

June 15, 1967

A FINAL REPORT OF
THE PRESIDENT'S TASK FORCE
ON GOVERNMENT ORGANIZATION

WORKING PAPER NO. 1

THE PRESIDENT AND HIS EXECUTIVE OFFICE

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

The President and Management

The President has the largest and toughest management job in the world. But unlike other executives, the President can give management less than half his time because of other equally vital duties. A permanent dilemma for Presidents is that the Presidency has too many dimensions for one man to handle alone yet also is constitutionally indivisible.

For the foreseeable future, world affairs must command a priority portion of the President's time and thought. The managerial challenge to the President, therefore, is to keep a firm hand on the domestic tiller by reserving big decisions to himself and by delegating the next level of his work to intimate staff lieutenants who command his full confidence and share his hopes and plans.

The Impact of Great Society Programs

The rich harvest of new social programs developed from 1963 to 1966 and passed by the 88th and 89th Congresses has put great strain upon obsolescent machinery and administrative practices at all levels of government. It has loaded new work on Federal departments never noted for either creativity or efficiency--Labor, HEW, Commerce, and HUD. It has required a level of skill, a sense of urgency, and a capacity for judgment never planned for or encouraged in departmental field offices. It has required planning and administrative capacity rarely seen in Statehouses, county courthouses and city halls. Deficiencies in all these areas have frustrated accomplishment of many of the high goals of the Great Society.

Legislative success has also clearly added to the administrative burdens of the Presidency. In our judgment the Great Society legislation has not merely added to the magnitude of the President's administrative job. Early operational experience with these programs suggests that they have affected the nature of his managerial tasks as well.

The goals of the new legislative programs have rendered obsolete the conventional organizational pattern where Federal bureaus operate in isolation from each other and where Federal programs are created and operated intergovernmentally without prior consultation with elected officials of State and local jurisdictions. For the President has challenged the simple faith in narrow, single-program answers conceived by, and managed from, Washington. Organizationally the goals of Great Society legislation demand collaboration and cooperation -- between Federal bureaus and departments and between governments.

Yet, despite convenor orders, coordinating charters, and other organizational innovations (e.g., OEO, Federal-State Regional Commissions), the Federal government remains largely a collection of fragmented bureau fiefdoms unable to concert talent, funds, and programs for concentrated impact in the field. We are organized not to do many things at the same time but to develop, enact, and operate Federal aid programs more or less in isolation from each other. Fragmented Federal administration of domestic social programs encourages piecemeal effort by State and local government agencies.

Presidential Tasks and Staffs

There is no authority short of the Presidency itself that can provide the focal point of executive leadership required to control and relate the new social programs. Only Presidential authority and engagement can overcome interdepartmental fragmentation and insure intergovernmental cooperation. Problems in these areas are growing in volume and significance. To handle them professionally and creatively the President needs new and improved, institution-
alized staff support.^{1/}

^{1/} Our entire analysis distinguishes between the President's personal staff--White House Counsel, Special Assistants and their aides--whose day-to-day work must necessarily be shaped by the President's personal and immediate requests and institutional staff support for Presidential level issues and problems that are continuing, regular, and ultimately routine in character.

Today there are major gaps in the President's institutional staff. The President lacks institutional staff and machinery to insure that the broad social goals of his policies are achieved through coordinated delivery of a host of Federally-inspired programs in thousands of individual communities. He needs a staff able:

- To anticipate, surface, assess and settle wasteful program and jurisdictional conflicts between peer Federal departments in Washington;
- To control and pull together the related programs of Federal departments in Washington and in the field;
- To mediate program problems and disputes between Federal departments in the field;
- To reflect the Presidential perspective in program areas requiring cooperation between Federal agencies and between the Federal, State, and local governments.

He needs such a staff -- today!

The President does not now have institutional staff of high calibre whose sole responsibility is:

- To plan ahead;
- To take the measure of complex social problems;
- To review the effectiveness of existing government programs;
- To bring promising new ideas to the President's attention;
- To support the President as he develops a long-term domestic strategy and a coordinated annual legislative program for domestic affairs.

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Recommendations

To enable the President to strengthen his leadership and improve the management of domestic social programs, we recommend:

- (1) Establishing a new Office of Program Coordination, parallel to, but outside, the Bureau of the Budget

--- To mediate and settle interagency arguments;

--- To spur and insure cooperation between Federal agencies;

--- To provide a focal point in the President's Office for Governors, Mayors, and other key executives on domestic program issues.

- (2) Providing the Office of Program Coordination with a permanent field force

--- To reflect the President's perspective, concerns, and desires in program areas requiring cooperation between two or more Federal agencies, and State and local governments;

--- To mediate and resolve program problems or disputes between Federal agencies in the field, referring problems to Washington that will yield only to Presidential arbitration;

--- To provide the President and his Executive Office staffs with an independent flow of intelligence on program operations and problems;

--- To increase field liaison between the President and State and local political executives and key officials.

