

PRINCIPLES FOR GOVERNMENT OPERATION

The Problem

The vast expansion of new programs, together with the alteration of existing programs through legislative amendment, and the submission of nearly 100 reorganization plans since 1939, suggests that organizational change has become almost constant in recent governmental history. The present state of federal organization is chaotic. It results, in part, from the practice of treating proposals, arising both from within the Administration and from Congress and that affect the structure and operation of a single governmental activity, on an ad hoc basis without sufficient regard to possible effects on the overall working of government.

The Goal

Since actions which affect the structure and operation of government are taking place constantly, it is thought that the development of a set of standards, reflecting the underlying policies of the Administration regarding the functioning of government may be useful. Such standards would provide a tool that, if applied rigorously in evaluating the desirability of one action or another, might gradually lead government to a more orderly state.

Intervention Points

Such a standard would be useful, not just in shaping major structural changes, such as the establishment of a new Department, but at the many points where the character of government operations can be influenced. Some of these intervention points are the following:

1. Administration comments on bills before the Congress.
2. The budget process -- which faucet to put the dollars in when building the budget and more than one option exists.
3. Internal reorganizations of existing Departments and Agencies.
4. The allocation of positions (slots).
5. Drafting and approval of authorizing legislation initiated by the Administration.

6. Communications -- Public discussion, through speeches, statements, messages, and even mail and press conference responses on substantive problems can have an effect on the procedures and structures that are created to address the problem.

Principles for Government Operation

The following are suggested for consideration as a possible set of criteria. They are proposed in the form of questions to be asked as standard procedure in evaluating proposed actions which could have an effect on the organization and operation of government.

1. Is the proposal advanced designed to provide sufficient accountability of government to the public?

To the extent possible, government should be structured so that authority is distributed in such a way that the public can clearly hold specific officials accountable for their action or inaction. Accountability requires a structure and flow of responsibility that is readily comprehensible for most citizens. The following characteristics are desirable:

(a) Simplicity in structure, including similarity of structures between comparable units.

(b) Clear definition of the authority and responsibility lodged in a position.

2. Does the proposal give maximum desirable discretion and authority to elected public officials who will be held accountable for performance or the lack of it?

Elected officials who are looked to for the performance of government must be given sufficient flexibility and discretion to affect the operation of government. Special relationships between federal or state and local agencies, which bypass elected officials, should only exist in a limited number of instances and for a specific reason. Processes which assure that elected officials consult with affected groups are desirable.

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3. Does the proposal advance responsiveness?

The administrative organization must respond to the officials who can and will be held accountable for the outcome. Elected officials must have the authority and flexibility, commensurate with their responsibility. The imposition of rigid organizational structures or detailed personnel systems is to be avoided. Also to be avoided are approaches that distort priorities established by local units of government. While at times this is necessary in order to advance national objectives, it should be done sparingly. Thus the use of strictly limited categorical, matching-fund programs should be minimized. The use of clear standards of performance, based on output rather than input, are to be encouraged.

4. Does the proposal appropriately locate responsibility between federal, state, and local governmental units, or the private sector?

The New Federalism does not call for simple decentralization to state and local government across the board, but rather for a system of shared responsibilities. Each level of government, as well as the private sector, has individual characteristics, capabilities and interests which equip it to best handle a given responsibility. Which level is appropriate to which responsibility must be carefully determined. Any careful determination will have given careful consideration to the use of the private sector.

5. Does the proposal permit sufficient freedom to adopt differing objectives and approaches?

The dictation of a single national approach springs more from arrogance than competence. The value of pluralism and the judgment that understands its own limitations has long been a basic part of our approach to government. The understanding that requiring uniformity has, on occasion, been very costly, prompts the requirement that careful determination of the actual need for a uniform approach, and the possible cost of

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imposing one, precede the adoption restrictions that limit the freedom to proceed differently.

6. Does the proposal assist a growth in capacity of the state or local unit of government to which authority is being assigned?

The capacity of non-federal units should be enhanced so that they and their elected leaders are capable of handling the increased authority assigned to them. Narrow functional responsibilities should not be assigned to the local unit of government without increasing its capacity to relate the execution of that responsibility to the conduct of their whole responsibility.

7. Does the proposal provide administrative units which correspond to relevant political jurisdictions and are the administrative units consistent with administrative units of other similar programs?

