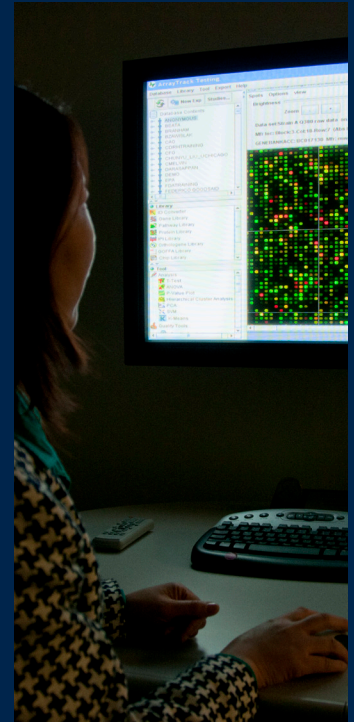
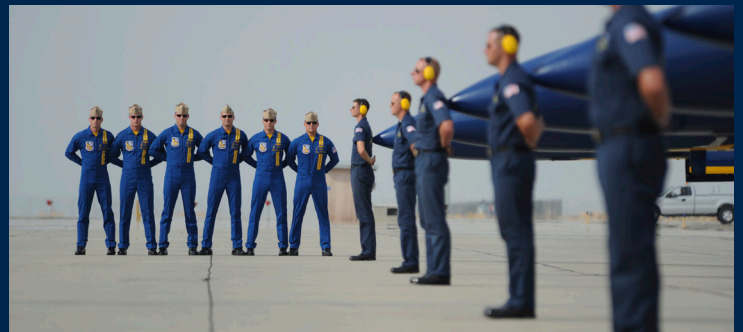




One Year Update



Reform Plan and Reorganization Recommendations



Delivering Government Solutions in the 21st Century

Reform Plan and Reorganization Recommendations

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Image: Office of Management and Budget (OMB)

INTRODUCTION

In June 2018, the Administration issued [Delivering Government Solutions in the 21st Century: Reform Plan and Reorganization Recommendations](#) (*Reform Plan*) to build upon the President's Management Agenda and fulfill the President's direction in Executive Order (EO) 13781, "Comprehensive Plan for Reorganizing the Executive Branch." The *Reform Plan* proposed bold reforms to address structural and organizational barriers to mission, service, and stewardship objectives. The intent was to generate dialogue on how the Executive Branch can be organized to better meet the needs of the 21st Century. While some proposals require action by Congress, others can be implemented in whole or in part through existing administrative authorities. Still others will generate further exploration and partnership with stakeholders.

One year later, agencies have made important progress on fundamental reorganization reform, collectively representing the most comprehensive attempt to modernize the structures of Government in recent decades. Over the past year:

- Congress has taken action to consider at least 10 of the proposals, via hearings, legislation, or discussions with Members or staff.
- The President's Fiscal Year (FY) 2020 Budget included 18 of the reorganization proposals, either in whole or in part.
- Agencies are using existing authorities to implement more than 20 of the proposals.

In the private sector, experience shows that reorganization is best implemented in phases to ensure success. This first phase of implementation demonstrates that progress is possible and that improvements will be ongoing.

This document highlights actions that have been taken to date. Further updates will be provided through [Performance.gov](#).

MISSION ALIGNMENT IMPERATIVES

OPTIMIZE THE DEPARTMENT OF STATE (STATE) AND THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) HUMANITARIAN ASSISTANCE TO ELIMINATE DUPLICATION OF EFFORTS AND FRAGMENTATION OF DECISION-MAKING

The President's FY 2020 Budget consolidates the administration of overseas humanitarian assistance programs at the USAID and its funding in a new International Humanitarian Assistance (IHA) account. This proposal delivers on the Administration's commitment to make fundamental changes to optimize U.S. international humanitarian aid and eliminate duplication of efforts and fragmented decision-making. The new organization will be overseen by a senior State and USAID leadership structure that will operate under the authority of the Secretary of State, with dual reporting to the Secretary and to the Administrator of USAID. The new IHA structure will enable the U.S. Government to respond seamlessly to the humanitarian needs of the most vulnerable individuals, including refugees, victims of conflict, stateless persons, and migrants. With this structure, the U.S. can combine seamless humanitarian responses with a single, unified voice within international organizations to optimize outcomes in humanitarian crises.