- (3) Creating a new Office of Program Development as a part of a reorganized Bureau of the Budget which would have clear responsibility to develop a domestic social program for the President.

BACKGROUND FOR AND DISCUSSION
OF RECOMMENDATIONS

PROGRAM COORDINATION: THE GREATEST URGENT NEED

The most glaring managerial problem in domestic affairs today is the deeply ingrained habit of Federal bureaus to operate autonomously, and nearly always from Washington rather than in the field. Autonomous operations make the packaging of related programs difficult--if not impossible.

Take an example involving two programs which clearly should be coordinated in any attack on employment problems in the ghetto -- the Community Action Program administered by OEO, and the Adult Basic Education Program funded by the Office of Education in HEW. Community action grants flow on an individual project basis to local CAA's; only a few CAA's have close ties to Mayors and city administrators. Adult education money moves according to formula to State education departments which parcel it out to local school boards, normally independent of City Hall and frequently isolated from the neighborhoods in greatest need. If the city happens to be Denver, Colorado, the responsible Federal officials would not only not coordinate--they probably would not even recognize each other on the street. The OEO regional office in Kansas City serves Colorado and ten other States to the east, west, and north. HEW's regional office serves Colorado and four other States. Happily, this office is in Denver; unhappily, education grant decisions are not made there but in the Office of Education in Washington.

But reality is far worse than any hypothetical example. For we have not two, but over 400, grant programs operated by a broad range of Federal agencies and channeled through a much larger array of semi-autonomous State and local government entities. To the public and to local officials, the Federal government often seems a self-defeating morass of contradictions: of field officials unable to make decisions on their own programs and ignorant of related efforts; of agencies unable to work together. Virtually no one, anywhere, can put together a comprehensive package of related programs to meet priority needs.

Evidence that Federal programs are not being coordinated is ample. Some examples:

- There are scores of separately-run, Federally-financed manpower projects in the Bedford-Stuyvesant neighborhood of New York City alone. Presumably there is some programming deficiency at the Federal level, whatever the lack of local coordination instruments.
- The recently announced 19-city slum employment program is symptomatic of the style of autonomous planning and operations which the Great Society goals render obsolete. It was developed in isolation in the Department of Labor and only tardily coordinated with complementary efforts under the neighborhood centers and model cities programs (themselves operating somewhat independently of each other).
- The turbulent history of the President's pilot multi-agency effort to build comprehensive, neighborhood service centers in fourteen cities. Although the neighborhood center program was assigned to a "lead" agency--HUD--in August 1966, and despite back-up work from the Bureau of the Budget and countless memoranda and meetings in the intervening months, Federal and local officials were still confused, or in disagreement, over what type of neighborhood center would be supported, where the funds would come from, and whether there were to be specific Federal guidelines when applications began to arrive in March 1967. And State officials, whose cooperation is vital for a whole range of health, welfare, and employment services, were just beginning to learn of the existence of a 14-city pilot program!

The Inadequacy of Existing Machinery for Coordination

In recent years many attempts have been made to improve program coordination. During the 1961-1965 period almost 20 Executive orders were issued for the coordination of Federal programs involving inter-governmental administration. Some two dozen interagency committees have been established to coordinate two or more Federal aid programs.

The two major approaches to program coordination across departmental lines have been:

- (1) fixed membership interagency committees (Urban "Cabinet" luncheons, President's Committee on Manpower, Economic Opportunity Council);
- (2) use of a "lead" agency (OEO for poverty and HUD in Cities).

Both approaches have failed.

The interagency committee, frequently without chairman, staff, or programs of its own, nearly always degenerates into a forum for trivia (Economic Opportunity Council) or a forum for unstaffed discussion without decision (Urban Cabinet). Strong leadership may simply transform an interagency committee into an adjunct of the chairman's department (PCOM) without impact on interdepartmental issues. At their very best interagency committees provide a forum for making plans or resolving disputes at the lowest common denominator of blandness. They can never approach the President's perspective.

The "lead agency" approach is a special kind of interagency committee, normally less formal and oriented to accomplishing a specific project or series of projects. We have watched HUD play the role in the Neighborhood Centers project and have examined OEO's failure to coordinate poverty programs of other agencies.

When applied to America's most pressing social problems, the "lead agency" concept has been found wanting on two main counts:

- (1) There is no obvious "lead" agency. Who is to coordinate a manpower program in an urban slum? Labor? OEO? HUD? Even HEW has claims!
- (2) It is beyond the capacity of a Federal agency operating major programs in its own right to coordinate government-wide efforts in the Presidential interest. It has narrower allegiances. Other program operators, reluctant to be "coordinated" in any case, rightly question its impartiality, and resist its leadership.

