

Kenneth J. Thomas
National President



Kathryn E. Hensley
National Secretary/Treasurer

June 24, 2019

U.S. House Committee on Oversight and Reform
Subcommittee on Government Operations
2157 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Connolly:

I am writing in response to your June 12, 2019, letter providing post-hearing questions for the official hearing record for the hearing titled, “The Administration’s War on a Merit-Based Civil Service,” held May 21, 2019. I provide responses to the questions below.

1. What have your members shared with you about the Office of Personnel Management (OPM) reorganization? What concerns have they had?

NARFE members have expressed concerns that the reorganization of OPM will threaten political influence on our merit-based civil service. They have also expressed concerns that the General Services Administration (GSA) will not adequately administer vital retirement and health benefit programs on which they rely. While many of our members expressed frustrations with current OPM operations, they do not believe merging those operations with GSA is the way to address their concerns. One member with career experience at OPM expressed concern that splitting policy-making from operations would make policy-making less responsive to operational needs.

2. How has OPM engaged with you and your members about potential changes from the reorganization?

OPM’s Deputy Chief of Staff, Stephen Billy, reached out to NARFE the week prior to the hearing regarding the proposed merger of OPM into GSA, and had a discussion via telephone with NARFE’s advocacy staff. Our advocacy staff also discussed the proposed reorganization with career staff at OMB’s Office of Performance and Personnel Management prior to that time.

Since the hearing, NARFE’s advocacy staff was contacted by OPM to set up a meeting between myself and Margaret Weichert, the Deputy Director for Management for the Office of Management and Budget and the Acting Director of the Office of Personnel Management (OPM). I have a meeting scheduled with Ms. Weichert.

We received notice that OPM employees were only just contacted about the proposed merger the day of the hearing, via email. A subsequent email was sent to OPM staff just before the *Washington Post* broke a story about the administration threatening furloughs at OPM if Congress blocks the merger.

To my knowledge, OPM has not engaged with federal annuitants or federal employees across the government regarding the proposed reorganization and how it would affect the administration of retirement benefits or health insurance and other employment benefits. It was evident from the hearing that specifics on the merger were lacking.

3. What suggestions do you and your members have to improve OPM?

First, Congress should ensure OPM has adequate funding to carry out its missions. To the extent that the transfer of the National Background Investigations Bureau (NBIB) from OPM to the Department of Defense (DOD) leaves a funding gap for OPM, Congress should appropriate the necessary funds to eliminate the gap, or adjust the trust fund expense reimbursement ratio. As I stated in my testimony, the transfer itself is not adequate justification for the merger of OPM into GSA.

Second, the administration should pursue other avenues to modernize OPM's information technology (IT). Former OPM Director Linda Springer suggested two options worth consideration: (i) GSA could assist OPM without merging the two agencies; and (ii) the administration could use the fund established under the Modernizing Government Technology Act to strengthen and modernize OPM's IT structure directly. We are not IT experts, but we know it is past time to move away from the paper-based retirement processing that occurs now. However, that fact does not justify the merger of two agencies, and the administration has not adequately explained the problem with OPM's IT issues, what the solutions are, and why only GSA can provide those solutions.

Third, OPM leadership should pursue a more proactive, rather than reactive, approach to human capital management and work to empower agencies to meet their human capital needs rather than acting in a restrictive, gate-keeping capacity. Focus on new ideas and innovations, and allow agencies to test those new ideas through pilot programs for recruitment, hiring and performance management to see what works well, what doesn't, and to what extent merit-system principles are upheld. We agree that the federal government needs to improve its strategic human capital management, especially to bring in individuals with critical skills. But the administration has not made the case for why OPM cannot make those improvements.

Fourth, to the extent that OPM does not have authority over non-Title 5 personnel policy, and there is not a justifiable exception, Congress should consider expanding its authority to improve the uniformity and application of government-wide workforce policy.

4. Does moving the policy-making components of OPM into the Executive Office of the President concern you? If so, can you provide specific examples of how such a move could affect a merit-based civil service?

Yes, moving the policy-making components of OPM into the Executive Office of the President concerns me. Without a doubt, the move has the serious potential to change the nature of all human capital policies to be responsive to the President's motives, rather than making human capital a true business function, which is what it should be.

It is difficult to predict how the removal of safeguards against the politicization of civil service rules and regulations will play out, but the threat is that these changes will make it easier for political influence to seep into personnel policy in unpredictable ways.

Although it may be difficult to predict moving forward, this administration already took actions that could foreshadow the politicization of personnel policy. In 2017, Mick Mulvaney, then Director of the Office of Management and Budget, issued a memorandum regarding the reduction of the federal civilian workforce. In May 2018, the president issued an executive order regarding removal procedures and merit-system principles that included changes in determining which employees would be retained following a reduction in force. Drastic reductions in the civilian workforce, combined with inadequate merit-system protections during the determination of which employees will be dismissed during a reduction in force could allow an administration to take large-scale personnel actions based on political motives.

I do not mean to imply that the administration's actions on reduction of the workforce and the changes to removal procedures with a reduction in force are motivated by a desire to change the political leanings of the individuals in the current workforce. But it's not hard to envision how concentrating policy-making in the Executive Office of the President could allow political influence to affect personnel decisions.

Other specific problem areas include the potential for political influence in reviewing requests for political appointees to be appointed to political positions, or changing Hatch Act regulations to allow for greater political activity by federal employees.

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Thank you again for the opportunity to share NARFE's views. Please let me know if you have any additional questions or concerns.

Sincerely,



Ken Thomas
National President