Congressional Research Service
Informing the legislative debate since 1914

The Office of Personnel Management (OPM): An Overview

Updated October 20, 2026

Congressional Research Service
https://crsreports.congress.gov
R46833

CRS REPORT
Prepared for Members and
Committees of Congress

Congressional Research Service
Informing the legislative debate since 1914

The Office of Personnel Management (OPM): An Overview

SUMMARY

The Office of Personnel Management (OPM) is authorized by statute to perform various duties and functions that are related to human resources management and personnel policies for the federal government. The antecedent of OPM may be traced to the enactment of the Civil Service Act of 1883, known as the Pendleton Act, which statutorily established some underlying aspects of today's federal personnel system. The act also established the Civil Service Commission (CSC), which was originally intended to insulate the hiring and management of federal employees from partisan political influence.

The CSC continued with much the same role until 1978, when Congress passed the Civil Service Reform Act and replaced the CSC with OPM. OPM currently identifies several areas central to its work that are referred to as "key functions," including human capital management, administration of federal employee benefit programs, and the vetting of job candidates.

OPM's funding is included in the annual Financial Services and General Government Appropriations Act. For FY2026, OPM's operating budget—including discretionary appropriations, mandatory administrative authorities, revolving fund activities, advance and reimbursements, and Office of the Inspector General (OIG) discretionary appropriations—was $920,950,825, and the agency had 2,171.2 full-time-equivalent employees.

This report discusses OPM's establishment, statutory authority, mission, key functions, organization, budget, and performance. In practice, OPM's role in federal workforce management spans a spectrum, from functions in which it exercises substantial government-wide authority and oversight to those in which it establishes broad requirements and delegates more discretion to individual executive branch agencies. This report discusses three examples of workforce activities—hiring, performance, and reductions in force—where this balance between centralization within OPM and delegation to agencies can be analyzed. Finally, this report raises several issues for congressional consideration regarding OPM's role in implementing federal workforce reforms, OPM's capacity to deliver on its mission, and potential trade-offs associated with the varying degrees to which workforce management is centralized within OPM.

R46833

October 20, 2026

Taylor N. Riccard
Analyst in Government Organization and Management

Contents

Introduction 1
Statutory Authority 1
Mission, Key Functions, and Organization 2
OPM's Operating Budget 4
Performance 6
The Role of OPM in Federal Workforce Management 7
- Competitive Service Hiring 7
- Employee Performance 7
- Reductions in Force 8

Issues for Congressional Oversight 8
- OPM's Role in Recent Federal Workforce Policy Reforms 8
- OPM Staffing and Budget Changes 10
- Centralizing Versus Delegating Federal Workforce Management Responsibilities 10

Figures

Figure 1. OPM Organizational Chart 4
Figure 2. OPM Budget by Fund, FY2025-2027 6

Contacts

Author Information 12

Introduction

The Office of Personnel Management (OPM) is the federal government's central human resources agency and is responsible for providing leadership and oversight of the federal civilian workforce. The antecedent of OPM may be traced to the enactment of the Civil Service Act of 1883, known as the Pendleton Act, which statutorily established some underlying aspects of today's federal personnel system.[1] Prior to the Pendleton Act, according to OPM, "[f]ederal employment was largely based on political affiliation or personal connections, a system known as the 'spoils system,' rather than applicants' knowledge, skills, and abilities."[2] The Pendleton Act and the resulting merit system, OPM says, "ushered in a new era and created a competitive civil service, which emphasized an applicant's relative level of qualifications for the position being sought, after fair and open competition."[3] The act established the Civil Service Commission, which was intended to insulate the hiring and management of federal employees from partisan political influence.[4]

The Civil Service Commission continued with much the same role until the enactment of the Civil Service Reform Act of 1978 (CSRA; P.L. 95-454), which created OPM.[5] The CSRA authorized significant leadership roles in federal human resources management and personnel policy for OPM.[6] By consolidating human resources leadership within OPM, Congress intended for the agency "to concentrate on planning and administering an effective government-wide program of personnel management."[7]

Statutory Authority

Generally, the statutory provisions governing OPM are codified in Title 5 of the *U.S. Code* and, specifically, in Chapter 11. Section 1103(a) of Title 5 vests the OPM director with fulfilling various functions, including "executing, administering, and enforcing (A) the civil service rules and regulations … and the laws governing the civil service; and (B) the other activities of [OPM] including retirement and classification activities; except with respect to functions for which the Merit Systems Protection Board or the Special Counsel is primarily responsible."[8]

