

Statement for the Record

By

Anthony M. Reardon

National President, National Treasury Employees Union

Before

The Subcommittee on Regulatory Affairs and Federal Management

Senate Committee on Homeland Security and Governmental Affairs

On

**“The Challenges and Opportunities of the Proposed Government
Reorganization on OPM and GSA”**

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Chairman Lankford, Ranking Member Heitkamp and members of the Subcommittee, thank you for allowing NTEU to share its thoughts on the Administration's plans to reorganize the Office of Personnel Management (OPM) and the General Services Administration (GSA). As National President of NTEU, I represent over 150,000 federal employees in 33 agencies and I appreciate the opportunity to discuss this important issue.

As the subcommittee is aware, on June 21st, the White House released a report detailing its plans to reorganize the executive branch entitled, "*Delivering Government Solutions in the 21st Century: Reform Plan and Reorganization Recommendations*." The report is in response to the President's March 2017 Executive Order directing the Office of Management and Budget (OMB) to propose a comprehensive plan to reorganize federal agencies. The report highlights 32 proposals, which impact several agencies with employees represented by NTEU. In addition, the report proposes to break apart OPM, moving core employee policy divisions to the White House. Additionally, retirement policy and the processing of annuities, as well as the administration of the Federal Employees Health Benefits Program (FEHBP), would move to a renamed GSA, the Government Services Agency, and federal employee background investigations would be transferred to the Department of Defense. While NTEU does not represent OPM employees, we are concerned about the break-up of retirement and health care policy and operations, and the loss of needed independence from all White Houses for federal employee and workforce management policy-making and decisions. The White House's Office of Presidential Personnel has rightly been responsible for the selection and hiring of presidential appointees; however, OPM's independent authority over the career civil service-and employing agency human resources' actions and decisions-must be maintained for our government not to revert to the spoils system.

As you know, the Civil Service Reform Act of 1978 made clear that the employment system for federal employees is based on merit system principles, including that federal employees should be "protected against arbitrary action, personal favoritism, or coercion for partisan political purposes. . ." (2301(b)(8)(A) 5 U.S.C.) OPM was established as an independent agency in the executive branch to enforce the civil service rules and regulations. (5 USC 1103(a)(5) However, the President's reorganization proposal does not acknowledge these or any merit system principles upon which the law is based. Instead, it proposes to tear apart OPM and send its Employee Services office, the office that sets policy and ensures that the merit systems principles are followed, to the Executive Office of the President. That action would remove the agency's nonpartisan, independent status at a time when federal employees already fear reprisals from agency heads for not showing enough support for this administration's policies.

Regarding the plan to move Retirement Services and the administration of the FEHBP to GSA, we are concerned due to GSA's lack of experience with retirement policy and processing, or with health care policy and administration. Furthermore, as the federal government looks to recruit and retain employees in the future, it will be difficult for OPM to have a clear picture of

the government's benefits package and whether its offerings are competitive if the responsibility and expertise is divided amongst different agencies. Moreover, it is unclear how this change will improve government efficiency if federal employees and retirees are faced with navigating a bureaucratic maze of various agencies to gather information about their service history, benefits, etc. Even the administration's plan to develop an employee digital record will be difficult to achieve if key components like retirement or healthcare processing are moved to agencies other than OPM.

We believe that an independent, central personnel agency outside of the Executive Office of the President is important for a non-partisan civilian workforce of two million. Breaking up OPM is not the best way to ensure mission performance. Rather, we believe properly funding the agency is the best solution. OPM has been underfunded for years, contributing in part to its massive data breach and retirement processing backlogs.

NTEU is not against reforming some aspects of the government. However, previous large-scale reform and reorganization efforts failed to accomplish their stated goals. Instead, we've experienced overly ambitious efforts to reform the civil service that eroded employee rights and employee morale or haphazard efforts to reduce the number of federal workers by cutting an arbitrary number of personnel, implementing a hiring freeze, or failing to replace employees who had retired resulting in gutted agencies and largely contributing to the looming retirement crisis facing the federal government today. In fact, one of the biggest lessons and failures of the Clinton-Gore Administration's so-called "Reinventing Government" initiative was the hollowing out of positions and focus on out-sourcing, leaving agencies unable to conduct proper workforce planning, and without a skilled workforce in place---which devastated agency's abilities to effectively perform their responsibilities, opening up federal agencies and workers to criticism. Under this Administration, it is unfortunate that there has already been a lost opportunity to improve government by not engaging with, and including, frontline employees in ways to improve agency functions and operations from the very beginning. So far, our ideas have been routinely ignored, and we have not been invited to join in discussions on improving efficiency and effectiveness in government programs. Moreover, the administration has not released key details about these proposals—including the impact on employees, the cost-benefit analysis, and whether the proposals can be implemented without legislation.

I ask this subcommittee to continue to push for additional information, to continue exercising congressional scrutiny and oversight over these proposals, and to work with federal employee organizations to obtain input from frontline workers. If this administration really wants to reform the government, dismantling the agency that can help them do that makes no sense. Nor does it make sense to freeze out those who know how government is supposed to work.

Thank you for allowing me the opportunity to share NTEU's views.