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# **Government Reorganization: Strategies and Tools to Get It Done**

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## FOREWORD

August 2004

On behalf of the IBM Center for The Business of Government, we are pleased to present this report, “Government Reorganization: Strategies and Tools to Get It Done,” by Hannah Sistare.

The reform of organizational structure is a means to an end. Organizational structure that is cumbersome and ineffective inhibits the president’s ability to make and implement policy. Structural problems can impede management and raise the costs of government, adding not only to public dissatisfaction, but employee frustration as well. This report provides various approaches to how government can undertake reorganization initiatives. The report approaches the restructuring and reform of government in the broadest terms—going beyond the traditional “boxology” long associated with reorganization.

Sistare begins her report by pointing out the historical difficulty of accomplishing government reorganization. She identifies four driving forces for reorganization: to make government work better, to save money, to enhance power, and to address pressing problems. She then examines four principal reorganization strategies policy makers have used in the past: commissions, presidential reorganization authority, executive branch reorganization staff, and congressional initiatives. She describes the history and experience of each, and outlines their advantages and disadvantages.

Returning to what she calls the “imperative to reorganize,” Sistare identifies four strategies to bring about organizational change in the federal government in the 21st century: virtual reorganization through e-government, virtual reorganization through coordinating councils, reorganization by commission, and reorganization by legislative authorization.

This report is particularly timely as the beginning of a presidential term in January 2005 arguably presents a singular opportunity to rethink and restructure the federal government. A new presidential term offers the prospect of new initiatives. In addition, a new presidential term includes many unfilled positions, which often makes the task of reorganization and position elimination easier. Finally, impetus for change is often at its highest levels during the start of a presidential term. We trust that this report will be helpful to key officials in both the executive branch and the legislative branch as they consider additional reorganizations of government in the years ahead.

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# Understanding the Need to Reorganize

## The Imperative to Reorganize

How the government is organized plays a critical role in the nation's ability to meet its responsibilities. This was amplified by the recent public hearings of the commission investigating the September 11 terrorist attacks.<sup>1</sup> Over two days of hearings in March 2004, commission members and witnesses noted ways in which changes in government organization could improve many aspects of the nation's intelligence capabilities and defensive strength. Witness after witness gave testimony to the importance of the organization of government—including the harm that could come from ineffective organizations that did not share key information—and the benefits that could be gained from heeding the need to combine or coordinate agencies with common missions. Secretary of Defense Donald Rumsfeld asked “whether it might be appropriate for the various departments and agencies to do what the [military] service did two decades ago: give up some of their existing turf and authority in exchange for a stronger, faster, more efficient government-wide joint effort?”

The importance of the organization of the departments and agencies of government was addressed extensively during the deliberations of the second National Commission on the Public Service, chaired by former Federal Reserve Board Chairman Paul A. Volcker. Commission Chairman Volcker shared his view that the lack of mission cohesion across government was having a significant effect on the job satisfaction and performance of federal workers. Since job satisfaction and performance were two of the driving forces

behind the creation of the commission, commission members were determined to address the question of government organization from the outset of the commission's work.

A survey conducted by the Center for Public Service at the Brookings Institution showed that in the year following September 11, 2001, employees at the Department of Defense had the highest sense of job satisfaction among federal civilian workers.<sup>2</sup> Analysis of the survey results indicated that despite the increased public attention to and demonstrated appreciation of the government workforce following September 11, the morale and job satisfaction of non-defense employees declined. Defense Department employees, however, had measurably higher morale and job satisfaction. They reported the strongest sense of working toward a clear mission and, importantly, the ability to contribute to that mission's success.

The fact that mission fragmentation and program overlap impedes the ability of federal workers to perform effectively has long been argued. The General Accounting Office (GAO) addressed this issue in a series of papers that were summarized in a March 2004 report on results-oriented government:

Previous GAO reports and agency managers identified several barriers to interagency coordination. First, missions may not be mutually reinforcing or may even conflict, making reaching a consensus on strategies and priorities difficult. In 1998 and 1999, we found that mission fragmentation and program

overlap existed in 12 federal mission areas, ranging from agriculture to natural resources and the environment. Implementation of federal crosscutting programs is often characterized by numerous individual agency efforts that are implemented with little apparent regard for the presence of related activities. Second, we reported on agencies' interest in protecting jurisdiction over missions and control over resources. Focus group participants echoed this concern, noting that there can be "turf battles" between agencies, where jurisdictional boundaries, as well as control over resources, are hotly contested. Finally, incompatible procedures, processes, data, and computer systems pose difficulties for agencies to work across agency boundaries. For example, we reported how the lack of consistent data on federal wetlands programs implemented by different agencies prevented the government from measuring progress toward achieving the government-wide goal of no net loss of the nation's wetlands.<sup>3</sup>

The Volcker Commission concluded that more focused missions could improve the effective implementation of public policy, reduce waste of limited resources, and enhance national security. For the government workforce, an enhanced ability to carry out organizational missions would also greatly improve job satisfaction and morale.

Coincidentally, as the commission began to look at the benefits that could be derived from government reorganization, the public debate over creation of a new department dedicated to homeland security gained momentum. As it evolved, the organizational concept for homeland security, and the operating flexibilities that were provided for the new department, were very much in line with the commission's thinking and recommendations. The creation of that department also demonstrated that the road from a good concept to an actual reorganization is an extremely difficult one. The purpose of this report is to examine that challenge of reorganization and to provide a series of options for policy makers in both the executive and legislative branches and other interested parties as they consider how to bring various reorganization options from concept to reality.

## What Is Reorganization?

A traditional definition of reorganization as it applies to the federal government is to rearrange elements of government's physical structure, functions, and accompanying resources. Thus reorganization encompasses moving an agency, its responsibilities, and staff from one department to another. It also encompasses combining agencies, creating a new department out of existing agencies, and giving an agency independent status by separating it from its department. This is sometimes pejoratively referred to as "moving the boxes around," though clearly the impact on programs and performance can be profound. Rarely does reorganization involve terminating a program or agency, though that is often a stated goal of a reorganization.

In this report, government reorganization is defined broadly for purposes of discussion. It includes physical movement, including consolidation, of agencies and programs, as well as elimination of an agency or program. In addition, any discussion today of reorganization encompasses the issue of how the transformed organization's personnel and human resource (HR) systems will be designed. These issues have become so intertwined with the debate over reorganization that they are now an integral part of it. For example, congressional consideration of the Department of Homeland Security authorization featured extensive debate over the new department's proposed personnel system. The earlier decision to create the Transportation Security Administration was almost derailed over how to resolve the debate over personnel issues. The Department of Defense has also received congressional approval to change its personnel and human resource system as part of its overall transformation effort.

## The Challenge of Reorganization

Legislation creating the Department of Homeland Security became law on November 25, 2002. Those present at the White House signing ceremony presented the traditional tableau of mutual congratulations for a bipartisan job well done. In this case, however, the genial gathering belied the deep political battles that underlay the creation of the new department.

Further, it hid the concerns that these veteran lawmakers had about the ability of the new department to accomplish the critical tasks that it had been assigned.

Government reorganization usually creates scars. This is difficult to avoid in our political system, where there is a direct connection between position and power. Add to that the ingrained cultures and strong constituencies supporting existing agencies, and the political effort to reorganize can seem insurmountable—and very often is.

Given the historical difficulty of accomplishing government reorganization, why is it repeatedly proposed by presidents, by members of Congress, and by blue ribbon commissions? Every president but three since President Theodore Roosevelt took office in 1901 has attempted to reorganize government. President Jimmy Carter took on government reorganization as a campaign theme and established a staff within the Executive Office of the President to plan and implement it. Congress has often formed committees to study and propose new schemes of government organization. The U.S. Commission on National Security/21st Century, known as the Hart-Rudman Commission after the two former U.S. senators who chaired it, strongly advocated reorganization of U.S. security agencies. As noted earlier, the National Commission on the Public Service called for a major reorganization of government around mission-based departments.<sup>4</sup>

Of the many presidential efforts, President Harry S. Truman's is generally regarded as the most successful. Historically, the credit has gone to former President Herbert Hoover, who headed the legendary first Hoover Commission that recommended the changes Truman proposed. President Lyndon B. Johnson oversaw the creation of the Department of



*President Bush signing the bill creating the Department of Homeland Security on November 25, 2002.*

Transportation and the Department of Housing and Urban Development. President Richard Nixon's Watergate problems effectively shut out consideration of the major organizational recommendations of the Ash Council, though he did accomplish the creation of the United States Postal Service and the Environmental Protection Agency. President Nixon also successfully proposed the creation of the Office of Management and Budget and the Domestic Policy Council within the Executive Office. President Carter established a major reorganization staff within the Executive Office of the President, but was able to implement little of their work product. The two departments whose creation he championed—Education and Energy—were ultimately created primarily through other avenues.

Our federal government operates today in what the pundits refer to as a 50/50 political divide between those who support the policies and candidates of the Republicans and those who favor the policies and candidates offered by the Democrats. The balance of power in Congress is nearly even, with every election holding the possibility that chair-

manships and the ability to control the agenda will shift to the opposing party. Former White House Chief of Staff Leon Panetta recently observed that “government has become a spectator sport” where “the fight is over power as opposed to governing.”<sup>5</sup> In this political climate, there is difficulty in enacting any significant legislation, and the built-in resistance to organizational change adds a further complexity.

In his work on government organization, Harold Seidman described the impact of the post–World War II institutionalism of professional interests within government agencies. He found that this existed to such a degree that any effort to change the established order was resisted by that profession as a whole, with professional associations and their supporters in Congress taking up the cause of the affected government employees and their programs. Seidman concluded: “In and of itself, professionalization is a major force for dividing the executive branch into separate narrow compartmentalized units. When professionalization is mixed with the centrifugal forces generated by clienteles, dependents, congressional committees, and the politics of fundraising, the pressures for further balkanization of the executive branch become nearly irresistible.”<sup>6</sup>

As chronicled in Jonathan Rauch’s *Demosclerosis*,<sup>7</sup> the combination of interests and power relationships that develop and flourish around any government program, agency, or department are an extremely effective obstacle to change. Writing in 1994, Rauch noted that seven out of 10 Americans belong to an interest group, and one in four belongs to four or more. Thus the interests that compete for government’s attention, and resist any diminution in what they have obtained, are no longer special—they are the American public at large. This is the single greatest reason why it is necessary to give strategic consideration to the various tools for accomplishing government reorganization at all. Virtually every program has a support group consisting of the federal employees who work directly in it; the members of Congress who helped enact it; the congressional committees with jurisdiction over it; and the individuals, groups, and others that benefit from it. These interests are by their existence better organized and better situated to maintain the status quo than are the interests that want change.

