

REPORT ON THE INTERNAL REVIEW
OF THE
OFFICE OF BUDGET (M/B)

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

December 3, 1993

Team Members:

Robbin Boyer
Retta Burden
David Erbe
David Johnson
Harald Marwitz
Steve Ryner (Team Leader)
Peter Theil
Carolyn Weiskirch

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I. EXECUTIVE SUMMARY -- WHAT'S WORKING-WHAT'S NOT-WHAT WILL MAKE AN IMPROVEMENT?

This report presents findings and recommendations from an organization and staffing study of the Budget Office (M/B). The overall objective of the review was to determine whether it was possible to make the Office more effective, appropriately staffed and efficient.

The Budget Office is the "fair broker" of the USAID money supply. Based upon interviews, extensive study and review, the team has concluded that budget decisions are made and money flows and will continue even if no changes are made. However, the Office has problems with: communications, internal and external; perceptions of its function by staff and client; and an existing organization that needs restructuring to effectively support a revitalized "rightsized" USAID of the 90's -- in short, the system is in need of repair.

As the M/B rightsizing activity was merely one part of the larger Agency effort to "reorganize", the team was initially concerned and still has some questions about the respective roles of M/B and PPC. Based upon informal communication between members of both the PPC rightsizing group and this team, it appears that basic responsibilities can be delineated as follows:

- To work together, with sometimes differing viewpoints, to provide the best, timely, accurate, responsive staff support to the Administrator.
- For PPC to take the lead role to ensure that budgets:
 - conform to the Administrator's priorities;
 - reflect priorities consistent with the Secretary's integrated budget;
 - respond to Presidential guidance; and
 - conform to legislative policies.
- For M/B to take the lead "in conjunction with PPC" to:
 - issue guidance for developing Bureau/Office budgets;
 - guide the process of review and approval of proposed budgets;
 - present the budget to the Administrator for approval;
 - coordinate with OMB; and
 - ensure that there is appropriate monitoring and reporting of the Agency's budget operations.

In carrying out these activities and meeting these responsibilities, the team recommends a more responsive two-division structure within M/B as the preferred alternative to the existing organization.

Using this model, one division will handle budget analysis for both program and OE funds to provide more effective information and the other division resource/data analysis and overall guidance.

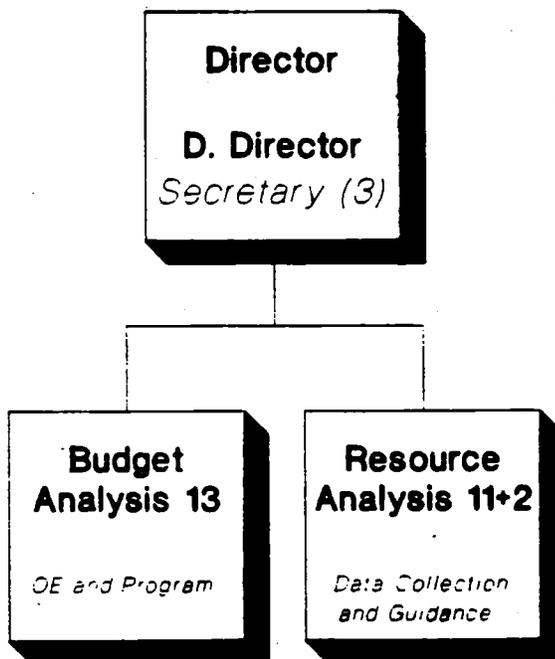
This reorganization would further flatten the M/B organization; reduce the FTE level from 30* to 27 FTE and positions from 34 to 27; eliminate a Deputy title at the Division level; and provide a manager/employee ratio of 1 to 13. The reorganization would also eliminate the confusion caused by the title "coordinator" which appears to have outlived its usefulness considering the new PPC and M/B coordination roles and responsibilities.

The committee recommends that this report be shared with M/B staff as soon as possible to reduce stress caused by the unknown. It is hoped that comments and notice of skill deficiencies will be used by supervisors and staff to correct and sharpen office efficiency. Finally, we emphasize that the views and recommendations reflected in this report represent those of the team based upon information collected during the course of this study as well as our collective personal experience and judgment.

The following is a chart of the new organization:

OFFICE of BUDGET

M/B 27 positions



December 3, 1993

SCR

*Note: Using FY 93 ceiling of 38 FTE, 8 FTE (6 are incumbered) are excluded as these staff are to be transferred out by M/B, leaving an adjusted ceiling of 30 FTE.

II. Introduction and Methodology

In October 1993 the reorganization plan for USAID was announced. As part of this plan a new Bureau for Management was established. Among it's wide-ranging responsibilities, the new Bureau is "...responsible for the Agency's budget functions and works in close collaboration with the Bureau for Policy and Program Coordination." The reorganization plan also states that:

"The Director of the Budget Office, within the Bureau for Management, is the principal contact with the Congress and the Office of Management and Budget (OMB). He assists the Deputy Administrator, the Assistant Administrator for Management and the Director of the Bureau for Policy and Program Coordination in their contacts with the Congress and OMB. The Director of the Budget Office also serves as a key advisor to the Director of the Bureau for Policy and Program Coordination."

As part of the Agency's overall "rightsizing" exercise, an internal review of the Office of Budget was conducted in November, 1993. The purpose of this review, as outlined in the statement-of-work is "...to determine the optimal organizational structure, staffing and operating procedures to achieve maximum efficiency and effectiveness in carrying out the assigned functions." The reviewers examined the functions of the Budget Office including its internal and external relations, staffing and organization; its operating procedures; its responsiveness to customers (clients) both within and outside of USAID and the overall effectiveness of its operations.

NOTE: The Deputy Director, Operating Expense Budget and Management Planning, and the staff of the Management Planning Division are not discussed in this review as their transfer to a new unit has been pre-determined.

Methodology:

In keeping with the guidelines established for these reviews, the "rightsizing" team consisted of four employees from the Budget Office, three from USAID offices outside of the Bureau for Management and one Advisor (attachment 1). The first meeting of the group was held on November 2, 1993, with then AA/M designate, Larry Byrne. This meeting established and clarified the purpose of the exercise and defined the scope of the review.

