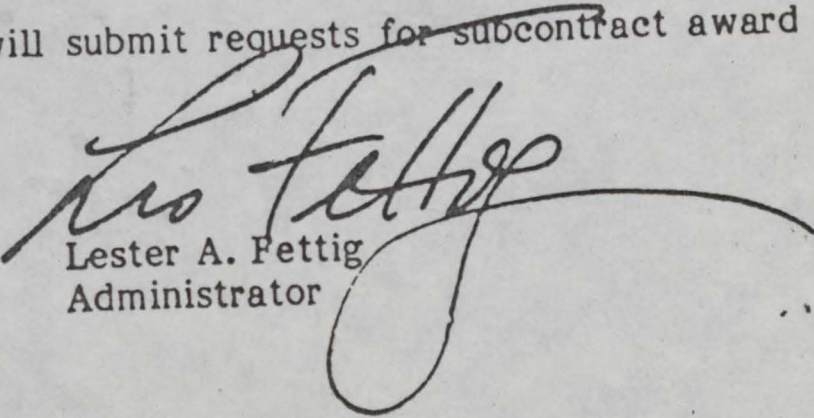
(i) Waiver of Certification.

1. Waiver of the contract certification should be considered only in situations where the Government cannot forego or postpone a procurement because of an urgent National security or public safety requirement and where there are no alternative sources or that seeking alternative sources is not feasible because of urgency of requirements, or disruption of essential program functions.

2. Such waivers will be granted only by the agency head involved, and only after thoroughly exhausting all reasonable alternatives.

3. Waivers shall be in writing, and a copy of such waiver shall be forwarded within 10 days to the Administrator for Federal Procurement Policy.

4. Prime contractors will submit requests for subcontract award waivers to the Contracting Officer."

  
Lester A. Fettig  
Administrator

#7

January 31, 1979

The President  
The White House  
Washington, D. C. 20500

Dear Mr. President:

Thanks for your letter of December 13 which called attention to the importance of eliminating fraud, error and waste in Government programs. The Federal Reserve System has a record of positive action aimed at avoiding or eliminating these problems and we wholeheartedly support your efforts in this direction.

So that you may have a better understanding of the seriousness of our concern, I am enclosing a description of several of our key control programs.

Sincerely,

*11511 Bill*

Enclosure

bcc: Mr. Denkler  
Mr. Wallace  
Mr. Livingston  
Mrs. Mallardi (2)  
Ms. Hobbs

GLivingston/JMDenkler:dj

WH-85 & WH-7

## Federal Reserve System Control Programs

### Audit Activities

The staff of the Board of Governors conducts a financial examination annually, on an unannounced schedule, of each Federal Reserve office to verify the accuracy of each balance sheet, to review expenditures for propriety and adequacy of documentation, and to review procedures and controls for compliance with applicable regulations. The examinations include physical verification of valuables on hand and confirmations of accounts with interested parties. The General Auditor of each Federal Reserve Bank conducts similar and more detailed audits on an unannounced schedule. The Board's staff also conducts operations reviews to determine the effectiveness and efficiency of Reserve Bank activities and functions concerned with handling of currency, coin, food coupons and securities, and with supervision and regulation of financial institutions, various payments mechanisms, electronic data processing, and internal auditing.

In addition, a public accounting firm has been used for a number of years to review the scope and procedures of the Board's financial examination and operations review efforts. Recent legislation has also authorized audits of the Board of Governors and the Reserve Banks by the General Accounting Office.

The operations of the Board of Governors itself are subject to internal checks on a continuing basis by the Office of the Controller. This Office has responsibility for directing preparation of annual budgets and operating plans, and for subsequent analysis and periodic reporting of budget performance. In addition, it has responsibility for receipt and disbursement of all Board funds and for maintenance of proper accounting records. Rigorous financial controls and internal review systems are in place to help prevent both fraud and error.

A public accounting firm also conducts an audit of the financial statements of the Board of Governors. The statements, together with the auditor's opinion, are published in the Annual Report which is submitted to Congress and distributed to the general public.

### Operations Review Committee

An Operations Review Committee, composed of senior Board officials and reporting to the Vice Chairman, has been established to organize and direct the conduct of operations reviews of the activities of each Board division and office. The objectives of such reviews include assessing how efficiently and economically resources are used; ensuring compliance with applicable laws, regulations and policies; determining whether internal operating objectives are established and effectively achieved; and ensuring the existence, adequacy and proper operation of administrative and financial controls.

While the Operations Review Committee directs its attention to entire functional areas, e.g., data processing or supervision and regulation, the Board also has an organizational unit which performs studies, beyond the normal budgetary review processes, of specific management issues, policies or decisions. This unit provides separate, objective analyses in areas such as equipment acquisitions, policy development, reviews of specific operating procedures, etc. Its reviews frequently result in development and selection of more efficient alternatives.

