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The Office of Personnel Management (OPM): An Overview

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SUMMARY

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The Office of Personnel Management (OPM): An Overview

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 identifies a number of 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 FY2021, OPM's operating budget—including discretionary appropriations, mandatory administrative authorities, revolving fund activities, advance and reimbursements, and Office of Inspector General (OIG) discretionary appropriations—was $1.05 billion, and the agency had 2,737.9 full-time-equivalent employees.

This report discusses OPM's establishment, statutory authority, mission, key functions, organization, budget, and performance. It also identifies potential politicization of the civil service and the reorganization and modernization of OPM as issues for congressional oversight. It raises several questions under each issue for Congress to consider. It also discusses the recommendations published in the National Academy of Public Administration's (NAPA) report "Elevating Human Capital: Reframing the U.S. Office of Personnel Management's Leadership Imperative," which was published in 2021 pursuant to a statutory mandate.

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Establishment of OPM

The creation of the Office of Personnel Management (OPM) may be traced to the enactment of the Civil Service Act of 1883, known as the Pendleton Act,[1] which established in statute some underlying aspects of today's federal personnel system. Prior to the Pendleton Act, according to OPM's description of the system before 1883, "[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 commission continued with much the same role until the enactment of the Civil Service Reform Act of 1978 (CSRA), 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 located in Title 5 of the *United States Code*, and in particular 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 the Office 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 system principles, including recommending policies relating to the selection, promotion, transfer, performance, pay, conditions of service, tenure, and separation of employees."[9]

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[1] P.L. 16; Civil Service Act of 1883; January 16, 1883 (22 Stat. 403). This law is discussed for historical context in CRS Report RL30795, *General Management Laws: A Compendium*, by Clinton T. Brass et al. (available upon request to congressional clients), in the section titled "Title 5, Part III—Employees," by Barbara Schwemle.

[2] U.S. Office of Personnel Management (OPM), *Annual Performance Report: Fiscal Year 2020*, January 2021, at https://www.opm.gov/about-us/budget-performance/performance/2020-annual-performance-report.pdf#page=7.

[3] Ibid.

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

[5] Ibid., p. 245. See also "Reorganization Plan No. 2 of 1978," May 23, 1978, (92 Stat. 3783).

[6] Ibid., p. 248.

[7] Ibid.

[8] 5 U.S.C. §1103(a).

[9] Ibid.

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; directing and supervising employees; distributing business among employees and organizational units; directing internal management; and directing the preparation of requests for appropriations and the use and expenditure of funds.[10]

The agency's website explains that "the Office of the Director provides guidance, leadership and direction necessary to fulfill the agency's mission and make the Federal Government the model employer in the United States."[11]

Section 1303 of 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. The agency describes itself as follows on its website:

> OPM serves as the chief human resources agency and personnel policy manager for the Federal Government. OPM provides human resources leadership and support to Federal agencies and helps the Federal workforce achieve their aspirations as they serve the American people. OPM directs human resources and employee management services, administers retirement benefits, manages healthcare and insurance programs, oversees merit-based and inclusive hiring into the civil service, and provides a secure employment process.[14]

In recent years, OPM has included a mission statement and a list of core values in its strategic plans. For example, the agency's *A New Day for Federal Service: Strategic Plan 2010-2015* mission statement was "Recruit, Retain and Honor a World-Class Workforce to Serve the American People."[15] OPM listed several values in the plan, including service, respect, integrity, diversity, enthusiasm, excellence, and innovation.[16] The mission statement and values remained unchanged in the *Strategic Plan 2014-2018*.[17]

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[10] Ibid.

[11] OPM, "About Us: Our People & Organization," at https://www.opm.gov/about-us/our-people-organization/office-of-the-director/.

[12] Chief Human Capital Officers Council, "About the Council," at https://www.chcoc.gov/content/about-council.

[13] 5 U.S.C. §1401 note.

[14] OPM, "Our Agency," at https://www.opm.gov/about-us/.

[15] OPM, *A New Day for Federal Service: Strategic Plan 2010-2015*, p. 4, archived at https://web.archive.org/web/20130227161503/http://www.opm.gov/about-us/budget-performance/strategic-plans/2010-2015-strategic-plan.pdf.