Subsequently, the team held two group meetings to agree upon organizational issues such as general administrative requirements and assignments, the interview process (who should be interviewed, how, format, etc.) and data collection such as background material needed to begin the review process. As a

result of these meetings two sets of questionnaires were developed; one to be used during interviews of Budget Office employees and one for interviews outside the Office (see attachment 2).

Each interview was conducted by two members of the team. This was necessary to insure greater objectivity to responses to the questions and to minimize misinterpretation. The interviews combined a process of structured and unstructured inquiries and with all responses held in confidence.

Internal Budget Office reviews were conducted on a one-to-one basis by those team members from outside the Budget Office. The team felt that conducting group reviews with Budget Office personnel would constrain comments, damage morale, and that one-on-one interviews would generate more candor and freedom to speak out. The external reviews consisted of a mix of one-on-one and group meetings, and were conducted by team members from within the Office. For example, senior A.I.D. staff were seen individually, while Regional and Central Bureau DP staff were interviewed together using a "focus" group approach during a special DP weekly staff meeting. Attempts to interview State Department Staff in the Deputy Secretary's Office were unsuccessful (see attachment 4 for a list of the individuals and groups interviewed). During the two-week interval period, the group met briefly on two occasions to report on progress and any problems being encountered.

Once the interviews were completed, the team leader prepared an outline for the report which was approved after proposed changes were incorporated. After meeting to compare notes on the interviews, the chairperson and two of the "outside" members of the group presented to the whole team a list of possible organizational choices for the office. After a lengthy and spirited discussion, agreement was reached on a proposed Budget Office organization plan based on functional requirements and staffing needs. This is the basis for the findings and recommendations of this report.

III. Present Office Structure and Responsibilities

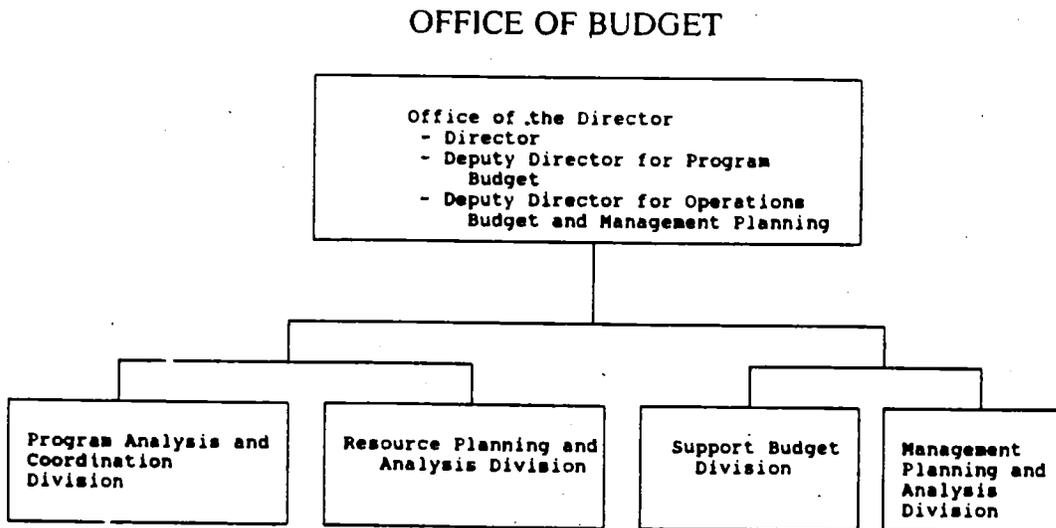
A. Analysis of Current Organization

As of November 1, 1993, the management structure of the Budget Office consisted of an Office Director, a Deputy Director for Program and Budget, a Deputy Director for Operating Budget and Management Planning and four divisions.

The four M/B divisions are paired to respond to two separate responsibilities. Two of these divisions (The Program Analysis and Coordination Division and the Resource Planning and Analysis Division) oversee program budget matters and related analytical and database needs. The two remaining divisions (Support Budget and Management Planning and Analysis) focus principally on operating expense, management planning and related analytical needs.

Each M/B division is directed by a Division Chief and, in the case of the Resources Planning and Analysis Division, a Deputy Division Chief. The current operating arrangement of 2 deputies and 4 divisions corresponds with a pre-1993, Agency reorganization. Nevertheless, the Budget Office functions within the informal structure described.

The organizational chart below outlines the structure and relationships under the current Office organization.



The Office of Budget has central responsibility for the preparation, justification, execution, monitoring and reporting of the Agency's budget. In this role the Office provides primary interface with the Department of State, other Executive Branch agencies and the Congress on all matters related to the Agency's budget. Additionally, the Office provides the Agency with management analysis and assessment capabilities and administers the organization and advisory committee management programs. The latter function is, as previously mentioned, to be transferred out of M/B.

B. Client, Advisory and Other Relationships

The Office of the Budget is, perhaps, the most client (internal and external) driven unit in the Agency. From an internal perspective, client, advisory and managerial relationships extend to virtually all Washington based operational and staff elements. These include the Administrator and his advisors, independent offices, regional and central bureaus and their respective components, and occasionally even field missions as well. All offices at one time or another get involved in the Agency budget process which the Budget Office orchestrates and coordinates. At the same time, M/B is also a customer of these same offices, bureaus and missions in that we need their inputs of data and activity to complete the budget cycle.

From an external perspective, the Office maintains coordination, operational and client relationships with a broad array of executive branch agencies such as the Office of Management and Budget, Office of Personnel Management, the Department of State, the Department of Treasury, etc., and various committees of the U.S. Congress. Client relationships are also maintained with a broad array of International Financial Institutions, Private Voluntary Organizations and various interest groups.

IV. FINDINGS AND CONCLUSIONS

A. Constraints

Based upon staff interviews the team has concluded that constraints to effective and efficient functioning of the Office of Budget fall into two categories -- External, over which the office has limited control, and Internal, over which the office usually does have control and which the team has made an effort to address during this review. In all fairness, it should be recognized that these are for a number of reasons unusually hectic, unpredictable, difficult and changing times, especially for a budget office and for this budget year.