#### Security Program

Each Federal Reserve Bank and Branch is periodically reviewed to evaluate the adequacy of physical security and protection programs, procedures and resources. Such reviews also assess the effective and efficient use of protection staffs and devices.

The management of each Reserve Bank is required to report to the respective General Auditor all incidents relating to potential losses of assets, shortages in accounts, thefts, or other possible violations of the banking laws of the United States. Each General Auditor is expected to ensure that such incidents are reported to the local office of the Federal Bureau of Investigation and/or the United States Attorney for appropriate investigation, and to report all losses or potential losses over \$100 to the Board of Governors.

#### Control Standards

A set of Custody Control Standards has been effective within the Federal Reserve System for a number of years in order that the System may effectively discharge its responsibility for handling valuables in its custody. The principles contained in the Standards are used to develop Reserve Bank procedures for affixing accountability at each stage of processing, for investigating sources of problems and correcting operational difficulties, for protecting the integrity of Bank employees, and for protecting Bank assets. Another set of controls has also been developed for safeguarding the integrity of the Electronic Funds Transfer System.

The implementation of these sets of control standards is included in the scope of each examination and operations review conducted by the Board's staff at the Reserve Banks. The Standards are also periodically reviewed and revised as necessary to reflect changes in the operating environment.



### Ongoing Budget Controls

The annual budget for each Federal Reserve District, after approval by the respective Board of Directors, is submitted to the Board of Governors for analysis and final approval. This procedure has resulted in an average annual growth rate of 6.5 per cent for all Reserve Bank operating expenses and a reduction of 2.8 per cent in the level of employment during the 1974 to 1979 period, despite volume increases in measured activities and expanding mission assignments.

The Reserve Banks experimented with zero-base budgeting in their planning and budgeting processes for 1979. During 1979, several Reserve Banks expect to further integrate zero-base concepts into their management process and to test the establishment of rotating zero-based reviews. Zero-base procedures were also effective in developing the Board's budgets for 1978 and 1979.

In addition, since 1974 the Board of Governors has applied the concept of a savings target in its own budget. This has proved effective in reallocating resources from low priority or deferred functions to meet higher priority new initiatives when they occur during the year.

In addition to our budget formulation process, the Board and the Federal Reserve Banks have developed and are using a number of control measures which have helped restrain waste, fraud, and error. For example, the Board's financial controls include limitations on authority to approve transactions, validation of the need for hiring or for expending funds even if resources were approved in the budget, formal quarterly reports to the Board on the status of resources relative to the budget, and formal mid-year management reviews with each Division Director. There are also special committees to review internal functions and to monitor the use of data processing resources.

### Productivity Improvement Program/Staff Reduction

A detailed cost and expense accounting system has been developed to collect and report Reserve Bank operating expenses. The unit cost and productivity rates provided by this accounting system are used to compare and evaluate the levels of performance of each Federal Reserve District and office.

The controls over operating expenses, coupled with staff reductions and selected capital investments, have resulted in productivity gains averaging 9.9 per cent per annum over the 1974-1979 period. In addition, a deliberate operational improvement effort has been established which includes a Reserve Bank oversight committee

and a central clearing house for disseminating operational improvement ideas or innovations to all Banks. Some of the major System efforts at operating improvements have related to the development of automated clearing houses for checks and Federal transfer payments, implementation of book-entry accounts for Government securities, development of an automated funds transfer system, truncation of Treasury check processing, development of automated currency sorting equipment, and development of long-range automation and communications plans.

#### Regulatory Improvement Project

In June 1978 the Board formally adopted a plan of action to improve all Federal Reserve regulations and rulemaking procedures, including internal Federal Reserve rules and operating procedures.

Part of the project involves a substantive zero-base review of each Federal Reserve regulation to determine (1) the fundamental objectives of the regulation and the extent to which it is meeting current policy goals, (2) nonregulatory alternatives that would accomplish the objectives, (3) the costs and benefits of the regulation, (4) unnecessary burdens imposed on the public by the regulation that could be eliminated, and (5) the clarity of the regulation. Specific actions on several regulations have already been completed and several others are in advanced stages of development.



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

WH-7

JAN 3 1979

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: James T. McIntyre, Jr. *Jim McIntyre*

SUBJECT: Steps to Eliminate Waste, Fraud, and Error in  
Government Programs

The President has placed the highest priority on the elimination and prevention of fraud, waste, and inefficiency in the use of Federal funds. The Inspector General Act of 1978 gives us additional strength to meet this objective in twelve departments and agencies. In addition, we have strong statutory Inspectors General at the Departments of Energy and Health, Education, and Welfare.

In his memorandum to you of December 13, 1978, the President indicated his wish that significant features of the Inspector General program be extended to the rest of the Federal Government. He has assigned me the responsibility for overseeing this program and providing whatever additional guidance is needed.