The proposal leverages the comparative strengths of State and USAID by maintaining State's overall lead on diplomacy, global burden-sharing, protection, refugee policy, and conflict resolution by building off USAID's plans for a new Bureau for Humanitarian Assistance, for which Congress has expressed support, as well as USAID's

superior programming model and expertise in responding to complex emergencies and natural disasters around the world.

The President's Budget proposal consolidates humanitarian programming, implementation, and related oversight into one appropriations account and in a new bureau at USAID. Currently, implementing entities now have to work with two or three U.S. Government offices with different award systems and different reporting, monitoring, and oversight requirements, wasting time and taxpayer resources. Under the reorganization, implementing entities would receive funding for humanitarian assistance from only one USAID bureau with one set of requirements designed to maximize the impact of taxpayer dollars spent on humanitarian assistance. State would continue to administer the U.S. refugee admissions program in a separate appropriations account.

CONSOLIDATE OVERSEAS PRIVATE INVESTMENT CORPORATION (OPIC) AND THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) DEVELOPMENT CREDIT AUTHORITY INTO DEVELOPMENT FINANCE INSTITUTION

President Donald J. Trump signed the [Better Utilization of Investments Leading to Development \(BUILD\) Act](#) into law on October 5, 2018. This landmark legislation reforms and strengthens U.S. development finance capabilities in a new Federal agency that better addresses development challenges and foreign policy priorities of the United States.

DIVEST FEDERAL TRANSMISSION ASSETS

The President's FY 2020 Budget again proposes to sell the Power Marketing Administrations' transmission assets to encourage a more efficient allocation of economic resources and to mitigate unnecessary risk to taxpayers.

The U.S. International Development Finance Corporation (USDFC) is a consolidated agency that brings together the capabilities of the OPIC and USAID's Development Credit Authority. The USDFC will introduce new and innovative financial products to better catalyze private capital in the developing world. This approach gives the U.S. more flexibility to support investments in developing countries to drive economic growth, create stability, and improve livelihoods.

The USDFC will make America a stronger and more competitive leader on the global development stage, with greater ability to partner with allies on transformative projects and provide financially sound alternatives to state-directed initiatives that can leave developing countries worse off. The USDFC will also reflect various reforms to enhance taxpayer protections and improve transparency.

In accordance with the BUILD Act, on March 8, 2019, the Administration submitted a reorganization plan to Congress to begin the consolidation of the agencies involved. It is anticipated that USDFC could be operational as of October 1, 2019, or as soon as a new USDFC appropriation is enacted.

REORGANIZE THE OFFICE OF PERSONNEL MANAGEMENT (OPM)

To build and sustain the Federal workforce management structure for the 21st Century, the President's FY 2020

Budget reflects a full merger of OPM into the General Services Administration (GSA). Since June 2018, the Administration has been working with OPM to assess and develop strategies to improve alignment and strategic management of the Federal workforce by strengthening leadership of human capital systems, developing improved human resources processes and capabilities, and enhancing the workforce culture. OPM faces long-standing structural challenges in these mission-critical areas. OPM's focus on transactional compliance-driven activities is rooted in a fragmented civil service regulatory environment. OPM itself focuses almost exclusively on Title V. A full reorganization of OPM is necessary to ensure that the Federal Government is able to meet the needs of today's modern workforce.

The Administration has transmitted to Congress legislation to authorize a merger. The President's Budget also included a request for an appropriation to cover transition costs. In the coming months, the Administration will work with Congress to stress the need for reform. Should Congress enact legislation to authorize a merger, the reorganization could begin in FY 2020. In the meantime, OPM is working under existing authorities to improve operations.

The President's Budget proposal reflects the following end-state for OPM's existing services:

- The transfer of all OPM transactional services (e.g., those within Human Resources Solutions, Retirement Services, and Healthcare &

REORGANIZE FOOD SAFETY INSPECTION FUNCTIONS AT THE U.S. DEPARTMENT OF AGRICULTURE (USDA) FOOD SAFETY AND INSPECTION SERVICE AND THE DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) FOOD AND DRUG ADMINISTRATION

The USDA and HHS are collaborating to address concerns that the fragmented Federal supervision of food safety has caused inconsistent oversight, ineffective coordination, and inefficient use of resources. The USDA and HHS are collaborating with state and local entities and food safety stakeholders to implement wide-ranging changes to manage these complex, dual jurisdiction issues.

