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THE ADMINISTRATION'S WAR ON A MERIT BASED CIVIL SERVICE

HEARING

BEFORE THE

SUBCOMMITTEE ON GOVERNMENT OPERATIONS

OF THE

COMMITTEE ON OVERSIGHT AND REFORM

HOUSE OF REPRESENTATIVES

ONE HUNDRED SIXTEENTH CONGRESS

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C O N T E N T S

Page

Hearing held on May 21, 2019 1

WITNESSES

The Honorable Margaret Weichert, Deputy Director of Management, Office of Management and Budget, Acting Director, Office of Personnel Management

Oral Statement 6

Triana McNeil, Acting Director of Strategic Issues, Government Accountability Office

Oral Statement 7

Norbert E. Vint, Acting Inspector General, Office of Personnel Management Office of Inspector General

Oral Statement 9

J. David Cox, Sr., National President, American Federation of Government Employees

Oral Statement 35

Ken Thomas, National President, National Active and Retired Federal Employees

Oral Statement 37

Linda M. Springer, Former Director, Office of Personnel Management

Oral Statement 38

Written opening statements and statements for the witnesses are available on the U.S. House of Representatives Document Repository at: https://docs.house.gov.

INDEX OF DOCUMENTS

Documents entered into the record during this hearing and Questions for the Record (QFR's) are listed below/available at: https://docs.house.gov.

* SEA Statement for the Record; submitted by Subcommittee Chairman Connolly.

* CREW Statement for the Record; submitted by Subcommittee Chairman Connolly.

* AFGE Correction for the Record.

* NARFE Correction for the Record.

* QFR: AFGE Response to Chairman Connolly.

* QFR: AFGE Response to Rep. Meadows.

* QFR: NARFE Response to Chairman Connolly.

* QFR: OPM Response to Chairman Connolly.

* Rep. Meadows' Statement for the Record.

THE ADMINISTRATION'S WAR ON A MERIT BASED CIVIL SERVICE

Tuesday, May 21, 2019

HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON GOVERNMENT OPERATIONS
COMMITTEE ON OVERSIGHT AND REFORM
Washington, D.C.

The subcommittee met, pursuant to notice, at 2:09 p.m., in room 2154, Rayburn House Office Building, Hon. Gerald E. Connolly (chairman of the subcommittee) presiding.

Present: Representatives Connolly, Norton, Sarbanes, Khanna, Raskin, Cummings, Meadows, Hice, Grothman, and Jordan.

Also present: Representatives Beyer and Wexton.

Mr. CONNOLLY. The subcommittee will come to order. Without objection, the chair is authorized to declare a recess of the committee at any time.

The Subcommittee on Government Operations is convening today to hold this hearing on the administration's proposals on a merit-based Civil Service.

Before I give my opening statement, I want to call upon the distinguished ranking member—excuse me—the distinguished chairman of the full committee, Mr. Cummings—still getting used to this new change in status—for any opening statement he may have.

Mr. CUMMINGS. Thank you very much.

Mr. CONNOLLY. Welcome, Chairman Cummings.

Mr. CUMMINGS. Thank you very much, Mr. Chairman. I really appreciate being here, and I appreciate the fact that we are holding this subcommittee hearing today.

I think all of us who work on a daily basis with Federal employees and have a lot of Federal employees in our district, as I do, are concerned about these moves that the administration is making.

I've told Ms. Weichert that one of the things that I've been always concerned about is people having career opportunities. There's one thing that will allow any community to thrive, and that's jobs. People need jobs. And when I see what's happening here, the administration's efforts with regard to OPM, I'm wondering who we're talking to, who are we getting our advice from, and have we truly made a case for the changes that you're trying to make, and if you are going to make changes, that you have the money to do it. It's one thing to have good intentions. It's another thing to not have the resources to get it done.

And as a side note, I am always concerned about the way Federal employees have been treated. They are the ones that, when we

want to balance the budget or look for some extra money, we go to them. They have been furloughed, they have been placed in many positions where they were paying more into a pension and getting less in the end, working hard and called everything but a child of God.

And so I want to make sure that, whatever we do, that we examine this process very carefully. It's not just getting to the goal. It's the process of getting there. And I'm hoping that we will have a thorough hearing where we can really get to the bottom line of exactly why this is being done, how it's being done, who is being affected, and looking at a long-range view of whether this allows us to have a robust work force, because we know that people are getting older and we are losing people quite a bit.

But I also—last but not least—I do want to do this. I want to commend Chairman Connolly for today's hearing. He has always been one who has consistently been at the forefront of making sure that our Federal employees are protected. He's stood up over and over and over again, sometimes unseen, unnoticed, unappreciated, and unapplauded.

But I want to thank you for not only that, but for all of the things that you've done.

You know, we have these subcommittees, and this has got to be the toughest one and the one that has the most work. And there he was, volunteering, saying that he wanted to take it on because dealing with these issues actually feed his soul.

Mr. MEADOWS. Mr. Chairman, that wasn't because of me being here?

Mr. CUMMINGS. Probably so. Probably partly.

But with that, Mr. Chairman, I thank you. And I want to thank the ranking member, too. Again, I think it's a good match here, because our ranking member has been one who has always sat down with us and tried to work things out. Although we may disagree on some things, we are never disagreeable. And so I want to thank the ranking member also.

And with that, I'll yield back, Mr. Chairman.

Mr. CONNOLLY. I thank the distinguished chairman of the full committee, and I thank him for his gracious words. And hopefully Mr. Meadows and I can live up to the expectations—the high expectations—you've set for the whole committee. Thank you, Mr. Cummings.

The chair now recognizes himself for an opening statement.

The Federal Government's most essential resource is its 2.6 million employees who comprise the most professional, non partisan civil service in the world. Developing and enforcing the policies that protect them from political interference has been the task of an independent agency called the Office of Personnel Management.

OPM administers the largest employer-sponsored health insurance program in the world and processes retirement benefits for 2.5 million Federal retirees and survivors. It vets and trains candidates for some of our Nation's most important Civil Service positions. OPM is the agency that serves the people who serve the American people.

Today's hearing is about the administration's proposal to all but abolish OPM. This hearing is about the administration's plan to

eliminate the independence of the Civil Service. The administration wants to take over the merit policymaking functions and put them into the highly politicized environment of the White House itself, away from direct congressional oversight and inspector general review.

It's clear that this was decided a priority, to undermine the Civil Service protections apparently, and was developed, this reorganization proposal, to obscure its actual objective.

This hearing is about that plan, to reverse more than 136 years of reforms implemented to professionalize the Civil Service and insulate it from partisan political activity and influence.

This hearing is also about how the administration seems to have hidden its plans and intentions from Congress until this last week.

So today is a reckoning. Much is at stake.

OPM was created to make the rules that define what constitutes a prohibited political activity by a Federal employee. Do we, as a Nation, want to change that? Do we want any President to determine what constitutes political activities for our Federal employees?

OPM crafts the rules that protect Federal employees from racial, political, or religious discrimination. Do we want any President interfering with those rules that protect employees from discriminatory practices?

OPM regulates the standards by which Federal job candidates are assessed, like skill level, experience, and fitness for the position. Do we want any President to make the rules that govern merit and skill?

OPM's roots run through the Civil Service Reform Act of 1978, all the way back to the assassination of President Garfield and the creation of the Pendleton Act back in 1883. OPM is the grandchild of those reforms that tried to overturn a corrupt patronage system from that era.

The independence of OPM and the merit-based Civil Service system of today are the legacies of American reformers, and their institutions are just as relevant today as they were when they were created. The administration's proposal seems to ignore history and would undo many of those carefully evolved reforms.

The administration's proposal was developed without input from key stakeholders, including Congress, Federal employees, Federal annuitants, and the private sector. Without any notice from agency leaders, OPM employees woke up to a budget request that eliminated their agency and perhaps their jobs, starting October 1. This proposal was released without any data or evidence to support its goals. It's a reckless end game in search of a rationale.

We know this because OPM Director Weichert, who's here with us today, continued to push back our hearing date to provide time for the administration to generate justifications for this ill-conceived plan. Although the Director originally agreed to testify before the subcommittee on May 1, that agreement was rescinded to push for a later date. Headquarters staff repeatedly refused to provide documentation to demonstrate even a minimal amount of due diligence in developing and executing a massive change to our Federal Government operations. They ignored essential management

practices and have already done damage, I think, to our Federal work force.

This isn't even building the plane while flying it. This is landing without landing gear and hoping no one sees the sparks. This proposal, in my view, is shortsighted, inadequate, and uncompelling.

Nearly a year after the administration issued its government-wide reorganization plan, such as it was, which included the plan to dismantle OPM, the administration has not provided this committee with a clear and convincing reason for dismantling this key Federal agency.

For example, the administration has not provided even basic information such as a compelling reason why eliminating OPM is necessary; a clear plan and timeline for the desired changes; a report on the alternative plans considered and why they were rejected if they were—considered, that is; a legal analysis of the authorities they have and those they will need to make their preferred changes; a cost-benefit analysis of this plan; an analysis of how such a move would affect Federal employees, including possible reductions in force; a risk assessment and contingency plan should they not get the authorities they need; a timeline of how and when they engage key stakeholders throughout the process; and a detailed plan for how they will protect the huge amount of incredibly sensitive data and information currently curated at the OPM.

We've not seen anything from this administration to convince us that any part of this plan is a good idea and would make our Federal Government more effective and efficient.

We're not here to pretend OPM is perfect. It's not. In fact, Mr. Meadows and I were on this committee when we had extensive hearings about the data breach that revealed imperfections, to say the least, at OPM. OPM's inspector general has found that the agency struggles with data security—that's an understatement—claims processing, and information security governance.

The Government Accountability Office has identified 18 priority recommendations to improve the agency, including improving data quality, improving the antiquated Federal job classification system, and strengthening controls over information technology systems.

This hearing is not a partisan attack. In fact, it's going to be very bipartisan.

I will say this. I had the privilege of meeting Acting Director Weichert yesterday, and I'm certainly convinced of her sincerity. I don't think she has some hidden agenda. We, I think, disagree on the analysis and on the proposed solution, and hopefully yesterday's meeting and this hearing is the beginning of a dialog.

But our concerns are very real. This hearing, I hope, will be a wake-up call. Our Federal work force is our greatest asset. Improving OPM ought to be a bipartisan goal, but revitalizing OPM requires careful planning and a clear understanding of its problems.

Successful government transformations often take long-term, and they take consistent and transparent stakeholder engagement, something that's been lacking so far, quality data and metrics, and performance milestones. The administration has taken, unfortunately, none of these basic steps.

I look forward to this hearing to see how we can work across the aisle to improve the situation and to look at the alternatives available to us.

And with that, I call upon the ranking member for his opening statement.

Mr. MEADOWS. Thank you, Mr. Chairman.

And just because they're going to be calling votes, I'm going to just submit my written statement and opening remarks for the record, and just say, Ms. Weichert, thank you for being here. Obviously, I appreciate your work.

Ms. McNeil, thank you. This is not your first rodeo for either one of you, and welcome back.

Mr. Vint, it's nice to meet you.

I will say this. There are two things that I want to highlight. One is, it's to quote the chairman of the full committee: It's important that we are effective and efficient. And I think the chairman has consistently said that. And so all of this needs to be looked at in terms of being effective and efficient.

This also, reorganization, shouldn't be seen as a way to downsize the Federal employee footprint. Ms. Weichert, you've stressed to me that that's not the case, but I think our Federal workers, if they're tuning in, I want them to hear that, that this is not an end run to make sure that we can downsize and eliminate something. So it's about that efficiency.

But the other is, I would join the chairman, he's requested some documents in terms of legal authority, what part could be done administratively, what part needs to be legislatively, and I join him in asking and making sure that those documents are made available to this subcommittee so that we can make informed decisions.

And with that, Mr. Chairman, I'll yield back.

Mr. CONNOLLY. I thank the distinguished ranking member and thank him for his commitment to our Federal employees.

Today we welcome the testimony of our first panel of witnesses. Obviously, the first is the Honorable Margaret Weichert. Ms. Weichert is the Deputy Director of Management, Office of Management and Budget, and the Acting Director of the Office of Personnel Management. Triana McNeil is the Acting Director of Strategic Issues at the Government Accountability Office. And Norbert Vint is the Acting Inspector General, Office of Personnel Management, Office of the Inspector General.

We have a lot of "actings" in this environment.

It is our tradition to swear in all witnesses. If the three of you would rise and raise your right hand.

Do you swear or affirm that the testimony you're about to give is the truth, the whole truth, and nothing but the truth, so help you God?

Thank you. You may be seated.

Let the record show that the witnesses answered in the affirmative.

The microphones are sensitive, so I'd ask everybody to speak directly into them and press the button to make sure they're on when it's your turn.

Without objection, your full written statement will be made part of the record.

We are against the clock. They're going to call votes. There are only two votes, so it won't take too much time. And Ms. Norton has graciously agreed to take the chair when those votes are called so that Mr. Meadows and I may go vote. We'll come back right away. So we'll try not to interrupt the hearing and impose any further on your time. Thank you for your understanding.

Ms. Weichert.

STATEMENT OF MARGARET WEICHERT, DEPUTY DIRECTOR OF MANAGEMENT, OFFICE OF MANAGEMENT AND BUDGET, ACTING DIRECTOR, OFFICE OF PERSONNEL MANAGEMENT

Ms. WEICHERT. Chairman Connolly, Ranking Member Meadows, and subcommittee members, thank you for the opportunity to discuss the administration's plan to modernize OPM and better support the Federal work force and merit systems principles.

Recently, during Public Service Recognition Week, we honored millions of dedicated government employees who keep our country safe, protect our values, and provide critical support for all Americans. These committed civil servants always focus on serving the American people, even as their work changes, responding to mission needs and technology innovation.

It is vitally important that our human resources organization, OPM, also evolves. President Theodore Roosevelt, the father of the modern Civil Service, summed up the challenges of maintaining merit systems principles by saying: Success of the merit system depends upon the effectiveness of the rules and the machinery provided for their enforcement.

Unfortunately, our H.R. machinery is not structured to keep pace with change. Over the last 40 years, well-intentioned regulations have multiplied, tying the Federal personnel system into bureaucratic knots.

At the same time, failure to invest in and realign H.R. organization, technology, and operations has generated backlogs, service quality issues, cyber risks, and problems hiring and retaining top talent.