The number and tenacity of each program’s adhering interests have grown since Rauch coined the term “demosclerosis” in 1994. Program delivery has been performed by state and local governments and private nonprofit and profit-making organizations for many years, growing particularly with the implementation of social welfare programs in the Johnson and Nixon administrations. In the last decade, though, there has been a significant increase in the level of program administration and operations actually being performed by third parties. Today, the continuing trend toward networked government making private contractors, state and local governments, nonprofits, and others part of the overall operation of federal programs has served to make change even more difficult still. Johns Hopkins University Professor Lester M. Salamon has analyzed the “new governance” through which the federal government now carries out its responsibilities. He notes “the host of third parties—local governments, hospitals, universities, clinics, community development corporations, industrial corporations, landlords, commercial banks, and many more—that now also share with public authorities the responsibility for public programs operations.”<sup>8</sup>

## Driving Forces for Government Reorganization

Given the difficulty of reorganizing government, why is it repeatedly tried? Historically, there have been four driving forces for reorganization:

- To make government work better
- To save money
- To enhance power
- To address a pressing problem

**To make government work better.** Why would the Volcker Commission, which did its work in parallel with the contentious creation of the Department of Homeland Security, persevere with its recommendation that government be reorganized “into a limited number of mission-centered departments”?<sup>9</sup> The answer is that commission members were convinced that mission coherence—aided by a good degree of administrative flexibility—was the key to government performing its 21st century responsibilities.



## Excerpts from *Urgent Business for America: Revitalizing the Federal Government for the 21st Century*

(Report of the National Commission on the Public Service [the second Volcker Commission], January 2003)

### On the Need for Reorganization

Fundamental reorganization of the federal government is urgently needed to improve its capacity for coherent design and efficient implementation of public policy.

The structure of the federal government is outmoded. Some programs no longer have viable missions. More often, too many agencies share responsibilities that could profitably be combined. Decision making is too often entangled in knots of conflict, clearance, coordination, and delay. The necessity for coordination and consultation cannot be permitted to overwhelm and needlessly delay decision making.

The simple reality is that federal public servants are constrained by their organizational environment. Changes in federal personnel systems will have limited impact if they are not accompanied by significant change in the operating structure of the executive branch....

Every agency has—or should have—a clear mission with structures and processes that follow from their particular responsibilities. With rare exception, agencies with related mandates should fit together in a broad organizational scheme that permits and encourages constructive interaction rather than battles over turf. Federal departments should be reorganized to bring together agencies that contribute to a broad mission in a manner responsible to direction from elected leaders and their appointees, and subject to careful oversight by Congress but sufficiently independent in administration to achieve their missions.

### On Examples of Duplication, Overlap, and Gaps

There is extensive evidence now of duplication, overlap, and gaps in many critical government functions. This pattern consistently undermines effective government performance. Examples are plentiful and consequences are deeply damaging to the national interest.

**Waste of limited resources.** As many as 12 different agencies are responsible for administering more than 35 food safety laws. Testimony before the Senate Governmental Affairs Subcommittee on Oversight of Government Management, Restructuring and the District of Columbia noted that fragmented responsibility under the current food safety system leaves many gaps, inconsistencies, and inefficiencies in government oversight and results in an unacceptable level of public health protection.

**Inability to accomplish national goals.** For example, with 541 clean air, water, and waste programs in 29 agencies, no one in the federal government can effectively manage the application of federal resources devoted to these goals.

**Impediments to effective management.** Some government missions are so widely dispersed among so many agencies that no coherent management is possible. Some examples:

- Seven different federal agencies administer 40 different programs aimed primarily at job training.
- Eight different federal agencies operate 50 different programs to aid the homeless.
- Nine agencies operate 27 teen pregnancy programs.
- Ninety early childhood programs are scattered among 11 federal agencies.

### Danger to our national security and defense.

- The Hart-Rudman Commission (U.S. Commission on National Security/21st Century) found that as a result of excessive layering, performance suffered profoundly. The commission highlighted the problem of “gaps and seams” in mission responsibilities.

### On Principles of Reorganization

We believe that essential reorganization must begin with commitment to a few basic principles. First, programs that are designed to achieve similar outcomes should be combined within one agency unless there is a compelling case for competition. Second, agencies with similar or related missions should be combined in large departments that encourage cooperation, achieve economies of scale in management, and facilitate responsiveness to political leadership. Third, these new agencies and departments should be organized so that there are as few layers as possible between the top leadership and the operating units. Fourth, agencies should have maximum flexibility to design organizational structures and operating procedures that closely fit their missions.

Their view represented the “make government work better” imperative. It is the view shared by many of those who undertook reorganization efforts in the past, but, as will be discussed, it has not been the dominant one.

The Volcker commission began its task because of a shared concern about decline in the level of trust that Americans say they have in their government. During the past 40 years, survey after survey has found a steep decline in citizens’ trust in government to do the right thing. This failure of trust deprives our government and the programs administered by government officials of needed support. Of particular importance to the Volcker Commission was that this lack of trust discouraged talented Americans from joining the federal service.

The Volcker Commission pointed to the “overlap, duplication, gaps, and runarounds” identified by the Hart-Rudman Commission in the organization of U.S. national security agencies, as well as similar problems in other departments and agencies, as demanding organizational reform. It found that changing national priorities, great advances in technology, and the accretion of government agencies had led to government organization that is both inadequate for the 21st century and chaotic. “As a consequence, public servants often find themselves in doubt about the relevance and importance of their agency’s mission while spending inordinate amounts of time coordinating or battling with their counterparts in other agencies,” stated the final report of the Commission.<sup>10</sup>

Other notable reorganization efforts have been premised on the belief that organization was important to the operation of government and that reorganization was necessary to correcting problems of government management and performance. Salamon points out that the Hoover Commission, “long regarded as the bible of the economy and efficiency view of reorganization,” reported that “what was most important about ‘placing related functions cheek-by-jowl’ was not that overlaps would be eliminated and costs reduced, but of even greater importance coordinated policies can be developed.”<sup>11</sup> In his message to the Congress transmitting the report of the President’s Committee on Administrative Management, President Franklin

Roosevelt stated: “A government without good management is a house built on sand.”<sup>12</sup>

In testimony before the House Government Reform Committee in April 2003, Paul C. Light, then senior adviser to the Volcker Commission as well as director of the Center for Public Service at the Brookings Institution, provided an overview of the several “make government work better” benefits of reorganization:

1. Reorganization can give greater attention to a priority such as homeland security or food safety.
2. Reorganization can reduce overlap and duplication among widespread programs, thereby increasing accountability and efficiency.
3. Reorganization can create a platform for a new and/or rapidly expanding governmental activity.
4. Reorganization can force greater cooperation among large, quasi-independent agencies such as the Coast Guard and Federal Aviation Administration.
5. Reorganization can create greater transparency in the delivery of public goods and services to and on behalf of the public.
6. Reorganization improves employee satisfaction and performance.<sup>13</sup>

**To save money.** Since government reorganization was first pursued in the early 1900s, saving money has been a motivation for reorganization. Part of President Theodore Roosevelt’s purpose in appointing the Keep Commission in 1905 was to increase government efficiency, with efficiency being synonymous with saving money. President William Howard Taft’s goal in creating the Commission on Economy and Efficiency in 1910 was evident from its title. Seidman found that “almost every president from Theodore Roosevelt to Lyndon B. Johnson, with the notable exception of Franklin D. Roosevelt, has at one time or another found it necessary to defend reorganization as a means of reducing expenditures.”<sup>14</sup> Over the history of reorganization efforts, however, the main proponents of reorganization as a means of saving money have been members of Congress. Of course, a widely understood, though less often acknowledged, fact is that significant reorganizations have significant start-up costs.

Members of Congress have utilized a variety of approaches in attempting to plan and implement reorganization for the purpose of saving money. Legislation introduced in September 2003 by Senator Sam Brownback (R-Kan.) combines several in one proposal. His bill establishes a commission charged with conducting a comprehensive review of federal agencies and programs and then recommending the elimination or realignment of duplicative, wasteful, or outdated functions. The bill provides for the introduction of these recommendations by the leadership of the House of Representatives and the Senate and establishes an expedited process for their consideration.<sup>15</sup> Also in 2003, Representative Jo Ann Davis (R-Va.), chairman of the House Government Reform Subcommittee on Civil Service and Agency Organization, proposed legislation requiring that every committee report include an assessment by the General Accounting Office as to whether the legislation duplicates an existing government activity or enterprise.<sup>16</sup>

**To enhance power.** There are two distinct ways in which reorganization can enhance power, and both play a continuing role in efforts to reorganize government. In the broader context, government reorganization has been employed to enhance the power of the president relative to that of the Congress in the area of policy implementation. Many presidents saw this value in reorganization and consciously used it for that purpose. President Hoover, to the disappointment of his congressional supporters, came to believe that reorganization's impact of energizing the executive branch was one of its benefits.<sup>17</sup> The Brownlow Committee appointed by President Franklin Roosevelt in 1936 noted that "strong executive leadership is essential to democratic government today." In his letter of transmittal to the Congress, Roosevelt endorsed the need for the president to be able to fulfill his duty to manage implementation of the laws, noting that "the present organization and equipment of the executive branch of government defeats the constitutional intent that there be a single responsible Chief Executive...."<sup>18</sup>

President Nixon's successful promotion of the reorganization of the Executive Office of the President to create the Office of Management and Budget and the Domestic Council, led by political appointees, strengthened his control over the operations of the government. Congressional Research Service

scholar Ronald C. Moe concludes that President Johnson "saw reorganization as an instrument to increase presidential power, not for achieving more efficient management of agencies or programs."<sup>19</sup>

President Franklin Roosevelt turned to reorganization after suffering what he regarded as a blow to his authority to manage the executive branch. In 1935 the Supreme Court ruled that Roosevelt did not have unlimited authority to remove members of the independent regulatory commissions. Roosevelt decided that he could gain the authority he sought to exercise over these agencies if they were reorganized into the executive department. The following year he appointed the President's Committee on Administrative Management, chaired by Louis Brownlow.<sup>20</sup>

This historical tug of war involves the appropriate balance between strong presidential leadership and management on the one hand, and oversight by Congress on the other. Congress is not in a position to manage the daily implementation of policy, and it is important that the president have the management capability necessary to do so. However, consistent with the U.S. constitutional scheme, presidential authority should be exercised within a framework of underlying requirements legislated by Congress, followed up by congressional oversight.