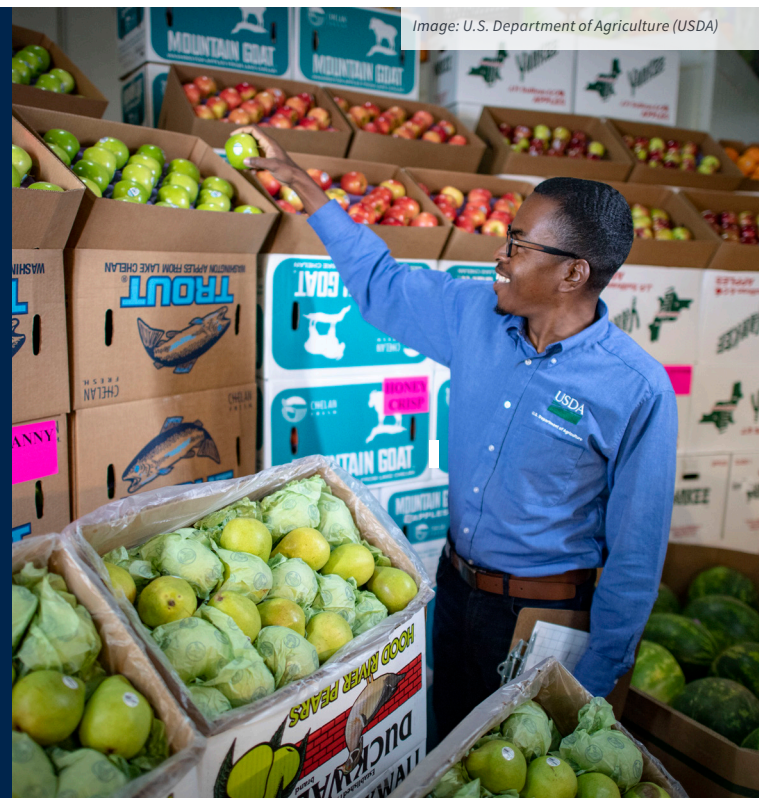




Image: U.S. Postal Service (USPS)

DEVOLVE FEDERAL GOVERNMENT ACTIVITIES: RESTRUCTURE THE U.S. POSTAL SERVICE (USPS)

As envisioned in the *Reform Plan*, the Task Force on the USPS established by [Executive Order \(EO\) 13829](#) has laid out a set of recommendations for both administrative and legislative reforms to create a sustainable business model for the USPS without a taxpayer-financed bailout. The President's FY 2020 Budget reflects implementation of these recommendations and nearly \$100 billion in savings from improving the financial position of the USPS.

Insurance) to GSA as a third "Service," comparable to GSA's current Public Buildings Service and Federal Acquisition Service;

- The establishment of an Office of Federal Workforce Policy at the Office of Management and Budget to focus on strategic workforce planning; and
- The transfer of OPM's oversight functions to GSA, including the OPM Office of Inspector General (OIG), which will complement the GSA OIG's expertise conducting audits, investigations, and evaluations and providing recommendations to help improve the efficiency and effectiveness of agency operations.

CONSOLIDATE FEDERAL ECONOMIC RESOURCES INTO THE DEPARTMENT OF COMMERCE (DOC) BUREAU OF ECONOMIC GROWTH

As part of the [Tax Cuts and Jobs Act of 2017](#), a new Federal tax incentive was established to promote long-term equity investments in low-income communities designated as "qualified opportunity zones" by the governors of states and territories.

To further the goals of the DOC Bureau of Economic Growth proposal, the Administration issued [Executive Order \(EO\) 13853](#) on December 12, 2018, "Establishing the White House Opportunity and Revitalization Council." This Council, chaired by the Secretary of the Department of Housing and Urban Development

TRANSFORM U.S. PUBLIC HEALTH SERVICE COMMISSIONED CORPS

The President's FY 2020 Budget includes proposals to modernize the U.S. Public Health Service Commissioned Corps by reducing non-mission critical positions while increasing mission critical positions and creating a Reserve Corps to support public health emergencies. The Budget also includes a proposal to require agencies to pay their fair share of retirement and survivor benefit costs moving forward.



