

7 APR 1966

THE PLANNING, PROGRAMMING AND BUDGETING SEMINAR
UNIVERSITY OF MARYLAND
February 27 - March 18, 1966

1. This was an inter-agency training program conducted by the Office of Career Development, U.S. Civil Service Commission in co-operation with the University of Maryland. The course objectives were: To provide the student with a grasp of the underlying economic base of program budgeting; To provide a working knowledge of the structure and functioning of the planning, programming, and budgeting system developed by the Bureau of the Budget with particular emphasis on the long range planning aspects of that system; To introduce the student to sophisticated quantitative approaches to management planning and control, and improve his ability to communicate sympathetically and intelligently with expert quantitative analysts. The Seminar met those course objectives in fine fashion and my only significant criticism is the relative lack of emphasis of PPBS as a management tool for asking the right questions.

2. The Seminar was essentially the Department of Defense "Monterey" course modified as much as possible to a civilian orientation. The course philosophy is contained in the Bureau of the Budget Bulletin #66-3 which discusses the integration of planning-programming-budgeting in the executive branch. Apparently there is a small core of "pioneer" experts in the PPB system and the Civil Service course uses the same guest speakers as Monterey uses. In addition, two PhD economists from the University of Maryland faculty covered concepts of economic analysis and analytical techniques by intensive lectures and workshop application of these tools.

3. This three week resident course had frequent evening classes and ran weekly from Sunday evening through Saturday morning. The first week was devoted principally to the underlying philosophy of the PPBS. The second week provided the student with a fairly different look at some of the more significant concepts of economic analysis. The third week concentrated on quantitative problem-solving through the primary medium of a large scale case study in cost utility analysis. In all three weeks the evening hours were devoted to the rather considerable reading load required. The reading material consisted of:

The Economics of Defense in the Nuclear Age by Charles J. Hitch and Roland N. McKean.

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Program Budgeting ... Program Analysis and the Federal Budget,
edited by David Novick.

Design for Decision by Irwin D. J. Bross.

Economics -- An Introductory Analysis by Paul A. Samuelson.

The Politics of the Budgetary Process by Aaron Wildavsky.

Measuring Benefits of Government's Investment by Robert Dorfman.

4. There were 40 students in the class with a median grade of GS-15 and median years of service of 18. Most of the students were staff officers involved with programming, planning, and budgeting in their agencies. The exchange of PPBS experiences among students was most useful.

5. This course would seem ideal for staff planners at the Directorate Office level. It should be noted, however, there is no real body of experience in the application of PPBS to problems of civilian agencies. Even the DOD experience has proven itself only at the highest centralized level. The heart of PPBS is quantitative analysis. This is what leads to better decision making in terms of selecting the best alternative. Even in agencies where quantitative values are hard to come by, knowledge of quantitative tools and techniques should permit better qualitative analysis. However, it is equally important that line managers be familiar with PPBS and support its objectives in order to improve the quality of information given to decision makers.

6. It certainly seems evident that PPBS is here to stay. The President and the Bureau of the Budget are serious about applying the system and it behooves the Agency to become proficient in the application of PPBS. It should be recognized that varied levels of proficiency are required depending upon the individual's function in the Agency. As I see it, we need a small group of highly skilled quantitative analysts working with John Clarke's staff and on the planning staffs of the Directorates. We also need staff planners down to the office level who have had the equivalent of either the Monterey or the Civil Service course. Finally, line managers of programs should have sufficient orientation to understand and be sympathetic to the objectives of PPBS.

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