3,000 elim'd 3,100 reduced

Cap: Alin one of ones called

THE WHITE HOUSE instead of projecting deficit reduction over 5 yes thru higher taxes, project thru decrease in cost of gort thru CABINET AFFAIRS STAFFING MEMORANDUM Grace Commin recs, the

Date: 01/03/84	Number: 168868CA	Due By:	
Subject: Cabinet Counci	on Management an	nd Administration w/t	he President
January 5, 1984	- 2:00 P.M Ca	binet Room	
ALL CABINET MEMBERS Vice President State Treasury Defense Attorney General Interior	Action FYI	CEA CEQ OSTP ACUS	Action FYI
Agriculture Commerce Labor HHS HUD Transportation Energy Education Counsellor OMB CIA UN		Baker Deaver Darman (For WH Staffing) Jenkins Mc Farlane Svahn	
GSA EPA OPM VA SBA		CCCT/Gunn CCEA/Porter CCFA/ CCHR/Simmons CCLP/Uhlmann CCMA/Biedsoe CCNRE/	
The agenda wi	on January 5, 19	84 at 2:00 P.M. in th	ne Cabinet Room.
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RETURN TO:	e Report of the T		presented to the Don Clarey
	Cabinet Affairs		Larry Herbolsheimer
	6–2823	Associate Direct	1 — 11
7.5		Office of Cabine	T Affairs

456-2800

FACT SHEET

Paperwork Reduction

The Paperwork Reduction Act of 1980:

- o Requires that all Federal paperwork--forms, surveys, and reports and recordkeeping requirements of all kinds--must be approved by OMB every three years.
- o Provides that citizens may ignore without penalty any Federal paperwork that has not been approved by OMB.
- O Directs OMB to establish goals of reducing the inventory of paperwork in existence when the Act was passed by 15 percent by the end of Fiscal Year 1982, and by another 10 percent by the end of Fiscal Year 1983.

Achievement of the Statutory Goals:

- o The Administration has substantially surpassed the Paperwork Reduction Act's burden-reduction goals.
- O By the end of Fiscal Year 1983, over 32 percent of the Federal paperwork inventory existing in 1980 had been eliminated.
- Attachment 1 is an agency-by-agency breakdown of paperwork reductions from the 1980 base inventory.

 Attachment 2 displays these reductions graphically.

 Attachment 3 describes some of the major individual paperwork reductions. The Administration is submitting a formal report to the Congress providing further details.
- OMB's inventory of Federal paperwork has changed since 1980. Many new types of paperwork have been added to the control program, and "burden hour" estimates for many forms in the 1980 inventory have been improved—some upward and some downward. Therefore, the percentage reduction figures from the 1980 inventory are more useful than the numerical burden—hour reduction figures.

The Administration's annual Information Collection Budgets have provided up-to-date measures of total paperwork burden. These budgets have documented paperwork reductions beyond those included in the 32 percent reduction.

The Information Collection Budget for Fiscal Year 1984:

O The Information Collection Budget (ICB), issued at the beginning of each year, establishes precise paperwork-reduction goals for each Federal agency for the

current fiscal year. During the year, these goals are met by the reduction or elimination of specific paperwork requirements.

