



The Trump Administration's *Reform Plan and Reorganization Recommendations*

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On June 21, 2018, the Office of Management and Budget (OMB) issued *Delivering Government Solutions in the 21st Century: Reform Plan and Reorganization Recommendations* (the *Reform Plan*). The *Reform Plan* followed from Executive Order 13781, “Comprehensive Plan for Reorganizing the Executive Branch,” issued by President Donald J. Trump on March 13, 2017, and an OMB memorandum, M-17-22, “Comprehensive Plan for Reforming the Federal Government and Reducing the Federal Civilian Workforce,” issued on April 12, 2017. Federal agencies were required to submit initial agency reform plans to OMB in June 2017, work with OMB to refine these plans, and submit finalized versions to OMB concurrent with their FY2019 budget requests. These proposals, together with analysis presented in the *President’s Management Agenda*, formed the basis of the *Reform Plan*.

The executive order specified that the goal of the plan should be to “improve the efficiency, effectiveness, and accountability of agencies.” It further instructed that the “proposed plan shall include, as appropriate, recommendations to eliminate unnecessary agencies, components of agencies, and agency programs, and to merge functions.” It directed that “the proposed plan shall include recommendations for any legislation or administrative measures necessary to achieve the proposed reorganization.” The *Reform Plan* indicated that agency reform plans were evaluated against their ability to improve alignment with required missions, to provide better service to customers and stakeholders, and to provide for more effective “stewardship” of tax funds. The report notes that “[r]eorganization is a key tool that private-sector companies regularly employ to maintain relevance, efficiency, and effectiveness over time.”

The *Reform Plan* states that the Administration is pursuing a “deep-seated transformation” through its proposals together with those of the *President’s Management Agenda*. It delineates “initial organizational reform priorities” in the form of 32 cross-agency reorganization proposals in three categories: those that improve mission alignment, those that improve management and the stewardship of tax funds, and those that address areas where the government is perceived to be failing both to fulfill a mission and to be effectively managed. The report also identifies 50 “modest” organizational changes that each appear to

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involve within-agency changes.

The 32 cross-agency proposals include, for example, those that would

- merge the Departments of Education and Labor;
- move certain nutrition assistance programs from the Department of Agriculture (USDA) to the Department of Health and Human Services;
- move the Army Corps of Engineers Civil Works from the Department of Defense (DOD) to the Department of Transportation and the Department of the Interior (DOI);
- transfer the food safety functions of the Food and Drug Administration and those of USDA to a single agency within USDA;
- merge the National Marine Fisheries Service, which is part of the National Oceanic and Atmospheric Administration at the Department of Commerce (DOC), with the Fish and Wildlife Service at DOI;
- combine certain development finance tools, including those of the Overseas Private Investment Corporation and the Development Credit Authority of the U.S. Agency for International Development (USAID), into a newly established Development Finance Institution;
- comprehensively reorganize the headquarters bureaus and independent offices of USAID;
- move the policymaking functions of the Office of Personnel Management (OPM) to the Executive Office of the President;
- reorganize the U.S. Census Bureau, the Bureau of Economic Analysis, and the Bureau of Labor Statistics under the Under Secretary of Commerce for Economic Affairs;
- sell the transmission assets owned and operated by the Tennessee Valley Authority and the power marketing administrations within the Department of Energy;
- restructure the U.S. Postal Service to improve sustainability or prepare it to be converted to a private corporation;
- consolidate the management of graduate research fellowships of smaller federal agencies in the National Science Foundation;
- transition the business and recordkeeping practices of federal agencies to electronic government; and
- transfer the National Background Investigations Bureau from OPM to DOD.

The *Reform Plan* notes that “some of the recommendations identified in this volume can be achieved via Executive administrative action, [while] more significant changes will require legislative action as well.” The CRS Report *Executive Branch Reorganization* discusses the authorities that have been used to reorganize the executive branch.

Movement of organizational entities and statutory functions from one department to another usually requires a change in the law. In general, in those instances in which a proposal would change the organizational location of a bureau, office, administration, agency, or program that has been established by law in a particular department, Congress and the President would need to enact legislation to change the law and effect these changes. Likewise, where a statute has vested specific authorities, resources, and responsibilities in a Secretary or other officer of the United States, a new law would be needed to vest those authorities in a different Secretary.

Reorganization within a department might require a change in law, if arrangements are established in law, or it might be carried out administratively, if not. In most departments, Secretaries have used their administrative authority to establish at least some of the organizational arrangements so as to facilitate the

execution of the functions that the law has assigned to them. In many cases, laws have vested authorities in the Secretary, leaving it to her or his discretion to delegate these as she or he sees fit. In some cases, the law indicates that the Secretary is to carry out the vested authority through a particular office or other subunit.

Reorganization often involves budgetary changes, and where these changes involve funds that are allocated through the appropriations process, changes to the appropriations of one or more departments might be necessary. In many cases, communication with, or approval of, Congress is required in order to make such changes.

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