

EXECUTIVE OFFICE OF THE PRESIDENT
PRESIDENT'S ADVISORY COUNCIL ON EXECUTIVE ORGANIZATION
WASHINGTON, D. C. 20506

August 20, 1969

MEMORANDUM FOR

THE PRESIDENT

SUBJECT: The Executive Office of the President

These are your Council's first recommendations on the Executive Office of the President. They are based on our conclusion that the increased pace, scope, and complexity of national affairs require improvement in the managerial capacity of the President's Office.

We have analyzed studies made since 1939 on Presidential management and conferred with many contributors to those studies. Regardless of ideology or party, there is virtual unanimity that organizational improvement of the Executive Office of the President is needed.

Two of the recent studies were the Heineman Task Force Report in 1967 and that of your task force (The Lindsay Task Force) in 1968. A June 1967 Heineman Commission working paper on the Organization and Management of Great Society Programs said: "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 While the President today is served by especially gifted men their jobs do not allow them time to plan for the long run, to engage in systematic program analysis, to weigh new program ideas and program priorities."

In December 1968, the Lindsay Task Force on the organization of the Executive Branch recommended "... that the President-elect give first priority to organizing more effectively the White House and Executive Office as the best way to improve the operations of the entire Executive Branch."

We agree with both of these conclusions. We also believe that the structure of the Executive Office pervasively influences the effectiveness of the entire Executive Branch. While most of the management today within the Executive Branch can and should be performed by the agencies^{1/}, there are aspects of the overall management

^{1/} As used in this memorandum, "agencies" includes the departments, agencies and other units of the Executive Branch outside the Executive Office of the President.

responsibility which must be provided for organizationally in the Executive Office. These involve processes and mechanisms through which the President can (1) exercise his own authority more effectively; (2) determine what should be delegated and to whom; (3) insure that delegated authority is being exercised properly; and (4) permit him to reassign or take back, from time to time, the authority delegated.

There are seven of these management processes which must be encompassed within the organization of the Executive Office. In some of these, certain improvements have been made since January 1969; in others, organizational inadequacies persist. These management processes are --

1. Development of Policies and Programs. The translation of national goals into specific, workable, and consistent action programs is a primary Presidential responsibility. Federal programs have become increasingly interrelated and they often involve more than one agency. For these, no single agency has the necessary overview. However objective an agency may try to be, it cannot be expected to make government-wide priority decisions. Also, some programs which fall within one agency may at times require Presidential perspective in their formulation.
2. Proposal of Legislation and Budgets. Many legislative decisions cut across agency lines or involve political judgments requiring Presidential insight. Similarly, all major budgetary decisions are made in the broad context of national needs and available funds and typically involve not only present but future commitments of the country's resources. Both legislative and budgetary priorities need to be set by the President.
3. Assignment of Organizational Responsibilities. Many program decisions are made without due regard for their organizational implications. When programs are forced into inappropriate molds, their effectiveness suffers. And even when organizational questions initially receive the consideration they require, no one adequately sees to it that organizational form continues to fit the intended purpose. The result is to lock the Executive Branch into patterns of disorganization that persist into the future. Resistance to organizational change is a principal obstacle to effective government, and yet the complexity, scale, and innovative nature of today's programs demand greater and ongoing attention to sound organization. The President's overview of the Executive Branch provides the only perspective from which to determine the organizational adaptations needed to accommodate ever-changing requirements.

4. Resolution of Program Management Problems. Interagency differences do not always require the intervention of superior authority, and it is generally wise to permit the agencies to work out their own differences if they can. But sometimes agencies compromise on issues to their own satisfaction in such a manner that the public interest is not best served and administration policy is not followed. The Executive Office of the President is the only place where some issues can and should be resolved. Perhaps even more importantly, the Executive Office, on its own initiative, must occasionally grasp an operating problem and supply the advice and impetus needed for its effective solution.
5. Evaluation of Programs. An effective agency will evaluate the results of its own operations in order to manage its programs. However, an agency cannot fairly judge overall program effectiveness in multi-agency operations. Differences in perspective and interpretation between Presidential and agency levels require a capacity in the Executive Office to evaluate program performance.
6. Development of Executive Personnel. Without sound management processes, effective performance is exceedingly difficult. It does not follow, however, that such processes produce good results, only people do. There is a critical need for first rate government executives. This poses an increasingly difficult problem in the face of intense competition for executive talent. Moreover, the government does not have personnel policies or mechanisms which permit the mobilization of the best managerial talent in the places where the needs are greatest. Individual agencies cannot effectively do the job. While appreciating the present role of the Civil Service Commission, we believe that the President's Office should take the lead in developing programs to recruit, train, motivate, and deploy top executives.
7. Creation of an Information System. Today, the President is not systematically and continually informed about many of the Government's programs. On some matters, he receives a great deal of data, some pertinent, some not. On other matters, he is inaccurately or inadequately informed. Not only does the President lack needed information about activities of the Executive Branch -- the agencies in the Executive Branch lack information about their own operations. The data available suffer from inconsistent definitions, techniques, and coverage. To meet the requirements of the Executive Branch, and to meet the President's singular responsibility, an information system is needed. The impetus for such a system can only be provided by the President.

THE COUNCIL'S VIEWS

Reliance upon the Agencies. Abstract organizational principles, per se, have little value. The challenge is one of reducing to human scale the task of coping with the nation's most pressing and changing needs. The only way to meet this challenge is through greater reliance upon the agencies. The prerequisite is dramatic improvement of the management processes of the Executive Branch, with leadership from the President's Office.

A President whose programs are well designed, whose organizational assignments are plainly set out, and whose information system keeps him adequately informed and signals the need for Presidential attention, may delegate authority with security and confidence. A President whose office lacks these processes will necessarily be less inclined toward delegation and will try, by default, to retain in his control operating responsibilities he cannot possibly handle. Further, if agency heads have clear authority, they will have a greater capacity to manage their own departments as well as to respond to the needs of the President.

Flexibility and Continuity. Each President should have the freedom to organize his Executive Office in the way that will make him most efficient. To achieve that flexibility, the Council believes that the President should immediately seek reorganization authority over his Executive Office.

Continuity of certain basic organizations and functions can greatly aid every President even though each may use the organizations differently. Such organizational structures should endure, therefore, from administration to administration.

Presidential View of the Executive Office. Care should be exercised in adding organizational units reporting to the President. Placing a unit in the Executive Office at a level immediately under the President may well raise its effectiveness by investing it with a claim on the President's time and attention. But that positioning must be at the expense of his attention to other activities and thus may result in a net loss of overall effectiveness. The concepts we are suggesting to provide organizational structure for the seven management functions in the Executive Office make a minimal charge on the President's time.

Transition. We could not fail to note that many of our recommendations are similar to those recommended earlier to other Presidents and, in some instances, by those Presidents to the Congress. Yet the unfortunate fact is that such changes, identified again and again, to make the President's job manageable, have not been accomplished, although the need for them intensifies.

On December 3, 1929, President Hoover's first message to the Congress stated:

This subject (departmental reorganization) has been under consideration for over 20 years. It was promised by both political parties in the recent campaign. It has been repeatedly examined by committees and commissions -- congressional, executive and voluntary. The conclusions of these investigations have been unanimous that reorganization is a necessity of sound administration, of economy, of more effective governmental policies, and of relief to the citizen from unnecessary harassment in his relations with a multitude of scattered governmental agencies. But the presentation of any specific plan at once enlivens opposition from every official whose authority may be curtailed or who fears his position is imperiled by such a result; of bureaus and departments which wish to maintain their authority and activities; of citizens and their organizations who are selfishly interested or who are inspired by fear that their favorite bureau may in a new setting be less subject to their influence or more subject to some other influence.

The world has changed greatly in the past 40 years, but the human problems involved in organizational change endure. They must be directly addressed.

