

Policy Update: Trump Administration Releases Reorganization and Reform Proposal for Federal Agencies

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On June 21, the Trump Administration released *Delivering Government Solutions in the 21st Century Reform Plan and Reorganization Recommendations*, the Administration's formal proposal to reorganize and reform agencies throughout the federal government. The proposal comes more than a year after the White House directed federal agencies to develop comprehensive plans to reorganize Executive Branch departments and agencies and make significant reductions to the federal civilian workforce. The document includes policies that would impact the National Science Foundation (NSF), National Aeronautics and Space Administration (NASA), Department of Energy (DOE), Department of Education (ED), and other agencies of interest to the higher education and research communities.

This proposal is the culmination of reviews and deliberations by the White House Office of Management and Budget (OMB) in concert with the political leadership at departments and agencies. In April 2017, OMB Director Mick Mulvaney sent a memorandum to agency heads directing them to develop a plan to restructure the government and take "immediate actions to achieve near-term workforce reductions and cost saving" by June 2017. This memorandum provided detailed guidance on how to implement a prior Presidential Executive Order, issued in March 2017, that directed agencies to submit reorganization plans to reduce their size, cut costs, and improve overall effectiveness. A number of agency-specific proposals were already included in the Administration's fiscal year (FY) 2019 budget request or are already being implemented under existing executive authorities if congressional action is not required.

Reorganizing the federal government would require legislative, legal, and administrative interventions that could take several years to carry out. If implemented, these changes could have a significant impact—both positive and negative—on universities and the broader research community. Many of these changes are unlikely to be enacted since Congress has already raised concerns about previous restructuring attempts by the Trump Administration and the most significant changes would require legislative action. However, some can be implemented by executive order or agency guidance or directive. Lewis-Burke will continue to monitor this issue closely and provide updates as more information becomes available.

Below is a summary of the recommendations relevant to the higher education and research communities. Note that in many cases, the Administration's recommendations include combining certain functions across several agencies or creating government-wide initiatives.

National Science Foundation

The reform and reorganization proposal recommends several items related to NSF. As proposed in the FY 2019 budget request, NSF would realign resources to create two new convergence accelerators related to the *Harnessing the Data Revolution* and *Future of Work at the Human-Technology Frontier* Big Ideas. As previously reported by Lewis-Burke, accelerators would support application-driven/use-inspired basic research carried out by research teams that take ideas from concept to deliverables.

Teams of six to ten researchers would be convergent, diverse, and integrated into cohorts that NSF would “proactively and intentionally” manage. Through this new activity, NSF would provide seed investment, competition, education, and mentorship. NSF plans to initiate Convergence Accelerators in a limited number of tracks/focus areas that each have specific outcomes and deliverables.

The Administration would also consolidate the management of smaller graduate fellowship programs from across the federal government under NSF’s authority. Unlike the Obama Administration’s 2013 consolidation proposal, this recommendation does not seem to suggest eliminating the programs but rather having other federal agencies give money to NSF to run their programs to increase efficiencies and reduce the number of staff needed to manage them and run their reviews. The Administration would start by taking an inventory of existing programs across federal agencies and then develop a phased pilot approach to move programs to NSF management.

NSF is included in a recommendation on cybersecurity workforce that would seek to take a “whole of government” approach to building the cybersecurity talent pipeline. The report notes that the White House Office of Management and Budget will look for options to “rationalize the size and scope” of cybersecurity education programs at NSF and several other agencies.

