

## McCloskey, Bridin

---

**From:** CHCOC [<mailto:chcoc@opm.gov>]

**Sent:** Wednesday, April 12, 2017 7:14 AM

**To:** CHCOC <[chcoc@opm.gov](mailto:chcoc@opm.gov)>

**Subject:** [External\_Sender] FW: OMB Guidance on Reform Plan & Workforce now posted

**Importance:** High

Good morning CHCOs and Deputies (via Bcc),

Please see below for a message from Linda Springer, Senior Advisor to the Director of OMB on the release of the Government Reform Plan & Workforce Reduction Guidance:

My apologies if you received this already, I received an undeliverable message the first time.

---

All,

This morning, OMB released the guidance memo "Comprehensive Plan for Reforming the Federal Government and Reducing the Federal Civilian Workforce"

<https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/memoranda/2017/m-17-22.pdf>. This guidance describes specific actions that OMB and your agencies will be taking to chart the course for a leaner, more effective, more accountable government. Importantly, this memo lifts the Federal hiring freeze.

Leadership from senior agency officials like yourselves will be critical to developing reform proposals to that improve delivery of services for the American people while identifying opportunities to reduce duplication or overlap. At the end of this email, I've included more detail about the guidance and steps expected of agencies, as well as how OMB will work with agency partners to achieve needed improvements.

We recognize the level of work that reforms demand and the aggressive timelines. We are working to help agencies focus on top priorities by reducing other burden, including asking each CXO Council to identify policy and regulatory reporting requirements that are low-value, duplicative or no longer necessary for submission to OMB. We will also be convening agencies to provide more detailed information that is available to assist agencies in developing their proposals.

**Questions:** For agency questions about the guidance, don't hesitate to contact myself or Dustin Brown ([dbrown@omb.eop.gov](mailto:dbrown@omb.eop.gov)) or have your team contact my staff. Please direct questions on Agency Reform Plans and public input to your OMB RMO or Asma Mirza ([Asma.Y.Mirza@omb.eop.gov](mailto:Asma.Y.Mirza@omb.eop.gov)) and questions on OMB-coordinated crosscutting reforms to Mary Ellen Wiggins ([Mary.E.Wiggins@omb.eop.gov](mailto:Mary.E.Wiggins@omb.eop.gov)). For workforce reduction questions, feel free to email the experts at OPM at [workforce@opm.gov](mailto:workforce@opm.gov) and/or Kristy Daphnis (for OMB-policy related questions) ([kdaphnis@omb.eop.gov](mailto:kdaphnis@omb.eop.gov)). For questions specifically related to maximizing employee performance, you can email the experts at OPM at [plr@opm.gov](mailto:plr@opm.gov) for technical assistance.

We look forward to engaging with you in the coming weeks and months as this effort gets underway. Please let us know if you have suggestions as well.

Best,

Linda Springer  
Sr. Advisor to the OMB Director

## Summary of OMB Memorandum "Comprehensive Plan for Reforming the Federal Government and Reducing the Federal Civilian Workforce"

### **Agency Reform Plans**

Today's guidance requires all agencies to:

- Begin taking immediate actions to achieve near-term workforce reductions and cost savings, including planning for funding levels in the President's Fiscal Year (FY) 2018 Budget Blueprint;
- Develop a plan to maximize employee performance by June 30, 2017; and
- Submit an Agency Reform Plan to OMB in September 2017 as part of the agency's FY 2019 Budget submission to OMB that includes long-term workforce reductions.

To assist agencies in delivering on the guidance, OMB will hold Agency Reform Plan Meetings this July. These meetings, which will be scheduled closer to time, will occur in lieu of the FedStat and Strategic Reviews that normally occur during the summer. To inform these meetings, agencies must provide OMB the following items by June 30<sup>th</sup>:

- A high-level draft of their Agency Reform Plan that includes the Areas the agency is developing for their reforms;
- Progress on near-term workforce reduction actions; and
- Their plan to maximize employee performance.

In addition, OMB is providing agencies with supplemental tools to support development of their plans through [MAX.gov](https://go.max.gov/omb/govreform) [<https://go.max.gov/omb/govreform>]. These tools address:

- Format of agency reform plans
- Detailed timeline and deliverables
- Workforce resources and tools
- Additional information on reform plan meetings
- Illustrative simplified analytical framework

### **OMB-coordinated crosscutting reforms**

The guidance notes that OMB will work with agencies to identify areas and activities that should be eliminated, restructured, or consolidated across departments in order to create a leaner, more effective, more accountable government. Executive Councils like yours have a strong tradition of identifying and tackling cross-agency needs and goals. OMB looks forward to engaging the Councils in the process to develop crosscutting reforms and will provide additional information in the coming days. We are also working to align this process with the development of Cross-Agency Priority (CAP) Goals and the President's Management Agenda.