In a narrower context—and the one that most influences the process today—reorganization can greatly affect both the absolute and relative importance of government agencies, programs, and leaders. Reorganization impacts the structure through which decisions are made and impacts who has a voice in making them, an important determinant of power. The National Education Association and others across the education establishment championed the Department of Education as a means of giving education a seat in the president's cabinet and increasing the ability of education programs to compete for federal resources. Transportation interests inside and outside of government championed the creation of the Department of Transportation as a means to increase visibility for their agendas.

**To address a pressing problem.** This is the "do something!" imperative. Reorganization is a way in which elected officials can respond to a crisis. Sometimes it

**Excerpts from Testimony before the Subcommittee on Civil Service and Agency Organization, Committee on Government Reform, House of Representatives**

*Federal Food Safety and Security System:  
Fundamental Restructuring Is Needed to Address Fragmentation and Overlap*

Statement of Lawrence J. Dyckman, Director, Natural Resources and Environment

March 30, 2004

**What GAO Found**

As we have stated in numerous reports and testimonies, the federal food safety system is not the product of strategic design. Rather, it emerged piecemeal, over many decades, typically in response to particular health threats or economic crises. The result is a fragmented legal and organizational structure that gives responsibility for specific food commodities to different agencies and provides them with significantly different authorities and responsibilities.

A federal food safety system with diffused and overlapping lines of authority and responsibility cannot effectively and efficiently accomplish its mission and meet new food safety challenges. These challenges are more pressing today as we face emerging threats such as mad cow disease and the potential for deliberate contamination of our food supply through bioterrorism.

Therefore, fundamental changes are needed. First, there is a need to overhaul existing food safety legislation to make it uniform, consistent, and risk based. Second, consolidation of food safety agencies under a single independent agency or a single department is needed to improve the effectiveness and efficiency of the current federal food safety system. Integrating the overlapping responsibilities for food safety into a single agency or department can create synergy and economies of scale, as well as provide more focused and efficient efforts to protect the nation's food supply.

**Agencies Involved in Food Safety**

Department of Health and Human Services	Food and Drug Administration (FDA)
	Centers for Disease Control and Prevention (CDC)
U.S. Department of Agriculture	Food Safety and Inspection Service (FSIS)
	Animal and Plant Health Inspection Service (APHIS)
	Grain Inspection, Packers and Stockyards Administration
	Agricultural Marketing Service (AMS)
	Agricultural Research Service (ARS)
Department of Commerce	National Oceanic and Atmospheric Administration (NOAA)
Environmental Protection Agency	
Federal Trade Commission	
Department of the Treasury	Bureau of Alcohol, Tobacco, and Firearms
Department of Homeland Security	U.S. Customs and Border Protection

Source: GAO

is the only highly visible, relatively speedy response that leaders have available. Sometimes it is clear that the problem to be solved stemmed, in part, from an outdated or inadequate organizational structure. Sometimes the crisis leads policy makers to pay closer attention to earlier recommendations for organizational reform—such as the report by the Hart-Rudman Commission in early 2001 that our security agencies were inadequately structured to protect the security of the nation.<sup>21</sup>

There are other modern-era examples of this phenomenon. The fear of long gas lines and the reality of rising energy prices led to the creation of the Department of Energy. The Federal Emergency Management Administration (FEMA) was widely considered to have mishandled the cleanup and rebuilding in the aftermath of Hurricane Andrew in 1992. The following year, President Bill Clinton installed stronger leadership to reorganize the agency and improve its management—actions that continue to be praised as having greatly improved its performance. The national horror over the terrorist attacks on September 11 led to the establishment of the Office of Homeland Security and then to the creation of the department itself. The creation of the Transportation Safety Administration and the transfer of responsibility for airline safety to the Department of Transportation—and then to the Department of Homeland Security—was in direct response to the hijacking of three commercial airplanes that day.

There is clearly no better example than the “do something!” response to the national security crisis exemplified by the September 11 attacks. Policy makers were anxious to address the shock and fear felt by the American people. Round-the-clock flyovers of key metropolitan areas by fighter jets undoubtedly helped to demonstrate that the government was at work, but more dramatic and permanent action was demanded.

The coalition supporting a new Department of Homeland Security grew in the six months following September 11th, as the absence of confidence in less dramatic steps developed. In October 2001, Senator Joseph Lieberman (D-Conn.), then chairman of the Senate Governmental Affairs Committee, introduced legislation to create a new Department of Homeland Security, basing the structure on the previously neglected recommendations of the Hart-Rudman

Commission. Former Senator Fred Thompson (R-Tenn.), the ranking member on the committee, was a leading skeptic of “moving the boxes around.” Even witnesses who testified in support of creating the Department of Homeland Security cautioned lawmakers “not to move too quickly, or we will screw it up.” Senator Robert Bennett (R-Utah) recounted his experience as a staff member in the new Department of Transportation (DOT) as a warning not to expect too much too soon from the new department. He noted that the agencies that were regrouped in the DOT reorganization—which enjoyed wide support and had been discussed for many years—did not get their performance back up to par for over 18 months.<sup>22</sup> Within six months of the Lieberman hearings, President Bush proposed his own plan for reorganizing government agencies into a homeland security department, and the Congress ultimately passed the necessary legislation.

Other government reorganizations that were adopted as a result of a perceived crisis were the creation of the Department of Energy and the passage of the Civil Service Reform Act of 1978. The Department of Energy received its boost from concern about U.S. dependence on foreign oil and the related problems of long gas lines and erratic energy prices. Yet those in the Carter administration designing the new department had varying goals in mind, and the department has been beset by organizational and mission shortcomings ever since. It certainly has not accomplished the reorganization’s rhetorical goal of “making America energy independent.”

The creation of the Office of Personnel Management and other organizational and management reforms in the Civil Service Reform Act of 1978 were also fueled by the perception of a crisis. As recalled by those who worked for the adoption of the 1978 civil service reforms, the legislation was helped to enactment through a concerted effort by the reformers to paint the state of the federal civil service as considerably worse than it was. While the 1978 reforms are broadly regarded as having made a major contribution, the cost of creating the crisis was that “the perception of the civil service as ‘awful’ stayed with the public even after the reforms were adopted.”<sup>23</sup>

This same phenomenon recurs regularly on Capitol Hill. Members use public hearings to build support for their legislative initiatives. They consciously pick

the most compelling examples and the witnesses with the most troubling stories to bring public attention to the problem their legislation is designed to address. The horror stories of abuse of taxpayers and resources by the Internal Revenue Service led to extensive organizational reform at the agency in 1998. The process also convinced the general public that a key government agency had totally failed in its exercise of the public trust. Clearly the fight to put together the necessary support to authorize reorganization can in itself damage the public's view of government institutions, and thus those institutions themselves.

While reorganization to address a crisis can produce needed change, Salamon notes, "Often reorganization comes to be viewed not as a tool of policy but as an alternative to policy, a cheap way to express concern about a subject for which no new resources are available. Worse yet, reorganization can be employed merely as a symbolic balm to generalized citizen displeasure with the perceived unwieldiness of government."<sup>24</sup>

## Summary

Presidents and members of Congress have undertaken significant efforts to reorganize the federal government since the beginning of the 20th century. Whether the goal is better management of government, more efficient government, enhancement of power, or the solution to a pressing problem, reorganization has proved to be an effective, though often elusive, approach to policy making. Policy makers have many models from this period to study and possibly follow, but experience has shown that new approaches are needed for proponents of reorganization to succeed.

Successful reorganization poses even more of a challenge in today's political climate than it has in the past. This is the result of two present-day phenomena. First, our government and the electorate are very evenly divided politically. Second, the existing allocation of national resources is fiercely guarded by the power structure and its constituencies.

Reorganization, however, has been broadly enough regarded as a useful and effective instrument of policy implementation that its availability to policy makers should not be foreclosed. Combining U.S.

military services into the Department of Defense, placing transportation agencies in a Department of Transportation, and terminating the Civil Service Commission and creating a new civil service system including the Office of Personnel Management were all reported to have improved the performance of the federal government. The Department of Defense and the reformed civil service system were painful to accomplish, but appear to have been worth the effort. The question now is: How can policy makers today continue to look to reorganization as a means to improve the management and performance of government?

This report reviews the four key approaches traditionally used by policy makers to effect reorganization: commissions, reorganization authorities, executive branch reorganization staff, and congressional initiatives. It examines their characteristics, their historical use, and their historical effectiveness. It also considers each of these approaches in terms of their effectiveness in light of current political realities. These approaches are, in effect, tools that a president or Congress can utilize to achieve the end goal of reorganization. Each has its strengths and shortcomings, and there are cases in which each is particularly effective. Increasingly, however, a combination of these process tools will be needed to do the job.

While this study is focused on how to get the job done, it would be remiss to ignore the goal of getting it done in a manner that produces workable results. Experience has shown that some of the individual tools discussed here produce better results than others. Again, utilizing a strategy that combines several of them may increase the quality of the final reorganization.

# Reorganization Strategies in the 20th Century

In the 20th century, federal government policy makers used a variety of strategies to bring about organizational change. These strategies have utilized four approaches through which most attempts to reorganize the federal government have been launched:

- Commissions
- Presidential Reorganization Authority
- Executive Branch Reorganization Staff
- Congressional Initiatives

These tools have been employed in various forms, and at times several have combined—through intention or not—to produce structural change.