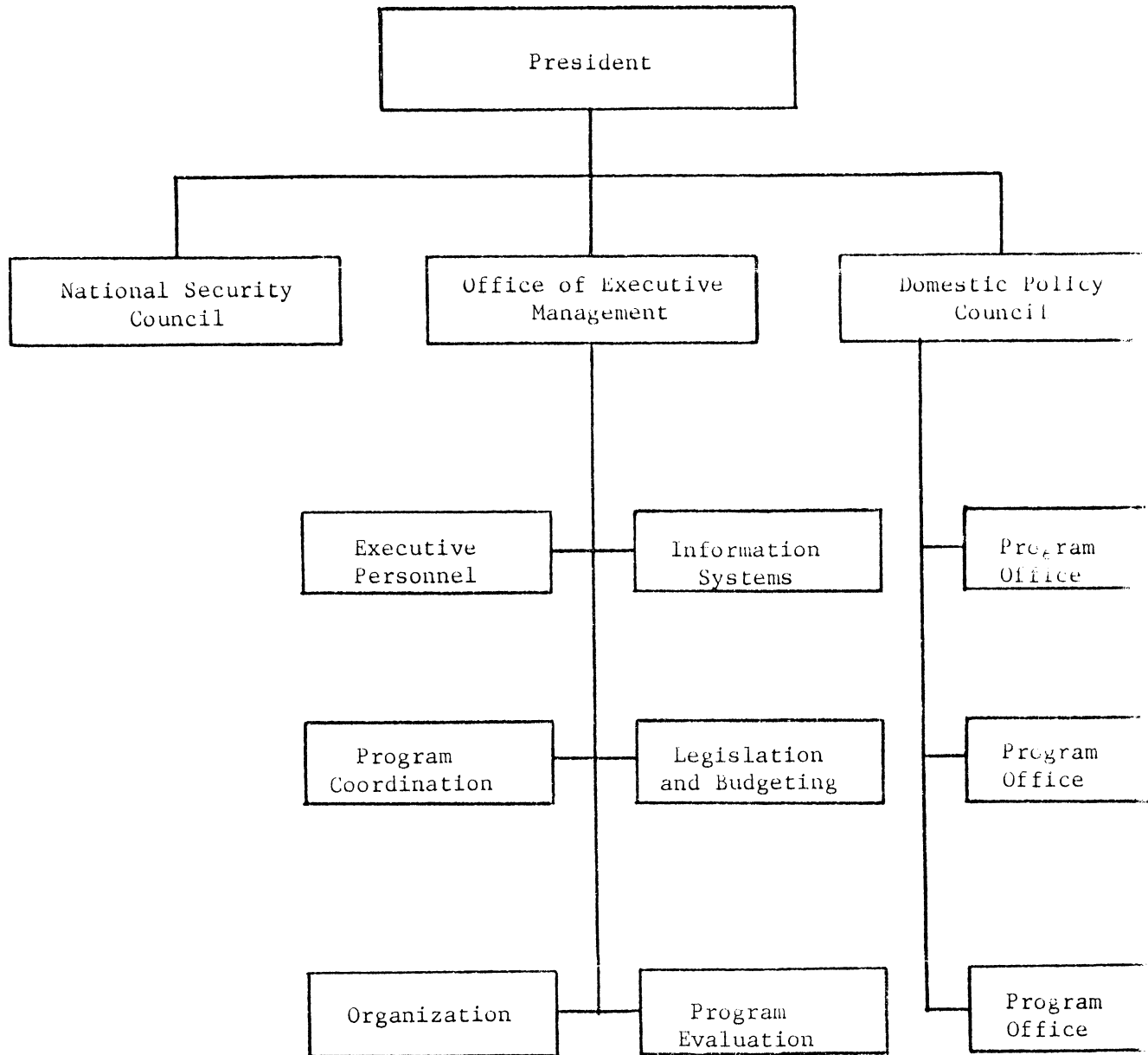
Organizational Concept. We have given detailed attention to several alternatives. Each has in common the establishment of an Office of Executive Management to assist the President in carrying out a part of his management responsibilities. The alternatives differ in the way each deals with the balance of his managerial job, namely the placement and organization of the domestic policy and program development function.

We favor a structure which would vest that function in a Domestic Policy Council with a full-time, Level II director and the President as Chairman.

The Domestic Policy Council director would supervise several deputies. Each would be responsible for program development in a broad program area. Existing entities would be considered for subsidiary responsibilities if feasible, and new units such as one for natural resources, could be set up.

The following chart illustrates our proposed concept.

Conceptual Chart of Part of the Functions
of the Executive Office of the President



In considering the placement and organization of the policy and program development function, we rejected a number of alternatives, including placing that function

- in an office under the Director of the Office of Executive Management;
- in a separate office at the same level as the Director of Executive Management, and also reporting directly to the President;
- in two or more councils each dealing with various aspects of the policy and program development task, and each reporting directly to the President.

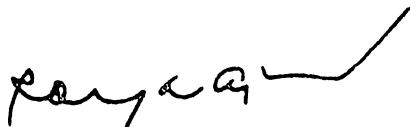
The alternative we have chosen, one Domestic Policy Council, provides a place where major domestic programs may be evaluated against each other and against available resources, and integrated for maximum effectiveness. Further, it formalizes the best arrangement for the distribution of the executive workload. This arrangement should substantially contribute toward better management of the Executive Branch.

THE COUNCIL'S RECOMMENDATIONS

1. An Office of Executive Management. We recommend that you approve in principle the establishment of an Office of Executive Management and that you direct us to work out the necessary plans for your approval.
2. A Domestic Policy Council. We recommend that you approve in principle the establishment of a Domestic Policy Council for policy and program development and that you direct us to work out the necessary plans for your approval.
3. Reorganization Powers. We recommend that you direct the Bureau of the Budget to prepare draft legislation giving the President broad powers to reorganize the Executive Office of the President.
4. Executive Personnel. We recommend that you appoint a full time Presidential Assistant for Executive Personnel to collaborate with us in evolving a plan for the development of an Executive Personnel function.

We would hope that this paper be circulated for comment to key members of your immediate staff so that we may have the benefit of their views in developing the implementing plans.

Respectfully submitted,



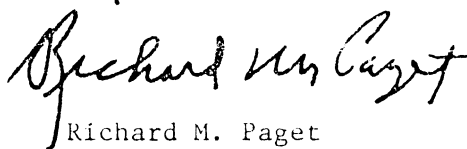
Roy L. Ash
Chairman



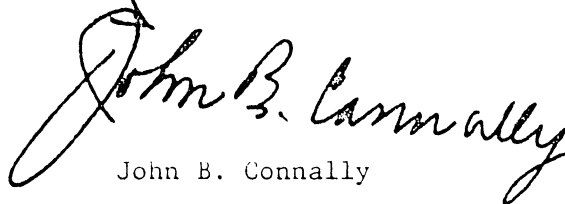
Frederick R. Kappel



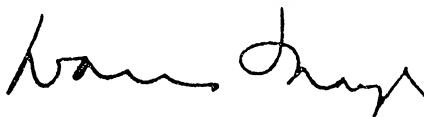
George P. Baker



Richard M. Paget



John B. Connally



Walter N. Thayer

Attachments

EXECUTIVE OFFICE OF THE PRESIDENT
PRESIDENT'S ADVISORY COUNCIL ON EXECUTIVE ORGANIZATION
WASHINGTON, D. C. 20506

October 17, 1969

MEMORANDUM FOR

THE PRESIDENT

SUBJECT: Proposed Organization of the Executive Office of the President

This paper amplifies the proposals presented in the Council's meeting with you in San Clemente on August 20, 1969. The memorandum discussed in that meeting (see page 1) recommends creation of an Office of Executive Management (OEM) and a Domestic Policy Council (DPC). Implementation plans for these proposals are presented in this report. A subsequent report will cover other activities within the Executive Office of the President (EOP) we are now studying, particularly the Offices of Science and Technology, Emergency Preparedness, and Inter-governmental Relations.

Under the plan proposed by your Council, the OEM and the DPC will serve the President directly. They will increase his ability for effective decision making and program execution. When fully operative, they will permit the President to delegate authority with confidence, and strengthen the agencies'^{1/} ability to manage their programs. Figure I is a diagram of selected elements of the EOP as it is currently organized. Figure II diagrams our proposed EOP organization for these elements.