-actual

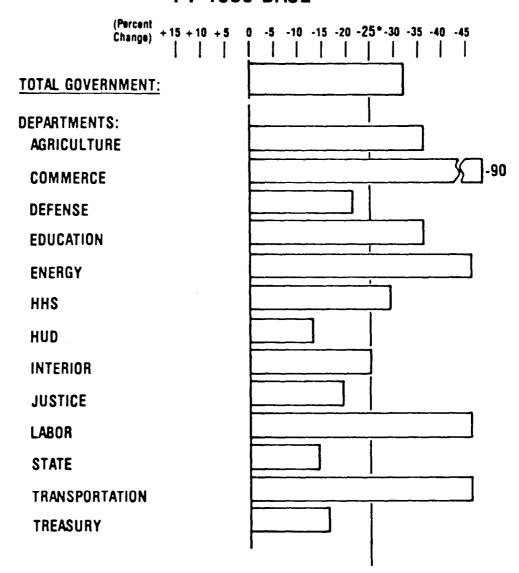
- o The FY 1983 ICB projected a government-wide paperwork reduction of 10 percent by the end of the fiscal year. The actual reduction totaled 11 percent--a reduction of over 140 million hours from the FY 1982 paperwork inventory.
- o Attachment 4 displays planned and achieved paperwork reductions during FY 1983 for each Federal agency.
- o The Administration's ICB for FY 1984 projects a further reduction in Federal paperwork of 6.5 percent by the end of the fiscal year. This reduction is from a larger paperwork base created by the recent additions of procurement and regulatory paperwork to OMB's inventory. The 6.5 percent reduction from this larger inventory will amount to a reduction of over 130 million hours of paperwork in the current fiscal year.
- o Attachment 5 is an agency breakdown of paperwork reduction goals for FY 1984. Attachment 6 describes some of the major individual paperwork reductions to achieve the agency goals. The Administration's FY 1984 ICB document provides further details.
- o Attachment 7 is a current list of the 20 most burdensome Federal paperwork requirements.

Reduction in Paperwork Burden FY 1980-1983 (in millions of respondent hours)

		Percent Change	Agency Change as Percent of
	FY 1980	from	Total
Agency	Base	FY 1980	Reduction
Total Government <u>1</u> / <u>2</u> /	1,477.0	-32.4	100.0
Departments:			
Agriculture	114.0	-35.5	8.5
Commerce	38.3	-89.5	7.2
Defense	8.0	-21.3	0.4
Education	9.0	-35.5	0.8
Energy 3/	17.9	-46.0	1.7
Health and Human Services	83.8	-28.9	5.1
Housing and Urban Development	21.5	-13.4	0.6
Interior	10.1	-25.4	0.5
Justice	3.8	-18.9	0.2
Labor 4/	20.8	-45.5	2.0
State	3.1	-13.5	0.1
Transportation	271.0	-45.6	25.9
Treasury	650.5	-15.9	21.7
Agencies:			
Civil Aeronautics Board	0.6	-35.9	*
Commodity Futures Trading Comm	2.6	- 4.0	*
		-99 . 8	*
Consumer Product Safety Comm 5/	<u>5</u> / 8.4	-37.8	0.7
Environmental Protection Agency	2.1	-37.8 -33.9	0.7
Equal Employment Opportunity Comm		-73.3	4.1
Federal Communications Comm	27.2		4.⊥
Federal Deposit Insurance Corp	1.5	+ 6.8	*
Federal Emergency Management Comm	0.5	- 9.9	
Federal Home Loan Bank Board	9.7	-20.9	0.4
Federal Reserve Board	6.9	-26.2	0.4
Federal Trade Commission	0.2	0	*
General Services Administration	0.4	-25.2	*
Interstate Commerce Commission	2.1	-51.2	0.2
National Aeronautics and Space Admin	0.3	-16.4	*
National Credit Union Admin	77.5	-94.8	15.4
National Science Foundation	1.2	-22.9	0.1
Nuclear Regulatory Commission	19.3	-43.8	1.8
Office of Personnel Management	3.1	-15.2	0.1
Railroad Retirement Board	0.6	-20.3	*
Securities and Exchange Commission	46.8	-17.9	1.8
Small Business Administration	0.8	- 7.0	*
Veterans Administration	6.4	-23.6	0.3

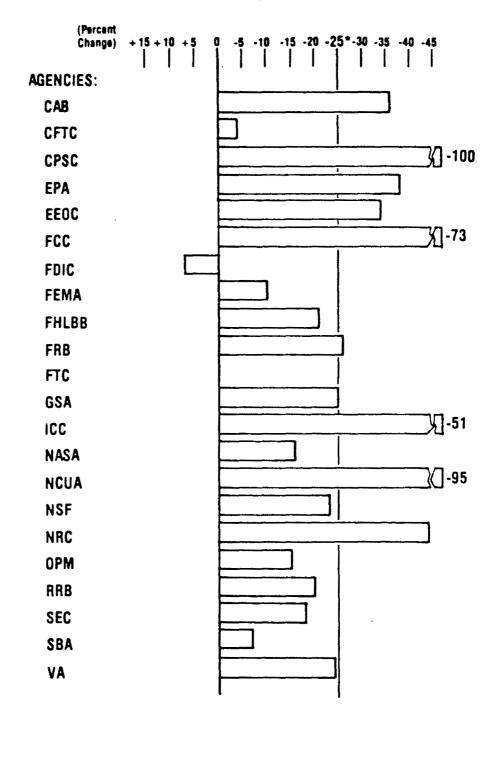
^{1/} Totals and percentages were calculated from unrounded numbers.
2/ Includes a number of small agencies not presented separately.
3/ Includes the Federal Energy Regulatory Commission.
4/ Includes the Pension Benefit Guaranty Corporation.
5/ Less than 50,000 hours.
Less than 0.05 percent