## Approach One: Commissions

### Common Forms of Commissions

Commissions are viewed as an effective approach to the organizational reform of government. This is due, in part, to their visibility and to the renown of the first Hoover Commission, more formally known as the U.S. Commission on the Organization of the Executive Branch of the Government. In his overview of the history of government reorganization, Moe identified eight major commissions and several White House–level task forces that have been appointed for this purpose since 1905. This accounting does not include the Hart-Rudman Commission, which did not undertake government organization as a major task, but whose recommendations became the basis for one of govern-

ment's most far-reaching reorganizations. And it does not include commissions that were initiated outside of government, such as the two National Commissions on the Public Service.

A commission is usually defined as a group of individuals charged with a specific responsibility or task. Presidents and Congresses alike have created commissions to examine the structure of government and to make recommendations for change. Those appointed by presidents may begin their lives authorized by presidential directive or executive order.

Presidents may establish commissions that rely on existing executive branch staff—often detailed from various agencies. The Keep Commission (1905–1909) established by President Theodore Roosevelt was not authorized by Congress. Congress expressed its displeasure by passing legislation prohibiting Roosevelt from establishing future commissions without congressional authorization.

Congress can also create commissions, including those requested by a president, through legislation that provides the method of appointing commissioners and funding for the commission's activities. This is by far the more common course, since a commission of any size and level of activity needs its own operating authority and funding. The first Hoover Commission was authorized through legislation initiated and written by Congress in 1947. Pursuant to its authorization, its 12 members included a bipartisan group composed of members of Congress, executive branch officials, and private sector individuals.

Other notable commissions that have focused on government organization were the President's Commission on Economy and Efficiency (1910–1913), authorized and funded by Congress at President Taft's request; the President's Committee on Administrative Management (1936–1937), known as the Brownlow Committee and authorized and funded by Congress at President Franklin Roosevelt's request; and the President's Private Sector Survey on Cost Control (1982–1984), known as the Grace Commission, established by President Ronald Reagan and privately funded. In 2003, the second National Commission on the Public Service, known as the Volcker Commission, made recommendations for reorganization of the executive branch and the congressional committee systems around mission-based departments. A distinguishing feature of the Volcker Commission is that it was, in its chairman's words, self-appointed.

### Historical Use of Commissions

Presidents and Congresses have charged commissions with addressing government reorganization for most of the same policy reasons reorganizations are undertaken: to make government work better, to save money, and to realign power. Commissions do not normally impart quite the immediacy demanded by the need to "do something!"—though they can be utilized to put a hot issue on a side burner to let it cool off for a while.

The first commission created for the purpose of affecting the organization of government was the Keep Commission, appointed by President Theodore Roosevelt on his own initiative and led by subcabinet officials from federal departments. Roosevelt used the Keep Commission to advise him on better management of the executive branch. Due to jealousy of the president's intervention in what it saw as its own prerogatives, Congress provided only \$5,000 of the \$25,000 the president requested to hire outside experts and restricted his future use of this tool.<sup>25</sup> President Franklin Roosevelt's purposes in appointing the Brownlow Committee included enhancing and solidifying his authority as the head of government.

The first Hoover Commission, on the other hand, was intended by its congressional proponents to be used to reduce the cost of government. As it devel-

oped, however, the commission was independent enough, and the former president was prominent enough, that Chairman Hoover was able to shift its efforts and recommendations more to the purpose of improving the operations of government.

### Historical Effectiveness of Commissions

The reputation of commissions generally stems from the record of achievement of the first Hoover Commission. The Citizens' Committee for the Hoover Commission reported that 196 of the first Hoover Commission's 273 recommendations were adopted, a 72 percent success rate. Moe finds the commission responsible for the adoption of 77 legislative enactments, including reorganization plans.<sup>26</sup>

Other commissions have not fared as well in getting their recommendations adopted. Aside from serving as a vehicle for President Theodore Roosevelt to assert the presidential responsibility for the management of government, the Keep Commission left no legacy of substantive change. President Franklin Roosevelt's submission of the Brownlow Committee recommendations was soundly defeated. Aside from its recommendation that there be a national budget, President Taft's Commission on Economy and Efficiency initially produced little more than reports, most dealing with detailed administrative procedures.

President Reagan's Grace Commission made 2,160 specific recommendations regarding the management and organization of the government. The Office of Management and Budget (OMB) reported in 1990 that of the 1,972 recommendations accepted by the president, Congress had agreed to 90 percent. Other observers attributed far fewer reforms to the commission's work. The Grace Commission also made two major recommendations for organizational reform. The first—which was not adopted—was the establishment of an Office of Federal Management, encompassing the management side of OMB, the Office of Personnel Management, and the General Services Administration. The second—which was adopted—was enactment of the Chief Financial Officers Act and the designation of a chief financial officer for every major federal department.

The recommendations for organizational reform of domestic security agencies made by the Hart-



Rudman Commission and the Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction, known as the Gilmore Commission, came to prominence as a result of September 11. However, congressional staff who worked on the creation of the new Department of Homeland Security believe that the department would have been created regardless of the work of these commissions.<sup>27</sup>

This partial review of the impact of reorganization commissions leads to an understanding of why virtually anyone proposing to create a commission to study the organization of government refers to it as “another Hoover Commission.”

Regardless of their uneven record of results in bringing about reorganization and doubts about their future viability, the public is familiar with commissions and the well-known individuals who have chaired them, including public figures such as President Hoover, Senators Gary Hart and William Rudman, and Supreme Court Chief Justice Earl Warren. Further, commissions have often been appointed, with some pomp and circumstance, to study and make recommendations on issues of national concern. As a result, the public is interested in their assignment, the people who serve on them, and the recommendations they eventually make. Also, the appointing president or Congress obviously has an interest in the commission’s work and recommendations, and unless the commissioners have gone off on their own tack, the president and/or Congress will have enough of an investment in the commission to champion its findings and recommendations.

Moreover, the effectiveness of commissions grows when they are considered in their historical perspective. As public administration scholar Peri E. Arnold points out, it took 10 years from the time President Taft’s Commission on Economy and Efficiency proposed an executive budget to its actual creation. The Congressional Joint Committee on Reorganization recommended the adoption of presidential reorganization authority eight years before Congress granted it. A Senior Executive Service was created more than 20 years after it was recommended by the second Hoover Commission.<sup>28</sup>

### **Advantages and Disadvantages of the Commission Approach**

Several factors common to most federal commissions give them the potential to be very useful tools in bringing about organizational reform:

- A commission can garner publicity for its own work and findings.
- Appointees may be well respected in their own right—as experts or as public-policy leaders.
- Commissioners and their staffs normally have the time to focus on the task.
- Commissioners have the resources, or the access to resources, necessary to undertake the commission’s assignment and to bring credibility to its recommendations.
- A commission has the opportunity to have a president and/or members of Congress pushing to implement its recommendations.

A disadvantage to using commissions for formulating reorganizations stems from one of their strengths: Their insularity distances them from those who will be affected by the reorganization and/or who may have years of expertise on the issue being debated.

The shortcomings of the commission process have been further exacerbated in recent years as interest groups have gained prominence and policy making has become more partisan. While commissions at one time were considered to have the advantage of being a step removed from politics, today they are likely to be designed to represent the very interests and lobbies that entangle decision making in the normal policy process. Many policy makers today are unwilling to give a commission free rein to debate and make recommendations on politically sensitive issues. Presidents and members of Congress don’t want to unwittingly launch recommendations with which they disagree. They don’t want to be in the middle of a battle between a commission and affected interest groups. They certainly don’t want to be held responsible for the unpredictable actions of a commission whose creation they supported. As a result, the goal today is frequently to control the outcome of a commission’s work by micromanaging the makeup of the commission and the rules under which it operates.

Former Senate Governmental Affairs Committee Chairman Fred Thompson introduced the “Government for the 21st Century Act,” S. 2306, in March of 2000. Like the Governmental Affairs Committee chairmen before him—Senators Bill Roth (R-Del.), John Glenn (D-Ohio), and Ted Stevens (R-Alaska)—Thompson favored the establishment of a commission to review the structure of the executive branch. The legislation would have created a Commission on Government Restructuring and Reform, charged with studying the entire government and making recommendations for reform. Thompson’s goals were increased efficiency, through reduction of overlap and duplication, and increased effectiveness through the creation of a more manageable organizational structure. His legislation also included a procedure to allow expedited consideration of the commission’s eventual recommendations—essentially a form of reorganization authority.

The legislation’s sponsors included both Democrats and Republicans, not unusual for the Governmental Affairs Committee, which has had a tradition of bipartisan attention to government management. Senator Sam Brownback, chairman of the Subcommittee on Oversight of Government Management, Restructuring and the District of Columbia, chaired a hearing, and staff discussions proceeded through the year. However, when the time came to redraft the legislation for introduction in 2001, politics took hold and it became impossible, once again, to produce agreement on the bipartisan bill.

Members split on the makeup of the commission—specifically whether the commissioners should be divided evenly by party and how the chairman would be appointed. Furthermore, some members wanted to prohibit the commission from making any recommendations that were not supported by a supermajority of the commissioners, and there were those who wanted to limit what the commission could study. At this point, Chairman Thompson decided that such a commission would impede, rather than facilitate, consideration of government organization and structure, and he decided not to press the concept any further.

Following Senator Brownback’s introduction in 2003 of legislation to establish a commission to review federal agencies and programs, observers

noted that securing passage would be difficult, given that there was only one Democrat among the legislation’s 28 cosponsors.

These developments do not bode well for future use of commissions to facilitate organizational reform. Rather than create a body that is hamstrung by the representational interests of its members and restrictions on what it can consider, an alternative route is for Congress to argue these issues themselves.

In direct contrast, the President’s Private Sector Survey on Cost Control (the Grace Commission) was created by President Reagan and funded entirely by private funds with private sector individuals serving as staff. Its goal was to reform government management and organization for the purpose of saving money. Perhaps because of its distance from the daily operations of government and the independence with which its chairman, J. Peter Grace, conducted the business of the commission, it was able to issue a wide-ranging set of recommendations.

## Approach Two: Presidential Reorganization Authority

### Common Forms of Reorganization Authority

The term “presidential reorganization authority” is actually used to refer to two somewhat different process tools. In both cases, however, the president is granted enhanced power to overcome the natural resistance to change.

In its best-known form, reorganization authority refers to legislation through which Congress gives the president the authority to receive expedited consideration of a plan to reorganize aspects of the executive branch.