The result is a national personnel system that does not meet modern work force needs.

The Government Accountability Office warns of chronic work force risks, but OPM is so mired in transactional H.R. activity, it cannot respond to strategic risks.

The need for H.R. modernization is underscored by employee views as well. More than 90 percent of surveyed Feds believe in the importance of their work, but these same employees report deep dissatisfaction with merit-based aspects of Federal service. More than 60 percent of Feds are dissatisfied with how we reward performance, manage poor performers, and manage merit-based promotions. Federal employees believe we are failing to deliver on merit principles. And so fundamental structural reform is needed.

Reform starts at the Office of Personnel Management. Originally designed to drive work force policy and protect merit principles, today fewer than five percent of OPM's employees work on core merit systems principles and policy, as policy head count has been crowded out over the years by competing priorities and structural funding issues.

OPM supports $2.4 trillion in its balance sheet covering retirement, healthcare, and insurance liabilities, but is supported by fewer than 6,000 employees, more than half of whom work on background investigations. Companies like Fidelity Investments with comparable balance sheets have 50,000 employees, many in IT. Notably, only 281 OPM employees do core merit systems policy work, and currently fewer than 200 Feds are dedicated to the technology that supports this massive balance sheet.

The OPM organization was designed before online technology tools transformed H.R. services. Not surprisingly, OPM was structured to support bureaucratically intensive, often manual solutions to problems the private sector now solves with technology. Existing OPM silos further complicate our ability to realign resources or invest in data analytics and technology.

In this environment, it is impossible for OPM to address strategic human-capital issues that are central to the President's management agenda, critical issues like re-skilling, agile work force development, and mobility. Instead, hard-working OPM employees face the daunting task of delivering 21st century H.R. solutions with 20th century technology and tools.

This task became even harder once Congress transferred the National Background Investigations Bureau to the Department of Defense, moving with it thousands of employees and more than a billion dollars in funding.

Bold reform is needed to avert a work force management crisis. Our proposed solution is the merger of OPM and GSA. This idea is not new. Past administrations have considered similar proposals, and many state governments already combine support services in a single agency.

My own parents worked for such an agency, the New York State Office of General Services. Mom worked on the people side and dad worked on the procurement side of that agency. Many other states have integrated service organizations that enhance, rather than detract, from merit systems principles.

Ultimately, the goal of this transition is to stabilize and sustain OPM's mission, which is fundamentally already at risk. The status quo organizational construct is at the heart of this risk. So I welcome your ideas to avert this crisis facing OPM.

Thank you, and I look forward to your questions.

Mr. CONNOLLY. Thank you, Acting Director Weichert.

Ms. McNeil.

STATEMENT OF TRIANA MCNEIL, ACTING DIRECTOR OF STRATEGIC ISSUES, GOVERNMENT ACCOUNTABILITY OFFICE

Ms. MCNEIL. Chairman Connolly, Ranking Member Meadows, and members of the subcommittee, I am pleased to be here today to discuss GAO's ongoing work on the transfer of functions from OPM to GSA and the Executive Office of the President.

GAO has done a lot of work looking at mergers and transformations and has identified a number of key practices that are applicable to this reform, and if properly applied, could help it be successful. This is particularly important because GAO continues to designate strategic human-capital management as a high-risk area.

The preliminary findings from our ongoing work are not encouraging. The information I'm about to share is based off of analysis we started when the reform plan was issued last July through last week. We recognize the administration has provided a number of documents in the past few days, and we will be sure to update our findings based on our ongoing analysis of the new information.

Our work focuses on two main questions. One, to what extent have OMB, OPM, and GSA addressed key practices for effective reforms and reorganizations?

Our answer in short is, based on the evidence we have assessed, they have generally not followed key practices. They have not established outcome-oriented goals, developed and communicated a cost-benefit analysis or implementation plans, and have not fully involved or communicated their efforts with the Congress, employees, and other key stakeholders.

OPM and GSA also have not shown how they will address management challenges that may affect their ability to successfully reorganize the government's central human capital functions.

Our second researchable question is focused on legal authorities, specifically, which ones may affect the reorganization. Again, based on the evidence we have assessed, OPM and GSA have not identified specific actions that can be taken administratively versus those that will require legislative action to reorganize OPM.

The administration has acknowledged the need for additional statutory authority to execute certain transfers of functions from OPM to GSA and the Executive Offices of the President. But also, they have stated that they will rely on existing authority to move certain functions administratively.

Without additional information from OMB and agencies, GAO cannot assess the legal authorities the administration is relying on to implement the reorganization.

Central to a successful reform is transparency and engagement with stakeholders. Questions like, what does success look like, what management challenges will the reform resolve, how have Congress, employees, and other key stakeholders participated in the solution—these are basic questions that GAO would have expected to be answered by this time. As of now, GAO has little to no evidence from the agencies to answer any of these.

The administration has in the past few days released more details on the reform. This is a step in the right direction. GAO will examine the newly released documents. We also appreciate the recent opportunity to discuss our ongoing work with agency officials and we look forward to more discussions and additional documentation moving forward.

One final point, but an important one. Regardless of the decision made about the organizational arrangement, it will be important to retain the capacity to execute certain governmentwide strategic human capital functions. These capacities includes an ability to identify future work force trends and to effectively collaborate with stakeholders for the purpose of creating, executing, and overseeing human capital policies and programs, enforcing Civil Service laws and regulations.

Chairman Connolly, Ranking Member Meadows, and subcommittee members, this concludes my prepared statement.

Mr. CONNOLLY. Thank you so much, Ms. McNeil.
Mr. VINT.

STATEMENT OF NORBERT E. VINT, ACTING INSPECTOR GENERAL, OFFICE OF PERSONNEL MANAGEMENT, OFFICE OF THE INSPECTOR GENERAL

Mr. VINT. Good afternoon, Chairman Connolly, Ranking Member Meadows, and members of the subcommittee.

Mr. CONNOLLY. Mr. Vint, if I can just interrupt and freeze your time.

Can someone freeze that time or start over?

Don't be insulted that Mr. Meadows and I are going to slip out, because the vote has been called. We've got two votes. We'll come back as soon as we can. But Ms. Norton, being the great American she is, has agreed to continue chairing the hearing, and we will catch up with your testimony.

Mr. MEADOWS. And don't worry, because the staff probably takes better notes than we do.

Mr. VINT. Yes, sir. I know that with my staff.

Mr. MEADOWS. You're not supposed to agree so quickly.

Mr. CONNOLLY. Yes, that was the wrong response.

Mr. VINT. Oh, okay.

Mr. CONNOLLY. Thank you. Thank you, Mr. Vint.

Mr. VINT. Yes, sir, thank you.

Again, good afternoon, Chairman Connolly, Ranking Member Meadows, and members of the subcommittee. Thank you for inviting me to speak today about the administration's proposed reorganization of the U.S. Office of Personnel Management.

Specifically, I will be speaking about the transfer of the background investigations function to the U.S. Department of Defense and the proposed transfer of other OPM activities to the U.S. General Services Administration.

I would like to begin by acknowledging that OPM is facing many daunting challenges, including the need to modernize several legacy IT systems and the $70 million deficit in OPM's operating budget created by the transfer of the National Background Investigations Bureau, NBIB, to DOD.

I appreciate Acting Director Weichert's dedication to advancing OPM's mission while tackling these problems. As agency leadership works to solve OPM's many challenges, it is crucial they engage in the careful planning and fact-based decision-making recommended by GAO if any effort at reform is to succeed.

In my written testimony, I provide a brief overview of how the NBIB transfer evolved. At this time, our office does not have any specific concerns to raise. We look forward to reviewing the June 24 transition plan, and if we have any concerns at that time, we will issue a management advisory.

I would like to spend the majority of my testimony discussing a potential transfer of other OPM functions to GSA. To begin, I'd like to note that there's a distinct difference between the transition of NBIB to DOD and the proposed transfer of other OPM offices to GSA. The decision to transfer NBIB was made by Congress, and OPM's role was to determine how it could most efficiently execute that directive.

In contrast, the proposal to transfer OPM functions to GSA originated entirely within the executive branch. As such, OPM needs to demonstrate to Congress and the American taxpayers that such a transfer is a well-reasoned policy change that will result in more efficient and effective government operations. I am not sure that OPM has met its burden in this regard, and the OIG has serious concerns regarding the potential transfer of functions to GSA.

There are two specific concerns that I would like to bring to the subcommittee's attention this afternoon.

First, to date, we have not received documentation demonstrating that OPM leadership meaningfully examined other alternatives to address OPM's challenges besides the transfer of functions to GSA.

We cannot know if the proposed transfer to GSA is the most cost-efficient and effective option if no other options are evaluated. In fact, we do not know if the transfer of functions to GSA would be cost efficient, effective, at all. Based on our current information, we are concerned that the agency is making decisions to align with a predetermined desired outcome without conducting adequate evidence-based analysis.

Second, we are concerned that ongoing planning for this transfer is being conducted without adequate data. We have not seen a real financial analysis regarding the costs of the transfer or any potential savings that might result.

For example, the limited cost-benefit analysis information we have received fails to take into account any transition costs that are supported by data and analysis.

In addition, we have not seen work force planning data showing how GSA would absorb these OPM program offices.

Finally, we have not seen a definitive legal opinion concluding that OPM and GSA have adequate legal authorities to achieve this proposed transfer absent legislation. This lack of documentation makes it impossible for the OIG to assess whether the proposed transfer to GSA will promote or improve economy, efficiency, and effectiveness in the administration of OPM programs.

We understand OPM leadership is eager to address the pressing challenges that face the agency, and they have developed an aggressive vision for OPM. However, for any solution to be successful it must be accompanied by careful, methodical planning based on solid financial and work force data. If it is not, we fear any attempt to address these challenges will fail, which could waste taxpayer dollars, possibly disrupt the administration of benefit programs relied upon by Federal employees, annuitants and their families, and potentially undermine the Civil Service.

I look forward to answering any questions you may have. Thank you.

Ms. NORTON.

[Presiding.] Thank you for your testimony, Mr. Vint.

For the record, a vote is taking place on the House floor. I have the vote on the House floor on the Committee of the Whole.

Not until the District of Columbia, which pays more Federal taxes per capita than any Americans, gets its full vote—and we're just short of those votes—will I be able to vote on the matter that

is now on the House floor. Then this committee will not have the efficiency of leaving me in charge while everybody else goes to vote.

The committee is in recess.

[Recess.]

Mr. CONNOLLY. The committee will reconvene (off mic) with our schedule. The votes are now completed. I'm going to begin my five-minute round of questioning.

Among the most troubling parts of this proposed merger is placing all regulatory authority on Civil Service policy decisions for the Federal Government inside the Executive Office of the President, specifically, the Office of Management and Budget.

Currently, Congress has direct oversight of and access to the policy work of OPM. Moving these operations to OMB would impede that oversight and make it much more difficult for Congress to acquire accountability and to require the presence of OPM officials before this and other oversight bodies.

Ms. McNeil, you, GAO, looked at this reorganization. Was that an aspect of the reorganization that struck you? And if so, what views do you have on that?

Ms. MCNEIL. We reviewed the new legislation that came out last week. We have preliminary thoughts on that. These are not final views.

We do want to note, there's no additional information on goals and measures. It doesn't have any information on cost-benefit analysis. There's question about potential overlap between the new office at OMB and GSA. And we also do have a question about accountability of the new OMB office head.

And so the fact that it would be a Presidential appointment, not a Senate-confirm, does concern us. We will be asking questions to get some clarity on that. We need additional details on how that would look.

Mr. CONNOLLY. Thank you.

Ms. Weichert, what is the rationale for that proposed move?

Ms. WEICHERT. So one of the things that is maybe not clear to everyone who thinks about OPM as the people agency is that OPM's policy mission is heavily focused on Title 5, which represents a large portion of the Federal work force but doesn't represent the entire work force. And it is very difficult to do all-of-government strategic human capital decisioning and kind of future strategic work when you're limited.

And so the overall proposal, which was not to move all policy activities into the EOP, but the proposal is actually—and the budget proposal that was released earlier this year made it clear—was adding three additional heads to the office that has looked at performance and personnel management in the past, with a specific focus on strategic human capital issues, notably reskilling, performance management, and end-to-end hiring.

And the model that we used for the proposal is the Office of Federal Procurement Policy, which also fits in the management side of OMB. And that office is a small office, has the rulemaking authority, but most of that rulemaking authority is actually delegated to the three agencies who have specific Federal Acquisition Regulation responsibilities.

So GSA, DOD, and NASA have actually the balance of the people doing policy on Federal Acquisition Regulations, and so the model we had was that you would have leadership and strategic thought in OMB.

Mr. CONNOLLY. Unfortunately, we're on a five-minute rule.

Ms. WEICHERT. Sorry about that.

Mr. CONNOLLY. That's okay.

So who would the Director of OPM report to? And where would he or she sit?

Ms. WEICHERT. So the vision is that the Director of OPM would be part of the GSA organization.

Mr. CONNOLLY. So he or she would report to the head of GSA?

Ms. WEICHERT. Yes. GSA would be the merged entity.

Mr. CONNOLLY. Yes.

Ms. WEICHERT. And so the moniker would probably need to incorporate human capital.

Mr. CONNOLLY. So can you state for us, to your knowledge, what is the expertise of GSA as an agency? What is its mission?

Ms. WEICHERT. So GSA has a range of capabilities that I think are relevant, but general services is one of them. And I think it's one of the only places in government where their core focus is to serve other agencies and their needs first. They have a range of authorities that allow them to make investments in——

Mr. CONNOLLY. But does GSA have some domain expertise in human resources or personnel matters that makes it the likely candidate for this merger?

Ms. WEICHERT. No, it does not. What it does have is experience in dealing with all-of-government challenges——

Mr. CONNOLLY. Yes.

Ms. WEICHERT [continuing]. of service delivery, operations, and transaction management.

Mr. CONNOLLY. But wearing the hat you've got, and knowing of your sensibilities in this regard, surely you can understand the angst created among Federal employees that this would be tantamount to a downgrading, not only of the position of OPM Director and the absorbing of OPM's responsibilities with respect to them in an agency whose primary role in life is managing Federal leases and buildings, and in the process downgrading their interests and their needs, too, with no guarantee that somehow service to them would be better.

So, I mean, we already have problems, all the time. You and I talked about this yesterday. I get, representing as many Federal employees as I do, when something goes wrong with someone's retirement papers, when somebody has trouble signing up for the FEHBP, the Federal health benefit program.

