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THE WHITE HOUSE
WASHINGTON

ACTION

MEMORANDUM FOR: THE PRESIDENT
SEP 9 1974

FROM: ~~ROY L. ASH~~

SUBJECT: HUD Supplemental Appropriation Request

The Department of Housing and Urban Development is urging that you send to the Congress a supplemental appropriation request in the amount of \$3.2 million for 180 staff positions in the Community Planning and Development area. The additional staff would assist with the implementation of the new Community Development Grant program and with the monitoring and completion of activities begun under the old categorical programs. The supplemental appropriation requested would increase the staff level in the Community Planning and Development area from 1738 to 1918, which is the level contained in the fiscal year 1975 Budget, as amended.

The attached memorandum and supporting materials have been jointly prepared by OMB and HUD staff, setting out the arguments for and against the supplemental appropriation for this purpose.

In summary, Secretary Lynn recommends you approve the supplemental appropriation request, feeling that the staff is necessary to implement the new block grant program and that failure to ask a second time for necessary staff is a breach of faith with the Congressmen, mayors, and interest groups that worked for the passage of the Housing and Community Development Act of 1974. I recommend you not approve the supplemental appropriation request because it is inconsistent with your policy to cut Federal employment by 40,000, and would undermine this policy by encouraging other agencies to seek similar staffing increases.

DECISION

Approve the supplemental appropriation request

Do not approve the supplemental appropriation request
(Cole, Timmons concur. Buchen had no comment.)
Other

Attachment



THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR: THE PRESIDENT

SUBJECT: HUD Supplemental Appropriation Request

The Department of Housing and Urban Development requests a \$3.2 million supplemental appropriation to support 180 additional staff positions in the Community Planning and Development area. This request would raise the fiscal year 1975 staffing level for Community Planning and Development from 1738 to 1918. The additional staff would assist in administering the new Community Development Grant program, as authorized by the Housing and Community Development Act of 1974 (P.L. 93-383), as well as assist in completing and monitoring the thousands of projects committed under the old categorical programs.

Arguments for the supplemental:

- . The additional positions were included in the fiscal year 1975 Budget, as necessary to implement the \$2.5 billion block grant program.
- . The proposed staffing level is the minimum necessary to implement the recently enacted Community Development Grant program and to monitor existing categorical programs to assure both compliance with Federal statutes and successful completion of funded activities.
- . Staff levels for the categorical programs cannot be reduced any further. Any reduction below the supplemental request level will have to be borne by the new block grant program delaying implementation.



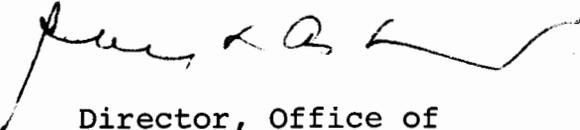
- . In order to implement the Community Development Grant program on January 1, 1975, as scheduled, staff must be recruited, trained, and in place prior to that date. That means funds for new staff must be provided now rather than in future appropriations.
- . Failure to support the staff levels necessary to administer the new block grant program might appear to Congressmen, mayors and interest groups as an indication of bad faith on the part of the Administration.

The Office of Management and Budget recommends against any increase in the budget for this item.

Arguments against the supplemental:

- . The supplemental request would be contradictory with the Administration's announced intention to carry through a 40,000 person reduction in the Federal civilian workforce.
- . Approval of this supplemental staffing request so soon after the announced cutbacks would encourage other agencies to seek similar increases, undermining Administration policy.
- . OMB analysis of HUD staffing needs indicates the increase requested is unnecessary to meet estimated workload requirements.
- . The Secretary has complete flexibility to shift personnel slots from other areas, if workload continues to fall short of expectations in those areas, to the community development area should additional staff be needed there.
- . Rejecting the supplemental request would secure a \$3.2 million saving in fiscal year 1975 outlays.


Secretary of Housing and
Urban Development


Director, Office of
Management and Budget