In each case prior to 1984, the authority granted allowed the president to propose reorganization plans to Congress, which would then take effect if not vetoed by Congress. Variables in the grant of authority included the breadth and extent of change that the reorganizing plan could effectuate. Some did not allow departments to be created or terminated. Other variables were the number of days Congress and its committees would be

allowed to consider the plan, the length of time for which the authority was granted, and, importantly, whether a veto required one or both houses.

Less commonly, presidents have been given limited authority to reorganize executive branch agencies or offices on their own initiative and authority. The reorganization authority initially provided to President Hoover in 1930 was limited to two specific reorganizations: One allowed him to combine several agencies government-wide into a new Veterans' Administration; the other allowed him to bring together all the prohibition enforcement agencies into the Department of Justice.

### Historical Use of Reorganization Authority

Congress, beginning in 1932, passed a series of laws allowing the president to receive expedited consideration of proposals for the reorganization of executive branch offices. The key ones were enacted in 1932, 1939, 1945, 1949, 1977, and 1984. The 1949 act was reauthorized seven times, with various amendments affecting the extent to which the authority could be exercised, until 1977. President Carter requested an extension of the 1949 authority, and Congress, after making some significant changes, passed the Reorganization Act of 1977.<sup>29</sup>

Reorganization authority legislation was passed sometimes at the initiative of Congress, but more often in response to a president's request. The father of presidential reorganization authority was Herbert Hoover. He first advocated the concept as Secretary of Commerce in 1924. Later, as president, he argued:

[There is] no hope for the development of a sound reorganization of the Government unless Congress be willing to delegate its authority over the problem (subject to defined principles) to the Executive, who should act upon approval of a joint committee of Congress or with the reservation of power of revision by Congress within some limited period adequate for its consideration.<sup>30</sup>

The power actually given to President Hoover by Congress in 1932 was broader than he originally requested, with adoption of his organizational plans restrained only by the veto of one house of Congress.

This authority allowed Hoover to propose reorganizing the executive branch through transferring independent agencies, or parts thereof, to other agencies or departments. Offices within departments could be consolidated. Once a reorganization plan was sent to Congress, Congress then had 60 days to reject it in whole or in part.

From 1932 to 1984, Congress gave most presidents variations of the authority to reorganize the executive branch through the vehicle of a reorganization plan. Prior to 1983, these authorities—each of which was limited in time—provided that a plan submitted by the president to the Congress would then become effective unless it were vetoed by either the House or the Senate.

The most recent grant of presidential reorganization authority by Congress was in 1984 at the end of President's Reagan's first term. That authority was more restricted than that given to earlier presidents. Over the years since 1932, Congress had constrained the uses to which reorganization authorities could be used—for example, prohibiting the creation of new departments.

More importantly, the authority granted President Reagan in 1984 was at the outset constrained by a 1983 Supreme Court case that found the congressional veto process to be unconstitutional. In 1983, in *INS v. Chadha*,<sup>31</sup> the Supreme Court had struck down the validity of the legislative veto. The effect of the Court's ruling was that for a reorganization plan to have the effect of law, it would have to be enacted like a law: passed by each house of Congress and signed by the president. Thus the authority given President Reagan required any plan he submitted to be approved by both houses and signed into law by the president. However, some action-forcing mechanisms of earlier reorganization authorities were still permissible. The 1984 act required Congress to act within 90 days. Within that time period, committees were required to report the proposal in 75 calendar days, or be discharged from further consideration of the plan, which would then be placed on the House and Senate calendars. Failure of either house to act resulted in the plan being disapproved.

The availability of reorganization authority died at the end of 1984. President Reagan did not use it while it was in effect and did not ask for its renewal.

In 2002, when the Volcker Commission decided to recommend a major reorganization of government, it realized it needed a tool to jump-start the process. The commissioners, who due to their extensive government experiences were very familiar with the historical use of reorganization authority, recommended that the president again be given authority to propose reorganization plans, which would be given expedited consideration by Congress. Notably, the commission recommended that the president seek the advice of Congress in developing his proposals. The president would be able—in fact, encouraged—to recommend realignment of cabinet departments under the authority recommended by the Volcker Commission.

### Historical Effectiveness of Reorganization Authority

Viewed in terms of the number of reorganization plans approved, including the number approved as a percentage of the number proposed, reorganization authority has been a highly effective tool.

Table 1 lists reorganization acts utilized by four presidents, the number of plans that were submitted, and the number allowed to go into effect. It must be noted that many of the “reorganization plans” that make up these totals made relatively minor changes, dealing more with management than with reorganization, as the term is used in this discussion. On the other hand, it is also notable that President Truman used his reorganization authority to implement many of the recommendations of the Hoover Commission. Interestingly, *Chairman* Hoover’s reorganization proposals had

considerably more success than did *President* Hoover’s. The latter had been defeated for another term as president when he submitted his 11 proposals under the 1932 act, and Congress was of a mind to await President Franklin Roosevelt’s administration.

Significant reorganizations, and less visible but important managerial changes, have been accomplished through presidential reorganization authority. President Franklin D. Roosevelt used the process to establish the Executive Office of the President and the Federal Security Agency. President Truman used his reorganization authority to enact the recommendations of the Hoover Commission. When Congress reauthorized the Reorganization Authority Act in 1949, it provided more expansive authority than previously—specifically so as not to exclude any of the recommendations of the Hoover Commission. These included making department heads responsible for agency performance, rather than the previous approach of placing operating authority with subordinate agency heads, and strengthening the management of the independent regulatory commissions. Arnold credits the enacted Hoover Commission recommendations with establishing the president as the responsible manager of the executive branch of government.<sup>32</sup>

President Dwight D. Eisenhower used his reorganization authority to create the Department of Health, Education and Welfare in 1953. He subsequently used it to successfully advance recommendations of his Presidential Advisory Committee on Government Organization (PACGO). President

**Table 1: Reorganization Acts under Four Presidents**

Reorganization Act	President	Number of Plans Submitted	Number of Plans Approved
1932	Hoover	11	0
1939	F. D. Roosevelt	5	5
1949	Truman	34	28
1977	Carter	10	10

Data from *Administrative Renewal*, Ronald C. Moe, 2003

Nixon used it to create the United States Postal Service and to implement some of the recommendations of the Ash Council, including the creation of OMB, the Domestic Council, and the Environmental Protection Agency. President Carter used his reorganization authority to restructure the Executive Office of the President. He also tried to use it to reorganize several agencies into a Department of Natural Resources, but was rebuffed by Senate Governmental Affairs Committee Chairman Abe Ribicoff (D-Conn.), who held that such action violated a provision in the 1977 act preventing creation of new departments.

### **Advantages and Disadvantages of Reorganization Authority**

The main advantages to utilizing presidential reorganization authority have to do with resources and politics. The president, as head of the executive branch, has considerable resources available to utilize in devising plans for the reorganization of government. Foremost are people who collectively have an extensive range of knowledge and experience in government organization, management, and the specifics of individual program operations. The president can direct these individuals to expend the time and focus necessary to develop a sound plan. He is also able to solicit and utilize the advice of members of Congress, affected non-governmental parties, and the broad public.

Another reason to charge the president with organizational planning is that between the president and the Congress, the president can make the most compelling case for organizational reform. He has a national platform from which to advocate changes to the public. Perhaps as important, he is in a better position than anyone else to quell lobbying against a reorganization proposal from affected executive branch agencies. President George W. Bush was unusually successful at keeping his administration “on policy” during discussion of the homeland security reorganization.

The leading disadvantage to the use of presidential reorganization authority is that it must be used well to work well, and it calls for a level of mutual trust and accommodation between the chief executive and the Congress. Such a relationship is difficult to forge in today’s political climate. In fact, several key

congressional members and staff have expressed their opposition to granting such authority at this time.<sup>33</sup> Two reasons predominate: First, they are concerned that a reorganization plan will include far-reaching changes in personnel policy, as was the case with the homeland security plan. Second, they are concerned that reorganization will be employed primarily to cut domestic spending, as opposed to improving the ability of government to perform.

## **Approach Three: Executive Branch Reorganization Staff**

### **Common Forms of Reorganization Staffs**

As the size of government and the Executive Office of the President grew, presidents began to establish staffs, committees, or working groups to examine organizational and management issues.

Reorganization staffs differ from administration to administration in several ways:

- Whether offices and staff are permanent or temporary
- Where the staff is physically located within the executive branch structure
- Where the staff originated
- Whether the work is carried out in public or in secret

For a period of nearly 30 years, the Executive Office of the President had a significant institutional management capability that was able to assist the president with organizational planning and design. However, when President Carter came into office, he decided to create a new, temporary Reorganization Project staff, rather than utilize the existing OMB institutional capability. In fact, he reduced the permanent OMB management staff at the same time he was building the temporary Reorganization Project staff to over 300. Other reorganization working groups or task forces have been structured and staffed in a manner similar to Carter’s Reorganization Project. Presidents Eisenhower and Johnson used a temporary staff approach to reorganization, at least in part so that their work and recommendations could proceed on a confidential basis.

### Historical Use of Reorganization Staffs

The Bureau of the Budget's management capability developed after it was moved from the Treasury Department to the newly formed Executive Office of the President in 1939. For many years, it had both a government management and a government organization branch. In 1970, the bureau was reorganized into the Office of Management and Budget, a move its proponents believed would strengthen government's management capability. In the years since, however, OMB general management staff has been reduced from a high of 224 in 1970 to a handful in 2000.<sup>34</sup> Thus today, OMB has little institutionalized capacity to assist with reorganization planning.

**Johnson administration.** President Johnson used temporary task forces to advise him on government organization and management, though they operated outside the official government structure, reporting through Executive Secretary Herb Jasper to one of Johnson's senior presidential assistants. The Task Force on Government Reorganization was created by Johnson and headed by Don K. Price, former dean of the Kennedy School of Government at Harvard University. The task force consisted of 10 men who brought a broad range of governmental and non-governmental experience to bear on their deliberations.

The Price task force report was submitted to President Johnson in 1964. Attesting to its internal staff origins and non-public character, it was produced on a manual typewriter and hand-assembled for the president's reading. The central thrust of the Price task force's recommendations was that government agencies should be reorganized into five new major-purpose executive departments. The task force advocated the creation of new departments of Transportation, Education, Housing and Community Development, Economic Development, and Natural Resources.