You are not being asked to appoint an Inspector General. Nor are we asking you to restructure your agency to carry out the President's directive. Each of you is being asked to designate a single official, accountable directly to you, to oversee your agency's efforts to eliminate waste, fraud, and error. This official will be responsible for preparing the comprehensive plan called for in the President's memorandum. He or she also should monitor the implementation of the plan to assure that your agency adheres to the same rigorous standard of audit and investigative effort that we are expecting from the Inspector General agencies.

Your comprehensive plan of steps to eliminate and prevent waste, fraud, and error in your agency is due by January 31, 1979. It should include any suggestions you may have for government-wide actions we can take in this area, as requested in the President's memorandum.

The principal objective of the plan is to set forth a course of action for your agency and you should include all steps you deem relevant. However, as a minimum, we need the following information included in it:

- o Resource Analysis--a suggested format for this analysis is provided in the attachment.
  
- o Planned Approach--You should provide a succinct narrative statement describing your planned approach to using your agency's audit, investigation, and other management resources in a concerted effort to deal with issues of waste, fraud, and error; especially in those programs and activities you deem most vulnerable. The narrative should acknowledge activity underway pursuant to my recent request to selected agencies to report on the status of outstanding audit recommendations and on audit plans under OMB Circular A-73. You should include a summary description of those "checks and balances" or systems that are in place or are planned to assure the agency's capability to prevent, identify, and/or deal with problems of waste, fraud, and error. Distinctions should be made with respect to controls applicable to internal agency operations and employees (e.g., computer operations, receipt of supplies, imprest fund, payroll, etc.) and those dealing with agency contractors and grantees.

I have asked Wayne G. Granquist, Associate Director for Management and Regulatory Policy, to assist me in this effort. Please provide him with the name of the accountable official you are designating as soon as possible. Your comprehensive plan should be forwarded to him so that we can report to the President as soon after January 31 as is possible.

Attachment

## RESOURCE ANALYSIS

Contact. Enter the name and telephone number of the individual who can respond to questions relating to the resource data provided.

Part I. Resource Schedule

Office/Division/Unit. Enter the reporting audit or investigation activity.

Budget. Enter the budget authority and outlays for the three fiscal years indicated. Provide unexpended balances for fiscal year 1978.

Staffing. Identify the numbers of full-time permanent employees assigned to the activity who devote more than fifty percent of their time to audit or investigation activities or support for these activities. Include a summary of both filled and vacant positions.

External Support. Identify external organizations (other Federal agencies, State, or local government, or non-governmental) providing audit and investigative support. Provide costs for fiscal years 1978, 1979, and planned in 1980.

Part II. Narrative Statement

Provide a brief summary description of the audit or investigation activities, including their current missions and organizational placements. Highlight significant increases or decreases in funding levels from the current fiscal year to fiscal year 1980 and major initiatives expected to be undertaken during the remainder of fiscal year 1979.

RESOURCE ANALYSIS

ATTACHMENT  
EXHIBIT

CONTACT: \_\_\_\_\_

PART I. RESOURCE SCHEDULE

Office/Division/Unit:

	RESOURCE LEVELS		
	<u>FY 1978</u>	<u>FY 1979</u>	<u>FY 1980</u> (Planned)
<u>BUDGET</u>			
Headquarters			
Field Offices			
TOTAL			
<u>STAFFING</u>			
Headquarters			
Professional			
Clerical			
TOTAL			
Field Offices			
Professional			
Clerical			
TOTAL			
<u>EXTERNAL SUPPORT</u>			
Organizations			

PART II. NARRATIVE STATEMENT

*Mrs. Mallard*

May 2, 1979

Mr. John P. White  
Deputy Director  
Office of Management and Budget  
Washington, D. C. 20503

Dear Mr. White:

This letter is in response to your memorandum of January 8, 1979, which requested designation of a senior management official who will be responsible for developing information policies and procedures and overseeing their implementation within the Board of Governors.

Although your memorandum requested a response by January 19, 1979, it was only recently copied to us from the National Bureau of Standards, thus the late response.

Mr. Charles L. Hampton, Director, Division of Data Processing (202-452-3595), was designated as the FIPS point of contact in previous correspondence dated April 24, 1974, and August 8, 1977. Mr. Hampton will remain as our representative for all matters relating to FIPS.

The Board of Governors, through its Division of Data Processing, receives and monitors the FIPS Pub series as well as related correspondence for applicability within the growing standards program of the Federal Reserve System. However, because of the Board's major interdependencies with the Federal Reserve District Banks, commercial member banks and other elements of the financial community, applicability of certain Federal ADP standards and compliance reporting is somewhat limited. Further, since the Board of Governors is not an appropriated or Federally budgeted agency, applicability of certain facets of the Brook's Act as administered within the Federal Agency community, is inappropriate.