In addition, the OPM director is responsible for "aiding the President … in preparing such civil service rules as the President prescribes, and otherwise advising the President on actions which may be taken to promote an efficient civil service and a systematic application of the merit

[1] P.L. 47-16, Civil Service Act of 1883, January 16, 1883 (22 Stat. 403). This law's historical context is discussed in CRS Report RL30795, *General Management Laws: A Compendium*, by Clinton T. Brass et al. (available to congressional clients on request), in the section titled "Title 5, Part III—Employees," by Barbara Schwemle, p. 265.

[2] OPM, *Annual Performance Report: Fiscal Year 2020*, January 2021, https://web.archive.org/web/20220122121811/https://www.opm.gov/about-us/budget-performance/performance/2020-annual-performance-report.pdf.

[3] OPM, *Annual Performance Report: Fiscal Year 2020*.

[4] See CRS Report RL30795, *General Management Laws: A Compendium*, by Clinton T. Brass et al. (available to congressional clients on request), in the section titled "Title 5, Part II—Civil Service Functions and Responsibilities," by Barbara Schwemle, p. 248.

[5] See CRS Report RL30795, *General Management Laws: A Compendium*, by Clinton T. Brass et al. (available to congressional clients on request), p. 245. See also Reorganization Plan No. 2 of 1978, May 23, 1978 (92 Stat. 3783).

[6] See CRS Report RL30795, *General Management Laws: A Compendium*, by Clinton T. Brass et al. (available to congressional clients on request), p. 248.

[7] See CRS Report RL30795, *General Management Laws: A Compendium*, by Clinton T. Brass et al. (available to congressional clients on request), p. 248.

[8] 5 U.S.C. §1103(a).

system principles, including recommending policies relating to the selection, promotion, transfer, performance, pay, conditions of service, tenure, and separation of employees."[9]

Under Section 1103(a), the director's responsibilities also include, among others, "securing accuracy, uniformity, and justice" in OPM's functions; "appointing individuals to be employed" by the agency; directing and supervising those employees; "distributing business among [OPM's] employees and organizational units"; "directing the [agency's] internal management"; and "directing the preparation of requests for appropriations … and the use and expenditure of funds" for and by OPM.[10]

The Office of the Director "provides guidance, leadership, and direction necessary to achieve OPM's mission to lead and serve the Federal Government by delivering policies and services to achieve a trusted, effective civilian workforce."[11]

Section 1303 of the Chief Human Capital Officers Act of 2002 (P.L. 107-296), enacted on November 25, 2002, established the Chief Human Capital Officers Council. The council members include the OPM director, the deputy director for management of the Office of Management and Budget, and the chief human capital officers from 27 departments and agencies.[12] The OPM director acts as chairperson of the council, which is required to "meet periodically to advise and coordinate the activities of the agencies of its members on such matters as modernization of human resources systems, improved quality of human resources information, and legislation affecting human resources operations and organizations."[13]

Mission, Key Functions, and Organization

As the federal government's central personnel agency, OPM has responsibilities related to human capital management, administration of federal employee benefit programs, and vetting of job candidates. In recent years, OPM has included a mission statement and a list of core values in its strategic plans. For example, the agency's *Strategic Plan: Fiscal Years 2026-2030* mission statement is "OPM leads federal agencies in building merit-based, accountable, and modern workforce systems that attract and retain top talent to meet America's toughest challenges."[14]

OPM's website identifies key functions that are central to the work of the agency, including the following:

- **Workforce Management.** "OPM guides and supports federal agencies' workforce management [by] develop[ing] and oversee[ing] government-wide workforce policies and systems. [OPM is] responsible for certain government-wide personnel management activities, such as the pay classification system. [OPM] provide[s] technical support and guidance to help agencies successfully implement these policies and systems."[15]

[9] 5 U.S.C. §1103(a).

[10] 5 U.S.C. §1103(a).

[11] OPM, "Organizational Framework," https://www.opm.gov/about-us/reports-publications/agency-plans/fy-2024-congressional-budget-justification/organizational-framework/.

