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BY THE U.S. GENERAL ACCOUNTING OFFICE

**Report To The Chairman, Committee On  
Governmental Affairs,  
United States Senate**

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**Federal Executive Boards Contribute To  
Improved Field Management But Future  
Is Uncertain**

Federal Executive Boards, located in 26 cities which have a large federal presence, are the primary interagency mechanism at the field level for coordinating federal activities and reducing interagency duplication. These Boards have contributed to improved field management by promoting or providing communication links, resource sharing, interagency training, community and intergovernmental relations, and other worthwhile projects.

The future of the Boards, however, is uncertain. Funding for their staff has declined. In addition, information furnished by Board members indicated that the Office of Personnel Management, which is responsible for overseeing Board activities, is providing less guidance and support than previously available. As a result, member participation in Board activities--a necessity for the system to remain effective--is declining.

OPM denied statements made by Board representatives about that agency's oversight and the adequacy of funding support and stated that, in fact, the Boards have benefited from OPM's field structure and interest in their activities.



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GAO/GGD-84-31  
MARCH 6, 1984

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UNITED STATES GENERAL ACCOUNTING OFFICE  
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GENERAL GOVERNMENT  
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B-178319

The Honorable William V. Roth, Jr.  
Chairman, Committee on Governmental  
Affairs  
United States Senate

Dear Mr. Chairman:

In response to your August 4, 1982, request, we evaluated the role played by Federal Executive Boards in coordinating activities and reducing duplication in the field. As you are aware, with the abolition of Federal Regional Councils by the President in February 1983, Federal Executive Boards are now the primary interagency mechanism available to promote coordination, increase operating effectiveness, and reduce costs throughout the federal field structure.

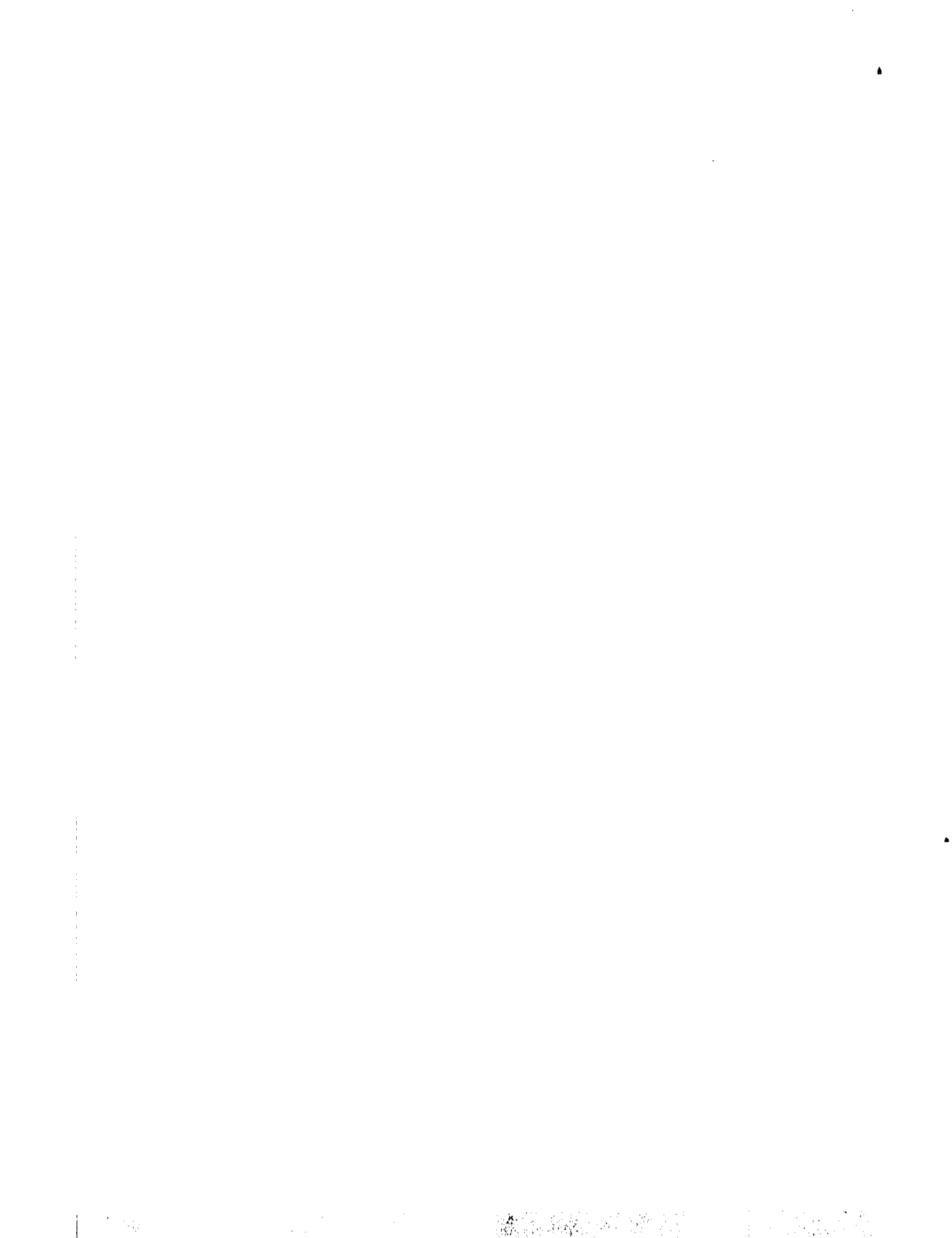
Originally, you also asked us to evaluate opportunities for cost savings relating to collocation, administrative support functions, and organizational structure of field activities. As agreed later with your office, we did not pursue these areas because a similar study had been conducted by the Administration's Cabinet Council on Management and Administration, and the President has directed executive departments and agencies to assess and streamline their field structures.

We are sending this report to the Director, Office of Personnel Management, and to the Director, Office of Management and Budget.

Sincerely yours,

A handwritten signature in black ink that reads "W. J. Anderson".

William J. Anderson  
Director



D I G E S T

Because of the large and expensive federal government field structure located outside the Nation's capital--now about 2.3 million civilian workers in 22,000 federal field offices scattered throughout the United States--President Kennedy established the Federal Executive Boards (FEBs) in 1961 to work for closer coordination across agency lines and to reduce duplication. The Chairman, Senate Committee on Governmental Affairs, asked GAO to evaluate how effectively FEBs carry out these responsibilities.

FEBs CONTRIBUTE TO COORDINATING  
FEDERAL FIELD ACTIVITIES AND  
REDUCING INTERAGENCY DUPLICATION

The success of FEBs' coordination efforts usually cannot be measured in dollars and cents or otherwise quantified, but federal officials both in Washington and in the field believe they improve communications, reduce duplication through resource sharing, provide greater training opportunities for government workers, improve community and intergovernmental relations, and carry out interagency projects and programs which otherwise might not get done. (See p. 7.)

