FOIA Number: 2012-0741-F

# FOIA MARKER

**This is not a textual record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.**

---

**Collection/Record Group:** Clinton Presidential Records

**Subgroup/Office of Origin:** Public Liaison

**Series/Staff Member:** Alexis Herman

**Subseries:**

---

**OA/ID Number:** 2906

**FolderID:**

---

**Folder Title:**
[National Performance Review] [loose]

| Stack: | Row: | Section: | Shelf: | Position: |
|---|---|---|---|---|
| S | 29 | 4 | 8 | 2 |

Steve
Doris

Bmit

THE WHITE HOUSE

WASHINGTON

MAY 24 1994

MEMORANDUM

TO: Assistants to the President
David Gergen
George Stephanopoulos

FROM: Phil Lader PL

RE: NPR Office of Personnel Management Report

Elaine Kamarck has asked me to circulate this memo about the Office of Personnel Management report before it is published.

Please provide her with any comments before close of business on May 31,1994.

Thanks!

NPR

OFFICE OF THE VICE PRESIDENT

WASHINGTON

**MEMORANDUM TO THE VICE PRESIDENT**
**Date:** May 24, 1994
**From:** Elaine Kamarck
**Subject:** NPR Accompanying Report--**Office of Personnel Management**

This report changes the role of OPM from ensuring procedural compliance to providing leadership for results. This shift is consistent with the recommendations for decentralization of authority and delegation of operational work that are contained in the NPR Reinventing Human Resource Management report and the report of the National Partnership Council. OPM Director King has been consistently "on message" with this report.

**Reviews**
The report was circulated within OMB and OPM in November. OPM provided minor editorial comments which have already been incorporated into the final text.

**Known Political Sensitivities**
There are none; OPM has already begun assuming this new role. OPM noted that federal human resource managers (personnel directors) were concerned about deregulation of OPM's oversight authority. This concern may be diffused when the full text is finally published and additional details are provided concerning OPM's role as leader of the federal public service.

The recent controversy over OPM's firing of investigators has nothing to do with this report.

**We would like to send this report to the printer on TUESDAY, MAY 31. Please send comments or questions to me before then. Copies of the report can be obtained within hours by calling John Kamensky at 632-0150.**

(Anne

Doris
Steve

THE WHITE HOUSE

WASHINGTON

MAY 24

MEMORANDUM

TO: Assistants to the President
David Gergen
George Stephanopoulos

FROM: Phil Lader

RE: NPR Human Resource Management Report

Elaine Kamarck has asked me to circulate this memo about the Human Resource Management Report before it is published.

Please provide her with any comments before close of business on May 31, 1994.

Thanks!

OFFICE OF THE VICE PRESIDENT

WASHINGTON

**MEMORANDUM TO THE VICE PRESIDENT**
**Date:** May 24, 1994
**From:** Elaine Kamarck
**Subject:** NPR Accompanying Report--**Human Resource Management**

**(Note: this report and the report of the National Partnership Council released in January 1994, will be the basis for the Administration's Civil Service Reform Package. The report's recommendations are essentially consistent with the report of the National Partnership Council.)**

This report lays out the NPR's vision for a more flexible, modern civil service system. An earlier draft of the report was leaked to Steve Barr of the Washington Post. In it he called the changes outlined in this report ". . . the most significant change in the personnel system since the Civil Service Reform Act of 1978."