[12] OPM, "Chief Human Capital Officers (CHCO) Council," https://www.opm.gov/chcoc/.

[13] 5 U.S.C. §1401 note.

[14] OPM, *Strategic Plan: Fiscal Years 2026-2030,* March 2026, p. 4, https://www.opm.gov/about-us/reports-publications/opm-fy-2026-2030-strategic-plan-1.pdf.

[15] OPM, "About Us: Our Work," https://www.opm.gov/about-us/our-work/.

- **Employee Benefits.** OPM provides benefits for federal employees and their families. OPM administers policies and programs including health insurance services, dental and vision benefits, flexible spending accounts, life insurance, and long-term care insurance programs. OPM is also responsible for administering comprehensive retirement savings programs.[16]
- **Vetting and Credentialing.** As the Suitability and Credentialing Executive Agent,[17] OPM's director is responsible for prescribing suitability, fitness, and credentialing standards for employment; prescribing position designation requirements with respect to the level of risk the position carries to the integrity and efficiency of the service; prescribing applicable investigative standards, policies, and procedures for credentialing employees and for determining their suitability and fitness; prescribing reciprocity standards; and making suitability determinations and taking actions to enforce those determinations.[18]

To support OPM's key functions, the agency is organized into program divisions, including (1) Healthcare and Insurance, (2) Human Resources Solutions, (3) Merit System Accountability and Compliance, (4) Retirement Services, (5) Suitability Executive Agent, and (6) Workforce Policy and Innovation.[19] **Figure 1** shows the organization chart for OPM, as obtained from OPM's FY2027 *Congressional Budget Justification*.

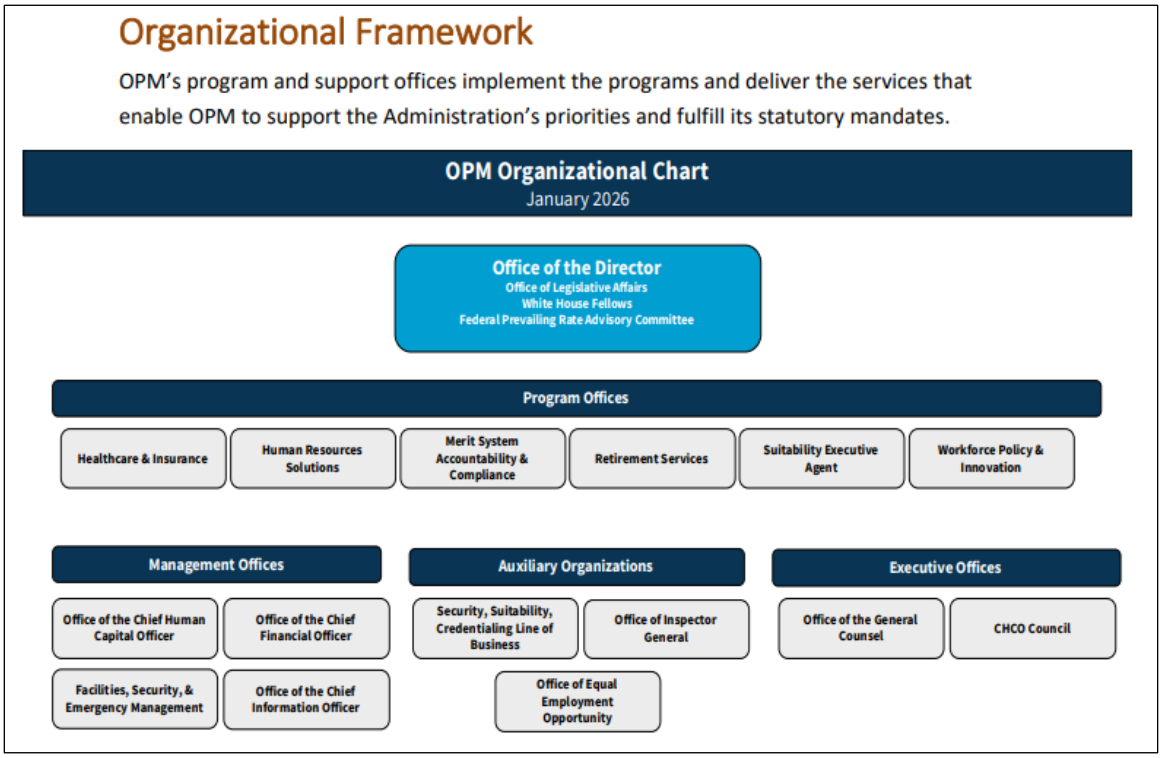
[16] OPM, "About Us: Our Work," https://www.opm.gov/about-us/our-work/.