PAPERWORK REDUCTIONS FROM THE FY 1980 BASE



^{*}Goal set by the Paperwork Reduction Act of 1980

ATTACHMENT 2 (CON'T.)



Major Paperwork Reductions Prior to FY 1984:

-- State Highway-Safety Recordkeeping

A significant number of Department of Transportation requirements on States to maintain records in a prescribed fashion covering 18 separate areas of highway safety and traffic enforcement have been disapproved under the Paperwork Reduction Act. Paperwork Savings: -93 million hours annually.

-- Tax Forms and Reporting Requirements

The Internal Revenue Service has aggressively eliminated line entries on individual and business forms, streamlined formats and dropped some forms and schedules altogether. Paperwork savings: -88 million hours annually

-- Credit Union Lending and Accounting Requirements

The National Credit Union Administration has eliminated detailed lending policy and accounting procedures formerly required of member associations, most of which are small operations. Paperwork Savings: -67 million hours annually

In addition other major reductions occurred in:

-- School Lunch and Breakfast Program

Redesigned and revised rules shortened and simplified school board reporting requirements. Paperwork Savings: -21 million annually

-- Radio Station Program Logs

Federal Communications Commission (FCC) requirements on radio broadcast stations to maintain detailed program logs have been cut back from 17 million hours to 422,000 hours.

Paperwork Savings: -17 million hours annually

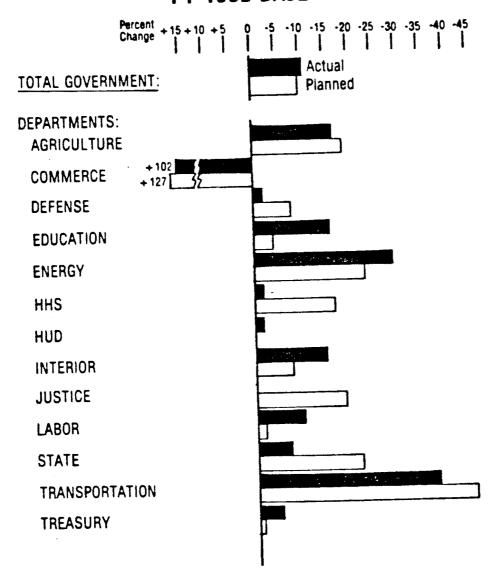
-- Truck Driver Time-Logs

The infamous "Driver's Log"—a daily record of working hours that 565,000 truck and bus drivers kept to demonstrate compliance with Federal limits on the number of hours truck drivers could be on the road—has been modified. Paperwork Savings: —11 million hours annually

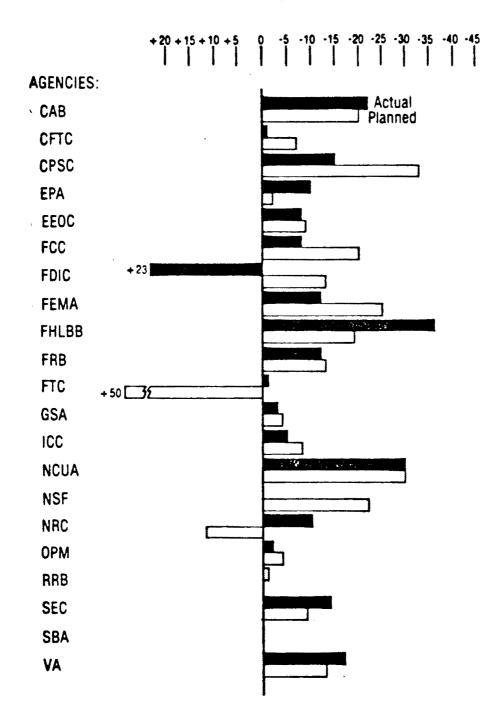
-- Medical Claims Forms

In conjunction with private insurance firms and the American Medical Association a single form was developed for use by Medicare, Medicaid and third-party payors. Paperwork Savings: -10 million hours annually

