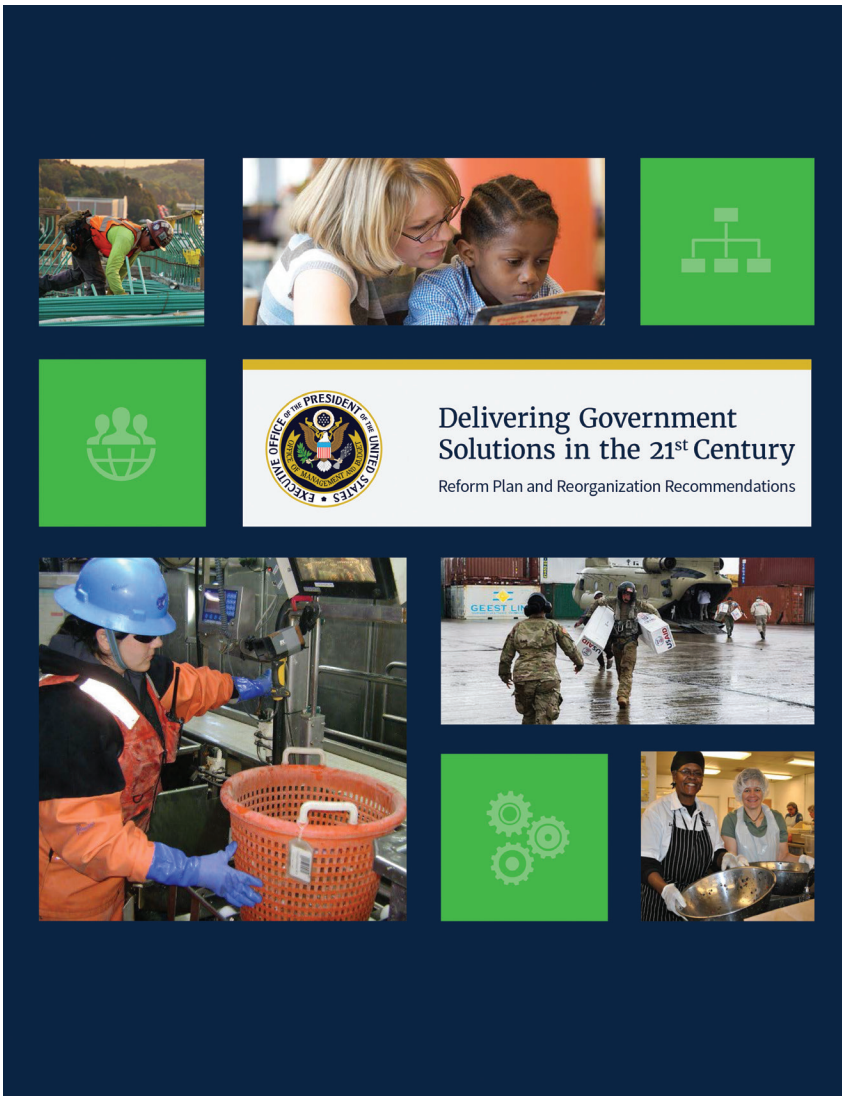
Reorganizing Government: From Salmon to Pizza to Military Uniforms

By John M. Kamensky

The stories of government dysfunction as a result of misaligned programs are legendary. President Obama liked to talk about how salmon are regulated by different agencies throughout their lifecycle, depending on whether they were in the sea, in a river, or on a grocery shelf. The Government Accountability Office (GAO) dutifully describes on a regular basis the country's fragmented food safety system, often by highlighting inconsistencies with the oversight of pizza—"one agency regulates frozen cheese pizzas, another agency regulates frozen pizzas with meat, and additional agencies regulate components of both."[1] *The Washington Post* in 2013 found that military services did not coordinate their purchases of combat uniforms and as a result, over an 11-year period, "two kinds of camouflage have turned into 10.[2]



Each of these examples grabs headlines and adds fuel to public demands to reorganize the government. The president responded, but skeptics call the president's proposals to reorganize government as "boxology," since they see the proposals as merely shuffling around organizational boxes without actually fixing anything. But by digging beneath the surface, there does seem to be a degree of coherence and long-term vision within an overarching framework that builds on a foundation of reforms that have evolved over the past two decades.