The changes here are indeed major. All in all they make government personnel policies more flexible, less rule bound and more like personnel policies in the private sector. They call for:

• the end of centralized government hiring by OPM and increased management accountability for their hires;

• total reform of the general classification system (GS 1 - 15) with the option for agencies to engage in "broadbanding" (consolidation of job categories and pay ranks);

• expanded demonstration authority for OPM;

• agency by agency revamping and redesign of incentive programs utilizing the concept of gainsharing (these programs have recently been under attack);

• reduction by half of the time it takes to fire an employee;

• issuance of an executive order on making the federal government more family friendly (this has been vetted internally and is ready to go);

• improvements in EEO (equal opportunity) implementation, the most dramatic of which is the recommendation that diversity goals and actions be included as part of a manager's performance appraisal (executive order and Presidential Memorandum in the vetting process, issuance delayed pending naming of an EEOC chair);

• streamlining of the due process procedures for employees so that the government does not have to live with two to four potentially contradictory decisions (this Presidential Memorandum is in the vetting process);

• establishment of a National Partnership Council (this has been done and they have issued their report);

• reform of training (accomplished as part of the Buy-Out bill.)

## Reviews

The Human Resource Management accompanying report was provided to Bruce Reed for review on December 10, 1993; no comments have been received to date. Bruce Reed and Paul Weinstein also reviewed an earlier draft of this report and made comments on August 4, 1993.

The monograph was circulated within OMB for review in November. Comments were received from Herman Habermann at OMB on December 6, 1993.

The monograph was also circulated within OPM in November. Comments were received from Mike Cushing of OPM on December 8. He noted that federal human resource managers were concerned about the deregulation of OPM's oversight authority. OPM also noted that federal managers and their representatives were looking for a role in the reinvention process. Since then, NPR staff have been meeting with representatives of the Coalition for Effective Change, a group of manager and professional associations, to provide them with an opportunity for input into the process.

Drafts of this report were made available in the fall of 1993 to everyone working on the National Partnership Council and to relevant House and Senate staffs.

**Known Political Sensitivities**

HRM01: Create a flexible and responsive hiring system. This would only become sensitive if we proposed to change the veterans preference now in Title 5. There have been persistent rumors that we want to do this. They are not true. Veteran's preference will be operative in the new decentralized system. Federal managers have reviewed this recommendation and are substantially in agreement. However, some of them wished that we had gone further in providing alternative means of recognizing veteran's preference.

HRM03 and HRM04: These deal with performance management and incentive programs. Senator Pryor has recently been very critical of the way these systems have operated in the past. These two sets of reforms receive kudos from labor and management groups.

HRM05: This recommendation deals with poor performers. It will probably not satisfy the blood lust of the public, nor does it completely satisfy those who want more radical action in the federal government. However, the unions have agreed to this language.

HRM09: Improve accountability for equal opportunity goals and accomplishments, and HRM10: Improve interagency collaboration and cross training for human resource professionals. These may be controversial as there is considerable feeling within the federal equal employment community that not enough has been done to ensure that the spirit and intent of current equal opportunity laws and directives are being met. We propose to issue a Presidential directive which restates the administration's commitment to equal opportunity and establishes requirements for departments and agencies to increase the representation of women, minorities, and persons with disabilities throughout the organization. Furthermore, we propose to make EEO a central, rather than a side, management issue by making EEO officers full and active members of the management team and by building diversity into performance evaluations of managers. This makes it hit home. However, we are proposing no new legislation in this area.

HRM13: Form labor-management partnerships for success. This chapter contains the recommendation for the NPC, and provides a lengthy discussion of a "Vision for Cooperative Labor Relations in the Federal Government." This recommendation has already been implemented in full.

Even though the report does not specifically address the question of scope of bargaining, it remains probably the most sensitive issue in this area. The unions have maintained all along that their support for the greater management flexibilities outlined in this report is contingent upon some expansion in the scope of bargaining. We took one step in this direction last September when we expanded bargaining through Executive Order 12871. Further expansions are still under discussion.

The report does call for an expansion of collective bargaining into the following areas:

- determining the length of temporary appointments,
- determining the length of initial probationary period,
- design and implementation of performance management programs,
- development of incentive programs.

The report explicitly bars collective bargaining in the following cases:

- matters relating to the setting of base pay rates,
- decisions to use or stop using any new pay flexibilities.