CONSOLIDATE THE DEPARTMENT OF ENERGY (DOE) APPLIED ENERGY PROGRAMS INTO OFFICE OF ENERGY INNOVATION

The President's FY 2020 Budget proposes two intradepartmental applied energy research and development collaborations on energy storage and harsh environment materials, while also integrating positive elements of the Advanced Research Projects Agency—Energy. Increased collaboration across DOE research and development silos on emerging energy challenges will facilitate the transition to a consolidated Office of Energy Innovation.

and made up of more than 15 agencies and White House offices, is tasked with encouraging public and private investment in economically distressed areas, including Qualified Opportunity Zones. The Council is working across agencies to assess actions each agency can take under existing authorities to reduce and streamline regulatory and administrative burdens on applicants. These improvements will make it easier for recipients to receive and manage multiple types of public and private investments by aligning program requirements.

REORGANIZE ECONOMIC STATISTICAL AGENCIES

The President's FY 2020 Budget highlights the ongoing planning process that the Bureau of Labor Statistics

(BLS), Bureau of Economic Analysis (BEA), and Census Bureau have begun, identifying next steps to support the reorganization of the BLS into the Department of Commerce (DOC). Relocating the BLS within DOC alongside the Census Bureau and BEA will improve the delivery of America's economic statistical services. Recognizing the importance of economic statistics for businesses and everyday citizens to make informed decisions and confidently invest in America's future, the proposal to consolidate critical economic statistics programs at the Census Bureau, BEA, and BLS within DOC will make agency operations more efficient, improve products, and reduce the burden on respondents, while preserving the agencies' brand recognition and independence.

TRANSFORM THE U.S. HOUSING FINANCE SYSTEM

On March 27, 2019, President Trump signed a [Presidential Memorandum](#) directing the Department of the Treasury and the Department of Housing and Urban Development to develop a plan for administrative and legislative reforms of the housing finance system. As outlined in the Memorandum, the goals of reform include ending the conservatorship of Fannie Mae and Freddie Mac, facilitating competition, and ensuring that the Federal Government is properly compensated for any support it provides to the system. The Memorandum states, "It is time for the United States to reform its housing finance system to reduce taxpayer risks, expand the private sector's role, modernize Government housing programs, and make sustainable home ownership for American families our benchmark of success."



Image: Department of Housing and Urban Development (HUD)

TRANSFORM THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)

USAID has been undergoing a significant agency-wide transformation effort focused on better equipping the agency to promote partner countries on their journey to self-reliance. This effort includes numerous policy and operational changes, as well as an extensive, agency-driven structural reorganization of headquarters Bureaus and Independent Offices. As part of broad stakeholder consultations for USAID's transformation, the Administration notified Congress of the proposed reorganization. The four Congressional committees of jurisdiction have since expressed support for the reorganization proposals for the Bureau of Humanitarian Assistance; Bureau of Resilience and Food Security; Bureau of Conflict Prevention and Stabilization; Bureau for Democracy, Development and Innovation; and Bureau of Asia. Four additional USAID reorganization Congressional notifications remain pending. The Administration is continuing to work with Congress to address any remaining concerns.

THE DEPARTMENT OF EDUCATION REFORM PROPOSAL: NEXT GENERATION FEDERAL STUDENT AID PROCESSING AND SERVICING ENVIRONMENT

In November 2017, the Department of Education's Federal Student Aid (FSA) announced [Next Gen](#), a new approach to modernize the technology and operational components that support Federal student aid programs from application through repayment. Since then, FSA has launched a mobile Free Application for Federal Student Aid application and awarded a contract to consolidate customer-facing websites into a single, integrated, and user-friendly online platform to provide students, parents, and borrowers with a consistent and seamless experience from application through repayment. FSA plans to release and award additional contracts later this year to continue implementation of the new processing and servicing environment.



Image: Department of the Interior (DOI)





Image: U.S. Department of Agriculture (USDA)

TRANSFER THE U.S. DEPARTMENT OF AGRICULTURE (USDA) LOAN GUARANTEE RENTAL ASSISTANCE TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

The President's FY 2020 Budget includes funding for Information Technology enhancements that will allow lenders working with USDA to approve single-family housing guaranteed loans on the Government's behalf, similar to HUD's Federal Housing Administration and the Department of Veterans Affairs (VA) Veterans Benefits Administration. Supporting more homogeneous program delivery of single-family housing loan guarantees at HUD, VA, and USDA will facilitate a seamless move of USDA programs to HUD under the Administration's reform proposal.