But I'm not sure you've done anything in this proposal to reassure those same Federal employees it actually gets better by doing this, by moving into the unknown, with an agency that does not have domain expertise.

Ms. WEICHERT. So I definitely—to the first part of your question—I understand the concern, and if I had anything I would do over, it would be the moniker that we would technically call the merged entity. We chose Government Services Agency both because

there are other state agencies that use that name and we thought we'd save money by keeping the same initials.

You know, if I had one do-over, I would put a placeholder name that would have something about human capital in there to signal it really is about a merger and it's about putting the transaction activities on the same footing and the same professionalism as other activities we have in government, like procurement.

Mr. CONNOLLY. I would just—yes. That may be your intent. I just don't think a case has been made for that. I mean, I think the documentation has not been provided. The rationale has not been provided. The communication has not been provided. And for good or ill, not you personally, but you, the agency, are now a victim of that, because there's no confidence going forward. And I think that's why, frankly, I think you ought to look at a reset.

But let me just end, because I'm over my time, but if I may, two quick questions, I think, about—from your rationale.

One was you talked about a large balance sheet. I think you set it at $2.4 trillion dollars. And you said it's too big for such a small agency. But isn't it true that actually Treasury manages that portfolio and you administer the programs and the policy, but not necessarily the portfolio itself?

And then second—I'll get them both in—second, the rationale has been used that given the FITARA score, the low score for OPM, doesn't it make sense to move to an agency with a high score?

And the problem I have with that logic is, well, the lowest score of any Federal agency is the Pentagon. And if we are going to follow the logic that when you get a low score we're going to blow you apart and redistribute your parts, then why not get rid of the Pentagon and we'll divvy it up to Ben Carson and Betsy DeVos? Because they look like they know what they're doing. They have got some good scores.

And so, I wonder if you could just address quickly those two rationales that don't seem to make sense.

Ms. WEICHERT. Okay.

So the first one, I have an actual chart, chart 1, that looks at the overall size of our total liability. So $2 trillion in the balance sheet. No, we don't manage the actual funds.

Mr. CONNOLLY. Treasury does.

Ms. WEICHERT. Treasury does. What we actually manage, though, is service delivery. So we manage the transactions.

So the actual number of people at a retirement management company like, let's say, Fidelity, there's, I don't know, 50 people probably associated with managing the dollars themselves. But most of the people in a company like Fidelity are doing transactional support. They're supporting the technology that does that. They're supporting customer service.

And we have this balance sheet that is comparable in size to Fidelity Investments, and they have 50,000 employees, and we have 6,000, only about a thousand of whom support this particular transaction business.

Now, you could do it with fewer people if it was largely delivered through technology. But the technology under retirement is among the oldest we've got. So that's the first thing.

I think it's interesting. DOD has upped their score, so now they compete with OPM at a D-minus on the FITARA scorecard. But the thing that is fundamentally different is we're not just failing in technology. We're failing already in delivering against core merit principles, those Federal Employee Viewpoint Survey scores I talked about. The four lowest scores perennially, every year, on the Fed survey are scores related directly to merit systems principles. That's not okay.

So I have to admit, I start with all the documentation that was already in the public domain, including extensive documentation from this committee, from GAO, from our IGs over the last 18 years, and to me that case for change is self-evident.

So I will totally take the mea culpa that I haven't done a good enough job articulating what to me is the handwriting on the wall, that this entity is not only failing in technology, it's failing at its core mission. Not because the people are not wanting to do it. Administration after administration have tried to address these challenges.

And I see it every day. When I go in and I see my employees, some of whom are here today representing our bargaining unit, they're dealing with old laptops, they're dealing with impossible scenarios, trying to serve Americans who just want their retirement benefits. And the levels they have to go to are unacceptable.

Mr. CONNOLLY. Thank you so much. And I must say, your candor is refreshing. Thank you for that. I think it makes everything easier.

The chair now recognizes the ranking member for his questions.

Mr. MEADOWS. Thank you, Mr. Chairman.

Ms. McNeil, I'm going to come to you, because I have been consistent in at least one thing, and that consistency has been my reliance on GAO, regardless of which administration is in power, and it's to try to make sure that we get the facts. And you're not Jack Webb, but you're the closest thing that I have to it, and so I need the facts.

And I guess your initial response today was very concerning because I could tell it was a very sober response that you had.

Has any Member of Congress requested from you a GAO report that would look at consolidation of some of these entities?

So, obviously, you're looking at it as it relates to the reorganization plan. But I guess what I'm looking for is more not what they're not doing, because I think you articulated that very well. But has someone said, all right, if you're going to consolidate, for example, how many agencies are using shared services? At what point do we look at does GSA do this better? Does DOD?

Have you been asked to look at that in terms of how we become more efficient and effective?

Ms. MCNEIL. No, not that I'm aware.

Mr. MEADOWS. All right. You'll have that very soon.

Ms. MCNEIL. Okay.

Mr. MEADOWS. Because I think that's a critical point. I know that consistently, because of my work over the last six or seven years on Government Operations, this particular thing is not new. You know, I see, it looks like flow charts or all kinds of talking points in front of Ms. Weichert.

It's obvious that you have studied this. And yet we're here today with one person giving testimony about an implementation plan and another giving testimony that is 180 degrees apart, when I think both of your goals, are they not, that we make our Federal work force efficient and give them the tools that they need? Is that correct?

Ms. WEICHERT. Yep.

Ms. MCNEIL. That would be correct.

Mr. MEADOWS. Let the record reflect both of them answered in the affirmative.

And so if we're looking at this, one of the critical things that I'm concerned about—and I mentioned shared services, but it's one part of this—we spend over a hundred billion dollars a year in IT. One of the Achilles' heel for OPM certainly has been IT. But we spend a hundred billion dollars a year, and yet I can tell you the IT ability of the Federal work force is less than what I had in the private sector with not near the budget, let's put it that way.

And so is there a way that we can start to look at some of those shared services where, on a pilot program, where the chairman and I work together and say, okay, we're going to take these entities and start looking at how we can become more efficient, where perhaps they contract with GSA or OPM or DOE?

It's interesting, today, I believe, is your duplication of services report? Didn't it come out today?

Ms. MCNEIL. Yes, it did.

Mr. MEADOWS. Okay. And so I look forward to going through that.

There's a good place to start. Would you not agree, Ms. McNeil?

Ms. MCNEIL. Definitely.

Mr. MEADOWS. I mean, there are areas where we're doing exactly the same thing, and yet you have different agencies that would both say they can do it better.

Ms. MCNEIL. Uh-huh.

Mr. MEADOWS. Isn't that what happens, is they provide a similar or relatively similar service, and yet there's not the efficiency of one?

Ms. Weichert, is that what you're trying to get to, is making sure that we have streamlined decisionmakings, not just at OPM?

Ms. WEICHERT. Absolutely. And, in fact, maybe I haven't said it enough because it was self-evident to me, but the reason we need to do this is that all of this technology debt and operational overhead and manual processing has strangled the core merit systems principles the agency was founded around, to the point where it can't deliver those.

Mr. MEADOWS. And so let me go on record once again, because I don't know if it was with you, Ms. Weichert, but it may have been with one of your associates, where we have talked in the past about changing the survey, where we take the survey of Federal work forces and change.

That dog will not hunt, I'm just telling you. I want the same standard when we're asking questions. I think the chairman and I agree on this. We don't want to change the standard and all of a sudden have a different question asked.

Because those Federal workers are right. I don't know that this consolidation will actually change some of that frustration. It may be a step in the right direction. But really it's all about making sure we reward the people that do the best job and that we hold those accountable, the small percentage accountable, that are not. So let me go on a little bit further with your indulgence.

Ms. McNeil, I guess the concern that I have—and I think Ms. Weichert knows that I'm not in favor of moving security clearances to DOD. I mean, I know that doesn't come as a surprise. I should not play poker because I guess I let people know how I feel.

Do you have any——

Mr. CONNOLLY. Don't sell yourself short, Mr. Meadows.

Mr. MEADOWS. Do you have any documentation that would indicate that doing security clearance work at DOD is a better move than where it is at OPM? Are there any studies?

Ms. MCNEIL. There has been work done by GAO and the folks that do that work. We can definitely connect them with your staff.

Mr. MEADOWS. Do you know why it was moved from DOD to OPM originally?

Ms. MCNEIL. I would rely on the experts to answer that question.

Mr. MEADOWS. I'll give you a softball answer to that. It's because DOD didn't do it well. Okay. And so what we've done is, is we've moved it from DOD to OPM, and now we're moving it from OPM, because they're not doing it well, back to DOD.

I don't know about you, but I find that less than, I guess you might say, the best strategy. Would you agree with that?

I'm putting you on the spot, but this is a softball answer. Don't swing and miss on this one, okay?

Ms. MCNEIL. If I knew more I could give you an informed answer, but based on the facts that you laid out, I would have questions about it.

Mr. MEADOWS. All right.

So, Ms. Weichert, you know that this is a real concern of mine and I'm not going to let that stand in the way of becoming efficient and effective, but here's what I would ask you to do, and I'll close with this.

Ms. McNeil has outlined a number of areas. My private conversations with you have indicated that you're willing to work with GAO. Will you say for the record today that you're willing to work with GAO to implement a strategy?

Ms. WEICHERT. Absolutely.

Mr. MEADOWS. And you're willing to work with this committee to get us the documents to help us understand what administrative power you have, as well as what legislative needs are out there. Is that correct?

Ms. WEICHERT. Absolutely. And in a lot of cases there are things that, you know, I'm prepared to talk about today. A lot of the reference material is actually already in the public domain, and we referenced it in the original reform proposal.

Mr. MEADOWS. All right. And then the last thing is this. I would ask both of you to come up with four or five—well, let's be definitive—five recommendations to this committee on how we can either use shared services or eliminate a duplication of service by com-

bining those across agencies that go beyond the scope of just what we're here to talk about today.

And with that, I'll yield back.

Mr. CONNOLLY. I thank the ranking member.

Before I call Mr. Sarbanes, the chair would ask unanimous consent that the following members be authorized to participate in today's hearings, Mr. Don Beyer and Ms. Jennifer Wexton.

Mr. MEADOWS. I'm going to withhold a potential objection to my good friend, Mr. Beyer. I can't imagine why he would want to be here with all his Federal workers.

Mr. CONNOLLY. And Ms. Wexton the same.

Hearing and seeing none, the motion is agreed to.

And I want to thank Mr. Hice and Mr. Grothman. Both agreed that we will, for the purpose of rotation, treat Mr. Beyer and Ms. Wexton as full members of this committee. And so I thank both of my colleagues for their graciousness.

Mr. SARBANES.

Oh, Ms. Norton. I thought you had already gone while I was gone.

Ms. NORTON. It's one thing to be left as a caretaker of this committee. It's another thing to be skipped over when my time comes.

Mr. CONNOLLY. Excuse me, gentlelady. I believed while we were voting you had asked your questions.

Ms. NORTON. No, I wouldn't. I wanted you to be part and parcel of all the questions.

Mr. CONNOLLY. Well, I am now to be edified. I thank the gentlelady from the District of Columbia.

Ms. NORTON. I thank you, Mr. Chairman. And I want to associate myself not only with your questions, but the questions of our ranking member. He used words that I think are important, like streamlining services, eliminating of duplicate services.

I once chaired a Federal agency, and I put most of my time into saving the government money and saving constituents money by streamlining, getting to the point, as it were. So I am not opposed to reorganization.

I do note that we don't do them very often. I think, Ms. Weichert, when I talked with you before this committee, you told me it's been 70 years, and that may be because the Congress is very inept. You see how slowly we do things. But it may be because of the difficulty.

So I note that the Republicans have looked at your vision and that on both sides of the aisle, the Republicans and the Democrats, thought during the Senate hearing that there was insufficient—that the vision document that they had before them was insufficient to convince them to provide new legal authority, much less funding for this reorganization.

Now, we have just received this document. It's pretty thin, but we still didn't have time to look at it, Ms. Weichert, because it was received, according to staff, at 12:29, and makes me believe that if we hadn't had this hearing, I'm not sure we would have received any underlying document after the vision statement. Well, that's very concerning. So I want to ask some of the questions that the Senate asked. Now, that was July 2018, so we've had a little time since then.

Ms. Weichert, have you created or shared the documents with the Senate, any documents with the Senate, since their June 2018 hearing about a year ago? And if so, would you provide those documents, the documents that they asked for, to this subcommittee?

Ms. WEICHERT. So thank you for the question.

The response I gave last July when I spoke to the Senate is comparable to what I shared earlier today, which is that the source documents for the strategic case for change in the plan, I decided to bring them today because it's clear—I think I didn't make it clear enough that on page 128 of the original report, I was referencing 18 years of GAO reports, I was referencing, you know, years of IG reports, data from this committee, and many other points of data that were listed in there that make a case that shows over time this agency has not been able to solve the challenges that both Congress and our other governing bodies have asked us to look at.

Ms. NORTON. So we could say that, Ms. Weichert, of any—of virtually any agency that comes before us. So if an agency wants to do more than receive our criticism, I think they're going to ask to do what Chairman Connolly asked you to do in March. He asked OPM to provide the subcommittee with 13 categories of documents so that we could evaluate the administration's proposal. We're not going to just say: You want to reorganize, go at it.

Now, have you provided what the subcommittee chair asked for on March 22?

Ms. WEICHERT. So——

Ms. NORTON. Have you——

Ms. WEICHERT. Sorry. Go ahead. Sorry.

Ms. NORTON. Those are the 13 categories. He was very specific. Have you provided that information?

Ms. WEICHERT. So we provided all of the relevant documents that were not already still deliberative and pre-decisional. So I think the——

Ms. NORTON. So you have provided the 13 categories of documents that Chairman Connolly asked for?

Ms. WEICHERT. So not all of the categories are at the decision point. So I understand—I mean, you made a great point about doing this being very hard.

We would love to be further along than we actually are. So we don't have some of the documents fully done and out of the deliberative process into decision. So we've shared what we were legally able to do around documents that were no longer in the deliberative predecisional phase.

Ms. NORTON. I can understand that. You're trying to do something very difficult. And you, yourself, are saying that many of the documents that we've asked for, that we'd have to rely on, haven't been provided us. That means, Ms. Weichert, that zeroing out OPM at the end of this Fiscal Year would just be impossible, wouldn't it? You need more time at the very least.

