


THE WHITE HOUSE

WASHINGTON

June 12, 1970

MEMORANDUM FOR JOHN EHRLICHMAN

FROM:

Ed Harper 

SUBJECT: Memorandum On Planning Activities In The
Domestic Council and the Office of
Management and Budget

The attached memorandum takes an overview of the planning activities which should probably be taking place in the Domestic Council Staff and in the Office of Management and Budget. I consider this to be an overview memorandum which suggests how the two organizations will mesh in the carrying out of essential Presidential level planning functions.

The memorandum I sent you on June 11, "The Organization of Domestic Council Staff Functions," provides details on the operation of the planning process in the Domestic Council Staff.

I hope that you will find both of these memoranda useful in considering the organization of the Domestic Council Staff generally, and specifically in the critical area of planning.

Attachment

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June 12, 1970

MEMORANDUM FOR KEN COLE

FROM: Ed Harper

SUBJECT: Planning and The Domestic Council and The Office
Of Budget and Management

PLANNING

The word planning involves several different things. Most planning professionals recognize three types of planning: Comprehensive Planning is an on-going process of identifying opportunities and resources currently and during the next several years into the future for the purpose of achieving the total goals of an organization. Functional Planning is planning within one of the functional areas of an organization -- i. e., education or health. Project Planning is planning how to complete a specific task. (Project Planning is of such narrow scope and so managerial in character that it is, for purposes of this memorandum, assumed to be a proper function and responsibility of operating agencies.)

It is also possible that when one is talking about planning in the federal context, one might be referring to planning assistance. The Federal Government has almost forty different planning assistance programs at this time.

PLANNING RESPONSIBILITIES OF THE DOMESTIC COUNCIL AND
THE OFFICE OF MANAGEMENT AND BUDGET

The Domestic Council is suppose to determine WHAT, and the Office of Management and Budget is suppose to determine the HOW. This fundamental division of responsibilities suggests how responsibilities for planning should be divided.

Domestic Council's Planning Responsibilities

The Domestic Council has as one of its explicit responsibilities assisting the President in developing the goals which will guide comprehensive planning. The very high policy quotient of comprehensive planning and the fact that it crosses functional and administrative boundaries requires that it be carried on within the Domestic Council Staff. Comprehensive planning, because of its overview characteristic, assists in planning in various functional areas. One part of comprehensive planning could be development of optional multi-functional scenarios. These scenarios might contain varying mixes of the functional area programs designed to achieve the President's goals.

Functional area planning should, at a general level, also be included among the activities of the Domestic Council and its staff because of the need to coordinate functional area plans with the goals and priorities of the President, and the need to alert the President and the Domestic Council Staff to emerging functional area problems and opportunities.

The Domestic Council Staff should also play some role with respect to planning assistance programs for four reasons. First, planning assistance grants are, in effect, a major federal subsidy program. Second, planning assistance programs determine in large measure the kinds and amounts of program assistance which will be asked of the Federal Government by states and localities. Third, federal planning assistance programs must be coordinated to make the most effective use of the federal grant dollar. (Past efforts to coordinate planning assistance grant programs have been less than satisfactory.) Finally, planning assistance programs can be a key element in insuring the effective utilization by states and localities of federal block grant and revenue sharing dollars.

Office of Management and Budget's Planning Responsibilities

The "HOW" responsibilities of the Office of Management and Budget give OMB several specific responsibilities in both the areas of substantive planning and planning assistance.

The Office of Management and Budget should have the responsibility of developing and maintaining fiscal, program and program evaluation data for use in the comprehensive planning process. The Office of Budget and Management would also be expected to monitor and coordinate functional and project planning in the various federal agencies. It also seems reasonable to expect the OMB to provide various agencies with guidance and technical assistance in developing high quality functional area and project plans.

Three components of federal planning assistance program activities should be considered separately which might be assigned to the OMB. One planning assistance component is that of setting forth the administrative procedures and standards for the implementation of planning assistance policies and coordination of planning assistance programs. This would include putting forth the detailed guidelines for planning ~~assistance~~ programs which would clarify and simplify grant approval processes, coordinate data requirements among planning assistance and grant programs, and coordinate planning requirements of various grant programs. A second component is identifying opportunities for improving the management of planning assistance grant programs. A third component of planning assistance is the actual administration of comprehensive planning grant programs, designed to support the comprehensive planning processes of state and local governments. (Note: This does NOT refer to the misnamed "comprehensive health", "comprehensive law enforcement", "comprehensive sewer and water," etc.)