The Task Force does not entirely reject the "lead agency" concept. If they really have a clear program "lead," a legislative mandate, and are backstopped by continuing White House interest and engagement, we believe that lead agencies can frequently serve as project managers in areas where they command the predominant program

elements. Model Cities may well qualify as a successful example of leadership from a peer department. Without active Presidential support, however, the lead agency solution is far too weak to carry more than marginal burdens for management of interdepartmental programs in coming years.

Presidential Involvement

In the past, perhaps, a President could survive the costs of program fragmentation in the executive branch. The problem was more manageable, since there were far fewer grant programs. Moreover, the President had neither faced the full dimensions of domestic problems nor challenged the easy faith in simple, single-program answers.

But the President is being judged today by the total impact of his programs on thousands of diverse communities. He has staked his programs on the proposition that the Federal government can make a difference -- not just in the number of housing units, or per pupil spending on schools, or the number of new highways, but on the overall quality of human life, particularly for the poor.

The President needs far more powerful coordinating instruments than those presently available if he is to achieve the comprehensive social aims he has set. He needs permanent machinery for program coordination in his own office with power in Washington that is dependent on him and representation in the field.

AN OFFICE OF PROGRAM COORDINATION

General Description

The first order of organizational reform, therefore, is to forge much better interdepartmental and intergovernmental coordination through strong Presidential leadership. To counter the strong forces for fragmentation in Federal program operations, we recommend establishment of an Office of Program Coordination in the Executive Office of the President.

The Office should be led by a Presidential appointee of commanding rank and stature. It should have a strong headquarters staff in Washington and an effective field service stationed in each of the major regions of the Nation. The Office should have a broad mandate to take the lead in stimulating, staffing, and monitoring interagency and intergovernmental coordination across the whole range of domestic social programs.

Responsibilities

Assisted by his staff, both in Washington and the field, and working in a close, sensitive relationship to the President, the Director of the OPC would:

- Anticipate, surface, and settle jurisdictional and program arguments between Federal departments, whether originating in Washington or the field, up to and including disputes between members of the Cabinet;
- Monitor the administration of Great Society programs requiring cooperation between Federal departments;
- Provide the staff focal point in the White House, short of the President himself, for continuing consultation with Governors and Mayors on issues of domestic policy and programs;
- Carry primary staff responsibility in the Executive Office for longer-term efforts to improve inter-governmental organization relationships through grant consolidation, harmonization of financial matching arrangements, etc.;
- Spur changes in legislation and departmental administrative regulations when these impede program coordination.

While it will devote its main attention to trouble-shooting operations, an alert OPC will become a useful source of new program ideas. Its direct intelligence on program operations in the field will afford fertile information for evaluating existing programs and formulating new courses of action. OPC would work closely with the Program Development (discussed below) in the

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In addition, an Office of Program Coordination would take primary responsibility for inaugurating and leading the development of special multi-agency programs like the pilot 14-city comprehensive neighborhood service centers project. We do not believe, however, that the Office should be given permanent operating authority for any program, nor should it administer program funds of its own. Either of these would create in the new unit a loyalty to particular program operations which would conflict with its duty to reflect the Presidential perspective.

The Role, Authority, and Stature of the Director

We believe that the Director of the Office of Program Coordination should be viewed by members of the Cabinet and other political actors as having authority from the President to settle interdepartmental issues when members of the Cabinet are unable to compose a satisfactory agreement as the result of mediation. Cabinet heads would retain the right to appeal decisions by the Director to the President.

The utility to the President of the Office of Program Coordination, as well as its power, will rest on the willingness of the President to give the Director authority for resolution of interdepartmental conflict and for controlling and relating program activities across agency lines. In a manner most congenial to him, the President must inform Cabinet subordinates that he expects them to meet upon the call of the Director; that he expects major matters of interdepartmental program coordination to be settled in the forum provided by the Director; and that, when agency heads remain unable to compose agreement, he expects agreements to emerge and "to stick" along lines prescribed by the Director.

There is no substitute for delegation to the OPC Director of Presidential authority to decide issues between departments. In the Washington environment the establishment of an Office of Program Coordination with a less clear mandate guarantees quick failure and atrophy. The town is filled with the corpses of offices, committees, and special assistants who were supposed to coordinate line operators with program authority. Lacking a clear statement of Presidential support and back-up by the President in the first tough fight, they succumbed quickly, unlamented.