Ms. WEICHERT. I think that's a fair statement. At the time we had issued the budget we had hoped we would more rapidly get engagement. And despite, you know, my best efforts to try to get on folks' calendar, you know, there just hasn't been the opportunity to talk until recently.

And I would also say I fully intended to come on May 1 and there was an all-of-government continuity of operations activity that made it impossible for me to attend given my other duties.

But what I have been consistent at since last June is in my hope that we get real dialog, because we've analyzed two alternatives. We've provided information about a future state and we've got reams of paper provided by a host of folks about the current state. Those are the two alternatives.

And the one thing I can state with certainty is there is ample data already in the public domain that makes the case that the status quo organizational construct cannot meet the needs——

Ms. NORTON. Well, again, Ms. Weichert, again, in the public domain is ample criticism of virtually every agency. We've got to have the basis so that what hasn't been done in 70 years will seem reasonable.

I going to ask Ms. McNeil and Mr. Vint, have you seen any of the documents that I've asked Ms. Weichert about, these 13 categories of documents and the rest? Have either of you?

Ms. MCNEIL. My staff recently got two documents today from OPM staff. One was, I think, a shortened version of the "Case for Change." And then I think we also got a more expanded, longer version of that document.

Ms. NORTON. Mr. Vint?

Mr. VINT. We will have to get back to you. We'll compare the chairman's list to the list of documents that we have to see if there's a match and——

Ms. NORTON. I would think if you've gotten any of these pertinent categories of documents, you'd know it. But please get back to the chairman.

Mr. Chairman, could I ask one more question?

Mr. CONNOLLY. Yes, ma'am.

Ms. NORTON. I'd like to know if you have provided or will provide the subcommittee with analysis—with an analysis of the potential effects—that's you, Ms. Weichert—yes, you, Ms. Weichert—of the potential effects of this reorganization on OPM's work force?

Ms. WEICHERT. That is absolutely something that's part of our plan. We've been meeting weekly with members of our agency. We've been taking into account——

Ms. NORTON. You have been meeting with your——

Ms. WEICHERT. With our employees, correct. And every opportunity we do that, we actually invite our bargaining unit representatives to participate. The president of our local bargaining unit actually held a townhall where we took questions.

So we've compiled a host of internal information, and we've actually in advance of every major public statement that would be released, we've actually had fairly extensive communications with employees via our internal website and face-to-face townhall-type activities. I've literally been going back through that again.

Ms. NORTON. I certainly appreciate that, but we'll be hearing from the bargaining agents ourselves. So thank you for that cooperation with our bargaining agents.

Thank you, Mr. Chairman.

Mr. CONNOLLY. Thank you.

Mr. MEADOWS.

Mr. MEADOWS. And I'll yield back.

Ms. Weichert, let me just say, reading the body language of people in the audience, what I would ask you to do is maybe redouble that outreach in terms of stakeholders. How about that?

I yield back.

Mr. CONNOLLY. It's not that often we have readings of body language in the audience.

Before I call Mr. Hice, who's been patient, I did want for the record, Ms. Norton, amplifying your question about compliance, so far we've received 387 total pages of documents, 300 of which related exclusively to the move of the National Background Investigations Bureau from OPM to DOD that Mr. Meadows talked about; 30 pages of cover letters for documents that OPM provided to the OPM OIG but not the underlying documents; 7 pages of emails from Director Weichert to OPM staff, none relating to moving OPM's program to GSA or EOP.

Subsequently, we received a legislative draft bill to dismantle OPM and a qualitative business case and value proposition for the merger. That was on May 17.

Documents not provided pursuant to our request: a detailed timeline of all reorganization actions proposed in the plan; communications guidance and legal analysis pertaining to the administration's authority for the OPM reorganization; a list of all reorganization actions that can be implemented under existing law and a corresponding timeline of start and completion dates, as well as a list of all reorganization actions that would require changes or amendments to existing law by the Congress; documents sufficient to show the status of reorganization actions taken to date; detailed plans for GSA's management of OPM functions after their merger, including but not limited to USAJobs, FedScope, and other public-facing operations; and finally, all documents relating to the risks of transferring OPM functions to GSA, EOP, and DOD.

These are in the category of we have not received and there was one section where it was blank. Remember we got a blank timeline? I think it was the timeline. We got a document that said, "And here's our plan," and the following pages were all blank. So hopefully we could do better.

Mr. Hice, the gentleman from Georgia, has been very patient and I thank him.

Mr. HICE. Thank you, Mr. Chairman.

Director Weichert, thank you for being here, all of our witnesses. Appreciate you being here. But, Director, thank you for appearing this afternoon and for giving me some time to talk about this last week.

So beginning in October, the National Background Investigations Bureau moves to the DOD. We've had some discussion on that and some concerns, obviously, that are presented with that move. But also the OPM at that time faces like a $70 million shortfall. Is that correct?

Ms. WEICHERT. That's correct.

Mr. HICE. And I believe you mentioned earlier something to the effect that inaction is not an option, we've got to deal with this.

And, Mr. Chairman, I really believe this does—this whole situation affords this committee an opportunity to work together in a bi-

partisan way. And I think we've got to find a path forward that both protects the merit system while at the same time moves forward on an efficient and effective future.

One of the things that has shocked me over the past five years is really the sorry state of our Federal IT systems. We have some systems in several agencies older than my senior staff. Goodness, for that matter, we have some older than me at the IRS and some systems older than 60.

And, Mr. Chairman, I'm not quite at the 60 mark, for the record. I may be holding on to my fifties like a loose tooth, but I'm not quite there yet.

So, Director Weichert, when you talk about this whole merger, one of the issues is with the IT. That really caught my attention.

First of all, how many tech workers does OPM currently have?

Ms. WEICHERT. So we have less than 200. We have budget for 300, but we have been unable to fill those roles because we can't get people who want to work on this old technology.

Mr. HICE. So you need how many?

Ms. WEICHERT. Well, I don't have a definitive answer. What I could say is, coming from the private sector where I've worked an entity like Bank of America, half of its work force are IT workers. So even though it sounds like it's a financial entity, half of its workers are IT workers.

Mr. HICE. So how many would you need to be—kind of the bare minimum what you need? You have 200. What do you need, double that? What would you say?

Ms. WEICHERT. I would say that we would—if we were to fundamentally transform the infrastructure that is as old as the IRS infrastructure and scares our CIO and our Deputy CIO even more than their time at IRS, you would probably need—I'd want to get back and validate with my CIO, but you'd need thousands.

Mr. HICE. Okay. So we need thousands. You have fewer than 200?

Ms. WEICHERT. Correct.

Mr. HICE. If the IT systems were updated appropriately, would the thousands come down?

Ms. WEICHERT. Absolutely.

Mr. HICE. Okay. So with the minimal number of IT workers that you have, that's got to have a pretty significant impact on the agency as a whole. How would you describe it?

Ms. WEICHERT. So I think that is a critical issue. It affects every part of what we do, even a seemingly little application that we have called the Document Management System. It's meant to be an automated way to clear documents dealing with merit systems policy changes.

The entire Office of the Director at OPM is required to sign off five or six people. The only person in the Office of Director who actually has access to that system is sitting behind me, because anyone who has come in the last five years to the agency cannot get access to that system. So we manage something that is supposed to be automated on a purely manual basis.

Another really sad example is, because of the number of legacy systems we have in the retirement space, our hard-working OPM employees have to toggle between two very old systems that run

on mainframes, and in between they have to do a bunch of manual calculations to deal with errors in those systems that we have not been able to automate. And that leads to errors that affect our employees. They affect our employees, but they affect our annuitants as well.

So literally every mission we have is hamstrung by old technology and we can't even start to look at some of the simpler things that might get our FITARA score up, like cloud email, because we don't have enough IT professionals with tech expertise to even evaluate some of the outsourcing opportunities that might get us out of this ditch.

Mr. HICE. If I can, let's get to the crux of the matter here. How does shifting OPM to GSA help correct this situation, both with the obvious IT and the economic shortfall involved?

Ms. WEICHERT. So several things.

Chairman Connolly asked me earlier about GSA's mission. GSA has some core competencies that might not seem pattern to what we need, but their procurement leadership, particularly around IT procurement, is something that would help deeply enable us to be more efficient in getting the right people working on our platforms.

They are great at hiring IT talent. Part of the reason they have a B-plus on their FITARA scorecard is they've done an excellent job actually attracting tech talent from all of the parts of the country that have deep technical expertise. I want to take advantage of that. We've actually signed an interagency agreement to have them help us with the work force planning, with the talent acquisition in the IT realm.

They also have a number of authorities and experience managing these large financial asset pools and getting the authorities to create shared services pools that support them.

When I had the chart up earlier showing the big trust fund capability, that trust fund does not have the ability to tap into support and commingle it with other IT support because it's supported differently and it's statutorily different. Some of the authorities GSA has would help us create that shared service connection.

Mr. CONNOLLY. I want to thank the Acting Director.

And I know, Mr. Hice, we're going to explore that question in great depth over the coming months because that's a bigger question than even OPM.

Thank you so much.

The gentleman from Maryland, Mr. Sarbanes, is recognized.

Mr. SARBANES. Thank you, Mr. Chairman.

Thanks to the panel.

Ms. Weichert, I don't think it's a good idea to move these OPM functions into those three agencies as has been proposed, even if it was being done seamlessly, perfectly, with great efficiency, because I worry about the functions that OPM owns and has within its portfolio being subject to more political pressure in ways that were the reason to have kept the agency separate over the last four years. So I just preface my comments with that.

But now we're into—I mean, you're off to the races with this thing. So then we have to look at whether it can actually happen without there being a huge train wreck operationally.

And I don't really understand if you thought, for example, that GSA has expertise, credibility, and other capacities that allow it to recruit IT professionals in a way that can help focus on deficiencies in the system, and if, in fact, you're in some kind of MOU arrangement with them to bring that assistance to bear on these legacy systems that are problematic at OPM now, why you wouldn't have come from the outset with the perspective that there are things that could be done to strengthen OPM as OPM and request the kind of resources that could make that happen and so forth.

But I hear you describing a situation which looks hugely precarious to me. A moment ago you said something to the effect of but for the other duties you have, you could have attended more meetings that would have moved the process along more efficiently, et cetera. That's not really a good excuse for the situation you're in. That just points, again, to a failure to recognize the importance of the functions at OPM and provide resources and official oversight and filling of positions in a way that demonstrates that seriousness.

Now, to get to the operational elements, among that list of critical tasks that you need to see completed to make this transition happen, re-badging more than 2,700 current OPM employees, providing them with new email accounts, merging complex IT networks with legacy systems, financial management acquisition systems, implementing changes in reporting structures, potentially physically relocating some offices, and that's just the tip of the iceberg.

So are you on track for October 1? You kind of said a moment ago that you weren't, but maybe speak to that again.

Ms. WEICHERT. So we're definitely not on track for October 1. We haven't yet had the tollgate where we do the decision to say what the new date is because we have a number of deliberative activities looking at the legal authorities.

One of the things I think is most important to share in this forum is part of why we don't have a more definitive timeline is we really genuinely are hopeful, if not optimistic, that we could actually find a legislative solution that was bipartisan that could move forward, because we believe that would give the greatest level of comfort to our employees and would be the most straightforward way forward.

And so we needed to get a proposal out there, and we have been doing other things that are administratively possible, like the memoranda of understanding.

And one of the challenges I have is, until we make the decision, I'm advised by counsel, I can't share predecisional deliberative documents. I've got to get that process out there. But part of how I've been dealing with that back and forth in the actual dialog piece is trying to reach out to Members of Congress directly, reach out to the national labor unions directly, reach out to good government groups directly to have dialog and get that discussion going. So that's kind of how we've addressed that.

Mr. SARBANES. Yes. Well, you did give us something today that's labeled predecisional and deliberative with respect to savings analysis. So it looks as though, in fact, you are beginning to offer up information in this space.

You look surprised.

Mr. MEADOWS. I think that was probably an accident.

Ms. WEICHERT. I'm guessing it's no longer predecisional and it's labeled wrong.

Mr. SARBANES. Okay. Well, in any event, I'm running out of time here, but the——

Ms. WEICHERT. I'm not surprised that you received something from us.

Mr. SARBANES. Uh-huh.

It just sounds like you're proceeding on a wing and a prayer here, and that just makes me really, really nervous. And you seem to be—I don't mean this pejoratively, although maybe it's hard to say it without it sounding that way—you seem in these hearings to become kind of quite facile in a kind of double-talk about things.

And that may just represent the very tough position that you've been put in by these plans, but you can see why we're anxious about it.

And with that, I yield my time back.

Mr. CONNOLLY. Mr. Meadows.

Mr. MEADOWS. Ms. Weichert, so I'm going to come to you on two points. One message you take back to your general counsel, we do not recognize the same—and I'm saying it with you and this administration, I said it with the previous administration, the whole deliberative, predecisional thing, we don't recognize. So you can take that to your general counsel. That's difficult.

The other I would offer that if you could make arrangements, since you're Acting Director of OPM, I do site visits, and I want to come visit OPM before we initiate anything.

And I'll yield back.

Mr. CONNOLLY. I thank the chair.

And before I call on the gentleman from Wisconsin, just following up on Mr. Sarbanes' question, we received a document called: Predecisional and deliberative, GSA/OPM merger, cost savings analysis, dated May 2019. We got it at 12:29 today, 31 minutes before the hearing began.

And then I was mentioning, on page 19 of the qualitative business case and value proposition for the GSA/OPM merger, also dated May 2019, the final sentence on page 19 in Appendix A says: The timeline below outlines at a high level the sequencing and nature of this engagement with Congress and other stakeholders and this reorganization effort—and it is blank.

Ms. WEICHERT. So that's a printer problem.

Mr. CONNOLLY. A lot of that going around.

Ms. WEICHERT. Yes.

Mr. CONNOLLY. Yes. So——

Ms. WEICHERT. Old technology.

Mr. CONNOLLY. Yes. Well, if your purpose was to demonstrate to Congress that your technology is not working well, you have succeeded.

Ms. WEICHERT. That was not our intent, but I apologize.

Mr. CONNOLLY. But if your purpose is to demonstrate your engagement with Congress in trying to work through a solution to a problem, I'm not so sure that has been a success with these kinds of documents.

With that, I call upon the gentleman from Wisconsin and I thank him for his patience, Mr. Grothman.

