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UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
Washington, DC 20415

Congressional
Legislative and
Intergovernmental
Affairs

March 31, 2022

Via Electronic Mail

Re: Final Response to Freedom of Information Act (FOIA) Request No. 2020-05233

This letter is the final response to your FOIA request dated May 23, 2020, to the U.S. Office of Personnel Management (OPM), assigned tracking number 2020-05233. You requested the following:

“A copy of the Questions For the Record (QFR) and agency QFR responses to Congress responding to QFRs during calendar years 2017, 2018, 2019 and 2020 to date, for OPM.”

Your request was processed under the FOIA, 5 U.S.C. § 552.

A search for records was conducted by Congressional, Legislative, and Intergovernmental Affairs and have determined there are 32 pages responsive to your request. The records are being released to you in their entirety.

If you are not satisfied with OPM's determination in response to this request, you may administratively appeal in writing by email to OGCAttv@opm.gov or by U.S. mail to:

U.S. Office of Personnel Management
ATTN: Office of the General Counsel (OGC)
1900 E Street, N.W.
Washington, D.C. 20415

An appeal should include a copy of the initial request, a copy of the letter denying the request, and a statement explaining why you believe the denying official erred. Appeals must be electronically transmitted or postmarked within 90 days of the date of the response to your request. Due to OPM's current maximum telework operations, it is recommended that FOIA administrative appeals be submitted via email to avoid processing delays.

Additionally, you may contact the Office of Government Information Services (OGIS) at the National Archives and Records Administration to inquire about the FOIA mediation services they offer. You may contact OGIS by e-mail at ogis@nara.gov; telephone at 202-741-5770; toll free at 1-877-684-6448; facsimile at 202-741-5769; or mail at:

Office of Government Information Services
National Archives and Records Administration
8601 Adelphi Road-OGIS
College Park, Maryland 20740-6001

I trust this fully satisfies your request. If you need any further assistance or would like to discuss any aspect of your request, please do not hesitate to contact Tonya Carrington at Tonya.Carrington@opm.gov.

You may also contact OPM's FOIA Public Liaison, Camille C. Aponte-Rossini, at Camille.Aponte-Rossini@opm.gov or 202-606-1153.

Sincerely,

**JERSON
MATIAS**

Jerson Matias

Correspondence Analyst
Congressional, Legislative,
and Intergovernmental Affairs

Digitally signed by
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Enclosure:
Responsive Documents (32 Pages)



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Questions for Mr. David DeVries
Chief Information Officer
U.S. Office of Personnel Management

Questions from Representative Sam Johnson
Committee on Ways and Means

May 23, 2017, Hearing: "Protecting Americans' Identities: Examining Efforts to Limit the Use of Social Security Numbers"

1. How does the Office of Personnel Management (OPM) define necessary Social Security number (SSN) use?

Response:

OPM's 2012 Information Security and Privacy Policy Addendum sets forth acceptable uses of the SSN and notes that any use for which the Addendum does not provide is considered unnecessary. Per the OPM policy, acceptable uses of the SSN are those that are authorized by law, are required for interoperability with organizations outside of OPM, or are required by operational necessity. Operational necessity refers to the inability to alter systems, processes, or forms due to costs or an unacceptable level of risk.

2. Does the OPM maintain an inventory of its SSN use?

Response:

OPM conducted a baseline inventory of SSN use by OPM in 2016, prior to my arrival. We are reviewing and updating the forms that request the SSN, in accordance with the applicable policies.

3. In 2006, the President's ID Theft Task Force charged OPM with developing methods for the reduction of SSN use and alternatives to the SSN for personnel purposes. What has OPM done to meet this responsibility?

Response:

In response to the ID Theft Task Force recommendations, OPM reviewed OPM-approved forms that are used across government in order to change, eliminate, or mask the use of SSNs. In addition, OPM issued guidance to other Federal agencies regarding SSN use in Federal employee records and explored options to establish a new employee identifier to replace SSNs in Federal



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

government human resource and payroll systems. In January 2008, OPM issued a notice of proposed rulemaking (NPRM) regarding the collection, use, and display of SSNs but subsequently withdrew that NPRM after evaluating comments received and determining that it would be impractical to issue the rule without an alternate government-wide employee identifier in place. More recently, OPM has been exploring the concept of developing and using program unique identifiers (PUID), which would be linked to the SSN but would protect the SSN by limiting its access and visibility.

4. In 2007, OPM issued guidance to federal agencies on how to minimize identity theft and protect SSNs. What is the status of this guidance, and when was it last updated?