The OEM and the DPC, when considered with the National Security Council, are conceived of as the primary staff machinery for the President's management of the Executive Branch. The success of OEM and DPC will depend upon close cooperation between them, and upon their ability to work with the agencies and with units of the President's Office. We recognize that the President will continue to need a personal staff to handle matters which for one reason or another seem better suited to the attention of that staff than of the DPC or OEM.

OEM and DPC will provide a more effective and coherent arrangement of many management activities which already exist in some form. They will provide you, and Presidents in the future, with instruments for managing, although you and they may use them differently. While the analog is imprecise, it is worth noting that in the field of foreign affairs, the National Security Council has for 22 years been available to serve each President in a manner consistent with his style.

^{1/} As used in this memorandum, "agencies" includes the departments, agencies, and other units of the Executive Branch outside the Executive Office of the President.

Within the next few years, the OEM and the DPC may require, in our opinion, up to 110 additional professionals, over and above those presently assigned to the EOP, to serve their functions effectively. If and when such a level is reached, our estimate of the additional cost is \$2.2 million annually. Staffing and budget estimates are presented in Appendix B.

This increase, which will be achieved over time, is modest in terms of the management responsibilities of the President. The DPC and OEM represent, after all, the first major improvement in the President's management capability since the Brownlow Committee recommendations were implemented by President Roosevelt in 1939. In recent years, billions have been invested in domestic programs, yet adequate means for the President to manage them have neither been requested nor provided.

The cost of the EOP has increased at an annual rate of 10 percent since 1963. In this current year, for example, the BoB has been authorized to employ 50 more professionals. The \$2.2 million which we recommend represents a seven percent increase in the official EOP budget; if persons detailed to the EOP from the agencies were paid from EOP funds, the percentage would be even lower.

THE DOMESTIC POLICY COUNCIL (DPC)

Mission and Role. There does not now exist, at any point in the structure of government, an organized and well staffed group of men charged with advising the President on total domestic policy. The DPC will fill that need. It will develop new initiatives, like the recent welfare proposal; analyze agency initiatives, like the recent tax reform package; and consider policy changes in existing programs, e.g., whether Social Security benefits should be tied to living costs.

In proposing alternative courses of action for the President, the DPC will undertake four activities. First, the DPC will develop forecasts and other data to help define national goals and objectives. Second, it will synthesize policy alternatives into consistent domestic programs that will balance the President's priorities and agency requests against available resources. Third, it will serve as a central point for rapid response to Presidential needs for domestic policy advice on immediately pressing issues. Fourth, it will consider the policy implications of ongoing programs and propose revised policy as needed. As an example of the latter, the policy underlying the Job Corps with its attendant program and organizational difficulties, would undoubtedly have been reviewed by the DPC.

The DPC will provide a mechanism for the Administration's top executives to focus collectively on domestic policies and on their own relationships in developing those policies. It will be a vital link

between the agencies and the President -- disseminating the President's philosophy to the agencies and communicating agency positions to the President.

Structure and Staffing. The President (and in his absence, the Vice President) will serve as Chairman of the DPC. Formally, there will be eleven Council members: the Vice President, the Secretaries of nine Cabinet departments (all but State, Defense, and Post Office), and the Director of OEO as long as he retains Cabinet rank. The Council's staff will be headed by an Executive Director who, we believe, should also be the Assistant to the President for Domestic Affairs.

The President may convene meetings of the whole or any part of the Council membership. At such meetings, he may decide also to invite selected executives of the EOP, non-member agency heads, or others. In discussing a truth-in-lending issue, for example, the President might include, among others, Treasury, Commerce, HEW, CEA, and FTC.

The President will use Council meetings as he sees fit: sometimes as a forum for discussion, sometimes as a means of disseminating his decisions, sometimes to weave diverse views into a workable consensus.

The Executive Director of the DPC will be a Level II to be appointed without Senate approval. He will direct and organize a staff of some 40 professionals, most of whom will be assigned to analyze specific matters of current interest to the President. Sections of the staff could specialize in such areas as environmental quality, urban affairs, and human resources. A small segment of the staff -- about ten professionals -- might conduct research on long-range economic and social trends to help clarify national goals and objectives. This staff element provides a research tool not currently available. Another small group, perhaps five professionals, could insure that the DPC is appropriately involved in budget allocation and review.

Much of the Council's work will be accomplished by program committees to be established by the President through the Executive Director. We use "program committees" as a generic term for a variety of working groups. In practice, these committees can be task forces, planning groups, statutory offices, advisory councils, or commissions. They can be established with varying degrees of formality, and can deal with broad program areas like urban affairs and environmental quality or with narrower ones like drug abuse or prison reform. The committees will be supported by DPC staff, supplemented when needed by agency experts.

The membership of these committees can include representation from within the Federal Government, from outside it, or both. Their staffs, coordinated and monitored by the DPC's Executive Director, can call upon experts within and outside the Executive Branch. The committee device, with adequate staffing and coordination, will provide the generative mechanism for readying policy proposals for Presidential review. As needs change, committees will be formed, modified, and terminated.

For a further description of the DPC, see Appendix C.

Important Changes. While building on relationships that exist informally between the White House staff, agency officials, and outside groups, the DPC embodies three innovations:

1. It asserts executive leadership over program development permitting an integration of policy with resources.
2. It institutionalizes an adequate Presidential-level staff to research program proposals and do long-range planning.
3. It brings the President's top officials into flexible, working bodies to focus on broad domestic issues and instills a shared sense of overall goals.

These innovations will enable the President to make better program decisions in the light of resource constraints and will remove the confusion of purpose which arises from ambiguity in assigning responsibility for policy development.

THE OFFICE OF EXECUTIVE MANAGEMENT (OEM)

Mission and Role. OEM will be an essential management arm of the President. It will provide enhanced institutional capability for:

- budget and program evaluation,
- program coordination,
- legislative clearance,
- executive personnel development, and
- organization and management systems improvement.

It will be OEM's job to carry out all these functions so they relate to each other. Coherent executive management of the Executive Branch cannot otherwise be attained. In performing its mission, OEM will serve as an important link between the President and the agencies. Appendix D provides a more detailed description of OEM's general duties.

Structure and Staffing. We recommend that the Executive Director of the OEM be a Level I and his Deputy Executive Director a Level II, both appointed without Senate confirmation.

To perform the functions listed above, the Executive Director and his Deputy Executive Director will be responsible for five Divisions:

1. Division of Budget and Evaluation (See Appendix E). This Division will prepare and review the annual budget and will assist in developing budget and fiscal policy. With the help of other parts of the EOP, it will develop the assumptions, constraints, and guidelines for the agencies' program budget submissions.

A great weakness in Federal Government is its lack of ability to evaluate program results. This Division will also be charged with that responsibility. It will assess program achievements in terms of performance objectives and cost, and will pinpoint critical problem areas for executive attention. Further research into evaluative techniques, and training EOP and agency executives in their use, will take time and effort, but it must be done.

The Director of the Division will also be a Deputy Director of OEM. He will have two level IV deputy division directors, one for evaluation and one for fiscal affairs, as well as a Level V assistant division director for budget preparation and review. Together they will direct a staff of about 240 professionals.

Forty of these will establish budget guidelines and assemble the budget, and 25 will develop and apply evaluation techniques. The others will be divided into six examining groups, corresponding to BoB's present program divisions, augmented to strengthen the evaluative function and headed by Presidential appointees. Four of the examining groups will be headed by Level V's, while the remaining two examining groups, those concerned with National Security Programs and Human Resources Programs, will each be headed by Level IV.

2. Division of Program Coordination (See Appendix F). Major problems have always faced the President in achieving the effective implementation of his domestic programs. A program is only as good as the results it achieves at the points of delivery. Where programs require cooperative interagency action, a sound management device is needed to assure this is forthcoming.

This is a principal purpose of the proposed Division of Program Coordination. Its staff, which will be based in Washington, is intended to be constantly active in the field observing program performance at the operating level. It will improve the implementation of domestic programs by helping agencies work out interagency operating problems in the field. It will perform an expediting role and serve as a catalyst to bring about cooperation between agencies on related programs.