PAPERWORK REDUCTIONS FROM THE FY 1982 BASE



ATTACHMENT 4 (CON'T.)



Allowances For FY 1984 (In thousands of respondent hours)

		Reduction from Base			FY 1984 New Collections		PY 1983-84 Net Change
	FY 1983	Program	Percent	Program	Percent	Program	Percent
	Base	Change	Change	Change	Change	Change	Change
Total							
Government 1/	2.023.446	-143,386	-7.1	+12,636	+0.6	-130,750	-6.5
Departments:							
Agriculture	91,807	-6,009	-6.5	+165	+0.2	-5,844	-6.4
Commerce	9,765	-4,206	-43,1	+191	+2.0	-4,015	-41.1
Defense	629,418	-62,732	-10.0	+261	0.0	-62,471	-9.9
Education	11,422	-109	-1.0	+190	+1.7	+81	+0.7
Energy 2/	88,251	-8,374	-9.5	+167	+0.2	-8,206	-9.3
HHS	160,631	-10,014	-6.2	+1,982	+1.2	-8,032	-5.0
HUD	16,562	-881	-5.3	+408	+2.4	-473	-2.8
Interior	14,718	-1,035	-7.0	+1,270	+8.7	+235	+1.6
Justice	3,885	-40	-1.0	+48	+1.2	+8	+0.2
Labor 3/	86,482	-8,972	-10.4	+2,767	+3.2	-6,205	-7.2
State	1,803	-37	-2.1	0	0.0	-37	-2.1
Transportation	95,485	-6,207	-6.5	+278	+0.3	-5,928	-6.2
Treasury	592,489	-21,482	-3,6	+632	+0.1	-20,850	-3.5
Agencies:							
CAB	358	-29	-8.2	0	0.0	-29	-8.2
CPTC	1,603	-20	-1.2	+9	+0.5	-11	-0.7
CPSC	522	-37	-7.0	0	0.0	-36	-7.0
EPA	37,824	-371	-1.0	+1,342	+3.5	+971	+2.5
EEOC	3,255	0	0.0	0	0.0	0	0.0
FCC	20,531	-5,463	-26.6	+549	+2.7	-4,914	-24.0
PDIC	1,632	-77	-4.7	0	0.0	-77	-4.7
PEMA	1,131	-101	-8.9	Ō	0.0	-101	-8.9
PHLBB	2,090	-264	-12.6	+4	+0.2	-260	-12.4
PRB	4,830	-164	-3.4	+23	+0.5	-141	-2.9
PTC	39,357	+172	+0.4	+937	+2.4	+1,109	+2.8
GSA	2,228	-185	-8.3	0	0.0	-185	-8.3
ICC	1,161	-388	-33.4	+42	+3.6	-346	-29.8
NASA	27,397	-2,717	-9.9	+11	0.0	-2,705	-9.9
NCUA	5,385	-200	-3.7	0	0.0	-200	-3.7
NSP	3,838	-41	-1.1	+27	+0.7	-14	-0.4
NRC	11,968	-642	-5.4	+922	+7.7	+280	+2.3
OPM	2,186	-131	-6.0	+6	+0.3	-124	-5.7
RRB	1,208	0	0.0	0	0.0	0	0.0
SEC	36,857	-1,982	-5.4	+10	0.0	-1,972	-5.4
SBA	4,123	-206	-5.0	+49	+1.2	-157	-3.8
VA	11,246	-344	-3.0	+344	+3.0	0	0.0
VA.	11,440	-344	~3.0	T344	¥3.U	U	0.0

Totals and percentages were calculated from unrounded numbers.
 Includes the Federal Energy Regulatory Commission.
 Includes the Pension Benefit Guaranty Corporation.