Federal officials see FEBs as an important communications link between Washington and the field and among field executives. Also, Washington officials have used the FEB forum to create greater awareness, understanding, and acceptance by field managers of governmentwide issues. For example, in July 1982, the Counselor to the President addressed the San Francisco FEB on priorities of the Reagan Administration. (See p. 8.)

FEBs attribute substantial cost avoidances to their resource sharing programs. For example, the Minneapolis-St. Paul FEB estimated that sharing of computer time and technical

assistance between two agencies saved \$300,000 in 1981. (See p. 9.)

Also, FEBs have been a catalyst for providing Office of Personnel Management (OPM) and other interagency training courses, seminars, and workshops which have avoided training duplication, thus saving money. FEB members stated that FEB-sponsored courses are the only opportunity for smaller agencies' employees to receive certain training because many agencies' training and travel budgets have been curtailed in recent years. (See p. 11.)

FEBs have contributed to improving community and intergovernmental relations. For example, FEBs have sponsored Combined Federal Campaigns, blood donor drives, toy and food distribution drives, and summer job placement programs for disadvantaged youth; and FEBs have worked with State and local governments to solve mutual problems. (See p. 12.)

Finally, FEBs have carried out projects and programs that are not solely the responsibility of any federal agency. For example, FEBs sponsor minority business opportunity programs and programs for federal workers, such as employee counselling and referral programs. (See p. 13.)

#### AN UNCERTAIN FUTURE FOR FEBs

Funding problems for the staff support positions and the lack of central guidance and support make the future outlook for FEBs uncertain. FEB representatives feel that the two staff support positions, executive director and secretary, are critical to effective FEB operations. However, because of budget reductions, federal agencies which have voluntarily funded these FEB positions in the past have begun to withdraw their funding support. Two FEBs are now inoperative because they have lost their staff, three FEBs have only partial staff, and three FEBs are retaining their staff under temporary funding arrangements. Many FEB members feel that the future of the FEB system is in jeopardy because of the funding issue. (See p. 17.)

FEBs have received little central guidance or support since 1980. As a result, a decline in participation in FEB activities is occurring. According to FEB members, active participation by the membership is necessary for the FEB system to remain viable. (See p. 19.)

For several years up through 1980, the Office of Management and Budget (OMB) provided central guidance to FEPS and established annual objectives of national concern on which FEBs were to stimulate significant federal inter-agency activity. For example, in 1977, OMB established 13 such objectives, including personnel management improvement and energy conservation. (See p. 22.)

However, in 1981, OMB assessed its relationship with FEBs, decided not to provide its annual guidance, and, because of a reduction in its own budget, recommended transfer of the FEB oversight responsibility role to OPM. In June 1982 the Executive Office of the President made the transfer. (See p. 23.)

Since assuming the oversight responsibility, OPM has not provided the central guidance that FEBs feel is needed. In November 1982, OPM designated five Director's Regional Representatives to serve as executive coordinators, but FEB members said they had not provided specific guidance. Also, in March 1983, OPM issued for comment proposed regulations which are scheduled to be finalized in early 1984. (See p. 23.)

FEBs want to renew their role of focusing on "national issues." FEB representatives told GAO that they are ready and willing to cooperate with and support the Administration's policies and initiatives, but that they have been largely underused in this role during the last 3 years. The Administration's Reform '88 project, a program to streamline and reorganize the management processes that control the government's money, information, personnel, and property, is one such initiative which FEB representatives feel that FEBs could play a significant role in carrying out. However, member participation in FEB activities is declining because they view the lack of central guidance as an indication that Washington is not interested in field input and contributions. (See p. 24.)

In addition, FEB representatives feel that member participation is waning because of a decline in rewards, recognition, and incentives. The Administration has done little to recognize FEB contributions since 1980, and few departments and agencies monitor, encourage or reward their field managers' participation on the Boards. Further, members view the transfer of FEB oversight responsibility from OMB to OPM as a further de-emphasis of the FEB system. (See p. 25.)

FEB representatives believe the enthusiasm and participation of members could be rekindled through issuance of a new Presidential memorandum or an Executive Order reaffirming the Administration's commitment to the FEB system. (See p. 27.)

#### AGENCY COMMENTS

OMB staff offered technical comments which GAO has incorporated where appropriate, but OMB staff deferred to OPM regarding the FEBs' current status and the future of the FEB system.

OMB officials offered no suggested changes but expressed concerns about some of the FEB representatives' charges regarding OPM's oversight role and funding inadequacies. In OPM's view, the transfer to OPM of FEB oversight has "dramatically improved" the FEBs' stature and operations. Among other things, OPM believes FEBs have benefited from OPM's field structure, which is more suited to providing oversight due to its location in cities in or near where FEBs have been established. According to OPM, its stewardship of the FEBs has helped foster a greater sense of the "federal community." OPM said the FEBs are best suited to receive central directives without central control through funding and other means. (See p. 27.)



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#### ABBREVIATIONS

BOB	Bureau of the Budget
CSC	Civil Service Commission
FEB	Federal Executive Board
GAO	General Accounting Office
GSA	General Services Administration
OMB	Office of Management and Budget
OPM	Office of Personnel Management

## CHAPTER 1

### INTRODUCTION

Concerned about the management of federal field operations and whether efficiencies and cost savings can be achieved, the Chairman, Senate Committee on Governmental Affairs, asked GAO to evaluate how effective are efforts to coordinate field activities and reduce interagency duplication.

Federal Executive Boards (FEBs) in 26 U.S. cities are the primary interagency mechanism at the field level for promoting coordination, increasing operating effectiveness, and reducing costs throughout the federal field structure. FEBs were established in 1961 by Presidential Memorandum. Citing the increasing significance of federal field operations, President Kennedy directed that interagency working groups of federal executives, called Federal Executive Boards, seek closer coordination across department and agency lines in important centers of federal activity outside the Nation's capital.

### MAGNITUDE OF FEDERAL FIELD OPERATIONS INCREASES THE NEED FOR COORDINATION

Since the FEBs were formally established to strengthen coordination of government field activities in 1961, the magnitude and complexity of the federal government have increased dramatically. The federal budget has grown by over 700 percent in the past 20 years. Some 2,000 programs are administered by 153 units of the federal government. Of the 2.8 million federal workers (including U.S. Postal Service employees), some 2.3 million, or 82 percent, are located outside of the Washington, D.C., area. There are over 22,000 staffed federal field offices scattered throughout the United States.

### EVOLUTION OF FIELD LEVEL COORDINATION

The federal government's interagency coordination efforts can be traced back to 1943, when the Bureau of the Budget (BOB) established field offices in Chicago, Dallas, Denver, and San Francisco. These offices were to:

1. Assist in achieving better coordination and interagency relations in the field.
2. Serve as a liaison for state and local officials concerning federal programs.

3. Seek greater utilization of federal equipment and supplies.
4. Perform studies directed at increasing efficiency and report to headquarters problems requiring study, action, or policy guidance.

The BOB field offices were abolished in 1953 in an economy move that eliminated the Executive Office of the President's field presence.