On occasion, the Division will also coordinate specific activities requested by the President, particularly in cases of local emergencies. At other times, the President's staff on the DPC may wish to enter into selected coordination issues where Presidential considerations on important policy matters may be at stake.

It is important to describe the coordinator's role with unusual care. He will cultivate a relationship of trust and understanding with agency officials. Although each coordinator will inevitably carry a grain of Presidential authority, he will rely primarily on his broader perspective and persuasive talents to bring agencies together. He may, for example, ask agencies to take actions allowing greater flexibility in the field and greater reliance on state and local governments. A coordinator who too often crosses the narrow line from assistance to pre-emption will fail.

The difficulties experienced by state and local governments in respect to interagency Federal programs are well known. This Division can be called upon by those governments to resolve operating problems arising from interagency programs. It will work as appropriate with the Vice President and the Office of Intergovernmental Relations (OIR). As previously indicated, the Council is currently studying the role of the OIR.

The Level III Director of this Division will have two Level IV Deputies and a staff of some 30 professionals.

3. Division of Legislative Clearance (See Appendix G). This Division will draw together agency reactions on all legislation -- some 17,000 pieces annually -- and prepare recommendations to the President.

It will also participate in developing legislation to implement the President's programs and assist in the drafting of new bills. It will review the agencies' proposed Congressional testimony.

A Level III Director will direct a staff of about 20 professionals. This Division will draw upon the assistance of the Division of Budget and Evaluation, the NSC, the DPC, and other staffs.

4. Division of Executive Personnel (See Appendix H). Executive manpower planning and development in the Federal Government is in a primitive state. We have essentially no means of forecasting needs for executive talent -- either in terms of quantity or skills. There is no reliable way to appraise executive leadership potential. Training and motivation programs are inadequate.

The Division of Executive Personnel will take the lead in developing and evaluating programs to recruit, train, motivate, deploy, and evaluate top executives. These programs will aim to develop new perspectives and skills among Federal executives, and will assure that talented executives are identified, utilized to their fullest capabilities, and exposed to opportunities across the Executive Branch.

The Division will rely primarily upon the Civil Service Commission and the agencies to execute programs and will encourage the agencies to develop their own. It will not be responsible for recruiting or identifying potential executives in the career service. These activities should be carried out by the agencies and the Civil Service Commission.

The President will, of course, make whatever arrangements he wishes in recruiting Presidential appointees. We suggest, however, that this function continue to be performed by a member of the President's personal staff, and not be placed within the ambit of the Division of Executive Personnel.

The Division's Level III Director will have a Level IV Deputy to assist him. The staff will number about 20 professionals.

5. Division of Organization and Management Systems (See Appendix I). This Division will continually review the organizational structure and management processes of the Executive Branch and recommend changes for their improvement. It will also develop information systems to provide performance data and other meaningful information for the President and the agencies.

Its staff, under a Level III Director, will be divided into two sections to perform these functions. One section will work on organization and management processes -- the kinds of tasks assigned to this Council, and to similar groups in the past. Evolving Federal programs need continuing attention to organization and to management systems if the Executive Branch is not to get locked into unworkable structures.

The second staff component, under a Level V Assistant Director, will design and build an effective executive information system to meet the President's needs, and will improve the consistency and quality of agency reporting. The Assistant Director for Information Systems should be chosen primarily for sensitivity to the needs of the President and the agencies, as well as for a broad conceptual grasp of information systems design. As systems are developed, his staff can be reduced.

Important Changes. Many of the functions we have assigned to the OEM are presently performed to some degree within the EOP, but not at the level demanded by current requirements. OEM will bring about the following important changes:

- Presidential appointees will run those institutional staffs of the EOP which assist the President in his management functions. This should lead to greater understanding of the President's programs and priorities and more accurate and aggressive translation of this understanding into action.
- OEM will concentrate greater attention on crucial managerial functions: program coordination, organizational and management processes, information systems, and executive personnel.
- It will give the President's office an increased institutional staff commensurate with the scope and complexity of his managerial problems.
- By conscious stress on "management" rather than "budget," it will create a climate more conducive to managerial effectiveness. The new name -- Office of Executive Management -- is, we believe, of symbolic importance in contributing to that end.
- It will signal increased Presidential attention to executive personnel programs.

PLANS FOR IMPLEMENTATION

The Timetable. Our timetable for setting up the OEM and DPC is built around two key dates: the mid-October presentation of this memorandum to you and the desirability of including the reorganization proposals for the Executive Office in the President's Budget Message to Congress in January. In the intervening period, transition plans and legislative proposals will take their final form; the advice and support of key people within the Government will be solicited; the groundwork for wide acceptance will be laid; and a program for formal dissemination will be executed.

DPC and OEM should be presented simultaneously, as complementary significant actions. Both contain elements that have received bipartisan support in the past. Both are in tune with the most advanced practices of management and policy development. They are designed to work together closely and will reinforce each other by being presented together.

Approach to Reorganization. The new organizations and new positions can be set up by various combinations of Executive Orders, reorganization plan, general reorganization authority, and specific statute (see Appendix J). There will be differences of opinion about the best approach because of the many legal and other factors to be considered. Within the necessary constraints on disclosure, we have explored the subject with knowledgeable people. Based on our information to date, we believe that the President will favor setting up the OEM and DPC through Executive Orders and reorganization authority or specific legislation, even if they mean abandoning or deferring certain aspects of the proposals, such as the preference for a Level I Director of OEM or freedom from Senate confirmation.

Having established the OEM and DPC, the President should seek general reorganization authority for his office, but at a later date.

The reorganization plan should be submitted shortly after the budget message in January, anticipating establishment of the new EOP organization by May 1970. The budget for FY 1971 should include requests for appropriations for the EOP covering the new organizations.

Tactics of Presentation. The OEM-DPC plan is a modern response to the growing complexity of government tasks. It does not derive from failure or inadequacy on the part of government people in general, or the excellent staffs of the BoB or Civil Service Commission in particular. The new organizations will increase effectiveness and program performance. Both will strengthen many decision making processes which exist informally. Both will give the President the tools to delegate duties to the agencies and to rely increasingly on decentralized operation and on state and local government. Both promise to improve the delivery of Federal services to the public.

These are the points to be stressed, not just marginal economies or rearrangement of existing functions in the Executive Branch. Also to be avoided is any implication that this plan merely superimposes "big business techniques" on governmental functions. This Council has listened carefully to some of the best organizational thinkers in the country from the universities, government, business, and foundations, and has given particular attention to those who have studied the Presidency as an institution.

The policy development and program coordination aspects of the OEM and DPC deserve special attention. Congress, the public, and the agencies are keenly aware of the need for coordination mechanisms -- both in program development and in day-to-day operations. At least since the late 1940's, the need for better coordination has been stressed in a variety of bipartisan recommendations, including, most recently, the Heineman and Lindsay Reports. President Eisenhower's January 1961 Budget Message said:

My experience leads me to suggest the establishment of an Office of Executive Management in the Executive Office of the President in which would be grouped the staff functions necessary to assist the President in the discharge of his managerial responsibilities. In an enterprise as large and diversified as the executive branch of the Government, there is an imperative need for effective and imaginative central management to strengthen program planning and evaluation, promote efficiency, identify and eliminate waste and duplication, and coordinate numerous interagency operations within approved policy and statutory objectives. The establishment of an Office of Executive Management is highly desirable to help the President achieve the high standards of effective management that the Congress and the people rightfully expect.

We do not assert that the DPC-OEM plan will provide easy answers for the intractable problems of our day, but both the DPC and OEM can be defended in terms of the best managerial practice. The DPC will provide to the President for the first time an institutional domestic policy staff. It has been designed to be adaptable to changing needs.

The OEM, for its part, can be viewed as an important strengthening of the present BoB, renamed to reflect its amplified role. Yet, in a fuller sense, OEM is a fundamental departure and innovation. It will be result oriented; it will embody a concept of management that goes well beyond the present emphasis on budget. In sum and in time, a substantially different orientation to the President's managerial job will emerge.

