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THE WHITE HOUSE  
WASHINGTON

May 3, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: JAMES T. LYNN  
FROM: JAMES E. CONNOR *JEC*  
SUBJECT: Management Initiatives

The President reviewed your memorandum of April 21 on the above subject and approved the initiatives explained in your memorandum on the above subject.

A copy of the comments received during the staffing process are sent to you for use in pulling together all the necessary details to implement this program.

Please follow-up with appropriate action.

cc: Dick Cheney

THE PRESIDENT HAS SEEN. ~~SECRET~~

THE WHITE HOUSE

WASHINGTON

April 30, 1976

MR PRESIDENT:

Jim Lynn's memo of 4/21/76 regarding  
Management Initiatives

The attached memorandum was staffed to Messrs. Bennett, Buchen, Cannon, Friedersdorf, Jones, Marsh and Seidman. They all strongly concur with Jim Lynn's recommendation.

Additional comments were offered by the following:

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Jack Marsh - Sounds good.<sup>1)</sup> Suggest we put it on a fast track.

Jim Connor



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

April 21, 1976

ACTION

MEMORANDUM FOR: THE PRESIDENT

FROM: James *L* Lynn

SUBJECT: Management Initiatives

The purpose of this memorandum is to get your guidance on a plan of action intended to both (a) improve management of the federal government and (b) to increase public awareness of your interest and actions in this area.

You have undertaken a wide range of actions that are directed at better management in the broad sense. Certainly block grants, deregulation, food stamp reform and the like all make good sense from the standpoint of efficient management.

But there are many other important management initiatives -- more of the "three yards and a cloud of dust" variety -- which are not presently perceived as having a strong Presidential push and which the Congress and the press are increasingly turning into news events.

Some examples are so-called "sunset" bills to limit virtually all programs to a four year life and require "zero-based" budgeting before renewal, bills to require economic impact statements, bills to require evaluation provisions in all new laws, bills to make all new regulations or modifications of regulations subject to one-House veto procedures; bills for more "sunshine" in regulatory agency deliberations, bills directed at mission-oriented budget presentations, bills attempting to define procurement contracts versus grants, and Congressional and media interest in costs of such things as federal employee travel and audio and visual facilities and public affairs generally.

I think it is important that we work out promptly a plan for you to take the lead, and be perceived as taking the lead, on such of these kinds of initiatives as make sense. Although most of what needs to be done can be directed by OMB and the Domestic Council, the effort requires your personal attention (1) to get the proper priority signal to the departments and agencies, (2) to develop the proper recognition by the public that you care about these nitty, gritty but

important tasks, and (3) to give you yet another whole area to weave into your various presentations -- speeches, interviews, Q's and A's, etc. -- as illustrative of the kinds of things you think need to be done and are ordering done -- to make the federal government leaner, less burdensome and more responsive to the Nation's needs.

I think the best utilization of your time to carry this out would be to have, within the next thirty days or so, a "no-nonsense," very businesslike and somewhat extended session with heads of the Cabinet Departments and of the big agencies (GSA, FEA, ERDA, VA) that would be billed as and actually be devoted to better ways to manage. You'll remember that sometime ago you had a "working dinner" with the Cabinet. I propose that we build on that concept. The session could begin in mid-afternoon and extend into the evening, with a working dinner fitted in.

So as to produce as much momentum out of the meeting as possible, my top people and I would meet with each agency head in advance of the meeting to review the agenda of topics to be covered at the meeting, determine how far along the agency is on each topic and explore possible further initiatives to be taken.

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(7) The extent to which the inflation impact statement concept is working and whether we should be moving from impact statement concepts to something broader, like a decision-makers checklist. See Tab A.

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(21) Selecting priorities from among the long list of things that might be attempted and using the management-by-objectives system to ensure that the priorities get accomplished.

At the close of the meeting you would issue instructions as to follow-up. Subject to refinement between now and the meeting, I have in mind the following:

-- Instructions to each agency head to (1) choose from the topics covered at the meeting those that require the most attention in his or her shop and look like they have the most promise, (2) develop through the MBO system a reasonable course to show results on such selected topics during the remainder of 1976 and, separately, through the balance of FY 1977, and (3) within 60 days report to the President, through OMB, on the foregoing and (4) similarly report every thirty days thereafter on progress made and obstacles encountered.

-- Instructions to OMB to help the agencies develop such plans, including distribution of such follow-up detailed instructions as are necessary and working the plans into the Fall budget review.

-- Instructions on the selective use of the previously-approved Task Force approach.

This would not be a one-shot splash. With your strong interest demonstrated, the issuance of your instructions and follow-through monitoring by OMB and others in the Executive Office, the agencies will give this management work a higher priority and we should be able to demonstrate and announce real progress with regular frequency between now and the end of the year. Frankly, drawing on our experience with your meetings with the regulatory agencies, it would be even more effective if you were willing to state at the close of the meeting, that you intend to have a follow-up meeting within three or four months to receive oral reports from each agency on the progress they have made to date on their plans. The prospect of having to explain progress or lack thereof to you, face-to-face, would be a powerful stimulus. I also have in mind that a detailed report to the public issued immediately after the second meeting would heighten public understanding of the steps taken since the first meeting and of your personal leadership in these matters.