CONSOLIDATE FEDERAL VETERANS CEMETERIES

The Department of Veterans Affairs' (VA) National Cemetery Administration (NCA) is working closely with the U.S. Army and the General Services Administration to transfer to VA-NCA 11 military and veterans' cemeteries that will be better served by VA-NCA. The transfer of three cemeteries will occur in FY 2019, and the remaining eight cemeteries are expected to transfer by the end of FY 2020.

Each site will undergo infrastructure improvements after VA-NCA assumes control. The transfer will increase efficiency, limit mission overlap, and ensure that these cemeteries are maintained to "national shrine" standards, honoring veterans, eligible beneficiaries, and their families with lasting tributes to commemorate their service and sacrifice to our nation.



Image: Department of Veterans Affairs (VA)

MANAGEMENT IMPROVEMENT AND EFFICIENCY OPPORTUNITIES

TRANSITION TO ELECTRONIC GOVERNMENT

This initiative will begin moving Federal agencies' business processes and recordkeeping to a fully digital environment and end the National Archives and Records Administration's (NARA) acceptance of paper records by December 31, 2022. NARA is building momentum to fulfill its mission in the digital age:

- To safeguard and preserve the records of our Government;
- To ensure that the American public can discover, use, and learn from this documentary heritage; and
- To ensure continuing access to the essential documentation of the rights of American citizens and the actions of their Government.

NARA is developing digitization standards and regulations to ease Department and agency decision-making and to allow them to better meet the retention requirements for temporary and permanent records going forward. This effort will greatly improve the Government's capability over the long term and will reduce records management and storage costs and streamline the

records management process, freeing resources for other high priority activities. In support of this important effort, the President's FY 2020 Budget includes \$22 million to modernize NARA work processes and accelerate its electronic records activities.

CONSOLIDATE CERTAIN PROTECTIVE DETAILS

The U.S. Marshals Service and partner agencies continue to research issues related to the U.S. Government's protective mission and build recommendations for those agencies charged with protective responsibilities. This work is intended to benefit the entire Executive protection community as described in the *Reform Plan*. The FY 2020 President's Budget requested \$1 million to support this initiative.



Image: Department of Housing and Urban Development (HUD)

RATIONALIZE THE FEDERAL REAL PROPERTY SEARCH

The President's FY 2020 Budget proposes \$10 billion for the establishment of a Federal Capital Revolving Fund (FCRF) designed to support the execution of the largest Federally-owned civilian capital construction efforts, renovations, and purchases of real property assets. The FCRF, similar to capital budgets at the state and local levels, would fully fund the up-front costs in the Budget, with agencies repaying the FCRF over 15 years, thereby not competing with operating expenses in the annual appropriations process.

The FY 2020 project proposed for funding through the FCRF is the renovation and expansion of Building 1 on the National Institute of Science and Technology Campus in Boulder, Colorado, a key research facility. The President's FY 2020 Budget also proposes to relocate the Department of Labor's Bureau of Labor Statistics (BLS) to the Suitland Federal Center, which houses the Department of Commerce's Census Bureau and Bureau of Economic Analysis, following BLS's current lease expiration in May 2022 and the substantial completion of operations of the 2020 Census. The relocation would better utilize Federal space, save significant rental costs for BLS potentially in excess of \$10 million annually, and allow the three agencies to work in closer proximity to improve and streamline outputs.



Image: U.S. Marshals Service

TRANSFORMATION URGENCY – NEW CAPABILITY REQUIREMENTS

TRANSFER OF BACKGROUND INVESTIGATIONS FROM THE OFFICE OF PERSONNEL MANAGEMENT (OPM) TO THE DEPARTMENT OF DEFENSE (DOD)

The *Reform Plan* outlined the Administration’s proposal to transfer all background investigation program functions from OPM’s National Background Investigations Bureau (NBIB) to DOD, as required by section 925 of the National Defense Authorization Act for Fiscal Year 2018 (Pub. L. 115-232).