Some Context: Past Reorganization Efforts

Every president over the past half century has undertaken some form of government reform or reorganization. Some have been more successful than others. Reorganization efforts tend to be riskier endeavors because of the many different dynamics involved—congressional, agency, unions, interest groups, etc. Presidential authority to proactively undertake reorganization initiatives was not reauthorized by Congress in the early 1980s. As a result, reorganization efforts since that time have become even more difficult to undertake. For example, President Obama proposed in his 2012 State of the Union address to reorganize and consolidate trade-related agencies and functions. However, because of widespread opposition, this proposal never even made it to the stage of being introduced as legislation.

However, a statutory mandate has created a new impetus to focus on potential reorganizations. In 2010, Congress mandated that the Government Accountability Office publish a report annually that identifies duplicative, overlapping, and fragmented programs. It has since issued eight reports with

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nearly 800 recommendations for action. A subset of these call for reorganizations that lead to greater efficiencies, such as the consolidation of agency data centers, reorganizing food safety programs, and streamlining financial literacy training programs. This series of GAO reports has resulted in an inventory of areas ripe for reorganization initiatives.

The Trump Reform and Reorganization Proposals

In March 2017, President Trump directed the Office of Management and Budget (OMB) to develop a comprehensive government reorganization plan. The administration's long-awaited, headline-grabbing reorganization plan was released in June 2018.[3] It claims that better organizational alignment should "increase efficiency via shared services, public-private partnerships, workforce redeployments, and better customer experiences." The three transformation drivers in the President's Management Agenda, are seen as important support elements for the implementation of the individual reform and reorganization alignment initiatives.

The reform and reorganization plan prioritizes its proposed initiatives within a four-part framework

Mission alignment. Programs or agencies in this category are operating relatively efficiently but are rooted in outdated or misaligned organizational constructs and need to refocus, reduce, or expand their mission. These initiatives were among the most controversial and ambitious and will require congressional action. They include proposals to:

- Merge the Education and Labor Departments
- Merge the food safety programs from the Agriculture Department and the Food and Drug Administration into a single, new agency in Agriculture
- Restructure the Postal Service and then convert it to a privately-held corporation
- Spin off Air Traffic Control to a non-profit corporation (note: this was recommended 25 years ago by the Clinton-Gore reinventing government initiative)

Management improvement. These initiatives address duplicative activities or those that rely on outdated organizational structures that are wasteful and inefficient. The goal is to achieve the same core missions with better results at lower costs. They include:

- Optimizing the federal real estate footprint (an Obama initiative, as well)
- Consolidating federal financial literacy programs
- Transitioning federal agency recordkeeping to a fully electronic environment by 2022

Transformation urgency. These proposals would create or expand critical capabilities for successful mission delivery across all agencies. They include:

- Creating a governmentwide customer experience improvement capability
- Establishing a Government Effectiveness Advanced Research Center as a public-private partnership
- Expanding agency evaluation capabilities to inform mission-critical decisions

Organizations in alignment. These proposals are seen as modest updates to organizations or capabilities. Most are long overdue and would likely receive bipartisan support. Included among the 50 specific agency reform proposals are:

- Restructuring administrative functions at the National Institute for Health into a shared services arrangement
- Consolidating headquarters for the Housing and Urban Development Department into a single building
- Aligning geographic regions within the Interior Department across bureaus
- Consolidating the management of the government's motor vehicle fleet into the General Services Administration