[17] Executive Order 13467 of June 30, 2008, "Reforming Processes Related to Suitability for Government Employment, Fitness for Contractor Employees, and Eligibility for Access to Classified National Security Information," 73 *Federal Register* 38103, July 2, 2008, https://www.federalregister.gov/documents/2008/07/02/08-1409/reforming-processes-related-to-suitability-for-government-employment-fitness-for-contractor.

[18] OPM, "About Us: Our Work," https://www.opm.gov/about-us/our-work/.

[19] OPM, *Congressional Budget Justification: Fiscal Year 2027*, April 2026, p. 21, https://www.opm.gov/about-us/cbj-2026-pdfs/opm-fy-2027-congressional-budget-justification.pdf.

Figure 1. OPM Organizational Chart



Source: Office of Personnel Management (OPM), *Congressional Budget Justification: Fiscal Year 2027*, April 2026, p. 21, https://www.opm.gov/about-us/cbj-2026-pdfs/opm-fy-2027-congressional-budget-justification.pdf.

Note: CHCO Council = Chief Human Capital Officers Council.

OPM's Operating Budget

OPM's activities are funded from multiple sources. OPM receives several sources of discretionary funds to support its program and leadership activities,[20] and OPM manages certain mandatory appropriations and related trust funds for federal employee benefits.[21] Several statutory provisions authorize OPM to make certain trust fund transfers to cover OPM's costs for administering these programs. Principal sources of funding for OPM's administrative activities—which OPM refers to as its "operating budget"—include the following:[22]

[20] OPM's annual congressional budget justification provides detailed budget information about OPM's administrative activities. See OPM, *Congressional Budget Justification: Fiscal Year 2027*, April 2026, https://www.opm.gov/about-us/cbj-2026-pdfs/opm-fy-2027-congressional-budget-justification.pdf.

[21] OPM manages several mandatory spending programs that amount to tens of billions of dollars per year, including federal employee retirement systems, health insurance, and life insurance. This CRS Report focuses on OPM's administrative budget rather than the mandatory spending programs, which finance "the Retirement Program for Federal civilian employees and provide retirement benefits for 2.8 million retirees and survivors; finance the health insurance for an estimated 8.2 million employees, retirees, and eligible family members; and provide life insurance coverage for 4.6 million employees and retirees." OPM, *Congressional Budget Justification: Fiscal Year 2027*, p. 49. For more information about the cost of the mandatory spending programs, see OPM, *Agency Financial Report: Fiscal Year 2025*, December 2025, https://www.opm.gov/about-us/reports-publications/agency-archive/2025-agency-financial-report.pdf.

[22] For reference to the operating budget, see OPM, *Congressional Budget Justification: Fiscal Year 2027*, p. 7.

- The Salaries and Expenses appropriations account funds many of the core operations of OPM.[23] The functions and objectives of the agency's major components are funded by this account, including employee services, merit system accountability and compliance, retirement services program, and healthcare and insurance.[24]
- The Office of the Inspector General (OIG) appropriations account funds OIG efforts to "protect the integrity of OPM's programs and operations. The OPM OIG's audits, investigations, evaluations, and administrative sanctions programs serve to prevent and detect fraud, waste, abuse, and mismanagement."[25]
- Transfers from OPM-managed trust funds partially pay for some of OPM's activities. The agency is responsible for administering civil service retirement and insurance programs. The trust fund transfers partially fund Retirement Services, Healthcare and Insurance, Planning and Policy Analysis, Office of the Chief Information Officer, and Office of the Chief Financial Officer operations.[26]
- The Revolving Fund is composed of fees or "charged to federal agency customers for personnel vetting, human resources solutions, and related services."[27] Services funded by the Revolving Fund include background investigations, human resources services as well as related tools and technologies.[28]

OPM's annual congressional budget justification typically includes detailed information about all the components of OPM's operating budget. **Figure 2** provides more detailed information from OPM's FY2027 budget justification.

