

OFFICE OF ECONOMIC OPPORTUNITY

EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C. 20506

~~W-7~~
Memo
-20-
CA

August 11, 1969

MEMORANDUM FOR: Members of the Cabinet
Assistant to the President for Urban Affairs
Chairman, Council of Economic Advisers

SUBJECT: OEO Reorganization

You may have questions about the reorganization of OEO beyond what has been already announced. The attached material should help answer some of your questions, particularly as to how your organization will relate to OEO.

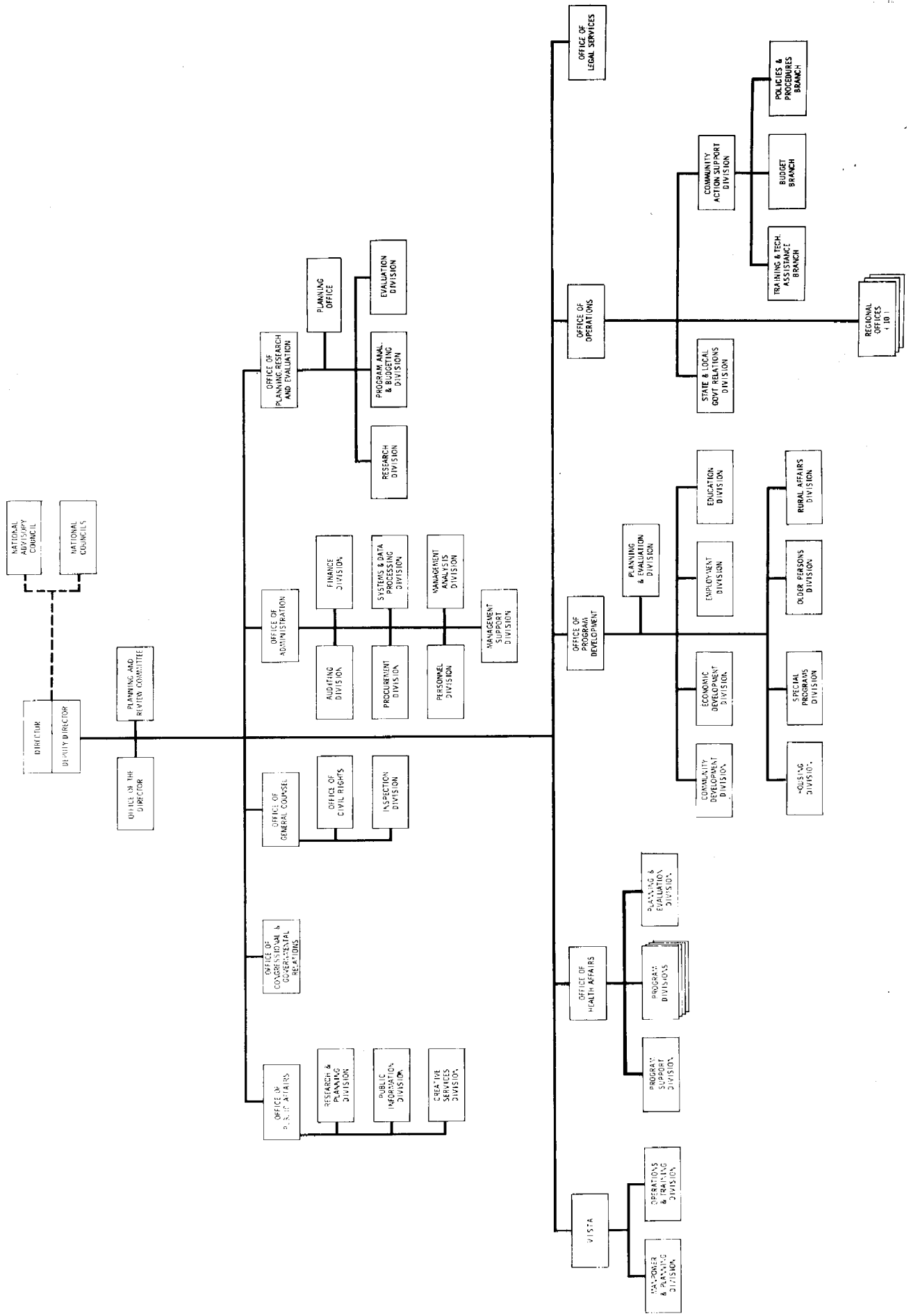
The organization chart outlines the OEO generally; the background paper interprets the organization chart; and the third paper details programs in which OEO is presently active.