Nothing in this report and nothing in the actions of the NPC could even be interpreted as eroding the prohibition against the right to strike.

Finally, although the report does not explicitly address the issue of "agency shop" there is language on union effectiveness. The unions have tried to turn this into an implied endorsement of "agency shop." The Republicans have tried to make this into an issue as well by writing letters and pieces in the Washington Times. We have had to respond to several congressional inquiries on this.

HRM14: Provide incentives to encourage voluntary separations. This recommendation describes voluntary separation incentives, including buyouts and limiting annual leave accumulation by senior executives to 240 hours (the same as for the rest of government). We supported and passed a buy-out bill this spring. There remains considerable controversy among senior executives regarding the 240 hour proposal; Administration legislation drafted last session proposed increasing the number of hours to make this recommendation more palatable to the SES.

**We would like to send this report to the printer on TUESDAY, MAY 31. Please send comments or questions to me before then. Copies of the report can be obtained within hours by calling John Kamensky at 632-0150.**

(Arnett)

THE WHITE HOUSE

WASHINGTON

Doris

MEMORANDUM

TO: Assistants to the President
David Gergen
George Stephanopoulos

FROM: Phil Lader

RE: NPR Federal Emergency Management Agency.

Elaine Kamarck has asked me to circulate this memo about the FEMA report before it is published.

Please provide her with any comments before close of business on May 13,1994.

Thanks!

OFFICE OF THE VICE PRESIDENT

WASHINGTON

**MEMORANDUM FOR THE VICE PRESIDENT**
**Date:** May 2, 1994
**From:** Elaine Kamarck
**Subject:** NPR Accompanying Report--**Federal Emergency Management Agency**

**Reviews**
The accompanying report, Federal Emergency Management Agency (FEMA), was reviewed by Chris Heiser at OMB on December 6, 1993. He suggested several editorial changes that were accepted and others that he agreed to drop. This report was also reviewed by Sheryll Cashin of NEC in August of 1993.

**Known Political Sensitivities**
This report consists of four recommendations to improve the operations of FEMA. Many of the specific recommendations are underway.

Several potentially contentious issues are raised in this report although none are new.

Prior studies of FEMA have pointed to the large number of political appointees in FEMA as a source of turf building and lack of coordination. Senator Mikulski's FEMA reform bill seeks to reduce the number of political appointees at FEMA. The report does not recommend a reduction in political appointees but it acknowledges the problem and states: "Through organizational restructuring and reordering of priorities, all agency directorates should be responsible to the Director for fulfilling the primary agency mission of disaster response."

The report also asks that FEMA "reexamine its field structure in relation to the agency's mission." The Mikulski bill goes further in asking them to "reduce" the number of regional offices.

Finally, the report calls for several measures to enforce existing flood insurance requirements applicable to people living in high-risk areas. It endorses congressional legislation that would tighten up on flood insurance requirements for lenders. This legislation has been considered by Congress but key portions were watered down and replaced with a recommendation to study.

**We would like to send this report to the printer on Friday, May 13. Please send comments or questions to me before then. Copies of the report can be obtained from John Kamensky at 632-0150.**

Steve: Doris!

THE WHITE HOUSE

WASHINGTON

MEMORANDUM

TO: Assistants to the President
David Gergen
George Stephanopoulos

FROM: Phil Lader PL

RE: NPR Re-engineering Through Information Technology.

Elaine Kamarck has asked me to circulate this memo about the NPR IT report before it is published.

Please provide her with any comments before close of business on May 9,1994.

Thanks!

**MEMORANDUM TO THE VICE PRESIDENT**
**Date:** May 2, 1994
**From:** Elaine Kamarck
**Subject:** NPR Accompanying Report--**Reengineering Through Information Technology**

**Reviews**
The Reengineering Through Information Technology accompanying report was reviewed extensively by Mike Nelson of the Office of Science and Technology in the fall of 1993 and again in April.

