

May 6, 1970

### The History of FAP Planning

The FAP Planning Staff has about 10 months to establish offices if benefits are to be paid on July 1, 1971. During this time one of the most complex administrative mechanisms in history must be implemented. The FAP Planning Staff presently has about twenty people (on draft), no money, no State or local organization, and little idea of what to do next. Yet it has been nine months since the first FAP legislation was ready. An examination of the process of FAP planning will not only highlight past errors but also provide suggestions so that such delays do not recur.

Attachment One is a chronological list of major events in FAP planning. The political demands of legislating FAP clearly had to take precedence over administrative matters, but even within this framework there have been the serious errors and slippages below.

1. From October 1, 1969 to January 4, 1970 there was no FAP administrative planning at all -- not even a clear designation of responsibility for John Montgomery who had arrived on December 1. *None had given anyone the mandate or seriously considered this, despite the fact that an excellent mgmt planning team had been successfully undertaking a number of complex mgmt studies.*
2. The Under Secretary's memo of January 4 did not clearly outline responsibilities for FAP planning. About this time John Montgomery began the FAP Task Force meetings. Jack Futterman and John Schwartz became increasingly discontented with the progress of the Task Force and the lack of resources for planning and began an SSA Task Force in earnest.
3. By early March, little of substance had been done -- six months had lapsed and there was not even a FAP Planning organization.
4. Passage in the House became very probable by mid February, and as late as this we agreed to a July 1, 1971 effective date -- a serious error.
5. During the last two months, the administrative planning has still not been taken seriously. For example, Jim Kelly assured the Staff on March 21 that financing would be made available quickly -- six weeks later nothing at all had been done.

6. FAP planning is not being taken seriously nor provided with adequate resources. Jerry Rosow, Commissioner Ball, Dick Nathan, and others seem to be more concerned with FAP administrative problems than counterpart leadership at HEW.

Organizing FAP planning is a management problem of the highest order. On a new program of this complexity in this time frame, management expertise must be brought early and given full support. Although they have not been heeded, Commissioner Ball's analogies to "war footing" and the U. S. moon landing are not exaggerations of the management complexity of this task. We cannot accept the argument that changing elements of legislation preclude early management planning or that the need for a low profile with Congress necessarily requires that no progress be made on planning. How many well-conceived programs must fail due to slipshod administration before some priority is attached to management expertise?

The FAP chronology illustrates a waste of at least four months, and instances where early administrative planning could have avoided major errors. Planning FAP administration cannot wait for resources until the FAP legislation has been signed into law. The political consequences of a massive failure on July 1, 1971 must certainly be obvious.

On future programs, management expertise should be brought in very early in the legislative process. Management considerations must be worked into the legislation itself. Testimony before House and Senate committees must reflect administrative realities. The interface between the people HEW serves and the legislation which purports to better their lives is an administrative system. In no way can legislation, even the most brilliant, respond to the needs of our people except through a carefully designed and managed organization. Only when this idea is accepted, for the Family Assistance Plan and for all new programs, can HEW truly serve the people of this country.

ATTACHMENT ONE

- September 25, 1969: The first full draft of the FAP legislation  
(the various parts had been circulating for some weeks)
- October 3, 1969: HR 14173 introduced and sent to Ways and Means
- December 1, 1969: John Montgomery begins work at HEW
- January 1970: Under Secretary's memo organizing FAP planning
- February 16, 1970: Breakthrough in Ways and Means. Mills  
supports FAP bill.
- March 20, 1970: Secretary's memo delineating FAP planning  
responsibilities. Clear statement that SSA not  
administer FAP.
- March 26, 1970: FAP Advisory Committee agrees financing is  
basic problem and suggests ways to get money.
- April 14, 1970: HR 16311 gets a rule from Rules Committee.
- April 16, 1970: HR 16311 passes House.
- April 29, 1970: Begin Senate Finance Committee testimony.