[16] Ibid.

[17] OPM, *Strategic Plan 2014-2018*, pp. 6-7, archived at https://www.opm.gov/about-us/budget-performance/strategic-plans/2014-2018-strategic-plan.pdf.

Most recently, *OPM Strategic Plan Fiscal Years 2018-2022* revised the mission statement to read, "We lead and serve the Federal Government in enterprise human resources management by delivering policies and services to achieve a trusted effective civilian workforce." In addition, the core values included innovation, integrity, excellence, service, and leadership.[18] The plan stated that OPM "works in several broad categories to lead and serve the Federal Government in enterprise human resource management by delivering policies and services to achieve a trusted effective civilian workforce."[19]

The strategic plan also identified "key functions" that are central to the work of the agency, including the following:

> **Human Capital Management.** OPM provides policy direction and leadership in designing, developing, and promulgating Government-wide human resources systems, programs, and policies that support the current and emerging needs of Federal agencies. In addition, OPM provides technical support and guidance to agencies regarding the full range of human resources (HR) management policies and practices.[20]
>
> **Benefits.** OPM offers the availability of quality benefits for Federal employees and their families. The agency works to facilitate access to the high-caliber healthcare and insurance programs offered by the Federal Government, including health insurance services, dental and vision benefits, flexible spending accounts, life insurance; and long-term care insurance programs. OPM manages insurance benefits for more than eight million Federal employees, retirees, and their families. OPM also develops and administers programs that provide health insurance to uninsured Americans through Affordable Insurance Exchanges, and employees of tribes or tribal organizations. OPM is responsible for the administration of the Federal Retirement Program covering more than 2.7 million active employees, including the United States Postal Service, and nearly 2.6 million annuitants, survivors, and family members.[21]
>
> **Vetting.** As the Suitability and Credential Executive Agent, OPM's Director is responsible for prescribing suitability, fitness, and credentialing standards for employment; prescribing position designation requirements with respect to risk to the integrity and efficiency of the service; prescribing applicable investigative standards, policies, and procedures for suitability, fitness, and credentialing; prescribing reciprocity standards; and making suitability determinations and taking actions.… The OPM Director as the Suitability Executive Agent, issued National Training Standards for Suitability Adjudicators to support uniformity in the continued professional development of the suitability workforce and to promote reciprocal recognition of suitability determinations.[22]

To support OPM's key functions, the agency is organized into program divisions, including (1) Employee Services; (2) Retirement Services; (3) Healthcare and Insurance; (4) Merit System Accountability and Compliance; (5) Suitability Executive Agent; and (6) Human Resources

[18] OPM, *OPM Strategic Plan Fiscal Years 2018-2022*, February 2018, p. 9, at https://www.opm.gov/about-us/budget-performance/strategic-plans/2018-2022-strategic-plan.pdf.

[19] Ibid.

[20] OPM, "About Us: Our Mission, Role & History," at https://www.opm.gov/about-us/our-mission-role-history/what-we-do/#url=Human-Capital-Management-Leadership.