Special administrative districts or units which do not correspond to political jurisdictions or are inconsistent or overlapping with administrative units provided for under other related programs are to be avoided.

8. Does the proposal reduce the need for coordination between different Executive Departments and Agencies and between headquarters and field operations, as well as between the federal government and state and local units of government?

The need for coordination results largely from the fact that different agencies or different parts of the same agency are carrying out the same or similar responsibilities. The proposal should provide for the consolidation of programs performing the same functions. Coordination is incredibly difficult and time consuming.

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9. Does the proposal simplify the procedures and processes citizens and other units of government must follow in dealing with the federal government?

Procedures should be designed, not for the convenience of the bureaucracy, but for the convenience of the people that government serves. Similarity in procedures between programs and between departments is to be encouraged.

10. Has the proposal come after consideration of alternative approaches to the carrying out of a particular function?

Too often proposals suggest the adoption of a new grant program or loan guarantee program without adequate consideration of other approaches. A range of approaches do exist, some of which are more self-executing or make greater use of the private sector than the traditional state plan, categorical grant program. Some, which should be considered, are listed below:

- (a) Tax reduction permitting greater state and local government taxation.
- (b) Tax deductions.
- (c) Tax credits.
- (d) Sharing of revenue with state or local units of government.
- (e) Income transfers to individuals without strings.
- (f) Block grants for broad categorical use by state and local governments.
- (g) Narrow categorical aid to state and local governments.
- (h) Transfer of categorical purchasing power to individuals through the use of vouchers.

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- (i) Federal grants or contracts with private groups to perform governmental services.
- (j) Direct federal operation.
- (k) Requirements relating to contracting with the government, such as the Philadelphia Plan.
- (l) Manipulation of regulations on private sector mechanisms to obtain social objectives. Banking regulations are one example.
- (m) Supplying incentives to socially beneficial placement of private capital through guarantees, insurance.
- (n) Creation of new mechanisms which can influence the flexibility of resources, including money and personnel. Such institutions might be similar to FNMA or new mechanisms that compensate employees for loss in retirement benefits or stock options resulting from a move.

11. Does the proposal provide systems for the supply of necessary information?

Information is critical to the understanding of government and the responsible exercise of power. Provision must be made for:

- (a) Management information systems that supply necessary data for day-to-day decision-making.
- (b) Thorough evaluation which is separated from the administration of programs.
- (c) The collection and dissemination of information to the public generally and interested constituencies.

12. Have the future costs of the proposal been adequately determined and compared against other government-wide

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priorities?

There is a need at the time programs are launched for thorough analysis of the future costs of the programs and whether they can be accommodated consistent with other obligations.

13. Does the proposal contain a required termination date or other mechanism that forces a thorough evaluation of the need for the program at some future point?

The need for governmental interest in a problem does not necessarily exist in perpetuity. Thus, the program developed to address a problem should be reviewed periodically to determine whether the need continues and whether the particular approach is still warranted.

14. Is the problem decided in a way that it will be as self-executing as possible?

To the extent that this question is unanswered in preparing legislation for the proposal, and discretion is left in the hands of administrators, a whole bureaucracy will inevitably grow up to exercise that delegated discretion.

It is very important to remember that any set of principles will not necessarily be mutually supportive in every instance. Many times they will conflict. For example: the desirability of having a system which is fully responsive to national leadership and goals necessitates a good management information system, common criteria for program evaluation, and in general uniformity across the nation. A program fulfilling these requirements would most likely violate principles of pluralism and local autonomy and independence. By the same token, programs designed to emphasize responsiveness to locally determined needs should not be evaluated in terms of unrealistic nationally established standards of performance.

What is required is a rational selection of approaches (i. e., local autonomy is furthered by revenue sharing as opposed to categorical grant-in-aid programs). In each major policy decision, one of the key issues for decision involves the trade-offs between principles. Once the decision is made, it should be

broadly disseminated so that Congress and the nation understand the trade-offs and which principles were emphasized in promulgating a specific policy. Deliberate and effective communication of the elements in the decision will insure a more rational debate in the Congress, improve accountability to the public, lessen the likelihood of bureaucratic slippage in implementation, and insure that the program is not unfairly criticized later for violating certain principles which were discarded in a given instance.