If you have further questions about the proposed OEO organization, I'll be glad to answer them for you.


Robert Perrin
Acting Deputy Director

Attachments

PROPOSED OEO ORGANIZATION



Background on OEO Reorganization

The President has indicated that the Office of Economic Opportunity will be reorganized. Its efforts will be refocused to help more people participate to the full extent of their capacity in the economic life of the Nation. OEO will spearhead the effort to open full economic opportunity for all citizens. It will seek new knowledge, experiment with new ideas, and undertake research, evaluation, and program development.

Main Characteristics of Reorganization

1. Offices have been combined or eliminated to improve efficiency.
2. Missions have been sharply defined and separated.
3. Balance of effort and manpower has been shifted to innovative functions.
4. Regional offices have been restructured to provide greater financial control.
5. Activities of the Agency will be more thoroughly integrated, without losing the advantages of separate program operations.
6. Work will flow from the research stage to the development stage to the program stage.

Offices In The Reorganized OEO

Ten offices comprise the reorganized OEO and report to the Director. Line offices include Health Affairs, Program Development, VISTA, Legal Services, and Operations. Staff offices include General Counsel, Congressional and Intergovernmental Relations, Administration, Public Affairs, and Planning, Research and Evaluation. How each of these offices have changed and how each fits into the reorganized OEO is described briefly below.

Office of Health Affairs

While there has been an Office of Health Affairs in the agency, traditionally the health functions have been split up among several different units. The new Office of Health Affairs will combine all of the various health activities of the agency in a single office. It will provide a means of focusing OEO's total efforts in the health field and of building on already successful health programs, including Neighborhood Health Centers, Narcotics, Family Planning, and Emergency Food and Medical Care.

Office of Program Development

The Office of Program Development is one of the principal changes in the new organization. This office was created out of many of the activities that existed in the old Community Action Program organization and other functions scattered around the agency. To the extent that there is an "Office of Innovation" in the agency, the Office of Program Development is it. Its mission includes all those activities related to the development of successful programs. These include identification of need, design of experimental programs, operation and expansion of these programs, their evaluation, and the development of mechanisms for transferring successful programs to either full-scale operation within the agency, or to other organizations. The Office of Program Development will monitor OEO programs delegated to other agencies of government.

The Office will be organized basically along programs lines with separate functional divisions for education, manpower, community development, economic development, and others. The former offices of rural and older persons programs will be incorporated into this new office to insure that these important elements are brought into the mainstream of program development. Also within this office will be a separate division responsible for conducting evaluations of demonstration and operating programs. This function is needed for effective program design and management.

These evaluations are contrasted to those performed in the Office of Planning, Research & Evaluation in that they focus on the kind of information needed by the program designer and program operator. The evaluations in Planning, Research & Evaluation focus on the overall effectiveness of the agency's anti-poverty effort. They provide information needed by the director as a basis for resources allocation.

Office of Operations

This office is another principal change in the new OEO organization. In it are grouped those activities that closely relate to the operation of the OEO programs in the field. These include: the regional offices, which will report to the assistant director; the Community Action Support Division, which includes those components of the old CAP organization oriented to support of community action agencies (CAAs); and the State and Local Government Affairs division, which is responsible for planning and coordinating OEO's relations with state and local governments.

The Office of Operations was created for three main reasons:

- (1) To provide for a clear separation of the activities involved in operating programs and those involved in developing programs,
- (2) To insure that greater support is provided to the regional offices, to CAAs, and other local agencies by OEO Headquarters,
- (3) To insure that effective management of the new 10-regional structure is provided. The Office of Operations is something of an innovation within federal government. It will continue the tradition, established by OEO several years ago, of pioneering new means for making delivery of federal programs to intended recipients more effective. Consolidation in one office of field-related activities will establish a precedent for other federal agencies to follow, as did OEO's earlier decisions regarding its regional operations.

VISTA

VISTA will continue to operate essentially as it has in the past, except that the scope of its activities will be broadened considerably. This will include devising new programs for involving volunteers in the anti-poverty effort and for increasing the number of both full-time and part-time volunteers participating in the program.

