

Statement of

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before the

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Chairman Lankford, Ranking Member Heitkamp, Members of the Subcommittee, thank you for the privilege of testifying before you today. I'm happy to have the opportunity to share my views on what it will take to successfully reorganize the Executive Branch of the Federal Government.

If implemented properly, the President's Executive Order on a Comprehensive Plan for Reorganizing the Executive Branch (Executive Order Number 13781) could be the most ambitious reorganization and restructuring of the federal government in its history. Countless reports and recommendations demonstrate that the government's performance and efficiency could be improved if the impact of extensive overlap and duplication was minimized. To be successful, a great deal of collaboration with myriad stakeholders within and outside the Executive Branch will be critical. And that's just on the front end. The real work begins when organizations launch the process of integration and optimization. But we shouldn't even begin this journey unless we agree on what outcomes we are trying to accomplish and have evidence to suggest a reorganization will contribute to accomplishing them.

Optimizing business structures to maximize results is ongoing in the private sector. Eliminating units or creating new organizations to improve performance are part of the DNA of business operations. The federal government lacks such agility, so policymakers are constantly trying

to find ways to overcome such bureaucratic barriers to change. Because they haven't succeeded, overlap and duplication among government programs continues to grow.

Government Accountability Office (GAO) and the Annual Inventory of Overlap and Duplication

We're lucky that this committee has helped lay the groundwork for substantial reorganization and restructuring of the Executive Branch. As the Comptroller General reported to this Committee last spring, GAO had identified "645 actions in 249 areas for Congress or executive branch agencies to reduce, eliminate, or better manage fragmentation, overlap, or duplication; achieve cost savings; or enhance revenue." GAO's most recent report (<http://gt-us.co/2eCXOMv>) included "79 new actions across 29 new areas for Congress or executive branch agencies to reduce, eliminate, or better manage fragmentation, overlap, and duplication and achieve other financial benefits." In its most recent report, GAO highlighted a few, new examples of the need for better coordination of potentially overlapping and duplicative programs:

- GAO suggested the Army and Air Force need to improve the management and oversight of their virtual training programs to avoid fragmentation and potential wasteful acquisition of virtual devices. GAO said the government could save tens of millions of dollars.
- GAO warned that the National Park Service, the Fish and Wildlife Service, the Food and Nutrition Service, and the Centers for Disease Control and Prevention do not have a way to ensure their grants are reviewed for potential duplication and overlap.
- GAO recommended the Department of Transportation assess the \$3.6 billion it awards to "transit resilience projects" to ensure it does not duplicate other resilience efforts. Such duplication could include investments by the Federal Emergency Management Agency, the Small Business Administration, the Department of Housing and Urban Development, or others.

These are small examples that illustrate the bigger issue of widespread overlap and duplication among government agencies and programs that GAO has documented for years.

GAO is quick to point out that not every area in which there is overlap or duplication would benefit from a reorganization or restructuring. Simply improving collaboration or coordination, in many cases, would go a long way to improving the government's performance and efficiency. It takes leadership and commitment to overcome bureaucratic barriers and bring

about that kind of collaboration. This committee, among the few in Congress with broad, cross-government jurisdiction, can play an important role in pushing agencies to improve collaboration among overlapping and duplicative programs and agencies.

The Need for a Robust Program Inventory

Though GAO has done a great job highlighting areas of overlap and duplication, a robust, consistent inventory of government programs would help even more. If we do not know what the extent of the duplication and overlap problem is, we will be hard pressed to make progress solving it. The GPRA Modernization Act (Public Law 111-352 -- <http://gt-us.co/2xhn7PC>) included this simple requirement. However, GAO concluded the approach the Executive Branch used to develop the list “has not led to the inventory of all federal programs, along with related budget and performance information, envisioned by the GPRA Modernization Act.”

This list may seem trivial, but it is crucial in the effort to create and manage a more efficient and effective government, especially when it comes to reducing redundancy in government programs across agencies. I know the legislative calendar is full and there are a multitude of priorities across all the members of Congress, but highlighting this requirement and pursuing its completion would provide this committee and other committees of Congress an important tool with which to conduct its oversight, creating a baseline from which to work to improve government performance over the long term. If the Office of Management and Budget (OMB) is unwilling to untangle this important requirement, the Committee should consider asking an independent entity, like the National Academy of Public Administration, to do the work to produce the required inventory.

Recent Experience with Government Reorganization

The most recent, memorable reorganization of Executive Branch agencies was the establishment of the Department of Homeland Security (DHS). After resisting recommendations to rationalize the Homeland Security enterprise and suffering the attacks of September 11th, President George W. Bush and Congress agreed to consolidate 22 different federal departments and agencies that shared the mission of protecting our homeland. Because of the drive to ensure 9/11 would never happen again, agreement and enactment of legislation establishing the new agency was swift. Barely six months after President Bush proposed it (<http://gt-us.co/2xMRDOH>), Congress enacted it.