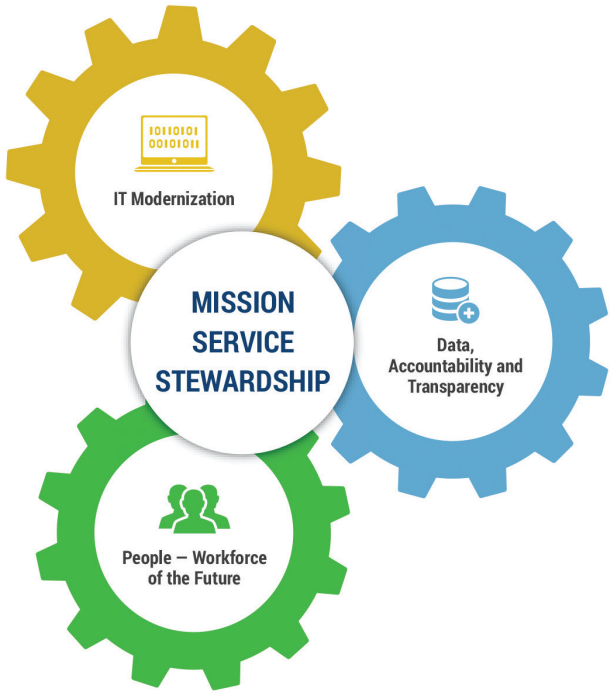
Two Additional Reform Initiatives

There are two additional elements to the president's reform efforts that are not headline grabbers and not part of the official reorganization plan, but may actually be critical components to success: the President's Management Agenda, which was released in April, and the use of pre-existing administrative routines, such as the budget process.

The President's Management Agenda. Presidents have developed management agendas since 2001, and President Trump's management agenda continues that tradition.[4] However, his agenda is not bounded by a two-or four-year frame focused on a small handful of specific management initiatives, such as expanding the use of shared services or improving cybersecurity. Rather, it is a long-term vision that draws on "system-level thinking to tackle interconnected barriers to change, most notably related to aging technology infrastructure, disconnected data, and an outmoded civil service framework."

The key leader for this initiative is the deputy director for management at OMB, Margaret Weichert. She describes the vision behind the agenda as focused on three key areas:

- Deliver mission outcomes
- Provide excellent customer service
- Effectively steward taxpayer dollars



She sees these as interconnected challenges. To symbolize this interconnection, the agenda has adopted a logo of three intermeshed gears. And in going beyond this vision to action, it focuses on three "transformation drivers" that she says are focused on attacking broad structural issues that have traditionally been barriers to transforming the federal government for the 21st century. These drivers include:

- Increasing reliance on modern information technology as "the backbone of how government serves the public in the digital age"

- Using data, accountability, and transparency as strategies to deliver better outcomes to the public and hold agencies accountable

- Reforming the civil service to both empower staff to do their jobs and to better align staff skills with mission needs

To act on these goals and drivers, the administration turned to existing administrative mechanisms, such as those embedded in the GPRA Modernization Act, to implement specific elements of the agenda. For example, it established a set of 14 cross-agency priority goals, with oversight by the President's Management Council, to implement initiatives such as modernizing the federal government's IT systems. Each goal has designated leaders responsible for reporting progress on a quarterly basis.

Existing Administrative Routines. Probably the least visible and most important element of the broader reform initiative is what occurs at the agency level. By law, every agency's strategic plan and priority goals were announced in February along with the budget release. Reform initiatives have been embedded in these plans. For example, the National Science Foundation has made it a priority to expand scientific partnerships with not only other federal agencies, but also with private industry, foundations, and international organizations. It anticipates that this approach will "accelerate areas of mutual interest" and better prepare the workforce for the future.

In addition, since late spring, agencies have been undergoing annual strategic reviews of their progress towards their goals, jointly with OMB. These strategic meetings help identify areas of potential concern but also help fine tune their efforts to incorporate reform initiatives and new priorities into their fiscal year 2020 budgets, which were due in draft to OMB in September.

OMB is also embedding reform priorities into other routine government processes. For example, it has for the first time defined agency customer service requirements as part of agencies' budget development process.

When taken together, the three transformation drivers provide a comprehensive long-term strategic management reform agenda. In fact, the administration states in its reorganization plan:

"The vision for reform must be multi-generational, enabling the federal government to adapt to changing needs over time. Rather than pursue short-term fixes that quickly become outdated once again, this administration will pursue deep-seated transformation. But it will not happen in one or two years."[5]

What Happens Next?