DETAILS OF POSSIBLE ORGANIZATION

This section sets forth the details of one possible organization of the planning responsibilities in the Domestic Council and in the Office of Budget and Management.

Domestic Council Organization

The Domestic Council has essentially four planning related functions: (1) the establishment of goals, (2) comprehensive planning, (3) functional area planning, (4) and planning assistance.

The staff work behind the identification of a specific set of national goals should probably be done by a project group involving the substantive staff area leaders, and representatives from the planning, analysis and budgeting unit.* (The National Growth policy working group might be this kind of a project group.)

The comprehensive planning process would be staffed by the planning analysis and budget unit. Functional area planning would be the responsibility of the substantive area lead men. Staff support for the planning assistance planning responsibilities would be handled by the planning analysis and budgeting unit, or by ^asenior staff lead men with that as his special area of responsibility. (I would recommend the former to insure integration with the planning effort on the Domestic Council Staff.)

Office of Management and Budget Organization

The OMB has the responsibilities for:

1. Monitoring the implementation of DC comprehensive planning.
2. Pulling together the data for the DC comprehensive planning.
3. Monitoring functional area planning.
4. Setting policies within Domestic Council guidelines, setting procedures, evaluating and possibly operating comprehensive planning assistance grant programs.

A key function of the Office of Management and Budget will be monitoring the agencies' implementation of the comprehensive done by the Domestic Council. The execution of these basic policy directives is the fundamental responsibility of the Director of the Office of Budget and Management. He could choose to either execute that function with a small staff in his own office, or create a separate office. I suspect that the Director might find it advantageous to keep this responsibility within his own personal staff to insure that it has the necessary clout.

* For the sake of simplicity, it is assumed that departmental representatives will be involved wherever appropriate. It is also assumed for the purposes of this discussion that the DC staff would be organized into three groups (substantive area lead men, a planning analysis and budgeting unit, and staff assistants who would be used as required.) The planning, analysis and budgeting unit might be organized as one, two or three units.

The responsibilities for pulling together fiscal and program data for comprehensive planning purposes will be the Offices of Budget Review and Program Evaluation respectively.

The responsibility for monitoring functional area planning within the OMB could be in the "program coordination unit."

The planning assistance activities of the Bureau of the Budget, if no changes are made at this time, will be placed in the "organization and management systems unit" of the OMB -- the successor to the present Office of Executive Management (Dwight Ink). These activities now include setting general policy, setting procedures, and reviewing the operating of planning assistance programs. However, the Ink operation has never had the necessary clout to make some of its policy ideas stick or to really coordinate the federal government's comprehensive and functional area planning assistance programs.

Ink has recently suggested in a memorandum to John Ehrlichman (See Action memo Log No. 4065) that consideration be given to setting up a separate planning/planning assistance office in the Executive Office of the President which would carry out the present planning assistance activities and would operate the comprehensive planning assistance programs.

True comprehensive planning grants probably do not belong in any functional agency unless one wanted to argue comprehensive planning grants for urban areas should be administered at HUD, and comprehensive planning grants for small towns and rural areas should be administered through the Department of Agriculture. This would still leave us without an agency to administer comprehensive planning grants for state and regional governments.

The recommendation that some EOP Office take over the operation of comprehensive planning assistance grant programs, even if they do not fit neatly into that of any other agency, runs counter to a general rule of thumb that no operating agency should be lodged in the Executive Office of the President. This rule could be obeyed while maintaining the policy responsibilities in the Executive Office of the President by having the Office of Budget and Management be responsible for all policy decisions with respect to the program, and delegate its operation to some other department, such as HUD.

With respect to comprehensive planning assistance programs. I recommend that ALL policy decisions (not just general policy decisions) be made by the personal staff of the Director of the OMB within a framework set up by the Domestic Council. I recommend that the operation of the comprehensive grant programs be delegated to an agency.

I recommend that other types of planning assistance programs continue to be operated by their present agencies with the OMB's Director's staff setting general policies within a framework set by the Domestic Council. The "organization and management systems unit" should continue to set procedures and review the operation of all planning assistance programs.

Finally, this memorandum is a "quick and dirty" analysis of the problem and does not include much of the reasoning that went into the analysis and behind the recommendation. In any event, it may provide a useful framework for your own consideration of the problem.