COUNCIL'S RECOMMENDATIONS

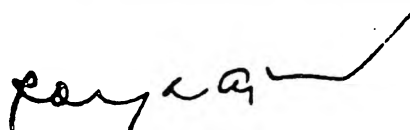
We recommend that the President set in motion the processes necessary to announce the OEM and DPC in his January Budget Message and to establish these offices by May 1970. This will permit the new organizations to start work at the beginning of the budget and program cycle for FY 1972.

To meet this goal we recommend that the President:

1. Designate members of his staff to work with this Council in making any desired modifications to the proposed plan; in determining the best combination of required Executive Orders and legislative actions; and in submitting the final plan by November 7.
2. Direct the preparation of drafts, Executive Orders and legislation, including reorganization plans, for the DPC and OEM.
3. Direct this Council to work with designated members of his staff to develop before November 7 a detailed schedule for disclosure of the plan to key White House and EOP staff, Members of Congress and agency heads, as well as to appropriate outside parties.
4. Direct this Council to assist his staff in preparing information to further public understanding of the proposed changes. This will include preparation of draft material for the President's State of the Union and Budget Messages, press information, and a resource book to provide answers to anticipated questions.

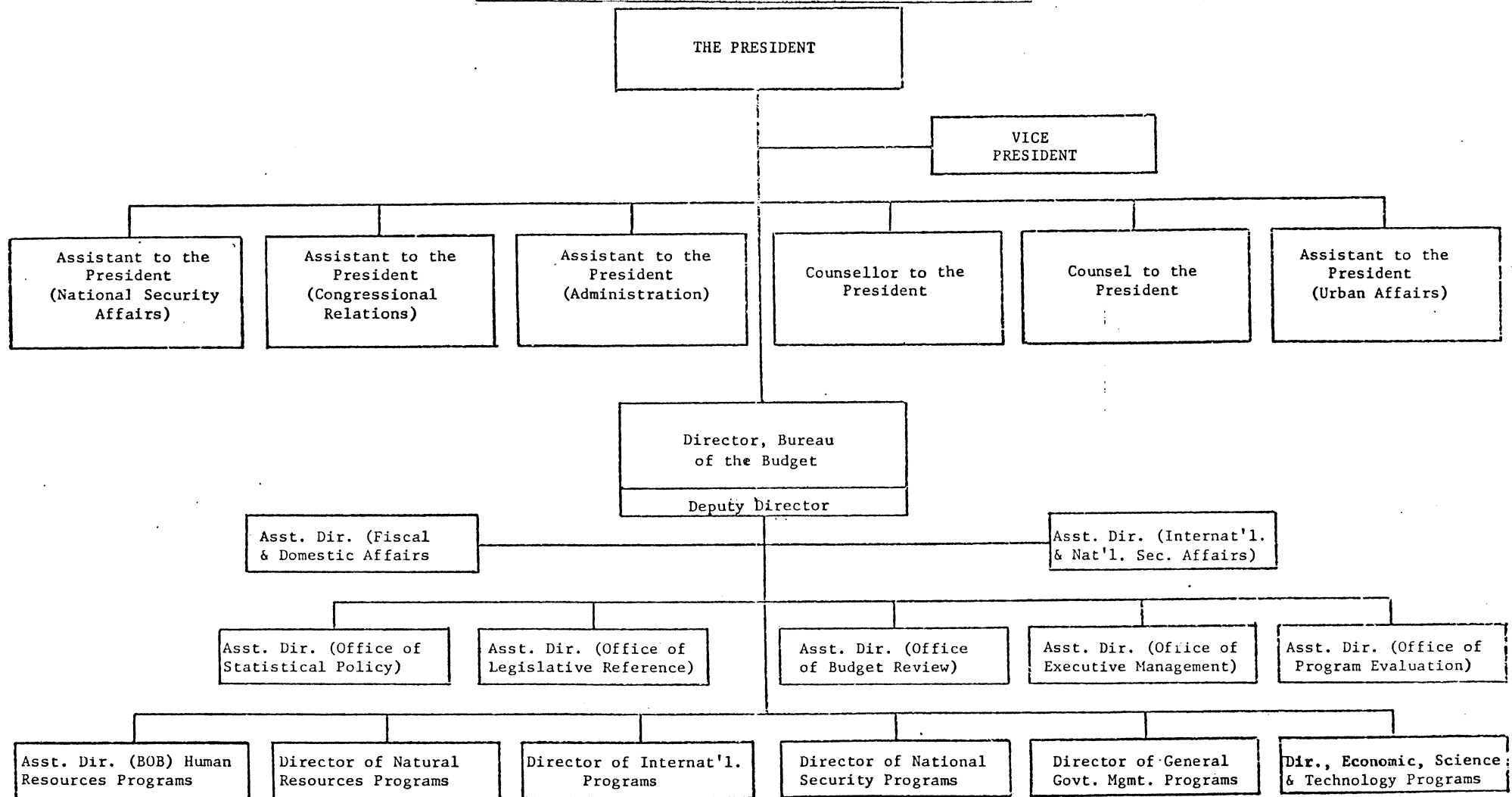
On behalf of the Council,

Respectfully submitted,



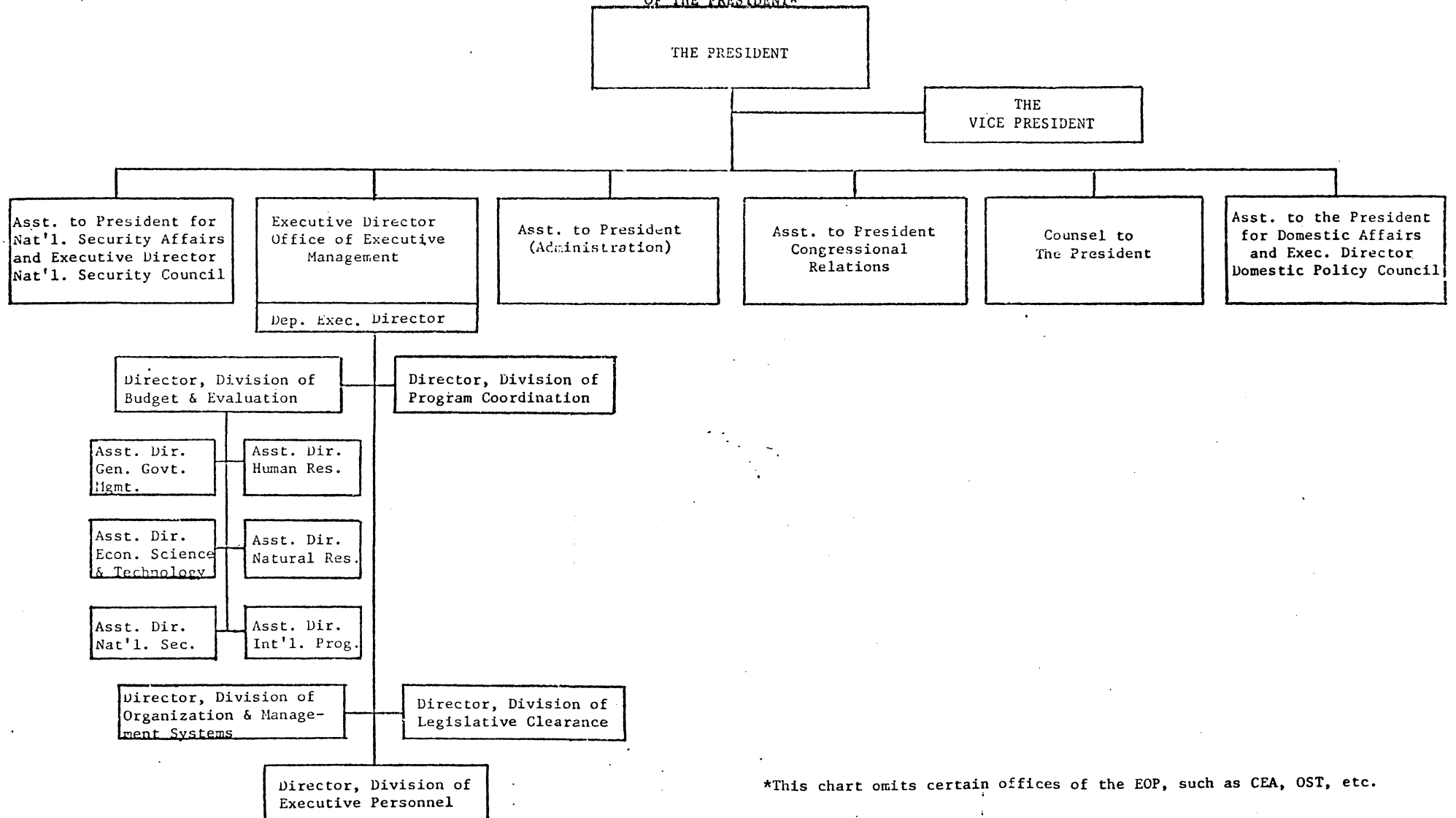
Roy L. Ash
Chairman

ORGANIZATION OF THE EXECUTIVE OFFICE OF THE PRESIDENT TODAY*



*This chart omits certain offices of the EOP, such as CEA, OST, etc.