If you approve of these initiatives, we will work with Dick Cheney, Jim Cannon, Ed Schmults, et al. to pull together the necessary details.

Decision

Approve

\_\_\_\_\_

Disapprove \_\_\_\_\_

See me \_\_\_\_\_





Excerpt From:

# **National Growth And Development**

**Second Biennial Report  
to the Congress  
Submitted pursuant  
to Section 703(a)  
of Title VII,  
Housing and Urban  
Development Act  
of 1970**

**Prepared Under Direction of  
The Committee on  
Community Development  
The Domestic Council**

**December 1974**

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**(from pages 94-96 of text)**

6/26/75

## TOWARD GUIDELINES FOR FEDERAL DECISION-MAKING

approach issues  
with similar  
perceptions

Whatever the mechanisms for bringing people together to achieve coordination in policy and program development and implementation, the likelihood that sound policies and programs will result would be considerably enhanced if each participant were to approach the issue, or bundle of issues, with at least similar perceptions about how such issue or issues should be analyzed and about the technique of determining what constitutes the "public interest."

But the government decision-maker rarely pays systematic attention to the effects of his actions except as they relate to his own mission. This myopic tendency is not easily cured.

Existing laws and regulations do not require and may not permit the consideration of Federal actions on the attainment of goals outside of individual mission areas. Further, the effects of Federal actions are often difficult to ascertain; and they are doubly difficult to predict in advance. The data necessary to measure impacts are often unavailable. The methodologies for analysis of that data often do not exist. The effects may be remote or may occur sometime in the future.

Yet it is increasingly necessary to take into account multiple impacts of a single Federal action on national goals. Consider the large number and variety of national goals. Most are well defined and long established; some have been more recently emphasized and raised in priority. All relate to "national growth policy." To name only a few:

assess multiple  
impacts  
program

national goals  
related to  
growth

- maintenance of national security and defense of the country,
- preservation and enhancement of a private-enterprise (investment, risk, profit) society,
- economic freedom and efficiency through competition,
- full employment without harmful inflation,
- equal opportunity,
- for regulated industries, quality services at reasonable rates,
- safe and liveable communities, in both urban and rural areas,
- preservation of important natural resources, and clean air and water,
- secure and reasonably priced energy sources,
- decent, safe and sanitary housing, preferably owner-occupied, and
- health, education, and public safety services adequate for individual self-fulfillment.

Thus the policy-makers' task is to understand, as well as possible, how and whether present and proposed actions affect these goals. This requires:

the policy-makers' task

- Systematic review in the course of decision-making of the possible effects, not just on the mission goal of each decision-maker, but on other national goals as well.
- Improved evaluation of existing activities with emphasis on both attainment of the mission goal and effects on other goals.

Much easier said than done. A very useful step in this direction would be efforts toward developing, refining and using an agreed upon set of guidelines for the Federal decision-making process. Such guidelines might well be in the form of sets of questions that should be answered, insofar as feasible, in assessing, on a one time or periodic basis, existing policies and programs and in considering new proposals. Such an effort toward a "decision-maker's checklist" will require extensive participation and indeed debate among many parties. For purposes of illustration, the following list is offered:

a "decision-maker's checklist"

- What is the public problem being addressed?
  - Is the problem real or apparent, or merely a symptom of a larger problem?
  - Can the problem be quantified? How large is it?
  - Are other forces at work that are either solving the problem or making it worse?
  - Does the public perceive a problem?
  - Are those who perceive the problem among the intended beneficiaries?
- Are the means proposed to solve the problem well suited to attain the desired ends?
  - Are other means available that are less expensive either to taxpayers, to consumers, or to the economy generally?
  - Are there other means that would be more efficient?
- Does the problem, the approach selected to solve it, or the effect intersect with other public programs or goals?
  - Should other agencies be consulted?
- What methods of evaluation can be designed at the outset to determine at a later time the direct consequences and the effectiveness of the proposed action?
- What are possible inadvertent and second order effects of the proposed solution? Do the potential adverse effects outweigh the desirability of taking action on the immediate problem?

- **What institution is best equipped to resolve the problem?**

- Can the private sector resolve the problem effectively?

- If not, what public sector response is suitable and feasible?

- Is a Federal response appropriate, and if so, should it be uniformly applicable or flexible?

Such guidelines reflect the creed of modern management., that good policy-making results from the discipline of well-thought out approaches to each major policy decision. Procedurally, such discipline, self-imposed, most surely leads to increased demand for better methods of collecting and analyzing data and stronger interest in obtaining the viewpoints of others with different mission goals. Substantively, such discipline also helps to ensure that public policy-making--whether by executives or legislators--will lead to programs that are consistent with long term national goals and the values we hold important in our democracy, including goals and values relating to national growth.