### **Public input**

To make sure that voices of the American people are heard, the White House is soliciting suggestions from the public at this website (<https://www.whitehouse.gov/reorganizing-the-executive-branch>). The White House will provide public comments to agencies as appropriate for consideration in their Agency Reform Plans.





EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

THE DIRECTOR

April 12, 2017

**M-17-22**

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Mick Mulvaney  
Director

SUBJECT: Comprehensive Plan for Reforming the Federal Government and Reducing the Federal Civilian Workforce

**I. Purpose and Scope**

Despite growing citizen dissatisfaction with the cost and performance of the Federal government, Washington often crafts costly solutions in search of a problem. Too often the focus has been on creating new programs instead of eliminating or reforming programs which are no longer operating effectively. The result has been too many overlapping and outdated programs, rules, and processes, and too many Federal employees stuck in a system that is not working for the American people. Through the actions described below, President Trump aims to make government lean, accountable, and more efficient.

To begin addressing this challenge, on January 23, 2017, the President issued a Memorandum (Hiring Freeze PM) imposing a Federal "[Hiring Freeze](#)." This ensured immediate action was taken to halt the growth of the Federal workforce until a "long-term plan to reduce the size of the Federal Government's workforce" is put in place. On March 16, 2017, the President submitted his [Budget Blueprint](#) to Congress proposing to eliminate funding for programs that are unnecessary, outdated, or not working. Additionally, on March 13, 2017, the President issued an [Executive Order \(Reorganization EO\)](#) directing the Office of Management and Budget (OMB) to submit a comprehensive plan to reorganize Executive Branch departments and agencies.

This memorandum provides agencies guidance on fulfilling the requirements of the Hiring Freeze PM and the Reorganization EO while aligning those initiatives with the Federal budget and performance planning processes. It requires all agencies to:

- Begin taking immediate actions to achieve near-term workforce reductions and cost savings, including planning for funding levels in the President's Fiscal Year (FY) 2018 Budget Blueprint;
- Develop a plan to maximize employee performance by June 30, 2017; and
- Submit an Agency Reform Plan to OMB in September 2017 as part of the agency's FY 2019 Budget submission to OMB that includes long-term workforce reductions. An initial, high-level draft of the Agency Reform Plan is due to OMB by June 30, 2017.

This memorandum also outlines the steps that OMB will take to formulate a comprehensive Government-wide Reform Plan for publication in the President's FY 2019 Budget, including both legislative proposals and administrative actions. This plan will rely on three primary sources of input: Agency Reform Plans, OMB-coordinated crosscutting proposals, and public input.

When implemented, these reform efforts should accomplish the following objectives:

- Create a lean, accountable, more efficient government that works for the American people;
- Focus the Federal government on effectively and efficiently delivering those programs that are the highest needs to citizens and where there is a unique Federal role rather than assuming current programs are optimally designed or even needed;
- Align the Federal workforce to meet the needs of today and the future rather than the requirements of the past; and
- Strengthen agencies by removing barriers that hinder front-line employees from delivering results.

Moreover, this guidance fulfills the requirement in the Hiring Freeze PM for OMB to prepare a long-term plan to reduce the size of the Federal workforce. As a result, the government-wide hiring freeze is lifted upon issuance of this guidance. In place of the hiring freeze, agencies should adhere to the principles, requirements, and actions laid out in this memorandum to inform workforce planning and personnel actions.

## **II. Overview & Process**

This memorandum focuses primarily on providing guidance that agencies need to develop their Agency Reform Plans. OMB, in coordination with other offices within the Executive Office of the President, will separately manage the development of key crosscutting proposals and solicit input from the public. For planning purposes, this memorandum also provides agencies guidance on aligning actions to develop the Government-wide Reform Plan with the development of the President's FY 2019 Budget and the performance planning requirements of the Government Performance and Results Act (GPRA) Modernization Act of 2010. In developing the Government-wide Reform Plan, the Administration will also work with key stakeholders, including Congress, to develop proposals and ultimately implementation.

Key actions and deliverables are outlined below and Figure 1 provides a graphic of the timeline for these initiatives. A more detailed timeline and other resources are available to Executive branch agencies at <https://go.max.gov/omb/govreform>.

1. **Immediate Actions.** All agencies<sup>1</sup>, in consultation with OMB, will identify and begin taking actions, including developing:
  - a. A plan to maximize employee performance (see section III.D for more detail); and
  - b. An Agency Reform Plan (see section III for more detail).

