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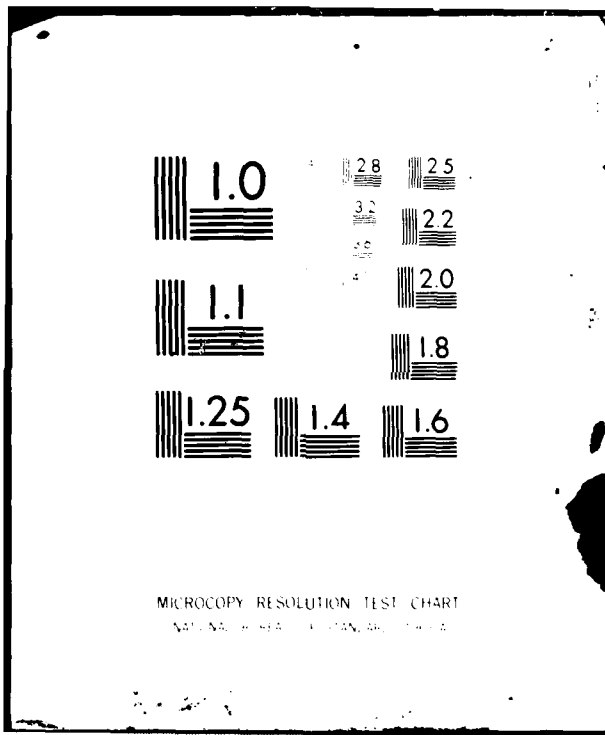
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Peter deLeon

December 1981

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SOME ALTERED THOUGHTS ON POLICY TERMINATION

by

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Recently there has been a great deal of attention within policymaking offices to program cutback, policy termination, and, in some cases, the actual closure of government agencies, both minor (e.g., the Community Services Administration[1]) and major (e.g., the U.S. Department of Energy). These activities have occasioned a reconsideration of the earlier literature on policy termination[2] to assess its current relevancy upon present and future contingencies. The motivation for the immediate exercise is the budget trimming efforts of the Reagan Administration, which provide anybody interested in termination research ample food for thought, but similar examples can be drawn from the on-going debates in England and Sweden.[3] Policy termination is hardly a parochial act.

The political and fiscal environs that conditioned much of the policy termination literature--as exemplified by Bardach, Biller, and

[1] The closure of the Community Services Administration is reported by David Shribman, "Death Comes to a Federal Agency," New York Times, 19 September 1981, p. 7.

[2] Here I take "policy termination" in its broadest sense; that is, I am not referring only to the actual termination of a program, policy, or agency, but to their basic redirection as well. This would also include a serious reduction in their budget.

[3] This is made clear by Daniel Tarschys, "Rational Incremental Budgeting: Elements of an Expenditure Policy for the 1980s," Policy Sciences, Vol. 14, No. 1 (December 1981), pp. 49-58.

Brewer[4]--were concerned primarily with the efficient delivery of effective government programs and services. If a program were judged inadequate (e.g., CETA, by some criteria, was not producing), then the authors advised that it be cut off and another program created for job training. The acid test or underlying assumption used was the effective delivery of services. Writers on termination policy--especially Behn and Biller[5]--could talk about specific termination strategies or how to make termination more palatable by creating internal incentives (e.g., through budgetary and programmatic flexibility). In large measure, these recommendations fell on deaf governmental ears. The few exceptions--such as the B-1 strategic bomber program temporarily cancelled by the Carter Administration[6]--offered little more than case study materials.

These conditions are much less pertinent to the prevailing situation and program reductions; they certainly are no longer paramount if the subsequent observations are correct. The most important feature of the new environment is that there is now widespread agreement on the necessity of government cutbacks, retrenchments, and general reductions

[4] Eugene C. Bardach, "Policy Termination as a Political Process," Policy Sciences, Vol. 7, No. 2 (June 1976), pp. 123-31, Robert P. Biller, "On Tolerating Policy and Organization Termination: Some Considerations," Policy Sciences, Vol. 7, No. 2 (June 1976), pp. 132-49, and Garry D. Brewer, "Termination: Hard Choices, Harder Questions," Public Administration Review, Vol. 38, No. 3 (May/June 1978), pp. 338-44.

[5] Robert D. Behn, "How to Terminate a Public Policy: Twelve Hints for the Would-Be Terminator," Policy Analysis, Vol. 4, No. 3 (Summer 1978), pp. 391-413, and Biller, "On Tolerating Policy and Organizational Termination."