**policy-making  
consistent with  
national goals**


*B*

THE WHITE HOUSE

WASHINGTON

April 28, 1976

MEMORANDUM FOR: JIM CONNOR

FROM: JIM CANNON 

SUBJECT: Jim Lynn's Memo on Management Initiatives

This is an excellent and most important proposal. It would be a big step toward making the M in OMB as important as the B.

Several comments:

First, it is essential that the President have a clearly identified and continuing role in directing the initiatives relating to the better management of the government. For example, the proposed working dinner might be followed -- every six weeks or so -- by a personal report by a Cabinet officer and Lynn to the President on progress being made.

Second, in refining OMB's 21-topic inventory, I would suggest an expansion of item (6), program evaluation. It seems to me that the best managerial improvements are likely to be made by working with a specific Cabinet officer or agency head on a specific program.

For example, the President might direct that OMB create a joint task force to include representatives of EPB, Domestic Council and possibly others to conduct an organized set of evaluations under which:

1. Five programs would be selected by the task force for intensive review every 3 months.
2. During those 3 months, each of these programs would be reviewed in depth by the task force.

3. For each program, specific attempts would be made to solicit the views of:
  - a. State and local officials involved in the administration of the program.
  - b. Congressional members and staff concerned with the program.
  - c. Actual "consumers" of the program or service.
  - d. Scholars who have specialized in the field.

The purpose of this quarterly exercise would be to:

- review the original purposes of the program to see if they are still appropriate.
- review the administration of the program.
- review the effectiveness of the program in meeting its original goals.
- make recommendations continuing or discontinuing the program.
- make specific recommendations on improving the program if it is to be continued.

At the conclusion of each 3-month period, a report and recommendations would be made to the President. He would then make his decisions on what action should be taken on each of the programs examined.

cc: Jim Lynn  
Art Quern



THE WHITE HOUSE

WASHINGTON

May 3, 1976

ADMINISTRATIVELY CONFIDENTIAL

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JAMES T. LYNN

FROM:

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policy-making  
consistent with  
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STAFFING

## THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: April 23, 1976

Time:

## FOR ACTION:

Doug Bennett

✓ Phil Buchen

✓ Jim Cannon

✓ Max Friedersdorf

✓ Jerry Jones

✓ Jack Marsh

✓ Bill Seidman

cc (for information):

FROM THE STAFF SECRETARY

DUE: Date: Tuesday, April 27

Time: 10 A.M.

SUBJECT: Jim Lynn's Memorandum to the President, dated  
April 21, 1976, regarding Management Initiatives

## ACTION REQUESTED:

☐ For Necessary Action☒ For Your Recommendations☐ Prepare Agenda and Brief☐ Draft Reply☒ For Your Comments☐ Draft Remarks

## REMARKS:

Marsh - see comments  
Jones - see comments  
Friedersdorf - concurs  
Buchen - see comments  
Cannon - see memo  
Bennett - see comments  
Seidman - concurs

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.


If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Jim Connor  
For the President

THE WHITE HOUSE

WASHINGTON

April 28, 1976

MEMORANDUM FOR: JIM CONNOR  
FROM: JIM CANNON   
SUBJECT: Jim Lynn's Memo on Management Initiatives

This is an excellent and most important proposal. It would be a big step toward making the M in OMB as important as the B.

Several comments:

First, it is essential that the President have a clearly identified and continuing role in directing the initiatives relating to the better management of the government. For example, the proposed working dinner might be followed -- every six weeks or so -- by a personal report by a Cabinet officer and Lynn to the President on progress being made.

Second, in refining OMB's 21-topic inventory, I would suggest an expansion of item (6), program evaluation. It seems to me that the best managerial improvements are likely to be made by working with a specific Cabinet officer or agency head on a specific program.

For example, the President might direct that OMB create a joint task force to include representatives of EPB, Domestic Council and possibly others to conduct an organized set of evaluations under which:

1. Five programs would be selected by the task force for intensive review every 3 months.
2. During those 3 months, each of these programs would be reviewed in depth by the task force.

3. For each program, specific attempts would be made to solicit the views of:
  - a. State and local officials involved in the administration of the program.
  - b. Congressional members and staff concerned with the program.
  - c. Actual "consumers" of the program or service.
  - d. Scholars who have specialized in the field.

The purpose of this quarterly exercise would be to:

- review the original purposes of the program to see if they are still appropriate.
- review the administration of the program.
- review the effectiveness of the program in meeting its original goals.
- make recommendations continuing or discontinuing the program.
- make specific recommendations on improving the program if it is to be continued.

At the conclusion of each 3-month period, a report and recommendations would be made to the President. He would then make his decisions on what action should be taken on each of the programs examined.

cc: Jim Lynn  
Art Quern

Date: April 23, 1976

Time:

## FOR ACTION:

cc (for information):

Doug Bennett

Jerry Jones

Phil Buchen

Jack Marsh

Jim Cannon

✓ Bill Seidman

Max Friedersdorf

FROM THE STAFF SECRETARY

DUE: Date: Tuesday, April 27

Time: 10 A.M.