The Board, however, is committed to the principles and objectives embodied in the Brook's Act including the development and

Mr. John P. White

-2-

implementation of standards which will further the effective and economic use and management of data processing resources. In this respect, we are pleased to be represented in this effort under the leadership of the Department of Commerce.

Sincerely yours,

(Signed) John M. Denkler

John M. Denkler  
Staff Director

bcc: ✓ Mrs. Mallardi (WH-6)  
Mr. Hampton

CLH:mw



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

Mr. C. L.  
Hampton  
4/20/79

JAN 8 1979

MEMORANDUM TO THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES  
SUBJECT: Federal Information Processing Standards Program

The Federal Government is making increasing use of automatic data processing to manage government programs more effectively and improve the delivery of services to the public. However, there is growing evidence that these resources are not being acquired and used as efficiently as possible.

A sound Federal information processing standards program can improve efficiency and produce significant savings for the American taxpayer. For example, standards for system development, performance assurance and computer security can reduce losses attributable to improper payments or fraud and theft.

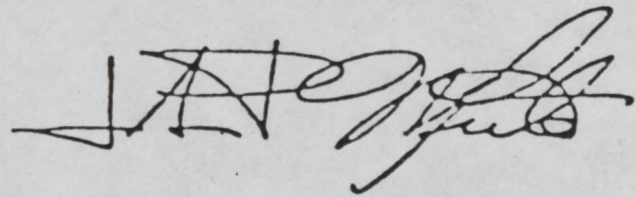
The savings expected from the existing Federal Information Processing Standards program, created in 1965, have not materialized. Standards were not developed when needed, and agencies have frequently failed to implement those standards which were developed. Therefore, we intend to revitalize this effort under the leadership of the Department of Commerce. The Department is clarifying its goals and objectives, establishing a mechanism for setting priorities, and measuring the costs and benefits of the standards.

I urge you to assist the Secretary of Commerce in this important effort. You should appoint a senior management official who will be responsible for developing your agency's policies and procedures and overseeing their implementation. This official should also assist the Secretary of Commerce, as appropriate, in the following areas:

- Identifying high priority standards requirements.
- Assuring the development of effective standards.
- Evaluating the effectiveness of existing standards.
- Measuring the degree of agency compliance with Federal standards.

Please provide the name, title and telephone number of this official to the Secretary of Commerce and the Office of Management and Budget by January 19, 1979:

Beginning in 1979, the Secretary of Commerce will prepare an annual report on our progress. I ask each of you to take a personal interest in the success of this important effort.



John P. White  
Deputy Director

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

JAN 8 1979

WH-6

MEMORANDUM TO THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Federal Information Processing Standards Program

The Federal Government is making increasing use of automatic data processing to manage government programs more effectively and improve the delivery of services to the public. However, there is growing evidence that these resources are not being acquired and used as efficiently as possible.

A sound Federal information processing standards program can improve efficiency and produce significant savings for the American taxpayer. For example, standards for system development, performance assurance and computer security can reduce losses attributable to improper payments or fraud and theft.

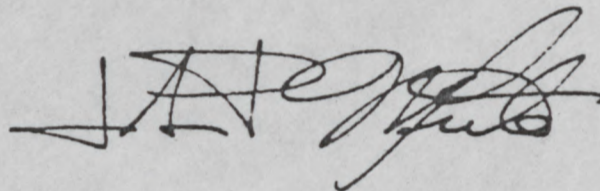
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- Identifying high priority standards requirements.
- Assuring the development of effective standards.
- Evaluating the effectiveness of existing standards.
- Measuring the degree of agency compliance with Federal standards.

Please provide the name, title and telephone number of this official to the Secretary of Commerce and the Office of Management and Budget by January 19, 1979.

Beginning in 1979, the Secretary of Commerce will prepare an annual report on our progress. I ask each of you to take a personal interest in the success of this important effort.



John P. White  
Deputy Director

Sandy

WH-5

no reply neccy

for info to  
Grizzard  
Records

Savito

*Sandy*  
*Mr. Heubler*  
*Mr. Daniels*  
*Personnel*



EQUAL EMPLOYMENT OPPORTUNITY COMMISSION  
WASHINGTON, D. C. 20506

JAN 4 1979

OFFICE OF THE  
EXECUTIVE DIRECTOR

MEMORANDUM TO HEADS OF FEDERAL DEPARTMENTS AND AGENCIES

On January 1, 1979, the responsibility of the Civil Service Commission (CSC) for Equal Employment Opportunity was transferred to the Equal Employment Opportunity Commission (EEOC) in accordance with the President's Reorganization Plan No. 1, 1978. This Plan was implemented by Executive Order 12106 of December 28, 1978.

On December 15, 1978, the EEOC adopted existing CSC regulations covering functions being transferred, and approved publication of appropriate notice and final rule of such adoption in the Federal Register. That notice and final rule was published in 43 CFR 60900 and 43 CFR 60998 on December 29, 1978.