FOR THE EXECUTIVE OFFICE
OF THE PRESIDENT*



*This chart omits certain offices of the EOP, such as CEA, OST, etc.

ATTACHMENTS

<u>Appendix</u>	<u>Subject</u>	<u>Page</u>
A.	Memo/President, August 20, 1969	27
B.	Estimated Personnel and Salary Costs....	29
C.	Domestic Policy Council (DPC)	33
D.	Office of Executive Managment (OEM).....	37
E.	Division of Budget and Evaluation	39
F.	Division of Program Coordination	41
G.	Division of Legislative Clearance.....	43
H.	Division of Executive Personnel.....	45
I.	Division of Organization and Management Systems	47
J.	Legislative Alternatives	49

APPENDIX A

MEMORANDUM FOR THE PRESIDENT

SUBJECT: The Executive Office of the President

Dated August 20, 1969

See page number 1

SUMMARY OF ESTIMATED PERSONNEL AND SALARY COSTS

ORGANIZATIONAL UNIT	LEVEL I OR II		LEVEL III		LEVEL IV		LEVEL V		OTHER PROFESSIONALS		60% ^{1/}	ESTIMATED ^{4/}
	NR.	COST	NR.	COST	NR.	COST	NR.	COST	NR.	COST	SALARY	COST
Domestic Policy Council ^{2/}	3	127,500	0	0	1	38,000	2	72,000	40	840,000	640,000	1,720,000
Office of the Director - OEM	(I) 1	60,000	1	40,000	0	0	0	0	5	150,000	150,000	400,000
Division of Budget & Evaluation	1	42,500	0	0	4	152,000	5	180,000	240	4,200,000	2,730,000	7,300,000
Division of Program Coordination	0	0	1	40,000	2	76,000	0	0	30	690,000	470,000	1,280,000
Division of Legislative Clearance	0	0	1	40,000	0	0	0	0	20	500,000	320,000	860,000
Division of Organization & Management Systems	0	0	1	40,000	0	0	1	36,000	80	1,680,000	1,050,000	2,800,000
Division of Executive Personnel	0	0	1	40,000	1	38,000	0	0	20	400,000	280,000	760,000
SUB TOTALS	5	230,000	5	200,000	8	304,000	8	288,000	435 ^{3/}	8,460,000	5,640,000	15,120,000

GRAND TOTAL

Total Professionals 461^{3/}
 Total People 740
 Total Costs 15,120,000

^{1/} The cost of support staff is estimated at 60% of the professional cost.

^{2/} The number of appointed executives is illustrative.

^{3/} Does not include 29 professionals now assigned to the Office of the Director, BoB. These make up the Director's immediate staff and the administrative staff of the Bureau.

^{4/} Rounded to nearest \$10,000.

Estimated Costs and Numbers of People
Current vs Proposed Organizations

	Estimated Current (As of Aug. 1969)	Proposed ^{1/}	Differences
Estimated Total Cost	\$12.9 <u>M</u>	\$15.1 <u>M</u>	\$2.2 <u>M</u>
Estimated Total Personnel	550	740	190
Estimated Total Professional Personnel	350	460	110
Average Cost/Professional	\$36,800	\$32,700	

^{1/} Does not include 29 professionals currently assigned to the Office of the Director, BoB.-
Estimated cost about \$1 million.

APPENDIX C

THE DOMESTIC POLICY COUNCIL

General Mission. The Domestic Policy Council will advise the President on total domestic policy and programs. It will be the President's primary staff mechanism with respect both to new domestic initiatives and to changes in existing programs. The Council will have the capability to deal with current policy questions and will provide rapid response to Presidential needs for domestic policy advice. It will bring together the President, his advisers, and appropriate Cabinet officers, so that they can focus collectively on current and long-range policy development.

Duties and Responsibilities

1. Research. The DPC will analyze, identify, and project trends to anticipate demands, opportunities, and problems for domestic policy formulation. It will provide the President with background for the articulation of national goals and for definition of concrete objectives for Federal action.
2. Policy Analysis. The DPC will analyze policy alternatives and make recommendations for Presidential action. In carrying out these responsibilities it will work closely with agencies to insure that their data and thinking are incorporated into the study of policy alternatives.
3. Program Development. The DPC will lead in the design and review of the President's annual domestic program from conception of policies through the messages and legislation which implement them.
4. Communications. In carrying out the above tasks, the DPC and its Executive Secretary will act as an important mechanism to communicate agency views to the President. Likewise, the President may use the DPC as a principal vehicle to announce his policies, to achieve an informal consensus, or in any manner he may choose.

Key Relationships

1. With Divisions of the Office of Executive Management
 - a. The Division of Legislative Clearance. The Domestic Policy Council staff will rely upon this OEM Division for much of the information needed for making legislative recommendations to the President. The DPC will inform this Division of the President's program plans, the policies underlying them, and of the policies on which existing programs are based.
 - b. The Division of Budget and Evaluation. So that DPC can link its policy with the fiscal and budgetary constraints developed by OEM, DPC will participate in the budget review process, as will this Division participate in DPC's process of policy analysis and development. The Division will supply the DPC with data on program performance, to insure that evaluative information is fed back into the policy-making process.

- c. The Division of Program Coordination. Close working relationships with this Division will enable the Council to make adjustments in policy to eliminate problems in the day-to-day operation of programs.
2. With the Agencies. The agencies will work with the DPC staff on proposals for new policies or programs. Great flexibility in organizing task units within the DPC will permit a wide range of organizational arrangements to bring about these working relationships. Council members, DPC staff, outside agencies, as well as state, local and non-government consultants may be invited to participate in specific tasks.
3. With Regulatory Agencies. DPC staff members will work with those regulatory agencies relevant to their substantive areas of assignment. A staff member assigned to transportation, for example, might work with the ICC, CAB, and Maritime Commission. In doing so, even any semblance of intervention in the judicial functions of these agencies will, of course, be avoided. The President, through the DPC and the legislative and budgetary divisions of the OEM, can, however, properly relate to the regulatory agencies' activities on budget and legislative matters.

Structure and Staffing of the Domestic Policy Council

1. Membership. The DPC will be chaired by the President (or, in his absence, the Vice President). Its formal membership will be the heads of the nine domestic Cabinet Departments (all Cabinet secretaries except the Post Office, State, and Defense), and the Director of OEO, so long as he retains Cabinet rank. At the President's discretion, meetings of the Council will also include other executives of the EOP, agency heads, and others whose specialized knowledge is relevant to the meeting agenda. This group will include, but not be limited to, all Presidential advisers, members of OEM, the Science Adviser, and the Chairman of the Council of Economic Advisers. DPC meetings will be called by the President. At the President's discretion, meetings may include all or part of the DPC plus additional participants, advisers or consultants as is appropriate to the topic under consideration.
2. Functions of Domestic Policy Council Meetings. DPC meetings will be for purposes designated by the President. For example, he may wish to have proposed policy or programs discussed at these meetings.
3. Committee of the Domestic Policy Council. Much of the Council's work will be accomplished by program committees, a generic term for various groups, established by the President through the Executive Secretary. These committees typically might be headed

by Cabinet officers and supported by a team of specialists drawn from the DPC staff. The committees can serve a spectrum of functions, from studying broad program areas like environmental quality or more specialized problems like prison reform.