SUBJECT: Jim Lynn's Memorandum to the President, dated  
April 21, 1976, regarding Management Initiatives

## ACTION REQUESTED:

☐ For Necessary Action☒ For Your Recommendations☐ Prepare Agenda and Brief☐ Draft Reply☒ For Your Comments☐ Draft Remarks

## REMARKS:

*Approve  
HBP for LWS*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Jim Connor  
For the President



THE WHITE HOUSE  
WASHINGTON

in my ~~judgment~~ <sup>strongly</sup> concur —  
~ this is an important  
issue both on the merits  
and from a political  
standpoint. The devotion  
of the President's time  
to such a meeting is  
a scheduling judgment.  
I tend to think the  
proposed schedule is  
too lengthy. I think  
my office has a proper  
involvement from a  
personal management  
perspective and should  
therefore be included  
in the development of  
such initiatives.

## THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: April 23, 1976

Time:

## FOR ACTION:

✓ Doug Bennett

Phil Buchen

Jim Cannon

Max Friedersdorf

FROM THE STAFF SECRETARY

Jerry Jones

Jack Marsh

Bill Seidman

cc (for information):

DUE: Date: Tuesday, April 27

Time: 10 A. M.

SUBJECT: Jim Lynn's Memorandum to the President, dated  
April 21, 1976, regarding Management Initiatives

## ACTION REQUESTED:

☐ For Necessary Action☒ For Your Recommendations☐ Prepare Agenda and Brief☐ Draft Reply☒ For Your Comments☐ Draft Remarks

## REMARKS:

*Doug*  
Action:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

4/23/76  
Jim Connor  
For the President

Date: April 23, 1976

Time:

## FOR ACTION:

cc (for information):

✓ Doug Bennett  
✓ Phil Buchen  
Jim Cannon  
Max Friedersdorf  
FROM THE STAFF SECRETARY

Jerry Jones  
Jack Marsh  
Bill Seidman

DUE: Date: Tuesday, April 27

Time: 10 A. M.

SUBJECT: Jim Lynn's Memorandum to the President, dated  
April 21, 1976, regarding Management Initiatives

## ACTION REQUESTED:

☐ For Necessary Action☒ For Your Recommendations☐ Prepare Agenda and Brief☐ Draft Reply☒ For Your Comments☐ Draft Remarks

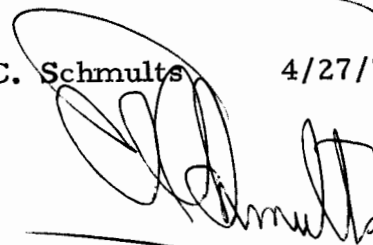
## REMARKS:

Counsel's office supports the recommendations and suggestions that  
a new meeting topic be added as follows:

Review of clearance process for reconciling agency views  
and developing an Administration position on the legislation  
and similar matters.

E. C. Schmults

4/27/76



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a  
delay in submitting the required material, please  
telephone the Staff Secretary immediately.

Jim Connor  
For the President

Date: April 23, 1976

Time:

## FOR ACTION:

Doug Bennett

Phil Buchen

Jim Cannon

Max Friedersdorf

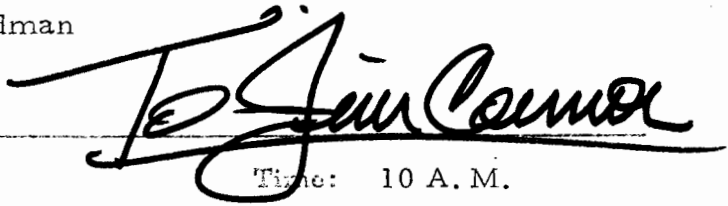
FROM THE STAFF SECRETARY

✓ Jerry Jones

Jack Marsh

Bill Seidman

cc (for information):



DUE: Date: Tuesday, April 27


Time: 10 A.M.

SUBJECT: Jim Lynn's Memorandum to the President, dated  
April 21, 1976, regarding Management Initiatives

Also would know in idea of govt.  
reorganization & Agency consolidation -  
Also idea of indexing taxes so Congress  
has to raise taxes to increase expenditures  
in excess of natural revenue growth -

ACTION REQUESTED:

<input type="checkbox"/> For Necessary Action	<input checked="" type="checkbox"/> For Your Recommendations
<input type="checkbox"/> Prepare Agenda and Brief	<input type="checkbox"/> Draft Reply
<input checked="" type="checkbox"/> For Your Comments	<input type="checkbox"/> Draft Remarks



## REMARKS:

I strongly concur  
with the concept -  
I would be much more  
aggressive on anti big govt  
theme & instructions to the  
Cabinet. we don't believe in a  
lot of the "big govt" means  
yet we seem  
unable to  
do anything  
about it.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a  
delay in submitting the required material, please  
telephone the Staff Secretary immediately.

Jim Connor

For the President

APR 23 1976

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: April 23, 1976

Time:

*due Tues  
4/27*

FOR ACTION:

cc (for information):

Doug Bennett

Jerry Jones

Phil Buchen

✓ Jack Marsh

Jim Cannon

Bill Seidman

Max Friedersdorf

FROM THE STAFF SECRETARY

DUE: Date: Tuesday, April 27

Time: 10 A. M.

