

Statement for the Record

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On

“Trump’s War on a Merit-Based Civil Service”

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As National President of the National Treasury Employees Union (NTEU), which represents approximately 150,000 employees across 33 agencies, I want to thank you Chairman Connolly and Ranking Member Meadows for the opportunity to offer NTEU’s views on the administration’s attempt to compromise the merit-based system of the civil service through the destruction of the Office of Personnel Management (OPM).

As you know, the Civil Service Reform Act of 1978 made clear that the employment system for federal employees is based on merit system principles, including that federal employees should be “protected against arbitrary action, personal favoritism, or coercion for partisan political purposes. . .” (5 USC 2301(b)(8)(A)). OPM was established as an independent agency in the executive branch to enforce the civil service rules and regulations (5 USC 1103(a)(5)). However, the Administration’s reorganization proposal does not acknowledge these or any merit system principles upon which the law is based. Instead, it proposes to tear apart OPM and essentially send its Employee Services office, the office that sets policy and ensures that the merit systems principles are followed, to the Executive Office of the President. That action would remove the agency’s nonpartisan, independent status at a time when federal employees already fear reprisals from agency heads for not showing enough support for this administration’s policies.

NTEU believes that an independent, central personnel agency outside of the Executive Office of the President is important for a non-partisan civilian workforce of two million employees. The administration’s assurance that the functions at the proposed Office of Management and Budget’s (OMB) Office of Federal Workforce Policy would not politicize personnel policy or the workforce is called into question by their own legislative proposal unveiled late last Thursday night. The fact that the administration proposes that the person who would head up this office tasked with setting government-wide personnel policy and the

regulatory authorities currently held by OPM would be housed in a political office and appointed by the President without the advice and consent of the Senate, raises questions about the administration's commitment to maintain the merit system and ensure our government does not revert to the spoils system that necessitated the passage of the Civil Service Reform Act in the first place.

We are also concerned with the proposal to move Retirement Services and the administration of the Federal Employees Health Benefits Program (FEHBP) to the General Services Administration (GSA), since GSA lacks experience with retirement policy and processing as well as with health care policy and administration. As the federal government looks to recruit and retain employees in the future, we believe that it will be difficult for OPM, as part of GSA, to have a clear picture of the government's benefits package and whether its offerings are competitive with the responsibility and expertise is divided. It is also unclear how this change will improve government efficiency. Acting Director Weichert's recent assertion that this merger will deliver on longstanding issues such as hiring reform, re-skilling efforts and a human capital strategy simply restates many of the current goals for OPM and they have provided no real evidence that GSA will be any more capable of achieving those goals.

To use events at OPM -- including the serious data breach and retirement processing backlogs, which stem from a variety of funding and management challenges -- as evidence of the need to break up OPM is misguided and unfair. Acting Director Weichert has argued that the move of the National Background Investigations Bureau (NBIB) to the Department of Defense will have a dramatic impact on the agency's budget and workforce and will, in the near-term, lead to a \$70 million funding shortfall at OPM. At the same time, the administration is seeking \$50 million in funding to assist with the transfer of OPM to GSA. Without any justification or analysis of how OPM services could be improved by transferring them to GSA, I believe funds would be better spent providing additional resources to OPM to address the current shortfall. NTEU does not believe that breaking up OPM will ensure mission performance. Rather, we believe properly funding the agency is a better solution. OPM has been underfunded for years, which has contributed to many of its current issues.

While NTEU does not necessarily oppose all efforts to reform certain aspects of the civil service or reorganize government, these efforts must be done thoughtfully, and previous large-scale reform and reorganization efforts failed to accomplish their stated goals. Instead, we've experienced overly ambitious reform efforts that eroded employee rights and employee morale or haphazard efforts to reduce the number of federal workers by cutting an arbitrary number of personnel, implementing hiring freezes, or failing to replace employees who retire resulting in gutted agencies and contributing to the looming retirement crisis facing the federal government today. In fact, one of the biggest lessons and failures of the Clinton-Gore Administration's "Reinventing Government" initiative was the hollowing out of positions and focus on outsourcing, leaving agencies without a skilled workforce in place and unable to conduct workforce planning. This devastated agencies' ability to effectively perform their responsibilities, opening up federal agencies and workers to criticism. If you are going to move forward with a proposal of this magnitude, you need to consider what will be the lasting impact of this reform proposal.

How many noted experts at OPM have left over the past year due to the uncertainty of what will happen to the agency? What is the impact to the institutional knowledge at OPM?

Unfortunately, from the very beginning, this administration has failed to engage with frontline employees to find ways to improve agency functions and operations. So far, our perspectives have been routinely ignored, and we have not been invited to join in discussions on improving efficiency and effectiveness in government programs. Rather, this administration has told agency heads to ignore collective bargaining agreements and make arbitrary changes to federal workers rights in the workplace. Given their track record, it is difficult to imagine that this administration will protect the merit system or federal workers if given the flexibility and opportunity laid out in this proposal.

So far, although the legislative proposal is public, the administration has not released key details about it—including the impact on employees and the cost-benefit analysis. I ask this subcommittee to continue to push for additional information, to continue exercising congressional scrutiny and oversight over these proposals, and to work with federal employee organizations to obtain input from frontline workers. If this administration really wants to reform the government, dismantling the agency that can help them do that makes no sense. Nor does it make sense to freeze out those who know how government is supposed to work. The administration's legislative proposal contains no coherent rationale for destroying the OPM we have now. Instead, OMB Acting Director Vought tried to make a case for reform by asserting that it is needed because the federal workforce is frustrated, and that there is a broad recognition that maintaining the status quo at OPM is unsustainable. Yes, many in the federal workforce are frustrated, but that is because of years of budget cuts and pay freezes and a 35-day shutdown. And yes, there are issues at OPM that must be addressed, but destroying the personnel agency isn't the answer. Properly supporting and funding it is.