We are still working to obtain the benefits of integration we hoped to gain when DHS was created. The intent was to improve coordination among disparate entities responsible for security the homeland then scattered across the government. If connecting the dots to anticipate threats was difficult before, it would be easier, presumably, if the entities were together under one cohesive organizational roof.

Coordinating the nation's homeland security enterprise will continue to be an ongoing challenge. In fact, Grant Thornton has partnered with the **Homeland Security & Defense Business Council** on a five-year initiative (<http://gt-us.co/2gIM2or>) that consists of a series of surveys and reports we intend to “serve as a foundation of information, education, and suggested action for the entire **Homeland Security Enterprise** to continue to mature and provide the highest level of security and safety.” In our most recent report, we made a number of important conclusions:

- Joint task forces and other structural coordination mechanisms for collaboration and information sharing should continue to improve and can break down bureaucratic and cultural barriers to mission effectiveness—while preserving complementary authorities, cultures and perspectives.
- Communicating the homeland security story is important. The **Homeland Security Enterprise** should prioritize communications, both internal and external, to promote work being done across the enterprise to build credibility for the systems in place, support employee morale, and educate and engender support from Congress and the public.
- The **Unity of Effort** initiative was well received within **DHS**, particularly its management initiatives such as joint requirements definition. The **Trump Administration** should build on past efforts to continue the needed streamlining and integrated management approach.
- Overall management and oversight continue to mature and improve. Numerous examples of excellent management practices exist across **DHS** that should be acknowledged, examined and replicated. Among these are joint requirements definition, interagency collaboration and strategic sourcing.

Our report and many others highlight the difficulty in achieving the vision of an effective **Homeland Security Enterprise**, even after consolidating its **22** different federal entities. It will be

hard to say when we are there, although I think we would all agree we owe a great deal to the amazing professionals on the front lines protecting us from terrorist attacks every day.

We can always do better. The terrorist threat is evolving constantly. That's why when President Bush proposed the creation of the new DHS, he also sought permanent reorganization authority. We knew what was proposed wouldn't always work most effectively and the ability to reorganize the Department's agencies would strengthen the nation's security. Congress granted the Secretary of Homeland Security this authority (<http://gt-us.co/2w2oxZp>), underscoring the rare trust Congress placed in the Executive Branch at the time. Relinquishing such authority to the new Department was an anomaly.

The Need for Transparency and Collaboration

But trust is not just important between Congress and the current administration. State and local governments, the public, federal employees and their unions, interest groups, key thought leaders, and other external stakeholders all play a key role in the success or failure of ambitious government reorganization and restructuring efforts. And trust is developed in government policy formulation by creating a transparent structure for communication and sharing of information with key stakeholders.

The effort to create the new Department was done in strict secrecy. Relevant officials exclusively within the Executive Office of the President met literally in an underground bunker – the Presidential Emergency Operations Center – to draw up plans for reorganizing our homeland security enterprise. When it was proposed publicly, it was a surprise. But as I mentioned, it was enacted within months. 9/11 produced near unanimity that we needed to do something to shore up our nation's protection, so resistance to the new organization was limited. That is not going to be true in most reorganizations.

During the Bush Administration, we invested a lot to improve the performance and management of every program. With the Program Assessment Rating Tool (<http://gt-us.co/2wPFA2K>), we assessed each program's goals, management and results. After several years, we had a basis with which to compare like programs. Based on our analysis in one area, we proposed the consolidation of 18 community and economic development programs into a two-part grant proposal called the "Strengthening America's Communities Initiative" (<http://gt-us.co/2wCnnHG>). Programs managed by five federal agencies -- the Department of

Housing and Urban Development, the Economic Development Administration in the Department of Commerce, the Department of the Treasury, the Department of Health and Human Services, and the Department of Agriculture – would have been transferred to the Commerce Department. We also proposed a net reduction in funding. Our logic was that programs with less than superior performance would benefit from being consolidated with higher performing ones. And, if they were better performing, we would get better results with less money. Pristine logic with which not everyone agreed.

The Strengthening America’s Communities Initiative got a cool reception. Among the programs we were consolidating was the very popular Community Development Block Grant program. And like with DHS, the proposal was developed within the Executive Branch without the benefit of collaboration with external stakeholders, including Congress. Hearings on the proposal highlighted its lack of stakeholder consultation, dramatic reduction in funding, and alteration of eligibility formulas. The only impact stakeholders could see was negative, because they hadn’t been sold on the benefits. The proposal never really had a chance.