SUBJECT: Jim Lynn's Memorandum to the President, dated April 21, 1976, regarding Management Initiatives

ACTION REQUESTED:

\_\_\_\_\_ For Necessary Action

☒ For Your Recommendations

\_\_\_\_\_ Prepare Agenda and Brief

\_\_\_\_\_ Draft Reply

☒ For Your Comments

\_\_\_\_\_ Draft Remarks

REMARKS:

*Sounds good! Suggest  
we put it on a fast  
track Jim*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Jim Connor  
For the President

THE WHITE HOUSE  
WASHINGTON

April 22, 1976

TO: BOB LINDER

FROM: TRUDY FRY

The attached is sent to you for  
review before it is forwarded to the  
President.

*TRF*

THE WHITE HOUSE

WASHINGTON

April 26, 1976

MEMORANDUM FOR: JIM CONNOR

FROM: MAX FRIEDERSDORF *MF*

SUBJECT: Jim Lynn's Memorandum to the President,  
dated April 21, 1976, regarding Management  
Initiatives

The Office of Legislative Affairs concurs with Jim Lynn's memo re  
Management Initiatives.

THE WHITE HOUSE  
WASHINGTON

On January 26 advised Jim Jura to get together with Jim Cavanaugh and work it out --- also he does not have the version that was done on Air Force One going to China.

GBF



Trudy:  
you big want  
to hold this

THE WHITE HOUSE  
WASHINGTON

8.

Jim -

He spoke to  
Jim Jura  
12/11

Jim Jura said that somebody  
in OMB would like to speak to you  
on this -- he would himself but  
if you would prefer to speak to  
Jim Lynn he understands.

Trudy

THE WHITE HOUSE  
WASHINGTON

December 3, 1975

MEMORANDUM FOR:

DICK CHENEY

FROM:

JIM CONNOR 

At Paul O'Neill's request a copy of Jim Lynn's memorandum of October 24 regarding "Presidential Memo to Agencies on Improved Management" was dexted to Jim Lynn.

For your information, in case this matter is brought to the President's attention, this memo is being staffed and very critical comments have been received from Domestic Council. It is suggested any decision on this subject be deferred until Domestic Council's concerns are resolved.

THE WHITE HOUSE  
WASHINGTON

On 11/26

Jim said he wants  
to concentrate  
on this Friday x


Vatic had  
Canan's  
letter

THE WHITE HOUSE

WASHINGTON

November 25, 1975

MEMORANDUM FOR: JIM CONNOR

FROM: JIM CAVANAUGH 

SUBJECT: Proposed Presidential  
Memorandum to Agencies on  
Improvement Management

We have reviewed the proposed Presidential memorandum and Improved Management and offer the observations, questions and recommendations contained in the attachment to this memo.

Attachment.

*cc Jim Lynn*

COMMENTS ON THE PROPOSED PRESIDENTIAL MEMORANDUM  
ON IMPROVED MANAGEMENT

The Proposed Memo:

- . Purports to embrace the MBO program; hints that it has shortcomings; and apparently calls for its continuation.
- . Suggests to the unknowing reader that the MBO program warrants less emphasis than in the past but whether this is intended is unclear.
- . Emphasizes a new "Management Improvement" program consisting of four elements:
  - More experimentation before major new programs are adopted.
  - Improved program evaluation efforts by agencies -- to see if programs are achieving goals.
  - Increased public participation in reviewing Federal programs.
  - Reduced paperwork.
- . Contains a lot of "management improvement" rhetoric, which has the familiar ring of several previous "management improvement" efforts that had nice objectives but disappeared without a trace.
- . Contains very little in the way of:
  - Clear goals and objectives.
  - Specifics of how the program is to be implemented.
  - Hints who does what next, what agencies are expected to do, who participates in EOP, dates when implementation begins, and when accomplishments expected.
  - Indications of how performance in carrying out the program will be measured.

There is nothing in Jim Lynn's cover memo in the way of justification for the proposed memo or assessment of the proposed program's "costs" and "benefits".

Questions That Should be Answered

Before the memorandum is issued, it would be nice to know:

- . How, specifically, does it relate to the MBO program (which was focused primarily on the selection of specific objectives -- often those stated by the President -- and goals and milestones against which progress is measured)? Is that program to be continued, emphasized, downplayed or what?
- . How will the new "management improvement" program be implemented? What are OMB's plans, schedules, goals, milestones, etc.?
- . Will the program be implemented through OMB's budget examiner channels, which generally gives any effort such as this more chance of success, or through some other channels?
- . Will other elements of the EOP participate, and if so, when and how?
- . Are there any real expectations of measurable improvements over the next six to eight months?
- . How would this type of Presidential memo be perceived, i.e., as an effective or ineffective effort by the President to improve Government management? (While the OMB proposal to "low-key" the effort sounds good, it's unlikely to be effective in preventing attention. As a minimum, the National Journal can be counted on to make a comparison of President Ford's approach to improved management with that of previous Presidents.)
- . Is this a good time to proceed with a program such as this? If so, can't it be packaged much better?