---

<sup>1</sup> For purposes of this guidance, "agency" is defined by section 551(1) of title 5, United States Code, consistent with the definition in the Reorganization EO. All agencies, boards, and commissions must submit Agency Reform Plans in September 2017, unless OMB has granted an exception. Limited exceptions will be granted on a case-by-case basis. OMB will meet in July with CFO Act agencies and a limited number of other agencies.



2. **Planning Aligned with the President's FY 2018 Budget.** The President's FY 2018 Budget request to Congress will propose decreasing or eliminating funding for many programs across the Federal government, and in some cases redefining agency missions. The President's FY 2018 Budget should drive agencies' planning for workforce reductions and inform their Agency Reform Plans, consistent with final 2017 appropriations and current applicable legal requirements. OMB and the Office of Personnel Management (OPM) will work with agencies to facilitate reductions in the size of their workforce and monitor progress.
3. **OMB/Agency Reform Plan Meetings.** By June 30, 2017, agencies will provide OMB:
  - a. A high-level draft of their Agency Reform Plan that includes the Areas the agency is developing for their reforms;
  - b. Progress on near-term workforce reduction actions; and
  - c. A plan to maximize employee performance.

In July 2017, in lieu of the FedStat and Strategic Reviews that normally occur during the summer, OMB will meet with Chief Financial Officers (CFO) Act agencies (list of agencies available [on the MAX site](#)) and a limited number of other agencies to discuss these items. These discussions will serve as a forum for OMB to provide feedback, which agencies can incorporate into their draft Agency Reform Plans due in September to OMB. During these meetings, agencies and OMB will also identify actions that can be implemented immediately.

To frame the discussion, agencies should provide a high-level draft strategic plan (i.e., draft strategic goals and objectives areas). Agencies should consult with OMB Resource Management Offices (RMOs) on the necessary level of detail to appropriately frame the Reform Plan meetings, and agencies may discuss with OMB an alternate submission timeline of the draft strategic plan where needed (additional detail available [on the MAX site](#)). Following the release of this memorandum, OMB may also provide agency-specific guidance on areas agencies should be prepared to discuss in July. OMB will also coordinate [public input](#) as required by the Reorganization EO and share the public feedback with agencies as appropriate for their consideration.

4. **Additional Actions.** Following the meetings in July, agencies will take actions to implement agreed-upon reforms, while continuing to assess reform options for inclusion in the Agency Reform Plan and the FY 2019 Budget. This will include near-term actions to reduce the cost and size of the Federal Civilian workforce (see section III).
5. **Crosscutting Reform Proposals.** In addition to agency-specific reform proposals, OMB will work with agencies and key stakeholders to develop reform proposals that involve multiple agencies. Examples of crosscutting reforms may include areas where market or technology changes allow a service to be delivered more efficiently, such as by a shared service provider, or where multiple Federal agencies interact in fragmented or duplicative ways with State, local, and Tribal governments or other stakeholders. These actions could