While we feel that the President should delegate authority to the OPC Director to decide interagency disputes, we have rejected proposals which would give the Director legal authority to overrule agency actions, both in Washington and in the field. While this would strengthen the hand of the Director of the Office of Program Coordination, it would also make him somewhat less dependent on the President. It would require far-reaching legislation which Congress is most unlikely to enact and the President unlikely to support. In our view, total dependence on the President will be a source of strength to the OPC Director, as it has been for the Director of BOB, while at the same time insuring that the new staff office develops in a fashion that is congenial to the President.

We recognize that coordination of programs that cross departmental lines and involve two or more members of the Cabinet is a sensitive role, totally dependent on Presidential confidence and support. The right appointee must be a man whom the President knows well, communicates with regularly, and trusts implicitly. He must know with confidence when to act, and when not to act, when to inform the President and when to move on his own. The President, in turn, must back him up when the inevitable challenges are made.

We have considered and rejected two arguments certain to be mustered against a proposal to create a strong Director and Office of Program Coordination:

- (1) The President cannot and should not delegate his responsibility to decide issues arising between two subordinates;
- (2) Cabinet heads will only take orders from the President.

In fact, the President delegates authority all the time to heads of departments and a variety of trusted aides. More subtly, the President unconsciously delegates his power to decide whether or not to resolve interdepartmental conflict because of the inadequacy of current organizational and staffing arrangements. These fail to surface conflict, or to expose disputes to independent analysis and possible resolution by the President or a trusted staff subordinate. We favor conscious delegation of authority -- with the safety valve of appeal -- over unconscious delegation forced by constraints of time and the lack of adequate staff.

Secondly, we believe most members of the Cabinet would adjust easily to the improved sense of Executive direction and coordination that a Presidentially-attuned, skillful Director of the Office of Program Coordination would impart to domestic affairs. In time, even the most wary will applaud this institutional innovation. Those unable to adjust presumably will not be required to remain.

Additional Leverage for the OPC:

To enhance his leverage, the Director of the Office of Program Coordination should have authority from the President to:

- Review new legislative program proposals which require, or imply the need for, interdepartmental cooperation, requiring sponsors to accompany program ideas with a tentative plan of operations;
- Approve proposed organization and management procedures for the delivery of social programs that involve two or more agencies;
- Recommend reservation of funds (acting jointly with the BOB Director) in the budgets of individual agencies participating in interdepartmental programs (Neighborhood Centers, Parent-Child Centers) approved by the President.

While the OPC would not have formal authority to veto agency legislative or program management proposals, this clearance system would provide it with an opportunity to influence agency procedures in the formative stage. Through negotiations it would try to modify provisions that would cause coordination problems in Washington or the field.

Rapid communications internally should also increase the leverage of the OPC by insuring that serious coordination problems in the field reach the Director's desk quickly without consuming time passing through several bureaucratic layers.

As a collector of field intelligence, moreover, the OPC will be in a position to make regular and effective inputs into the central process by which legislative changes are formulated. Departments and bureaus should become aware that this office has a voice at budget and Presidential program development time.

A final element in the acquisition of political strength will be the quality of OPC staff. All should be effective operators, able to dive into problems on short notice, work out solutions where possible, and get decisions from higher authority when necessary. The OPC should be able to command superior staff-men -- smarter, faster-on-their-feet, better operators than their agency counterparts. OPC professionals will need and should have the rank (GS-14 - 17) which will make others listen and the experience which will make them worth hearing.

PROGRAM COORDINATION IN THE FIELDIntergovernmental Consultation

Many of the worst coordination problems occur in the field at the point of program impact. Because the Great Society programs involve the Federal government directly at the State and local levels, program coordination not only requires getting Cabinet officers together in Washington, but also getting coordinated program execution:

- Among officials from many different agencies in the field;
- Together with their State and local counterparts;
- In 50 states, 3,000 counties, 5,000 cities, and 6,000 school districts.

Policy coordination in Washington will be relatively meaningless unless programs are operated in harmony in thousands of communities across the Nation.

When the Administration decided to launch scores of new Federal grant programs requiring collaborative interest and effort across governmental lines, the importance of incumbent Governors and big city Mayors as managerial and administrative partners of the President and his national administration was dramatically increased. We doubt that the importance of these new administrative (and political) relations has yet been fully realized or assessed.

Chief Executives of major State and local jurisdictions can no longer be viewed merely as potential supporters or critics of the national administration in future political conventions. They have been asked to join as junior partners, across political lines, in the work of national social renewal and development. Many State and local chief executives have the authority and influence to scuttle these new efforts through apathy or outright opposition. Many can also put these programs across--administratively and politically.

We do not believe that Executive Office organization has recognized the new program and administrative interdependence of chief executives at the Federal, State, and local levels. For these reasons we have

recommended that the new Office of Program Coordination serve as the staff focal point in the Executive Office short of the President himself:

- For advance consultation on new programs and policies and joint consideration of ongoing issues of intergovernmental program and organizational relationships;
- For resolving intergovernmental operational problems or conflicts, including mediation when required.