[23] Office of Management and Budget (OMB), *Budget of the U.S. Government: Appendix, FY2027*, p. 1129, https://www.govinfo.gov/content/pkg/BUDGET-2027-APP/pdf/BUDGET-2027-APP.pdf. See also OPM, *Congressional Budget Justification: Fiscal Year 2027*, https://www.opm.gov/about-us/cbj-2026-pdfs/opm-fy-2027-congressional-budget-justification.pdf.

[24] OMB, *Budget of the U.S. Government: Appendix, FY2027*, pp. 1129-1130.

[25] OMB, *Budget of the U.S. Government: Appendix, FY2027*, p. 1131.

[26] OPM, *Congressional Budget Justification: Fiscal Year 2027*, p. 8, https://www.opm.gov/about-us/cbj-2026-pdfs/opm-fy-2027-congressional-budget-justification.pdf.

[27] OPM, *Congressional Budget Justification: Fiscal Year 2027*, p. 9.

[28] OPM, *Congressional Budget Justification: Fiscal Year 2027*, p. 9.

Figure 2. OPM Budget by Fund, FY2025-2027

OPM Budget by Fund FY 2025 through FY 2027 - OIG Included in Table

OPM Budget Authority	FY 2025 Enacted	FY 2026 Enacted	FY 2027 CBJ
Discretionary Appropriation	**$412,051,000**	**$382,140,000**	**$375,000,000**
Salaries and Expenses Total	**$219,076,000**	**$167,535,000**	**$145,973,000**
Salaries & Expenses	$219,076,000	$167,535,000	$145,973,000
Trust Fund Annual Total	**$192,975,000**	**$214,605,000**	**$229,027,000**
Mandatory Administrative Authorities	**$101,006,310**	**$86,657,178**	**$86,315,535**
Trust Fund Mandatory Authority	**$101,006,310**	**$86,657,178**	**$86,315,535**
5 U.S.C. § 8348 (a)(1)(B) - Retirement	$81,201,757	$69,237,123	$68,933,655
5 U.S.C. § 8958(f)(2)(A) & 5 U.S.C. § 8988(f)(2)(A) - Dental & Vision	$16,178,250	$15,199,719	$15,175,453
5 U.S.C. § 9004(f)(B) - Long-Term Care	$1,108,800	$855,716	$850,308
FERCCA (P.L. 106-265) - Retirement	$2,517,503	$1,364,620	$1,356,119
Revolving Fund	**$607,723,722**	**$391,963,288**	**$605,290,160**
Advance and Reimbursements	**$53,682,352**	**$24,159,359**	**$26,240,886**
OIG Discretionary Appropriation	**$36,031,000**	**$36,031,000**	**$32,428,000**
Salaries & Expenses - OIG	$6,839,000	$6,839,000	$6,217,000
Trust Fund Annual - OIG	$29,192,000	$29,192,000	$26,211,000
OPM Total	**$1,210,494,384**	**$920,950,825**	**$1,125,274,581**

Source: Office of Personnel Management (OPM), *Congressional Budget Justification: Fiscal Year 2027,* April 2026, p. 7, https://www.opm.gov/about-us/cbj-2026-pdfs/opm-fy-2027-congressional-budget-justification.pdf.

Note: OIG = Office of Inspector General; CBJ = congressional budget justification; FERCCA = Federal Erroneous Retirement Coverage Corrections Act.

For FY2026, OPM's operating budget—including discretionary appropriations, mandatory administrative authorities, revolving fund activities, advance and reimbursements, and OIG discretionary appropriations—was $920,950,825, and the agency had 2,171.2 full-time-equivalent employees.[29] For further discussion, see the "OPM Staffing and Budget Changes" section.

Performance

The Government Performance and Results Act (GPRA; P.L. 103-62) requires most agencies to set goals, measure performance, and report this information to Congress for potential use.[30] OPM provides its information in multiyear strategic plans, annual plans, and annual reports.[31] OPM explained that its strategic plan for FY2026-FY2030 outlines three goals to "strengthen the federal workforce and modernize human capital management across government."[32] This strategic plan highlights three primary agency goals and establishes a series of objectives and sub-objectives associated with each goal. These are the three primary goals identified for FY2026-FY2030:

Goal 1: Attract and Retain Top Talent[33]

[29] OPM, *Congressional Budget Justification: Fiscal Year 2027*, p. 10.