On April 24, 2019, the President issued [Executive Order \(EO\) 13869](#), which transferred responsibility for background investigations from NBIB to DOD pursuant to section 925. The transfer also addressed concerns noted in the U.S. Government Accountability Office’s [2019 High-Risk Series: “Substantial Efforts Needed to Achieve Greater Progress on High-Risk Areas”](#) report. The transition of NBIB to DOD will occur consistent with an agreement set out in June 2019 and is expected to take place by October 2019.

DOD has been working to establish the Personnel Vetting Transformation Office to execute the successful transfer and transformation of NBIB to the DOD Defense Counterintelligence and Security Agency (DCSA).

The DCSA will serve as the primary Federal entity for:

- Conducting effective, efficient, and secure background investigations for the Federal Government;
- Managing DOD’s National Industrial

Security Program; and

- Establishing Insider Threat program requirements.

SOLVE THE FEDERAL CYBERSECURITY WORKFORCE SHORTAGE

On May 2, 2019, President Trump issued [Executive Order \(EO\) 13870](#), “American’s Cybersecurity Workforce,” to grow the cybersecurity capability of the U.S. Government, increase integration of the Federal cybersecurity workforce, and strengthen the skills of Federal information technology and cybersecurity practitioners. The Federal Government struggles to recruit and retain cybersecurity professionals because of a shortage of talent, along with growing demand for these employees across the public and private sectors. The Administration is standardizing its approach to Federal cybersecurity personnel by ensuring Government-wide visibility into talent gaps, as well as finding unified solutions to fill those gaps in a timely and prioritized manner.

In early 2019, the Administration established the Federal Cybersecurity Reskilling Academy, which offers Federal employees the opportunity for hands-on training in cybersecurity, one of the fastest growing fields in the country. This reskilling effort is part of the Administration’s commitment to developing a Federal workforce of the 21st Century. The inaugural Academy cohort, consisting of 50 Federal employees, began in April 2019.

The Administration is also working to establish a cybersecurity track within the President’s Management



Image: Office of Personnel Management (OPM)

Council interagency rotation program to boost mobility among the cyber workforce and to expand their cybersecurity expertise. President Trump stated on May 2, 2019, “America built the internet and shared it with the world; now we will do our part to secure and preserve cyberspace for future generations.”

Additionally, the Office of Personnel Management issued a [final rule](#) implementing EO 13833, “Enhancing the Effectiveness of Agency Chief Information Officers.” The final rule, which became effective May 3, 2019, delegates to agency Chief Information Officers the authority necessary to determine whether there is a severe shortage of candidates or a critical hiring need for information technology positions. This authority will streamline the hiring process for positions critical to Federal cybersecurity.

STRENGTHEN FEDERAL EVALUATION

Bringing evidence to bear throughout the decision-making process is a critical component of good Government. To effectively integrate evidence into budget, management, programmatic, regulatory, and policy decisions, agencies need both the infrastructure and the commitment to develop a culture of learning and continuous improvement. However, the current capacity in Federal agencies to build and use evidence varies widely. Agencies need strong, clear practices that generate more evidence about what works and what needs improvement to inform mission-critical decisions and policies.

Consistent with the Foundations for Evidence-Based Policymaking Act of 2018 (or Evidence Act), enacted on January 14, 2019, the Administration is tasking the 24 Chief Financial Officers Act Departments and agencies with implementing the following requirements, which will strengthen agencies’ evidence capacity and practices:

- Establishing and utilizing multi-year learning agendas to systematically identify and address short- and long-term priority questions relevant to the programs, policies, and regulations of the agency; and
- Designating an Evaluation Officer responsible for overseeing the agency’s evaluation activities, learning agenda, and information reported to the Office of Management and Budget about evidence.

Together with other requirements from the Evidence Act, these strategies will enhance agencies’ ability to conduct program evaluations and other evidence-building activities in order to make agency operations and programs more effective. These activities, in turn, will result in more effective use of taxpayer dollars and improved outcomes for the American people.

THE GOVERNMENT EFFECTIVENESS ADVANCED RESEARCH (GEAR) CENTER

In early 2019, the Administration announced a prize competition worth \$900,000 on [Performance.gov](#) with an aim of tackling the toughest management challenges facing Government. The challenge asks problem “solvers” to describe how they would implement a project, using the GEAR Center model that creatively addresses one or more challenges related to the President’s Management Agenda. Awardees will be announced in September 2019, following an extensive review process by a Federal executive panel. Additional awards and actions are planned, worth up to \$2-3 million.

