

With the assistance of the agencies, the Bureau establishes manpower ceilings for agencies as a whole. During the budget process, after a thorough-going review of planned work programs, a ceiling on the total number of employees and a ceiling on the number of full-time employees in permanent positions, for the end of the fiscal year, are established for each agency as a whole. Such ceilings are an extension of the program level decisions reflected in the President's budget. Since the ceilings are established for the agency as a whole, agency heads are permitted complete discretion in administering the allocation of positions among the units of the agency.

The employee ceilings which the Bureau imposes are mutable. Agencies have requested and been granted increases because of changes in work assignment and for other mitigating circumstances. However, since the ceilings are given for the agency as a whole, the agency must demonstrate that an overall increase is required for the agency, i.e., that decreases in offsetting work, program cut-backs or deferrals, effects of congressional action on the budget, etc., have been taken into account.

The one exception to the two ceiling system is the Department of Defense. For example, the Bureau established only one ceiling for the Department for FY 1968—a ceiling of 1,248,000 on *total* employment (this represents about 43 percent of the current Federal civilian workforce). Thus, the Department of Defense has more flexibility in administering ceiling controls than any other Federal agency, if it cares to exercise it. So long as the Department stays within this total ceiling, the Bureau of the Budget does not prescribe at what level or to what extent the Department chooses to distribute its ceiling controls.

*Question 20. Within Government we tend to force everything into one prescribed pattern whether it fits well or not. Do you believe that Federal laboratories operate most efficiently under the same current system of controls over manpower, dollars and facility acquisition as for other types of organization? Is it possible or desirable to tailor a system of controls for creative organizations that might differ significantly from the "standard" control system? What would be the advantages? The disadvantages? Cite examples.*

Answer. The opening sentence of your question emphasizes the rigidity inherent in a large, complex, highly-structured, legally-based system of public administration which characterizes the Federal Government without also alluding to the flexibilities which must exist if the system is to be viable. The public administrator's objective must be to find flexibilities in applying general rules and to establish special rules or procedures which meet the requirements of public accountability.

Certain general rules exist within which the entire Federal Government must function. A number of these are established in law. Others reflect procedures required by the Congress and the executive branch in accomplishing programs and in maintaining control and accountability. Manpower limitations are a case in point. Public Law 90-364 directs the Federal Government to return to employment levels of June 30, 1966. No exception has been granted to research and development organizations. However, there is room for flexibility in the application of this control—which organizations to reduce to a greater or lesser degree. Nevertheless, within the context of implementing the law, a distribution of the ceiling will have to be made, and some form of control will have to be maintained to assure that it is met.

Experience makes it very clear that research management is a specialized area—that some procedures applicable to law and order, procurement, and logistics activities inhibit the effectiveness of a laboratory with its requirement for a creative environment. The Bureau believes it is both desirable and possible through prudent agency administration to tailor the system of controls to the mission and programs of the laboratory within the overall ground rules within which Federal agencies must operate.

The basic ingredients for effective research management have been stated many times by thoughtful students and experienced managers. Invariably these are listed as the need for well-defined objectives, choice of important work to do, high level participation of scientific staff in laboratory management, maximum flexibility in administration, reasonable autonomy within defined objectives, and insuring that the management of a research activity has the fullest possible command of the resources required to accomplish its tasks.

*Question 21. The DOD witness proposed the elimination of manpower controls on cross-agency work similar to the AEC contract laboratories. What is your reaction to this proposal? If you agree, what action do you propose to take? If you do not agree, what is the basis for your position?*