[6] See Nicholas Wade, "Death of the B-1: The Events Behind the Carter Decision," Science, Vol. 197, No. 4303 (5 August 1977), pp. 536-539. The persistence of technology development programs is underscored by the decision of the Reagan Administration to reinstate the B-1.

because of a declining resource base. In other words, there simply are insufficient funds to permit the continued growth of government services, even if one controls for the current inflations and recessions, nor does this condition seem transitory. This observation is not only true and pressing in Washington, but in London and Stockholm as well, two stalwarts of the welfare state. The Swedish budget statement for 1980/81 states this clearly:

In time, the growth of public expenditure must be adjusted to the development of the economy as a whole. This requires stringent budgetary assessments over the future that is now foreseeable with any certainty. The expansion of local government expenditures must be limited in the future to the room the economy as a whole provides.... The resources must be obtained in part by reassessing other efforts that are wellfounded as such but even less urgent.

Under the prevailing political and economic conditions, money saved from cancelling program X will not be permitted to be departmentally reallocated to new program X'; it goes back to the Treasury (or maybe all the way to the taxpayer). This creates, of course, a host of new policy termination problems (in addition to most of the previous ones), such as how does one convince the Downsian bureaucrat that program termination or reduction serves any of his purposes.[7] These changes also imply that the earlier "how to" policy suggestions at least require thoughtful reexamination. Similarly, are the case study materials (e.g., on mental health programs[8]) still relevant?

[7] Some possible suggestions are posed by Robert P. Biller, "Leadership Tactics for Retrenchment," Public Administration Review, Vol. 40, No. 6 (November 1980), pp. 604-609. Biller's essay is one of four in a symposium on "Leadership in an Era of Retrenchment," published in this issue of the Review.

[8] Such as the insightful studies by James M. Cameron, "Ideology and Policy Termination in Mental Health: The Hidden Agenda," Public

A second observation is pressing. More attention needs to be focused on the economic and political consequences of policy termination. Much of the earlier work examined how one opted for termination and possibly how it was attempted; i.e., decisionmaking and implementation for termination activities. The assumption and approach are no longer sufficient, if they ever were. The Reagan Administration may cut back on job training to save some millions of dollars, but what if a very large number of the then-out-of-work CETA people began to draw unemployment, applied for AFDC, and otherwise absorbed significant amounts of transfer payments? The end result of reductions in the CETA budget could be more demands upon the social welfare systems (in terms of both its physical and fiscal resources) than before and could conceivably cost more than the savings realized through CETA reductions. Legal problems surely will confound the situation.[9] These examples do not even consider the psychological costs, nor do they begin to plumb the political consequences, both in the domestic and international arenas.[10] For instance (to cite a rather benign example), can state and

Policy, Vol. 26, No. 4 (Fall 1978), pp. 533-70, and Valarie Bradley, "Policy Termination in Mental Health," Policy Sciences, Vol. 7, No. 2 (June 1976), pp. 215-24.

[9] Consider the following: "The California Supreme Court Monday ordered the Los Angeles County Department of Health Services not to fire or demote 610 of its employees. The court order suspended notices of 345 layoffs and 265 demotions in rank and pay that the county had served earlier in the day. At the request of the Legal Aid Foundation of Los Angeles, the high court, sitting in Los Angeles, ordered the county not to proceed with the layoffs." Sid Bernstein, "High Court Bars Health Staff Cuts," Los Angeles Times, 3 November 1981, Section II, p. 1.

[10] European decisionmakers have been even more surprised by some of the Reagan Administration's budget reductions than their American counterparts, especially as they affect cooperative programs. See Robert Reinhold, "U.S. Dismays Allies by Slashing Funds for Joint Science Projects." New York Times, 10 May 1981, pp. A-1.A-6.

local government assume the new responsibilities required by decentralization?[11] Perhaps, but the answers (and certainly the structures) are not obvious and should be subject to close scrutiny before decisions are made.[12] The answers become even more obscure--if not outright negative--in light of the Proposition 13 phenomenon. As I suggested in an earlier title, "Policy Termination: An End and a Beginning,"[13] to terminate may, in practice, initiate the entire policy process anew.

Let me propose four points that merit some consideration when dealing with termination, especially during a period of diminishing resources. The diminishing resources qualifier is critical here because it largely deprives a government of the fiscal flexibility to innovate, or perhaps even improve services. So in a period of cutbacks, one needs to ask in particular:

1. What are the termination objectives? Who sets them? How clear are they? Who has the responsibilities? What are the set of accepted criteria?
2. To what extent should the targeted agency be involved? How can one structure positive incentives for that agency given its projected loss in resources?

[11] The situation is discussed by Rochelle L. Stanfield, "Filling the Federal Vacuum," National Journal, Vol. 13, No. 43 (24 October 1981), p. 1913.