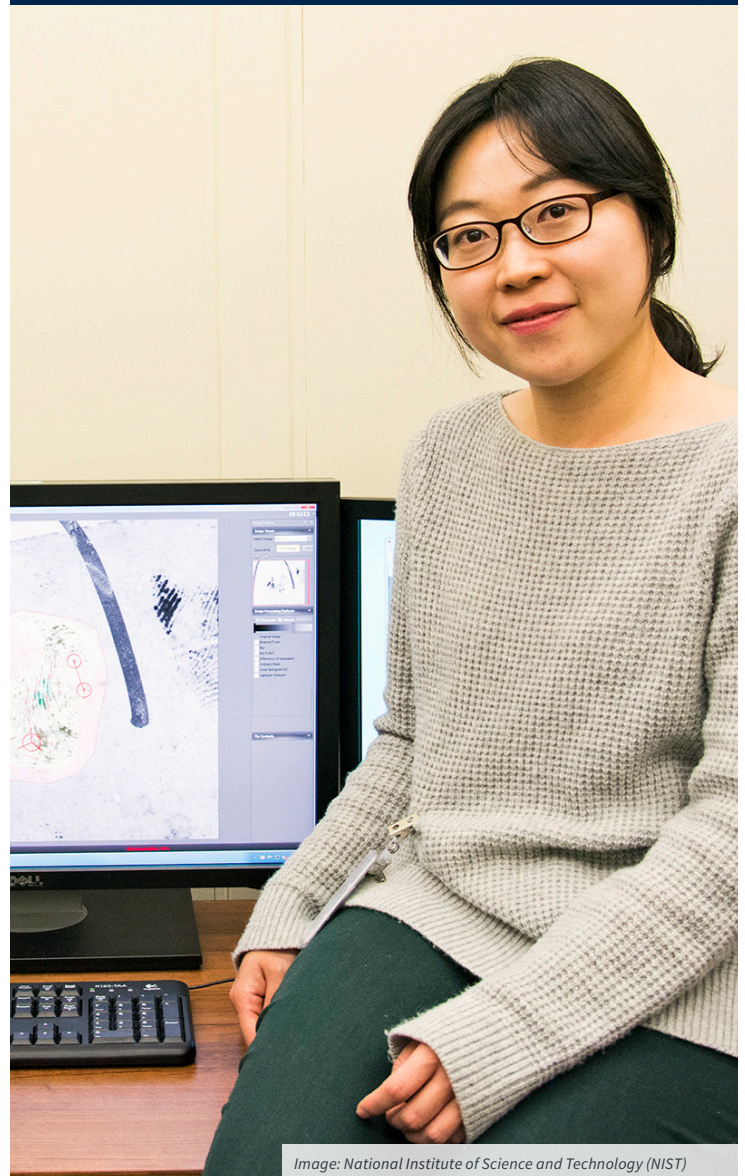


Image: National Institute of Science and Technology (NIST)



ACRONYMS

BEA - Bureau of Economic Analysis

BLS - Bureau of Labor Statistics

BUILD - Better Utilization of Investments Leading to Development

DCSA - Defense Counterintelligence and Security Agency

DOC - Department of Commerce

DOE - Department of Energy

EO - Executive Order

Evidence Act - Evidence-Based Policymaking Act of 2018

FAFSA - Free Application for Federal Student Aid

FCRF - Federal Capital Revolving Fund

FSA - Federal Student Aid

FY - Fiscal Year

GEAR - Government Effectiveness Advance Research

GSA - General Services Administration

HHS - Department of Health and Human Services

HUD - Department of Housing and Urban Development

IHA - International Humanitarian Assistance

NARA - National Archives and Records Administration

OIG - Office of Inspector General

OPIC - Overseas Private Investment Corporation

OPM - Office of Personnel Management

State - Department of State

USAID - U.S. Agency for International Development

USDA - U.S. Department of Agriculture

USDFC - U.S. International Development Finance Corporation

USPS - U.S. Postal Service

Front Cover Photos (Clockwise): The Department of Veterans Affairs, U.S. Marshals Service, The Government Accountability Office, U.S. Navy, U.S. Marshals Service, The Office of Personnel Management