



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY
WASHINGTON, D.C. 20410-0001

MEMORANDUM FOR: Vice President Gore
The White House

FROM: Henry G. Cisneros, Secretary

SUBJECT: Added responsibilities for the Community Empowerment Board

In your National Performance Review report you proposed the exciting idea that the President create a Federal Coordinating Council for Economic Development (see attached). Today, the President is issuing a Presidential Directive to create a Community Empowerment Board. I suggest that, rather than establishing a separate entity to coordinate economic and regional development activities, this responsibility be given to the Community Empowerment Board. This would be consistent with the spirit of reinventing government by limiting proliferation of governmental entities and would also recognize the key role of economic development as an engine of overall development. Furthermore, this would provide the new Community Empowerment Board under your leadership with the means to implement a coherent policy for regional and economic development.

Attachment

The White House Office on Environmental Policy has convened an interagency task force of appropriate assistant secretaries to develop and implement cross-agency ecosystem management projects. The Office of Management and Budget will review the plans as part of the fiscal 1995 budget process. In 1994, the assistant secretaries will establish cross-agency teams to develop initial ecosystem management plans for implementation in fiscal year 1995. Also in 1994, the President should issue a directive that will declare sustainable ecosystem management across the federal government.

Action: *The President should create a Federal Coordinating Council for Economic Development.*²³

The federal government has no coherent policy for regional development and community dislocation. Instead, it offers a fragmented and bureaucratic system of seven programs to assist states and localities. The major programs are the Commerce Department's Economic Development Administration, the Housing and Urban Development Department's Community Development Block Grant Program, and the Agriculture Department's Rural Development Administration and Rural Electrification Administration. The Defense Department, Tennessee Valley Authority, and Appalachian Regional Commission run smaller programs. Thus, states and communities must turn to many different agencies and programs, rather than a single coordinated system. Communities find it hard to get help, and the dispersion of effort limits overall funding.

Washington's economic and regional development activities should be

reconfigured to suit its customers—states and communities. We propose a Federal Coordinating Council for Economic Development, comprising the appropriate cabinet secretaries and agency heads, to coordinate such activities and provide a central source of information for states and localities. The council will provide a unifying framework for economic and regional development efforts, develop a governmentwide strategic plan and unified budget to support the framework, prevent duplication in the various programs, and assess appropriate funding levels for the agencies involved.

Action: *Eliminate statutory restrictions on cross-agency activities that are in the public interest.*²⁴

A series of legislative restrictions make it particularly difficult to pursue solutions to problems that span agency boundaries. For instance, to put together a working group on an issue that cuts across agency lines, one agency has to fund all costs for the group. Several agencies cannot combine their funds to finance collaborative efforts. Rather than discourage cross-agency operations, the federal government should encourage them. Congress should repeal the restrictions that stand in the way of cross-agency collaboration, and refrain from putting future restrictions in appropriations bills. In addition, Congress should modify the Intergovernmental Personnel Act to give cabinet members and those working for them greater authority to enter into cooperative agreements with other federal, state, and local agencies.

OTHER COMMUNITY EMPOWERMENT INITIATIVES

National Performance Review