The federal Register cited above should provide guidance on most matters relating to processing of EEOC Complaints and Appeals. Should there be questions which the notice does not answer, Departments and Agencies may contact: Office of Field Services, EEOC, 2401 E Street, N. W., Washington, D. C. 20506 (Telephone: 202-634-6855).

*Preston David*

Preston David  
Executive Director

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
1979 JAN -5 PM 9:20  
RECEIVED  
OFFICE OF THE CHAIRMAN



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

JAN 4 1979

WH-5

MEMORANDUM FOR THE HEADS OF EXECUTIVE  
DEPARTMENTS AND AGENCIES

FROM:

James T. McIntyre, Jr. *James T. McIntyre, Jr.*

SUBJECT:

Federal Law Enforcement, Police and  
Investigative Activities

In June 1977 President Carter directed the OMB to conduct a comprehensive review of Federal law enforcement. Since that time, with the excellent assistance of you and your staffs, the President's Reorganization Project (PRP) of OMB completed the review and has identified all Executive Branch organizations involved in those activities, with Fiscal Year 1978 expenditures of over five billion dollars and over 221,000 positions.

Attached for your review is a copy of "Federal Law Enforcement, Police and Investigative Activities: A Descriptive Report", October 1978, prepared by PRP as a result of our survey and study. You may be particularly interested in the Executive Summary (beginning at page xvii), the master schedule at the end of the summary, and the findings relating to each problem area (Attachment 3, beginning at p. 113).

President Carter has asked each of us to undertake certain specific activities to reduce fraud and waste in the Federal Government. Many of the initiatives undertaken will require a reordering of priorities, and a renewed commitment to improving coordination and cooperation among Departments and Agencies. I am convinced that the attached report will provide you and your staff with valuable information on present resource allocation and utilization, and a framework for better utilization of these resources by all of us in the future. PRP has already made some specific management and organizational recommendations based on this data. Thank you again for your continuing assistance and support of this project.

Attachment

*Sandy*

January 17, 1979

To: Governor Coldwell, Messrs. Shannon, Kakelec

From: John M. Denkler

For your information.

WH-4



THE WHITE HOUSE

WASHINGTON

January 4, 1979

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

1979 JAN -9 AM 9:15

RECEIVED  
OFFICE OF THE CHAIRMAN

WH-4

MEMORANDUM FOR THE HEADS OF  
EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Federal Pay and the Anti-inflation Program

The success of our anti-inflation effort is critical to the economic well-being of the nation. To achieve this success, it is vital that the Government, in managing its own affairs, join with the rest of the nation in a positive commitment to reducing inflationary pressures. Accordingly, I have determined that it would be inconsistent with the public interest for any category of Federal pay rates to be increased by more than 5.5 percent during fiscal year 1979.

To this end, this Administration and the Congress have frozen Federal executive pay altogether, and have placed a 5.5 percent ceiling on pay increases for most Federal workers -- those under the General Schedule and related pay systems, the members of the uniformed services, and most Federal wage employees.

However, there are substantial numbers of nonappropriated fund employees and other workers employed by entities of the Federal Government who are not covered by these Government-wide actions, since they are under a variety of relatively small pay systems over which you have pay setting authority. In order to ensure that proposed pay increases for other pay systems do not exceed the maximums for Federal pay that the Congress and I have set, the policy of this Administration is:

In the public interest to control inflation, each officer or employee in the executive branch who has administrative authority to set rates of pay for any Federal officers or employees should exercise such authority, to the extent permissible under law, treaty, or international agreement, in such a way as to ensure that no rate of pay for any category of officers or employees is increased more than 5.5 percent during

fiscal year 1979. Specifically excluded from this limitation are rates of pay for foreign nationals authorized under the Foreign Service Act of 1946 as amended (22 U.S.C. 889) and increases in rates of pay to implement the minimum wage provisions of the Fair Labor Standards Act of 1938, as amended, as authorized under current agency policies.

The Chairman of the Civil Service Commission, until January 1, 1979, and the Director of the Office of Personnel Management, on and after January 1, 1979, will provide you with any further advice or assistance you may need in complying with this policy.

*Jimmy Carter*

Sandy:

WH-3

No response required  
per conversation of  
Mr. Denkler and  
Chairman Miller.

Davita

THE WHITE HOUSE  
WASHINGTON

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

1979 JAN -9 AM 9:15

January 4, 1979

RECEIVED  
OFFICE OF THE CHAIRMAN

WH-3

MEMORANDUM FOR THE HEADS OF  
DEPARTMENTS AND AGENCIES

FROM: JACK WATSON *Jack*

SUBJECT: The President's Commission on Personnel  
Interchange: The Executive Interchange Program

The President's Commission on Personnel Interchange arranges for a one-year exchange in the opposite sector of senior level career executives from the Federal government and from private industry. The Commission staff also arranges for a year-long educational program for Interchange Executives.

