



**CONGRESSIONAL  
TESTIMONY**

**STATEMENT FOR THE RECORD**

**J. DAVID COX, SR.  
NATIONAL PRESIDENT  
AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, AFL-CIO**

**BEFORE**

**HOUSE OVERSIGHT AND GOVERNMENT REFORM COMMITTEE**

**ON**

**EXAMINING THE ADMINISTRATION'S REORGANIZATION PLAN**

**June 27, 2018**

Chairman Gowdy, Ranking Member Cummings, and Members of the House Oversight and Government Reform Committee, on behalf of the more than 700,000 federal and District of Columbia government employees represented by the American Federation of Government Employees, AFL-CIO (AFGE), I submit this statement for the record of the Committee's hearing to examine the Administration's government-wide reorganization plan on June 27, 2018.

On June 21, 2018, the Trump Administration issued a document entitled "Delivering Government Solutions in the 21<sup>st</sup> Century -- Reform Plan and Reorganization Recommendations." The plan outlines the Administration's recommendations for reorganizing the federal government. AFGE objects to many recommendations of this plan as implementation will result in inefficient allocation of agency resources and workload, and politicization of the civil service.

## **Background**

Prior to public dissemination of the Administration's reorganization plan, on March 13, 2017, the President issued an Executive Order<sup>1</sup> mandating that the Director of the Office of Management and Budget (OMB) and the heads of executive branch agencies create agency reorganization plans within 180 days. In April 2017, the OMB Director also issued a memorandum<sup>2</sup> with instructions stating what reorganization plans were supposed to include and the policies they were supposed to implement. Although the April OMB memorandum included the following sentence: "When developing their Agency Reform Plan in coordination with OMB, agencies should consult with key stakeholders including their workforce . . .," very few agencies complied with this direction. With a few rare exceptions, national AFGE bargaining councils and AFGE locals were not consulted or even informed of reorganization plans. The same is true for the Administration's recent reform plan and reorganization recommendations.

As public servants, federal employees take very seriously their duty to provide vital services to the American public. Federal employees are dedicated to their professions and are experts not only in their field of work, but also, through years of service, many federal employees understand what is needed to improve the internal workings of their agencies far better than private consultants. Federal workers and their representatives should play an important role in the development of organizational changes involving federal agencies and the services they provide. Neglecting to seek input from employee representatives in the development of government-wide reorganization plans is counterproductive to any genuine effort to increase the efficiency and effectiveness of government.

## **Reformation and Reorganization—Privatization**

In introducing its government reorganization plan, the Administration has stated that there are no plans to cut jobs, and that job reductions were not a factor in devising the plan. However, the recommendations of the plan, as outlined, are contrary to the Administration's statements. The reorganization plan contemplates privatization of the Postal Service, the various Department of Energy Power Marketing Administrations, and the Tennessee Valley Authority,

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<sup>1</sup> EO 13781

<sup>2</sup> OMB M-17-22, April 12, 2017

to name but a few. In addition, the Administration's plan constantly uses words such as streamlining, consolidating, restructuring, realigning and transferring. No one opposes these actions in principle. In practice, however, words like "streamlining" often just mean reduction or degradation of service delivery.

The reorganization plan promotes a particularly pernicious governmentwide "consolidation" of so-called "shared services." The substance of this concept is that all federal administrative service functions should use or will be required to use centralized cross-agency administrative support for these "common functions" of government. The theory behind the "shared services" concept is allegedly based on economies of scale; when multiple federal agencies make use of administrative services functions, centralizing these services in a limited number of providers and requiring that every agency use the centralized source(s) to obtain the services will supposedly reap cost savings. However, AFGE believes that the concept of "shared services" encourages private sector entities to either compete with government-sponsored service providers or to enter into "partnerships" with government agencies to provide the services. It is not efficiencies that drive this quest for consolidation, but rather profits for the private sector.