The Price task force saw reorganization as an instrument of policy and advocated it as a periodic necessity "as the pace of economic, social, and technological progress leads to the adoption of new action programs for which the old structure is poorly suited."<sup>35</sup> The task force introduced its report with a broad statement: "Progress toward the Great Society requires, in addition to substantive

social and economic programs, a reorganization of the executive branch—to administer policies and programs effectively and economically, and also—to be responsive to presidential leadership in developing new policies and programs."<sup>36</sup> Thus the task force advocated reorganization as a tool of policy, one that would make government work better and cost less, and allow the president to move his agenda forward.

**Carter administration.** President Jimmy Carter established the most extensive internal reorganization staff of any president. He ran for office on an anti-government platform that decried the organizational morass in Washington. Atypical for a presidential contender, he made his determination to reorganize the government a key part of his election platform. His President's Reorganization Project staff consisted of 32 employees hired through a special congressional appropriation and augmented with staff detailed from other agencies to a total of approximately 300. Carter placed responsibility for the Reorganization Project under an executive associate director for organization and management in OMB.<sup>37</sup> The position was terminated when President Carter left office.

The Personnel Management Project was also established as part of President Carter's Reorganization Project, but operated separately out of the U.S. Civil Service Commission. In its report to the chairman and vice chairman of the Personnel Management Project, the staff recommended significant organizational change to assist in management reform of the civil service system. These proposals were accepted by the president and formed the basis for his recommendations for reform of the federal civil service system. They were adopted in significant part, including the replacement of the Civil Service Commission with a new administrative agency: the Office of Personnel Management, headed by a presidentially appointed, Senate-confirmed director. The reform also created an independent Merit Systems Protection Board and a new Federal Labor Relations Authority.<sup>38</sup>

**Clinton administration.** The Clinton administration's National Performance Review (NPR), later renamed the National Partnership for Reinventing Government, was a hybrid structure. Its dual charge

from the president was to improve management and reduce costs. The NPR operated in many respects like an office of government, though it had no specific statutory authority. NPR was created by President Clinton as an interagency task force and overseen by Vice President Al Gore. It did not have a congressional authorization and was staffed by representatives from various federal agencies. It had the advantage of being able to focus on the tasks the president set for it, but the disadvantage of being constrained by the administration's policy concerns.

### **Historical Effectiveness of Reorganization Staffs**

Historically, reorganization staffs have assisted the process of reorganization in two key respects. First, they have embodied substantial knowledge and experience, which has allowed them to devise carefully thought through and even politically viable proposals. Second, where they have transcended administrations, they give the incoming administration a place from which to start its own consideration of government organization. Eleven of the 15 presidents elected since the beginning of the 20th century initiated comprehensive reorganization planning. While President George W. Bush did not set out with a focus on government reorganization, he soon proposed the most far-reaching organizational reforms in government in half a century.

In a variation on these approaches, President Eisenhower appointed an advisory task force on government organization, which completed its work prior to his inauguration. This allowed him to make recommendations at the very beginning of his first term of office. This may prove a useful approach in the future, as incoming presidents avail themselves of the new transition authority and services instituted as part of the Presidential Transition Act of 2000 (P.L. 106-293).

Three of the five cabinet departments recommended by President Johnson's Price task force were eventually created, two during his term in office—the Department of Transportation and the Department of Housing and Urban Development. The third, the Department of Education, was created during the Carter Presidency. The work of the Johnson administration laid the groundwork for the reform of the Post Office Department and was the basis for the creation of the United States Postal Service in

the Nixon administration. Arguably, reorganization planning performed by an institutionalized staff will be more readily usable by a succession of presidents, and Congresses, than will work done by a short-term commission or task force.

On the other hand, the overall judgment on the Carter effort, including by those who worked on it, was that it fell well short of expectations. Although his reorganization staff did the initial planning and drafting for the creation of an education department, the proposal finally submitted by the president was much broader than they had envisioned. The other major organizational changes initiated under Carter—the Department of Energy and the Civil Service Reform Act of 1978—were primarily developed by others. While the Carter reorganization staff is given credit for communicating with Congress and other interested parties as it did its work, this also served to stir up potential opponents prior to the president having made a proposal.

### **Advantages and Disadvantages of the Reorganization Staff Approach**

Presidential reorganization staffs have several clear attributes as tools to advance the process of reorganization:

- A base of knowledge and experience
- Ability of institutional capacity to transcend administrations
- Some ability to work out of the limelight
- Potential for working closely with the president and his policy staff
- Potential for working cooperatively with the affected agencies
- Ability to assist with implementation

All but one of these attributes is stronger for a reorganization staff when it is institutionalized (made permanent) than when it is not. The one area where an institutionalized reorganization staff has less capacity than an ad hoc one is in its ability to work closely with the president and his policy staff. While it may in fact be theoretically possible for a close working relationship to exist, presidents typically want their own appointees—operating under

their own direction—doing their organizational planning. This was true for President Eisenhower with his President’s Advisory Committee on Government Organization; President Johnson with his Price task force, followed by a second task force on government organization chaired by Ben Heineman; President Nixon with his Ash Council; and President Carter with his Reorganization Project.

President George W. Bush’s use of a high-level ad hoc task force to develop the administration’s plan for a department of homeland security may be the ultimate example of this phenomenon. The existence of the ad hoc group was not announced and its work was conducted in complete secret until the president’s final plan was unveiled. This level of secrecy allowed the president’s advisers to complete their deliberations and allowed the president to decide on a final plan prior to those affected being able to work up lobbying campaigns against the changes recommended. It should also be noted, however, that after his plan was announced, President Bush was successful in keeping dissent within the executive branch to a bare minimum. This was not the case in the Carter administration.

Former Secretary of Health, Education and Welfare Joseph Califano has commented that a new president can only reorganize on his inauguration day. If this point of view is correct, then there is a clear need for an ongoing permanent reorganization staff that understands the organization of government, which a new administration might utilize during a presidential transition. With greater emphasis on transition planning, including the Presidential Transition Act of 2000, an institutionalized reorganization office could be very useful to an incoming president. Seidman, both a practitioner and scholar of government organization, wrote that “attempts to solve structural defects without knowledge or understanding of the institutional psyche or the environmental factors that condition organizational behavior are bound to fail and may produce severe traumas.”<sup>39</sup>

This situation presents a conundrum. On the one hand, the quality of advice that a reorganization staff can provide to a president has the potential to be much stronger if the staff is institutionalized. On the other hand, modern presidents have not been willing to trust an institutionalized staff with their organiza-

tional planning, an attitude that is unlikely to change in today’s ever sharpening political climate.

If there had been an ongoing reorganization capacity within the executive branch, it could have been tasked with examining the recommendations of the Gilmore Commission and the Hart-Rudman Commission, on whose proposals the new federal structure for homeland security was later based. Such a study could have greatly aided President Bush and his advisers in the wake of 9/11, when they began their examination of the organization of the government’s homeland security capacity.

The solution may lie in creating a hybrid process: A career reorganization staff could be institutionalized, possibly within OMB, possibly as a separate entity within the Executive Office of the President. The president could then charge one of his political appointees with direction and oversight of organizational analysis and planning. Such a process could help assure that the reorganization staff’s work was synchronized with the president’s policy goals. It could also give the president assurance that the advice he is receiving on executive organization is substantively sound and consistent with his policy objectives.

## Approach Four: Congressional Initiatives

### Common Forms of Congressional Initiatives

Congress has utilized two main avenues to affect the organization of government. First, it establishes and reorganizes departments and agencies through the normal legislative process. It has the authority to abolish government structures, but as a result of “demosclerosis,” almost never does so. If the subject matter crosses existing organizational lines, work is then carried out through the government management committees of Congress—through the Governmental Affairs Committee in the Senate and the Government Reform Committee in the House. Organizational change within the jurisdiction of an authorizing committee is handled by that committee. At times in the House, though rarely in the Senate, more than one committee will consider the same legislation. This work relies on the expertise of the committee staff and the expertise and available time of the committee members.



Second, Congress has established commissions for the purpose of addressing the need for reform of the organizational structure of government. To one degree or another, it gives direction to the commission in the authorizing legislation.

### **Historical Use of Congressional Initiatives**

Congress has played a role in all executive branch reorganizations of any substance—either through the reorganization authority process or through the passage of legislation. However, it has had a limited role in initiating and developing specific reorganizations. Those reorganizations that have gone through the legislative process have often been a joint effort—with the Congress holding hearings on and adopting modifications to a proposal submitted by the chief executive along with others developed by members of Congress. This was the case in the creation of the Department of Education, where President Carter’s final submission was strongly influenced by legislation introduced by Senator Ribicoff, then chairman of the Government Operations Committee.

Legislation to create the Department of Energy was proposed by President Carter, and then amended by Congress to respond to the particular desires of the interests supporting its creation. In some cases, a reorganization recommended by a commission has been introduced directly by a member of Congress; in others, the work involved in translating a commission’s recommendations to an actual blueprint has been done by the executive branch. The original concept for the Department of Homeland Security—the work of the Hart-Rudman Commission—was introduced as legislation by Senator Joe Lieberman. President George W. Bush’s own proposal was developed by his internal ad hoc working group, based on the Hart-Rudman design. President Bush’s initial establishment of the Office of Homeland Security in the Executive Office of the President was modeled on the work of the Gilmore Commission.

### **Historical Effectiveness of Congressional Initiatives**

An early congressional effort to manage the organization of the executive branch seems to have foretold Congress’s longer-term role. In 1920, Congress established a Joint Committee on Reorganization and charged it with making an overall assess-

ment of the executive branch, its organization and responsibilities, including identification of any program overlaps and duplication. Congress established the committee to be composed of three members of each house. Soon, however, President Warren Harding asked Congress to provide for a representative of the executive branch. Congress agreed, and in what could be described as an “extra-constitutional” development, the president’s appointee was voted chairman of the congressional joint committee. This presidential influence over the joint committee was expanded through the involvement of then Secretary of Commerce Herbert Hoover and also through the utilization of executive branch staff in the absence of adequate staffing on the joint committee. The final recommendations issued by the joint committee reflected Secretary Hoover’s managerial vision for the executive branch. However, his fellow cabinet officers found that Hoover’s vision challenged their own power bases, and they strongly opposed it. When the recommendations were taken up by Congress, it too found that existing power bases were challenged. In the end, Congress let the recommendations of its own joint committee die.<sup>40</sup>

In another congressional effort, the House of Representatives in 1932 established a Select Committee on Economy to, among other things, consider the possibility of agency consolidation. But in part in recognition of the forces weighing against its successfully undertaking this task, Congress soon thereafter gave President Hoover the reorganization authority that he had earlier recommended.