4. Executive Director. The Executive Director of the DPC will be a Level II. He will be responsible for preparing the Council's agenda, and for presenting policy issues for discussion. He also will direct the staff and in this capacity have great flexibility in procedures used to carry out his assignment. He will draw upon OEM, the agencies, and extra-governmental sources. He will organize their efforts in any way that seems appropriate to produce the timely, complete, and fully representative product which the President requires. Finally, he will be responsible to the President for the form and content of policy memoranda.
5. Staff. The staff will be headed by the Executive Director, who will be assisted by three to six deputies with responsibility for specific program areas, such as urban affairs, natural resources, etc. The deputies will range in grade from Level II to GS-18, depending on the importance of their programs, and on the experience and background of the men selected for these assignments.

The DPC staff, numbering 40 professionals, will be organized and reorganized from time to time around key program areas. The Executive Director will assign a deputy director and a staff to each of these areas as the need arises. Some assignments, as for example to urban affairs, may be relatively permanent while others may be short-lived. Cabinet members may temporarily assign key staff personnel from their agencies to these committees.

The DPC will include a separate group of about 10 professionals to carry out research in long-range social and economic trends. It will provide factual and analytical background for the President, the agencies, and the rest of the DPC staff.

Another small group, perhaps five professionals, will staff out the budgetary aspects of policy proposals. It will work as a liaison with the CEA and with OEM's Budget and Evaluation Division to insure their involvement as appropriate in DPC's policy considerations. For example, this group would identify policy issues for agency and Budget Division study, cost out the President's legislative proposals and provide resource constraint guidelines for new policy developments.

APPENDIX D

THE OFFICE OF EXECUTIVE MANAGEMENT

General Mission. The Office of Executive Management will be a principal staff arm of the President as described in our memorandum of August 20. (See page 1.) It will carry out the important managerial functions described in our earlier memorandum.

Duties and Responsibilities. While the DPC answers the question, "What is to be done?" the OEM will focus on coordinating the means of doing it and evaluating the results. It will have the following responsibilities for the Executive Branch, each of which is elaborated in a later appendix:

1. budget and evaluation,
2. program coordination,
3. legislative clearance,
4. executive personnel, and
5. organization and management systems.

In carrying out these duties, OEM will at the same time work to improve the capability of agencies to carry out their own management functions.

Key Relationships.

1. The Executive Director and his Deputy will work closely with the President on matters relating to the management of Executive Branch programs and activities.
2. The Executive Director will work closely with the DPC to follow through on the implementation of domestic programs. Although relationships with the NSC are not amplified in this memorandum, we assume that it, like the DPC, will draw upon OEM's expertise.
3. The OEM will have a partly supportive, partly evaluative relation with the agencies: on the one hand, it will assist them in improving their management and expediting their programs; on the other, it will evaluate the performance of their programs and review their budget requests.

Structure and Staffing. We recommend that OEM be headed by a Level I Executive Director appointed by the President. His Deputy Executive Director should be a Level II.

A small staff of 5-10 people, all occupying "excepted" positions, will assist the Director in carrying out his responsibilities. The Director and his five Division heads must achieve a high degree of integration of the OEM offices in order to fulfill the coherent management function intended for this body.

Each Division of the Office will be headed by a Director; the Director of the Budget and Evaluation Division will also be a Deputy Director of OEM. These men will vary in rank depending on the level required to recruit appropriate executives, the importance of the function, and the complexity of the tasks involved. Within the limits of the allocation of Executive Level positions to OEM, the Executive Director may vary the number and ranks allotted to any Division. As a point of reference for the first need of the office, the Council suggests that 20 executive positions be allocated to OEM. The distribution of these positions is discussed in subsequent appendices and is shown in the table below.

PROPOSED APPOINTED PERSONNEL SCHEDULE FOR
THE OFFICE OF EXECUTIVE MANAGEMENT

Divisions of:

Grade Level	Office - Director - OEM	Budget & Evaluation	Legis- lative Clearance	Organiz. & Mgmt. Systems	Program Coord.	Executive Personnel
I	1	0	0	0	0	0
II	1	1	0	0	0	0
III	0	0	1	1	1	1
IV	0	4	0	0	2	1
V	0	5	0	1	0	0
TOTAL	2	10	1	2	3	2

APPENDIX E

DIVISION OF BUDGET AND EVALUATION

General Mission. To prepare and review the annual budget, and to assess the performance of individual programs with reference to their intended purposes and goals.

Duties and Responsibilities

1. To develop criteria for evaluating program performance.
2. To evaluate program performance both on a continuing basis and on demand in respect to special problem areas.
3. To assemble and review the data necessary to prepare the budget in appropriate format. To prepare the annual budget and to assist in the preparation of the President's Budget Message.
4. To establish, with the help of CEA, Treasury Department, and other parts of the Executive Branch as appropriate, a set of budget constraints and guidelines to be observed in agency preparation of program budget submissions.
5. To relate evaluations of performance to budgetary decisions.

Comment. The major new concern of this division will be with individual program performance, not only through analysis of performance data, but also from study of actual achievements in the field. The Division will at first need some ingenuity to develop ad hoc methods of evaluation, though in time these evaluations should become systematic and consistent.

Key Relationships.

1. The Division will work with all the agencies of the Executive Branch. Effective program evaluation and budget review require feedback of data to agencies for comment and the establishment of close working relationships.
2. The Division will also work closely with the DPC. OEM members may participate from time to time in DPC meetings and committees. Similarly, as the need arises, the Executive Director and key staff members of the DPC staff will sit in on budget review sessions with the Director of this Division.
3. The Division will work with the Division of Organization and Management Systems to acquire data for budget-making and evaluation.

4. The Division will assist the Office of Legislative Clearance with the information and interpretations needed to carry out the legislative clearance function.
5. The Division will work with the Division of Program Coordination, drawing on its specific findings to pinpoint major program difficulties.

Structure and Staffing. The Level II head of the Division, who is also a Deputy Director of OEM, must be a man in whose judgment the President has confidence and whose objectivity and familiarity with Executive Branch programs are respected by agency heads. The Division's Director must understand the budgetary constraints and obstacles to performance encountered by agency executives. He should have skills which equip him to give special attention to the evaluative functions of his office. Innovation will be required since new programs frequently defy evaluation by traditional methods. He will have two Level IV deputies, one in charge of evaluation, the other in charge of fiscal policy. A career Level V Assistant Director will head an Office of Budget Review.

The six examining divisions of the present BoB will be the operating arms of the Division. Each of these examining divisions will be headed by a Level IV or V who will give special attention to introducing new evaluative techniques in the activities of the examiners. It should be emphasized that the heads of these program divisions must be executives who can develop the "culture" of their organizations to be both cost and result oriented.

The current directors of the six Examining Divisions are, with one exception, GS-18 career executives. The exception, Richard Nathan, who heads the Human Resources Program Division, is a statutory Level IV appointee. In addition, the Bureau of the Budget has two other Level IV appointees. One, Maurice Mann, has general responsibility for assisting the Director with fiscal, monetary and economic policy issues. The second, James Schlesinger, assists the Director with issues involving national security and international policy. In the proposed organization, a Level IV appointee would head up the National Security Program Division. The other four program divisions - International Programs, General Government Management, Natural Resources and Economics, Science and Technology - will be headed by Level V appointees, preferably from career ranks.

APPENDIX F

DIVISION OF PROGRAM COORDINATION

General Mission. To improve the delivery of domestic programs by helping to work out interagency and intergovernmental operating problems.

Duties and Responsibilities.

1. To assist agencies in identifying problem areas.
2. To help resolve program problems and expedite the delivery of Federal services at the operating level.