The abolition of the BOB field service left a gap in the link between the Executive Office of the President and top federal regional officials. Recognizing this missing link in the structure of executive management, a series of White House Regional Management Conferences was convened in 1961 and attended by field agency heads from principal locations and by White House, BOB, and Civil Service Commission (CSC) officials. These conferences emphasized Presidential management policies of current importance and evaluated the extent of attention and implementation that these policies and other management programs were receiving in the field.

From these conferences developed the concept of Federal Executive Boards. The conferences revealed a significant need for better communication between Washington and the field. Also, they identified needed management improvements which could be achieved through interagency cooperation in the field. Regional managers expressed strong interest in strengthening such interagency relationships.

Impressions from the White House Regional Managers Conferences were presented to the Cabinet and the President, and on November 10, 1961, the President directed the heads of departments and agencies to significantly strengthen the coordination of federal government field activities. He ordered the establishment of a Board of Federal Executives at 10 important centers of federal activity across the United States.

Dating back to the 1920s, field agency heads in some cities had organized cooperative arrangements known as Federal Business Associations, Federal Executive Associations, or Federal Agency Councils. Some of these arrangements had been effective for the interchange of information and joint sponsorship of mutually beneficial activities. However, the lack of official endorsement and encouragement impeded their interagency coordination achievements. The first FEBs were successors to these earlier

associations, and the President directed that associations in cities other than the 10 FEB locations continue. They were urged to orient their activities towards those prescribed for FEBs. Currently, FEBs maintain a communication network with associations of Federal officials in over 100 metropolitan areas.

FEBs ARE CHARGED WITH PROMOTING COORDINATION, INCREASING OPERATING EFFECTIVENESS, AND REDUCING COSTS IN THE FIELD

FEBs are interagency coordinating groups created to strengthen federal management practices, improve intergovernmental relations, and participate as a unified federal force in local civic affairs. FEBs rely on voluntary participation by members to accomplish their goals. They have no legislative charter and receive no congressional appropriation.

Origin and membership

President Kennedy established the FEBs under the auspices of the Chairman, CSC, and the Director, BOB. A Board consisting of department and agency field office heads was established in a major city in each of the 10 CSC administrative regions. They were directed to consider management matters and interdepartmental cooperation, and to establish liaison with State and local government officials in their areas. Their purpose was to strengthen coordination of government activities in the field in both procedural and substantive areas.

The initial 10 FEBs were established in January 1962 in Atlanta, Boston, Chicago, Dallas, Denver, New York City, Philadelphia, St. Louis, San Francisco, and Seattle. In 1963, Kansas City and Los Angeles were added. In 1966, additional Boards were organized in Cleveland, Minneapolis-St. Paul, and Honolulu. In 1969, Albuquerque, Baltimore, Buffalo, Cincinnati, Detroit, Miami, New Orleans, Newark, Pittsburgh, and Portland were added. Houston, the 26th FEB, was established in 1976. All 26 FEBs, shown in figure 1-1, evolved from pre-existing organizations-- Federal Executive Associations and Federal Business Associations.

**FIGURE 1-1**  
**LOCATIONS OF 26 FEDERAL EXECUTIVE BOARDS**



## Structure and organization

FEBs were not created by legislation. Their functions were spelled out in the 1961 Presidential Memorandum and succeeding guidance provided by the central agencies. Board members' participation in FEB activities must be within the framework of the authority delegated from their individual agency headquarters.

The memorandum creating FEBs stated: "Each executive department and agency is directed to arrange for personal participation by the heads of its field offices and installations in the work of these Federal Executive Boards." Although participation by agency heads in Board activities is required, active participation is voluntary in practice. Thus, FEB performance and effectiveness is subject to agency and individual member interest.

At each FEB, Board members elect a chairperson annually. Local direction and policy guidance are generally provided by the policy committee. The more substantive work of the Boards is carried out by committees and task forces made up of Board members.

Generally, two staff persons--an executive director and a secretary--coordinate the day-to-day operations of the Board and serve as a resource to the chairperson and working committees. These staff positions are usually provided by a designated agency in each city.

In 1969, BOB assumed the leadership role for FEBs. However, in June 1982, the Executive Office of the President transferred FEB oversight responsibility from OMB (formerly BOB) to the Office of Personnel Management (OPM), which was formerly CSC.

## OBJECTIVES, SCOPE, AND METHODOLOGY

Our primary objectives during this review were to determine what coordination mechanisms existed and whether those mechanisms fulfilled the role of coordinating and reducing interagency duplication within the federal field structure. In keeping with the overall thrust of the Chairman's request that GAO evaluate opportunities to achieve efficiencies and cost savings through better managed agency field operations, we limited our review to FEBs, the primary interagency coordination mechanism relating to internal administration or management functions.

We covered 24 of 26 FEBs in this review. We visited 12 FEBs--Atlanta, Baltimore, Chicago, Dallas-Ft. Worth, Denver, Houston, Los Angeles, Miami, Minneapolis-St. Paul, New Orleans, San Francisco, and St. Louis--and had discussions with one or more key FEB representatives, including the chairperson, vice-chairperson, executive director, members serving on FEB policy and special committees, and other members. We obtained and reviewed FEB annual reports, workplans, minutes, correspondence, publications, and where possible, documentation of the results of FEB activities.

In addition, we sent questionnaires to the 14 FEBs we did not visit, and received responses from 12 of the 14. The responses contained answers and elaborations on specific questions and included much of the same documentation we obtained from the 12 FEBs we visited. Our followup contacts with the two FEBs that did not respond to our questionnaires, Boston and Seattle, revealed that these FEBs had lost their permanent support staff and responses to our inquiries would be delayed or not forthcoming. The issue of funding for the FEB support staff positions is discussed in chapter 3.

In Atlanta, Chicago, and Denver, we had discussions with three of the five OPM Director's Regional Representatives. These Director's Regional Representatives serve as executive coordinators of the FEBs in their regional areas. Also, we had discussions with and obtained studies, correspondence, and other pertinent documentation from key officials at OMB and at OPM headquarters in Washington, D.C. We reviewed previous evaluations of FEBs by OMB and symposium papers on the evolution and early activities of FEBs written by key government officials.

We also visited and had discussions with representatives of two Federal Executive Associations in Phoenix and Tucson, Arizona.

FEB accomplishments, such as improving communication links and providing greater training opportunities for federal workers, are difficult to quantify or measure in dollars and cents. Therefore, we relied primarily on verbal and written comments from numerous high-level federal officials (FEB, OMB, and OPM representatives) to determine the effectiveness of FEBs as a field level coordination mechanism.

Our review was made during the period November 1982 through August 1983. The review was performed in accordance with generally accepted government audit standards.



## CHAPTER 2

### FEDERAL EXECUTIVE BOARDS CONTRIBUTE TO

### COORDINATING AND REDUCING INTERAGENCY DUPLICATION

#### IN THE FIELD

Information we obtained from federal officials in Washington and in the field shows that FEBS contribute to coordinating federal field activities and reducing interagency duplication. FEBS foster improved communications, reduced duplication through resource sharing, wider training opportunities for Government workers, and improved community and intergovernmental relations, and they carry out interagency projects and programs which otherwise might not get done.

