

EXHIBIT 1

MEMORANDUM

NOVEMBER 21, 1966.

To: Associate Commissioners for BAVE, BESE, BHE, BR, OFS, and Assistant Commissioner for Administration.
 From: J. Graham Sullivan, Deputy Commissioner of Education.
 Subject: Decentralization of State Grant Programs.

This follows up my memorandum of September 9, *Next Steps in Decentralization*, and recent discussions involving the Assistant Commissioner for Administration, the Associate Commissioners for the operating Bureaus and for Field Services, and myself. It has been decided to transfer State grant programs to the field as soon as possible. These transfers will be made to the maximum extent but consistent with principles of economy and good management.

For many years, such programs have been administered through direct relationships between headquarters offices and State agencies with little recourse to regional staffs. We are convinced that regional offices should be more direct participants with the States in planning and development, and in funds management. We are, therefore, directing that actions to regionalize State grant programs be undertaken immediately.

This in no way changes the concepts of decentralization stated in the Commissioner's memorandum of August 4, in my memorandum of September 9, and in our several discussions of this subject. The headquarters Bureaus retain their responsibility for program planning, policy, and direction. The Associate Commissioner for Field Services, through the Regional Assistant Commissioners, is responsible for coordination and management of those programs in the field. Headquarters Bureaus and Staff Offices are responsible for the technical programmatic direction of field programs.

As we envision the separation of these responsibilities, the headquarters Bureaus would be responsible for the following general functions:

1. Program planning, including annual plan of operations;
2. Program evaluation, including accomplishment of established program goals;
3. Development and revision of overall program policy and objectives;
4. Development and issuance of regulations, instructions, operating manuals, procedures, etc. (NOTE.—To assure consistency and uniformity of systems and methods, a Guidelines Review Committee of both headquarters and field representatives will be formed. The Committee will review, coordinate, and assure consistency and uniformity of all proposed issuances of guidelines materials which affect State grant programs.)

The Regional Offices would be responsible for the following general functions:

1. Authority to review and approve State grant proposals;
2. Maintenance of allotment records, including reports and recommendations for redistribution of funds based on such records;
3. Program reviews, including assessment of programs in relation to cost and appropriateness in relation to objectives;
4. Recommendations of ways to strengthen program administration or to improve level of quality in State education activities;
5. Review and amendment of State Plans, and approval of Annual Projected Activities Reports.

You are requested to examine with your staff the State grant programs for which your Bureau is responsible in order to plan and assess how best to transfer to regional offices the responsibility for review and approval of State grant proposals as well as program review and administration. The entire range of questions should be explored to determine not only what functions should be relocated but how best to staff them and perform them in the field. Where you identify positions to be transferred, we hope that you will also be able to identify personnel who are interested in regional office assignments. This is probably the most critical of the actions you are being asked to consider in planning regionalization of State grant programs. All the actions to be considered should be set forth in a "Planning Document" for each such program. We will need the documents as soon as possible, preferably before Christmas, but not later than January 16, 1967.

I have asked Jim Turman to coordinate the development and scheduling of necessary actions and to receive and evaluate these planning documents. He and his staff will work with you in outlining the steps to be taken, in describing