Department of Energy

The White House proposes consolidating all of DOE’s applied energy programs into a single Office of Energy Innovation. This new office would replace four existing applied energy offices and associated research and development activities including the Office of Energy Efficiency and Renewable Energy, the Office of Fossil Energy, the Office of Nuclear Energy, and the Advanced Research Projects Agency-Energy (ARPA-E). Consistent with the FY 2018 and FY 2019 budget requests, ARPA-E would be eliminated as a stand-alone office and ARPA-E’s best practices and management approaches, such as “coordination with industry and ability to incorporate cross-cutting research into program outcomes,” would instead be incorporated into the new office. The stated goal is to focus less on specific energy technologies and generation sources and more on outcomes and energy goals by establishing an “energy technology and fuel source-agnostic front-end program that invests in revolutionizing energy concepts, materials, and processes.” The proposal would also establish a new Office of Energy Resources and Economic Strategy to monitor, assess, and recommend solutions to protect the country’s energy assets and enhance the resiliency of the energy sector. Finally, the proposal would maintain the Office of Cybersecurity, Energy Security, and Emergency Response (CESER), which was established in 2018 and approved by Congress. CESER replaced the Office of Electricity and Energy Reliability and is responsible for protecting energy assets from disruptive events, such as cyberattacks, and leading emergency recovery efforts.

The major concern of this reorganization is that it is a front to significantly cut funding for DOE applied energy research and development activities. In FY 2018 and FY 2019, the Trump Administration proposed cuts of between 50 and 70 percent to applied energy programs, compared to congressionally enacted funding levels. The budget requests also proposed eliminating ARPA-E. Congress rejected the elimination of ARPA-E in FY 2018 and FY 2019 appropriations bills and increased funding for both ARPA-E and applied energy programs in the final FY 2018 omnibus bill. Since the proposed reorganization requires congressional approval and Congress has rejected similar proposals in the past, it is not likely that Congress will approve this major restructuring of DOE applied energy programs.

National Aeronautics and Space Administration

The White House’s plan would study the effects of shifting all or part of NASA’s government-owned, government-operated centers to a government-owned, contractor-operated mechanism known as a

Federally Funded Research and Development Center (FFRDC). This model is used by several agencies to help manage national laboratories and facilities, such as NASA's Jet Propulsion Laboratory, most of the DOE National Laboratories, several of NSF's large facilities, and many DOD and intelligence community laboratories. The primary benefit of this shift would be increased flexibility in attracting and recruiting talent, greater ability to invest in nascent areas of research, and the capacity to respond to shifting mission requirements. Beyond NASA, all existing FFRDCs are managed on behalf of the government by a mix of universities, corporations, non-profit entities, or a consortium thereof.

The proposed change is the latest attempt to reinvigorate NASA's workforce, most of which resides at its centers. A 2007 National Academies report briefly referenced studying the impacts of such a shift but was never seriously considered. Similarly, language in the FY 2017 House Commerce, Justice, Science, and Related Agencies appropriations report embraced the concept but was ultimately rejected by the Senate. The Administration's proposal to study the issue will not need congressional assent, and NASA will complete the study by the end of August 2018 so recommendations can be included in the president's FY 2020 budget request. In an email sent to NASA employees the day of the report's release, Administrator Jim Bridenstine noted that the study will be conducted internally, and that the assessment will not be the result of "pre-formed opinions or outcomes." It is expected to face bipartisan scrutiny from members representing NASA centers who fear impacts on the existing workforce. Any execution on recommendations to make significant changes to NASA centers would require approval from Congress.

Department of Health and Human Services

The Trump Administration's health-related recommendations include moving the Supplemental Nutrition Assistance Program (SNAP) and Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) from the Department of Agriculture to the Administration for Children and Families at the Department of Health and Human Services (HHS) and changing HHS's name to the "Department of Health and Public Welfare."

The proposal also recommends creating the Council on Public Assistance comprised of all the federal agencies that "administer public benefit programs." According to the blueprint, this Council would have the statutory authority to set cross-program policies, including uniform work requirements. The blueprint would also combine food safety activities at USDA's Food Safety and Inspection Service (FSIS) and the Food and Drug Administration (FDA) into one agency at USDA and change the name of the current FDA to the Federal Drug Administration, which would focus on drugs, devices, biologics, tobacco, dietary supplements, and cosmetics. The blueprint also again proposes consolidating the Agency for Healthcare Research and Quality (AHRQ), the National Institute for Occupational Safety and Health (NIOSH), and the National Institute on Disability, Independent Living, and Rehabilitation Research (NIDILRR) into the National Institutes of Health. The Administration has previously proposed this consolidation of AHRQ, NIOSH, and NIDILRR in its FY 2019 budget request, but Congress has rejected the move. Lastly, the document proposes moving the Strategic National Stockpile (SNS) of resources to use in a public health emergency from the Centers for Disease Control and Prevention (CDC) to the Office of the Assistant Secretary for Preparedness and Response (ASPR).