[30] For a discussion, see CRS Report R42379, *Changes to the Government Performance and Results Act (GPRA): Overview of the New Framework of Products and Processes*, by Clinton T. Brass.

[31] OPM, "About Us: Reports & Publications," https://www.opm.gov/about-us/reports-publications/.

[32] OPM, *Strategic Plan: Fiscal Years 2026-2030*, March 2026, p. 6, https://www.opm.gov/about-us/reports-publications/opm-fy-2026-2030-strategic-plan-1.pdf.

[33] OPM, *Strategic Plan: Fiscal Years 2026-2030*, p. 7.

Goal 2: Deliver High-Quality, Efficient Service[34]

Goal 3: Lead America's AI-Ready Workforce[35]

GPRA also requires agencies to publish agency performance plans annually to, among other things, assess each agency's progress toward achieving the performance goals that it outlined in its strategic plan. At the time of this report's publication, OPM has not published an agency performance plan associated with the FY2026-F2030 strategic plan.[36]

The Role of OPM in Federal Workforce Management

Federal workforce management functions are distributed across a spectrum of centralized and decentralized activities. Some functions are administered more centrally by OPM, while others are delegated to, or administered directly by, individual executive branch agencies. The degree of OPM involvement varies from establishing government-wide requirements and exercising direct oversight to providing guidance and allowing agencies substantial discretion in implementation. These different approaches may involve trade-offs between promoting consistency and uniformity on the one hand and providing agencies with greater flexibility to tailor workforce policies and practice to their needs on the other.

Competitive Service Hiring

Competitive service hiring provides an example of a workforce management function in which OPM establishes a government-wide framework and affords agencies substantial discretion in implementation.[37] OPM establishes the standards and procedures governing the competitive hiring process, while agencies generally determine when to use these standards and procedures to fill positions, which positions to fill, and which permissible assessment tools to use to evaluate candidates in practice. This gives agencies flexibility to use the process established by OPM in ways that reflect their individual missions, organizational structures, budgets, and personnel needs. This discretion may enable agencies to respond to changing staffing needs while maintaining their commitment to merit-based hiring principles.

Employee Performance

Employee performance assessment illustrates a somewhat different allocation of responsibilities between OPM and individual agencies. OPM establishes regulations and standards for performance management, including the basic framework for how federal employes are to be assessed.[38] Agencies are required to assess the performance of their personnel within this framework, but they have substantial responsibility for designing and administering their own

[34] OPM, *Strategic Plan: Fiscal Years 2026-2030*, p. 8.

[35] OPM, *Strategic Plan: Fiscal Years 2026-2030*, p. 9. AI = artificial intelligence.

[36] The most recent OPM annual agency performance plan was included in the FY2025 congressional budget justification. See OPM, *Congressional Budget Justification and Annual Performance Plan: FY2025*, March 2024, https://www.opm.gov/about-us/fy-2025-congressional-budget-justification-and-annual-performance-plan/fy-2025-congressional-budget-justification-and-annual-performance-plan.pdf.

[37] For further information on the competitive hiring process for civil service positions, see CRS Report R48750, *Federal Hiring Process for Positions in the Competitive Civil Service: Overview and Recent Reforms*, by Taylor N. Riccard and Barbara L. Schwemle.

[38] 5 U.S.C. §4302; 5 C.F.R. Part 430.

performance appraisal systems, including establishing performance expectations that reflect their missions, their organizational structures, and the duties of particular positions. OPM reviews and approves the systems that agencies design and evaluates their implementation on a biennial basis.

This division of responsibility may allow OPM the oversight capability to help promote consistency, accountability, and fairness in federal employee performance management while creating enough flexibility to allow agencies to design performance appraisal systems that account for differences in their missions and workforce compositions. However, OPM ultimately has the final say on whether an agency's performance appraisal system meets the requirements established by law, regulation, and OPM policy.

Reductions in Force

Reduction in force (RIF) procedures provide an example of a workforce management function in which OPM exercises a comparatively high degree of centralized authority and agencies have less discretion in implementation.[39] Agencies retain the authority to determine whether a RIF is necessary and when it will occur; however, once an agency decides to conduct a RIF, it must follow the detailed requirements established in statute and implemented through OPM regulation, including rules governing competitive areas, retention standing, employee notification, and appeals. This relatively prescriptive framework may reflect the importance of fairness and impartiality in administering RIFs. The rigidity of this process may help prioritize uniformity and consistency while still allowing agencies limited flexibility to decide when to use the process in response to the conditions that may give rise to a RIF.