Major Paperwork Reductions to Occur in FY 1984

- -- Reduction in Department of Defense procurement paperwork (-62 million hours). For example, existing value-of-contract thresholds that trigger the imposition of certain paperwork requirements have been raised--thus freeing small contractors from excessive "red tape".
- -- Curtailment of recordkeeping requirements of the Department of Labor's Occupational Safety and Health Administration (-7 million hours). DOL plans to eliminate all of the data elements for several OSHA recordkeeping requirements and only require a simple certification for program compliance.
- -- Shortening the Internal Revenue Service's corporate Income Tax Form (-6 million hours). IRS is considering the introduction of a short version of the Corporate Income Tax Form 1120A.
- -- Substitution of the Internal Revenue Service's Personal Income Tax Forms and related schedules by aggressively promoting use of the 1040EZ forms and by allowing child care credit (-2.3 million hours) and IRA deductions to be claimed on Form 1040A (4.6 million hours).
- -- Reduction in the Department of Transportation's Driver Inspection, Repair, and Maintenance for Commercial Motor Vehicles Report (-5 million hours). DOT will make significant reductions in this information system during FY 1984.
- -- Requiring less frequent response to the Department of Agriculture's reporting requirements for the Food Stamp Program (-4.1 million hours). USDA will reduce the frequency for recertification of eligibility from semi-annual to annual.
- -- Promotion of a uniform hospital billing form, acceptable to Medicare, Medicaid and other third-party payors, to reduce burdens on hospitals by 3.2 million hours during FY 1984.
- -- Expansion of the use of "paperless billing," designed to eliminate hard-copy submissions of bills for Medicare payments, to reduce paperwork burdens on a variety of health care providers by an estimated 2.5 million hours in FY 1984.

ATTACHMENT 7

Twenty Most Burdensome Reporting/Recordkeeping/
Testing Requirements of the Federal Government

Respondent Burden (in Sponsoring millions of Title Department hours)	Cumulative Burden (as percentage of total)
1. Individual Income Tax Return Treasury 263.4	13.0%
and Related Schedules (1040)	
 Wage and Tax Statement and Treasury and 106.8 Transmittal of Income and Tax Health and 	18.3%
Statements (W-2, W-3) Human Services	10.00
3. Request for Medicare Payment Health and 29.7	19.8%
Human Services 4. Corporate Income Tax Treasury 25.7	21.0%
4. Corporate Income Tax Treasury 25.7 Return	21.08
5. Model Food Stamp Forms Agriculture 25.2	22.3%
6. Statement for Recipients of Treasury 23.0	23.4%
Interest Income (1099 Int.)	
7. National School Lunch Program Agriculture 22.5 Reporting	24.5%
8. Individual Income Tax Return Treasury 18.6 (1040A)	25.4%
9. Partnership Return of Income- Treasury 18.0 Partner's Share of Income	26.3%
10. Inspection, Repair, and Transportation 16.6 Maintenance and Driver Vehicle Inspection Report	27.2%
11. Labeling and Recordkeeping Federal Trade 15.5 Requirements for Textile Commission Clothing and Household Items	27.9%
12. Quarterly Federal Tax Return Treasury 15.3 (941)	28.7%
13. National Pollution Discharge Environmental 15.1 Monitoring Report Protection Agency	29.4%
14. Form 10-K Annual Report Securities and 15.0 Exchange Comm.	30.2%
15. Fiduciary Income Tax Return Treasury 12.4	30.8%
16. Consumer Commodity Content Federal Trade 12.0	31.4%
Disclosure/Labeling Requirements Commission	
17. Depreciation and Amortization Treasury 11.4	31.9%
18. Hospital, Skilled Nursing Health and 11.0 Facility and Health Care Cost Human Services Report	32.5%
19. Truck Driver Time Records Transportation 10.8	33.0%
20. Nutrition Labeling and Health and Human 9.9 Testing Requirements Services	33.5%
TOTAL 677.9	33.5%

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR CCMA MEMBERS

SUBJECT: Pos

Position Management Issue -- January 5, 1984

DATE:

January 3, 1984

An important agenda item scheduled for discussion and decision at the January 5 CCMA meeting is "Position Management" (the GS-11 through GS-15 "Bulge" issue).