#### COMMUNICATIONS TO THE FIELD

FEBS have augmented the Washington-to-field communications process. In addition, FEBS are a forum where top Federal officials from Washington can address at one time all field agency heads in a particular location.

During the FEBS' formative years, it was recognized that the lines of communication in government could be unusually long. Months could pass before a field manager received a communication of interest published in Washington and addressed to agency heads. Occasionally, significant communications might never get to a field manager. After FEBS were created, communications on matters of special Presidential interest and governmentwide significance were sent directly to them. It soon became apparent that FEBS could usually communicate Presidential concerns from Washington to the field more rapidly than could individual agencies. The following statement by an FEB chairperson describes the FEB communications advantage:

"The FEBS may be used as an efficient means of communication to the field by agencies in Washington. While many of these items needing dissemination could be passed down through normal agency channels, it usually takes longer and might not receive as wide an audience. FEB disseminated information usually catches the attention of the local agency head. We know our membership, and can pass information to them extremely quickly."

The forum of field agency heads created by FEBs is an avenue of communication which has been used selectively by high level officials from Washington to create greater awareness, understanding, and acceptance by field managers of current governmentwide issues and Presidential initiatives. For example,

--In April 1983, an OPM official addressed the Los Angeles FEB on the subject of merit pay and performance management.

--In July 1982, the Counselor to the President addressed the San Francisco FEB on priorities of the Reagan Administration.

--In July 1981, the General Services Administration (GSA) Deputy Administrator addressed the Denver FEB on current general management issues.

--In January 1981, the Comptroller General of the United States addressed the Los Angeles FEB on fraud, waste, and abuse in government.

In addition, FEBs have been valuable to the central management agencies--OMB, OPM, and GSA--in getting word out on changes in policies and procedures, and in focusing joint action. For example, in early 1983, the Los Angeles FEB issued to its members statements on (1) OMB internal control guidelines and (2) OMB travel curtailment policies. Members feel that FEBs have the advantage of bringing such information to the highest level in the field, which often results in increased emphasis when implemented by the agencies because local agency heads take a personal interest in them.

For OPM, FEBs have served as a forum for personnel management information exchange and discussion. An OPM regional director stated that FEBs are critical to attainment of national personnel and general management goals within the Federal Government. An OPM associate director in Washington categorized FEBs as a proven and valuable information dissemination forum and a rich source of expertise for delivery of personnel programs.

GSA has also benefited from FEBs. FEBs have sponsored training programs, seminars, and information releases related to governmentwide issues for which GSA has primary responsibility. For example, in May 1983, the Pittsburgh FEB sponsored a GSA

customer service seminar where GSA representatives discussed space management, telecommunication, transportation, and supply issues.

### COMMUNICATIONS AMONG FIELD MANAGERS

Communication among agency heads broadens their interest in the mission of government beyond their own programs. Documents supporting the establishment of FEBS noted that it is important that field executives have a broad picture of government and a general understanding of the interrelationships of government activities. FEBS foster this kind of communication.

FEBS stimulate communication on issues of interagency interest by providing a forum for local field executives that results in mutual awareness and rapport. The forum enables agency heads to exchange information, share experiences and technical knowledge, and cooperate in common projects that improve the efficiency of the federal field establishment. The following quotation from an FEB chairperson exemplifies the significance of the communications role played by FEBS:

"In its communicator, prompting and coordinative roles, it [FEB] creates the opportunity for managers, supervisors and subject matter specialists to . . . [work toward] common goals. . . . This results in . . . savings in administrative and program time, effort and expenditures. . . . While a medium does not exist to measure these savings, they are real and readily discerned."

### RESOURCE SHARING

Through resource sharing, FEBS improve the efficiency of federal field operations by helping agencies avoid duplication. FEBS cite substantial cost savings because temporary needs for equipment or other resources were met by borrowing from other agencies instead of renting or purchasing. This borrowing was made possible by resource sharing programs sponsored by FEBS. FEBS are not required to document benefits or costs. Therefore, we were unable to verify resource sharing dollar savings cited by FEBS.

Resource sharing sponsored by FEBS can be traced back to 1962, when BOB, in cooperation with the Philadelphia FEB, initiated a project looking towards better utilization of ADP equipment. Their study showed that 13 installations operating 37 computers were willing to make available over 31,000 hours of

computer time each year for sharing with other installations. The Philadelphia FEB reported that during the last 5 months of 1962, 48 instances of computer sharing resulted in estimated savings to the government of \$57,000. As a result of this effort, other FEBs instituted their own resource sharing programs.

A 1980 OMB study showed that 18 FEBs had some form of program for sharing resources: personnel, facilities, services, and/or equipment. The programs varied--some focused on equipment/facilities, some on training resources (trainers, courses, films, etc.), and some on common-use facilities (tele-ticketing, mail rooms, health facilities, etc.).

OMB found that only one FEB, St. Louis, tracked the utilization and estimated the dollar savings from their resource sharing program. St. Louis estimated cost savings of \$226,000 in 1977, over \$1 million in 1978, and \$653,000 in 1979.

The OMB study pointed out, however, that similar savings may not be achievable by all FEBs, depending on

- the extent to which resources exist in specific areas, and are available for sharing;
- the need to use such resources by non-owning federal agencies in the particular geographic area; and
- the interest in, and willingness to support, a resource sharing program by each FEB and its constituent agencies.

Each of the 24 FEBs we reviewed had some sort of resource sharing program. These programs frequently consist of a published guide showing resources available for sharing by specific agencies. The use of the guide is voluntary and is not monitored closely by the FEBs.

FEBs do not always calculate dollar savings resulting from sharing resources, but here are some examples of savings resulting from resource sharing reported by FEBs.

- In 1981 the Veterans Administration Data Processing Center in Minneapolis provided computer time and technical assistance to a nearby Army installation which was awaiting the arrival of its own computer equipment. Estimated savings were \$300,000.

- A Veterans Administration hospital in Los Angeles permitted the Census Bureau to use its available office space during the 1980 census count. Avoided costs of leased commercial space were estimated at several hundred thousand dollars.
- The Pittsburgh FEB estimates that well over \$100,000 worth of office furniture and equipment was shared among its member agencies in 1981.
- The St. Louis FEB reported that in 1980 the U.S. Army Troop Support and Readiness Command provided video tape editing services for the Defense Mapping Agency Aerospace Center. Commercial editing costs saved were estimated to be \$9,000.

#### INTERAGENCY TRAINING

FEB-sponsored training courses, seminars, and workshops have avoided duplication, saved money, and made more training available to Federal workers. FEBs have been a catalyst for bringing OPM and other training programs to federal managers, equal opportunity coordinators, personnel specialists, and other government workers. Examples of FEB-sponsored training programs include:

- Workshops on fraud, waste, and abuse prevention.
- Productivity improvement conferences and workshops.
- Internal controls workshops.
- Workshops and seminars on executive development, telecommunications vulnerability to interception, and affirmative action.