Issues for Congressional Oversight

For congressional oversight purposes, several issues related to OPM's varied responsibilities and capacity as an agency may warrant consideration. Recent federal workforce reforms, including changes to hiring and workforce downsizing, may increase demands on OPM as it develops government-wide policies, provides guidance, and oversees implementation of those policies and guidance. At the same time, reductions in OPM's staffing levels could raise questions about the agency's capacity to perform its responsibilities effectively. More broadly, Congress may wish to consider how the appropriate balance between centralized OPM oversight and agency-level discretion could change as federal workforce management priorities and needs evolve.

OPM's Role in Recent Federal Workforce Policy Reforms

The second Trump Administration has made significant changes to several aspects of federal workforce management policy, including hiring, workforce downsizing, and federal employee appeals. These changes may have increased OPM's administrative and oversight burden, which might raise questions regarding OPM's capacity to effectively carry out its responsibilities.

- On January 20, 2025, President Trump issued Executive Order (EO) 14170, "Reforming the Federal Hiring Process and Restoring Merit to Government Service."[40] This EO directed the Assistant to the President for Domestic Policy—in collaboration with the OPM director, the Office of Management and Budget

[39] For more information, see CRS In Focus IF12908, *Reductions in Force (RIFs): An Overview*, by Taylor N. Riccard.

[40] Executive Order 14170 of January 20, 2025, "Reforming the Federal Hiring Process and Restoring Merit to Government Service," 90 *Federal Register* 8621, January 30, 2025, https://www.federalregister.gov/documents/2025/01/30/2025-02094/reforming-the-federal-hiring-process-and-restoring-merit-to-government-service.

director, and the administrator of the Department of Government Efficiency—to develop a federal hiring plan to send to agency heads across the federal government.

- On May 29, 2025, Vince Haley, Assistant to the President for Domestic Policy, and Charles Ezell, then-Acting Director of OPM, issued a memorandum titled "Merit Hiring Plan," which outlines changes to the federal hiring process that implement the requirements of EO 14170.[41] These changes include reforming the recruitment process, implementing skills-based hiring, revising the application process, and reducing time to hire.
- On October 15, 2025, President Trump issued EO 14356, "Ensuring Continued Accountability in Federal Hiring," outlining further instructions for implementing the Merit Hiring Plan and additional agency requirements.[42] The Merit Hiring Plan requires each agency to provide a report to update OPM on its progress implementing the plan. EO 14356 newly requires each agency to prepare an annual staffing plan as well as quarterly updates that are submitted to OPM for review.

These policy developments may expand OPM's oversight and administrative workload. In addition to developing and implementing government-wide plans and guidance, OPM must receive and review agency reports, potentially increasing demands on OPM's capacity to monitor agency compliance and progress.

In addition, the Trump Administration has pursued downsizing the federal workforce through means such as RIFs, the deferred resignation program (DRP), and Voluntary Early Retirement Authority (VERA).[43] OPM has a role in each of these workforce downsizing mechanisms.

- In the case of RIFs, OPM is responsible for providing guidance to agencies on RIF procedures, receiving and approving agency requests to shorten RIF notice periods, and assessing employee appeals.[44]
- The DRP was a new program established by the Trump Administration via OPM in January 2025.[45] The DRP offered executive branch employees the choice to be placed on administrative leave and retain their pay and benefits until September 30, 2025, when they would be officially separated from federal employment. Approximately 140,000 employees participated in the DRP in 2025.[46]
- OPM authorized agencies to offer VERA, which allows agencies to offer voluntary early retirement to certain employees in situations of restructuring or downsizing, in tandem with the DRP.

[41] Memorandum from Vince Haley, Assistant to the President for Domestic Policy, and Charles Ezell, Acting Director, OPM, to heads and acting heads of departments and agencies, "Merit Hiring Plan," May 29, 2025, https://www.chcoc.gov/content/merit-hiring-plan.