Mr. GROTHMAN. Thank you very much.

Ms. Weichert, first of all, thank you for giving me a call the other day. I appreciate that.

The proposed legislation we're talking about here is only seven pages long, but the technical execution has to be more complex. If we passed the bill as proposed, what else can you tell us about how you're going to implement it?

Ms. WEICHERT. So the proposal, as I mentioned earlier, really takes a page out of how the procurement function is structured across government. And I think there's a lot to learn from how we do that and how we disseminate that across various agencies.

Tactically speaking, so much of the work we do in government, and particularly in the people function, is delivered through alternative work arrangements, through remote service. The tactical issues around physical space are actually something that we've asked GSA for a proposal about how we actually reconfigure our space in support of a new way of working. So we'd want to see how that proposal came back.

But our expectation is most of the people who currently work for OPM today would continue to reside in the Theodore Roosevelt Building here in Washington. They might be moved to different floors.

There's actually, I think, a great case study about how we did a reconfiguration of space in that building that included a lot of input from employees, so we'd follow that model.

A lot of the things Congressman Sarbanes mentioned are issues that we have on the list, but in order to move forward with the planning we have to have a sense of the legal path forward.

As I mentioned earlier, the legal path forward we'd prefer would actually be a legislative lift-and-shift type activity. And so if we could do it as we've proposed in the legislation, it would be a lot simpler, there would be a lot fewer moves. If we have to do it piecemeal, the planning gets a lot more complex.

Mr. GROTHMAN. Okay. Thanks.

Last week OPM gave this committee a document entitled "Case for Change: OPM Reorganization." It states as follows: Absent legislative action, some authorities for the transitions will require changes that are administratively burdensome and will cause uncertainty for the work force, but the administration's ask is for Congress to enact the needed technical fix to provide full authority up front to allow for a more seamless transition.

You got that?

Ms. WEICHERT. Uh-hum.

Mr. GROTHMAN. Why is this an administratively burdensome process better than the status quo? Or I should say, why is an administratively burdensome process better than the status quo?

Ms. WEICHERT. So I think what that language is referring to is in the last Congress there was actually legislation that came out of the Senate that would provide the administration with a broader latitude in doing some organizational changes and would get us through some of the piecemeal things I talked about.

Because so many of the components of the change are affecting different parts of statutory authority, it was thought that that overarching reorganization authority would help.

Mr. GROTHMAN. Okay. Now, kind of as a follow-up, I'll ask you in general. I think there's just tremendous things he's done here. But what has the President done to improve Federal employee standards?

Ms. WEICHERT. So I think it's a great question. The proposal that we put in the President's reform and reorganization plan started with the premise that we were having a very difficult time actually getting traction on addressing some of these core performance management issues.

In the President's management agenda that was released about, you know—I don't know—14 months ago, work force issues were critical top three issues, and what we fundamentally discovered is all these challenges that I've been talking about here today.

So fundamentally the answer is, we have not been able to do many of the things we had hoped to do, in part because the agency charged with merit systems principles can't even—you know, a lot of the policy changes we'd want to get through can't even move forward the way we'd hope, because there's just not enough people and not enough time available for them to work on them.

Mr. GROTHMAN. Okay. One final question. It took about a year from the last hearing to get the proposed legislative text, yet the administration's budget suggested the legislation needs to be enacted by October of next year.

Do you think it's reasonable to expect Congress to enact legislation this significant in less than a year and a half? That almost sounds kind of funny, doesn't it?

Ms. WEICHERT. So I'm a newcomer to D.C. and I am—I've been called naive; I've been called an optimist.

What I would say is, the administration wants to underscore the urgency, that we cannot continue to kick the can down the road when it comes to these strategic human capital issues.

GAO has been talking about them for 18 years. This committee itself has opined on the challenges OPM faced that led to the data breach. And, literally, directors of both parties have attempted to address those core issues and have been fundamentally unable to do it.

Even money hasn't solved those problems. So Congress has given more money to the agency and in many cases the agency has not been able to spend that money.

So that's kind of where a lot of my urgency comes from. Whether it's reasonable, I leave that to you guys, but I think the pace needs to be fast.

Mr. GROTHMAN. There's some famous quote about it took a year between D-Day and the end of World War II or something like this. So a year and a half, yes, that's a lot of time.

Thanks.

Mr. CONNOLLY. Except in legislative time, the gentleman is correct. I thank the gentleman.

The gentleman from California, Mr. Khanna.

Mr. KHANNA. Thank you, Mr. Chairman, and thank you for your leadership on this issue. I think many members on this committee will look to your counsel in what makes sense for the next steps.

Ms. Weichert, Linda Springer, who worked for President George W. Bush said that, quote: A central personnel agency creates a firewall between the agency and the political personnel at the White House as it relates to personnel practices and that the administration's plan creates a perception that the firewall is gone.

Do you think Linda Springer is wrong?

Ms. WEICHERT. I'd respectfully disagree with those specific observations.

I would say I'm a little bit surprised by them, because Ms. Springer spent time working in an independent but politically led organization in the Office of Management and Budget where a Senate-confirmed individual led an agency that is inherently focused on core management challenges and we have one that does Federal financial management, which Ms. Springer was the controller of the United States in that position as a political appointee. We have an administrator of Federal Procurement Policy who's also a political appointee. And what's notably absent from the portfolio is someone responsible for the personnel components.

We have a Federal CIO who's Presidentially appointed. And fundamentally those individuals do not politicize the core management principles. What they do is provide an elevated visibility to an administration's ability to drive change that the American people want.

The American people voted in the last election to say business as usual in Washington is not doing it, it's not achieving what the mission objectives are.

And so I'd respectfully disagree with that comment.

Mr. KHANNA. There's a couple more questions.

What are the firewalls that the proposal would have? How would you assure the American public, especially with due respect with this administration's record of who they've appointed, that there won't be politicization of the Civil Service?

Ms. WEICHERT. So, I mean, I think it's a great question. And, again, we've been fairly—or hopefully I've been clear—it's been actually apparent to me I've been less clear than I had hoped I was—that the model for the legislative proposal we put out there is the OFPP Act of 1974, which created the Administrator of the Office of Federal Procurement Policy as a political appointee who had the rulemaking authority across all of government.

And most of the actual regulation work is actually done in GSA, in DOD, and in NASA by career civil servants. Most of OFPP itself is actually run by career civil servants, and it's led by a political appointee, but the rulemaking process is fairly well structured.

And being in OMB itself, where the rulemaking process is also governed by a body called OIRA, which is also led by a political appointee, it's a very structured process that's largely led by career civil servants and subject to a lot of congressional rules and statute.

Mr. KHANNA. Ms. Weichert, in a July 2018 hearing you stated that you loved the GAO report and it was utterly appropriate to apply these standards to the operating model. Obviously, the report

said, what is the agency trying to achieve? Do you have the right resources? Have you developed milestones to track the agency? Have you worked with key stakeholders in Congress?

Do you believe that you have followed GAO's recommendations and best practices? And if you haven't, do you have plans to help follow what they recommend?

Ms. WEICHERT. So I stand by that statement. I do think it was a great roadmap. And where we are far enough along, there is clear evidence of that. You heard Mr. Vint talk about the proposal that was also in the reform and reorganization plan around moving all of background investigations to DOD.

Because that was very clear in terms of the legal path forward, we have been able to do the process and provide the documentation that supports that. We've been building documentation that would align with the GAO report that was issued before my last hearing. And, unfortunately, we're just not at a point where the decisions had been made that we can share that publicly.

And I heard and understood Mr. Meadows' comments. I will take his points back to my GC.

Mr. KHANNA. It's the smart thing to do.

Ms. WEICHERT. Yes. But I've been informed that I need to appropriately abide by the counsel there.

Mr. CONNOLLY. I thank the gentlelady. The gentleman's time is up.

The gentleman from Maryland, Mr. Raskin.

Mr. RASKIN. Mr. Chairman, thank you very much.

Ms. Weichert, first of all, thank you for being in touch with me. I totally appreciate that.

According to the administration's "Case for Change," which was distributed at a briefing last week, one of the key reasons to dismantle the agency is because of its aging legacy IT infrastructure and OPM's, quote, limited capacity in this area, which lies outside its core competency and Federal mission.

And you and I talked about that as what you see as a compelling reason for doing this. And it may be the case that IT is not a part of your central mission, but IT is also not part of the central mission of several other agencies, like the State Department, the Internal Revenue Service, the Department of Veterans Affairs. Those are all agencies which have well documented IT problems of their own.

How is your case distinguished from those? And should they be merged with the GSA as well in order to integrate the IT function?

Ms. WEICHERT. So I love the theoretical construct. I don't think it applies at that level.

What I would say is, in the other examples you cited, IT is not getting in the way of the core mission. So diplomacy is not harmed. It might be slowed, it might be less efficient, but it is not fundamentally harmed.

Our core mission at OPM is fundamentally harmed. So the example I cited about document management service, the fact that we theoretically have an IT system that allows us to move the business of merit systems policy through our agency and not only can we not do that quickly, I, as the Acting Director, can't even have

any visibility into what's in my pipeline because it's all red-and-white striped files.

Mr. RASKIN. Okay. Your IT system, as I understand it, is completely different from that of GSA's, and this raises questions about whether you can safely and securely migrate all of the information in your system into GSA.

Are you confident, and what's the basis of your confidence, that GSA has the capacity needed to store your information? I mean, even if you're having a problem, it might not necessarily call for this as the solution?

Ms. WEICHERT. So the confidence I have is in GSA's IT procurement capability and their technical expertise in architecture to actually evaluate what needs to be done.

We have not been able in literally over a decade of IT systems challenges to put together an architectural view of even what's wrong. I arrived at the agency in the acting capacity in October of last year. I asked for both an IT architecture diagram and a data architecture diagram. I still have not received them, not because people don't want to share them with me, but because they don't exist.

My data base administrator is not a Fed. I outsource that. I don't have the technical expertise. And as a result, I brought in a CIO and a Deputy CIO with technical expertise who came out of U.S. Digital Service, and they'd served at VA and they served at IRS doing transformation work.

So they've been around the block, and their faces get white when they talk about this. Like this technology issue, it's not because people were technically incompetent, it's actually going back to some of these funding issues.

If I can show my second chart. We have color of money issues when it comes to funding IT. And so we've got this $2.4 trillion in liabilities, so a fund that dwarfs, for example, CalPERS as a fund. But administratively, because of structural issues, I not only can get—I can't get enough to support the retirement mission, but I can't commingle my IT support for that enormous mission with anything else, which means my CIO only has oversight in 1 in 5 dollars that we spend on IT

Mr. RASKIN. Mr. Vint, let me come to you. Do you have concerns about the challenges that OPM would face in transitioning all of its systems over to GSA or any other IT problems that the agency might encounter if it underwent such a reorganization?

Mr. VINT. Yes, I do have concerns. The very basic concern is the fact that we have not been given any analysis of any sort, either alternative or quantitative data, that would support some of these decisions.

Mr. RASKIN. Then, if I could just come back to you for one moment, Ms. Weichert, if the IT systems are as bad as you portray them and the agency is not capable of continuing to manage effectively the IT systems, is it a good idea to have DOD continue using OPM's background investigations systems for the next several years and reimburse the agency and the OPM CIO for providing IT services for that system?

Ms. WEICHERT. So the simple answer is, in the very short-term we are the solution that the government has. The Department of

Defense has been building out the NBIS system, National Background Investigation System, and it is not yet at a place where it can take all the volume, although it's taking a lot of new cases.

And so I do have concerns, and I particularly have concerns actually about separating the background investigation code base which sits on the same Z12 legacy mainframe systems as the retirement capability. I do have concerns about that.

What we're thinking about to mitigate the risk of that is, rather than rip it out, over time we will shift the new cases to the new system at DOD and over time essentially wind down what's at OPM. That represents the least new risk to the overall system.

Mr. CONNOLLY. I thank the Acting Director.

Just before I call on Ms. Wexton, the gentlelady from Virginia, Mr. Vint, I'm not sure I heard you. You answered Mr. Raskin. Would you repeat what you said?

Mr. VINT. I think the question was, do I have any concerns of OPM's IT systems migrating over to GSA? And my answer is, yes, I do have concerns in that we have not been given any analysis, any alternative analysis, A, that that is the right place to go; and, B, any other quantitative data that really makes that to be the decision to happen.

Mr. CONNOLLY. And you are the Acting Inspector General of the Office of Personal Management.

Mr. VINT. Yes.

Mr. CONNOLLY. Is that correct?

Mr. VINT. Yes, I am.

Mr. CONNOLLY. What could go wrong with that?

Thank you.

Ms. WEXTON.

Ms. WEXTON. Thank you, Mr. Chairman. And I want to thank you and the ranking member for allowing us to participate in this hearing.

I just want to be clear, Ms. Weichert. Is it the administration's position that this zeroing out of OPM and moving the employees and the functions to GSA, DOD, and EOP, is it the administration's position that this could be achieved entirely through executive action without——

Ms. WEICHERT. No, that is not the position.

Ms. WEXTON. Okay. So there's a recognition that Congress needs to be involved in this process, correct?

Ms. WEICHERT. Yes. That's why we submitted the legislative proposal.

Ms. WEXTON. Okay. Very good. Thanks.

I just want to be sure that I'm clear on the timeline at least with regard to the shift or the transition of NBIB to DOD. So the NDAA from last year, for Fiscal Year 2018, which was enacted in December of last year, required DOD to consult with OPM to provide for a phased-in transition of NBIB to DOD. Does that sound right?

Ms. WEICHERT. Correct.

Ms. WEXTON. Okay. And then OPM hired Deloitte to produce a report, to study the issue and produce a report examining that move and highlight concerns and things that would have to be done in order for that transition to take place. Is that correct?

Ms. WEICHERT. Correct.

Ms. WEXTON. And they issued that report in September of last year. Is that correct? September 2018, something like that?

Ms. WEICHERT. I'm not sure of the exact date. It was before I was Acting Director at OPM.

Ms. WEXTON. Okay. But they issued the report——

Ms. WEICHERT. Correct.

Ms. WEXTON [continuing]. which you have since reviewed?

Ms. WEICHERT. I have.

Ms. WEXTON. And their recommendation was that these, the action items, be completed in 60 days. Is that correct?

Ms. WEICHERT. I'm not sure about that conclusion. The 60 days that I'm most familiar with was in the executive order that just came out that requires us to finalize the transition path by June the 24th.