Office of Legal Services

The Office of Legal Services has been established as a separate entity reporting to the director. There are two principal reasons for this: (1) To provide recognition of this important and successful program within the agency and (2) To provide a focus within the agency for OEO's important mission of being an advocate of the poor. This office will provide the mechanism for greatly expanded advocacy programs in the months and years ahead.

Office of General Counsel

Responsibilities of the new Office of General Counsel have been considerably broadened over the previous organization. In addition to supervising the legal staff of the agency in its traditional functions, the general counsel will also be responsible for supervising the former Office of Civil Rights and the former Office of Inspection.

Principal reasons for combining the Office of General Counsel with the Offices of Civil Rights and Inspection are: (1) To insure much closer working relationships among these three related activities. (2) To provide for stronger enforcement of the Civil Rights statutes and regulations within the agency. (3) To provide a mechanism for insuring that the results of inspections conducted by the Inspection Division are translated into meaningful actions by operating offices.

Office of Congressional and Governmental Relations

There are 2 principal changes in this new office which distinguish it from the old Office of Congressional Relations: (1) The associate director has been given the responsibility for all congressional relations activities of the agency. This is in contrast to the previous situation where congressional relations responsibilities were diffused throughout the headquarters organization and the regional offices. (2) The associate director is also given the responsibility of serving as the principal assistant to the director of OEO for federal governmental affairs. In this capacity the associate director will be responsible for representing the director of OEO in many of the top-level contacts with other federal agencies.

Office of Administration

The principal change in the Office of Administration is the addition of the systems design and data processing function. In the past, this function had been the responsibility of the agency's Information Center. The Information Center, as such, will not exist in the new organization. The reasons for making this change are to increase the service orientation to the rest of the agency of systems and data processing activity, and to tie it more closely to those offices that are today its principal clients.

Office of Public Affairs

Two principal changes have been made in the new Office of Public Affairs. First, the associate director has been made responsible for all of the public affairs activities of the agency. This is in contrast to the situation that has existed in which public affairs responsibilities and personnel were scattered among various headquarters and regional offices. Second, a new Division for Research and Planning has been created within the office to bring to the agency the kind of creative thinking and innovation for communication with and among the poor that the agency has had in other fields such as housing, education, manpower, health, etc.

Office of Planning, Research and Evaluation

This office existed in the old organization under the title of Research, Plans, Programs & Evaluation. Despite the change in title, the functions and basic organizational structure of this office will remain much the same. The principal change is that the staff of this office will be greatly increased. The intent is to at least double the office's professional staff within the next 12-18 months. This should enable the office to perform its several missions, including: (1) Being the center for research on poverty for the country, (2) Providing the analytical support the director needs to focus OEO's resources in the most productive manner, (3) Providing the evaluation of social programs needed to make decisions on resources allocation, so lacking in past federal efforts in the domestic sector.

Additional Background

Efficiencies

Formerly there were nearly 30 individuals reporting directly to the Director. This was an unmanageable number for any one individual to control. The result was that many offices received little or no direction from the top. In fact, most operated quite independently. This made extremely difficult the task of focusing efforts of various parts of the agency. Combining and eliminating many offices free positions within the agency for application to critical areas -- planning, research and evaluation, program development. This will not, however, result in a net reduction of OEO staff. Rather, it should result in a more effective use of total resources.

Effectiveness

In addition to streamlining the management structure, a clear identification and separation of various missions to be performed within the agency has been made. This is especially apparent as it applies to research, planning and evaluation, program development, program operations, and advocacy. In the past, most of these functions were performed by the same people, resulting in all of the functions suffering. By separating functions and providing adequate staffs in each area OEO will perform each more effectively than it has in the past.

Innovation

The climate for innovation should be enhanced by the new OEO organization in several ways: First, the innovation function -- including some activities of the Office of Research Division of the Office of Planning, Research and Evaluation, as well as those of the Office of Program Development -- has been separated from the other functions the agency performs. Secondly, the size of staffs working in these various areas will be significantly increased. This means, obviously, that given the present manpower ceiling, OEO will have to cut back its staffs in other areas. Third, the principal innovative activities have been structured by program area -- education, economic development, etc. - rather than having groups of individuals responsible for innovation over a wide range of functional areas. These three moves should provide the increased quality and quantity needed to heighten the innovative effort.