Cost savings from FEB-sponsored training occur in several ways. First, combined programs may reach more government employees at lower overall costs. Second, bringing instructors to students instead of sending students to instructors saves travel

FEB members stated that FEB-sponsored courses offer the only opportunity for many smaller agencies' employees to receive certain training because many agencies' training and travel

budgets have been curtailed in recent years. The importance of FEB-sponsored interagency training is exemplified by this quotation from an FEB chairperson:

"The FEB has been the catalyst to bring training courses offered by OPM to Pittsburgh. It became prohibitive for agencies in Pittsburgh to send employees in dire need of training to distant cities. The travel and per diem costs are thus eliminated when the training is offered in Pittsburgh. The FEB involvement increased the number of courses offered here from virtually zero to over 40 per year. The savings are obviously in the many thousands, but more importantly, the employees are now being trained to do their job better."

### COMMUNITY AND INTERGOVERNMENTAL RELATIONS

FEBs have contributed to improved community and intergovernmental relations. From their inception, FEBs have been charged with bringing the federal government closer to the people. FEB activities in the area of community relations include conducting the Combined Federal Campaign, blood donor drives, and summer job placement programs for disadvantaged youth; developing consumer guides and information and referral directories for the aged; sponsoring junior achievement programs; and supporting local initiatives, such as Santa Anonymous and emergency food distribution drives.

Several FEBs have also established relations with State and local governments to improve understanding of their respective roles and to aid in solving mutual problems. Examples of FEB efforts to improve intergovernmental relations follow:

- FEB-sponsored training opportunities are often made available to staff of various State and local agencies on a space available basis.
- The Baltimore FEB represents federal employees on the Downtown Transportation Study Advisory Committee.
- The Chicago FEB and the City of Chicago co-sponsored a series of procurement conferences for local minority entrepreneurs.
- The Honolulu FEB recently sponsored a meeting of representatives from several federal agencies and

representatives of the Governors of Hawaii, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands to discuss economic development.

#### OTHER WORTHWHILE PROJECTS

FEBs carry out projects and programs which are not solely the responsibility of individual federal agencies at the local level and which otherwise might not get done. These projects and programs include minority business opportunity programs, local projects such as the FEB Emergency Radio Network in Los Angeles, and other programs promoting federal employee service.

Since 1971 FEBs have actively promoted the minority business opportunity programs. Their activities complement programs of the Department of Commerce's Minority Business Development Agency. FEBs have (1) published buyer guides for minority vendors to aid in targeting federal agencies as buyers, (2) conducted workshops for minority businessmen on the federal procurement system, and (3) aided minority banks in acquiring Internal Revenue Service tax deposits.

Also, along these same lines, FEBs have supported the Department of Labor's Vietnam-era veterans employment program and coordinated the logistical arrangements for national hearings and meetings held in local areas, such as the White House Conferences on Domestic and Economic Affairs and White House Conferences on the Elderly.

In 1981 the Los Angeles FEB sponsored an FEB Executive Emergency Radio Network to provide emergency communications between federal executives when telephone communications are disrupted. Also, the Miami FEB assisted and supported the development of a 1973 emergency hurricane evacuation plan for the Miami area. The FEB also helped disseminate the plan to the federal and private sectors.

Additionally, FEBs have made numerous services available to federal employees that could not be provided by single agencies due to expense or lack of demand. These programs include

- health screening to detect hypertension, cancer, sickle-cell anemia, and other diseases;
- troubled employee counseling and referral programs for alcoholism, drugs, mental health, and family problems;

- continuing education programs for federal employees in federal buildings after work; and
- personal safety programs, such as training for women employees on how to deal with rape, purse snatching, and other assaults.

FEDERAL OFFICIALS SUPPORT FEBS  
AS EFFECTIVE FIELD LEVEL  
COORDINATION MECHANISMS

During our review, we obtained the opinions of a variety of Washington and field officials regarding FEBS' contributions to effective field management. Virtually all the comments were highly supportive. The following quotations reflect the support expressed for FEBS by Washington officials.

In a June 29, 1982, letter to the Cleveland FEB chairperson the Director, OPM, wrote:

"We recognize the value of the FEB network, and the role the Boards serve as a primary instrument for interagency cooperation, dissemination of information within the Federal Government, for training, and for promoting discussion of Federal policies and activities of importance to all Federal executives in the field."

In an August 1982 memorandum to the OPM Director, the OPM Deputy Director wrote:

"FEBS have been studied and evaluated repeatedly over the years, and each time their purpose and usefulness have been reaffirmed. . . . We recognize the scope and appreciate the quality of FEB work and we want this excellent FEB tradition to continue. FEBS are the vital link for communications outreach between Federal Government field operations and the Office of Personnel Management, their sponsor."

In a June 7, 1982, memorandum to FEB chairpersons an OMB associate director wrote:

"Under OPM's guidance, we know the FEB system will continue to promote efficiency and effectiveness in the operation of our federal government through coordination among agencies in the 26 cities."



In addition, the FEB chairpersons and other Board members we contacted in the field were highly supportive of FEBs. These officials are busy agency heads who voluntarily devote time and effort in support of FEB activities. They include field office heads from agencies such as GSA, OPM, the Veterans Administration, the Department of Housing and Urban Development, the Internal Revenue Service, and the heads of numerous Department of Defense military installations. The table on the following page shows several comments we received from FEB chairpersons.

## FEB CHAIRPERSON COMMENTS

- o Pittsburgh FEB:  
"The FEBs have proven to be the most effective field coordination organization yet devised."
- o Denver FEB:  
"I believe strongly in the Federal Executive Board concept. FEBs make an important contribution to the efficient operation of the government because:
  - they provide an efficient means of communication from Washington to the field
  - they provide a means for communication among field managers
  - they provide a means for agencies to join together in working on common problems
  - they help agencies accomplish collectively what they cannot accomplish individually."
- o Philadelphia FEB:  
"It is undeniable that the Board is regularly instrumental towards or is the direct cause for cost avoidance, reduction and/or savings."
- o Newark FEB:  
"Without it [FEB] there is no unifying force permitting and encouraging the sharing of resources, ideas, or personnel. . . . In an atmosphere of diminishing resources, they [FEBs] provide an environment for cooperation and cost savings."
- o Buffalo FEB:  
"The small amount of money involved in salaries and expenses of running a Federal Executive Board is insignificant when compared to the intangible benefits realized."

### CHAPTER 3

#### FUNDING, GUIDANCE, AND SUPPORT

##### ISSUES OBSCURE FUTURE OUTLOOK FOR FEBs

The future outlook for FEBs is unclear. Funding problems for staff support positions are troubling the FEB system. In addition, a decline in FEB participation by local agency heads is occurring because FEBs have received little guidance and support from Washington since 1980. According to FEB members, active participation by the membership is necessary for the FEB system to remain effective.