Ms. WEXTON. Okay. So the President issued an executive order on April 24, 2019. Is that correct?

Ms. WEICHERT. Correct.

Ms. WEXTON. And that executive order called for the transition to take place—that it should take place from OPM to DOD by June 24, 2019?

Ms. WEICHERT. No, not to be completed. To map out the memorandum of understanding between the two agencies about what the transition would look like. And then the legal day one would take place after that. And then operations would shift in October.

Ms. WEXTON. In October 2019?

Ms. WEICHERT. Correct.

Ms. WEXTON. Do you believe that we're on schedule for that to happen?

Ms. WEICHERT. At this point all of the information points to yes.

Ms. WEXTON. Okay. And I believe some of the other members asked this question as well, but I'm not really clear on whether there is—what justification is there for improvements in service or what is the understanding of why that move to DOD would be necessary?

Ms. WEICHERT. So I was relatively new to government when the Armed Services Committee took up the NDAA legislation that drove that. I mean, I've heard some of the same things that were raised earlier in this conversation, but it was largely, I believe, about the background investigation backlog.

Ms. WEXTON. Okay. And I represent northern Virginia, I have a lot of Federal contractors, and that's one thing I hear all the time, but I don't know that it's any different now than it was under DOD. And I actually share Congressman Meadows' concern that that would not help alleviate the backlog and might, in fact, make it worse.

So there have been some things recommended that you do. Clarifying the budget gap left by the NBIB move, have you done that?

Ms. WEICHERT. We have clarified the budget gap and it will be $70 million.

Ms. WEXTON. And that's where you came up with the $70 million?

Ms. WEICHERT. That came from that Deloitte study, correct.

Ms. WEXTON. And that anticipates that a number of employees would be moving to DOD and would no longer be on the OPM payroll?

Ms. WEICHERT. Correct.

Ms. WEXTON. Now, how about creating a long-term consideration of OPM work force needs? Have you done that?

Ms. WEICHERT. We have absolutely been looking at how do we support the missions. And, again, one of the fundamental reasons about which I have been concerned since the NDAA was passed is, my initial involvement in this question came not as Acting OPM Director, but as the chair of what's called the PAC principals meetings that look at the background investigations functions. And as soon as it was clear that a huge——

Ms. WEXTON. I'm sorry, because I'm about to run out of time.

Ms. WEICHERT. Sorry.

Ms. WEXTON. Have you done that?

Ms. WEICHERT. So we've been looking——

Ms. WEXTON. You're looking at the process?

Ms. WEICHERT. Yes. We've been looking at this implication since winter of 2018.

Ms. WEXTON. And how about strengthening internal communication and launching change management effort? Same thing? In progress?

Ms. WEICHERT. In progress and being executed as part of the DOD background investigation transition.

Ms. WEXTON. Okay. Thank you.

Mr. CONNOLLY. I thank the gentlelady.

Mr. Beyer, the gentleman from Virginia.

Mr. BEYER. Mr. Chairman, I'd like to begin by thanking you for allowing Congresswoman Wexton and me to participate in this.

And thank all of you for coming this afternoon. Very interesting.

Let me confess, after 45 years in business, that I approach this reorganization very skeptically. I have found that one of the great lessons of management is what managers do when they can't figure out what to do is they reorganize.

And this is classically true with new CEOs. I have seen it again and again. They come in and say, okay, for the next few years we're going to move everything out to the field, decisionmaking. And then they pivot and say, we need to move the decisionmaking back to the center. And these cycles go on and on.

And the real challenge is almost always leadership. I had a dear friend, Dr. Ron Stupak, who used to lead the Federal Executive Institute. All of his doctoral work was on what makes effective Federal institutions work. And after a lifetime of studying it, he came down to the stunning conclusion that it was the leadership. If you have the right person in charge, FITARA scores were good, morale was good, places worked great.

So, Ms. Weichert, this is not an attack on you. I know you've only been in charge since October. Please don't take this personally. I know these organizational things have been bounced around for a while. But why would we move, take an organization at OPM that's apparently struggling with technology issues and bureaucracy issues, and move it to a larger bureaucracy, which inevitably is going to be less flexible, less innovative, slower more cumbersome?

And it's also axiomatic in business that move to the small organizations that are flexible and quick and innovative and you get—you know, big drug companies don't discover big drugs, they buy little companies that discover the new drugs and move them in.

So why would you move to a bigger bureaucracy to solve these problems?

Ms. WEICHERT. So, first of all, I want to say thank you for being here. You are actually my Representative in Congress.

Mr. BEYER. Oh, thank you very much.

Ms. WEICHERT. And I appreciate the question.

Mr. CONNOLLY. And he meant to say how wonderful you are.

Ms. WEICHERT. Because I actually vote in Virginia.

Mr. BEYER. Oh, thank you. Thank you. I hope you vote every time.

Ms. WEICHERT. I shouldn't have said that. I shouldn't have said that.

So these documents are full of observations like yours that it was the leadership, failure of leadership.

So I, too, have a business background. I've only been in government for less than two years. And I come from an industry, financial services, that admittedly is very focused on mergers and acquisitions. And frequently the catalyst for mergers and acquisitions are balance sheet challenges, fundamentally financial challenges.

So I admittedly come from a place where this is part of how you deal with essentially bankruptcy, whether it's operational bankruptcy, financial bankruptcy, technology bankruptcy.

Ms. WEICHERT. But the other thing that I think is really critical is, if we're saying this is a failure of leadership—and we've been saying this is a failure of leadership for 18 years—that means we've been through how many OPM leaders, how many Members of Congress and GAO and IG community have looked at these same issues and pointed out what seem to be obvious answers, and people like me have come, I don't believe with any ill intent, and been unable to get traction on these issues.

And then I look at places like GSA, where I'd be the first to say, not perfect, a lot of issues, I know this committee sees them all up close, but GSA has made more progress on modernization than most agencies in government, and they are doing it in a way that is modern and collaborates with the private sector in a way that I, frankly, think is the only path forward.

So I do admittedly come from a specific place on this, but that's my answer.

Mr. BEYER. Yes. And I would quickly wonder, can we make the head of GSA the leadership over at OPM?

One of the things you talked about was the $23 million a year savings. It would be interesting, maybe with the inspector general's help, to figure out, what are the costs of transitions going to be?

And then on synergies, I long ago discovered that synergy was much easier to spell than to do.

Ms. WEICHERT. Yes.

Mr. BEYER. That it takes years often to sort them out, and you end up with the so-called clash of cultures.

Ms. WEICHERT. Yes.

Mr. BEYER. Because even though they're still Federal Government, they're still—all these things take a lot of time to work through, just as making the leadership—anyway, I'm almost out of time.

But I think the challenge you're going to have ahead is convincing the skeptics that just blowing an organization up is going to be enough to recreate it in the way that you want it.

Ms. WEICHERT. Yes. And I totally appreciate that. And blowing it up isn't what we're trying to do. You know, we're trying to get it out from under all this burden that's essentially—you know, it's like cleaning off a shiny lamp. You know, it's just covered with all this old detritus from the past that got there through good intention, but is hindering the mission today.

Mr. BEYER. Thank you very much.

Mr. Chair, I yield back.

Mr. CONNOLLY. Well, we can only hope that when you get all that moss off that lamp and you shine it up and you start rubbing it, a genie——

Ms. WEICHERT. A genie will grant me my wish.

Mr. CONNOLLY [continuing]. will appear and solve all this.

Ms. WEICHERT. Yes.

Mr. CONNOLLY. Mr. Beyer, I've got to tell you, as someone who's spent 20 years in the private sector as a senior member of corporate governance, you couldn't be more right. Reorganization was always the answer, and it almost, sadly, never worked. I don't think in 20 years, working for several companies, I don't think I can think of one where we would all go after the fact, you know, "Thank God we did that, because everything's better."

And in this case, because we are a service organization, OPM, we have to keep in mind the millions of Federal employees and retirees who count on this agency for services. And so it is a material question, whether GSA is better, it's a very material question, and one I know Members of Congress on both sides of the aisle take very seriously, because these Federal employees are in our care.

Mr. Meadows.

Mr. MEADOWS. Ms. Weichert, since security clearances are a big thing for me, as you well know, one of the things, action items I would ask for you is to look at taking security clearances from DOD and using those resources and people in GSA, to perhaps do that. If you would look at that, because I think that that's—that may be a more efficient use of our resources. But as you're looking at all of this, if you would do that, I'd appreciate it.

I yield back.

Mr. CONNOLLY. I thank the gentleman.

And I want to thank this panel for a very engaging and substantive dialog.

Ms. Weichert, I really, as I said, I very much appreciate the sincerity and candor you clearly display, and that's refreshing and welcome. I think both the ranking member, myself, and the members of the subcommittee and the full committee stand ready to work with you and with stakeholders in trying to work through the issues.

You've heard a lot of skepticism, and that's very real. That doesn't mean we're not willing to be engaged. We are. And this let us consider the first big step in the dialog.

I want to thank our panelists.

And I want to ask our next panel to get ready and come forward. We are going to be joined by J. David Cox, the national president of the American Federation of Government Employees; Ken Thomas, the national president of NARFE, the National Active and Retired Federal Employees Association; and Linda Springer, former Director of the Office of Personnel Management. If those three would come forward.

And while we're getting ready, I would ask unanimous consent to enter into the record a statement on this matter from the Senior Executives Association and from the National Treasury Employees Union. Without objection, so ordered.

Mr. CONNOLLY. As is our practice, we swear in our witnesses. And I would ask the three witnesses to stand and raise their right hand.

Do you swear or affirm to tell the truth, the whole truth, and nothing but the truth, so help you God?

Thank you.

Let the record show that our witnesses have answered in the affirmative.

Each of you has five minutes for a prepared statement. We would prefer if you could summarize your statement, and obviously your formal statement will be entered into the record.

Mr. Cox, welcome.

STATEMENT OF J. DAVID COX, SR., NATIONAL PRESIDENT, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

Mr. COX. Thank you, Mr. Chairman and Ranking Member, for the opportunity to testify today.

From the get-go, this has been a reckless, ill-conceived, and potentially dangerous idea. The administration's so-called rationale fell somewhere between inadequate and irrelevant.

There seems to be no consideration of how abolishing OPM will affect the substantive work performed by OPM employees or how the merit system will be upheld without a separate OPM to enforce nonpolitical hiring, firing, and compensation.

Late last week, the administration issued a "Case for Change," and later, legislative language for new postmortem work force regulatory authorities. Their arguments are weak, to say the least.

Upgrading OPM's IT doesn't require ending the agency. Improving the balance sheet of the old retirement system, CSRS, doesn't require ending the agency. Obtaining funding to replace the income stream OPM had for just three short years for the background check operation surely doesn't require ending the agency.

The Civil Service is the most underappreciated pillar of our democracy. It is far more fragile than many people realize. This administration has been trying to undermine it from day one by questioning the political loyalties of Federal employees, reducing and restricting Federal employee unions and due process protections, freezing hiring to keep agencies understaffed so they cannot carry out their missions, trying to freeze pay and distort the measure-

ment of the pay gap, and causing the longest government shutdown on record.

This week we learned that they have censored government websites that facilitate citizens' access to healthcare benefits under the ACA.

When I first heard about the plan to parcel out OPM's operation to DOD, GSA, and the Executive Office of the President, I was truly baffled. I understood that an administration that wants to politicize Federal employment would send its policy function to the White House where everything is political. But transferring mundane H.R. functions to GSA? GSA administers contracts and leases office space and fleets of vehicles. How would H.R. fit into such an operation?

When I look back at the President's management agenda, it all started to make sense. They want to turn the Federal work force into a fleet of leased employees hired for short terms, to be used, abused, discarded, and replaced, just like their fleets of cars and trucks. How much easier will this be to accomplish without an Office of Personnel Management whose very mission is to uphold the merit system principles, principles that make sure the government hires only people who actually have the qualifications necessary to do the job.

We need OPM to be the cop on the beat, to make sure that our Federal work force is totally nonpolitical. We need a Federal work force that serves and can carry out the mission of agencies no matter who is in the White House.

Abolishing OPM is the wrong thing to do, but please consider that this is an especially inappropriate time to consider any kind of executive branch reorganization. No one should trust the Trump administration with Civil Service policy.

I sometimes feel that AFGE and this committee are fighting a lonely battle to defend the Civil Service and the right of Federal employees to union representation.

The importance of maintaining a nonpartisan, nonpolitical Civil Service in our increasingly partisan environment cannot be overstated. We cannot allow this administration to abolish OPM, the agency that exists primarily to uphold, in a practical way, this important foundation of our democracy.

It appears that the administration intends to proceed with some elements of its plan to abolish OPM without congressional authorization. As such, we urge you to consider prohibiting the use of any appropriated funds, whether directly appropriated to OPM or appropriated to any other agency which then reimburses OPM for services, from being used by GSA to perform any functions currently performed by OPM.

This concludes my testimony. I'll be glad to take any questions. Thank you, Mr. Chairman.

Mr. CONNOLLY. Thank you, Mr. Cox. And I would just note that a number of us have successfully requested that our colleagues on the Appropriations Committee freeze the $50 million appropriation requested for transition for the implementation of this program, pending our ability to examine the proposals that we did not have. So rest assured about that.

Mr. Thomas, welcome to the committee.

STATEMENT OF KEN THOMAS, NATIONAL PRESIDENT, NATIONAL ACTIVE AND RETIRED FEDERAL EMPLOYEES ASSOCIATION

Mr. THOMAS. Thank you, Mr. Chairman, Ranking Member, and the members of the subcommittee.

NARFE's 200,000 members who rely on the programs administered by OPM have a strong interest in ensuring OPM's mission and responsibilities are carried out effectively. NARFE's active employee members go to work every day without regard to their own political affiliation or that of any President occupying the White House.

We are disappointed by the lack of information coming from the administration regarding the proposed OPM-GSA merger. In fact, much of the information shared in advance of this hearing came too late for me to address in my written statement. Even still, NARFE is not convinced that a merger is the way to achieve an efficient OPM.

OPM has a number of important responsibilities, but it's not without its challenges. But that alone does not justify merging OPM into GSA.

At the outset, NARFE is concerned about any effort that adds a layer of bureaucracy to an already strained and busy agency. We are even more skeptical of the potential adverse consequences of delegating OPM's work to a non-independent agency.