External

- Insecurities related to Agency's future and focus.
- What is expected of the office by the Administrator?
- Rapidly decreasing Agency FTE levels and availabilities of program/OE funding resulting in intense competition for resources.
- Lack of clear understanding of the Office's role and responsibilities.
- Perception of weakness

Internal

- Lack of clear understanding of the Office's role and responsibilities.
- Perception of secrecy related to budget decisions and rationale.
- Internal fragmentation -- no perception of the office as a whole or where/when/how the parts come together -- that magnifies an internal perception of weakness.
- Lack of clarity on office products expected.
- Lack of clarity on "coordinator" functions, including frustrations when expectations are not met.
- Lack of communication and coordination at staff levels and perceived lack of communication from management to the staff.
- Lack of instructions on how office staff should relate to PPC.

- Consistently uneven individual workloads within office.
- M/B customers often go to top management for information and decisions.
- No staff level integrated analyses performed.
- Budgeting and analysis practices excludes or isolates PL 480, a major resource, and to some extent ESF.
- Location of certain functions determined by individual personalities or tailored to individuals.
- Morale impaired by real or perceived lack of delegations of responsibilities.

B. Areas of Concern

While the present office structure and modus operandi have enabled the Budget Office to achieve its mission and objectives within the larger organizational framework of the Agency, other U.S.G. agencies, PVOs, IFIs and other interest groups, the team found that the following areas of concern, if adequately addressed can facilitate, strengthen, and otherwise enhance the role of the Budget Office with both internal clients and external interests.

(1) The current division of responsibilities tends to encourage vertical and discourage horizontal communication with resultant compromises in morale, duplication and efficiency. It also results in the incomplete and inefficient use of office resources in such exercises as regional and country budget reviews which could benefit considerably from the comprehensive application of Office skills and specialized expertise.

(2) The current organizational configuration and physical separation of offices tends to channel the decision making process in a vertical direction, i.e., toward the top where most of the decisions have to be made in lieu of solving problems at the lowest possible echelon in the organization.

(3) From an internal management perspective, upper echelons are overloaded with numerous and unnecessary decisions that could, and should be made at lower levels, if more opportunities for horizontal communication are encouraged and built into the organizational structure.

(4) From an external or client perspective, upper echelons are overloaded in that even the most ordinary of questions are directed toward the top, causing delays in channeling them down

to subordinate levels where they could be answered/resolved and then redirected to the top where the answers were articulated.

(5) The situation is further complicated by an unnecessary number of bureaucratic layers which tend to suppress individual initiative and to some extent, stifle individual creativity. It seems clear in retrospect that having up to 3-4 supervisory levels in the office structure, clashes with modern management practices which emphasizes omni-directional communications, direct access to decision makers from all levels with as little structure as possible and delegating the decision making process to the lowest possible rung in the organizational ladder.

(6) In terms of Office outreach to the Agency at large and other governmental and non-governmental entities, the current structure seems to be over-reliant on personalities to function effectively. This has further pushed the interactive process toward the top and discouraged the sharing of information at the working level.

(7) While considerable organizational progress has been made by placing program and operating expense budget units in the same office, this initiative has fallen considerably short of program and operating expense (OE) budget integration necessary to link programs and OE considerations more effectively and to provide the Agency with a more unified approach to comprehensive budgeting.

(8) An examination of unit responsibilities for the three divisions suggests that there may be possibilities for the consolidation of functions to bring all closer to the concept of a unified budget function and to ensure full employment for some staff who find themselves under-utilized. This scenario also suggests that there may be some opportunities for downsizing within the Budget Office.

(9) With the relocation of the budget and policy functions in different bureaus, questions were also raised about the regional coordinators whose duties and influence in the policy and budget process have changed with the latest Agency reorganization.

(10) While probably not within the control of office management for majority of the time, the often unpredictable and time-consuming work assignments sometimes levied on the Office with apparently little advance planning and sensitivity to what the Office may already be working on causes periodic breakdowns in office morale. The Office is frequently asked to respond to issues in extraordinarily unrealistic time frames often to revisit the same issues days, weeks or even months after the initial deadline was met. It also gave outsiders the impression of indecision, confusion and/or incompetence. This approach has

caused morale problems, challenged the credibility of office task masters, resulted in lower quality responses than necessary and created difficulty in prioritizing work.

C. Assumptions

In establishing the scope-of-work for the M/B rightsizing team, it was apparent and understood that not all processes, systems, or other on-going management initiatives could be addressed by the team during the established review horizon. Nevertheless, there are a number of such requirements which the team is prepared to identify, which M/B will need to concern itself in the months ahead, and which could affect the organizational and staffing assumptions underlying the team's recommendations. Some of these activities/issues include:

- The Agency's Information System Plan's focus on the budget function, which is one of USAID's eight major business area analyses. This effort could change the budget "business process" by re-engineering the Agency's mode of resource planning with a concomitant change in the organizational, staffing, system requirements within M/B.
- Implementation of performance-based budgeting throughout the USG will be accelerated by OMB and the Congress over the next few years. The impact on M/B capabilities is unclear.
- The on-going review of the Agency's program planning process may have some impact on M/B during the coming FY.
- Some system support issues, if resolved, could lessen the staffing requirements in M/B, e.g. improved financial data support from M/FM.

During the course of review the team made the following assumptions on desirable outcomes which heavily influenced the team's recommendations:

- Although M/B has many clients, the Administrator is the primary client.
- Transparency in the budget process is essential.
- Integrated "all spigots" budgeting is needed.
- Strong central budget functions are important.
- Checks and balances within the budget office are needed to ensure objectivity.

- A better understanding of the roles and relationships between PPC and M/B is key to better staff support.

D. Organizational Options Considered:

Four options were considered by the team for budget office organization to strengthen the office while helping to resolve existing and internal problems and inconsistencies. These were:

Option 1: The Status Quo

Director
Deputy Director

Program Budget
Division (PB)

Support Budget
Division (SB)

Resource Plan.
and Analysis
Division (RPA)
(w/deputy)

Option 2: Consolidating program budget and program analysis into one division.

Director
Deputy Director

Program Budget Analysis
Division (Combining RPA
and PB) (w/o deputy)

Support Budget Planning
Division (SB)

Option 3: Maintaining structure similar to the status quo, however changing RPA from a division to a staff support office and using an informal "team approach" for coordinating work of SB and PB analysts.

Director
Deputy Director

Planning and
Budget Div.

Support Budget
Div.