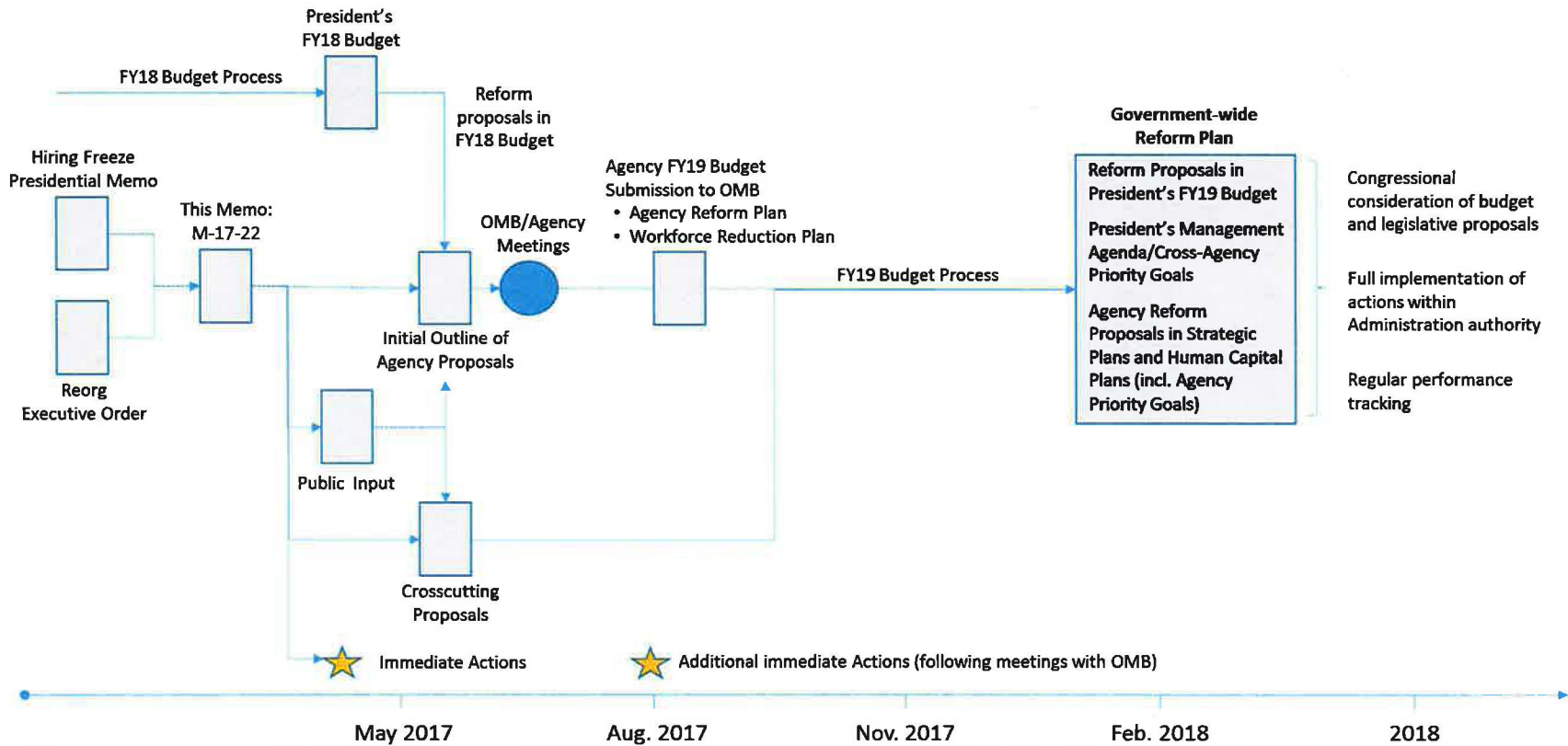
also include merging agencies, components, programs, or activities that have similar missions.

6. **Submission of Agency Reform Plans to OMB.** As part of their FY 2019 Budget submissions to OMB in fall 2017, agencies will submit their proposed Agency Reform Plans to OMB. The Agency Reform Plans must include proposals for the agency's long-term workforce reduction plan (section III.D for more detail) and be aligned with the draft agency strategic plan. When developing their Agency Reform Plan in coordination with OMB, agencies should consult with key stakeholders including their workforce. OMB will work with agencies to finalize these plans as part of the development of the President's FY 2019 Budget.
7. **Finalization of the Government-wide Reform Plan.** OMB will release the final Government-wide Reform Plan as part of the President's FY 2019 Budget request to Congress. The Government-wide Reform Plan will encompass agency-specific reforms, the President's Management Agenda and Cross-Agency Priority Goals, and other crosscutting reforms. The final reforms included in the Government-wide Reform Plan and the President's FY 2019 Budget should be reflected in agency strategic plans, human capital operating plans, and IT strategic plan. Agencies will begin implementing some reforms immediately while others will require Congressional action.
8. **Performance Tracking and Accountability.** Starting in February 2018, OMB will begin tracking progress on the Government-wide Reform Plan. Sections of the Government-wide Reform Plan will be tracked through the Federal Performance Framework, including on Performance.gov. This will include periodic progress updates from agencies and oversight by the President's Management Council, as appropriate. This includes public reporting of workforce reductions in all major agencies.

Figure 1 provides agencies an overview of the process and timeline for developing and implementing reform actions.



Figure 1. Timeline for Workforce Reductions and Comprehensive Reforms



Agencies are encouraged to consult regularly with OMB during the development of these proposals to ensure they are aligned with Administration policy.

A detailed timeline is available to Executive Branch agencies [on the MAX site](#).

### **III. Components of Agency Reform Plans & the Government-wide Reform Plan**

The purpose of the Agency Reform Plan is for the head of each agency to identify how she/he proposes to improve the efficiency, effectiveness, and accountability of her/his respective agencies. As part of their planning efforts, agencies should focus on fundamental scoping questions (i.e. analyzing whether activities should or should not be performed by the agency), and on improvements to existing business processes. Additional information on the format of the Agency Reform Plan is available [on the MAX site](#).

**Analysis:** Agencies should develop an analytical framework that looks at the alignment of agency activities with the mission and role of the agency and the performance of individual functions. This framework should result in appropriate proposals in four categories: eliminate activities, restructure or merge, improve organizational efficiency and effectiveness, and workforce management. An example of a simplified analytical framework is available to Executive Branch agencies [on the MAX site](#).