Departments of Education and Labor

The reorganization plan proposes to merge the Department of Education (ED) and Department of Labor (DOL) into a single agency, the Department of Education and the Workforce (DEW). This agency would focus on education, skill development, workforce protection, and retirement security among other issues. As part of this consolidation, the Administration proposes to streamline workforce development

programs and financial education and literacy programs. The plan states, “The new agency will be charged with meeting the end-to-end needs of American workers and students... to ensure access to the full range of coordinated resources Americans need to succeed in the 21st Century economy.”

According to the administration, this new agency would reduce bureaucracy, integrate education and workforce programs, and make it easier for states to meet the needs of their workforce. The proposal would merge all existing DOL and ED programs into a single department with four “sub-agencies.” These “sub-agencies” would include “K-12,” “Higher Education/Workforce Development,” “Enforcement,” and “Research/Evaluation/Administration.” Of interest to institutions of higher education would be the creation of the “American Workforce and Higher Education Administration” (AWHEA) which would oversee higher education and workforce development programs. Components of this office would include higher education and a “Veterans’ Employment Office.” Among other responsibilities, this entity would expand access to short-term credentialing programs and streamline the way institutions interact with the student loan system.

Department of Agriculture

The proposed reorganization would impact the Department of Agriculture agency that has food safety regulatory authority, the Food Safety and Inspection Service (FSIS), and the Department of Health and Human Services (HHS) Food and Drug Administration (FDA). The FSIS currently regulates meat, poultry and processed egg products, while the FDA regulates all other food products and veterinary products. As noted in the HHS section, the Trump Administration recommended a consolidation of all food safety authority to USDA within FSIS to provide a “clear mandate, dedicated budget, and full responsibility it needs for optimal oversight of the entire U.S. food supply.” FDA would no longer have authority to regulate any aspect of food safety, instead focusing on “drugs, devices, biologics, and tobacco.” The rationale is supported by USDA expertise in food safety and citing the ongoing collaboration between the Agricultural Research Service (ARS) and FSIS.

Additional changes are proposed for programs within the USDA Food and Nutrition Service (FNS), including the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), the Supplemental Nutrition Program (SNAP), the Child and Adult Care Food Program, and the Farmers’ Market Nutrition Program. The Administration recommends consolidating and moving these to HHS which would be renamed the Department of Health and Public Welfare (DHPW). The rationale is that these programs do not require the USDA expertise of “food procurement or delivery” because they are “near-cash” benefit programs better suited to the mission of HHS.

Department of Interior

The Administration’s government reorganization proposal states that it seeks to consolidate “major land and water resource management programs in the Federal Government” within the Department of Interior (DOI). The reorganization plan looks to combine the National Marine Fisheries Service (NMFS) at the National Oceanic and Atmospheric Administration (NOAA) in the Department of Commerce with the U.S. Fish and Wildlife Service (USFWS) in DOI. According to this proposed plan, the combined bureau would sit within DOI and coordinate “fish and wildlife science and related resource management.”

The Administration also proposes to relocate the Army Corps of Engineers Civil Works out of the Department of Defense (DOD) where it is currently housed and shift its commercial maritime navigation responsibilities to the Department of Transportation (DOT) and all other Army Corp functions including

“flood and storm damage reduction, aquatic ecosystem restoration, hydropower, regulatory, and other activities” to DOI.