OPM's mission is managing and promoting our Nation's civilian work force, a work force that would have less safeguards against politically motivated personnel decisions should this merger come to pass.

The merger is driven in large part by the budgetary impact of the transfer of background investigations from OPM to DOD. The administration's failure to prepare for the consequences and properly communicate them to Congress is not an adequate justification to place OPM's remaining functions in GSA.

Additionally, Congress appears to have failed to ask the important question of what would come of OPM without this revenue. If the problem is simply an allocation of resources, shouldn't the solution be a request for adequate funds through appropriations? If it isn't, how does moving functions from OPM into a new branch of GSA change anything?

The administration further argues that the reorganization will better align OPM's resources to its mission of promoting an efficient Civil Service. But whether the administration likes it or not, administering Federal retirement, healthcare, and insurance programs are the key part of OPM's responsibilities.

If the plan is to ensure a greater focus on strategic work, the administration needs to explain how OPM's remaining functions will receive the attention and resources they deserve.

An organization is only as good as its people, and the Federal Government is no exception. Political neutrality is one of the basic tenets of Federal employment. Dating back to the late 1800's, employment with the Federal Government has been based on merit, not political affiliation.

Previously, political influence in Civil Service hiring and firing allowed jobs to be handed out, or to be taken away, based on polit-

ical allegiance, rather than individual capabilities. The history of the spoils system shows that this leads to corruption and incompetence in the Civil Service.

As the agency tasked with Federal work force policy, OPM was created by Congress as an independent agency. Conversely, the GSA Administrator, quote, "shall perform functions subject to the direction and control of the President," end of quote. One body operates and serves at the pleasure of the President; the other does not.

The overall move of OPM to GSA and the creation of an Office of Federal Workforce Policy at OMB threaten the independence of OPM as intended by Congress. The new office within OMB would provide overall strategic direction and coordination of work force policies and regulations. A Presidentially appointed administrator would lead that office and would not be Senate-confirmed. This raises red flags that the move is intended to exert undue political influence on personnel decisions.

Given that strategic human capital management is consistently on GAO's high-risk list, clearly we need a different government-wide approach. However, we should not sacrifice our nonpolitical, merit-based work force to achieve possible improvements in human capital management, and that's exactly what this proposal does.

This is not to say human-capital management isn't in need of attention, should it remain with OPM, but that's not what we're here to discuss. But the administration has not made a convincing case that it would, and such efforts should not be done at the expense of a politically neutral, merit-based Civil Service.

NARFE urges Congress to maintain its authority to statutorily approve any government agency reorganization.

Thank you again for my opportunity to express NARFE's views.

Mr. CONNOLLY. Thank you, Mr. Thomas. And I think this may be your first congressional testimony in your new capacity?

Mr. THOMAS. It is. Thank you very much.

Mr. CONNOLLY. Very well done, thank you so much.

Ms. SPRINGER.

STATEMENT OF LINDA M. SPRINGER, FORMER DIRECTOR OF THE OFFICE OF PERSONNEL MANAGEMENT

Ms. SPRINGER. Good afternoon, Chairman—I think it's still afternoon—good afternoon, Chairman Connolly, Ranking Member Meadows, and members of the subcommittee. Thank you for the opportunity to testify today.

I'm testifying at this hearing to bring a perspective to inform your evaluation of this proposal. I have no other motivation and do not stand to gain in any way from the outcome of these deliberations.

The future of OPM and its statutory role are important to all its stakeholders, regardless of political party. I do not believe this proposal is a Presidential initiative, but rather the culmination of years of intent by OMB, spanning administrations of both parties, to acquire ownership of personnel management from OPM. Accordingly, my willingness to testify should be interpreted as a critique of the proposal, not the administration as a whole.

Now, some preliminary observations.

First, OPM is responsible for employee benefit programs whose size rivals or exceeds comparable functions in even the largest corporations. Along with all its other functions, there is clearly sufficient mass to justify OPM's existence as an independent agency.

Second, a reorganization of this magnitude is characterized by extensive analysis of its implications in advance—I want to underscore "in advance"—of the decision on a course of action. I know this from experience as a senior executive of a company involved in a $1.5 billion merger transaction. In the case of the proposed reorganization, it appears this analysis has not been fully executed.

Here's what we've been told about the reorganization plan. We've been told the loss of $1.3 billion in revenue to OPM's revolving fund, associated with the transfer of the NBIB to DOD, threatens the financial viability of OPM. The reality is, the net effect, after the corresponding cost reduction, is a fraction of this amount.

We've been told that even if the net amount is as low as $70 million, OPM is facing financial disaster. We don't know if that figure accurately reflects NBIB cost takeout, but even at that level a modest increase in the trust fund expense reimbursement ratio could free up the $60 million in appropriated funds reported by OPM in their written statement to cover most of the shortfall and reduce it to a manageable level.

Since no alternative solutions are offered, we're being told, in effect, that absent this merger, the Federal Government can't afford to provide its work force with an independent central personnel management agency, and that's an embarrassment.

We're told the new personnel services in GSA will be on par with GSA's Public Building Service and Federal Acquisition Service. What this says is the authors of the plan equate Federal civil servants with buildings and contracts.

We've been told there's great synergy between OPM's Human Resources Solutions and GSA services. The truth is, they are fundamentally different. HRS services are predominantly specialized, consultative, and advisory. GSA's human capital portfolio is primarily in commodity and administrative services.

What we are not told is that Congress provided a mechanism for agencies like OPM to address information technology challenges, the Modernizing Government Technology Act. OPM is not alone in its technology challenges or the MGTA wouldn't have been necessary. MGTA is designed exactly for agencies like OPM.

The administration's legislative proposal transfers OPM's personnel policy leadership to a new OMB Office of Federal Workforce Policy. We have been told this will elevate work force policy. The reality is, the proposal would bury it in the management section of OMB.

We are told that the leader of the new OMB Workforce Policy office does not need to be Senate-confirmed. What this shows is the autonomy and lack of accountability that OMB desires in its ownership of personnel policy.

We are led to believe that a provision to delegate rulemaking to GSA is a safeguard. The truth is, that provision only creates an option to delegate. Any White House could easily elect to retain full ownership for personnel policy.

The reality is the reform proposal places Federal personnel policy setting right back into place where the spoils and patronage system had taken hold. At best, the optics are terrible. But even worse is the opportunity it creates for enabling a return to unfair personnel practices.

The future for OPM should not be the status quo. However, it should be revitalized, not eliminated, carved up, or subsumed. Addressing OPM's issues is achievable under a reform plan that is focused on making OPM smart, not obsolete.

The authors of the Civil Service Reform Act understood the Federal Government's personnel management function required an independent central agency. This is not a false equivalency between OPM and merit system principles, nor is it a partisan issue.

The fundamental question is whether the Federal work force deserves that same service and protection today. This Congress can reaffirm that it does by putting an end to this misguided reorganization plan.

Thank you, and I look forward to your questions.

Mr. CONNOLLY. Thank you, Ms. Springer. Appreciate it.

The chair calls on the gentlelady from the District of Columbia, Ms. Norton, for her five minutes of questions.

Ms. NORTON. Thank you very much, Mr. Chairman.

And I certainly thank all of you who have come to testify. Employment engagement is what I'm concerned about, and you've given us some engagement today.

I don't want to sound like I'm some kind of conservative. I don't regard myself as a conservative on reorganizations. When I chaired the EEOC, the first thing I had to do was reorganize the agency. So it ill behooves me to say reorganization won't do any good.

But in that case, the EEOC had become so dysfunctional it couldn't serve the public. It had such a vast backlog that it couldn't receive complaints and get them solved in a coherent fashion.

This is an agency that serves other agencies, and therefore I think it is with some caution that the committee is looking at reorganization as the be-all, end-all of the problem, because the research does not tell us that.

And what scares me is the research, because the research says—and I think my colleague from Virginia made some reference in his own experience—that sometimes reorganizations, often rather, cause greater distress and anxiety than layoffs themselves cause.

Take an organization, throw it up in the air, hope it all lands. You've thought it through. Happens to be real human beings involved. And we're not sure why. Sometimes it's because the objectives are not stated clearly. Sometimes we do things wrong and don't take into account sufficiently the human factor.

Now, we heard testimony that employees had been engaged in what the OPM Director was about. So I've got to ask, Mr. Cox and Mr. Thomas, whether you can summarize employee engagement that you have seen during this period of reorganization.

Mr. COX. Congresswoman, I was called about—or sent an e-mail about six weeks ago by the Acting Director, and she wanted to arrange a call with me on a Sunday afternoon. Spent a few minutes on the telephone to tell me that the budget was going to come out from the President, and that part of this reorganization was going

to be in it, and she wanted to make me aware of it. She didn't ask for any input or anything of that nature.

The employees at OPM, they had a townhall meeting around the 1st of May to meet with the members that we represent. And from that meeting, I believe at that point, the Acting Director then started trying to interact with the local union. And you can probably see body language, whether they will shake their heads or not back there.

Ms. NORTON. But that was your town meeting, you called that town meeting?

Mr. COX. That was the locals town meeting. They called the meeting. She did not call the meeting, Congresswoman.

Ms. NORTON. So the extent of the leadership of your union, which is the largest Civil Service union, was this phone call?

Mr. COX. The phone call to tell me: This is what we're going to do. And it was a very short call. And any time I asked questions, it was: Well, we haven't worked those details out yet.

Ms. NORTON. I commend her for coming to your town meeting. I do think that was required of you calling it.

Mr. Thomas, has she been in touch with you with respect to this reorganization?

Mr. THOMAS. Congresswoman Norton, we were just contacted today.

Ms. NORTON. And what form did that contact take?

Mr. THOMAS. It was contact via telephone to see how we were going to or what we were going to discuss in this particular hearing.

Ms. NORTON. That's kind of like what we received, Mr. Chairman, at 12:30—a little after 12:30—which was some greater content about this reorganization.

Can either of you compare what you know at this point about this reorganization with any past reorganizations you have done? And we know there haven't been many. They're difficult. They're difficult to even embark upon.

But do you know of any other reorganizations of an agency by prior agency administrations? And can you give us any feedback on how that process has worked in the past?

Mr. COX. And I don't know that I would call it a total reorganization of putting agencies together. My experience in the VA many years ago was the integration of several hospitals, because they were located close by, merging those facilities. And that went on for years. There was a great deal of involvement with employees, with the union that represented the employees, with the veterans organizations, with the communities, and as well as with Congress. And so there was a lot of involvement, and it took a lot of doing just to, like, merge two hospitals.

Ms. NORTON. And that wasn't an entire agency.

Mr. COX. No, it wasn't an entire agency.

Ms. NORTON. It was some hospitals.

Mr. Thomas, do you have any?

Mr. THOMAS. Congresswoman Norton, back when I was a Federal employee, which seems like years ago, my organization started out as the Department of Health, Education, and Welfare. It then be-

came the Department of Health and Human Services and the U.S. Department of Education.

The split was made. I was fortunate enough to go with the U.S. Department of Education and continued with Vocational Rehabilitation Services Administration.

Things worked smoothly. This was years and years and years ago. What we did know, though, that we didn't have all the components that were necessary to provide services.

One of the components that we finally started receiving—and that's primarily because we were starting to get questions, or questions were coming in from Congress, and it was taking us weeks to prepare some kind of response back. And as a result we finally in the 1990's started automating those two rather large departments.

Mr. CONNOLLY. I thank the gentleman and thank the——

Ms. NORTON. Mr. Chairman, could I ask that OPM provide us with details of that reorganization?

Mr. CONNOLLY. Certainly.

Ms. NORTON. Because those are two agencies that now exist, and it would at least give us some precedent to know how this has worked before and what it would take.

Thank you very much, Mr. Thomas.

Mr. CONNOLLY. I thank the Congresswoman. And she makes a very good point. Although I would say that we don't really have an analog here, because what we're doing here is blowing up an agency so that it doesn't exist anymore, and we're giving part to GSA, part to DOD, part to OMB. And I'm not sure we have a precedent for that, and I'm not sure we want to create a precedent either. But the gentlewoman's point is very well taken.

The Ranking Member.

Mr. MEADOWS. Thank you, Mr. Chairman.

Mr. Thomas, thank you for your opening testimony, and welcome to your first hearing.

And so as you look at this, I guess there's two goals I would assume that you would be supporting. You would be okay with a reorganization plan that was well thought out as long as it did not politicize the hiring process and as long as it did not cut work force. Is that correct?

Mr. THOMAS. That's part of it, yes.

Mr. MEADOWS. All right. What are your other concerns?

Mr. THOMAS. The other concerns are, can we believe what is being said? So, like you, I'm a little bit skeptical also.

Mr. MEADOWS. Well, so let's be—both you and Ms. Springer talked about this.

Mr. THOMAS. Right.

Mr. MEADOWS. And it was about the security clearance. Let me just tell you, that ship has sailed, sadly, and, quite frankly, I think the chairman and I both fought against that. That is actually a legislative thing. That's not part of this reorganization.

Mr. THOMAS. Exactly.

Mr. MEADOWS. And, candidly, it's exacerbating our problem.

Mr. THOMAS. Exactly.

Mr. MEADOWS. Because we've got a financial, as Ms. Springer was pointing out, whether it's this administration, the previous ad-

ministration, or under Mr. Bush, when she was involved with it, that's when originally, I believe, it was taken—in 2005, Ms. Springer, wasn't it taken from DOD to OPM?

Ms. SPRINGER. That's correct.

Mr. MEADOWS. And why was that?

Ms. SPRINGER. I was not at OPM at that time. But I would imagine——

Mr. MEADOWS. Because DOD did it so well.

Ms. SPRINGER. Well, I would imagine it's because DOD wanted to unload the backlog.

Mr. MEADOWS. Okay. So here is—and just so—listen, typically, Mr. Thomas, Republican Members are not seen as the poster child of—you know, you all don't send love letters on a regular basis.

I will say your government relations person here is someone who I respect, and, candidly, we go back on other issues, as it relates to—but only because the gentleman to my left—and everybody is to my left—but the gentleman to my left has given me a full appreciation for what you do. And certainly I've come to understand that in a better way.

Here's what I would need from both of you, though. Here's my concern. When we look at reorganizations—and, quite frankly, I don't think we've ever done one, in the Federal Government, just to be blunt. I don't know that when you look at Civil Service reform, that it's ripe for reorganizations as a private sector would look at that.