Agencies should consider a number of factors when conducting analysis, including:

<b>Factor</b>	<b>If...</b>	<b>Then explore options to...</b>
<b>Duplicative</b>	Some or all of the mission functions or administrative capabilities of an agency, component, or program are needlessly redundant with those of another agency, component, or program	Eliminate or merge
<b>Non-Essential</b>	The service, activity or function is not core to the agency's mission or obsolete	Eliminate
<b>Federalism (Appropriate Federal role)</b>	Some or all of the services, activities or functions could be better performed by another entity, such as State/local/Tribal government or the private sector	Eliminate or restructure
<b>Cost-Benefit</b>	The costs of continuing to operate an agency, a component, or a program are not justified by the unique public benefits it provides	Eliminate, merge, restructure, improve efficiency and effectiveness



Factor	If...	Then explore options to...
	The long-term savings from shutting down or merging agencies, components, or programs - including the costs of addressing the equities of affected agency staff - are greater than the expected costs	Eliminate or merge, improve efficiency and effectiveness
<b>Efficiency and Effectiveness</b>	The agency, component, or program – based on the available body of evidence and historical performance data – is ineffective or inefficient (e.g. struggles to make decisions and execute)	Eliminate, restructure, improve efficiency and effectiveness, improve workforce performance/ accountability, or enhance evidence-building
<b>Customer Service</b>	The agency, component, or program can be redesigned to better meet the needs of the public and partners in service delivery in a more accessible and effective manner	Restructure, improve efficiency and effectiveness

When justifying proposals to OMB, agencies should be prepared to discuss how they conducted their analysis and provide relevant evidence. For instance, agencies should consider multiple sources of information such as GAO annual report on Government Efficiency and Effectiveness, IG reports, and evaluations. A more detailed list of possible data sources are available [on the MAX site](#). Agencies should also review decisions and policy proposals included in the FY 2018 Budget and be consistent with forthcoming OMB guidance on the FY 2019 Budget.

The following sections provide additional guidance on each category of reform proposals to be included in Agency Reform Plans. In each of these categories, agencies should consider reforms that require legislation as well as those that can be accomplished through administrative action.

#### **A. Eliminate activities**

##### Eliminate an agency, programs, or activities through legislative changes or executive action.

Agencies should identify areas to eliminate activities that are not core to the agency's primary mission and/or are needlessly redundant. When developing reform proposals Agencies should leverage the FY 2018 President's Budget as well as consider areas beyond those included in the budget. Consideration should be given to activities that are no longer necessary in today's society, or where there is another entity that may more appropriately fulfill part or all of the role, such as the private sector, another Federal program, or another level of government. Proposals can include changes to current law, regulations, Executive Order, Presidential Memoranda, government-wide guidance, agency Secretarial Order, or other agency guidance or directive.

Reporting Burden Reduction. As agencies develop their Agency Reform Plan, OMB will also look for opportunities to eliminate or streamline agency reporting burden. Specifically:

- Each government-wide management council (CXO) Council will identify additional policy and regulatory reporting requirements that are low-value, duplicative or no longer necessary for their management function for submission to OMB.<sup>2</sup>
- Within 60 days of this memorandum, OMB – in coordination with agencies that place reporting and compliance requirements on other agencies – will identify initial reporting activities that can be immediately stopped or modified to reduce reporting and compliance burden.
- In accordance with the GPRA Modernization Act of 2010, agencies should also include with their FY 2019 Budget submission a list of statutorily required reports they believe should be eliminated or modified by Congress.

## **B. Restructure and merge activities**

While some activities may be eliminated, agencies should also assess what activities can be restructured, streamlined, and merged to:

- Align the agency organizational structure with the agency core mission and strategic plans;
- Improve the efficiency, timeliness, and quality of services;
- Improve organizational decision making;
- Improve coordination and information sharing across existing silos, (including identifying statutory barriers to data sharing);
- Reduce duplication of activities or functions across multiple parts of the organization;
- Eliminate unnecessarily redundant levels of management or administrative support; and
- Provide managers greater freedom to manage administrative tasks efficiently.

Restructure and merge agencies, components, programs or activities through legislative changes or executive action. Agencies should assess activities within or across agencies to identify areas where merging or relocating agency activities may lead to cost savings, improved service delivery and outcomes, and/or better customer experience. This can include changes to current law, regulations, Executive Orders, Presidential Memoranda, government-wide guidance, agency Secretarial Orders, or other agency guidance or directives.

## **C. Improve organizational efficiency and effectiveness**

When developing their Agency Reform Plan, agencies should consider proposals in the following categories, as appropriate:

- Better leverage technology and improve underlying business processes. Agencies should identify opportunities where adopting new technology will automate processes and result in increased efficiency and budgetary savings.

