

NY
NN3-263-74-D18
307 7

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority AND 17039
By AT NARA Date 3-10-88

~~TOP SECRET~~



DDI-3077-62

Cost Reduction Program

This document has been
approved for release through
the HISTORICAL REVIEW PROGRAM
of the Central Intelligence Agency.
Date 11-21-90
HRP 89-2

FY 1966 • FY 1967

CENTRAL INTELLIGENCE AGENCY

000545

1 September 1965

TS # 192620

HS/HC-713

~~TOP SECRET~~

COPY # 7

DECLASSIFIED
 Authority ANN 9117039
 By AT NARA Date 3-10-98

~~SECRET~~

CIA Cost Reduction Program

1 Program Description

Cost reduction and management improvement in the Central Intelligence Agency is a dynamic and ongoing process. Elimination of lesser priority activities, absorption of new tasks, and continuous streamlining of management procedures are built into the formal program review mechanisms of the Agency. Over the past four years the program has fostered sizeable year-end savings and has permitted reduced appropriation requests to the Congress.

<u>Fiscal Year</u>	<u>Appropriation</u>
1963	\$550 million ✓
1964	517 million ✓
1965	525 million ✓
1966	505 million * ✓

In 1965 the program resulted in record savings. This allowed the Agency to absorb over \$8 million of the skyrocketing costs in Southeast Asia, \$1 million of unprogramed costs to meet the Dominican Republic crisis, and \$3 million of Federal pay increases. The cost reduction concept also permitted a wide range of reprogramming to meet critical intelligence needs throughout the year. Beyond this, we anticipate over \$5 million can be returned to reserve for contingency from the FY 1965 appropriation.

The Agency's cost reduction program is also directly responsive to the guidelines set forth in Bureau of the Budget Circular A-44. It provides: 1) a regularized and timely system to report cost reduction plans and goals; 2) a validation procedure to guard against double counting and inappropriate submissions; and 3) a progress reporting system to ensure an orderly march toward pre-established goals. The program has the full and energetic support of all echelons of the CIA management team.

* Supplemented by \$40 million for Southeast Asia escalation