Resource Planning
Staff (w/o deputy)

Option 4: Unify program and OE budget analysis in one division, and redefine the support role of the Resource Analysis Division's functions. Structured to maximize office strengths and result in multiple benefits for both the office and ultimately its primary client and other customers.

Director
Deputy Director

Budget Analysis
Division
(w/ or w/o deputy)
(Comb. SB & PB analysis
functions)

Resource Analysis
Division
(w/o deputy)
(to maintain data and
monitor budgets for all
agency resources)

E. Conclusions

With one exception (see Attachment 8), the team members agreed that the organizational structure and location of functions proposed under Option 4, above, would best serve the interests of both the Agency and the Office of Budget. This option will both strengthen the office and improve services for their priority client and other customers. It will meet these additional objectives:

- real integrated budgeting of all resources available to the Agency;
- integrated budget data entry, tracking and analysis;
- streamline the budget process and foster objectivity in the options offered; and
- empower staff to give them a sense of partnership and responsibility in the process.

V. Recommended Organization and Staffing

A. Organization Objectives

The proposed reorganization model (option 4) was based upon the following principals to:

1. Utilize personnel more effectively - identify what we do or don't do.
2. Provide better service to multiple clients, the Administrator, Bureaus, and OMB.

3. Assume new and expanded responsibility for appraisal of Budget Activities under the Performance Based Budget system.
4. Organize to be more responsive to the need for innovation in information creation and analysis.
5. Educate multiple clients as to the office functions.
6. Organize to work better as a team.

B. Organization Concept

The following provides a brief description of office and organization objectives for each of the proposed organizational units.

Office of the Director (3):

All team members agreed on the minimum staffing level for the Office of the Director except for the proposed position of the part-time (50%) services of a staff person from the new Resource Analysis Division. On the positive side, several team members felt that the part-time services of a mid-level special assistant to expedite paper work for the front office would help resolve several office problems. For those against this position in the front office, they perceived this addition as a potential bottleneck and additional unnecessary "layer."

Budget Analysis Division (13):

With one exception, * team members agreed that an integrated budget analysis division will force interdependency and provide a higher quality of analytical work for decision-makers. This division is responsible for both program and OE/FTE analytical

* See Attachment 8 for exception.

work. All data entry functions (including OE/FTE and PL 480) are assumed by the Resource Analysis Division. OE/FTE and Program analysts will work in informal teams according to their bureau assignments.

The reorganized Budget Analysis Division would have a staff of thirteen. This will allow for assigning budget analysts for both program and OE requirements who will work in teams to analyze supporting organizations and their programs and resources.

The positions of "coordinators" and "deputy coordinators" on the program side would be abolished and replaced by program officer/analyst to recognize changes that have occurred in the separation of policy and budget functions. There is insufficient substantive work to keep two persons fully occupied, therefore the positions of deputy coordinators are not needed.

Analysts in this new division will work in informal teams according to region or bureau responsibilities. Budget analysts will be responsible for all OE/FTE monitoring and analytical work in their assigned area. Budget analysts will be responsible for monitoring and analysis of all programs in their assigned area regardless of funding source. As a team, Agency programs are integrated in terms of balancing OE program impacts.

The issue of shared management responsibility in the Budget Analysis Division was problematic. While recognizing the importance of having a senior Analyst who is intimately familiar with the totality of the Agency's Operating Expenses budget and FTE levels, and who would assure the quality and objectivity of the Operating Expenses budget, the team did not agree on the placement of this function. Several team members feel strongly that for this division to carry the integrated approach to its maximum benefit level and to indicate the equal importance of Operating Expenses, it is essential to have a Deputy for the Budget Analysis Division to coordinate the Agency's Operating Expenses and FTEs. Others feel that this would be an additional and unneeded layer performing functions that could equally well be performed by a stand-alone OE coordinator who would not assume deputy functions.

Resource and Analysis Division (11 plus 2 Contractors)

The new Budget Analysis Division will rely on the Resource Analysis Division for all systems, budget guidance, recurring mandated reports, legislative coordination and data support. A revitalized closer team operation of those two divisions is essential to manage Office output. The team agreed to retain the current concept of separation of functions by year in the budget process, however, in doing this, the team recommends that an overall integrated budget team approach be followed.

One change proposed by the team is for this Division to be responsible not only for entry and maintenance of data for DA/DFA programs, but to provide those same services to the office for ESF, PL 480 and OE. Also proposed is monitoring of all AID/W contracting actions. The additional responsibilities should improve the morale of staff who would like to be fully utilized. Clearly, computer skills will have to be sharpened by some staff. At the same time, it should be recognized that as the Agency develops a user friendly data base, data entry functions in this office could and should change.

The resource analysis Division, therefore, will oversee and direct an integrated Agency budgeting approach, and will be responsible for complete integrated data entry, monitoring and related analytical work. There will exist the possibility of true "one stop shopping" for budget data.

C. FUNCTIONS

According to the recent reorganization guidance, "The Bureau for Management functions as an objective service organization with all elements of the Agency having equal access both to the budget office and to its numbers."

The Director of the Budget Office is the principal contact with Congress and the Office of Management (OMB). The Director assists the Deputy Administrator, the Assistant Administrator for Management and the Director of the Bureau for Policy and Program Coordination in their contacts with the Congress and OMB. The Director of the Budget Office also serves as a key advisor to the Director of the Bureau for Policy and Program Coordination.

The Office of Budget has central responsibility for the preparation, justification, execution, monitoring and reporting of the Agency budget. Assembling the Agency budget is part of a collaborative process, working with PPC on program-related matters.

Key process requirements are:

1. Preparation - issues guidance for developing Bureau/Office budgets in conjunction with PPC (lead is with Budget). Guides the process of review and approval of proposed budgets in conjunction with PPC.
2. Justification - presents the budget to the Administrator, Department of State, OMB, and Congress.
3. Execution - allocating and receiving resources. A new responsibility would be the direct allocation of Operating Expenses to the Missions, working in conjunction with the regional Bureaus. If adopted, a reduction in regional

bureau controller functions related to OE would be achieved with some cost savings in FTE.

Currently the Support Budget Office allocates OE and FTE resources to the regional bureaus, who in turn reallocate to the missions. It would be more efficient if the allocation process for Operating Expenses (for Field missions) was centralized within the Budget Office. Budget levels (annual plans) would be established in conjunction with the regional bureaus, any deviation from the established level would be negotiated with the Mission and Bureau. This procedure would ensure that resources are being allocated in an efficient and hopefully a more effective manner.