---

<sup>2</sup> The CXO councils include the President's Management Council (PMC), Chief Acquisition Officers (CAO) Council, Chief Financial Officers (CFO) Council, Chief Information Officers (CIO) Council, Chief Human Capital Officers (CHCO) Council, and the Performance Improvement Officers (PIO) Council. For more information on these councils, please see: <https://www.gsa.gov/portal/category/101095>.



- Streamline and eliminate processes. Agencies should explore opportunities to redesign processes to serve customers more effectively and/or to eliminate unnecessary steps that do not add value.
- Shift to alternative service delivery models. Agencies should rethink how the Federal government can deliver services to its customers, and evaluate options on both cost and quality dimensions. Options include, but are not limited to:
  - Delegating responsibilities to State, local, and Tribal governments and/or increase flexibility for other levels of government;
  - Implementing requirements in a less burdensome way;
  - Providing online service delivery;
  - Aligning complementary processes and functions across agencies, such as field staffing and technical assistance; and/or
  - Co-locating offices either intra-agency or inter-agency to save administrative and facilities costs.
- Streamline mission-support functions. In areas such as IT, acquisition, financial management, human resources, and real estate, agencies should look for greater efficiency while maintaining or improving quality.

Agencies should consider leveraging:

- Intra- and inter-agency shared services/centers of expertise;
  - Lines of Business or shared IT infrastructure;
  - External service providers, including those providers on best-in-class contracts as part of the category management effort; and
  - Outsourcing to the private sector when the total cost would be lower or insourcing a function to government where a contract can be eliminated or scaled back.
- Leverage Existing Solutions for Common Requirements: Agencies should consider government-wide contracts for common goods and services to save money, avoid wasteful and redundant contracting actions, and free-up acquisition staff to accelerate procurements for high-priority mission work. To the maximum extent practicable, especially for the acquisition of common goods and services, agencies shall use existing contract solutions such as:
    - Federal Supply Schedules;
    - Government-wide acquisition contracts;
    - Multi-agency contracts; and
    - Any other procurement instruments intended for use by multiple agencies, including “Best in Class” (BIC).

In addition, agencies should control spending by better managing demand and consumption. For example, this can be done by consolidating information technology infrastructure requirements, purchasing standard configurations for common requirements, participating in volume buying events, and applying best commercial buying practices.

- Build and use a portfolio of evidence to improve effectiveness. Agencies should propose strategies to use limited resources as smartly as possible by asking: what works, for whom, and under what conditions; whether programs are being implemented effectively; and how programs can be improved to produce better results. Evidence may include results from program monitoring and evaluations, performance measures, statistics, and other forms of research and analysis. More detail and examples is available to agencies [on the MAX site](#).

#### **D. Workforce management: Improve performance, increase accountability, and reduce costs**

As noted earlier, this memo requires agencies to take near-term and long-term steps to reduce the size and cost of the Federal workforce. Specifically, agencies must:

- Begin planning for FY 2018 budget reductions where applicable;
- Develop a long-term workforce reduction plan as part of their FY 2019 Budget submission to OMB; and
- Develop a plan to improve the agency's ability to maximize employee performance for submission to OMB by June 30, 2017.

This section provides additional detail on these requirements.

##### **i. Plan to implement the FY 2018 President's Budget.**

To support the goals of the FY 2018 President's Budget Proposal, OMB directs agencies to identify workforce reductions over a four-year period (FY 2018 through 2022) consistent with discretionary outyear levels included in the FY 2018 Budget this spring and forthcoming OMB guidance on FY 2019 Budget submissions. Agencies should begin planning for these reductions now, as achieving associated personnel reductions takes time to implement and realize savings.

To facilitate any necessary reductions, OPM will provide streamlined templates to agencies for requesting approval to offer Voluntary Early Retirement Authority and Voluntary Separation Incentive Payments (VERA/VSIP) and OPM will provide expedited reviews for most requests within 30 days. However, eliminating unnecessary vacant positions can begin immediately. Additionally, in a manner consistent with current law, agencies should undertake a review of all employees on administrative leave because of performance deficiencies or misconduct to determine whether those individuals should be returned to work and assigned alternative duties, or subjected to other appropriate action, up to and including removal. In addition, in cases where performance-deficient employees are reassigned or detailed to other duties, agencies should ensure that such assignments are contributing to the agency's ability to carry out its mission, and are not used simply as an alternative to avoid or delay holding an employee accountable. Please visit [www.opm.gov/reshaping](http://www.opm.gov/reshaping) for a detailed resource guide on workforce restructuring options.