Correction of Abuses

The reorganization should help reduce abuses that have characterized the past. The re-structuring of regional offices will provide closer scrutiny of grants before they are approved and closer monitoring of grants after approval. In addition, OEO plans to spend more money on training, technical assistance, and management support for community action agencies and other local organizations receiving OEO grants. This will increase support and will improve the ability of these organizations to better control money OEO assigns them.

Integrated Operation

The reorganization will make OEO a more integrated operation. Only in this way can the limited financial and human resources the agency controls be effectively focused on problems OEO is charged with solving. At the same time, it is recognized that there are significant advantages -- in terms of morale, enthusiasm, and dedication -- to having clearly identifiable and somewhat independent program operations within OEO. The intent, then, is to provide a mechanism whereby all of OEO's efforts can be focused on the achievement of goals while not destroying the advantages of separate program operations.

Flow of Work

Work of OEO will generally flow from research to development to programs. To aid this flow the Planning and Review Committee has been created. It will be composed of the director, deputy director, plus assistant and associate directors and other key individuals. The group will meet on a regular basis to review the plans and operations of the agency. It is through this committee that decisions will be made on moving specific projects or groups of projects through the various stages from research to full-scale operation. The committee has not yet been established and its operating procedures have yet to be worked out. When finally activated, the committee should provide the vehicle for managing the innovation process within the agency. However, it will take several months before this process can be refined to the point where it can be fully effective.

Spin-Offs

Determination of when an OEO program will be spun-off to another agency will be made on the basis of evaluation results. It will be the responsibility of the Planning and Review Committee. These are exactly the kinds of questions this committee will consider.

Program Components vs. CAP

Program components in the new organization will differ from the old Community Action Program (CAP) in two principal ways: First, all components relating to a given program area will be grouped in one office. This was not done in CAP. Second, the size and quality of the staffs working in each program area will be increased over the number of people formerly working in these areas.

Control Over CAAs

Better control over local community action agencies is built into the new organization. It is based on the way regional offices are structured and staffed for the job. OEO has developed some new concepts both for structuring regional offices and for the way regional offices relate to local community action agencies. These concepts should provide more support for CAAs and for closer control of them.

Regional Specialists

Specialists in regional offices are under direct administrative control of the regional director. It is intended, however, that the specialists develop and maintain a very close functional relationship with the various program specialists in OEO headquarters. It is, in fact, specified in the new organization that the program specialist in headquarters has a responsibility for working with, training, and supporting the field program.

Field Innovation

Historically, a primary source of innovation has been the community action agencies and other local organizations funded by OEO. It is expected that the new increased OEO support for training and technical assistance will enable these organizations to be even more productive in the area of innovation than they have been in the past. It is also expected that with the design of new information systems, the program offices in headquarters will be able to maintain much greater touch with the innovative program activities in the field.

Manpower

With the spin-off of Job Corps and Head Start, OEO will end up with considerable fewer people than it had at the beginning of the year. Total staff will be reduced from something over 2,800 to just over 2,200. Setting aside spin-offs, OEO operates within a personnel ceiling established by the Bureau of the Budget. Based on realistic assessment of work to be performed, it appears that this ceiling is inadequate. This means that the agency can cut back staffs from all areas on some equitable basis, or can under-perform in some areas in the interest of accomplishing other objectives.

Under the new organization, it is likely that present resources of the agency will be applied differently from what they have been in the past. No net personnel reductions are anticipated in the new organization. The same holds true in regard to dollars. OEO could spend considerably more money effectively if it were available.

COMMUNITY ACTION PROGRAMS
FY 1969

OEO has 969 Community Action Agencies nationwide serving 2000 counties. CAP served six million poor. They employ 92,000 professionals. They employ 170,900 non-professionals. They utilize 200,000 volunteers.

