

Testimony to Senate Committee on Homeland Security and Governmental Affairs

Margaret Weichert

**Deputy Director for Management
Office of Management and Budget**

July 18, 2018

Reshaping American Government in the 21st Century

Chairman Johnson, Ranking Member McCaskill, and members of the Committee:

Thank you for having me here today.

Healthy organizations are designed to change and adapt to customer needs and the demands of the free market. The United States Government should be no different. Our Founders conceived a remarkably durable governing framework and Constitution to serve the American people. However, our current Federal Government organization model has not kept pace with the needs of the 21st Century.

Despite dramatic changes in technology, today's Federal Government still operates much like it did 50, or 60 years ago. Current government infrastructure is not well organized or aligned to provide the service and flexibility that Americans expect in the Digital Age.

Americans expect convenience, and use online shopping, mobile banking, and other modern solutions to make their lives simpler. So I cringe when I hear how inefficient it is for Americans to interact with Federal agencies because of the layers of organizational bureaucracy that have grown over time. This is not how Americans want government to operate.

Job seekers have to navigate more than 40 workforce development programs across 15 agencies, while small businesses face overlapping and bureaucratic certification processes and complicated paperwork challenges every time they try to work with the many different parts of government with jurisdiction or focus on small business. Poultry companies deal with multiple government offices and time-consuming paperwork because chickens and their eggs are regulated by different agencies. Even simple things like frozen pizza are affected by government complexity, since cheese pizza and pepperoni pizza are regulated by different organizations. There are numerous other examples of how fish in our rivers are affected by regulations from 4 different agencies, and basic infrastructure projects for our roads and in our ports face organizational complexity and costly regulatory overhead that can delay investments by years.

And recently, while visiting Federal facilities in Kansas City, I learned firsthand how veterans struggle to navigate across the Department of Veterans Affairs and the Social Security Administration to figure out how to handle their medical and disability benefits, not to mention the challenges on navigating across a host of agencies to get access to well-meaning, veteran-specific services or benefits delivered by the Office of Personnel Management, the Department of Labor or the Small Business Administration. These programs were conceived with positive intent, and paid for by supportive taxpayers, but it can be hard for veterans to find clear information and comprehensive resources because of the organizational complexity of our government structure.

This Administration recognizes these challenges and frustrations. As a result, in March 2017, President Trump issued an Executive Order 13781 directing the Office of Management and Budget (OMB) to work with key stakeholders to produce a comprehensive plan to reform and reorganize the Government to better meet the needs of the American people. This reorganization plan is intended to balance the mission, service, and stewardship responsibilities of the Executive Branch, while reducing inefficiency, risk, and duplication.

At its core, reorganization aims to increase the efficiency, effectiveness, and accountability of how government serves its people. It's not uncommon to see a large company change and realign its business model to respond to evolving technologies and customer needs. Even though its mission and priorities are different, the Federal government should be similarly responsive to changing customer expectations and technology-enabled opportunities to enhance mission delivery.

While it can be difficult to break through bureaucratic red tape and restructure old, paper-based processes, it's not impossible. Concrete efforts to drive this change are highlighted in the President's Management Agenda (PMA) released in March of this year. The PMA is the Administration's blueprint for investing in IT modernization, effective use of data and providing the tools for our workforce to better serve the country. By realigning our own business model, we will be able to streamline processes that help the economy and create jobs.

Over the past year, OMB reviewed reform and reorganization proposals from Federal agencies and solicited ideas through the White House website, where we received suggestions from the public, academics, interest groups, and Federal employees. In fact over 106,000 public comments came in from Americans interested in seeing their Government work more efficiently, and we shared this important feedback with the relevant agencies to inform the proposals that they submitted to OMB. We also assessed leading organization design frameworks, think tank recommendations and input from business journals. After synthesizing

this information, we developed reorganization and reform recommendations included in the report released last month: Delivering Government Solutions in the 21st Century: Reform Plan and Reorganization Recommendations.

Ultimately, report recommendations included both “top down” and “bottom up” transformational proposals for near- and long term-changes. It represents a starting point for the public dialogue on much-needed government transformation. This approach takes into account the challenges and difficulties that have limited progress on past proposals, focusing on creating a holistic, “all of government” blueprint for organizational change that will truly address entrenched, outdated and bureaucratic organizational constructs, signaling a new direction for the future.

Many of the proposals included in the report draw on years of research and recommendations coming out of the Government Accountability Office (GAO), including the GAO High Risk Lists and reports on fragmentation and duplication within the Federal Government.

Given the seriousness and import of the analytical task and its potential for major impact to our government missions and to our workforce, our team at the Office of Management and Budget worked with Executive Branch agencies in conducting the deliberation and pre-decisional analysis for the Reform Plan in phases.

- The initial phase was the data collection phase, the OMB team collected input from all the key stakeholders, seeking the most significant input from the agencies themselves. Some of the most straightforward outputs from the initial phase were included in the February release of the President’s 2019 Budget proposal.
- The second phase focused on opportunities to reduce duplication and fragmentation, and improve cross-agency efficiency – this analysis drew heavily from GAO reports and other stakeholder input about ways where taking an enterprise view across government agencies would better serve the underlying missions and objectives.
- The final phase of analysis incorporated the priorities of the President’s Management Agenda – identifying organizational challenges that impact

the broad ability of government to support the mission, service, and stewardship needs of the 21st Century, enabling us to have the organizational foundation needed to confidently move forward with IT Modernization, Data and the Workforce in the Digital Age.

A transformation of this size will take time and teamwork to implement. Some changes can be applied directly within Federal agencies while other, more complex proposals contain elements that will require action by the President or Congress. Now that the proposed Reform and Reorganization Plan has been issued, we are eager to engage in a conversation with Congress on where, and how, we can move forward together. We know that the Legislative Branch shares our interest in creating positive reform. This Committee, in particular, has dedicated considerable effort over the years to exposing duplication and inefficiency in Government, and exploring ways to improve its operations.

With the proposed Reform and Reorganization Plan, this Administration has seized an opportunity to highlight how leading management and reorganization practices from the private sector can bring practical improvements to government services.

We have already seen similar transformations at the state and local levels. Cities like Baltimore, Philadelphia and Detroit, and states like Georgia, Arkansas and North Carolina, are evolving from their industrial and agrarian roots to become beacons of digital and technological innovation. In fact, innovations in government in the Digital Age abound, because the practical realities of delivering citizen services in the 21st Century without over-burdening taxpayers have demanded those innovations¹.

¹Innovations in E-Government, Edited by Erwin A. Blackstone, Michael L. Bognanno, Simon Hakim, 2005.

At times of great change, commitment to “government of the people, by the people and for the people²,” is critical. As the United States faces the challenge of serving the diverse needs of our growing country, it is important to reexamine government services to ensure that the executive branch is well-aligned to 21st Century realities.

Although we, in OMB, were tasked with creating this report and recommending the initial proposals for Reform and Reorganization of the Executive Branch, we recognize and acknowledge the important role of dialogue and public deliberation in setting the best course for the future. To that end, we welcome dialogue, debate, and discussion of the proposals we have set out and look forward to engaging in a constructive discussion of the issues, today and going forward.

Thank you again for inviting me here today.

² President Abraham Lincoln, Gettysburg Address, November 19, 1863.