

Statement of Emily W. Murphy

Administrator of the U.S. General Services Administration

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and Governmental Affairs**

Subcommittee on Regulatory Affairs and Federal Management

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Introduction

Good Morning Chairman Lankford, Ranking Member Heitkamp, and Members of the Subcommittee. My name is Emily Murphy and I am the Administrator of the U.S. General Services Administration (GSA). Thank you for the opportunity to testify today on GSA's role in the Administration's Government Reform Plan and Reorganization Recommendations; specifically, the reorganization of certain functions with respect to the Office of Personnel Management (OPM).

GSA's mission is to deliver value and savings in real estate, acquisition, technology, and other mission-support services across government. In this testimony, I will layout the case for why GSA is uniquely positioned to build on the work of OPM and enhance the delivery of human capital operational services across government.

The Administration's Reform Plan and GSA

In April 2017, Office of Management and Budget (OMB) Memo M-17-22 directed all agencies to draft reform plans to consider a number of factors including if "some or all of the mission functions or administrative capabilities of an agency, component, or program are needlessly redundant with those of another agency, component, or program." These agency reform plan submissions helped inform the Administration's

comprehensive Reform Plan and Reorganization Recommendations,¹ which was released on June 21, 2018.

As detailed in the plan's section on the proposed reorganization of several OPM programs, the consolidation of administrative support functions into a unified, customer-centric organization is a rational approach to the management of any large operation. To that end, the plan identifies an expanded role for GSA to provide administrative services to Federal agencies through: motor vehicle fleet assessments, real estate property disposal; real estate leasing improvements; customer experience digital design consulting, and support to establish the Government Effectiveness Advanced Research (GEAR) Center.

Under the plan, GSA's role will expand most substantially through the move of certain human resource operational functions from OPM to GSA. Merging these functions, which include a broad spectrum of HR products and services, will create opportunities for operational efficiencies, IT modernization, and improved service delivery.

Given the breadth of the reorganization, OMB, GSA, and OPM all understand that we must be thoughtful and clear as we move forward. To that end, all three agencies are working together to lay out the best path toward success, particularly with regard to functions that may ultimately be merged with GSA.

Moreover, to help better ensure success, and as discussed by OPM Director, Dr. Jeff T.H. Pon, the reorganization of OPM will be phased. In this first phase, OPM's Human Resources Solutions (HRS) will be transitioned to GSA. In support of this effort, both GSA and OPM have established working groups and appointed transition coordinators, both of whom have significant experience in agency realignments.

The Work of GSA

Before I go any further, I believe it is important to share some additional background on what GSA does, to show how HRS, and other OPM functions fit with GSA's current mission.

GSA was established by President Harry S. Truman on July 1, 1949, to streamline the administrative work of the Federal government, a role that remains central to GSA's mission. The delivery of complex governmentwide services is not new for GSA. It's what we do every day.

¹ <https://www.whitehouse.gov/wp-content/uploads/2018/06/Government-Reform-and-Reorg-Plan.pdf>

GSA already excels at providing space, fleet, acquisition, travel, card services, and IT support to agencies. For small agencies, we even provide an integrated set of financial, HR, and payroll services.

As part of this work, GSA's Public Buildings Service is the largest landlord in the country. GSA owns or leases 9,624 assets and maintains an inventory of more than 375 million square feet² of workspace serving 1.1 million federal employees.

GSA's Federal Acquisition Service (FAS) manages over 205,000 fleet vehicles and has more than 19,000 vendors on schedules available to provide products and services to agencies across government. GSA's SmartPay Program, also managed by FAS, is the world's largest commercial payment solution program, providing services to more than 560 Federal organizations and Native American tribal governments, handling \$55 billion in spend annually.

GSA's Office of Shared Solutions and Performance Improvement (formerly the Office of Unified Shared Services Management) serves as an integration body that enables the delivery of high quality, high value shared services that improve performance and efficiency throughout the government. This is further supported by the Administration's Cross-Agency Priority (CAP) Goal "Sharing Quality Services," which I co-lead. The goal fits well with GSA's mission to provide competitive and high-performing mission-support services to other Federal agencies and was established to address the challenges the Federal government has faced in executing administrative support functions. These include:

- Outdated processes, old technology, and a culture of compliance, which have created a complicated and inflexible administrative environment.
- Duplication of common administrative services such as processing hiring transactions, managing Federal finances, contracts, and payroll. Rather than economizing by sharing across the Federal government, we duplicate contracts, people, and technology across hundreds of locations, costing taxpayers billions of dollars annually.
- Slow adoption of innovative solutions provided by industry, which has led the private sector to outpace our Federal capabilities.
- A past focus on short-term, rather than a strategic vision that creates an architecture for an innovative, flexible, and competitive environment.
- All of this has contributed to low satisfaction with administrative support, with 40 percent of Federal leaders reporting they aren't satisfied with administration support in the government³.

² (190 million owned; 183 million leased)

³ 2018 OMB Customer Satisfaction Survey.

Fostering an Environment for Innovative Solutions

GSA has a long history of deploying systems and services that are secure, transformative, cost-efficient and innovative. We have a number of technology initiatives that have resulted in increased business value, optimized business operations and savings for the American taxpayer, including moving to a cloud based email and collaboration system, as well as consolidating existing applications to - and developing new applications in - a centralized development platform.

As the first Federal agency to have an agency-wide chief customer officer, GSA has a long-standing culture of being customer-oriented, understanding how to bring modern IT to government, and being believers in going first and sharing things that are common. The pairing of HRS' human capital expertise with GSA's IT innovation and culture presents the opportunity to optimize the services currently provided by OPM, offer an integrated IT solution for employee lifecycle management, and drive standardization around many current hiring and performance issues. Centralizing the transaction processing and IT for administrative functions in GSA, where it is our mission to provide excellent mission-support services, will allow for OPM to focus on their core strategic mission.

The existing capabilities within GSA provide a fertile environment to increase efficiency, decrease costs, and improve the lifecycle of administrative and employee services through natural connections and interdependencies. GSA already provides HR services to OPM and other agencies through our HR Links implementation, supporting employee performance management, time and attendance, and leave management services. GSA and OPM also have an existing partnership on the Human Capital and Training Services program with OPM providing subject matter experts and GSA providing contracting expertise.

Finally, to support our vision of expanding services GSA provides to other agencies, we are working to create a new Services Management Office (SMO) to house the additional services that GSA would offer under the CAP goal. The SMO will help create a new payroll service for civilian agencies that leverages commercial technology, and will continue the transition planning for moving HRS to GSA.

Closing

GSA is committed to delivering value and savings in real estate, acquisition, technology, and other mission-support services across Government. The Administration's reform plan provides a path to re-making government to be more responsive, efficient and

effective in service to the American people. I look forward to working in partnership with this Committee, OPM, and the Federal agencies we serve to bring about that needed change. Thank you for the opportunity to appear before you today. I am happy to answer any questions you may have.