Regularly, members of Congress talk about establishing “another Hoover Commission” to address the management and organizational problems facing the federal government. However, it needs to be remembered that the Second Hoover Commission, which Congress created on its own initiative in 1953, did not accomplish the goals Congress set for it and most of its substantive recommendations were not implemented. Several causes can be identified: It was given the specific task of saving money, but Hoover molded its work to his own personal management philosophy. President Eisenhower, to whom the commission was presented by the previous Republican Congress, was not anxious to have it thrust upon him, preferring to create his own internal task

forces. Further, control of Congress switched from the Republicans to the Democrats, who had less institutional loyalty to the commission's work and who opposed many of the commission's substantive recommendations because they challenged established congressional interests.

Enactment of the Department of Defense Reorganization Act of 1986 (Goldwater-Nichols Act) is an example of Congress identifying a need for major organizational reform, devising a plan, and pushing it through to implementation. The legislation realigned the operational authority and reporting structure on the military side of the Defense Department and streamlined the chain of command from the president on down. The act provided the framework through which the military services would be able to work together as a team, and it is credited with contributing significantly to the success of subsequent U.S. military operations. It also gave the Secretary of Defense additional authority to manage the internal operations of the department. Passage of the act was aided by the strong pro-military credentials of its sponsors and the support of key military leadership. It was opposed at the time by the political leadership of the department and the Reagan administration.

More recently, a major reorganization effort was undertaken by the incoming Republican Congress elected in 1994. Many of the members of that Congress had run on a platform of making government more efficient, reducing waste, and saving taxpayer dollars. A serious effort was made in 1995 in both houses to terminate several cabinet departments—notably Commerce, Energy, and Education—and consolidate the functions that would be retained in other agencies. The House of Representatives passed legislation to dismantle the Department of Commerce, and in the Senate, former Senate Governmental Affairs Committee Chairman Ted Stevens pushed companion legislation out of committee to the Senate calendar, where it remained for the rest of the Congress.

Normally, where a significant legislative effort is required on an organizational matter, the congressional/executive effort is joint, with the executive branch leading. Congress wants reorganization for efficiency and management purposes, but given the complexity of government and its responsibilities, it

is extremely difficult to develop a plan for comprehensive organizational reform. Even with the assistance of the General Accounting Office, Congress's resources are not designed for that kind of undertaking. It is rare to find the type of administrative experience and expertise necessary for reorganization planning, even on committees. While such planning could theoretically be done, it would take away attention from what are normally more pressing issues. This is why Congress has instead looked to commissions to undertake this work, giving them guidance as to what it wants to accomplish. It is also why there is again an interest in reauthorizing presidential reorganization authority.

### **Advantages and Disadvantages of Congressional Initiatives**

It is difficult to overstate the impediments to the adoption of organizational change by Congress. Although individual members of Congress continue to hold their historically high level of interest in the organization and operations of the executive branch, by its very nature and responsibilities, Congress has not been well situated to undertake the planning and development of reorganization plans. The 535 individually elected members respond daily to a myriad of issues and every crisis that arises. Their legislative time and attention is divided among several committees and subcommittees and their respective chambers. The work of their staffs, though generally more focused on specific issues, is similarly divided and subject to the demands of the day.

Moreover, members of Congress are subject to intense lobbying by those whose interests are affected by any legislation. Members are likely to find it difficult to decide to press ahead with a reorganization plan that has the potential for improving government operations versus the very present desire to be responsive to individual constituent interests. House Governmental Reform Committee Chairman Tom Davis was referring to this phenomenon when he stated that presidential reorganization authority, in effect, could save members of Congress from themselves.

Further complicating this situation is the jurisdictional division of legislative authority in Congress. Committee jurisdiction is based significantly on the existing organizational arrangement of government.

When Congress began to discuss reorganization of 22 agencies dealing with homeland security, the interests of dozens of committees and subcommittees were affected. Congress's reticence to realign its committee structure is a serious barrier to realignment of the executive branch. This historical reticence is both personal and institutional. Many members are concerned that they will appear weak if some of their jurisdiction is taken from them. Thus, members and their staffs fight even the most mundane interference with a committee's established jurisdiction. Institutionally, many committee and subcommittee leaders believe it is their responsibility to protect the jurisdiction that has been entrusted to them and that the agencies for which the committee has responsibility should not be abandoned.

As bleak a picture as this may present, if it is possible to surmount these disadvantages, there are distinct advantages to Congress taking the initiative in developing, or being a partner in developing, a government reorganization plan. A recent example demonstrates the opportunity for a successful congressional role. In 2003, the House and Senate committees with civil service jurisdiction interjected themselves in the development of a new personnel system for Department of Defense (DoD) civilians. The DoD proposal, which effectively pulled their civilian workforce out of the government-wide civil service system, was designed to complement the broader reorganization being undertaken within DoD. In particular, the development, introduction, and successful promotion of a bipartisan proposal by the leadership of the Senate committee significantly changed the direction of the final legislation. Although DoD's original intent was to break from Title 5 and Office of Personnel Management oversight, DoD officials worked with members of the House Government Reform and Senate Governmental Affairs Committees to craft a compromise that gave DoD considerable flexibility, but within the government-wide structure. The personnel flexibilities given to the Department of Homeland Security are within the existing Title 5 structure, with shared implementation by the Office of Personnel Management and the new department. This is likely to be the model as the rest of the non-defense civilian workforce moves toward more flexible systems.

# Government Reorganization for the 21st Century

In the 21st century, policy makers and influencers have several paths to choose from in any effort to bring about organizational change in the federal government.

## Path One: Virtual Reorganization through E-Government

The growth of Internet communications spawned a movement to create virtual reorganization through the vehicle of e-government. Former General Services Administration (GSA) Administrator David Barram (1997–2000) led the agency into the modern IT age. The President’s Management Council partnered with Internet entrepreneur Eric Brewer to develop Firstgov.gov, a web-based portal for the federal government. Brewer’s Fed Search Foundation developed and donated the search engine for the new portal, which was launched on September 22, 2000. Barram expressed the view at the time that the “virtual reorganization” brought about through e-government would eventually “make the physical reorganization of government unnecessary.”<sup>41</sup>

For some purposes, this prediction is proving true. Firstgov.gov’s goal of creating “a citizen’s portal” to the federal government holds the potential of virtually reorganizing the government’s cacophony of programs for the public. It can be utilized to make government more user-friendly by giving citizens quick and easy access to all programs in a given area—such as all federal education grant and loan programs—wherever they may be located. For example, recreation.gov creates a virtual organization among dozens of federal and state agencies

that provide outdoor recreation opportunities. A visitor to this “virtual agency” can make reservations at a national park or a Forest Service campground, find out what the weather might be at that location from the Weather Service, download a map from the Geographic Survey, and more. Another web portal, export.gov, has both an electronic as well as a physical presence. Small businesses can find information and conduct some transactions via the portal but they can also visit Export Assistance Centers, which bring together staff from several federal, state, and nonprofit agencies in storefront offices around the country to provide seamless support to small businesses wanting to do business overseas.

Over time, more governmental functions will probably be organized around services and results that citizens see as adding value to their lives, and no longer by the traditional agency or program approaches. This can be done electronically, and does not require the “heavy lifting” that traditional reorganizations of agencies have required in the past.

The ability to use e-government as a means of addressing the internal goals of reorganization—be it managing better, saving money, or enhancing visibility and clout—is in the early stages of development.

## Path Two: Virtual Reorganization through Coordinating Councils

The creation of coordinating councils is a second path of virtual reorganization available to those

seeking to realize the benefits of reorganization. Peter Szanton, former associate director of OMB, has made the argument that presidents consider process change as an alternative to the arduous effort required to actually implement structural change. Weighing the costs and benefits of each approach, he concluded that the policy coordination benefits that can be achieved through combining agencies can be achieved almost as well—and considerably more efficiently—by changing the process by which the separate departments interact.<sup>42</sup> An example of process change is the creation of coordinating councils.

There are several levels of organizational change between the creation of coordinating councils and actually combining agencies or programmatic activities. In recent years, presidents and Congress have created “councils” to coordinate policy across agencies, including the CIO (Chief Information Officers) Council, the President’s Management Council (Deputy Secretaries/Chief Operating Officers), the CFO (Chief Financial Officers) Council, Federal Acquisition Council (Chief Acquisition Officers), and most recently the Chief Human Capital Officers Council. Various offices within the Executive Office of the President, such as the Domestic Council, the National Security Council, and the Office of the National Drug Policy,

perform coordinating roles. Clearly at some point this coordination reaches the definition of structural change—perhaps when coordinating councils become offices with their own budgets.

One approach now being discussed by management experts within and without the federal government is to establish issue-based cross-agency coordinating bodies. Thus an alternative approach to combining all federal food safety programs into a new agency is to establish a coordinating council of food safety programs to improve communication and the achievement of federal policy goals in protecting the public. Following such an approach in 2003, Representative Mark Udall (D-Colo.) introduced legislation authorizing the Secretaries of Agriculture and Interior to create a cooperative community protection and forest restoration program.

## Path Three: Reorganization by Commission

### Executive Branch Created

Creating a commission by executive order is a path open to a president contemplating organizational change in the government. This approach does not require the time, negotiation, and compromise required to secure congressional legislation. The

## Where to Get Started

Given the historical difficulty of bringing about reorganization, two ways in which those undertaking this challenge can get started are:

**Enhance the institutional capacity of government to determine where organizational change would improve government performance and then to plan for it.** The success of each of the paths to reorganization can be enhanced through the establishment within the Executive Office of a permanent staff with expertise in government organization. A commission, presidential administration, or congressional committee considering reorganization would benefit from this group’s expertise. A carefully considered and well-vetted plan is more likely to be enacted and to produce sound results than one created in the heat of a crisis. Given the critical role that responding to a crisis has played in bringing about government reorganization, being prepared on several fronts when the inevitable crisis does strike will allow policy makers to select the most promising approach.