#### Recommendation

- . That the memorandum not be issued at this time in its current form.
- . That OMB be asked to:
  - come up with a shorter Presidential memorandum that is more specific in terms of goals, objectives and expectations.
  - present with the proposed memorandum:
    - . a plan for implementing the program, including timetables, expected agency actions, objectives.

- . a prediction of expected accomplishments over the next six months and next year.
  - . an explanation of how the new program relates to the old MBO and what emphasis agencies are expected to give to the old MBO program.
- . That OMB be asked to explore the relative merits of having the "new" program announced by Jim Lynn rather than the President.



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

October 24, 1975

MEMORANDUM FOR THE PRESIDENT

From: James T. Lynn *J. Lynn*  
Subject: Presidential Memo to Agencies on Improved  
Management

Attached are:

1. A proposed memo by you to the agencies on the above subject.
2. A memo by Cal Collier of my office with respect to a press plan.

I strongly believe that such a memo by you would be very helpful to our efforts to improve this government.

Attachments



THE WHITE HOUSE

WASHINGTON

T  
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B  
I

MEMORANDUM TO HEADS OF DEPARTMENTS AND AGENCIES

FROM: THE PRESIDENT

SUBJECT: Improved Management of Government

Fiscal Year 1976 marks the third year of the Executive Branch efforts to improve the management of the Federal Government through the Management by Objectives program. I continue to believe that the MBO program is an excellent means to the end we all seek of providing the American people with efficient and effective public service.

Too often department and agency heads lose sight of their principal responsibilities for the efficient and effective operation of existing programs. Our attention is too easily distracted away from the day-to-day delivery of public service to the highly charged controversies that attend the development of new initiatives and new programs. We must not let our aspirations for the future cause us to ignore our responsibilities for the present.

Management by Objectives has proven to be an extremely useful process for forcing the Federal Government to attend to the problems of the day with the tools already in hand. It provides a framework for policy officials to get the most for every taxpayer dollar.

The key to a successful MBO effort lies in the development of meaningful management objectives. The primary responsibility for selecting these objectives is yours. The list of objectives established for your department and for program units within your department should reflect your personal priorities and those of this Administration.

While it is clear that particular management objectives should be identified in the first instance by responsible program officials and agency heads, the process of identifying objectives should also involve the participation of others in the Executive Branch. For example, where different agencies operate different programs directed at

the same goals, or where one agency's programs affect the attainment by another agency of its goals, interagency coordination is appropriate in the process of defining objectives. Similarly, management objectives can and should be linked to resource allocation decisions. The Office of Management and Budget should accordingly play an active part in the development of agency objectives. Finally, I am personally interested in the agendas that departments and agencies establish through the MBO process to improve the delivery of public service.

For these reasons, I have asked OMB to place high priority on the Management by Objectives program during FY 1976.

As we enter the fourth year of the MBO program, it is appropriate to reflect upon the shortcomings of our previous efforts as well as our past successes. Four areas in particular stand out as requiring increased emphasis and additional work:

Evaluation of Program Activities. A productive MBO process, in my view, requires increased attention to program evaluation. Good evaluation is necessary to identify worthwhile objectives and to assure that their achievement advances the attainment of underlying national goals. Hard questions must be asked and answered to assure that Federal programs are in fact achieving their lofty purposes and whether improved program operations through Management by Objectives promote the attainment of these goals. In addition, programs must be evaluated to identify ways of improving them by obtaining better results and making them more efficient. In short, improved evaluation must be the handmaiden of a successful MBO effort.

Policy Development and Implementation. At the same time that we strive to get the most out of existing programs, government must constantly work to refine and improve those programs. In my view, we must be more deliberate in charting new courses. Great effort and expense sometimes leads to even greater frustration when massive new efforts are undertaken without adequate attention to their demonstrable ability to solve the problems they are intended to address. Invariably, we are possessed with a sense of urgency and impatience in attacking new challenges. But tough problems seldom have quick fixes.

Too often, we overlook more deliberate courses of action. For example, I believe that we tend to experiment too little and implement on a large scale too quickly. At a time when public frustration with government's failure to deliver on its promises runs high, we must develop proven solutions to problems rather than unproven nostrums.

Increased Public Participation in Reviewing Program Operations. Improving the management of existing government activities could benefit greatly from increased public participation. There have always been ample opportunities for the public to participate meaningfully prior to adoption of legislation, rules, and new program developments. Unfortunately, there has been too little effort to solicit public views on initiatives after they have been implemented. I am requesting that each of you develop appropriate means of assuring that the public has an opportunity to effectively communicate their views on existing programs.

In many cases the models for public participation in connection with new initiatives could be utilized. For example, the public can be invited to comment in writing on particular issues, or public hearings could be scheduled to examine the efficiency and effectiveness of government activities.