Recommendation

The Office of Program Coordination should be designed to deal sensitively as an arm of the Presidency with Governors and Mayors and other local executives, as well as with Cabinet heads and their departmental subordinates. We believe that it should operate in the field, as well as in Washington, and recommend strongly that it be equipped with a resident field force organized by region.

Each Federal region should have a Presidential representative (of top Federal and political rank and serving at the pleasure of the President), who has full responsibility for handling interdepartmental and intergovernmental problems in his area. The regional coordinator will report directly to the Director of Program Coordination in Washington. He will try to mediate and resolve problems on the spot, referring to the Director in Washington persistent matters of nationwide import and delicate political issues which require Presidential attention.

The field force will operate both in interdepartmental and intergovernmental sectors. It will function as a problem mediation service, as an intelligence agency for the President, and as a formal institution for Federal consultation with key State and local officials.

An effective field service would:

- Work with departmental representatives and with State and local officials to ensure implementation of general strategies developed in Washington;

- Act as the President's eyes and ears in the field, giving the President fresh, objective professional program information about what is going on in the country away from Washington;
- Encourage decentralization of departmental operational authority to regional units by making it practicable to mediate interagency problems in the field;
- Gather and transmit to Washington information about program successes and failures, and local needs and desires, and thereby furnish a major new input into program development;
- Serve as a much-needed channel of communication through which Governors and Mayors could make their views and interests known both on immediate problems and long-term program objectives.

Loyalties and Responsibilities

It is vital to the success of the field operation that senior regional officials act and be regarded as Presidential men. The field staff must never be permitted to develop a parochial responsiveness to local interests thereby compromising its loyalty and reducing its utility to the President.

To ensure that field men remain loyal to the President and are not gradually transformed into agents of the areas where they serve, we feel strongly that they must spend a considerable portion of their time in Washington. In some cases this might involve actually living in Washington with frequent field trips.

Whatever political and administrative procedures are necessary to maintain the Presidential character of the operation should be brought into play. But we leave such questions of detail for resolution when the OPC is established.

A SUPER-DEPARTMENT OF DOMESTIC AFFAIRS

The most attractive organizational alternative for insuring program coordination would be to bring all Great Society programs under the roof of a new super-department with a large central staff to plan a coordinated attack on priority problems, see that it is carried out, and evaluate its results. The new super-Secretary for Domestic Affairs would have field representatives reporting directly to his office, and these field men would have authority over those of the sub-departments (HUD, HEW, etc.) in making major grant decisions.

Such a super-department has several attractions. Provided its Secretary could really gain effective control, it could enforce coordination through clear lines of authority. The Secretary could act as a buffer for the President, taking responsibility for tough decisions more easily than a strong director of coordination in the Executive Office who will not have statutory authority over operating programs. And the super-department could support a strong general field staff more easily than an EOP unit.

But a super-department has one fatal drawback -- it is almost certain to be rejected by Congress. In addition, there must be serious doubt whether a President would want to give one man such broad legal authority unless it became absolutely necessary.

The Task Force, therefore, recommends that less drastic solutions should first be attempted. However, it is conceivable that a super-department will prove the only long-term means of effective domestic program coordination.

An EOP Coordinating Agency with Operating Funds of its Own

Another alternative studied carefully was the OEO model--an Executive Office coordinating agency administering "flexible" (non-earmarked) program funds which can be used to fill local needs not met by categorical grant programs.

But while OEO's achievements in program innovation have been exceptional, it has emerged not as a "coordinator" of anti-poverty efforts but rather as a competitor in the eyes of other Federal program operators.

And the President cannot afford to give strong support to the director of such an operating agency as he tries to coordinate others, since the President knows that the director's perspectives will inevitably be substantially different from his own.

Placing OPC within the Bureau of the Budget

The Task Force also considered the possibility of incorporating the OPC within the Bureau of the Budget rather than making it an independent EOP unit. The former would allow it to exploit the Bureau's established influence over line agencies and its substantial program expertise. In addition, an independent Office of Program Coordination threatens to drain BOB of some of its most effective program specialists.

But the advantages of setting up an independent office are more persuasive.² We are convinced that domestic program coordination is a large job with short-term operational as well as long-term inter-governmental systems development dimensions. We doubt that it would get the necessary emphasis if incorporated with BOB's two main functions -- program evaluation (budget) and program development.

This problem is particularly acute at the level of the Director. An OPC will have to deal frequently and directly with Cabinet members, since interdepartmental issues tend to escalate rapidly to that level. Such direct, high-level negotiations can be effectively handled only by a man with at least the rank of the Budget Director or a White House Special Assistant. But the Budget Director could give only a small portion of his time to urgent, top-level coordination efforts without short-changing his other responsibilities. At the same time the Budget Director cannot delegate his status and authority to a subordinate responsible for program coordination.