Last year, the President asked for your support of the Program, and I am pleased to report that with your help, Federal nominations increased in both number and caliber over previous years. A significant number of executives from private industry is also currently on assignment with the government.

The President has asked me to transmit the following requests to you regarding your department's participation in the Exchange Program:

- ° Please send a memorandum to all Assistant Secretaries/Bureau and Division Heads asking them to suggest qualified candidates for your sponsorship in early February, for the Executive Interchange Program which begins next September.
- ° Please try to accommodate the Commission if you are asked to speak to the group of Interchange Executives. I believe you will find it time well spent.
- ° In accordance with Executive Order 11451 establishing the Commission, please designate a Presidential Appointee who is not a member of the Commission to serve as liaison to the program and let me know whom you have designated.

Thank you for your cooperation.

Sandy  
WH-2

January 9, 1979

Governor Coldwell

For your information

Attachment: 12/30/78 memo from Pres. Carter re Relations with the People  
on Taiwan

Identical notes to Chairman Miller and Govs. Wallich, Partee and Teeters

January 9, 1979

Mr. William Wallace

Bill:

You may want to send this to the  
Presidents for their information.

THE WHITE HOUSE  
WASHINGTON

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

1979 JAN -4 AM 9:44

RECEIVED  
OFFICE OF THE CHAIRMAN

December 30, 1978

WH-2

MEMORANDUM FOR ALL DEPARTMENTS AND AGENCIES

SUBJECT: Relations with the People on Taiwan

As President of the United States, I have constitutional responsibility for the conduct of the foreign relations of the nation. The United States has announced that on January 1, 1979, it is recognizing the government of the People's Republic of China as the sole legal government of China and is terminating diplomatic relations with the Republic of China. The United States has also stated that, in the future, the American people will maintain commercial, cultural and other relations with the people of Taiwan without official government representation and without diplomatic relations. I am issuing this memorandum to facilitate maintaining those relations pending the enactment of legislation on the subject.

I therefore declare and direct that:

(A) Departments and agencies currently having authority to conduct or carry out programs, transactions, or other relations with or relating to Taiwan are directed to conduct and carry out those programs, transactions, and relations beginning January 1, 1979, in accordance with such authority and, as appropriate, through the instrumentality referred to in paragraph D below.

(B) Existing international agreements and arrangements in force between the United States and Taiwan shall continue in force and shall be performed and enforced by departments and agencies beginning January 1, 1979, in accordance with their terms and, as appropriate, through that instrumentality.

(C) In order to effectuate all of the provisions of this memorandum, whenever any law, regulation, or order of the United States refers to a foreign country, nation, state, government, or similar entity, departments and agencies shall

construe those terms and apply those laws, regulations, or orders to include Taiwan.

(D) In conducting and carrying out programs, transactions, and other relations with the people on Taiwan, interests of the people of the United States will be represented as appropriate by an unofficial instrumentality in corporate form, to be identified shortly.

(E) The above directives shall apply to and be carried out by all departments and agencies, except as I may otherwise determine.

I shall submit to the Congress a request for legislation relative to non-governmental relationships between the American people and the people on Taiwan.

This memorandum shall be published in the Federal Register.

*Jimmy Carter*





UNITED STATES CIVIL SERVICE COMMISSION

WASHINGTON, D.C. 20415

CHAIRMAN

December 28, 1978

*WH-#1*

MEMORANDUM FOR HEADS OF DEPARTMENTS AND AGENCIES

Earlier this year we asked each agency for a series of progress reports on implementation of the President's September 1977 message on expanding permanent part-time employment opportunities. The initial agency reports have now been compiled and a summary is attached for your information.

I am sure that you are as encouraged as I am by the progress made thus far. We are also cognizant of the problems identified and will be working to overcome them.

The recently enacted Federal Employees Part-time Career Employment Act of 1978 gives us all additional responsibilities for part-time employment and I ask your continued cooperation, as we move to implement this legislation in the months ahead.

*Alan K. Campbell*  
Alan K. Campbell

Attachment

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
1979 JAN -2 AM 11:35  
RECEIVED  
OFFICE OF THE CHAIRMAN

Permanent Part-time Employment in Federal Agencies

September 1977-July 1978

United States Civil Service Commission  
December 1978

## Executive Summary

Part-time employment in the Federal Government has substantially increased during the first phase of a program to provide more opportunities for people who need to work less than full time.

A special Civil Service Commission survey of the largest Federal agencies shows that over 6,000 permanent part-time positions were established in the first 10 months following President Carter's September 1977 directive to Federal agencies to open up more part-time jobs.