4. Monitoring/reporting - ensures appropriate controls for monitoring and reporting the obligations and disbursements for prior years, current year and the budget year. A new responsibility would be the monitoring of the Advance Procurement Planning System (APPS) for all AID/W contracting actions, whether generated from AID/W bureaus and offices or from field Missions (for FY 1994 and worldwide for FY 1995).

An administrative control provisions should be established to allow for "time-phased execution" of the budget. The scheduling of obligations against allowances should be carefully monitored in conjunction with the newly established Advance Procurement Planning System (APPS). By monitoring APPS both the procurement process and the budget function are strengthened. Scheduling and monitoring obligations throughout the fiscal year against a defined procurement plan (APPS) will enable constant program management, and prompt reprogramming when necessary to meet Agency objectives. Monitoring APPS will allow tracking of policy, program, and budget decisions through execution to determine what was used in relation to the amount programmed and budgeted. It also permits program and procurement staff to assess the effects of delayed or changing funding availabilities on the program and budgetary goals of the Agency.

D. Staffing and Skills

The proposed office reorganization diagram indicates the general skills needed for a functioning budget office. Beyond that, the team noted that there is a wide disparity not only in staff capabilities, but also in a desire to exercise capabilities related to automation, preparing spreadsheets, and various types of budget and program analysis. Some resource analysis staff might benefit from additional Lotus courses, as well as courses in budget analysis.

Program analysts currently in PB come from a mixture of backgrounds and experiences. There is also an inconsistency of analytic skills which is quite natural considering the time and exposure some have had to this type of work. Such skills can be improved if the individuals are given, and respond to, guided opportunities to expand their analytical experiences.

Another possible learning alternative to improve both skills and office interaction might be in-office teach-ins when periodically time is set aside to learn from each other. For instance, there are several individuals in SB who use specific and interesting analytical techniques learned outside of the Agency. All analysts could benefit from learning something about these techniques.

It should also be pointed out that for the office to achieve its goals will require an experience and mix of GS and FS staff. Whether this mix can be achieved within prospective position descriptions, position grades and other considerations will have to be closely watched as the reorganization process advances.

The success of these recommendations is highly dependent upon M/B ability to not only train staff, but to replace any staff whose skills may be inappropriate for the office.

M/B Internal Review Report Recommendations

1. ORGANIZATIONAL AND STAFFING RECOMMENDATIONS

A. Recommend that the composition of the Director's Office remain at 3 USDH consisting of a Director, Deputy Director and Secretary:

Approve: _____
Disapprove: _____
Other: _____

B. Recommend that the current composition of the Office (three divisions) be consolidated into two divisions - a Budget Analysis Division (including Workforce/OE Planning and Program Budget Analysis) and Resource Analysis Division (including expansion of data collection, recurring external budget reports analysis, P.L. 480, procurement and FAS) consisting of 13 and 11 USDH employees each, and 2 contractors for the Resource Analysis Division bringing the employee supervisory ratio close to 13 to 1:

Approve: _____
Disapprove: _____
Other: _____

C. Recommend that the position of Deputy Division Chief be eliminated for the Resource Analysis Division:

Approve: _____
Disapprove: _____
Other: _____

D. Recommend that the position title of "Coordinators" and "Deputy Coordinator" be abolished and replaced by Program/Officer Analyst or Budget Analyst titles:

Approve: _____
Disapprove: _____
Other: _____

E. Recommend that the number of FTE's and positions be reduced from 32 to 29, and from 36 to 29 respectively, to accommodate the proposed office structure:

Approve: _____
Disapprove: _____
Other: _____

F. Recommend an in-office working group redefine and clarify objectives and functions of the office for guidance both inside and outside M/B.

Approve: _____
Disapprove: _____
Other: _____

2. PROCESS RECOMMENDATIONS

A. Recommend that OE and Program Budget Analysis functions be integrated and that staff working on OE/Workforce/Program Budget Analysis do so as members of geographic area or functional teams:

Approve: _____
Disapprove: _____
Other: _____

B. Recommend that the integrated data report and maintenance function be amended to include ESF, P.L. 480, OE and the monitoring of all USAID/W contracting actions:

Approve: _____
Disapprove: _____
Other: _____

C. Recommend that an in-Office and/or externally assisted staff upgrading program be undertaken utilizing available training resources:

Approve: _____
Disapprove: _____
Other: _____

3. Relationship with PPC

A. Propose that the Budget Office relate to PPC in the following manner:

- (1) To work together, with sometimes differing viewpoints, to provide the best, timely, accurate, responsive staff support to the Administrator.
- (2) For PPC to take the lead role to ensure that budgets:
 - conform to the Administrator's priorities;
 - reflect priorities consistent with the Secretary's integrated budget;
 - respond to Presidential guidance; and
 - conform to legislative policies.

(3) For M/B to take the lead role "in conjunction with PPC" to:

- issue guidance for developing Bureau/Office budgets;
- guide the process of review and approval of proposed budgets;
- present the budget to the Administrator for approval;
- coordinate with OMB; and
- ensure that there is appropriate monitoring and reporting of the Agency's budget operations.

Approve: _____
Disapprove: _____
Other: _____



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

October 29, 1993

MEMORANDUM

TO: Mike Sherwin, AA/M
THRU: Rick Nygard, M/B
FROM: Steve Ryner, M/B
SUBJECT: M/B Rightsizing Committee

The following lists the selected committee members for the subject activity.