##### FUNDING FOR FEB STAFF SUPPORT

Because of budget reductions, federal agencies which have voluntarily funded FED staff positions in the past have begun to withdraw their funding support. Two FEBs have suspended operations because they lost their staff, three FEBs are only partially staffed, and three others are retaining their staff support under temporary funding arrangements.

FEB chairpersons and other Board members feel strongly that full-time staff are needed for FEBs to be effective. Several Board members feel that the uncertainty about funding the FEB executive director and secretary staff positions raises questions about the survivability of the FEB system. The table on the following page shows several comments we received from FEB chairpersons regarding the funding issue.

##### FEB funding arrangements

The 1961 Presidential Memorandum authorizing FEBs specified that Board activities were not to require additional personnel. So, through the 1960's, FEBs used temporarily assigned personnel from the existing chairperson's agency to perform necessary duties.

In May 1971, OMB decided that to be more effective, each FEB should have a full-time staff. OMB developed a plan whereby one major department or agency in each city would provide permanent funding for an executive director and a secretary to assist the FEB chairperson. The agency sponsoring the FEB was determined generally by the ratio of its employees to the total federal employment in the Board's metropolitan area. To assist the sponsoring agency, OMB did not count the FEB staff positions

## FEB CHAIRPERSONS' COMMENTS

- Cincinnati FEB:  
"The persistent problem of FEB funding needs to be resolved once and for all. . . . We do not believe that the FEB system can survive in its present state. Unless OPM rescues the Boston, Chicago, and Atlanta FEBs very soon, the remaining FEB's will eventually all go down the tubes."
- Cleveland FEB:  
"[An] FEB cannot exist without a full-time Executive Director and secretary. Full-time staff provides continuity; carries out major program responsibilities; provides staff assistance to [the] FEB Chairman and committee volunteers. . . ."
- Denver FEB:  
"It is important to have permanent staff since without them there would be no real incentive for an agency head to accept the position of Chairman. He would have to provide staff and other support and in these times of leaner budgets many simply cannot afford it. . . . The staff must be heavily relied upon."
- Honolulu FEB:  
"Staffing is of concern to all of the FEBs. The small full-time staff of two provides all members with the opportunity to participate in board activities without the need to commit their staff resources. This is a particular consideration for small agencies. The staff also provides continuity from administration to administration."
- New York FEB:  
"The OMB system of having each FEB funded by a different executive department . . . made sense. As OMB withdrew its support of the Boards, however, so did many agencies who wanted the personnel slots for their own purposes. In order to adequately staff and fund the Boards, the OMB system (or similar) should be reaffirmed formally."

against the agency's budgeted personnel ceiling. The executive director post was seen as a developmental position at the GS-12/13 level with an 18-24 month period of service.

This funding arrangement for FEB support staff continued with few changes until 1981. However, at that time, with OMB guidance and direction to FEBs declining and with agency budgets undergoing sharp cuts, several agencies decided to discontinue funding the FEB support positions. OMB did not contest these actions; and since assuming FEB oversight responsibility in June 1982, OPM has not resolved the funding issue. Consequently, other agencies are planning to withdraw funding support for the FEB staff positions in the near future.

As of August 1983, five FEBs (Atlanta, Boston, Buffalo, Newark, and Seattle) have lost all or part of their staff support. In addition, three FEBs (Albuquerque, Chicago, and Philadelphia) are retaining their staff support under temporary arrangements. The Boston and Seattle FEBs, with no funding support and no staff, are not operating at this time.

Funding for each FEB staff office (including salaries of the full-time support staff, publications, travel, supplies, reproduction and telephone costs) ranges from about \$60,000 to about \$80,000 annually. With an average annual cost of \$70,000 each, the cost of all 26 FEBs would be \$1,800,000 annually.

Table 3-1 shows the departments and agencies that currently provide staff support and the extent, if any, of staff funding problems. Except where noted, the supporting agency provides for both staff positions (executive director and secretary).

#### LESS GUIDANCE AND SUPPORT-- DECLINING FEB PARTICIPATION

Participation in FEB activities is affected by members' interest, motivation, capacity, and priorities. Participation in and enthusiasm for FEB activities by local agency heads are waning. Federal officials we contacted see the recent absence of central guidance from Washington as partially responsible for this problem. Also, FEB representatives believe participation in FEB activities is declining because

--rewards, recognition, and incentives for FEB work have been lacking, and agencies rarely monitor their officials' participation in FEB activities; and

TABLE 3-1

FEB FUNDING AGENCIES AND  
EXTENT OF STAFF SUPPORT PROBLEMS

<u>FEB</u>	<u>FUNDING AGENCY FOR FEB STAFF</u>	<u>STAFF SUPPORT PROBLEM</u>
Albuquerque	Veterans Administration	Funding committed through 12/31/83 only
Atlanta	Department of Defense	Executive director only (no secretary)
Baltimore	Department of Defense	
Boston	None	No executive director or secretary
Buffalo	Internal Revenue Service	Secretary only (no executive director)
Chicago	Office of Personnel Management	Funding committed through 9/30/84 only
Cincinnati	Veterans Administration	
Cleveland	National Aeronautics and Space Administration	
Dallas-Ft. Worth	Department of Housing and Urban Development	
Denver	Department of Defense	
Detroit	Department of Defense	
Honolulu	Department of Defense	
Houston	Veterans Administration	
Kansas City	Department of Transportation	

TABLE 3-1 cont.

FEB FUNDING AGENCIES AND  
EXTENT OF STAFF SUPPORT PROBLEMS

<u>FEB</u>	<u>FUNDING AGENCY FOR FEB STAFF</u>	<u>STAFF SUPPORT PROBLEM</u>
Los Angeles	Department of Justice	
Miami	Department of Commerce	
Minneapolis- St. Paul	Department of the Interior	
Newark	Department of the Treasury	Executive director only (no secretary)
New Orleans	Veterans Administration	
New York	Department of Transportation	
Philadelphia	Veterans Administration	Secretary only
	Department of Labor	Funding committed for executive director through 9/84 only
Pittsburgh	Office of Personnel Management	
Portland	Department of the Interior	
San Francisco	Department of Labor	
Seattle	None	No executive director or secretary
St. Louis	Department of Defense	

--FEB members perceive that in transferring FEB administrative responsibility from OMB to OPM the Administration meant to de-emphasize the importance of FEB work.

According to FEB members, participation by the membership is fundamental to FEB effectiveness. FEB members feel that encouragement and support for FEBs from department and agency heads in Washington are needed to rekindle field officials' enthusiasm for FEBs. Further, FEB members feel that the entire FEB system should be revitalized, and many feel that the best way to accomplish this is through a new Presidential memorandum or an Executive Order.

#### Evolution of guidance provided FEBs

The degree of central guidance and direction to FEBs has fluctuated widely during their 21-year history. The fluctuations have influenced the Boards' ability to contribute to current national programs and priorities. Recently, a lack of central guidance has left FEBs, except for locally specific projects, uncertain about where the direction and focus of their activities should lie.