The report was reviewed on August 9 by Sally Katzen of OMB. It was circulated again in early December within OMB. After discussions with OMB about its concerns, there were no points raised by OMB which were either not agreed to by the NPR or to which OMB agreed to the accommodation offered by NPR.

**Political Sensitivities:**
This is one of the more visionary of the NPR accompanying reports. There are many upsides to the report. In particular, the middle 6 recommendations paint a vision of a truly modern government, one in which:

benefits are delivered electronically,
law enforcement and public safety are enhanced,
routine and uncomplicated income tax filing (which accounts for 75 boxcars of paper) is replaced by an integrated system of government financial filings, reportings and payments,
international trade data is instantly available to business,
environmental data is integrated into an index with a variety of uses,
the government communicates on e-mail.

While some of the items in the report are not expected to happen until the late 1990s, others are well underway as parts of Administration policy. For instance, the EBT plan called for in the report is about to be released with enthusiastic backing from Governors, funding for the creation of a national law enforcement/ public safety network is included in the Administration's crime bill, GSA has several government information kiosks in prototype, the question of government wide e-mail (as requested by the Cabinet recently) awaits final legal decisions involving the Archives, and most of the technology acquisition recommendations have either been implemented by GSA or are included in the Administration's procurement bill.

This last recommendation however, is the source of the only political controversy in the report. The Administration's philosophy and the philosophy of the federal managers with regard to the acquisition of computer technology runs somewhat counter to the philosophy of Congressman Jack Brooks who wrote the initial law on this in the 1960s. No where in this report do we seek to overturn or even amend the Brooks Act. Nevertheless, as an Administration we have encouraged taking advantage of all the flexibilities in the law and this has provoked some public criticism of GSA Administrator Johnson by Congressman Brooks. We maintain that the computer world has changed so much in the past decade, that it warrants using the flexibilities in the law - Brooks wants GSA to maintain tighter, more centralized control.

**We would like this report to go to the printer on May 9th, please deliver any comments or concerns before that time. Thank You.**

AMH

Doris
Steve

THE WHITE HOUSE

WASHINGTON

JUN - 9 1994

MEMORANDUM

TO: Assistants to the President
David Gergen
George Stephanopoulos

FROM: Phil Lader PL

RE: NPR Accompanying Reports

Elaine Kamarck has asked me to circulate this memo about three NPR reports before they are published.

Please provide her with any comments before close of business on June 14, 1994.

Thanks!

## MEMORANDUM TO THE VICE PRESIDENT

**DATE:** June 6, 1994
**FROM:** Elaine Kamarck
**RE:** The Three NPR Accompanying Reports Related to Changing Internal Agency Culture

The three NPR accompanying reports related to changing internal agency cultures contain a total of 42 action items; about half of these are being implemented. These three reports lay out much of the philosophy behind the NPR and can be done administratively.

## TRANSFORMING ORGANIZATIONAL STRUCTURES

### Current Status of Implementation

This report is probably the best description of NPR's overall organizational philosophy. It also contains the proposal for the 252,000 cut in federal employment. While much of this already appears in the September 7th summary report, this report provides details and rationale. For example, it contains an appendix that illustrates potential areas for cuts within each of the major agencies.

In addition to streamlining, this report introduces the concept of internal competition, the creation of cross-boundary organizations, partnerships, and the use of performance agreements.

This report contains 6 action items, 5 of which are making expected progress. The recommendation related to staffing cuts has been enacted into law and OMB has issued implementation guidance to agencies on this. The FY 1995 budget proposal contains cross-agency initiatives (ORG05: Sponsor Three or More Cross-Departmental Initiatives Addressing Common Issues or Customers) and proposes deleting barriers to cross-agency initiatives (Identify and Change Legislative Barriers to Cross-Organizational Cooperation). Deputy Secretary Romminger is leading the PMC's development of a list of field offices to be closed. Implementation is lagging in developing multi-year performance agreements with downsizing strategies.