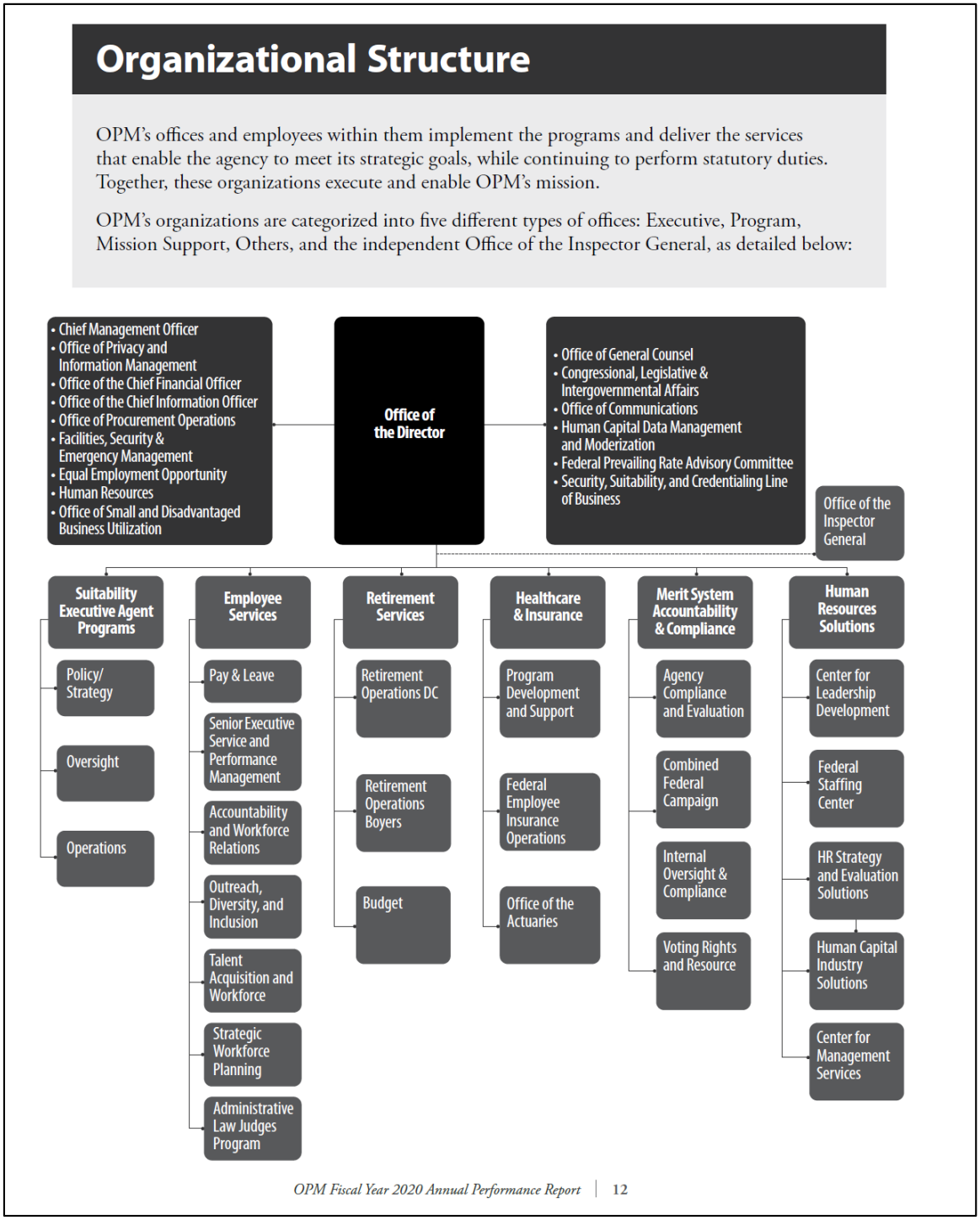
[21] OPM, "About Us: Our Mission, Role & History," at https://www.opm.gov/about-us/our-mission-role-history/what-we-do/#url=Benefits.

[22] OPM, "About Us: Our Mission, Role & History," at https://www.opm.gov/about-us/our-mission-role-history/what-we-do/#url=Vetting.

Solutions.[23] **Figure 1** shows the Organization Chart for OPM, as obtained from OPM's *Annual Performance Report Fiscal Year 2020*.

[23] OPM, "About Us: Our People & Organization," at https://www.opm.gov/about-us/our-people-organization/office-of-the-director/.

Figure 1. Organization Chart for OPM (January 2021)



Source: OPM, *Annual Performance Report Fiscal Year 2020*, January 2021, p. 12, at https://www.opm.gov/about-us/budget-performance/performance/2020-annual-performance-report.pdf.