Recent Requests for Reorganization Authority

I’ve mentioned the issue of trust. And this committee knows well that up until the 1980s, Congress granted the President reorganization authority (<http://gt-us.co/2eBZ16U>). Since then, every President has sought it, but Congress has not adequately trusted the President to grant it. President Bush proposed the Federal Agency Performance Review and Sunset Act (<http://gt-us.co/2wC3gJs>). It was introduced in both the House and the Senate. It would have established a commission, modeled after Sunset Commissions operating at the time in many states, with the job of reviewing programs and recommending them for reform, revision, or termination. It’s important to note that about half of the states successfully administer sunset-like commissions today. Combined with BRAC-like expedited Congressional consideration, a federal Sunset Commission could be a powerful device to reorganize, restructure, and reform government. Like BRAC, it could have depoliticized the reorganization debate. But the bill didn’t get very far. In one insightful Rolling Stone magazine story (<http://gt-us.co/2vOCFJU>), the legislation was described in menacing terms:

The Sunset Commission would go even further. The panel — which will likely be composed of “experts in management issues,” according to one senior OMB official — will enable the administration to terminate entire government programs that protect citizens against injury and death.

I assure you that was not our goal. But it highlights that we will need to overcome this level of mistrust to get very far on the reorganization path. Partisanship certainly has not abated much since then.

Lessons Learned from Government Reorganizations of the Past

I am not sure Presidential reorganization authority is likely to be enacted by Congress anytime soon. But tweaking the Executive Branch's structure and governance will continue. So it is important to document some of the things we have learned from past reorganization efforts:

- It is crucial to have agreement on what outcomes we are trying to achieve before embarking on a reorganization or restructuring. Not until you agree on the outcome can you really assess whether what you are proposing is going to help or hurt.
- Before announcing a reorganization proposal – perhaps even before fully developing a reorganization proposal, engage in active collaboration with internal and external stakeholders – bring them into the conversation and solicit their input. In most cases, with the exception of those driven by crises, a surprise reorganization proposal will be met with substantial opposition. And with so many avenues available to those who would block it, it is essential that stakeholders be on board before proposals are publicly announced. In particular, if members of Congress are not at the table as current reorganization proposals are being developed, prospects for their success are dim.
- Do not expect savings early in a reorganization. Reorganizations are expensive. Workforces need to be moved and right-sized, infrastructures need to be consolidated, and cultures must be unified. These changes, even when implemented efficiently, can take years. We will not be balancing the budget on reorganizations.
- Enactment of a reorganization is just the beginning. As we have seen with DHS, the benefits of reorganization or restructuring come long after enactment.

Rarely mentioned, but perhaps just as important as Executive Branch reorganization or restructuring, is Legislative Branch reorganization. Every agency has multiple committees of jurisdiction. More than 90 committees and subcommittees have some jurisdiction over DHS. The government's performance and efficiency would benefit from streamlining the way Congress authorizes, oversees, and appropriates.

Recommendations of the Commission on Evidence-based Policymaking

I'd be remiss not to mention in my testimony the recent recommendations (<http://gt-us.co/2eMekgY>) of the Commission on Evidence-based Policymaking, of which I served as a member. The Commission was a product of bipartisan collaboration between Speaker of the House Paul Ryan and Senator Patty Murray and sought recommendations on ways to improve access to data for use in analysis of program performance and integration of the resulting evidence in policymaking. I was proud to be nominated to the Commission by Senate Majority Leader McConnell and we've been hard at work over the past year to develop practical recommendations you can act on to strengthen evidence-based practices across government.

Among the recommendations we made in last week's report:

- Establish a National Secure Data Service by bringing together existing expertise now across government.
- Resolve inconsistencies and barriers in law for better use of existing data.
- Streamline the process by which researchers access data.
- Conduct and disclose comprehensive risk assessments for publicly released de-identified confidential data.
- Improve privacy protections with better technology and greater coordination.
- Strengthen OMB's existing guidance on maintaining public trust by codifying Statistical Policy Directive 1.
- Align capacity for statistics, evaluation and policy research within and across departments and tailor administrative processes to make these efforts less costly for government to execute.
- OMB should coordinate these efforts and consider strategies to prioritize evidence-building within OMB.

You can find a lot more detail about our findings and recommendations in the report we released last week. You can find the report here: <http://gt-us.co/2eMekgY>. Ultimately, our hope is Congress and the President can work together to rationalize the ad hoc way in which researchers access data for the purposes of conducting analysis and evaluation and agencies drive the development and use of evidence in their operations. If you are successful, you will have a lot better information with which to make decisions, including about potential reorganizations.

Conclusion

The President's Executive Order on Government Reorganization presents our government with an enormous opportunity to fix glaring deficiencies that have significantly worsened in recent decades. Whether we take that opportunity depends in large part on the collaborative approach the Administration takes with its proposals and the willingness of this committee to enact them. And as I noted previously, the benefits of reorganization or restructuring will not be realized for years. However, it is my hope we will see the leadership and commitment necessary to make these long-overdue changes to our federal government, so that it works more effectively and efficiently for the American people.