Agencies cited a variety of management benefits from greater use of part-time workers including improved productivity and reduced overtime. Problems were encountered in identifying "true" part-time employment candidates and in dealing with certain "per capita" costs associated with employing extra workers. Actions are underway to overcome these problems.

The personnel ceiling system was most frequently cited as the major obstacle to further expansion of part-time employment. Because of the ceiling requirement that part-time and full-time employees count essentially the same against an agency's personnel authorization, many managers feel they are losing staff resources by employing part-time workers. Recent congressional and Administration actions will change this arrangement over the next 2 years. Beginning in October 1980, agencies will be given personnel ceilings which count part-timers only according to the proportion of a full-time schedule they work. Five agencies are using this system on a test basis during FY 1979.

Part-time Employment in Federal Agencies  
September 1977 through July 1978

On September 16, 1977, President Carter directed Federal agencies to expand permanent part-time employment opportunities. This effort is aimed at giving older people, those with family responsibilities, the handicapped, and students greater opportunities for Federal career employment.

In February, 1978, the Civil Service Commission (CSC) asked Federal agencies employing more than 2,500 workers for a series of reports on their actions to implement this directive. The first progress reports from these agencies covering the period September 1977 through July 1978 have now been reviewed and analyzed. Major highlights of this first survey of Federal part-time employment follow.

New Part-time Jobs Established

Agencies were asked to identify by occupation and grade each new part-time permanent position established in headquarters and field activities from September 16, 1977, through July 31, 1978. Agencies reported establishing over 6,000 new jobs in this category during this period (see detailed table attached). In a departure from past experience about 30 percent of the new jobs were in pay grades GS-5 or above. Over 5 percent of the new part-time jobs were at grades GS-10 and above.

Expansion of part-time employment in higher graded professional and administrative jobs is a major priority of the recently enacted Federal Employees Part-time Career Employment Act of 1978. As recently as April 1976, a CSC report to the House Post Office and Civil Service Committee showed that only 20 percent of the Federal part-time work force served at GS-5 or above.

The Department of Health, Education and Welfare accounted for over a fifth of the new part-time jobs. Other large-scale increases came from the Veterans Administration and the Department of the Interior.

Management Perspective

Many agencies reported important management benefits from greater use of part-time workers. The Navy Department reported increasing part-time employment to improve productivity in its commissary and exchange system. The Naval Supply Systems Command initiated a cost control staffing program designed to reduce expenses by better matching employee working hours with peak customer demands. By using more part-time workers, Navy stores have been able to better meet peak demands without increasing costs.

The International Communications Agency reported that greater use of part-time employment improved the agency's ability to fill difficult jobs. The agency cited employment of part-time operators for the optical character reader typewriters it uses to transmit the daily agency wireless file to overseas posts.

This is a 12-hour per day operation which does not require continued presence by the same operators. The agency believes that part-timers are better able to perform this tedious and repetitive work because of their shorter daily exposure time.

Other benefits were identified. Several agencies reported using part-time employment as an alternative to costly overtime. EPA indicated it was able to retain several hard-to-replace engineers by offering them part-time employment upon their return from maternity leave. TVA reported that establishing more part-time positions had improved the agency's ability to attract women and minorities to its white collar work force.

#### Current Employee Interest in Part-time

Agencies were also asked to identify interest levels of current full-time employees in switching to part-time work schedules. This area was emphasized because of the widespread belief that many full-time employees would prefer to work part time if given the opportunity.

Most agencies conducted at least partial surveys of their work force on this question. (Many of the surveys had not been completed at the time of the report.) Interest levels varied considerably. HEW reported that in a February 1978 survey of 2,200 workers at a Social Security Administration Program Center, 73 (3.5 percent) employees expressed interest in switching to part-time; 32 of these employees were at grades GS-7 or above. The Veterans Administration reported that a total of 1,236 employees expressed interest in switching to part-time employment in an agencywide survey. Of that number 491 actually shifted to a part-time schedule. In the Treasury Department, 1,424 employees expressed interest in switching. In VA, Treasury, and most other agencies the majority of interested employees were at grades GS-6 and below.

Several agencies reported establishing formal policies to honor employee requests to shift from full time to part time whenever the work situation permits.

#### Agency Evaluations of Part-time Employee Effectiveness

Few agencies reported completing special surveys of part-time employee effectiveness, although several were in the planning stages.

HEW reported the results of a survey of supervisors of 571 part-time employees conducted by the Social Security Administration Federal Women's Program. The supervisors stated that almost 40 percent of the part-timers performed work of a higher quality than comparable full-time employees and 35 percent had more

positive attitudes about their work. Overall 97 percent of the supervisors surveyed responded favorably to their experience with part-time employees.

The Treasury Department reported that after reviewing the effectiveness of part-time workers, some managers in the agency had decided to increase part-time hiring goals. The Department of the Army also noted that morale and productivity are generally high among its part-time employees.

