

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

June 4, 1973

MEMORANDUM FOR THE PRESIDENT

Subject: OEO Delegation Agreements

Attached for your approval and signature are delegation agreements which would transfer from the Office of Economic Opportunity (OEO) the following programs:

To HEW -- Health programs
Indian programs
Education, Child Development,
and Policy Research and
Development

To DOL -- Migrant programs
Labor and Manpower
Research and Development

To HUD -- Housing Research and
Development

Approval of these agreements, together with the enactment of legislation already submitted to establish an independent Legal Services Corporation and to authorize the Office of Minority Business Enterprise to operate the Community Economic Development program, will implement much of your decision that the Office of Economic Opportunity should be phased out. With your approval of these delegation agreements and enactment of the legislation, only programs for which no funding is requested in fiscal year 1974 (including Community Action) will remain in OEO.

The agreements have been reviewed by the receiving agencies as well as the Department of Justice. Justice advises that the Director of OEO has the authority, with your approval, to delegate these programs and that

these delegations should not violate the restraining order imposed on Mr. Edward Phillips in the case, Local 277, the American Federation of Government Employees vs. Edward A. Phillips, et al. Justice also notes, however, that the District Court Judge in this case declined to issue a clarifying order on this question when requested by the Government. Therefore, implementation of these delegation agreements could be stopped by court action.

Although these delegation agreements are likely to be challenged in court (as is any action involving OEO), we recommend your approval for two reasons:

- There is clear statutory authority for these delegations. Even if implementation was stopped by District Court action, the Government would have sound grounds on which to appeal.
- Unless these programs are delegated, the Office of Economic Opportunity will continue as presently constituted.

Roy L. Ash
Director

Attachment

cc:
Official File - DO Records
Director
Director's Chron
Deputy Director
Mr. Eberle (2)
Mr. O'Neill
Mr. Fischer
MD/HCA:JARotherham:bes 5/30/73