When FEBs were first established, CSC provided central guidance on official national goals and objectives, and individual Boards initiated local projects. Beginning in 1963, the FEB chairpersons were invited to Washington for the first of several FEB national conferences on Presidential goals and objectives. In 1966 a coordinating committee of representatives of nine agencies was established in Washington to provide better guidance to FEBs in planning and pursuing coordinated action programs.

In 1969, CSC and BOB conducted a joint study of FEBs to analyze their effectiveness and to more sharply focus their future role. Among other things, their study concluded that:

1. FEBs perform a valuable function at the field level in the areas of governmentwide policy implementation, service to the community, and improvement in the quality of the federal government. The Boards should be continued.
2. An additional 10 FEBs should be established.
3. Primary responsibility for the FEB Secretariat (leadership) functions should be transferred from CSC to BOB to more closely relate them to other coordination instruments such as Federal Regional Councils.



The results of the study were transmitted to President Nixon with a recommendation that the study's conclusions and recommendations be endorsed. The President agreed in August 1969, and the FEB Secretariat function was transferred from CSC to BOB (which became OMB in 1970).

Beginning in 1971, further emphasis was placed on FEBs within OMB. The FEB Secretariat was staffed with full-time OMB headquarters personnel, and FEBs were given a greater role in carrying out Presidential priorities or "themes" for action. FEB chairpersons attended annual conferences in Washington with high-level administration officials. OMB established annual major themes on which FEBs were to devote major attention, and each FEB was required to submit to OMB annual workplans and accomplishment reports. For example, in fiscal year 1977, OMB established 13 objectives of national concern on which FEBs were to stimulate significant federal interagency activity. These objectives included: jobs for vets, personnel management improvement, economy in government, energy conservation, personnel productivity, and minority business opportunity. OMB provided this kind of leadership to FEBs through 1980.

During 1981, OMB assessed the FEB/OMB relationship and decided not to provide its annual guidance and direction to FEBs. Because of a reduction in its own budget, OMB concluded that OPM should have responsibility for the oversight role previously carried out by OMB. In June 1982 the Executive Office of the President transferred administrative functions for FEBs from OMB to OPM.

Since assuming administrative responsibility, however, OPM has provided FEBs little central guidance. In November 1982, OPM designated five Director's Regional Representatives (schedule C Presidential appointees) to serve as executive coordinators of the FEBs in their regional areas. FEB members initially expressed optimism that these Director's Regional Representatives could effectively provide direction and oversight. To date, however, specific guidance from these officials has not been forthcoming.

Also, in March 1983, OPM issued for comment proposed regulations on the organization and functions of FEBs. Fifteen of the 25 respondents to OPM's request for comment on the proposed rules expressed concern about their lack of clarity. They felt that important issues affecting FEB activities and staffing were not addressed. OPM plans to issue final regulations early in 1984.

The chairperson, Cleveland FEB, responded to the proposed rules by stating that clarification and modification were needed in the areas of staffing, Board actions, authorized activities, and reports if the goal of effective and efficient FEB operations was to be achieved. A regional commissioner of the U.S. Customs Service commented that several questions still remain: (1) how to fund the work of the FEBs, (2) how to supply employees to do the work of the FEBs, and (3) the specific purpose of FEBs.

The proposed rules stated that, subject to the guidance of OPM's Director, FEBs will be responsible for Presidential initiatives on management reforms, such as priority items on the agenda of the Vice President's Task Force on Regulatory Relief and the President's Task Force on Private Sector Initiatives, and programs led by OMB, such as Reform '88 and the President's Council on Integrity and Efficiency. However, OPM had not formulated specific plans for guiding FEBs in carrying out any of these governmentwide initiatives.

#### FEBs want to renew their "national issues" role

FEB members stated that the lack of specific plans for FEB involvement in governmentwide initiatives is viewed as an indication that Washington is not interested in field input and contributions. This has contributed to declining member participation in Board activities.

FEB representatives around the country told us they are most anxious to cooperate with and support the Administration's policies and initiatives. They feel they have the potential for greater accomplishment and that, particularly in the area of Presidential initiatives, FEBs have been largely underused during the past 3 years. This quotation from one FEB chairperson characterizes many FEB members' feelings: "FEBs seem especially eager to respond to substantial presidential initiatives (Reform '88 as opposed to National Consumers Week)."

FEBs are uniquely able to bring together all federal agency heads in major areas of federal activity. They are a primary vehicle for communication, cooperation, and participation with the federal government's extensive field structure in initiatives to achieve governmentwide management improvements and economies. The Administration's Reform '88 project is one initiative aimed at reforming the federal government's management processes. With Reform '88, the Administration plans to streamline and reorganize the management processes that control the government's money, information, personnel, and property.

GAO has not reviewed, nor is this report commenting on, the merits of any Reform '88 project, but FEB representatives feel that FEBs could play a significant role in implementing Reform '88 projects. Specifically, FEB members believe their organizations can

- promote effective implementation of Reform '88 initiatives by providing a forum for informed administration speakers and sponsoring seminars and workshops for field executives,
- communicate quickly to the federal field population the direction of Reform '88 activities and any required actions, and
- serve when requested as a sounding board to provide field executives' feedback on the practicality and reasonableness of new initiatives.

Acting on their own initiative, several FEBs have taken steps to become involved in management improvements which coincide with Reform '88 initiatives. The St. Louis FEB sponsored a seminar for its members on improved cash management techniques. The Los Angeles FEB sponsored programs on waste, fraud, and abuse prevention through using computers to match Federal employees with (1) debts owed the federal government, and (2) workmen's compensation claims. Also, 10 FEBs have initiated and/or promoted local agencies' use of private sector travel offices which, according to FEBs, have resulted in significant economies in government travel costs. Each of these FEB sponsored activities--cash management, computer matching, and travel management--are specific areas of management improvement at which Reform '88 is directed.

#### FEBs want Washington support

FEB members told us that in addition to the lack of central guidance, participation in FEB activities has been adversely affected by a recent decline in rewards, recognition, and incentives for FEB work. As an example of this decline, through 1980 Board chairpersons were invited to Washington annually to discuss Administration initiatives and FEB involvement in implementing them. During these visits, the chairpersons met with high ranking Administration officials and received a Presidential commendation for their FEB contributions. The last such conference was

held in October 1980. In January 1983, OPM held a conference in Washington for FEB chairpersons and executive directors; however, no high level Administration recognition was provided. Also, FEB members told us that few departments and agencies monitor, encourage, or reward their field managers' involvement on the Boards.

Further, participation in FEB activities has been adversely affected by a negative perception held by FEB members about the transfer of FEB administrative responsibility from OMB to OPM in June 1982. They feel that being aligned with OMB is important because OMB speaks with more authority than any Cabinet level, independent, or regulatory agency. They believe that OMB's universal role in government makes it best suited to lead FEBs. One FEB chairperson said:

"The recent transfer of FEB oversight from OMB to OPM has been viewed by many as the beginning of the end. Since OPM is not part of the Executive Office of the President, our transfer is perceived as a de-emphasis of FEB's."

