
STATEMENT
OF
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CHIEF FINANCIAL OFFICER AND ASSISTANT SECRETARY FOR ADMINISTRATION
U.S. DEPARTMENT OF COMMERCE
ON
“AGENCY APPROACHES TO REORGANIZATION: EXAMINING OMB’S
MEMORANDUM ON THE FEDERAL WORKFORCE.”
BEFORE THE UNITED STATES SENATE HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS COMMITTEE, SUBCOMMITTEE ON REGULATORY
AFFAIRS & FEDERAL MANAGEMENT

Thursday, June 15, 2017

Washington, DC

Chairman Lankford, Ranking Member Heitkamp, and distinguished Members of the Committee:

It is a great honor and privilege to appear before you today to discuss the Department of Commerce's (DOC) plan for advancing our agency's effectiveness, accountability and overall efficiency in support of our mission of creating the conditions for economic growth.

The Secretary of Commerce is in strong support of this initiative. I am pleased to appear before you on his behalf to tell you about the process the Department is using to drive more effective and efficient mission delivery and be excellent stewards of the tax dollars entrusted to us.

President Trump's Executive Order (EO) 13781 and the amplifying reform memorandum from the Office of Management and Budget (OMB) provide the opportunity for each agency to reconsider and transform the way we do business. For DOC, this means focusing first on effective delivery of mission and mission support, using evidence and engaging employees and stakeholders to identify the issues, and then strategically implementing solutions to institutionalize change. This undertaking also gives us an opportunity to re-double our efforts in managing our workforce as productively as possible.

We are making good progress and are confident we will meet the June 30 deadline for the initial draft submission per the OMB guidance. The initial recommendation from our Department will be the result of a process that started with initial idea formation, analysis and synthesis to identify likely best candidates for discussion. This work will form the basis of an initial draft that will be submitted to OMB on June 30.

Throughout the summer, we will have iterative discussions with various stakeholders, including other Executive Branch agencies, employees, and users of our mission services and products. Based on these inputs, the Department will prepare a final draft to submit to OMB in early September.

Our approach starts with close coordination with OMB and OPM, who are taking the lead on coordinating amongst the various agencies. We are also taking advantage of existing structures

and processes within the Department to gather input. Our Department consists of twelve operating units with diverse mission sets. The Department has used a series of interlocking councils over many years to successfully foster communication and collaboration between the various operating units and headquarters.

Taking advantage of these existing structures, the Secretary has tasked me to lead the Reform Plan effort in my role as Chief Financial Officer/Assistant Secretary for Administration and chair of our Department Management Council (DMC). The DMC consists of Senior Executive representatives from each bureau as well as the major departmental offices, including the General Counsel (OGC), the Chief Information Officer (CIO) and the Chief Financial Officer/Assistant Secretary for Administration (CFO/ASA). In most cases, these representatives are the responsible “Chief Operating Officer” for their respective organizations. I have directed the DMC to consider input from managers, employees, reports from the Department’s Office of the Inspector General (OIG) and the Government Accountability Office (GAO) reports and other stakeholders in crafting draft recommendations. Additionally, a team at the Department level is providing input to the overall plan with emphasis on cross-cutting ideas at the Department level and, in coordination with OMB, the government-wide level. Lastly, we are receiving ideas from the public via the web portal established by OMB.

Each operating unit and department level office (OGC, CFO/ASA, CIO) was asked to prepare initial draft recommendations in the areas of burden reduction, streamlining and improving business processes, potential for merging or eliminating functions or programs, improvements in organizational efficiency and effectiveness, and alternative delivery models for our mission services and products. We are also asking each unit to provide evidence to support the expected improvement in programs, processes and services. In addition, the Secretary is taking a fresh look across the Department at our missions and organization to see if new structures could further improve delivery of essential services in the most efficient manner possible.

Commerce has functional councils representing major mission support functions. These councils include human resources (HR), acquisitions, financial management, and information technology.

Each Council is tasked with identifying reporting burden reduction opportunities to the Department as well as to their respective OMB functional office.

The HR Council is tasked with leading the effort on Employee Performance Management as called for in the OMB Guidance. The HR Council has been tasked with making recommendations to the DMC. To carry out this responsibility, the HR Council has created a separate working group to inventory existing tools and processes that are responsive to the guidance as well as identifying additional tools, processes and training necessary to carry out the Executive Order. The HR Council is also providing the initial recommendations and guidance to the DMC to carry out the Workforce planning requirements of the Executive Order.

In addition to employee engagement conducted within individual bureaus and offices, the Department engaged its existing Departmental-level Labor Management Forum (LMF) to discuss the requirements of the Executive Order and OMB guidance and seek input from the LMF. The operating units have also been tasked with reviewing recommendations made in past Federal Employee Viewpoint Surveys to determine any unimplemented recommendations that can be used in our reform plan recommendations.

To take advantage of ideas from other stakeholders, we are participating, along with other agencies, in receiving the input flowing from the public through the Administration's public web portal. To date we have received over 5,000 comments—our final draft recommendations will be informed by the analysis of this input.

We are using GAO reports, in particular the annual reports on duplication of mission function, to insure we are taking advantage of the excellent work performed by GAO in identifying potential duplication. In addition, our operating units are reviewing Office of Inspector General audits and reviews to identify areas where implementation of recommendations may be accelerated.

We are committed to producing a thoughtful and thorough proposal for both reform and reorganization for consideration. We recognize that this undertaking requires considerable effort

in the formation of the recommendations and an even greater effort in implementation of any of the accepted recommendations. We are committed to implementing proposals that will meet the goal of improving our delivery of mission services and products at the most effective, efficient levels possible.

Thank you again for the opportunity to appear before you today and for your continued support of the Department of Commerce. I am pleased to answer any questions you have for me.