The responsibility for providing staff support to the President in dealings with Governors and Mayors is still another major reason for our recommendation that a separate agency be established. BOB's style of operation is consciously "non-political" and its expertise is heavily oriented to issues in Washington. We believe BOB would not find it congenial or natural to be consulting, negotiating, and occasionally bargaining -- often on explicitly political terms -- with elected State and local officials.

2/ As indicated in the final report, the Task Force divided on this point, with a majority of members favoring the creation of a new independent EOP institution, on the basis of the arguments outlined on this page. In a minority dissent, three members urged creation of the new office within BOB.

An independent OPC must, of course, have close working relations with BOB. It will often team with BOB professionals on individual problems particularly when in-depth program knowledge is required. It should not, and need not, duplicate the individual program expertise of BOB personnel. Given the recent excellent record of cooperation within the Executive Office, it does not seem an unreasonable expectation that the two units will work together in the many areas where resource allocation issues and coordination problems intersect.

Establishing an OPC without a Field Service

A fourth alternative would be to create a Washington-based OPC without any permanent outreach to the field. Modern communications make it possible to administer local regions from area desks in Washington.

Washington OPC representatives could perform a "paratroop" function, rushing into communities to handle sudden flare-ups and quash pending crises.

This arrangement has several clear virtues. It would be easier to obtain congressional support for a Washington operation than for a headquarters-plus-field network. (Witness BOB's difficulties in getting money for a field service.) A Washington OPC would stamp the organization as Presidential in character, and avoid the danger of becoming a service organization for Governors and Mayors.

On the other hand, in terms of the delivery of Federal programs -- whether viewed from the Presidency or from the perspectives of Mayors and Governors -- most coordination problems have intergovernmental dimensions. This is why the President has designated Vice-President Humphrey to work with Mayors and Governor Bryant to serve as his liaison with Governors.

As indicated earlier, we believe that there is an intimate connection between coordination of policy in Washington and of operations in the field and a new program and administrative interdependence between chief executives. Programs that are pulled apart at the point of delivery have not been carefully pasted together at the point of design. Intergovernmental hassles hundreds of miles from Washington complicate interdepartmental disputes in the Nation's Capital.

Only a formidable field force of Presidential representatives tied into, and reflective of, the Presidential perspective will overcome the serious gap that has opened between planning in Washington and making the programs work back home. Our examination of existing ad-hoc arrangements makes us doubt seriously that they are up to the new requirements for intergovernmental cooperation. They do not provide regular channels for the communication of ideas and needs. They do not furnish sustained opportunity for important State and local executives to speak and to be heard.

Although they usually have been good, strong people, ad-hoc trouble-shooters have not often been effective. Their very designation as trouble-shooters betrays one of their limitations. They are sent because a problem or conflict has become so serious that it has forced its way through political and governmental bureaucracies to Presidential attention. At that point it often is quite difficult to obtain a solution and certainly impossible to eliminate the damage that has been done.

Without a field component the OPC would be almost exclusively an agency for interdepartmental affairs. It could not play a regular intergovernmental role. The present organizational vacuum between key chief executives responsible for intergovernmental programs has led us to recommend the stationing of an OPC force in the field.

THE PRESIDENT AND PROGRAM LEADERSHIP

The President's domestic program is an agenda of the Nation's unfinished business. Annual Administration requests from the Congress should be consistent with an evolving strategy and set of priorities. New program proposals should be weighed against evaluation of earlier effort. Promising programs should claim more of available resources. Ineffective efforts should be cut back, eliminated, or replaced.

Just as the President must coordinate programs that are going on today, he needs staff to look ahead -- to ask broad and penetrating questions beyond the concern or purview of line agencies, to spot neglected or emerging problems and to plan and develop social programs which resolve these questions and meet these problems. For the programs available at any given time, however well mobilized and coordinated after enactment, are never adequate to meet all major problems. And without continuing review, they are likely to grow progressively less adequate as time goes by.

To develop programs more in line with emerging national needs the President requires the best thought available for:

- Problem definition - assessing the nature of the problems we face as a Nation;
- Program design - suggesting the types and combinations of Federal programs which will attack them most effectively; and
- Program evaluation - measuring the impact and the inadequacies of present government efforts.

He needs smart men to design his programs just as much as he needs strong men to implement them. He needs brain-power loyal to him, and in touch with his broad perspective.

The Present System

The President does not have enough brainpower devoted to these purposes in his Executive Office today. He has able personal aides who draw together his legislative program, often working closely with the the Budget Bureau Director. He has BOB's Office of Legislative Reference to clear program proposals and agency views on legislation at the final stage. While the President today is served by exceptionally gifted men, their jobs do not allow them time to plan for the long run, to engage in systematic program analysis, and to weigh new program ideas and program priorities.