Paperwork Burdens. There is often a temptation when reviewing the effectiveness of government performance to conclude that existing information is inadequate and that additional data needs to be obtained. As we take action to fill these needs we must be mindful that the separate and cumulative effects of these requirements may constitute significant and costly burdens on individuals and businesses. Because I believe that the government has allowed the paperwork burden to get out of control, I have directed Jim Lynn to tighten up the OMB forms clearance process under the Federal Reports Act and have pledged the cooperation of the Administration with the newly established Federal Commission on Paperwork. In addition, I am establishing as a goal for Executive Branch agencies the attainment by June 30, 1976, of a 10% reduction in the number of Federal forms and questionnaires. Each of you will be expected to contribute to the attainment

of that goal.

Conclusion. Improved program management is a high priority of this Administration. I expect you to devote personal attention to the MBO program, to program evaluation, to sound policy development and implementation, and to increase public participation in agency operations.

Public Information Aspects of Improved  
Government Initiatives

The President's initiatives should probably be kicked-off without much public fanfare. The principle reason for the low profile approach is that previous efforts have failed in part because performance did not match rhetoric. Great fanfare accompanied their initiation and subsequent shortfalls in performance produced criticism and skepticism. This is what must be overcome.

Furthermore, to the extent that this effort produces good results, the President has twelve months to gloat. A better time for major publicity might be six months from now if results become evident. In addition, of course, "backgrounders" can be arranged for the media.

Accordingly, I recommend that the President's memo be released by the Press Office with a short covering statement that would read along the following lines:

"President Ford today announced the initiation of a new program for Improved Management of Government. The President called upon all heads of government agencies to place increased emphasis on the better and more efficient delivery of existing services to the public. He noted that there is too often a tendency in the government to concentrate attention on new programs and proposals, and that too little emphasis is placed upon improving the performance of existing programs. At a time when the public has become increasingly disillusioned with the ability of politicians to deliver on their promises, we must dedicate ourselves to squeezing every ounce of public service out of every taxpayer's dollar.

"The President's improved management program calls for renewed emphasis on the Management by Objectives process which is now three years old. It also calls for the following:

- Increased emphasis on experimentation before new programs are implemented on a full scale.
- Improved evaluation of existing programs.

T  
A  
B  
a

- Increased public participation in the review of program operations.
- New efforts to reduce the paperwork burden placed by the Federal Government on individuals and businesses."

Date: November 18

Time: 600 pm

FOR ACTION: Glenn Schleede  
Max Friedersdorf  
Ken Lazarus  
Paul Theiscc (for information): Jack Marsh  
Jim Cavanaugh

FROM THE STAFF SECRETARY

DUE: Date: November 20

Time: noon

SUBJECT:

Presidential Memorandum to Agencies on Improved Management

## ACTION REQUESTED:

☐ For Necessary Action☐ For Your Recommendations☐ Prepare Agenda and Brief☐ Draft Reply☒ x☐ For Your Comments☐ Draft Remarks

## REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

**PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.**

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

or the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: November 17

Time: 400pm

FOR ACTION: Max Friedersdorf *MF* cc (for information): Jack Marsh  
Ken Lazarus *KL* Jim Cavanaugh  
Paul Theis *PT*

FROM THE STAFF SECRETARY

DUE: Date: November 18

Time: 600pm

SUBJECT:

Presidential Memorandum to Agencies on Improved Management

ACTION REQUESTED:

☐ For Necessary Action

☐ For Your Recommendations

☐ Prepare Agenda and Brief

☐ Draft Reply

☒ x

☐ For Your Comments

☐ Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.  
For the President



THE WHITE HOUSE  
WASHINGTON

RRR

MEMORANDUM TO HEADS OF DEPARTMENTS AND AGENCIES

FROM: THE PRESIDENT

SUBJECT: Improved Management of Government

*Cal Collier*  
*OMB*  
Fiscal Year 1976 marks the third year of <sup>of</sup> the Executive Branch efforts to improve the management of the Federal Government through the Management by Objectives program. I continue to believe ~~that~~ the MBO program is an excellent means to the ~~end we all seek~~ of providing the American people with efficient and effective public service.

achieve our goal  
Too often department and agency heads lose sight of their principal responsibilities for the efficient and effective operation of existing programs. ~~Our attention is too easily distracted away from the day-to-day delivery of public service to the highly charged controversies that attend the development of new initiatives and new programs.~~ We must not let our aspirations for the future cause us to ignore our responsibilities for the present.

Management by Objectives has proven to be an extremely useful process for forcing the Federal Government to attend to the problems of the day with the tools already in hand. It provides a framework for policy officials to get the most for every taxpayer dollar.

The key to a successful MBO effort lies in the development of meaningful management objectives. The primary responsibility for selecting these objectives is yours. The list of objectives established for your department and for program units within your department should reflect your personal priorities and those of this Administration.

While it is clear that particular management objectives should be identified in the first instance by responsible program officials and agency heads, the process of identifying objectives should also involve the participation of others in the Executive Branch. For example, where different agencies operate different programs directed at

in the best possible manner.

distracted

There should be

To achieve this most effectively,

to define

the same goals, or where one agency's programs affect the attainment by another agency of its goals, <sup>or</sup> interagency coordination ~~is appropriate in the process of defining~~ objectives. Similarly, management objectives can and should be linked to resource allocation decisions. ~~The~~ Office of Management and Budget should ~~accordingly~~ play an active part in the development of agency objectives. Finally, I am personally interested in the agendas that departments and agencies establish through the MBO process to improve the delivery of public service.