OPM's Operating Budget

OPM's activities are funded from multiple sources. Specifically, OPM receives several sources of discretionary funds to support its program and leadership activities.[24] OPM also manages certain mandatory appropriations and related trust funds for federal employee benefits.[25] Several statutory provisions authorize OPM to make certain trust fund transfers to cover OPM's costs for administering these programs. Some of the more prominent sources of funding for OPM's administrative activities—which OPM refers to as its "operating budget"—include the following:[26]

- The Salaries and Expenses appropriations account funds many of the core operations of OPM.[27] 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.[28]
- 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."[29]
- Transfers from OPM-managed trust funds partially pay for some of OPM's activities. The agency is responsible for administering the 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.[30]

[24] OPM's annual congressional budget justification provides detailed budget information about OPM's administrative activities. See OPM, *Congressional Budget Justification and Annual Performance Plan Fiscal Year 2022*, May 2021, at https://www.opm.gov/about-us/budget-performance/budgets/congressional-budget-justification-fy2022.pdf.

[25] 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 approximately 2.8 million Federal civilian employees, and provide retirement benefits for more than 2.8 million retirees and survivors, finance the health insurance for approximately 8.1 million employees, retirees, and their family members, and provide life insurance coverage for an estimated 4.2 million employees and retirees." Ibid., p. 79. For more information about the cost of the mandatory spending programs, see OPM, *Agency Financial Report Fiscal Year 2020*, November 2020, at https://www.opm.gov/about-us/budget-performance/performance/2020-agency-financial-report.pdf.

[26] For reference to the "operating budget," see OPM, *Congressional Budget Justification and Annual Performance Plan Fiscal Year 2022*, May 2021, p. 7, at https://www.opm.gov/about-us/budget-performance/budgets/congressional-budget-justification-fy2022.pdf.

[27] OMB, *Budget of the U.S. Government, FY2021, Appendix*, p. 1211, at https://www.whitehouse.gov/wp-content/uploads/2021/05/opm_fy22.pdf. See also OPM, *Congressional Budget Justification Fiscal Year 2021*, February 2020, at https://www.opm.gov/about-us/budget-performance/budgets/congressional-budget-justification-fy2021.pdf.

[28] OMB, *Budget of the U.S. Government, FY2021, Appendix*, pp. 1211-1212, at https://www.whitehouse.gov/wp-content/uploads/2021/05/opm_fy22.pdf.

[29] Ibid.

[30] OPM, *Congressional Budget Justification and Annual Performance Plan Fiscal Year 2019*, February 2018, p. 7, at https://www.opm.gov/about-us/budget-performance/budgets/congressional-budget-justification-fy2019.pdf.

- The Revolving Fund is "comprised of fees or reimbursements provided by agencies for services OPM provides for activities covered by the Fund."[31] Services funded by the Revolving Fund include "background investigations, human resources services as well as related tools and technologies, such as USAJOBS."[32]

OPM's annual congressional budget justification (CBJ) typically includes detailed information about all of the components of OPM's operating budget. **Table 1**, below, provides more detailed information from OPM's FY2022 CBJ.

Table 1. OPM Operating Budget, by Fund, FY2020-FY2022

OPM Budget Authority	FY2020 Enacted	FY2021 Enacted	FY2022 Requested
Discretionary Appropriations[a]	$299,762,000	$329,755,000	$372,000,000
Salaries and Expenses Total[b]	$145,137,000	$160, 130,000	$197,000,000
Trust Fund Annual Total[c]	$154,625,000	$169,625,000	$175,000,000
Mandatory Administrative Authorities[d]	$66,956,125	$74,328,075	$77, 107,598
Revolving Fund[e]	$857,237,726	$522,303,918	$549,618,781
Advance and Reimbursements[f]	$169,255,203	$93,063,500	$14,204,123
OIG Discretionary Appropriations[g]	$30,265,000	$32,265,000	$34,910,300
OPM Total	**$1,423,476,054**	**$1,051,715,493**	**$1,047,840,802**

Source: Adapted from OPM, *Congressional Budget Justification and Annual Performance Plan Fiscal Year 2022*, May 2021, p. 7, at https://www.opm.gov/about-us/budget-performance/budgets/congressional-budget-justification-fy2022.pdf.

a. Figures in the Discretionary Appropriations row are the sum of the Salaries and Expenses total and the Trust Fund Annual Total.