**Make reorganization an ongoing process.** The reorganization process could proceed more smoothly if it were a regular part of government operations. New reorganizations should be undertaken before policy makers forget all the mistakes of the previous ones. There are reorganizations that are limited in scope and are demonstrably needed that should be obtainable if a focused, thoughtful, inclusive effort is made. One ready example is the need for reorganization of U.S. food safety programs and agencies as recently recommended by the General Accounting Office (see page 11).

president has it within his authority to assign groups of individuals within or without government the task of studying government organization and making recommendations for change. He may staff internal groups with personnel representing various agencies, as was the case with the National Performance Review, and be directly involved in the nature and direction of their activities. External groups may be funded privately, as was the Grace Commission. The amount of influence and control that the president will have with an external commission will depend significantly on his relationship with those he chooses to serve on it.

A president may combine federal and private sector experts in a single body, thus increasing communication between those who are directly familiar with government programs and management and those who bring an outsider's view. In such cases, complying with the applicable federal ethics regulations and securing appropriate funding will make the organizational task more complicated and may lead a president to seek congressional authorization and appropriations for the commission.

### **Legislative Branch Created**

Using the legislative process to create a commission continues to be an option, and a popular one, for members of Congress who want to address government organization. As noted earlier, bills were introduced in 2003 in both the House of Representatives and Senate to create commissions to examine government agencies and programs. The commissions were charged with reporting on the need to realign or eliminate unnecessary functions.

As with an executive-created commission, establishing a commission through legislation provides an opportunity to assemble a group of experts who have the time and expertise to focus specifically on their assigned task and report back with their recommendations. Congress then has the benefit of their considered analysis in determining how to address their problems.

However, for a commission to serve its full potential, Congress must leave it free to make its own recommendations. Policy makers need to be willing to fill commissions with independent-thinking experts and give them free rein to debate and make recommendations on the important issues before them.

## **Path Four: Reorganization via Legislative Authorization**

### **Standing Reorganization Authority**

Reinstitution of the president's long-held reorganization authority is another path through which executive branch reorganization can be implemented. The Bush administration testified in support of the Volcker Commission recommendation for renewed presidential reorganization authority in April 2003.<sup>43</sup>

Because the political climate today does not bode well for Congress granting the president unfettered, broad authority to reorganize government, new approaches are needed. The political battles attendant to the creation of the Department of Homeland Security and the new Department of Defense personnel system left many in Congress wary of allowing expedited consideration for presidential reorganization plans. One new approach gaining increasing attention is the creation of a legislative framework for future reorganizations. A possible approach is outlined in "New Approaches to Presidential Reorganization Authority" on page 30.

### **Time and Scope Limited Authority**

An alternative to granting the president government-wide reorganization authority is for Congress to limit the authority in time and scope, as was the case to one degree or another in all of the authorities enacted in the last century. Thus a president's authority to propose a reorganization plan could be limited to a particular department or to agencies with related program responsibilities. It could be restricted to recommending program realignment, but not termination. The authority could be effective for a single Congress. Again, Congress could set time and scope limited authority.

### **Department or Agency-Specific Authorization**

Perhaps the most direct path to bringing about organizational change in government is through the passage of a legislative reorganization act. Other than for those reorganizations authorized by presidential reorganization authority, this is a means by which any actual movement or consolidation or termination of government agencies and programs is accomplished. The initiative for the legislation may come from members of Congress, the president, a commission, or non-

## New Approaches to Presidential Reorganization Authority

A new approach to the enactment of presidential reorganization authority has the potential to address the concerns of members of Congress and those who will be affected by organizational change. In recognition of the importance of substantive congressional participation in reorganization planning and execution, the Volcker Commission recommended that Congress establish a template of basic principles that would form a statutory framework for a president's reorganization authority.<sup>44</sup> This approach enhances the value of presidential reorganization authority as a tool for effectuating organizational reform because it:

- Involves Congress at the front end in setting basic underlying principles for any government reorganization.
- Encourages the president to work with Congress in development of the plan because Congress has to approve it.
- Allows the chief executive and the Congress to avoid rejection of a broadly supported plan by very narrow, parochial concerns, such as personal turf.

Set out below is a possible set of personnel principles to underlie a congressional grant of reorganization authority. By devising such a framework, Congress can provide guidance in advance to any presidential administration developing a reorganization plan.

### Possible Personnel Principles to Underlie a Congressional Grant of Reorganization Authority

1. Hiring and employment grounded in merit, fairness, and due process.
2. Procedures to protect employees against arbitrary, discriminatory, or retaliatory personnel actions, including the right to timely and appropriate redress for legitimate grievances.
3. Pay and benefits reasonably related to labor market rates.
4. Advancement and reward determined by measures of performance.
5. Access to the resources, training, and facilities needed to perform the job well.
6. Whistleblower protection.
7. The ability to organize and bargain collectively, with appropriate exceptions.
8. A clear understanding of the work expected and how it contributes to the employing agency's mission.

Following this same approach, Congress could establish *procedural principles* to assure that the executive branch consults with Congress and other stakeholders in developing its reorganization proposals. Congress could require creation of an advisory commission made up of executive and legislative branch representatives and key outside stakeholders. The consultation process established by the Department of Homeland Security Act provides a model for such a broad, collaborative process.

*Structural principles* could assuage congressional jurisdictional and constituent concerns. Reorganization authorities have historically included some limitations on the extent to which a president may move, combine, or terminate government entities within a reorganization plan. Some have limited the authority to a single proposal. Comptroller General David Walker recently suggested that Congress consider different forms of authority for different purposes: for example, expedited authority to integrate activities, but not to eliminate them, and expedited authority for those that focus on government operations, but not those that make significant policy changes.<sup>45</sup>

governmental interests. To work its way through the legislative process, the legislation will require a well-considered plan, concurrence by those directly affected, and political support strong enough to override what opposition remains.

## Next Steps

Government organization is clearly important to the performance of government. There are steps policy makers can take now to address today's needs for organizational reform.

Presidential reorganization authority can be advanced through a new approach that is garnering broad interest. As described in the box on page 30, this approach involves resolving some of the issues that have proved divisive in recent reorganizations by settling them in advance. For example, establishment of a government-wide personnel policy to underlie any reorganization plan would remove a leading issue of concern. It would also provide what many now see as a needed framework as agencies continue to be granted new personnel and management flexibilities. The General Accounting Office, the National Academy of Public Administration, and the National Commission on the Public Service Implementation Initiative are working together to develop a model framework.

The House Government Reform Committee, under Chairman Tom Davis and Subcommittee Chairwoman Jo Ann Davis, has held several hearings on reinstating presidential reorganization authority during the 108th Congress. The Bush administration testified in support of this effort, as did Comptroller General David Walker. Thus there is opportunity for this reform if a suitable framework can be devised.

Another positive development is the effort in the House to rationalize jurisdiction over homeland security agencies and issues. In 2003, the House created a Select Committee on Homeland Security, which included in its membership leadership of some of the many committees and subcommittees that currently have a piece of the jurisdiction. Currently the Select Committee is conducting legislative oversight of the new department. Still undetermined is whether the House will reorder its committee jurisdiction to permanently institutionalize the new committee's authority.

To further address this issue, Congress could establish a joint committee to examine its committee structure and recommend a realignment of jurisdiction along mission-centered lines. Special transition provisions could be employed to mitigate any significant change in the scope of responsibility of individual members. For example, when the Senate reorganized its committee system in 1977, folding the Committee on Post Office and Civil Service and the Committee on the District of Columbia into

the Governmental Affairs Committee, the Senate amended its standing rules to provide that the former chairmen and ranking members of these committees be allowed to serve on the Governmental Affairs Committee in addition to the other major committee assignments to which they were entitled.<sup>46</sup>

Finally, policy makers could start on a limited, specific reorganization, on which considerable work has already been done: the federal food safety system. This issue has been studied in past Congresses by the Senate Governmental Affairs Committee and recently by the House Government Reform Subcommittee on Civil Service and Agency Organization. The General Accounting Office issued a report on March 30, 2004,<sup>47</sup> calling for fundamental restructuring, and GAO testified on June 1, 2004, that change in the current organizational scheme could greatly increase government's performance in protecting the public health and safety. If this reorganization can be tackled successfully, it might open a path for others to follow. (See excerpts from testimony on page 11.)



# Acknowledgments

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**Hannah Sistare** is the Executive Director of the National Commission on the Public Service, a position she has held since the commission was established in February 2002. Prior to that, she spent much of her career working in the United States Senate. During two periods with the leadership of the Senate Governmental Affairs Committee, she served as staff director for Ranking Member Chuck Percy and later as staff director and counsel for Chairman Fred Thompson. The committee's agenda during these periods of reform addressed the issues of government management and accountability, performance and results, civil service modernization, and government reorganization.



Sistare began her service in government as an economist at the Bureau of Labor Statistics in the Department of Labor, where she wrote for the *Monthly Labor Review*. She then moved to the U.S. Senate, where she was legislative director for Senate Minority Leader Hugh Scott. In 1985, after serving for several years as Senator Percy's chief of staff, she returned to the executive branch as special counsel to the Secretary of Health and Human Services.

Sistare has taught courses in public policy, including policy implementation and strategies for influencing the policy-making process, at the American University School of Public Affairs and at the Graduate School of Political Management at George Washington University. She is a Fellow of the National Academy of Public Administration and a Nonresident Senior Fellow of the Center for Public Service at the Brookings Institution.

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**The National Commission on the Public Service** was established with the mission to reform and renew the federal public service. The commission is chaired by former Federal Reserve Chairman Paul A. Volcker, and its bipartisan membership includes former cabinet secretaries, members of Congress, and other long-dedicated public servants. The Volcker Commission, whose work was sponsored by the Center for Public Service at the Brookings Institution, issued its report on January 7, 2003. It subsequently received foundation support to focus on implementation of its recommendations. Sistare manages the Commission Implementation Initiative, which is located at the National Academy of Public Administration. The commission and the academy have initiated a series of activities in pursuit of their mutual goal of enhancing the public service.

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