is of the opinion that valuable insights were provided in the course of its four days of hearings on the following questions:

(1) What progress have the executive agencies made in applying PPBS?

(2) How have State and local governments used PPBS?

(3) How can interest/discount rates be utilized in PPBS to aid public decisionmaking?

(4) Can PPBS be helpful to the Congress?

(5) What alternatives does the Congress have for developing a staff capability in PPBS techniques of analysis?

(6) How effective is PPBS in identifying national goals?

These questions, among others, are considered in more detail in the following sections setting forth the subcommittee's tentative findings.

The subcommittee wishes to thank the witnesses for their fine papers and discussion. Their names and affiliations are listed in the appendix. While we have drawn freely from their statements they are, of course, neither individually nor collectively responsible for this summary or its emphasis.

PPBS AND THE EXECUTIVE AGENCIES

The witnesses from the executive branch indicated that in the relatively short period since its inception, PPBS has already produced the following results:

(1) Agencies can see their objectives in a more comprehensive framework.

(2) Agencies have become more aware of and have sought out alternative ways of achieving program objectives.

(3) PPBS has been very helpful in determining program priorities.

(4) PPBS has promoted a more specific expression of program objectives.

At the same time, the application of PPBS has not been without difficulties:

(1) The system has been applied differently in different agencies, thus causing some confusion in multiagency program evaluation. For example, the Corps of Engineers does not include secondary returns in its cost-benefit analysis, while the Bureau of Reclamation includes all measurable direct and indirect benefits in its analyses of the same types of projects. There have also been instances of widely varying discount rates applied by different agencies for similar programs. These inconsistencies reduce the efficiency of resource allocation that the PPBS is designed to provide.

(2) Agencies found that in applying PPBS, they lacked much essential data. Population data, for example, can sometimes only be derived from the 1960 census. Other quantifiable data is only available at high cost, both in terms of time and money expense.

(3) Hopefully, PPBS will lead eventually to a more optimal reallocation of funds within present budgets, but since existing programs tend to gather unique constituencies and because agencies many times seem to be "locked in" to a certain direction and do not seem to care about possible alternatives, such reallocations become hard to accomplish. To avoid reshuffling, some

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