

# Government Reorganization

2020  
BUDGET  
FACT  
SHEET



## REORGANIZATION TO MODERNIZE GOVERNMENT FOR THE 21<sup>ST</sup> CENTURY

The Federal Government has operated for too long under outdated technology, organizational constructs, and antiquated processes, frustrating the American people and the Federal workforce. In June 2018, the Administration issued *Delivering Government Solutions in the 21st Century: Reform Plan and Reorganization Recommendations* as a cornerstone for bipartisan dialogue on how the Executive Branch can function effectively in the 21st Century.

As a key step toward implementing these reforms, the Budget restructures governance of one of the Government's larger and most impactful investments—a Federal workforce of 2.1 million civilians—by supporting a full reorganization of the Office of Personnel Management (OPM).

### Federal Workforce Management of Tomorrow

The last broad Federal civil service reform occurred over 40 years ago when the Civil Service Reform Act of 1978 established OPM. The current structure of OPM and the Federal employment system are archaic and do not reflect important realities of today's workforce. For example, the Government Accountability Office has had Federal human capital on its high-risk list since 2001, and the Congress has acted to exempt an increasing portion of the civilian workforce from the purview of these structures. These realities have reduced OPM's ability to manage the Federal workforce effectively and to address core strategic and policy concerns.

The Budget reflects the end-state organizational structure and resources necessary to build and sustain the Federal workforce of tomorrow. This full reorganization of OPM includes:

- Transferring elements of workforce policy and strategy functions to the Executive Office of the President.
- Transferring the conduct of background investigations functions to the Department of Defense.
- Transferring all remaining functions to the General Services Administration (GSA), including oversight and transactional functions from OPM's Human Resources Solutions (HRS), Retirement Services, Healthcare & Insurance, Office of Inspector General, and Merit System Accountability and Compliance organizations.

These reforms will improve alignment and strategic management of the Federal workforce by strengthening leadership across all human capital systems, developing better human resources processes and capabilities, and enhancing the workforce culture. The reorganization will continue in FY 2019 with planning and initial implementation, including the transfer of background investigations to the Department of Defense and other OPM functions to the General Services Administration (GSA), to the extent permitted by law. The Budget reflects the complete reorganization of OPM's remaining functions within GSA in FY 2020, including OPM's Retirement Services and Healthcare & Insurance organizations, through a combination of legislative proposals and appropriations to cover GSA's transition costs of assuming OPM's remaining functions.

## A Phased Approach

In the private sector, experience shows that reorganization is best implemented in phases to ensure success. Additional proposals that the Administration is currently taking steps to implement include:

- Transitioning to Electronic Records. In support of this initiative, the Budget proposes \$22 million to modernize the National Archives and Records Administration's (NARA) work processes and accelerate its electronic records activities, with the goal of ending NARA's acceptance of paper records by December 31, 2022.
- Solving the Federal Cybersecurity Workforce Shortage. OMB is working with the Department of Homeland Security and all Federal agencies to establish a unified cyber workforce capability across the civilian enterprise.
- Government Effectiveness Advanced Research (GEAR) Center. OMB is working with business, academic, and other partners to co-establish capacity to improve operational and management challenges across the Federal enterprise through applied research. Stakeholders can follow the latest information at <http://www.performance.gov/GEARcenter/>.
- Strengthening Federal Evaluation. Consistent with the recently enacted Foundations for Evidence-Based Policymaking Act, the Administration is tasking Federal agencies with designating evaluation officers and establishing multi-year learning agendas to strategically plan their evidence-building activities and carry out priority studies in order to facilitate policy and program improvement.
- Optimizing a Fragmented and Outdated Humanitarian Assistance Structure. The Budget maximizes the impact of taxpayer dollars and delivers the greatest outcome to beneficiaries for the dollars by consolidating our fragmented and outdated humanitarian programming, implemented in a new bureau at USAID, while preserving State's lead role on migration and population issues as well as the U.S. refugee admissions program.
- Reorganizing Economic Statistical Agencies. Relocating the Bureau of Labor Statistics within the Commerce Department alongside the Bureau of the Census and the Bureau of Economic Analysis will improve the delivery of America's economic statistics.

## Delivering on Our Goals

Reorganization is one tool among many that this Administration is using to drive transformational change in Government. Meeting the needs of the American people, as well as the President's mandate for greater efficiency, effectiveness, and accountability, requires a range of transformational approaches. To that end, the President's Management Agenda (PMA) launched in March 2018 outlines a range of additional and complementary priorities and tools that, in combination, will create an Executive Branch prepared to meet the needs of the American people both now and in the future. The Administration will release a one-year update on the PMA in the coming weeks, and progress can be monitored on [performance.gov](http://www.performance.gov) throughout the year.