

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

February 28, 2011

February 28, 2011

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Administrative Flexibility, Lower Costs, and
Better Results for State, Local, and Tribal
Governments

Over the last 2 years, my Administration has worked with State, local, and tribal governments through the Recovery Act and other means to create jobs, build infrastructure, and protect critical programs and services in the face of declining revenues. But through smarter government we can do even more to improve outcomes and lower costs for the American taxpayer.

Federal program requirements over the past several decades have sometimes been onerous, and they have not always contributed to better outcomes. With input from our State, local, and tribal partners, we can, consistent with law, reduce unnecessary regulatory and administrative burdens and redirect resources to services that are essential to achieving better outcomes at lower cost. This is especially urgent at a time when State, local, and tribal governments face large budget shortfalls and American taxpayers deserve to know that their funds are being spent wisely.

On January 18, 2011, I signed Executive Order 13563, which, among other things, calls for careful analysis of regulations by executive departments and agencies (agencies), including consideration of costs and benefits. Executive Order 13563 also requires retrospective analysis of existing significant rules and greater coordination across agencies to simplify and harmonize redundant, inconsistent, or overlapping requirements, thus reducing costs.

Executive Order 13563 applies to regulations involving and affecting State, local, and tribal governments. In particular, my Administration has heard from these governments that the array of rules and requirements imposed by various Federal programs and agencies may at times undermine their efforts to modernize and integrate program delivery. While appropriate data collection requirements are important to program accountability, some of these requirements are unduly burdensome, may not properly align compliance requirements with outcomes, are not synchronized across programs, and fail to give governments and taxpayers meaningful information about what works and what needs to be improved or be stopped. I believe that working together, State, local, and tribal governments and Federal agencies can distinguish between rules and requirements that support important goals -- such as promoting public health and welfare; protecting the rights of individuals, organizations, and private businesses; and assuring

that programs produce intended outcomes -- from rules and requirements that are excessively burdensome or may not serve their intended purpose.

Through this memorandum, I am instructing agencies to work closely with State, local, and tribal governments to identify administrative, regulatory, and legislative barriers in Federally funded programs that currently prevent States, localities, and tribes, from efficiently using tax dollars to achieve the best results for their constituents.

Section 1. Coordination and Collaboration. To facilitate coordination across Federal agencies and State, local, and tribal governments, I direct the Director of the Office of Management and Budget (OMB) to lead a process, in consultation with State, local, and tribal governments, and agencies, to: (1) provide input to multiple agencies on State-specific, regional, or multistate strategies for eliminating unnecessary administrative, regulatory, and legislative burdens; (2) enable State, local, and tribal governments to request increased flexibility, as appropriate, from multiple agencies simultaneously and receive expeditious and judicious consideration of those requests; (3) establish consistent criteria, where appropriate, for evaluating the potential benefits, costs, and programmatic effects of relaxing, simplifying, or eliminating administrative, regulatory, and legislative requirements; and (4) facilitate consensus among State, local, and tribal governments and agencies on matters that require coordinated action.

The Director of the OMB shall also take the following actions:

- Review and where appropriate revise guidance concerning cost principles, burden minimizations, and audits for State, local, and tribal governments in order to eliminate, to the extent permitted by law, unnecessary, unduly burdensome, duplicative, or low-priority recordkeeping requirements and effectively tie such requirements to achievement of outcomes.
- With agencies that administer overlapping programs, collaborate with State, local, and tribal governments to standardize, streamline, and reduce reporting and planning requirements in accordance with the Paperwork Reduction Act. The OMB should play a lead role, with appropriate agencies, in helping to develop efficient, low-cost mechanisms for collecting and reporting data that can support multiple programs and agencies.
- Facilitate cost-efficient modernization of State, local, and tribal information systems, drawing upon the collaboration of the Chief Information Officer in the OMB and the Chief Technology Officer in the Office of Science and Technology Policy.
- Provide written guidance to agencies on implementation of this memorandum within 60 days of the date of this memorandum.

Sec. 2. Streamlining Agency Requirements. Within 180 days of the date of this memorandum, agencies shall take the following actions to identify regulatory and administrative requirements

that can be streamlined, reduced, or eliminated, and to specify where and how increased flexibility could be provided to produce the same or better program outcomes at lower cost.

- Work with State, local, and tribal governments to identify the best opportunities to realize efficiency, promote program integrity, and improve program outcomes, including opportunities, consistent with law, that reduce or streamline duplicative paperwork, reporting, and regulatory burdens and those that more effectively use Federal resources across multiple programs or States. Agencies should invite State, local, and tribal governments to identify not only administrative impediments, but also significant statutory barriers, to efficiency and effectiveness in program implementation.
- Establish preliminary plans to (1) consolidate or streamline processes that State, local, and tribal governments must use to obtain increased flexibility to promote the same or better outcomes at lower cost; (2) establish transparent criteria or principles for granting such increased flexibility, including those that are generally available and those that may be granted conditionally; and (3) ensure continued achievement of program results while allowing for such increased flexibility.
- Identify areas where cross-agency collaboration would further reduce administrative and regulatory barriers and improve outcomes. This should include identifying requirements for State planning documents that are prerequisites for awards from individual Federal programs that could be consolidated into one plan serving a number of agencies and programs.
- Report the results of these actions to the Director of the OMB.

Sec. 3. General Provisions. (a) This memorandum shall be implemented consistent with applicable law and subject to the availability of any necessary appropriations.

(b) Nothing in this memorandum shall be construed to impair or otherwise affect the functions of the Director of the OMB relating to budgetary, administrative, or legislative proposals.

(c) This memorandum is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

BARACK OBAMA

#