b. The Salaries and Expenses total includes funds for personnel and non-personnel resources, as well as funds for IT modernization efforts.

c. The Trust Fund Annual Total consists of transfers from trust funds that are subject to congressional limitation in the Financial Services and General Government (FSGG) appropriations act. The transfers come from the Civil Service Retirement and Disability Fund, Federal Employees Health Benefits Fund, and Federal Employee's Group Life Insurance Fund.

d. Figures in the Mandatory Administrative Authorities row reflect additional trust fund transfers for OPM's administration of certain retirement and insurance activities.

e. The Revolving Fund finances activities that OPM is required or authorized to perform on a reimbursable basis, and allows OPM to provide personnel management services to other federal agencies via several programs.

f. Advance and Reimbursements refers to anticipated advances and reimbursements from other federal agencies for activities outside of OPM's revolving fund.

g. The OIG Discretionary Appropriations consist of funds for OIG's core operations.

[31] Ibid.

[32] Ibid.

For FY2021, OPM's operating budget—including discretionary appropriations, mandatory administrative authorities, revolving fund activities, advance and reimbursements, and OIG discretionary appropriations—was $1,051,715,493, and the agency had 2,737.9 full-time-equivalent employees.[33] OPM also received $12,100,000 from P.L. 116-136, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, enacted on March 27, 2020.[34] The CARES Act funding was to be used for "improvements in remote work capacity."[35]

Performance

The Government Performance and Results Act (GPRA) requires most agencies to set goals, measure performance, and report the information to Congress for potential use.[36] OPM provides this information in multiyear strategic plans, annual plans, and annual reports.[37] OPM explained that its strategic plan for FY2018-FY2022 was intended to "guide the Agency's efforts to lead and serve the Federal Government in enterprise human resources management by delivering policies and services to achieve a trusted effective civilian workforce."[38] This strategic plan highlighted four primary agency goals and established a series of objectives and su-objectives associated with each goal. OPM's Annual Performance Report (APR) "provides an overview of OPM's progress in implementing the strategies and achieving the objectives and goals in its FY 2018-FY 2022 Strategic Plan."[39] These primary goals were identified in 2018 and assessed in 2021 as follows:

- **Goal 1**: Transform hiring, pay, and benefits across the federal government to attract and retain the best civilian work force.[40] OPM's FY2020 APR found that the agency met three out of four objectives associated with Goal 1 by the time the report was published.[41]
- **Goal 2**: Lead the establishment and modernization of human capital information technology and data management systems and solutions.[42] OPM's FY2020 APR found that the agency met one out of three objectives associated with Goal 2.[43]

[33] OPM, *Congressional Budget Justification and Annual Performance Plan Fiscal Year 2022*, May 2021, at https://www.opm.gov/about-us/budget-performance/budgets/congressional-budget-justification-fy2022.pdf.

[34] OPM, *Annual Performance Report Fiscal Year 2020*, January 2021, p. 6, at https://www.opm.gov/about-us/budget-performance/performance/2020-annual-performance-report.pdf.

[35] Ibid.

[36] For 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.

[37] OPM, "Budget & Performance," at https://www.opm.gov/about-us/budget-performance/.

[38] Ibid.

[39] OPM, *Annual Performance Report Fiscal Year 2020*, January 2021, p. 7, at https://www.opm.gov/about-us/budget-performance/performance/2020-annual-performance-report.pdf.

[40] OPM, *OPM Strategic Plan Fiscal Years 2018-2022*, February 2018, at https://www.opm.gov/about-us/budget-performance/strategic-plans/2018-2022-strategic-plan.pdf.

[41] OPM, *Annual Performance Report Fiscal Year 2020*, January 2021, p. 23, at https://www.opm.gov/about-us/budget-performance/performance/2020-annual-performance-report.pdf.

[42] OPM, *OPM Strategic Plan Fiscal Years 2018-2022*, February 2018, at https://www.opm.gov/about-us/budget-performance/strategic-plans/2018-2022-strategic-plan.pdf.

[43] OPM, *Annual Performance Report Fiscal Year 2020*, January 2021, p. 24, at https://www.opm.gov/about-us/budget-performance/performance/2020-annual-performance-report.pdf.