Justifications stated in the reorganization plan for both the proposed relocation of the Army Corp of Engineers and the combination of the USFWS and NMFS include merging agencies with similar missions, simplifying administration of regulations such as the Endangered Species Act, and streamlining permitting for infrastructure projects.

Department of Homeland Security

DHS is an amalgam of sub-agencies with missions that account for the security of borders, transportation entities, ports, cyber systems, and critical infrastructure, as such the report notes that there are a number of redundancies that could be addressed at the agency as well as opportunities to leverage DHS’ unique capabilities to foster organizational reform, both internally and across the federal government.

As the lead agency for federal IT protection, the report directs DHS to work with the Office of Management and Budget (OMB) and other federal agencies to develop a unified approach to address the federal cybersecurity workforce shortage. This will include taking steps to analyze skill gaps, develop standardized mechanisms to hire or retrain workers, and build a sustainable pipeline for an agile cyber workforce. As part of this process, OMB will “evaluate options to rationalize the size and scope of current federal cybersecurity education programs,” including popular university-based programs like the National Science Foundation (NSF)’s CyberCorps, the Scholarship for Service program, and the National Security Agency (NSA)/DHS Centers for Academic Excellence program. The report also tasks DHS and OMB to work with other federal security agencies to “evaluate the feasibility of extending a reservist program to support non-federal major cybersecurity incidents within the United States, such as those affecting critical infrastructure.”

The report also calls on the agency to consider other efficiency strategies. This includes modernizing IT and addressing redundancies between DHS mission directorates and other federal agencies, such as the transfer of surface transportation grants administered by the Federal Emergency Management Agency (FEMA) and Transportation Security Administration (TSA) to the Department of Transportation (DOT), and the National Bio and Agro-Defense Facility (NBAF) from the DHS Science and Technology Directorate (S&T) to the Department of Agriculture (USDA).

Department of Transportation

As part of the proposed reorganization, the Administration plans to shift certain responsibilities out of the Department of Transportation (DOT), while consolidating other transportation security programs at the Department of Homeland Security (DHS) and reassessing the organizational structure of the Office of the Secretary of Transportation (OST) to “better align the agency’s core missions and programmatic responsibilities.” Consistent with recent, unsuccessful efforts in Congress, this proposal would spin-off oversight of the air traffic control system to a non-profit entity to increase flexibility and improve governance structure. This move would also include the privatization of the Saint Lawrence Seaway. However, the DOT Maritime Administration (MARAD) would assume operation of the inland waterway system from the Army Corps of Engineers as a way of increasing MARAD’s involvement in commercial maritime issues.

Under this proposal DOT would assume more responsibility over surface transportation safety by taking over the administration of the transit security grants and surface transportation inspection and guidance

activities carried out by the Federal Emergency Management Agency (FEMA) and the Transportation Security Administration (TSA) respectively. The justification for the move is that DOT already has substantial transportation safety oversight responsibilities, and the Agency's existing relationships with industry would make it a more logical home for these activities. The final piece of this reorganization plan is an analysis of the programmatic responsibilities of OST, which the Administration feels has become overburdened by activities previously carried out by the other modal agencies. In the past, the role of OST has been to focus on national transportation policy while providing support and oversight to DOT agencies. However, this role has broadened to include responsibility over the Build America Bureau, the administration of transportation credit programs, private activity bonds, and the new Better Utilizing Investments to Leverage Development (BUILD) grant program. While no concrete reorganization of OST has been proposed, the Administration would conduct an analysis of current responsibilities to see if alternative management structures could relieve the overburdened OST. This could potentially mean moving the BUILD grant program to one of the modal agencies, which may have long-term implications for how the program is administered.

Environmental Protection Agency

The recommendations for the U.S. Environmental Protection Agency (EPA) largely represent a continuation of the Administration's ongoing effort to redefine the agency's role in national environmental policy while shifting environmental protection activities to state and local authorities. Related activities would include empowering states to oversee and implement federally supported environmental initiatives and reassessing its field presence. The Administration would also seek to streamline environmental cleanup programs by consolidating the Central Hazardous Materials program at the Department of Interior and the Hazardous Materials Management program at the U.S. Department of Agriculture into EPA's Superfund program.