### Reviews

This report was shared with Bruce Reed for comment on January 4th; we have received no comments to date. Jonathan Breul at OMB reviewed it on December 7, 1993, and had only one comment regarding the factual accuracy of a statement; we revised the statement in response to that comment.

### Known Political Sensitivities

ORG01: Reduce the Costs and Numbers of Positions Associated With Management Control Structures.

This is probably the most well known of NPR's recommendations. It has been enacted into law, but there is still opposition to cutting "management control" positions. We have been working with the Coalition for Effective Change, which represents federal managers, as well as with the unions.

ORG03: Establish a List of Specific Field Offices to be Closed

When this recommendation is implemented next year, it will attract more attention.

ORG04: The President Should Request Authority to Reorganize Agencies

The House Government Operations Committee as well as the Senate Governmental Affairs Committee will want to see specific plans before they would be willing to grant this authority. Currently this is on hold, and all interested parties agree that is the right approach.

## CREATING QUALITY LEADERSHIP AND MANAGEMENT

### Current Status of Implementation

This report contains 20 action items. Of these, 5 are making expected progress and the remainder are not. The President has signed directives creating chief operating officers and the President's Management Council. The role of the Federal Quality Institute is being redefined, governmentwide training has been initiated, and the merger of the federal government's quality awards is on track.

Presidential directives revising the role of the President's Council on Management Improvement, articulating a vision of managing for results, creating quality leadership standards, and creating agency-level quality councils are still on hold -- as is training for the President, Vice President, and the Cabinet. No action has been taken to create qualification guidance for key political appointees below the agency-head level.

### Reviews

OMB's Hermann Habermann reviewed and commented on this report December 15, 1993. Most of the issues he raised were incorporated, however, he raised several issues that were not resolved, such as the recommendation that the President, Vice President, and Cabinet attend quality training; and the appropriateness of creating qualification guidance for political appointees. The later action item was referred to the White House Personnel Office (Vicki Bagley), who revised the text in conjunction with OPM.

Other reviewers provided input over the past few months. For example, Alan Balutis (Commerce) and Michelle Hunt (FQI) revised the recommendation on consolidation of quality awards on December 29th, and the PMC recommendation was revised by Bill Halter, OMB, in April 1994. Pat Griffin and Susan Brophy have been asked to comment on the recommendation related to improving legislative-executive branch relations.

**Known Political Sensitivities**

None.

## STREAMLINING MANAGEMENT CONTROLS

**Current Status of Implementation**

This report contains 16 action items, of which 9 are making expected progress. Presidential action has been taken on reducing internal regulations and legislation has been introduced by Sen. Levin to begin eliminating congressionally mandated reports. OMB has drafted internal control procedures and will be sending them out shortly for comment. The IGs have begun to change their focus and GAO has agreed to act on the recommendation directed to it. OMB has established a waiver process for its regulations.

No action has been taken on the part of the PMC to propose a redesigned set of accountability and control mechanisms for the federal government. Likewise, no action has been taken on increasing the effectiveness of offices of general counsel.

**Reviews**

OMB's Hermann Habermann reviewed it and comments were provided to us by Wendy Zenker, OMB, on Feb. 22th. These comments were incorporated or resolved to her satisfaction.

**Known Political Sensitivities**

SMC03: <u>Change the Focus of Inspectors General.</u>

The congressional oversight committees have objected to NPR's perceived interference with the independence of the IGs. This, however, has not been seen as a problem in the IG community.

SMC08: Expand the Use of Waivers to Encourage Innovation

This proposal is one that most members of Congress support in concept but may not in the particulars. It will not pose a problem in the report, but interest groups may block any real action on this recommendation as agencies develop specific proposals.

**We would like to send these reports to the printer on TUESDAY, JUNE 14. Please send comments or questions to me before then. Copies of these reports can be obtained within hours by calling John Kamensky or Jean Logan at 632-0150.**