<u>PROGRAM</u>	<u>PROJECTS</u>	<u>EMPLOYED</u>	<u>SERVED</u>	<u>LOCATIONS</u>	<u>OTHER</u>
Legal Services	260 or 290 including R&D, T&TA Agencies.	1,850 staff attorneys. 180 VISTA attorneys.	NA	950 areas including 48 of 50 largest cities.	610,000 cases handled - Jan. - July 1969
Migrants	91 programs.	3,471 pro 4,333 non-pro <u>7,804 total</u>	265,000	37 states	Thru the program: 8,011 got jobs; 4,207 got non-OEO training; 1,448 got GED diplomas; 1,412 got higher education.
Older Persons	200 programs.	2,500--many are elderly poor.	780,000	NA	135 of programs formed under the Senior Opportunities section of --rest with local initiative funds.

<u>PROGRAM</u>	<u>PROJECTS</u>	<u>EMPLOYED</u>	<u>SERVED</u>	<u>LOCATIONS</u>	<u>OTHER</u>
Neighborhood Health	49 Comprehensive Health Services.	5500 total Staff (3000 Target Neighborhood residents)	400,000	36 urban, 13 rural	NA
Family Planning	230 projects	NA	350,000 by OEO. (800,000 by all types of such programs nationwide.) 5.4 million are in need.	42 states & P.R. 1,000 counties have some type of program.	12,000 new "acceptors" per month are served 14 medical schools are involved in Special R&D.

<u>PROGRAM</u>	<u>PROJECTS</u>	<u>EMPLOYED</u>	<u>SERVED</u>	<u>LOCATIONS</u>	<u>OTHER</u>
Emergency Food & Medical	425 CAA projects. 50 special demos.	426 pro 1,735 non-pros 2,161 total	1,500,000+		
Research & Demonstration	RURAL: 24 cooperatives 14 others 6 research URBAN: 17 economic develop. 15 others 10 research 4 evaluation 1 T & TA LEGAL SERVICES: 33 15 urban 1 rural 17 mixed HEALTH SERVICES: 16 10 urban 2 rural 4 mixed HOUSING PROJECTS: 24 12 urban 11 rural 1 mixed OLDER PERSONS: 5 1 urban, 1 rural, 3 mixed MANPOWER: 17 9 urban, 5 rural, 3 mixed EDUCATION: 31 16 urban, 5 rural, 10 mixed INCOME MAINTENANCE: 3 1 each urban, rural, mixed YOUTH PROJECTS: 15 11 urban, 2 rural, 2 mixed				

<u>PROGRAM</u>	<u>PROJECTS</u>	<u>EMPLOYED</u>	<u>SERVED</u>	<u>LOCATIONS</u>	<u>OTHER</u>
Training & Technical Assistance	REGION ONE:	Not Available		½ rural, ½ urban	5 contracts 8 grants
	REGION TWO:	79	8,312	More rural than urban	13 contracts
	REGION THREE:	300	14,494	Mostly rural.	2 contracts 5 grants
	REGION FOUR:	138	10,503,140	½ rural, ½ urban.	10 contracts 13 grants
	REGION FIVE:		250,000	½ rural, ½ urban.	2 contracts
	REGION SIX:	33	7,000	½ rural, ½ urban.	4 grants
	REGION SEVEN:	109		½ rural, ½ urban.	2 contracts 2 grants
	Special Impact	15 FY'69 projects			
	NEW YORK CITY:			Harlem Commonwealth Council	
	BROOKLYN, N.Y.:			Bedford-Stuyvesant Restoration Corp. Bedford-Stuyvesant Develop. & Services. Foundation for Community Develop.	
	DURHAM, N.C.:			Ga. Council on Human Relations Home Education Livelihood Program Hough Area Develop. Corp. Union Sarah Economic Develop. Corp. Inner-City Business Improvement Forum Job Start Corp. North Lawndale Econ. Dev. Corp. Organized CAP-Area 23	
	ATLANTA:				
	ALBUQUERQUE:				
	CLEVELAND:				
	ST. LOUIS:				
	DETROIT:				
	CORBIN, KY:				
	CHICAGO:				
	TROY, ALA.:				
	ROANOKE, VA.:				
	WASHINGTON, D.C.:				
	ALBANY, GA.:				
	MUSKOGEE, OKLA.:				
					Southwest Va. Community Devel. Fund People's Develop. Corp. New Communities, Inc. Northeastern Okla. Community Dev. Corp

VISTA

There are 6,030 VISTA Volunteers.
 3,943 are in the field.
 2,087 are in training.
 Serve in every State except Mississippi.
 Also serve in Guam, P. R., Virgin Islands and Wash., D. C.