But here's what I would ask, Mr. Thomas and Ms. Springer, if you would do, is, assuming that we wanted to be more effective and efficient, if you could look at ways to keep the politics out of it, make sure that our Federal work force is there, and proper alignment.

I'm one that I do not believe that we need to put everything in DOD. You know, it will end up that we have one appropriations, and it will be DOD, and everything else will be shared services from that. And they're not the epitome of efficiency.

Mr. THOMAS. Exactly.

Mr. MEADOWS. And you're hearing that from a Republican Member of Congress. And I'm sure there's cards and letters already coming.

But are the two of you willing to do that?

Mr. THOMAS. Absolutely.

Mr. MEADOWS. Thank you both.

The townhall, Mr. Cox, that you mentioned, that happened in May? Is that correct?

And by the way, I read your body language pretty good over there earlier.

So that was in May, the first part of May?

Mr. COX. And it was called by our local representative.

Mr. MEADOWS. No, I get that. That's why I asked her. I could see the whispering going back and forth. They shouldn't play poker.

So in doing that, would you say that this reorganization is probably one of the biggest concerns that you have right now as a union.

Mr. COX. That, along with many other things, yes, sir.

Mr. MEADOWS. Well, does it rank as one of the top five?

Mr. COX. It ranks as one of the top five, yes, sir.

Mr. MEADOWS. All right. So when you were at the townhall, what were the concerns that you heard in that townhall?

Mr. COX. I was not in the townhall, sir. Remember I said——

Mr. MEADOWS. Why were you not in the townhall?

Mr. COX. Because I am the national president over the entire——

Mr. MEADOWS. But, Mr. Cox, you just said it's one of the most important things that are out there, top five, and you didn't show up to a townhall to hear from folks? Why would you not do that?

Mr. COX. Because I have local representatives, that they handle that.

Mr. MEADOWS. But then why are you here testifying today? Why aren't they testifying?

Mr. COX. Congressman Meadows, you and I go back a long time.

Mr. MEADOWS. We do.

Mr. COX. And if you'll reach over to the guy to your left, he'll tell you that I have good ideas also.

Mr. MEADOWS. I didn't say you didn't have good ideas. I'm just asking, if it was a priority for them to have a townhall and it's one of the most important things, why didn't you show up?

Mr. COX. And they had——

Mr. MEADOWS. And how you can testify on the veracity of their townhall here today if you weren't there?

Mr. COX. I have communications inside of my union, that they—and we have a structure of a national vice president——

Mr. MEADOWS. Mr. Cox, let me just be blunt. The reason why you get the hostility from me right now is because I want you to be as purposeful about making sure that we're efficient and effective and maybe dispense with some of the rhetoric that is political. It is not neutral.

And, Mr. Thomas, I know that very few of his members support on my side of the aisle. I get that. And yet, Mr. Cox, you let it shine through very clearly. And what happens is, it makes me less than cooperative when it comes to that and discount your testimony.

And I'll yield back.

Mr. CONNOLLY. I would just say to my friend, I go to a lot of NARFE meetings. You'd be amazed at how many Republican Members of NARFE there are.

Mr. Beyer.

Mr. BEYER. Thank you, Mr. Chairman.

And, Mr. Thomas, I want to thank you for locating NARFE in my congressional district. In fact, in my little town.

Mr. THOMAS. Thank you very much, Congressman.

Mr. BEYER. We're proud to have you there—you and Amazon.

Mr. THOMAS. And my former, Volvo.

Mr. BEYER. Oh, good, good. Well, we have more.

And, Mr. Cox, you said that, in your testimony, that this reminds you of GSA's leasing practices with fleets of automobiles. I'm assuming that you're positive on leasing automobiles, right?

Mr. COX. Yes, sir, with you, I definitely am.

Mr. BEYER. That's great.

Not to be too political, but, Mr. Cox, I'm going to quote a bunch of phrases from your testimony. Eliminating the right of Federal

employees to obtain union representation they voted and paid for. Restrict collective bargaining. Freeze Federal pay. Distort the measurement of the gap between Federal and private pay sector. Cut Federal retirement benefits. Cut Federal health insurance benefits. Curtailing union and due process rights. Politicizing the agencies through intimidation. Questioning loyalties. Quashing scientific findings. Forbidding Federal employees from using certain words connected to scientific matters. Et cetera.

Does this suggest that you have a great deal of trust in this administration?

Mr. COX. No, sir, I do not. And I believe that what you just read certainly clarifies why I do not and why that I sometimes have a partisan tone to my answers and my testimony.

Mr. BEYER. Well, it certainly think that it provides the overall context about why you may be suspicious of this attempt, because there's so many other things that seem to be blatantly hostile to our Federal employees. So I very much appreciate that.

Ms. Springer, I want to thank you for providing a wonderful history of the evolution of the Office of Personnel Management. I did not know all those different things. It was terrific.

One of the things you pointed out was that a lot of this leadership issue comes from frequent vacancies in OPM top leadership positions. Is this something that could or should be fixed by having five-year appointments, 10-year appointments, like the FBI has, something that takes the leadership away from the churn that you typically get with Presidential appointments?

Ms. SPRINGER. I think it's worth exploring. I don't know about 10, but I think certainly five. That notion would be consistent with the idea of an independent agency. If you look at other independent agencies, they have term appointments that would span across multiple administrations.

Mr. BEYER. You also said—I mean, you made the very good point that they could have placed OPM in the Executive Office of the President and chose not to, that they wanted it to be an independent establishment in the executive branch. You even pointed out that President Carter had moved certain personnel management functions from OMB over to OPM.

But you also say, why do they call it an office, as many huge functions that they have? Should it be renamed? Should it be a bureau or a department or a——

Ms. SPRINGER. Well, I wouldn't call it a department.

There was a question that we had when I first became Director about that, and we do think that "office" sounds smaller than the scope of responsibilities. But the reality was, we decided to focus more on the responsibilities than the name itself. But that's one thing I would change about the CSRA.

Mr. BEYER. Yes. I mean, names do tell you something about things.

Ms. SPRINGER. Yes, that's true.

Mr. BEYER. And, Mr. Thomas, the point's been made a number of times that you don't necessarily have to move OPM over to GSA or anywhere else to fix the technology problem. In fact, I think we learned from Ms. Weichert that they're not even going to move

buildings. They're going to stay in the same building, the Theodore Roosevelt Building.

If OPM can use GSA's IT system anywhere, why can't they just use it where they are right now?

Mr. THOMAS. It would probably—my guess would be turfing issues.

Mr. BEYER. But probably not technical issues?

Mr. THOMAS. But not technical issues, no.

There are certain things—when you look at OPM, you're looking at things that, actually, there are certain components of OPM that actually work and work well. However, the IT modernization issue is clearly their Achilles' heel, and that's something that has to be dealt with.

Sharing between different government agencies, I see no issue there. I mean, it's a question of their working out any turfing issues if there are any.

Mr. BEYER. In fact, I think it comes from Mr. Cox's testimony, written testimony, that there's all kinds of shared services that are being pushed across Federal Government right now. But if you look and say, the weak point is IT, you look at somebody who does IT well and get them to help you rather than——

Mr. THOMAS. That is correct.

Mr. BEYER. Mr. Chair, I yield back.

Mr. CONNOLLY. I thank the gentleman. And I thank, Mr. Beyer, obviously your commitment to Federal employees and your constituents who are Federal employees, for taking the time out of your schedule to join us in this hearing, in this subcommittee. So we thank you.

Mr. BEYER. Mr. Chairman, this reminds me of your days as chairman of the Fairfax County Board. The meetings would go till midnight.

Mr. CONNOLLY. Yes, and sometimes longer.

Mr. MEADOWS. And, Mr. Chairman, with your permission, I'd like to also comment.

Mr. CONNOLLY. Yes, sir.

Mr. MEADOWS. Obviously, I have a relationship with you and Mr. Beyer. And one thing that is very critical for your constituents to understand, there are no better advocates for the work force, the Federal work force, than the two of you, and I want to say that so that they hear it from the other side of the aisle so they know how sincere your advocacy is.

Mr. CONNOLLY. I thank the gentleman. As always, gracious.

Ms. Springer, just to remind everybody about your background. So you're a liberal Democrat who has served in every Democratic administration since time immemorial. You clearly have a bone to pick with the Trump administration. And we should weigh carefully, from a partisan point of view, what you've got to say.

Mr. MEADOWS. Now it's your turn for a softball, right?

Mr. CONNOLLY. Is that correct, Ms. Springer? Have I got that wrong?

Ms. SPRINGER. Yes, just a little.

Mr. CONNOLLY. Would you tell us a little bit about your professional background and which administration you served in?

Ms. SPRINGER. Yes. After 9/11, I ended my 25 years in the private sector because I wanted to do public service. And I came to the Bush Administration and started at OMB and had the opportunity to lead their policy office for the Office of Federal Financial Management. And I intended to go back to Pennsylvania after that, do a period of service and then go back.

I ended up staying when I had the opportunity to go to be Director of OPM—and that was in the second term of the Bush Administration—and then left, obviously, in 1908, but then came back after the transition in this administration, for a few months early in the administration, to help launch some of the management initiatives.

Mr. CONNOLLY. So you served in the Bush Administration as the Director of OPM?

Ms. SPRINGER. Yes.

Mr. CONNOLLY. So you had Ms. Weichert's job, except you were confirmed?

Ms. SPRINGER. Yes.

Mr. CONNOLLY. And you came back and helped in the transition in the Trump administration in that same——

Ms. SPRINGER. Yes. Although it was—my focus was not so much on OPM but on the whole management agenda initiatives.

Mr. CONNOLLY. Right. So you bring a perspective of experience looking at the good, the bad, and the ugly of OPM.

Ms. SPRINGER. Yes.

Mr. CONNOLLY. And let me ask you this. You also served in the private sector.

Ms. SPRINGER. That's right.

Mr. CONNOLLY. And let me ask, is there a difference in, say, reorganization and merger of departments and functions between the private and the public sector based on your experience? Should we approach them differently or are they, frankly, the same?

Ms. SPRINGER. I think they're more the same than different. I think you look at a lot of the same considerations, whether it's people, systems, finance, legal.

And by the way, you look at both entities. We haven't heard a lot about this today, but we should be looking at GSA as much as we're looking at OPM. What does this do to GSA? What does it do to their ability to deal with their challenges, let alone take on an entirely new set of responsibilities?

Mr. CONNOLLY. Mr. Beyer made a point about, in the private sector analog, trying to merge corporate cultures. Not an easy thing.

I worked for a company that went through a major merger. We acquired another company with similar missions. Totally different culture, however. And, I mean, probably to this day it's still not resolved. And in little and huge ways, it made a difference in being able to try to all get on the same team.

And I completely agree with Mr. Beyer when he said it's easier to spell synergy than do it. And that certainly was my experience in the private sector, despite the best of intentions by everybody.

Don't we have a similar situation in the public sector? The GSA culture, DOD culture, OMB culture are different than OPM's culture over the years.

Ms. SPRINGER. Yes, I agree.

Mr. CONNOLLY. And, therefore, grafting one onto the other is going to be a challenge, not necessarily insurmountable. But nor should we overlook, as you said, the challenges at GSA and the burden this is going to add to them, with a mission they're not familiar with.

Ms. SPRINGER. I agree.

Mr. CONNOLLY. What types of documents and information would you expect on a corporate board of a business involved in a private sector merger? What would be the normal things that would have to be provided to that corporate board to justify a merger?

Ms. SPRINGER. Well, you would be looking at a full picture of both organizations. You would need to understand their organizational design. You would need to understand not only the current state, but also the future state. You would be looking at alternatives.

You would be looking at things that you've asked for in your previous letters to the administration, about cost-benefit analysis, financial implications, an inventory of statutory and regulatory impact, and how those impact both GSA and OPM and any other entities. Looking at labor management agreements. Looking at different integration risks and challenges, and then how to mitigate those. You'd be looking at detailed migration plans and communication plans. And those are just some examples.

I would just add that—you haven't asked this yet, but I'll answer a question that you may be thinking. If I were on a board and I had only gotten what you've gotten so far, I'd probably fire you.

Mr. CONNOLLY. Well, you anticipated my question.

Would it also be unusual, from a corporate board point of view, to receive only one option from a CEO? In other words, is it not common that a CEO would at least present the board: Here are the options, and here's my recommendation because I think that's the optimum one?

Ms. SPRINGER. Well, of course, that's the case. And a board member wouldn't be doing their own job if they didn't ask for those things.

Mr. CONNOLLY. And in this case, are there any other options that have been presented, do you know?

Ms. SPRINGER. I haven't seen anything revealed publicly. I'm retired, so I only see what goes out in the public.

Mr. CONNOLLY. Right. And you listed and I listed and the IG listed before a list of things one might expect or we have asked for, almost none of which have been provided. And as we pointed out, as Ms. Norton pointed out, we received one document today dated 12/29, just coincidentally the day of the hearing, one and a half hours before it.

In another case we got a document that says: And here's the timeline. And there is none. It's blank.

All of which would suggest, maybe, that this was rushed, because you had an action-forcing event, a hearing, and we didn't have any of those documents. We made a decision a priori to get rid of OPM, and we're now scrambling to find a rationale and justification for it. It is very rushed.

And one asks the question rhetorically, when we're talking about millions of Federal employees and retirees, we're talking about

huge data bases, we're talking about a massive healthcare system—or health insurance system—we're talking about increasingly massive retirement applications given the age demographics of the work force, what could go wrong with rushing it?

And I congratulate you on your testimony, particularly, and both gentlemen represent their members very ably and very articulate. But given your experience, I think it's particularly critical.

And it reminds us all, as does my ranking member, this is not—we're not going to approach this on a partisan basis. This is about the merits of what's in front of us. And I don't think Congress, in my own opinion, can, frankly, in any good conscience approve this, or maybe even more actively, not object to it, given the paucity of justification and given the potential consequences on our civil servants, who deserve better.

So I thank you, Ms. Springer, for coming forward. I know it can't be easy. But I think all of us on a bipartisan basis benefit from all of your testimony.

Ms. SPRINGER. Thank you, Mr. Chairman.

Mr. CONNOLLY. I thank you all for being here today.

Anything else, Mr. Meadows?

The committee members can submit additional questions for the record, and we will make sure, through the chair, that they are delivered to the appropriate recipient.

This hearing is adjourned.

[Whereupon, at 5:24 p.m., the subcommittee was adjourned.]

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