David Erbe	875-4786 Rm. 709E SA18
Peter Theil	647-6658 Rm. 3847 NS
Robbin Boyer	647-0798 Rm. 3741 NS
Carolyn Weiskirch	647-7117 Rm. 3957 NS
Harald Marwitz	647-6609 Rm. 3756 NS
Retta Burden, Classifier	663-1412 Rm. 1123 SA1
Dave Johnson, Advisor	636-1869 Rm. 3756 SA16
Steve Ryner, CHM	736-4297 Rm. 3756 NS

Internal Interview Questions

1. In general, how do you see the function(s) of M/B?
--What is the relationship of the responsibilities of your division/group/unit to that/those function(s)?
2. What are your personal responsibilities that you consider critical to effectively fulfilling the office's mission?
--What percentage of your time is spent on each?
--Is there sufficient time/staff or what should the optimum time/staff be for each?
--What do you think are the two or three major contributing factors to any lack of time for critical responsibilities?
3. What personal responsibilities do you consider non-critical, unnecessary, or redundant?
--Are any of these necessary to fulfill the office's mission?
--Should any have more emphasis?
--Should any have less emphasis?
--Should any be dropped?
--If redundant, where are they also being performed?
4. How do you feel your organizational "unit" compares to other "units" within your office?
5. Are there any "unit" responsibilities that, in your opinion, are being duplicated elsewhere, could more effectively be performed elsewhere, or are altogether unnecessary?
--What?
--Where?
--Why?
6. In your opinion, which office responsibilities are
--performed exceptionally well,
--performed well,
--performed less well,
--should be or are already being duplicated elsewhere (where?)
7. If you had the authority to do so, would you re-organize or reassign responsibilities within your unit? Your office? How?

CW:MB1:11/4/93

RIGHTSIZING EXTERNAL INTERVIEWS

1. What are the primary responsibilities and functions that the Budget Office should be carrying out and is the Office doing them? If not, where does the Office need to strengthen its functions?

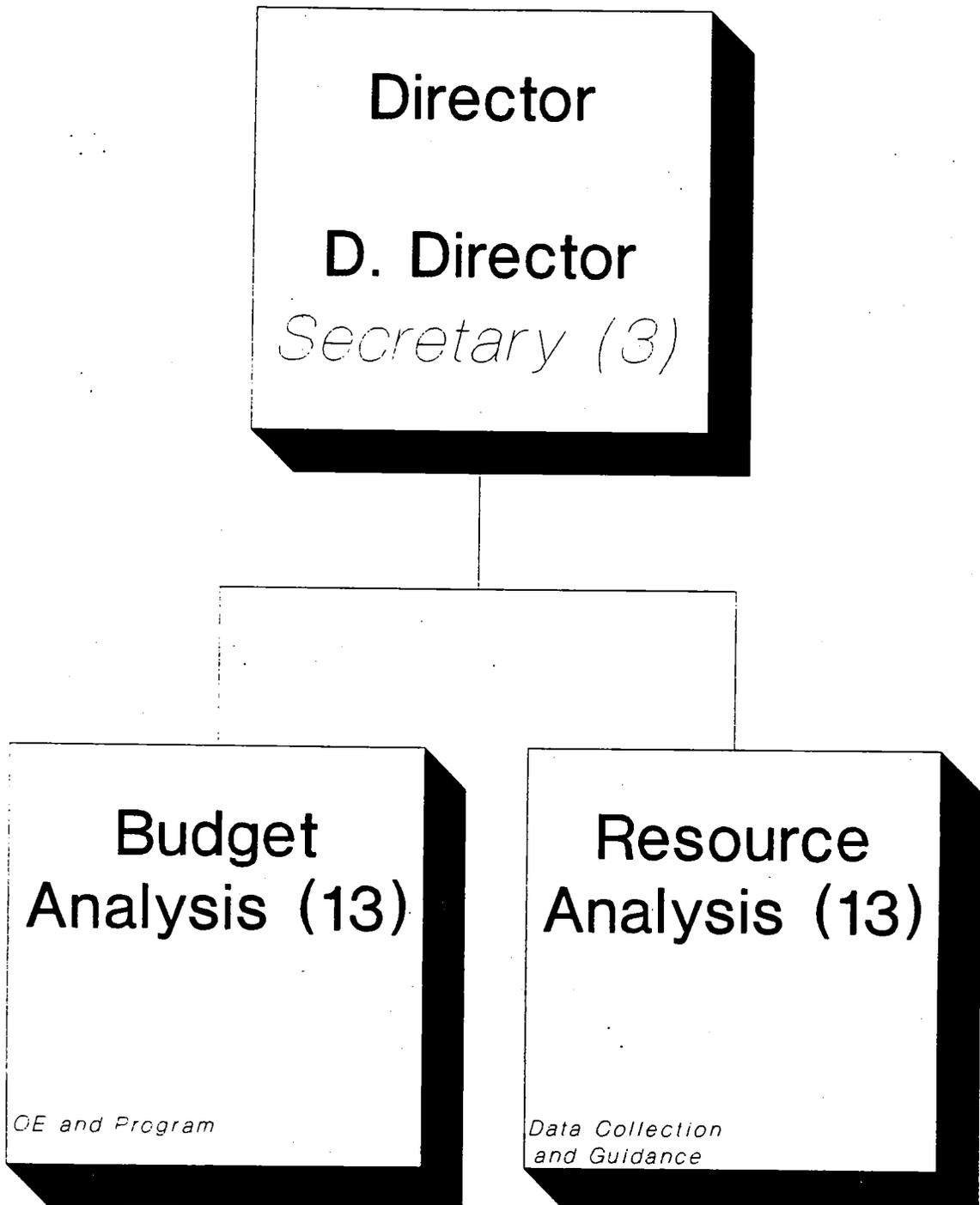
2. In your opinion does the Budget Office serve as an honest broker in the budget process? Do you believe it objectively presents budget options, including concerns of your bureau, to the Administrator?

3. Are there functions now being performed by the Budget Office that you think should be undertaken by another office or even eliminated? Are there redundant and overlapping responsibilities on budget issues, and if so do you perceive them to be a problem? Conversely, are there functions that are either not now being performed by anyone or by some other office that should be a part of the Budget Office?

4. Are you satisfied with how the Budget Office carries out its responsibilities in the overall budget process? Is it responsive to your needs, are its actions timely and understandable, do the products it produces clear, relevant and to the point?