[42] Executive Order 14356 of October 15, 2025, "Ensuring Continued Accountability in Federal Hiring," 90 *Federal Register* 48387, October 20, 2025, https://www.federalregister.gov/documents/2025/10/20/2025-19614/ensuring-continued-accountability-in-federal-hiring.

[43] CRS Insight IN12505, *Federal Workforce Downsizing: Voluntary and Involuntary Mechanisms*, by Taylor N. Riccard.

[44] For more information on the RIF process, see CRS In Focus IF12908, *Reductions in Force (RIFs): An Overview*, by Taylor N. Riccard.

[45] For more information, see CRS Legal Sidebar LSB11277, *Deferred Resignation or "Fork in the Road": Selected Relevant Legal Challenges and Considerations for Congress*, by Jimmy Balser and Jon O. Shimabukuro.

[46] OPM, "Workforce Changes," October 7, 2026, https://data.opm.gov/explore-data/analytics/workforce-changes.

The use of these programs increased the administrative burden on OPM regarding processing separations and retirements, which resulted in a backlog of retirement claims and delayed payments for former federal employees.[47]

The transfer of the responsibility to hear appeals from certain personnel actions represents another expansion of the agency's responsibilities that could increase demands on its administrative capacity.

Effective September 2, 2026, OPM assumed responsibility for adjudicating certain RIF, suitability, and probationary and trial-period appeals that had previously been handled by the Merit Systems Protection Board.[48]

In addition to developing the applicable rules and procedures for employee appeals, OPM must now receive, review, and adjudicate individual appeals, potentially creating a new and ongoing workload for staff that could be burdensome. OPM, however, argues that this change will streamline the process.

Given these recent developments in the federal workforce management policy arena, Congress may wish to consider whether OPM has sufficient capacity to effectively carry out its responsibilities.

OPM Staffing and Budget Changes

OPM's salaries and expenses budget declined from $219,076,000 in FY2025 to $167,535,000 in FY2026, and the President's budget requested $145,973,000 for FY2027 (see "OPM's Operating Budget"). In addition, OPM's staff has decreased by 1,059 employees since January 20, 2025.[49] These changes may have implications for OPM's ability to carry out its responsibilities at a time when the agency's workload may also be expanding (see "OPM's Role in Recent Federal Workforce Policy Reforms"). Reductions in budgetary resources in OPM's Salaries and Expenses account and recent workforce reforms that have resulted in new roles for OPM may raise questions for Congress about OPM's capacity to provide effective government-wide oversight, process increased amounts of agency information in the form of new reports, and implement new workforce policies while continuing to perform its existing statutory functions.

Centralizing Versus Delegating Federal Workforce Management Responsibilities

Workforce management responsibilities are allocated among OPM and individual agencies to varying degrees (see "The Role of OPM in Federal Workforce Management"). The way in which these responsibilities are allocated may raise questions about the appropriate balance between centralized oversight within OPM and agency discretion and flexibility. Increased centralization within OPM may promote consistency, uniformity, and government-wide accountability, while delegation may allow agencies to respond more readily to differences in mission, workforce

[47] For more information on federal retirement processing, see CRS Insight IN12738, *Federal Retirement Processing: Background and Recent Developments*, by Katelin P. Isaacs and Tamar B. Breslauer. Also see Drew Friedman, "House Democrats Question OPM on Retirement Processing Delays," *Federal News Network*, December 22, 2025, https://federalnewsnetwork.com/congress/2025/12/house-democrats-question-opm-on-retirement-processing-delays/.

[48] OPM, "Streamlining Probationary and Trial Period Appeals," 91 *Federal Register* 49072, August 3, 2026, https://www.federalregister.gov/documents/2026/08/03/2026-15654/streamlining-probationary-and-trial-period-appeals, and OPM, "Reduction in Force Appeals," 91 *Federal Register* 49230, August 3, 2026, https://www.federalregister.gov/documents/2026/08/03/2026-15666/reduction-in-force-appeals.

[49] OPM, "Workforce Changes."

composition, and operational needs. At the same time, greater centralization may increase demands on OPM's resources and capacity, while greater delegation may result in less uniformity across agencies. In considering the future approach to federal workforce management, Congress may wish to assess which functions are best suited to centralized administration by OPM, which may be more effectively delegated to agencies, and how the appropriate balance may vary as circumstances change.

Author Information

Taylor N. Riccard
Analyst in Government Organization and Management

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.