Thus the President must rely for new program development on a variety of uncertain sources -- bureaus within departments, task forces, the Budget Bureau and White House staff, and the Congress. What is worse, their work, and review of it by overworked Presidential staff, is normally compressed into a hectic two-or-three month period at the end of the calendar year. The natural tendency is to act on ideas which have the greatest superficial appeal and which best suit the politics of the moment.

Deficiencies of the Present System

In many ways, the end product of this disorderly program development process has been impressive. Many Great Society programs were inherited from the past, but a number of others--the war on poverty, education aid specifically for disadvantaged children, model cities, the teacher corps--are fresh ideas. Moreover, the well has not yet run dry. Significant new proposals are still being shaped and debated within the executive branch.

Yet present procedures for program development have at least five substantial deficiencies:

✓ They rely too much on chance. Task forces tend increasingly to plow over the same ground. Agency efforts to solicit new ideas in-house result in "laundry lists" much like last year's. A more systematic process, not eliminating these new program sources but supplementing and rationalizing them with a central program development staff, would be far more reliable.

✓ They tend to produce specialized programs, and to neglect the vital job of creating coherent overall Federal program strategy. The results of this deficiency are particularly damaging to the President. He is held responsible for an excessive number of categorical grant programs, many of them funded not only at a fraction of local needs, but also at a level substantially below the "promises" contained in authorizing legislation. Many overlap very badly; for example, the fifteen manpower development programs. Local applicants face a maze of narrow-gauged, often inconsistent planning requirements, matching formulae, and program delivery systems. These requirements make little sense in terms of overall Federal objectives and serve only to create local resentments and, in some cases, protect the privileges of entrenched clientele groups.

They tend to neglect emerging or complex problems for which no agency has particular responsibility. For example, in the early 1960's a program development staff might well have been analyzing the continually rising crime rate and shaping major proposals to meet it years before the crime control program was ready in January.

They are only loosely tied to systematic analysis of social problems and present programs. For example, a variety of efforts to promote Negro rights and opportunities proceed in the absence of solid information about which approaches have the greatest impact. Voting rights protection? Education? Job training? Job creation? Stronger sanctions against discrimination in employment or housing? Other avenues of attack?

They provide no regular mechanism for deciding between expansion or modification of existing programs and creation of new ones. The legislative development and budgetary processes are not sufficiently integrated to insure an effective long-run program strategy.

Some of these inconsistencies are the product of a Congress at least as fragmented in its power structure as the executive branch. Others are the inevitable result of rapid progress on a number of fronts and of recent defense expenditures well above what earlier could have been forecast.

But often the executive branch is at odds with itself. We fight job and housing discrimination--and place a major new Federal installation in an all-white suburb. We seek to revitalize central cities--yet subsidize migration away from them by new highways and FHA loans.

The Presidential Perspective in Program Planning

Even if the deficiencies of present procedures were less pronounced, we believe the President should have a permanent, institutional staff capability for program planning.

He needs such a capability for reasons common to effective performance by an executive in any large organization. Having delegated responsibility, the President must himself command the means to check on the performance of the delegated tasks, and to support him as he exercises the larger perspective that line subordinates cannot share.

Both functions are important. The need to review critically analytic work done below is not based on the presumption of incompetence or dishonesty but on the far subtler and more pervasive phenomena pressing on all organizations to survive and grow and to frame their reports to superiors accordingly. Looking critically at the effect and value of its own efforts is difficult enough for any organization. It is hardest in government, where market tests of performance do not exist. It is essential, therefore, that the President have an independent check on program analysis done in the departments.

But perhaps more important than the need for objectivity is the need to impose a Presidential perspective. The purpose of a program will necessarily be seen more narrowly in a department than at the Presidential level -- and more narrowly still in a bureau, trained in one specialty, oriented toward one function, loyal to one interest group, attentive to one congressional subcommittee. Even if the departments were reorganized and enlarged, it is unlikely that any one of them could make the overall assessment of unemployment, or of civil rights, that the interests of a President require. Problems as broad as those the Great Society seeks to attack are inherently Presidential in scope.

The President must, therefore, be supported in the analysis of those problems and in the design of programs to attack them by a staff which shares his perspective and serves his needs. The existence of such a staff, moreover, is not at all inconsistent with the desire to stimulate more analysis at the departmental level and to improve its quality. The development of strong analytic staffs in the Office of the Secretary of Defense has produced, in reaction, a far stronger analytic capability in the military services than they had previously possessed, and it has made substantially more rational the processes by which intra-service disputes are resolved.