Every president wants to avoid the 1981 GAO report headline that summed up President Jimmy Carter's reorganization effort in the 1970s: *Implementation: The Missing Link in Planning Reorganizations*.[6]

In the case of the Trump reorganization initiative, there is good leadership in place in senior positions at OMB, the Office of Personnel Management, and the General Services Administration. Given their actions to date, the following three action steps are likely next steps:

- **Digest, prioritize, and flesh out proposals.** OMB will likely rely on the President's Management Council and the other cross-agency councils (like the Chief Financial Officers Council) to provide leadership for those initiatives that require cross-agency collaboration. The Clinton-Gore reinventing government initiatives in the 1990s found greater success in pursuing initiatives that involved improvements to governmentwide mission support functions, such as customer service and promoting innovation centers. They experienced less success in specific agency-level reorganization proposals such as corporatizing the FAA's air traffic control operations and merging Customs and Immigration.

  A recent GAO report provides a helpful framework to assess the Trump reform proposals. It offers a four-part framework to assess the proposals.[7] GAO's report begins

with the observation that "The transformation needed to improve the performance of federal agencies is no easy task, however, and can take years to fully implement." It continues, noting that reform "is an immensely complex activity that requires agreement on both the goals to be achieved and the means for achieving them."

- **Leverage existing administrative processes.** Another lesson from the Clinton-Gore initiative is to rely on existing administrative processes and don't try to pursue a separate "reform and reorganization" package of legislation. After its original report was released in 1993, a legislative package to enact about 60 recommendations was sent to Congress and defeated, even though the Democrats held both houses of Congress. Afterwards, it began to weave its proposals into the regular agency budget and reauthorization bills. Over 100 recommendations were enacted using that approach. As a consequence, the FY 2020 budget could be a vehicle for a number of the Trump reform initiatives. Another approach being used is existing administrative authority, such as the transfer of the conduct of security clearances from the Office of Personnel Management to the Defense Department.

- **Work more closely with Congress.** The hardest institutional barrier to overcome is the creation of a close working relationship with Congress. This is not so much a partisan issue as it is an issue of institutional dynamics related to committee jurisdictions and prerogatives. For example, the administration traditionally withholds "pre-decisional" draft plans from Congress until a final decision is made. This results in congressional dismay over the lack of consultation. A 2011 congressional letter to the Obama Administration said: "Reorganization of the executive branch is a shared responsibility...we recommend that we be brought into the process early on, so that we can contribute collaboratively in the process of developing a proposal."[8]

  Not unlike the 2011 chiding from Congress, a news report of one congressional hearing following the release of President Trump's reorganization plan described the scene: "A White House official faced a testy hearing while appearing before a Senate committee to explain and defend the Trump administration's proposals to reform and reorganize the federal government, with lawmakers criticizing officials broadly for failing to offer insight into the analysis that shaped the plan."[9]

Sharing and collaborating across organizational boundaries isn't just for executive branch agencies—but also for congressional committees and subcommittees. To be success, change will be needed at both ends of Pennsylvania Ave for any reorganization effort to be effective. History shows it can happen—see the largely successful restructuring of homeland security and intelligence functions after 9/11. But it has to be well-orchestrated.

Footnotes

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4 Office of Management and Budget, *President's Management Agenda.* (May 2018). Accessed at: https://www.performance.gov/PMA/Presidents_Management_Agenda.pdf

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8 John M. Kamensky, "Virtual Reorganization: Service Delivery and Function Sharing," *The Public Manager,* 2011. Accessed at: https://www.td.org/magazines/the-public-manager/virtual-reorganization-service-delivery-and-function-sharing

9 Eric Katz, "Tempers Flare as White House Defends Reorg Proposal Against Accusations of Stonewalling," *Government Executive* (July 18, 2018). Accessed at: https://www.govexec.com/management/2018/07/tempers-flare-white-house-defends-reorg-proposal-against-accusations-stonewalling/149849/