- **Goal 3**: Improve integration and communication of OPM services to federal agencies to meet emerging needs.[44] OPM's FY2020 APR found that the agency met four out of five objectives and sub-objectives associated with Goal 3.[45]
- **Goal 4**: Optimize agency performance.[46] OPM's FY2020 APR found that the agency met three out of ten objectives and sub-objectives associated with Goal 4 by the time the report was published.[47]

Issues for Congressional Oversight

Issues related to potential politicization of the civil service and reorganization and modernization of OPM may be of interest to Congress for oversight purposes. Additionally, in 2021, the National Academy of Public Administration (NAPA) released a statutorily required report recommending a number of objectives for OPM to implement.[48]

Selected Oversight Issues

Some observers have expressed concerns about potential politicization of the civil service by employees "burrowing in"—that is, the process of political appointees being converted to civil service positions during a presidential transition.[49] This practice is of interest because "[u]nlike political appointments, civil service positions do not terminate at the end of an administration. Conversion therefore allows political appointees to stay in government after the president who appointed them has left office."[50] Observers suggest that this practice may not align with merit system principles that were intended to prevent nepotism and political favoritism in the civil service.[51]

OPM is statutorily tasked with overseeing the conversion of political appointees into civil service positions.[52] In 2018, OPM issued a memorandum outlining changes to their oversight practices in response to P.L. 114-136, the Edward "Ted" Kaufman and Michael Leavitt Presidential

[44] OPM, *OPM Strategic Plan Fiscal Years 2018-2022*, February 2018, at https://www.opm.gov/about-us/budget-performance/strategic-plans/2018-2022-strategic-plan.pdf.

[45] OPM, *Annual Performance Report Fiscal Year 2020*, January 2021, pp. 25-26, at https://www.opm.gov/about-us/budget-performance/performance/2020-annual-performance-report.pdf.

[46] OPM, *OPM Strategic Plan Fiscal Years 2018-2022*, February 2018, at https://www.opm.gov/about-us/budget-performance/strategic-plans/2018-2022-strategic-plan.pdf.

[47] OPM, *Annual Performance Report Fiscal Year 2020*, January 2021, pp. 26-27, at https://www.opm.gov/about-us/budget-performance/performance/2020-annual-performance-report.pdf.

[48] Sec. 1112(b) of P.L. 116-92, National Defense Authorization Act for FY2020, enacted on December 20, 2019, required the OPM Director to contract with NAPA to conduct this study. National Academy of Public Administration (NAPA), *Elevating Human Capital: Reframing the U.S. Office of Personnel Management's Leadership Imperative*, March 17, 2021, at https://s3.us-west-2.amazonaws.com/napa-2021/studies/united-states-office-of-personnel-management-independent-assessment/OPM-Final-Report-National-Academy-of-Public-Administration.pdf.

[49] See CRS Insight IN11538, *Presidential Transitions: An Overview*, by L. Elaine Halchin.

[50] Alex Tippett and Troy Cribb, "Political Appointee To Civil Servant: What the Public Should Know About "Burrowing In," Partnership for Public Service Center for Presidential Transition, October 14, 2020, at https://presidentialtransition.org/blog/political-appointee-burrowing-in/.

[51] Ibid. See also, U.S. Merit Systems Protection Board (hereinafter MSPB), "The Merit System Principles: Keys to Managing the Federal Workforce," October 2020, at https://www.mspb.gov/mspbsearch/viewdocs.aspx?docnumber=1371890&version=1377261&application=ACROBAT.

[52] Ibid.