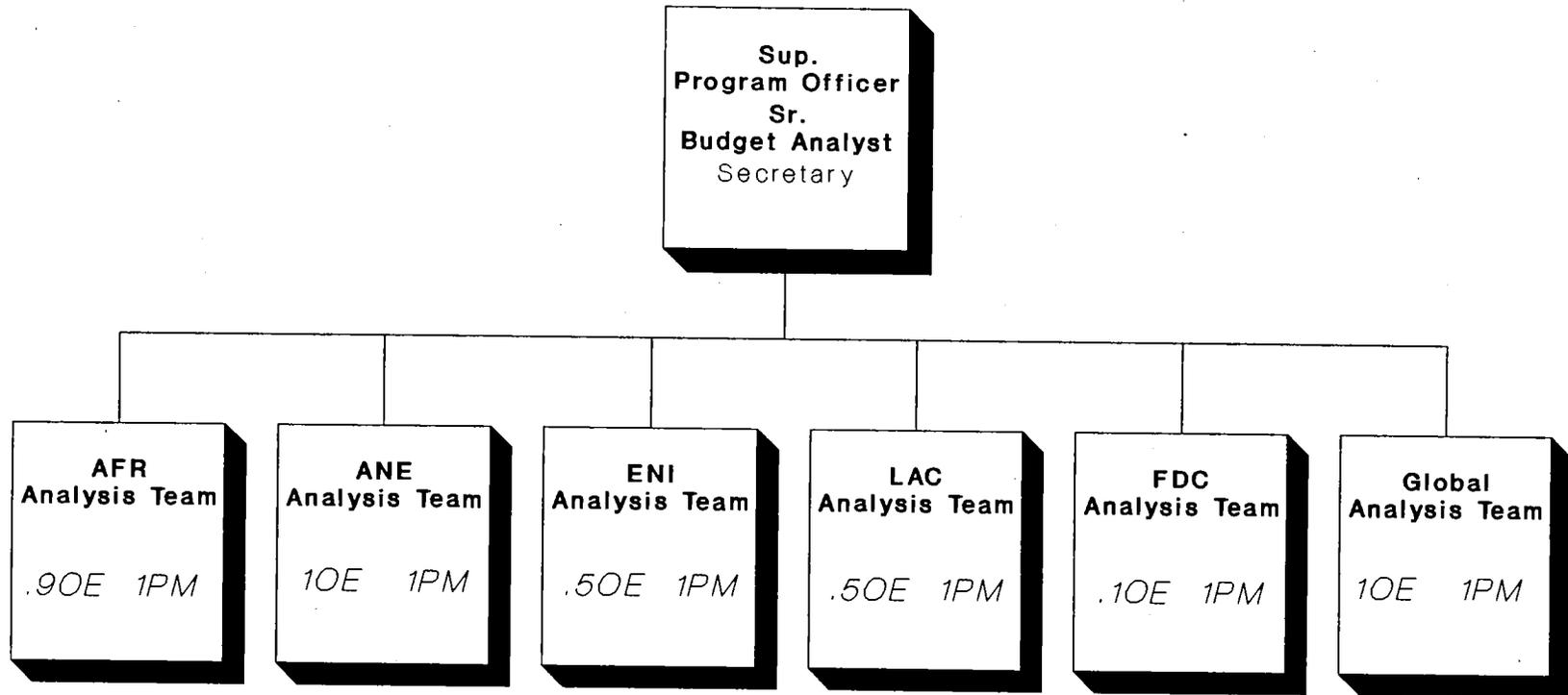
5. Do you have a sense that the overseas missions understand why we ask for some of the information we require even if/when they perceive that it is of no relevance to their operation?

OFFICE of BUDGET
M/B



Budget Analysis Division (BA)

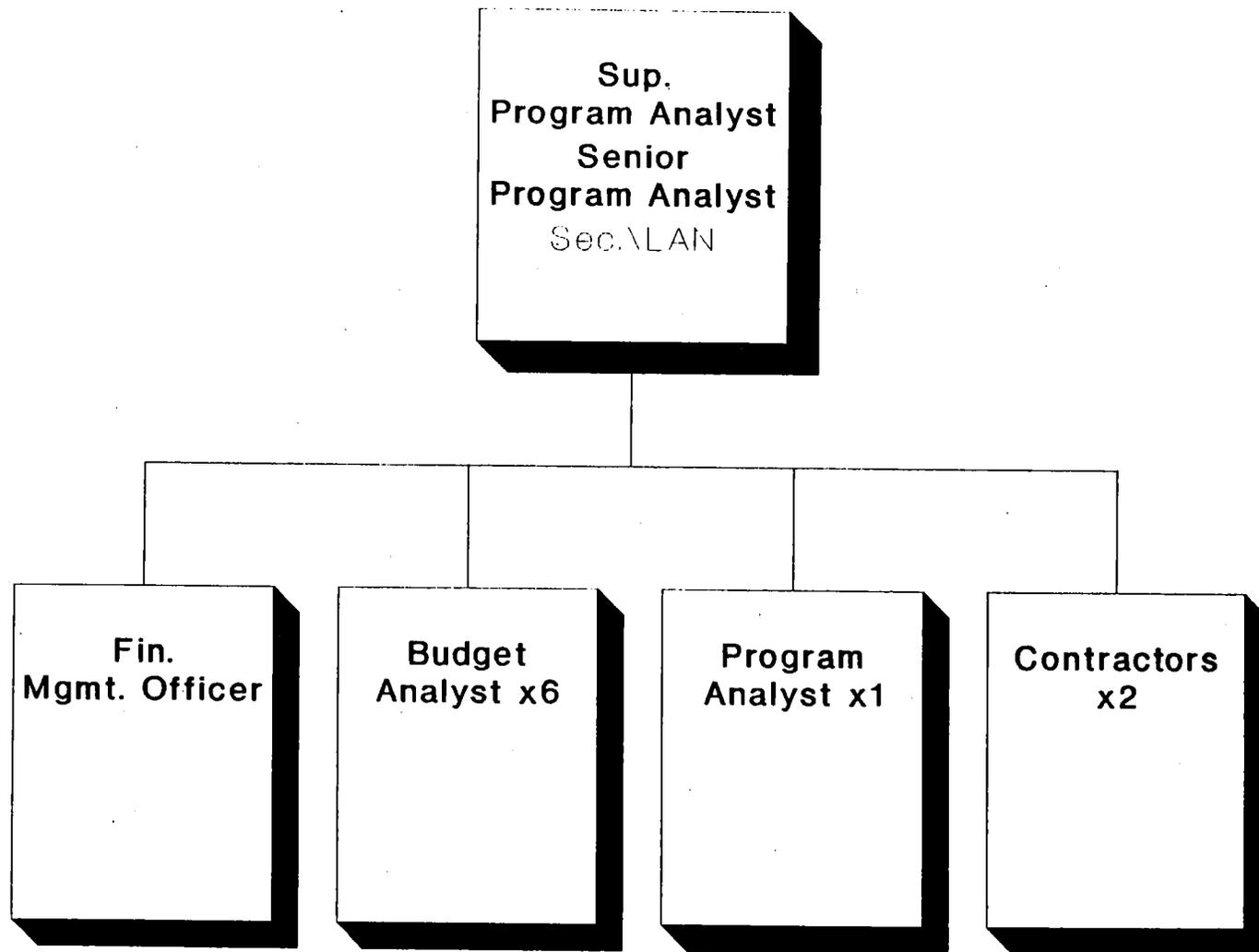
13 positions



All data collection shifted to RA

Resource Analysis Division (RA)