#### Effects of declining participation

According to FEB members, declining participation or an inactive membership hinders FEB effectiveness. An FEB chairperson wrote to OMB in 1981 complaining about lagging participation by agency heads. He said that without participation, one of the most important benefits of the FEB cannot be achieved--to provide a forum where local agency heads can get to know each other and share problems and solutions. Another FEB chairperson told us that declining local agency head support for the FEB has substantially reduced membership and participation on the FEB committees. As mentioned earlier, much of the more substantive work of the Boards is carried out by committees.

Another FEB chairperson explained the significance of member participation in Board activities:

". . . greater participation by Board members increases the value added feature; members can mutually contribute, exploit and reap the benefits better from a larger group."

What FEB representatives believe is needed

Several suggestions for revitalizing FEB enthusiasm and participation were made by FEB members. A new Presidential memorandum or an Executive Order to reaffirm the Administration's commitment to the FEB system was the most frequent suggestion. One FEB chairperson suggested that department and agency heads in Washington be reminded annually of their required commitment to support FEBs, and that they, in turn, should remind heads of field offices of their required commitment. Another chairperson suggested that the President express verbal support for the FEBs at Cabinet meetings. Several FEB members suggested that participation in FEB activities be included as a critical element in agency heads' annual performance appraisals. Finally, one FEB member stated that sufficient encouragement and support for the FEB system can be demonstrated by properly staffing the FEB executive director and clerical positions.

The issues of Presidential reaffirmation and encouragement and support for FEBs from Washington are not new. When FEBs were established in 1961, Administration officials recognized that a lack of official endorsement and encouragement for the work of the FEB predecessor organizations (Federal Executive Associations, Federal Business Associations, and Federal Agency Councils) had prevented them from achieving their potential. Consequently, they realized that continued strong leadership from Washington was needed to assure each member of the FEB that participation in Board activities is a part of his/her job and has the complete backing of the head of his/her agency.

AGENCY COMMENTS

We furnished a draft of this report to OMB and OPM, met with responsible officials, and obtained their comments. OMB staff offered several technical comments, which we have incorporated where appropriate. Regarding the FEBs' current status and the future of the FEB system, OMB deferred to OPM.

At our meeting with OPM officials, OPM's General Counsel offered no suggested changes to the report. He said OPM has proceeded deliberately in assuming its oversight role for FEBs, not wanting FEBs to be viewed as an interference between agency headquarters and field units or as another level of government. We were informed that OPM plans to finalize its regulations in early 1984.

In a further communication with us following the meeting (see app., p. 29), OPM's General Counsel expressed concern about our reporting of charges made by FEB representatives (see p. 19) that OPM had not exercised sufficient oversight responsibility and that funding support is inadequate. He was also concerned about FEB members' views (see p. 26) that transfer of FEB oversight responsibility from OMB to OPM signified a "de-emphasis" of the FEB system.

The General Counsel stated that the transfer of FEB oversight from OMB to OPM had "dramatically improved" the stature and operation of the FEBs. Since the transfer, he said, the FEBs have benefited from OPM's field structure which is more suited to FEB oversight because of the co-location of OPM regional offices in or near the cities in which FEBs are established. That field structure has allowed for the ready dissemination of information on programs and initiatives to be carried out by the FEBs. He said that the role which OPM's regional representatives play with regard to the FEBs is a "strong positive factor."

The General Counsel also said that OPM's interest in FEB activities is greater than OMB's, citing as an example the coordination of the Combined Federal Campaign, one of many government-wide programs administered by OPM in which FEBs play an important role. Similarly, he said, the FEBs are utilized specifically for implementation of personnel management initiatives.

The General Counsel stated further that OPM's stewardship of the FEBs has helped foster a greater sense of the "federal community." In his view, the FEBs are best suited to receive central directives without central control through funding and other means. He said OPM has encouraged a "partnership" between it and the FEBs in which information and assistance flows voluntarily between the two. He said further that this has been achieved by OPM because of the greater resources and interest which have been committed to full utilization of the FEBs for implementing government-wide initiatives.

United States of America  
**Office of  
Personnel Management**

Office of the General Counsel  
Washington, D.C. 20415

In Reply Refer To:

Your Reference:

JAN 10 1984

Mr. William J. Anderson  
Director, General Government Division  
United States General Accounting Office  
Washington, D.C. 20548

Dear Mr. Anderson:

At Director Devine's request, I have reviewed a copy of your draft report to the Chairman, Senate Committee on Governmental Affairs, entitled "Federal Executive Boards Contribute to Improved Field Management but their Future is Uncertain." Dr. Devine has directed that I meet with members of your staff to provide our official comments on that draft report. I have instructed Mr. Carrol Kinsey of my staff to schedule that meeting for a mutually convenient time in the near future.

Preliminarily, I must note that the draft report is disturbing in certain significant respects. It echoes wholly unfounded charges apparently made by some Federal Executive Board (FEB) representatives that the Office of Personnel Management (OPM) has not exercised sufficient oversight responsibility and that funding support is inadequate. Moreover, the draft report reflects the distorted views expressed by these FEB members that transfer of FEB oversight responsibility from the Office of Management and Budget (OMB) to OPM signified a "de-emphasis" of the FEB system.

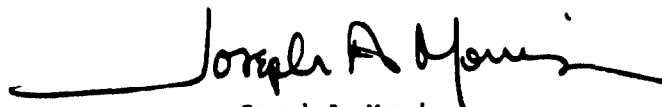
In fact, the transfer of FEB oversight from OMB to OPM dramatically improved the stature and operation of the FEB's. Since the transfer, the FEB's have benefited from our field structure which is more suited to FEB oversight because of the co-location of OPM regional offices in or near the cities in which FEB's are established. That field structure has allowed for the ready dissemination of information on programs and initiatives to be carried out by the FEB's. Certainly, the role that OPM's regional representatives play with regard to the FEB's is a strong positive factor. OMB, by contrast, does not have field resources equal to our own. The draft report does not recognize these crucial differences between the two agencies.

Further, the draft report fails to acknowledge that our interest in FEB activities is greater than OMB's. The coordination of the Combined Federal Campaign, for example, is one of many government-wide programs administered by OPM in which FEB's play an important role. Similarly, the FEB's are utilized specifically for implementation of personnel management initiatives.

Perhaps most important, OPM's stewardship of the FEB's has helped foster a greater sense of the "federal community". The FEB's are best suited to receive central directives without central control through funding and other means. A "partnership" between OPM and the FEB's in which information and assistance flows voluntarily between the two has been encouraged. Plainly, this has been achieved by OPM because of the greater resources and interest which have been committed to full utilization of the FEB's for implementing government-wide initiatives.

I look forward to meeting with representatives from your office to present these and other more specific comments.

Sincerely yours,

A handwritten signature in cursive script, reading "Joseph A. Morris". The signature is written in black ink and is positioned above the typed name and title.

Joseph A. Morris  
General Counsel

(015012)





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