Comment. The Division is primarily concerned with effective program performance on a case-by-case basis. It contributes to effective decentralization of authority by enhancing problem-solving activities at the field level. While primarily charged with helping solve problems in implementing programs, the Division works closely with the DPC and the rest of the OEM in analyzing whether a sequence of field level problems reveals basic policy or structural weaknesses in a program.

Key Relationships.

1. This Division will be in daily contact with the agencies and their field operations. Much of its success depends upon the confidence which agencies have in its objectivity and fairness.
2. Where changes in program direction or authority are indicated or when administrative bottlenecks impede program delivery, the Division will work closely with the DPC and the agencies involved.
3. In programs involving local emergencies or state and local governments, the Division will work with the Office of the Vice President, the Office of Intergovernmental Relations and the OEP.

Structure and Staffing. The Level III head of this division should be experienced in managing complex organizations, whether in the government or elsewhere. He must develop within the Executive Branch close working relationships with key administrative officers. He will be assisted by two Level IV deputies. These additional appointees will provide broader capacity for action, and aid in dealing with men of equal rank in the agencies.

The staff, some 30 professionals, will be assigned to programs which require coordination among agencies. The job of the staff is constructive assistance to the agencies. Staff members should rely primarily on persuasion and minimize recourse to higher authority.

The Operational Coordination and Management Systems staff of the Bureau of the Budget, (about 15 career professionals), will be the nucleus of this division. The present staff is headed by Kenneth Kugel, a GS-18 career executive, who reports to Dwight Ink, Assistant Director of the Bureau of the Budget.

APPENDIX G

DIVISION OF LEGISLATIVE CLEARANCE

General Mission. To coordinate and clear for conformity with the President's program, recommendations of the agencies with respect to all legislation; to make recommendations on legislation and participate in developing legislation implementing the President's program.

Duties and Responsibilities.

1. To gather and coordinate comments relating to legislation preparatory to drafting recommendations for the President's consideration.
2. To make recommendations on proposed, pending, and enrolled legislation, both general and private, and set forth their implications.
3. To disseminate to agencies information on the President's legislative program.
4. To schedule and regulate the flow of legislative clearance memoranda through the DPC to the President's Office.
5. To review agencies' proposed congressional testimony.

Comment. The emphasis in legislative clearance is on the orderly and timely collection and collation of comment on all legislation. The function can be compared to a valve which takes an unpredictable stream and regulates its flow. By valving the responses to legislation in accordance with the President's wishes, the Division will permit timely and deliberate Presidential consideration of legislation.

The legislative clearing process requires detailed scheduling of responses to legislation. The Division, therefore, has an important administrative task in identifying the appropriate parties, scheduling their responses, and preparing memoranda for the President.

Key Relationships.

1. This Division will work especially closely with the DPC on the President's domestic legislative programs and on proposed and enrolled legislation.
2. Legislative Clearance will have a small staff and will have to rely on the program knowledge and the "institutional memory" of the Budget and Program Evaluation Division. Much of the input for the memoranda written by Legislative Clearance will be provided by these staffs.
3. Legislative Clearance will require inputs from the Organization and Management Systems Division on the organizational implications of legislation.

Structure and Staffing. BoB's current Office of Legislative Clearance has about 15 professionals. This number probably should be increased by about 5-10, to give it greater ability to deal with the increasing complexity of legislation and to serve more effectively when congressional activity is heavy and when the President's legislative program is being developed.

The staff should be familiar with the legislative process, and should have good analytic and writing skills.

In the proposed organization, a Level III appointee will head this Division. The staff will in general be high ranking and experienced civil servants.

The present Office of Legislative Reference of the BoB will become the Division of Legislative Clearance of the OEM.

Currently, Wilfred Rommel, a GS-18 career executive, heads the Office of Legislative Clearance of the Bureau of the Budget.

APPENDIX H

DIVISION OF EXECUTIVE PERSONNEL

General Mission. To develop executive personnel programs within the Executive Branch.

Duties and Responsibilities.

1. The Division of Executive Personnel will take the lead in developing and evaluating programs to recruit, train, select, motivate, deploy, and evaluate career executives. The emphasis will not be on individual jobs but on programs. These programs will assure that talented executives are identified, fully utilized, and exposed to opportunities across the Executive Branch.

Key Relationships.

1. This Division will work intimately with the Civil Service Commission and the agencies, assisting in the development of their respective personnel programs.
2. It will work closely with the Division of Organization and Management Systems to develop systems necessary for appropriate manpower planning.

Structure and Staffing. The Level III of this office will be a man with stature, thorough knowledge of the Federal system, and the personal qualities necessary to elicit the confidence of Cabinet members. He will have a Level IV Deputy.

The staff of this Division will have 20 professionals.

APPENDIX I

DIVISION OF ORGANIZATION AND MANAGEMENT SYSTEMS

General Mission. To develop organizational structures, management processes, and information systems and adapt them to changing needs.

Duties and Responsibilities.

1. To evaluate the effectiveness of organizational structures in the Executive Branch and to recommend new or revised structure or changes in assignments of missions and responsibilities for improvement of performance.
2. To develop, install, and evaluate new management processes and information systems and to improve the existing ones.

Comment. This Division will provide an institutional base for continuing the type of work performed by the President's Advisory Council on Executive Organization.

Key Relationships.

1. This Division will work with all Divisions of the OEM in devising systems to improve management processes and to fulfill executive information needs.
2. It will assist agencies to improve their administration by advising them on managerial techniques and systems.

Structure and Staffing. The Level III head of this Division will be an experienced manager, familiar with the problems of implementing changes in large organizations. A Level V assistant will be well versed in the design and operation of large data systems.

That part of the staff which will specialize in the development of information systems should be reduced in size after the most urgently needed systems are installed. This Division may engage outside consultants for significant portions of its work.

The nucleus of this new Division will be the present Office of Executive Management of the Bureau of the Budget minus its 15-man Operational Coordination staff. The present head is Dwight Ink, Assistant Director of the Bureau of the Budget. The Division will also absorb the BOB Management Information System staff, headed by Walter Haase, a GS-17 career executive, and the Office of Statistical Policy whose acting head is Julius Shiskin, GS-17, also a career executive.

APPENDIX J

PRELIMINARY NOTE ON LEGISLATIVE ALTERNATIVES

There are three means available to the President to implement the proposed reorganization. The best combination will be determined after we are free to hold fuller discussions with experts in this exceedingly technical field.

1. Executive Order. The DPC may be established by Executive Order. Using this means, the President may merge the White House staffs currently involved in program and policy development and augment the staff through personnel detailed from the agencies. This makeshift staffing arrangement is useful only for the short run, pending straightforward appropriation for this purpose.

An Executive Order cannot be used to establish the OEM, since some of its functions are assigned by statute to the BoB.

2. Reorganization Plan. A reorganization plan, to be enacted, must be transmitted to Congress at least "sixty calendar days of continuous session" prior to adjournment. If Congress does not act within the sixty-day period permitted for disapproval, the President may execute the plan in reasonable anticipation of favorable action on the appropriation request which would be transmitted concurrently with the reorganization plan. Submitted as a reorganization plan, the President's proposal has the advantage of not being subject to congressional amendment and can go into effect by May 1970.
3. Specific Legislation. The President may seek specific legislation to establish the OEM and DPC. This process is more time-consuming than reorganization plan action and carries with it the risk of extensive modification through the amendment process.

Recommended Approach. This memorandum to the President expresses a preference for Executive Orders and reorganization plan. These will allow the OEM and the DPC to be established by May 1970. The Council tentatively suggests that the President, in his Budget Message, announce:

1. That by Executive Order he is creating the DPC, appointing its Executive Director, and providing staff from existing sources.
2. That he will submit to Congress legislation to make this office statutory.
3. That he will introduce a reorganization plan to establish the OEM, and is requesting funds for its operation.

Subsequently, enactment of general reorganization authority by the Congress would establish the right of this or any President to reorganize his own office to meet his needs. We would reiterate our August 20 recommendation that preparations be made to seek such authority, so that the President may take action when the circumstances are favorable.