11 Positions + 2 contractors



List Of Outside Interviewees

John F. Owens, AA/M
Jeanne Heavesy, M/FA/FM/LM
Stephen Dean, M/FA/OP/A
John Winn, ENI/NIS/TF/OD
Thomas Diedrich, AFR/MRP/CONT
Thomas Williams, AFR/MRP/CONT
Herminia Pangan, ENI/EUR/RME/CONT
Kelly Kammerer, Mission Director, Nepal
Marianne O'Sullivan, LEG/PPD
Rosemarie Depp, LEG/PPD
Bette Cook, LEG/PPD
Susan Hudec, NIS/TF/PAC/SPBC
Bettsy Carter, EUR/REM/ECA/PDD
Sherry Grossman, AFR/DP/PAB
Larry Byrne, AA/M
Ron Silberman, OMB
Janet Pillar, OMB
Alice McNutt Miller, OMB
Mark Sandy, OMB
Jay Bergmann, M/FA/OP/B/LA by phone
Frank Method, G/ED by E-mail
Jim Hester, PPC, by E-Mail
Joan Segerson, ANE, DP
John H. Bierke, G/PO
David Erbe, G/PO
Wayne Tate, LAC/DPP
George Hill, PPC/PAR
Terry Brown, D/PPC
Kurt THO, Kenya Mission
Emily McPhie, Bangladesh

10/29/93

Office of Budget O&A Study
Calendar of Events

<u>Event</u>	<u>Completion Date</u>		
1. A-AA/M Meeting with M/B/OD	10/28		
2. Designation of Team Members Concurrence of A-AA/M	11/1		
3. Kick-Off Meeting with LB (May be delayed if LB is o/s)	11/2		
4. Team Business Meeting -- Assignments -- Interview List -- Data Collection	11/3	11am	Ryner's
5. Team Meeting - Implementation Issues	11/4	11am	Ryner's
6. Issue Survey Forms Collect Survey Forms	11/4 11/7		
7. Begin Interviews Complete Interviews	11/5 11/18		
8. Develop Report Outline (team)	11/10	11am	Ryner's
9. Team Meeting -- Key Recommendations -- Report Assignments	11/22	2pm	Ryner's
10. Begin Draft Report	11/22		
11. Team Meeting - Review Drafts	11/30 12/1		
12. Final Draft to AA/M	12/3		
13. Meeting with AA/M re Report	12/6		
14. Comments from M/B/OD	12/8		

M/B Rightsizing Non-Assigned Staff

<u>NAME</u>	<u>TITLE/GRADE</u>	<u>REMARKS</u>
1.	Deputy Dir. (SES)	Transfer Out
2.	Mgt. Anal. (GM-14)	Transfer Out
3.	Mgt. Anal. (GM-14)	Transfer Out
4.	Mgt. Anal (GM-14)	Transfer Out
5.	Mgt. Anal. (GS-11)	Transfer Out
6.	Mgt. Assistant (GS-7)	Transfer Out

Note: An additional two vacant GS-12 management analyst positions have been identified for transfer out of M/B.

RESOURCE SUMMARY TABLE

**CURRENT ORGANIZATION
OFFICE OF BUDGET**

DIRECTOR'S OFFICE
6 Positions
6 FTEs

PAC DIVISION
12 Positions
8 FTEs (2 Vacant)

RPA DIVISION
11 Positions
11 FTES (1 Vacant)
with 2 Contractors

SB DIVISION
7 Positions
7 FTEs (1 Vacant)

MPA DIVISION
6 Positions
6 FTEs (2 Vacant)

AUTHORIZED POSITIONS: 42
Authorized Contractors 2

AUTHORIZED FTEs: 38

ON-BOARD LEVELS:
Direct Hires 33
Contractors 3

Note: The Management Division is to be transferred out of the Office of Budget (reducing the FTEs by 8).

PROPOSED ORGANIZATION

DIRECTOR'S OFFICE
3 Positions
3 FTEs

RESOURCE ANALYSIS DIVISION
11 Positions
11 FTEs
with 2 Contractors

BUDGET ANALYSIS DIVISION
13 Positons
13 FTEs

**PROPOSED
AUTHORIZED POSITIONS:** 27
Authorized Contractors 2

PROPOSED FTEs: 27

ON-BOARD LEVELS:
Direct Hires 27
Contractors 2

One team member favored the second option. While supporting increased coordination between the program and operating expense budget processes, he did not see the need to merge the two functions in the same division to accomplish this and questioned whether such a merger would result in truly integrated budgeting of these resources.

He felt it was more important to rationalize and clarify the program budget responsibilities of the office through the new Program Budget Analysis Division, which would take the place of the current Program Analysis and Coordination Division and the Resource Planning and Analysis Division. Within this division, there would no longer be regional coordinators and, in fact, no responsibilities would be assigned geographically. The regional coordinator positions would more appropriately be in PPC to address strategy issues relating to the individual bureaus. Instead, the division would strengthen its functional capabilities in such areas as the preparation of reports for A.I.D. senior management and external agencies, management of the agency's budget processes, tracking agency funding in priority areas through the AC/SI codes, and monitoring agency performance. Utilizing the agency's improved communications capabilities through the LAN, etc. the people responsible for these functional areas would deal directly with their counterparts in the regional and central bureaus and vice versa.

Option 2 would not only improve the effectiveness of the office in its management of the program budget, but it very likely would also allow for somewhat greater personnel savings than is currently envisioned under option 4. With 13 or 14 positions in the Program Budget Division and 8 or 9 in the Support Budget Division, the total number of direct-hire employees in the office could be held to a maximum of 25.