##### **ii. Develop a long-term workforce reduction plan.**

As part of their Agency Reform Plan and FY 2019 Budget submission to OMB, agencies should identify long-term staffing plans by considering the following:



- Use agency data to determine appropriate FTE baselines. Agencies have the ability to use various data sources including career field benchmarking, time studies, etc., to determine the appropriate staffing levels for different programs to accomplish their objectives. Instead of relying on previous budget allocations that set FTE levels, agencies should better examine how many people are required to perform tasks at the level required.
- Examine the total personnel cost. Agencies need to examine the total cost of their personnel and not only the number of employees. Staffing levels may not present the full picture of whether an agency's workforce is optimally structured. For example, there are situations where it may be more efficient to restructure duties to enable additional lower-graded employees to do lower-level work previously assigned to higher-graded positions, and consolidate the higher-graded work into fewer positions. Employee-related costs include not only total salary and benefits, overtime, training, awards, career ladder progression, but also employee services, and office expenses.
- Review and revise (as needed) organizational design and position structures to ensure they are effective and efficient in supporting delivery of the organization's work and mission. Ensure that spans of control and delegations of authority are optimized to accomplish the work with the fewest amount of management layers needed to provide for appropriate risk management, oversight, and accountability. In particular, agencies should address deputy positions, lower level chief of staff positions, special projects, and management analysts that may duplicate the work performed in such areas as procurement, human resources, and senior management.
- Streamline policy creation by eliminating the common tendency to recraft/restate policy for a component or regional office. For example, many bureaus have staff in administrative functions such as human resources and financial management that customize agency-wide policies when it may be more efficient to use agency-wide policies as-is, while other agencies have staff in each field location write local policy on the same subjects even where unique local or regional expertise is not needed.
- Review positions as they become vacant to determine:
  - Whether the duties of the position, qualifications and skills requirements, or organizational placement of the duties reflects current mission needs;
  - Whether duties can be reassigned to lower organizational levels and replacement, if needed, at a lower grade; and
  - How any appropriate changes to the position can be accomplished in a timely and efficient manner.
- Keep positions current. Agencies should assess how technology may have changed or eliminated the need for some positions. Agencies should build in flexibility to adapt to ongoing technological advances while offering separation incentives as needed to create openings. Fields undergoing rapid transformation or availability of shared services, include but are not limited to:
  - Database administration;
  - Invoice processing;

- Human resources transactional services;
- Financial management; and
- Management analysts.

Agencies will work with their OMB RMO to develop their Agency Reform Plans, including workforce reshaping priorities, but the agency head retains approval authority for the final workforce plan and the workforce reshaping strategies that may be needed to implement the plan. Agencies may also consult with their OPM points of contact and subject-matter experts on workforce reshaping strategies and approaches, particularly in areas where OPM approval may be needed (e.g., use of VERA). Agencies are also encouraged to submit suggestions to OPM for specific statutory and/or regulatory reforms that may be helpful to addressing workforce challenges.

### **iii. Plan to maximize employee performance.**

As agencies are developing long-term plans for reducing the size of the workforce, they should also take near-term actions to ensure that the workforce they retain and hire is as effective as possible. Agencies should determine whether their current policies and practices are barriers to hiring and retaining the workforce necessary to execute their missions as well appropriately managing and, if necessary, removing poor performers.

Agencies should also ensure that performance expectations are appropriately rigorous, aligned to the work that needs to be done and the grade of the employee, and effectively communicated. Regular, ongoing performance feedback should be provided. Moreover, agencies should ensure that managers have the tools and support they need to manage performance effectively to achieve high-quality results for the American people. It is important that managers recognize high performers, help employees identify and address areas in need of improvement, and move quickly to address employees who are not meeting performance expectations.

By June 30, 2017, as an immediate and near-term government-wide workforce priority, all agencies must develop a plan to maximize employee performance by reviewing the systems and structures currently in place within their agencies to support managers in managing employee performance, and developing a timeline for improvement. At a minimum, agencies must address the timeline and implementation actions for agencies to accomplish the following five actions:

1. **Review and Update Formal Agency Policy.** Agency timelines must include a process for reviewing and updating (or creating, if one does not already exist) the agency's policy, procedures, and guidance on how to address poor performance and conduct. Agencies should specifically review whether their policies create unnecessary barriers for addressing poor performance. Agencies should remove steps not required in statute/regulation to streamline processes to the maximum extent. In addition, as required once the Administrative Leave Act implementing regulations are finalized, policies should incorporate expectations for limiting the use of unnecessary administrative leave and lay out alternatives (such as assigning other work). Agencies should also provide clear guidance on the use and requirements associated with performance improvement plans. If overarching policy cannot be created for an entire agency, it should be developed at the



highest major component level possible. Policies should be created and endorsed by the agency's Chief Human Capital Officer and General Counsel (or small agency equivalent), in consultation with the agency's Equal Employment/Civil Rights Office and Labor Relations Office.