Pertinent to the research community, the new policy would direct EPA to review its current laboratory infrastructure and identify opportunities to operate them "in a more strategic, corporate, and efficient manner." This is particularly relevant to EPA's external partners, as the National Center for Environmental Research (NCER) is the agency facility responsible for administering extramural research funding, including the Science to Achieve Results (STAR) program. It should be noted, however, that Congress has recently used the appropriations process to explicitly prohibit EPA from consolidating or closing regional facilities like NCER without congressional approval.

Department of State and U.S. Agency for International Development

The reform and reorganization proposal recommends several items related to reorganization at the Department of State (State) and U.S. Agency for International Development (USAID). Aspects of interest to the research community include optimizing humanitarian assistance efforts at State and USAID to eliminate duplication of efforts and fragmentation of decision-making. State and USAID will submit reorganization plans for humanitarian assistance as part of their FY 2020 budget request to elevate humanitarian assistance to a new USAID bureau.

USAID will also carry-out extensive reorganization of its headquarters Bureaus and Independent Offices, with the main aim of advancing "partner countries' self-reliance, supporting U.S. national security, and ensuring the effectiveness and efficiency of foreign assistance."

Multi-Agency and Government-Wide Proposals

The GEAR Center:

The proposed reorganization would include the creation of a Government Effectiveness Advanced Research (GEAR) Center. This would be a public-private partnership designed “to help the Government respond to innovative technologies, business practices, and research findings that present opportunities to improve mission delivery, services to citizens, and stewardship of public resources.” Before the Center is launched, the Administration suggests that the General Services Administration (GSA) could solicit information and ideas from the public, institutions of higher education, non-profits, and the business sector through a Request for Information as well a prize competition. Input received would then help mold a GEAR Center located at a research institution such as a university or think tank. The GEAR Center would both help ensure that government keeps pace technologically with the private sector to be efficient and effective in providing government services and would also look to the future to “anticipate and respond to changes in technology with implications for service to citizens and Government mission.” Example GEAR Center activities stated in the proposed plan include researching impacts to the government of automation and other broad economic forces and finding ways to “leverage Big Data and manage data as an asset.”

Strengthening Federal Evaluation:

The Administration’s reform plan includes a section on “Strengthening Federal Evaluation” that seeks to increase the government’s capacity to do more formal evaluations of federal programs to build evidence on whether programs are successful or need adaptations. The plan states that “program evaluation is a valuable tool that can help us learn what works in order to focus limited funding on effective programs, discontinue programs that fall short of desired results, and identify ways to improve continually funded programs.” The government reform plan adopts evaluation and evidence-building practices suggested by the bipartisan Commission on Evidence-Based Policymaking September 2017 report, such as having federal agencies appoint a senior official to lead program evaluation for the agency and coordinate learning agendas or multi-year plans for building evidence. The reform plan notes that the Commissions’ recommendations and the Foundations for Evidence-Based Policymaking Act based on those recommendations would help federal agencies better evaluate their programs as well as “test innovative strategies and execute effective strategies.”

Sources and Additional Information:

- The Administration’s *Delivering Government Solutions in the 21st Century Reform Plan and Reorganization Recommendations* is available at <https://www.performance.gov/GovReform/Reform-and-Reorg-Plan-Final.pdf>.
- March 13, 2017, Presidential Executive Order on a Comprehensive Plan for Reorganizing the Executive Branch is available at <https://www.whitehouse.gov/the-press-office/2017/03/13/presidential-executive-order-comprehensive-plan-reorganizing-executive>.
- April 12, 2017, OMB Memorandum for Heads of Executive Departments and Agencies is available at <https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/memoranda/2017/M-17-22.pdf>.
- The FY 2019 President’s Budget Request is available at <https://www.whitehouse.gov/omb/budget/>.