Transitions Improvements Act of 2015, enacted on March 18, 2016.[53] Agencies are required to "submit a request to OPM whenever they seek to hire a current political appointee or one who has served in a political position within the last five years." In addition, "OPM conducts multi-level reviews of each application to make sure the conversion follows federal hiring guidelines."[54] A report published in 2017 by the Government Accountability Office (GAO) found that

> OPM approved 78 of 99 requests to convert political appointees to career positions agencies proposed to complete from January 1, 2010, through March 17, 2016. OPM denied 21 requests for varying reasons, such as bypassing qualified veterans, and referred 9 denied cases to the Office of Special Counsel (OSC). Of the 78 approved requests, agencies followed through and converted 69 political appointees to career positions. During the period, agencies completed 7 conversions without obtaining OPM approval; OPM completed post-appointment reviews for 4 of these 7 conversions, denying all 4. For each of the 4 denied cases, the agencies undertook various remedies, such as re-advertising positions, in response to OPM's concerns. OPM did not complete a review for the 3 other conversions because the appointees were no longer in the career positions to which they were converted.[55]

Congress may consider several questions with regard to "burrowing in," including the adequacy and transparency of OPM's current oversight practices, and the role of federal agencies in evaluating political appointee conversions.

Another possible issue for congressional oversight relates to the potential reorganization of OPM. The Trump Administration proposed to merge OPM with a renamed Government Services Agency (GSA; currently, the General Services Administration).[56] This plan would have transferred most of OPM's functions and authorities to GSA.[57] It also suggested establishing an Office of Federal Workforce Policy in the Office of Management and Budget (OMB) to assume OPM's policy responsibilities.[58] Former OMB Director Russell Vought wrote a letter to House Speaker Nancy Pelosi about the merger plan that stated:

> The primary purpose of the legislative proposal is to authorize the transfer of the vast majority of the current functions and resources of OPM to GSA, including Human Resources Solutions, Information Technology, Retirement, Health and Insurance Services. GSA will create a new Personnel Service to house the human resources and employee lifecycle management shared service offerings. Agencies will benefit from GSA helping them to obtain more strategic and comprehensive support for their needs.[59]

Ultimately, the Trump Administration decided to abandon the plan, reportedly citing a lack of congressional action on the legislative proposal as the reason.[60] Such a proposal may, however,

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[53] Kathleen McGettigan, "Political Appointees and Career Civil Service Positions," OPM, February 23, 2018, at https://www.chcoc.gov/content/political-appointees-and-career-civil-service-positions-3.

[54] Ibid.

[55] U.S. Government Accountability Office, *Actions Needed to Improve Documentation of OPM Decisions on Conversion Requests*, GAO-17-674, August 2017, at https://www.gao.gov/assets/gao-17-674.pdf.

[56] For discussion, see CRS Insight IN11110, *Administration Proposal to Reorganize the U.S. Office of Personnel Management (OPM)*, coordinated by Barbara L. Schwemle.

[57] Erich Wagner, "White House's OPM-GSA Merger Bill Gives an Unconfirmed Appointee Authority Over Personnel Rules," *Government Executive*, May 16, 2019, at https://www.govexec.com/management/2019/05/white-houses-opm-gsa-merger-bill-gives-unconfirmed-appointee-authority-over-personnel-rules/157085/.

[58] Ibid.

[59] Ibid.

[60] Erich Wagner, "OPM Quietly Abandons Proposed Merger with GSA," *Government Executive*, October 30, 2020, at https://www.govexec.com/management/2020/10/opm-quietly-abandons-proposed-merger-gsa/169692/.

cause some to raise questions regarding OPM's role in federal human resources management, including whether OPM's organizational structure should be altered, whether OPM should continue to be the primary agency tasked with significant responsibilities related to human capital management, and OMB's role, if any, in federal personnel policy.

Still another issue for congressional oversight relates to modernization of OPM and federal hiring practices. Some observers suggest that OPM should modernize its hiring practices to stay competitive with private sector employers. Executive Order (E.O.) 13932, "Modernizing and Reforming the Assessment and Hiring of Federal Job Candidates,"[61] issued by President Donald Trump on June 26, 2020, sought to alter the federal hiring process by removing potentially unnecessary education qualifications to ensure that the federal hiring process is merit-based.[62] The changes mandated by the E.O. were reportedly intended to "most especially help with positions in the emerging technologies field, where some agencies have struggled to fill positions."[63] A recent U.S. Merit Systems Protections Board study found that agencies are relying more often on direct hire authorities to compete for talent.[64] According to the report "agencies used direct hire authorities to make 28,000 appointments in fiscal 2018."[65] In reviewing this issue, Congress may consider whether OPM should encourage agencies to continue using direct hire authorities, how OPM has implemented E.O. 13932, the executive order's effect on the federal workforce, and whether a reduced reliance on education requirements in federal hiring would allow the federal government to better compete with the private sector for talent.