2. Provide Transparency around the Performance Improvement Plan (PIP) Process. Agency submissions must include a timeline for providing all supervisors a copy of the rules and guidance regarding performance improvement plans (PIP) pursuant to 5 U.S.C. Chapter 43 (noting PIPs can be started at any point and not just at the end of the rating period) as well as guidance on how unacceptable performance can be addressed pursuant to 5 U.S.C. Chapter 75. Agencies will maintain data on PIPs, including the number of employees placed on them and the number who successfully improve performance.
3. Ensure Managers and Supporting HR Staff are Appropriately Trained. Agency submissions must include a timeline for all Senior Executive Service (SES) members, supervisors, managers, team leads, and any personnel involved in employee relations to complete training on managing employee performance and conduct. Please refer to OPM's website for current online courses, as well as reports from MSPB and GAO, and regulatory requirements for training and development of supervisors, managers, and executives at 5 C.F.R. 412.202.
4. Ensure Accountability in Manager Performance Plans. Agency submissions must include a timeline for how they will ensure that supervisors and managers are held accountable for managing employee performance and conduct, including reviewing and updating (if necessary) supervisors' and managers' performance plans.
5. Establish Real-Time Manager Support Mechanisms. Agency submissions must include a timeline for agencies to identify approaches and plans for providing accessible and "just-in-time" expert assistance and guidance to managers who are addressing performance/conduct issues. These mechanisms should include a real-time forum (e.g., dedicated contact support lines) for managers to receive guidance on addressing performance or conduct issues that require immediate action. Agencies ultimately have discretion to design these mechanisms. The following Manager Support Board structure would meet this requirement:
  - a. Establish a Manager Support Board comprised of internal experts on employee and labor relations, who may request policy guidance or technical assistance from OPM or other lead agencies if needed;
  - b. Have at least one non-HR senior management member with experience/expertise to help provide coaching/support on techniques and approaches for managing employee performance, even if not on the specific case;
  - c. Operate as close to the regional/division level as feasible;
  - d. Publicize points of contact where managers can go to receive prompt guidance or provide frequent and regular open-meeting times for any managers with questions to receive immediate guidance on appropriate next steps; and
  - e. Establish regular check-ins with managers currently working on a case to ensure either the employee is improving or steps are being taken towards an appropriate disciplinary action.

When developed and executed in concert, these five actions and others agencies may identify will provide supervisors with the policies, processes, and tools to be empowered, and held accountable, for managing employee performance such as by an improvement on the [Federal Employee Viewpoint Survey \(FEVS\)](#) questions on addressing employee performance. The guidance in this memorandum must be implemented consistent with requirements imposed by applicable current collective bargaining obligations.

In accordance with 5 C.F.R. Part 250, agencies will subsequently further develop the plan as needed and may incorporate it as a government-wide workforce priority into their Agency Strategic Plan and/or Human Capital Operating Plan, which will be published in February 2018. Of note, agencies must meet any lawful collective bargaining obligations related to their workforce accountability and performance management efforts.

For more information, Executive Branch agencies may [visit the MAX site](#) to view examples throughout government where departments/agencies are already successfully using these various strategy elements to positive effect.

#### **IV. Performance Tracking and Accountability.**

Once the Government-wide Reform Plan is finalized, OMB, in coordination with the President's Management Council, will establish a mechanism to track the progress of each reform. The tracking mechanism will leverage the existing Federal Performance Framework as established by the GPRA Modernization Act of 2010, such as the Cross-Agency Priority Goals, Agency Priority Goals, annual Strategic Reviews, and Performance.gov. More guidance on the specific tracking method is forthcoming.



## **NRCExecSec Resource**

---

**From:** OMB Correspondence to Agencies <OMB-AGENCY-CORRESPONDENCE@LISTSERV.OMB.EOP.GOV> on behalf of McDonald, Anthony <Anthony.McDonald@OMB.GOV>  
**Sent:** Wednesday, April 12, 2017 10:01 AM  
**To:** OMB-AGENCY-CORRESPONDENCE@LISTSERV.OMB.EOP.GOV  
**Subject:** [External\_Sender] M-17-22 Comprehensive Plan for Reforming the Federal Government and Reducing the Federal Civilian Workforce

Guidance on developing Agency Reform Plans to support development of a Government-wide Reform Plan to create a lean, accountable, more efficient government.

To view this memo, please click

<https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/memoranda/2017/M-17-22.pdf>

This email list is maintained by Arnette White at the Office of Management and Budget (OMB). If you should be removed or need someone added, please send a request to [awhite@omb.eop.gov](mailto:awhite@omb.eop.gov).