It must be noted that consolidation of services, "shared services," is actually at odds with maximizing flexibility and agency responsiveness to the public. Mandatory centralization of administrative services has proven to result in less responsive government and will have a negative impact on agency head accountability for the efficient and effective administration of their own Departments.

While AFGE strongly objects to many of the consolidations and mergers of agencies recommended by the Administration's reorganization plan, we would like to explicitly object to the following reorganization of agencies:

***Consolidation of the Army Corps of Engineers Civil Works with the Department of Transportation and the Department of Interior***—The realignment of the Civil Works funded programs of the U.S. Army Corps of Engineers into the Department of Transportation and Department of Interior will significantly weaken a war-fighting capability of the Department of Defense. Specifically, both the military and civilian skill sets and capabilities that are partially funded on a civil basis in the U.S. Army Corps of Engineers provide a reach-back capability for the military during national emergencies and contingency operations. For instance, a civilian employee may be performing civil works functions, but based on that employee's skill set, he or she may also be regularly called upon to perform military functions when the need arises. Such mission support will not be as readily available if the civil works functions are transferred to the Department of Transportation and the Department of Interior. We acknowledge that the Civil Works programs are separate funding streams from the Military funded appropriations in the Defense budget and therefore, on the surface it may seem harmless to simply transfer the civil works functions to other agencies, but such a transfer ignores how the Army Corps of Engineers actually operates in support of the military, and how it manages its human capital planning and workforce development.

***Merge the Department of Education with the Department of Labor***—The missions of the Department of Education and the Department of Labor are distinctly different. The merger of

these two agencies would directly undermine the public education system and the opportunity for equal access to a quality education afforded to all Americans. The Administration is misleading the American public by insinuating that merging these two agencies, which both have substantial organizational structures and missions that touch every American, will lead to improved public services as it relates to our nation's schools and education system, and increasing employment opportunities. In fact, it is more plausible that such a merger will have the exact opposite effect as combining two agencies with such expansive missions will likely result in limited resources, reduction of services to the public, and increased bureaucracy.

***Transfer the Office of Personnel Management (OPM) Policy Functions to the Executive Office of the President***—Moving OPM policy functions into the Executive Office of the President is direct politicization of personnel policy. The Administration's reorganization plan would designate the Executive Office of the President as responsible for policy decisions in areas such as employee compensation, workforce supply and demand, and employee performance. The Administration's plan also refers to the existing framework of the civil service as "archaic." AFGE believes that the current framework of civil service rules and regulations is anything but archaic. Rather, the current civil service is based on merit system principles and focuses on employees' skills, qualifications and experience instead of discriminating based on race, sex, gender or age. A "merit-based" civil service system is a cornerstone of all modern Western democracies. It ensures that technical expertise is brought to bear on performing agency missions, without the threat of overt partisan agendas driving day-to-day operations. Moving the OPM policy functions to the Executive Office of the President will undermine this system.

These and many other recommendations from the reorganization plan are shortsighted and do not fully take into consideration how such changes will hinder agencies' mission fulfilment. Many agency leaders have already made the decision to not only consolidate offices, but to close agency offices. These decisions to close offices were made prior to the Administration making the reorganization plan public. Office closures are directly affecting federal employees and their families with many employees forced to relocate or lose their jobs. AFGE urges this Committee to conduct oversight of these office closures and assess the impact that the closures will have on the public's access to important public services.

## **Conclusion**

The Administration's reorganization plan does not provide any information or indication that an analysis has been conducted to project how employees will be affected by the recommendations of the plan. Without any type of reliable analysis on the impact to the workforce, we can only assume that little analysis has been conducted to determine how the recommendations will affect the services provided to the American public.

AFGE strongly supports examining effective approaches to accomplishing government work. While AFGE supports initiatives to improve delivery of government services, the Administration's reorganization plan is a thinly veiled attempt to devolve federal involvement in everything from education to postal delivery to energy research and development. AFGE would welcome the opportunity to work collaboratively with the Committee and Congress to identify ways in which we can improve the delivery of our important public services.