NAPA Recommendations for OPM

On March 17, 2021, NAPA released a congressionally mandated report on OPM, which included 23 recommendations for the agency.[66] The first recommendation in the report stated that OPM's statutory authority, codified at 5 U.S.C. §1101, should be amended "to clarify and redefine the role and mission of OPM as the federal government's enterprise wide, independent human capital agency and steward of the merit system for all civilian personnel systems and employees, responsible for providing government-wide leadership in strategic human capital management."[67] Another recommendation stated that OPM should "(1) redefine the OPM mission statement and restructure the organization to effectively and efficiently execute the reframed mission priorities

[61] Executive Order 13932, "Modernizing and Reforming the Assessment and Hiring of Federal Job Candidates," 85 *Federal Register* 39457, July 1, 2020.

[62] See CRS Insight IN11490, *Executive Order 13932 on Assessing and Hiring Job Candidates in Federal Agencies*, by Taylor N. Riccard.

[63] Jessie Bur, "Degree requirements are on the way out for federal jobs," *Federal Times*, August 3, 2020, at https://www.federaltimes.com/management/hr/2020/08/03/degree-requirements-are-on-the-way-out-for-federal-jobs/.

[64] MSPB Office of Policy and Evaluation, *Direct-Hire Authority Under 5 U.S.C. §3304: Usage and Outcomes*, February 2021, at https://www.mspb.gov/MSPBSEARCH/viewdocs.aspx?docnumber=1803830%20&version=1810102&application=ACROBAT. "Direct-hire authorities (DHAs) allow agencies to use streamlined procedures to appoint new employees without regard to some key merit system and public policy provisions, such as applicant rating and ranking and veterans' preference."

[65] Ibid.

[66] National Academy of Public Administration (NAPA), Elevating Human Capital: Reframing the U.S. Office of Personnel Management's Leadership Imperative, March 17, 2021, at https://s3.us-west-2.amazonaws.com/napa-2021/studies/united-states-office-of-personnel-management-independent-assessment/OPM-Final-Report-National-Academy-of-Public-Administration.pdf. Sec. 1112(b) of P.L. 116-92, National Defense Authorization Act for FY2020, enacted on December 20, 2019, required the study.

[67] Ibid., p. 3.

and (2) restore the agency's reputation for human capital leadership, expertise, and service by redirecting the internal culture and rebuilding internal staff capacity."[68]

NAPA included a number of objectives associated with each recommendation. Each recommendation, if implemented, is designed to yield specific intended outcomes. The report explains:

> Successful implementation should yield the following results: Human capital is recognized and supported as a strategic priority across government by the Administration, the Congress, and federal agencies. OPM's role is reaffirmed and strengthened as the leader for strategic human capital management government-wide. OPM's approach to human capital management evolves from predominantly compliance-oriented to customer-focused, value-added, data-driven and forward-looking encouraging innovation and sharing of best practices.[69]

In a press conference about the report, the president of NAPA, Terry Gerton, said, "We strongly recommend that a central personnel agency continue to exist, and that organization is an independent, enterprise-wide human capital agency and a steward of the merit system principles."[70] In the statute requiring the NAPA report, Congress gave OPM six months to provide a formal response.[71] As of the time of writing, OPM had not yet submitted its response to Congress. The NAPA report and the upcoming OPM response may present an array of issues for continued congressional consideration regarding OPM.

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[68] Ibid., pp. 3-4.

[69] Ibid., p. 2.

[70] Jessie Bur, "Congressionally mandated report envisions a more powerful OPM," March 17, 2021, *Federal Times*, at https://www.federaltimes.com/management/2021/03/17/congressionally-mandated-report-envisions-a-more-powerful-opm/.

[71] P.L. 116-92, Section 1112(c).