[12] A pessimistic assessment is by Gaylord Shaw, "U.S. Cutbacks Create Chaos in States, 3 Governors Say," Los Angeles Times, 6 November 1981, p. 16, who reports "that the wave of federal budget-cutting has created 'disarray and chaos' in state and local governments and is paralyzing their ability to plan their own budgets."

[13] Peter deLeon, "Public Policy Termination: An End and a Beginning," Policy Analysis, Vol. 4, No. 3 (Summer 1978), pp. 369-392.

3. How does one map or estimate the political and economic consequences of severe program retrenchment? How does one perform the analysis with the necessary equity and evenhandedness? What or whose perspectives are used? Matters of due process must be observed.
4. How does one handle the now-exacerbated personnel problems, especially where the public sector unions in nations like Sweden and England are so powerfully entrenched (unlike PATCO)?

[14]

These thoughts and observations have two immediate implications for termination in the context of the general policy process. First, program evaluation now assumes increasing importance. Budget-driven terminations will predictably produce programmatically inconsistent (perhaps even thoughtless) cuts unless officials have evidence in hand to argue why program A should survive program B. Rigorous, responsive program evaluation thus assumes new burdens and attentions. Second, policy planners should begin to take longer-term perspectives of their proposed programs, specifically, what should be done if these programs run into trouble, priorities change, or they prove inadequate to meet extant conditions? In other words, policymakers need to consider the costs of closing down--or seriously reducing--their programs when making their initial program choices. For example, would the U.S. Atomic Energy

[14] Membership in the Swedish Municipal Workers Union recently surpassed that of the Metal Workers' Union, thus making it Sweden's single largest union. See Daniel Tarschys, "Public Policy Innovation in a Zero-Growth Economy: A Scandinavian Perspective," in Peter R. Baehr and Bjorn Wittrock (eds.), Policy Analysis and Policy Innovation (Beverly Hills, Calif.: Sage Publications, 1981), pp. 9-25.

Commission's atomic power reactor development program have been different if anybody had predicted (or even suggested) the subsequent environmental and legal difficulties, made accurate cost estimates, used a range (as opposed to a point estimate) of energy demand forecasts, or (most important and most predictable) recognized the waste disposal/reprocessing (i.e., back end) problems?[15] It cannot be conclusively demonstrated, of course, but if these matters had been taken into account during the early 1950s, the government and industry might well have terminated the nuclear R&D program before it ever reached the Shippingport demonstration reactor stage. Certainly the R&D strategies and products would have been altered. Whatever the outcome, a longer-term, termination possibility approach would have been appropriate and should be considered for future contingencies.

One potentially useful and feasible policy reduction strategy was recently employed in Sweden. The Swedish National Agency for Agriculture was told to reduce its budget by 2% for the upcoming fiscal year. Rather than resort to the Chinese fire drill, stonewall, or Washington Monument ploys one finds in response to U.S. policy termination exercises,[16] it formed a high-level committee (including a labor union official) which first deliberated what the Agency's goals should be for the 1980s and then decided how best to achieve them under the imposed budget restrictions; obviously there was some amount of iteration during

[15] An analysis of the magnitude and potential cost of radioactive waste disposal is provided by Fred C. Shapiro. "A Reporter at Large: Nuclear Waste," The New Yorker, Vol. 57, No. 35 (October 19, 1981), pp. 53-139.

[16] Robert D. Hershey, Jr., "The Name of the Game Is Ducking the Budget Ax," New York Times, 6 November 1981, p. 11.

ess. This offered the Agency an opportunity to devise a position of its mission, an active role in its required budget cut, reduced a cut of 4%. Certainly one illustration does not provide a strategy breakthrough, but it is perhaps a useful example. Early in the U.S. body politic--on all levels--is in a period during which policy termination looms large. Serious doubts regarding the efficacy of the past work because of the changed conditions should be examined. Likewise, the pertinence of the various states' experience with "sunset" legislation should be questioned but so little research has been published on this topic that it is still very much in need of critical research and assessment.[17] With those somewhat faint recollections of the past analyses and data juxtaposed with the current policy exigencies, one is left with the distinct feeling that a great deal of time could usefully be spent preparing a batch of policy termination recipes--they surely would be welcome--but one needs first to determine as to how they will be used, where they will be used, and the quality of the ingredients.

[17] The State of Colorado, which is a national leader in "sunset" legislation, has recently moved to repeal some of its requirements. See Windsay, "Ex-proponent Will Submit Bill to Repeal 'Sunset Law'," and Watters, "Move to Abolish 'Sunset'," Rocky Mountain News, 29 January 1981, p. 16, and 4 February 1981, p. 4, respectively.

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