Background

Poor position management, along with improper position classification, is said to add hundreds of millions of dollars to the cost of the Federal workforce.

Good position management is the responsibility of agency heads, who must organize their work structures so as to remove unnecessary levels of supervision and make the most efficient use of their employees.

OMB, OPM, and the Grace Commission have concluded that the Federal workforce is top-heavy in higher-paid professional employees and managers, creating a "bulge" in positions at Grades GS-11 to GS-15.

At the November 2, 1983 CCMA Planning Meeting there was general consensus that some central goal should be established in guiding agencies to reduce that "bulge."

Proposed Goal

The President will be asked whether to adopt an OPM/OMB proposed goal of an 8% reduction in GS-11 to GS-15 positions by the end of FY1988. The reduction would be assigned to agencies in the form of equivalent cuts in personnel funding, rather than as direct cuts in positions.

Implementation

FY1985 - A "bulge" reduction of 2% (0.55% budget costs) is being applied to each department and agency, without adjustment. OMB will not consider agency appeals until it prepares the FY1985 Pay Raise Supplemental request.

Although the reduction in "bulge" positions would be 2% per year, the savings per year will be only 0.55% of the payroll and benefits for GS-11 to GS-15 positions. One reason for the lower number is that savings from "bulge" positions will be partially offset by replacement jobs below GS-11.

Another reason is that the reduction will not be effective the full year, since the goal is stated in terms of achieving a 2% reduction in "bulge" positions by the end of the fiscal year, relying on steady attrition.

These budget cuts for FY1985 are already being taken, based on the November 2 CCMA Planning Meeting and on early decisions that had to be made in the budget process. If the President does not approve the goal, OMB can restore funds in the Supplemental.

o FY1986 and Beyond - For the balance of the four-year period, goals will likely be tailored to each agency.

OPM has proposed mechanistic formulas to adjust the 8% goal up or down by Ø to 2%, based on several factors relating to an agency's workforce ratios. They would also adjust downward by as much as 2% for agencies which have achieved recent reductions in absolute numbers of GS-11 to GS-15 positions (whether the agency as a whole has been growing or shrinking). OPM considers the formulas to be flexible, since they cover a number of factors, and fair, since they eliminate the possibility of judgment calls that are inconsistent between agencies.

OMB and some other agencies disagree with OPM's factors, particularly the one which adjusts for prior changes in absolute numbers. They believe more judgment flexibility is needed to account for such things as differences in mission, degree to which low-level jobs are contracted out, and whether an agency has been reducing or increasing its total workforce, among others.

OMB has recommended that an implementation working group be set up to develop and propose factors for use in tailoring goals to each department and agency for FY1986 and beyond.

Roles

- o OMB would assign budget cuts which represent equivalent reductions in "bulge" positions. OMB would also apply whatever factors have been approved for tailoring the goal to individual agencies.
- o OPM would monitor the progress of agencies in translating the budget cuts into real reductions in "bulge" positions.
- Departments and Agencies would internally allocate their "bulge" reductions in whatever way makes good managerial sense. The cuts would not have to be uniform throughout the organizational components.
- o CCMA will continue to have policy oversight and, if a working group is established, would act on its recommendations.

Tracking

There are differing opinions about the monitoring that will be done to ensure the "bulge" is reduced.

- Some agencies, such as HHS, would rather take the budget cut and "manage" that loss of funds in terms of agency priorities, whether the "bulge" is reduced by 2% a year or not.
- OPM would like to track, fairly vigorously, agency progress in the "bulge" reduction program. Progress would be measured in terms of four factors relating to workforce ratios, rather than how well agencies achieve the 2% annual reduction goal. OPM's first report would be based on March 1, 1984 data.
- o OMB has discussed a requirement for agencies to report early on their reduction plans, so OPM can make a timely, direct review of agencies' achievements toward the stated 2% reduction goal.
- o This tracking effort could be a subject for consideration by an implementation working group.