Of the 3,943:
 1,471 ARE IN RURAL AREAS
 160 MIGRANT
 181 INDIAN
 82 JOB CORPS
 1,930 URBAN
 119 MENTAL HEALTH
 108 OLDER PERSONS
 26 HEALTH ADVOCATES (CAP)
 165 PLANNING & PROGRAM DEVELOPMENT
 200 LEGAL SERVICES (700 EXPECTED BY OCT '69)

DELEGATED OR TRANSFERRED PROGRAMS

<u>PROGRAM</u>	<u>PROJECTS</u>	<u>EMPLOYED</u>	<u>SERVED</u>	<u>LOCATIONS</u>	<u>OTHER</u>
Head Start (HEW)	5,579 full-year	12,356 teachers 77,191 volunteers 29,025 non-pro	217,509 children	70% urban	
Parent-Child Centers (HEW)	9,501 summer 35 grants	24,578 teachers 81,775 volunteers 54,785 nonpros	426,847 children	60% urban	

DELEGATED OR TRANSFERRED PROGRAMS

<u>PROGRAM</u>	<u>PROJECTS</u>	<u>EMPLOYED</u>	<u>SERVED</u>	<u>LOCATIONS</u>	<u>OTHER</u>
Career Development & Technical Assistance (HEW)	NA	9,000. 60% are Head Start parents. 50,000 pros and non-pros enrolled in other training programs outside the Supplementary Trng. & Leadership Development Programs.	NA	NA	NA
Comprehensive Work-Training (HEW)	52 Job Corps Centers (4 men's urban; 12 women's urban; 32 civilian conserv.; 4 new Labor Dept. "mini" centers)	(Now in Trng.) 18,404 total 12,631 male 5,528 female	NA	NA	NA
	Concentrated Employment Program	75,883	NA	NA	NA
	Neighborhood Youth Corps	300,257	NA	NA	NA
	JOBS (Job Opportunities in the Business Sector)	25,068	NA	NA	NA
	Operation Mainstream	10,292	NA	NA	NA
	New Careers	3,472	NA	NA	NA
	Special Impact	749	NA	NA	NA

RURAL LOANS

The Farmers Home Administration loaned \$8,216,289 of delegated OEO funds to 4,876 persons, and \$4,721,320 to 197 cooperatives this year.

S M A L L B U S I N E S S A D M I N I S T R A T I O N

\$1.7 million in OEO money was financed for management and technical assistance programs for black entrepreneurship.

\$1,699,973 was jointly-funded by OEO and the Department of Labor.

BLACK ENTREPRENEURSHIP

The Mayor's Economic Develop. Committee, D.C.
 Capital Formation, New York City
 Coalition Development in
 Anacostia Economic Develop., D.C.
 Kansas City Chapter of the Black Econ. Union
 Puerto Rican Community Devel. Project, Inc.
 Chicago Economic Development
 State University of New York, Buffalo
 Youngstown Area Development Corp
 Philadelphia Chapter of the Black Econ. Union
 Colorado Economic Devel. Assoc., Denver
 Washington, D.C., Chapter of the Black Econ. Union
 PACT, Inc., San Francisco
 Zion Non-Profit Charitable Trust, Philadelphia
 Business Advisory Servive Corp., Los Angeles
 Indian Development, District of Arizona, Phoenix
 National Bankers

\$ 41,250
 \$100,091
 \$151,150
 \$ 76,550
 \$ 25,030
 \$ 65,000
 \$ 78,905
 \$ 9,158
 \$ 52,577
 \$ 24,920
 \$ 23,490
 \$ 25,000
 \$143,216
 \$270,204
 \$ 95,441
 \$ 21,000
 \$200,000

JOINTLY-FUNDED

Menswear Retailers
 Anacostia Afro-American Culture Center
 Management and Tech. Assistance call contracts
 Kurt Salmon Associates for Bertie Industries, New York City
 Audio Visual Corp., Los Angeles
 Progressive Creative Analysis Division, Zion Charitable Trust, Philadelphia

\$ 18,000
 \$ 2,500
 \$ 3,782 and \$21,120
 \$599
 \$250,000