#### Future Directions

The concluding portion of the survey dealt with changes in Government-wide policies, regulations or laws which would increase permanent part-time employment opportunities.

Certainly the major factor affecting part-time employment in the months ahead is the recently enacted Federal Employees Part-time Career Employment Act of 1978 (P.L. 95-437). This legislation requires agencies to operate continuing part-time employment programs which must include goals and timetables for part-time hiring, position review procedures for identifying part-time vacancies, and special part-time job announcement procedures. The new Office of Personnel Management is charged with overseeing this effort, providing technical assistance to agencies, and conducting research on part-time employment.

A key feature of this legislation changes the personnel ceiling system and will thereby remove what agencies identified as the chief obstacle to expanded part-time employment. Because of present ceiling requirements that part-time and full-time employees count essentially the same against an agency's personnel authorization, many managers feel they are losing staff resources by employing part-time workers. The new full-time equivalent (FTE) system, mandated for Government-wide use in 1980 by P.L. 95-437, will count part-time employees for ceiling purposes only according to the percentage of a full-time schedule they work.

Although most provisions of the new law will not go into effect until April 1979, various actions begun under the President's initiative are already laying the groundwork. Five agencies (VA, FTC, GSA, EPA and Export-Import Bank) have begun testing the FTE ceiling system. The final shape of this system, which has implications far beyond part-time employment, will therefore be determined after actual use. The FTE test also emphasizes expanding part-time employment opportunities and should provide valuable insights on this progress.

In addition to the nationwide effort underway in the five FTE test agencies, other agencies are conducting experiments on a regional basis. The Social Security Administration has recently begun an experiment in two regions designed to give field managers broader flexibility in setting work schedules and using part-time employees.

Along with these agency efforts, certain actions have been taken by the Civil Service Commission to improve Government-wide part-time employment policies and procedures. When contacts with potential applicants indicated many were unaware that the Federal Government employed part-timers, recruiting aids were developed to correct this impression.

Changes have also been made in the Federal job application form (SF-171) to improve screening of part-time applicants. In place of a simple "yes"- "no" question on availability for part-time work, the new form asks applicants to indicate availability for specific hour ranges of part-time jobs: 0-20 hours, 21-31 hours, 32-39 hours. This more refined screening process is designed to deal with the longstanding problem of distinguishing between candidates who really want to work part time, and those who are seeking a "foot in the door" to full-time employment.

The proper role of part-time employment in the organization was identified as a concern in the survey and is also receiving attention. The Civil Service Commission has recently surveyed several hundred part-time employees, their supervisors, and comparable full-time workers on their roles and relationships. This survey is expected to provide important information on the dynamics of the part-time work force and the optimal work situations for employing part-timers. Several other agencies are planning or have begun similar research efforts. A CSC clearinghouse is being set up to disseminate information on these and future research efforts.

Some problems identified by agencies are more difficult to address. Chief among these are the extra "per capita" costs (e.g., security clearances, space and equipment, training, supervision, etc.) which accrue when agencies use more employees who work fewer hours.

Although progress will undoubtedly be affected by Federal hiring limitations and budget restrictions, most agencies appear optimistic about future expansion of part-time opportunities in their work force. In responding to the survey several expressed the belief that part-time employment should not be increased merely for the sake of increase, but because organizational needs can be met and additional resources can be tapped. Others indicated that once management is more familiar with part-time employment and the ceiling system is changed, opportunities are bound to increase. These areas will receive priority attention as the Office of Personnel Management moves to implement the Federal Employees Part-Time Career Employment Act of 1978 in the months ahead.

New Permanent Part-time Jobs Established in Federal Agencies  
with more than 2,500 Workers

September 16, 1977-July 31, 1978

Agency	Total	Grade levels/equivalents		
		GS-1 to 4	GS-5 to 9	GS-10 and above
NASA	10	4	2	4
EPA	30	15	12	3
FDIC	15	15		
NRC	9		8	1
CSC	123	92	16	15
GSA	49	33	14	2
TVA	131	131	Note 1	
ICA	10	10		
Justice	135	91	40	4
Agriculture	301	213	72	16
Interior	1,276	807	439	30
SBA	27	27	Note 1	
Air Force	434	419	7	8
Army	485	436	25	24
Navy	26	Note 2 15	7	4
Other Defense	6	6		
Treasury	170	93	71	6
HUD	26	8	8	10
HEW	1,348	605	561	182
Labor	23	11	5	7
VA	1,320	1117	159	44
Transportation	44	22	17	5
Commerce	162	113	25	24
AID	73	26	41	6
Energy	28	21	3	4
State	53	33	16	4
Smithsonian	18	18	Note 1	
	6,332	4,381	1,548	403

Note 1 - Grade level distribution unspecified

Note 2 - Figures do not include positions in Navy Commissaries and Exchanges