A Reorganized Budget Bureau

To staff the President in the development of his annual program and general domestic strategy, we recommend that substantial reorganization of the Bureau of the Budget be undertaken with a view to widening its responsibilities and revising its priorities. Reorganization should speed up sharply the Bureau's transition from intelligent reaction to departmental demands to active, independent leadership in program development that supports and is responsive to the President and his perspective.

An Office of Program Development

✓ We recommend creation of an Office of Program Development located within the Bureau of the Budget and headed by a President appointee who would serve as the focal point for the development of new program proposals. The new Office should be professionally staffed. Some members would be analysts with a wide range of specialties. Others should boast substantial political and administrative experience. The new staff would:

- Analyze complex or emerging social problems;
- Stimulate better analysis and program development in the executive departments;
- Keep in close touch with the Nation's best research efforts -- outside as well as inside the government -- relevant to social problems and policy;
- Stimulate establishment of, and frequently staff, Presidential commissions and task forces;
- Design, review, and propose modifications in government programs aimed at domestic problems;
- Relate individual programs to a general Administration strategy and evolving priorities.

An Office of Program Development Within the Budget Bureau

Unlike the program coordination unit, the Task Force recommends that the Office of Program Development be established within the Bureau of the Budget.

Program planning operations run a serious risk of irrelevance. They may be bypassed when programs are actually developed for submission to Congress, because they do not stand at a crucial point in the decision-making process, or because their work becomes an ivory-tower operation remote from the President's needs.

Locating the Program Development Office within the Budget Bureau should help avert both of these dangers, particularly if the existing legislative clearance functions of the Office of Legislative Reference are consolidated with the long-range problem analysis and program planning functions.

Establishing the Office of Program Development in the Bureau would also avoid a dangerous split between the two major Presidential processes for developing a coherent general Administration program -- the annual budget and the overall legislative program.

The prime danger of placing a long-term program planning staff within BOB would be the temptation to divert staff members from their long-run responsibilities and use them as a trouble-shooting reserve to meet immediate crises that other BOB professionals are too busy to handle. Extreme care must be taken to insulate them from such pressure. While it might solve problems in the short run, it would end by destroying the very reason for establishing a program development staff in the first place--the need to have brain-power not dominated by demands of the moment but with the freedom and the mandate to think and plan ahead.

Strengthening BOB Program Evaluation

The new Office of Program Development should work closely with strengthened efforts in program evaluation by BOB divisions. The government-wide Program Planning Budgeting System (PPBS), begun 22 months ago and monitored by BOB and its Program Evaluation Staff, has already stimulated some systematic analysis of the impact of government programs, both in BOB and in the domestic agencies.

The immediate influence of PPBS on the domestic budget has been slight, however, and its effect on new program design close to zero. Results are likely to improve with time, but every effort should be made to strengthen program evaluation capabilities of BOB divisions and examiners and to insure that such evaluation pays off in better budgetary allocation and more effective new programs.

Making Program Development Effective

The Office of Program Coordination described earlier would depend for its effectiveness on its ability to influence the behavior of line agencies in the implementation of Federal programs. By contrast, the Office of Program Development would primarily need to influence the President, his personal staff, and the institutional Executive Office. For its primary objective would be to affect decision-making at the top -- to bring greater rationality and overall coherence to the establishment of general policies, priorities, and legislative and program proposals.

It would gain this influence partly through the quality of its work, partly from the relevance of its proposals to the President's present needs. For the former it would especially require good access to data and the freedom to do its work. For the latter it would need the close connection with the decision-making process. It would not need the same type of day-to-day Presidential support as a program coordination unit. But it could not long maintain its effectiveness unless the President insisted that its work be one of the major inputs in the ultimately political process of developing the Administration program.

Members of the White House staff, inevitably in closer personal touch with the President, will continue to shape and determine the final content of the President's program and specific pieces of legislation in accordance with the President's personal preferences and priorities and his analysis of the political environment. The Program Development staff in BOB must not displace the White House role. Rather it should be designed to provide year-round professional support to the President's personal staff in the vital task of constructing a domestic legislative program.

Linkage Between Program Coordination and Program Development

The two new offices would be relatively separate in their day-to-day operations, one concentrating on immediate program coordination problems, the other on long-range plans to increase the impact and overall coherence of Great Society efforts. Their major operational link would be in working to solve coordination problems through changes in basic legislation.

Yet each would be part of a larger effort -- to give the President the tools with which to establish and enforce government-wide, coordinated national policies to meet multi-faceted social problems which will not respond to a series of programs applied in isolation of each other. Neither new office taken alone would bring as much unity to Federal programs as the Task Force believes desirable -- nor would both taken together. They should be seen not as final answers but as steps to strengthen Presidential managerial authority and leadership where it now is most needed.