For these reasons, I have asked OMB to place high priority on the Management by Objectives program during ~~FY~~ 1976.

Callahan  
OMB

As we enter the fourth <sup>fiscal year</sup> year of the MBO program, ~~it is~~ I urge you ~~appropriate~~ to reflect upon the shortcomings of your previous efforts as well as your past successes. Four areas in particular stand out as requiring increased emphasis and additional work:

Evaluation of Program Activities. A productive MBO process ~~in my view~~ requires increased attention to program evaluation. Good evaluation is necessary to identify worthwhile objectives and to assure that their achievement advances the attainment of underlying national goals. Hard questions must be asked and answered to assure that Federal programs are in fact achieving their ~~lofty~~ purposes, and whether improved program operations through Management by Objectives promote the attainment of these goals. In addition, programs must be evaluated to identify ways of ~~improving them by obtaining better results and making them more efficient~~. In short, improved evaluation must be the handmaiden of a successful MBO effort.

achieving more efficiency  
and improved results.

Policy Development and Implementation. At the same time that we strive to get the most out of existing programs, government ~~must constantly~~ work to refine and improve those programs. ~~In my view, we must be more deliberate in charting new courses. Great effort and expense sometimes leads to even greater frustration when massive new efforts are undertaken without adequate attention to their demonstrable ability to solve the problems they are intended to address.~~ Invariably, we are possessed with a sense of urgency and impatience in attacking new challenges. But tough problems seldom have quick fixes.

Too often, we overlook more deliberate courses of action. For example, ~~I believe that~~ we tend to experiment too little and implement on a large scale too quickly. At a time when public frustration with government's failure to deliver on its promises runs high, we must develop proven solutions to problems rather than ~~relying on~~ ~~unproven nostrums, remedies.~~

Increased Public Participation in Reviewing Program Operations. Improving the management of existing government activities could benefit greatly from increased public participation. There have always been ample opportunities for the public to participate ~~meaningfully~~ <sup>before</sup> ~~prior to~~ adoption of legislation, rules, and new program developments. Unfortunately, there has been too little effort to solicit public views on initiatives after they have been implemented. I am requesting ~~that~~ each of you develop appropriate means of assuring that the public has an opportunity to effectively communicate ~~their~~ <sup>its</sup> views on existing programs.

In many cases, the models for public participation in connection with new initiatives could be utilized. For example, the public can be invited to comment in writing on particular issues, or public hearings ~~can~~ be scheduled to examine the efficiency and effectiveness of government activities.

Paperwork Burdens. There is often a temptation when reviewing the effectiveness of government performance to conclude that existing information is inadequate and that additional data needs to be obtained. As we take action to fill these needs we must be mindful that the separate and cumulative effects of these requirements may constitute significant and costly burdens on individuals and businesses. Because I believe ~~that~~ the government has allowed the paperwork burden to get out of control, I have directed Jim Lynn to tighten up the OMB forms clearance process under the Federal Reports Act and have pledged the cooperation of the Administration with the newly established ~~Federal Commission on Paperwork.~~ In addition, I am establishing as a goal for Executive Branch agencies the attainment by June 30, 1976, of a 10% <sup>ok</sup> reduction in the number of Federal forms and questionnaires. Each of you will be expected to ~~contribute to the attainment~~

<sup>assist in achieving</sup>

<sup>percent</sup>

Commission on Federal Paperwork.

W.C.  
P.1 -#1, Vol. 1, 1975  
12/27/74

Cal Collier  
OMB

~~the~~ that goal.

~~Confidentiality~~. Improved program management is a high priority of this Administration. I expect you to devote personal attention to the MBO program, to program evaluation, to sound policy development and implementation, and to increased public participation in agency operations. *6*

THE WHITE HOUSE  
WASHINGTON

November 20, 1975

MEMORANDUM FOR: JIM CAVANAUGH  
FROM: MAX L. FRIEDERSDORF *M. L.*  
SUBJECT: Presidential Memorandum to Agencies on  
Improved Management

The Office of Legislative Affairs concurs with the agencies  
that the subject memorandum be signed.

Attachments

Date: November 18

Time: 600 pm

FOR ACTION: Max Friedersdorf  
Ken Lazarus  
Paul Theiscc (for information): Jack Marsh  
Jim Cavanaugh

FROM THE STAFF SECRETARY

DUE: Date: November 20

Time: noon

SUBJECT:

Presidential Memorandum to Agencies on Improved Management

## ACTION REQUESTED:

☐ For Necessary Action☐ For Your Recommendations☐ Prepare Agenda and Brief☐ Draft Reply☒☐ For Your Comments☐ Draft Remarks

## REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

No objection.

Ken Lazarus

by  
H.C.PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

for the President