Response: OPM's 2007 *Guidance on Protecting Federal Employee Social Security Numbers and Combating Identity Theft* (June 18, 2007) remains in effect.

5. What's the current status of the Program Unique Identifier initiative to reduce government-wide SSN use?

Response: OPM developed a proof of concept for the PUID initiative, which might reduce the Federal government's reliance on SSNs. In concept, the PUID would facilitate the collection and exchange of information across Federal government IT systems without continually duplicating and exposing the SSN, but still permit the unique identification of an individual. This is far more complex than the current practice of utilizing SSN's to link records, but bears further exploration. The project is currently inactive due to resource constraints. OPM cannot move from the proof of concept to conducting a pilot to review viability without additional resources and support.

Post-Hearing Questions for the Record
Submitted to Dr. Jeff T.H. Pon
Director, Office of Personnel Management
“The Challenges and Opportunities of the Proposed Government Reorganization
on OPM and GSA”
From Senator Heidi Heitkamp

Friday, August 10, 2018

1)

This hearing focused on just one piece of the larger reorganization proposal. But even this one piece is pretty large. We are talking about eliminating one agency and greatly expanding the responsibilities of another. This proposal will not only greatly impact all the employees who work at OPM and GSA, but also the entire 2.1 million-person civilian federal workforce, and all federal retirees.

- What problems at OPM does this proposal solve?
 - Response: Moving policy functions to the Executive Office of the President would afford an opportunity to elevate OPM’s policy and oversight functions with respect to the Federal workforce as well as its workforce management functions. There is broad acknowledgment that the statutory framework for the Federal employment system is outdated in many significant respects, and does not reflect the realities of the contemporary workforce. Most of OPM’s workforce and budget are currently dedicated to operational activities, and fewer resources are devoted to policy and oversight activities related to OPM’s core missions, including the hiring process, performance management, the development of rules and guidance concerning compensation, merit system compliance, and government-wide advisory functions relating to labor relations.
- How will implementing this proposal make our federal government more effective or efficient?
 - Response: This transition is seeking to create a more streamlined policy, oversight, and workforce management unit that is less expensive to operate. This proposal could also support centralized coordination of all personnel policies for Federal employees, including certain personnel policy functions currently performed by OMB, eliminating the confusing matrix of who does what. Centralizing human capital operational services might provide economies of scale and significant cost-avoidance based on reductions in contract and IT duplication. Also, several segments of the Federal workforce (such as VA medical professionals and Foreign Service officers) fall partially or wholly outside of OPM’s title 5 policymaking authorities. Moving personnel policy into EOP will allow for a more holistic governmentwide policy.
- What data can you provide this subcommittee to prove your point?

- Response: OPM, GSA, and OMB are currently developing a qualitative business case as well as estimated budget impacts through the annual budget process.

2)

At the HSAGC hearing on July 18 where Margaret Weichert testified, we heard a lot of answers along the lines of – ‘We still need to figure this out’ or ‘We need to work through that.’ One of my takeaways from that hearing was that more study and development is needed on these proposals.

- In your minds, has enough analysis been done to determine that this is a good idea?

Response: Yes OPM has developed a strong vision to create a more efficient Federal government, and we must now undertake the efforts to develop detailed implementation plans.

- Has enough research been done to determine that this is feasible?

Response: OPM is currently engaged in strong interagency discussions to fully determine the best approach to implement this vision and best actions to avoid disruption of services to the extent possible.

- Will you commit to sharing with Congress all the analysis developed in the implementation of this proposal?

Response: OPM will provide the committee with relevant and appropriate documents related to the implementation of this proposal.

3)

OPM and GSA submitted reorganization proposals to OMB as part of this overall reorganization effort that was set in motion by the President’s Executive Order last year.

- What were the key recommendations in the proposals your agencies sent OMB that would have improved agency effectiveness and efficiency?

Response: OPM’s Agency Reform Plan focused on four areas:

- Drive Government Efficiency – Leverage OPM’s human capital leadership role to drive Government-wide efficiency, cost savings, and/or improved coordination across the human capital space.
- Reduce Burden on Agencies – Eliminate/reduce unnecessary or low-value reporting requirements and empower agencies through simplifying rules/systems and providing greater discretion and decision-making authority.
- Improve Alignment of Existing OPM Program Functions – Improve coordination, efficiency, and/or customer-focused service delivery of OPM program functions by consolidating and realigning functions within OPM where duplication or inefficiency exists, or where synergies can be achieved.
- Enhance OPM Mission Support Functions – Improve service, reduce costs, improve efficiency, and/or eliminate redundancy within the various mission-support/administrative functions that enable OPM program and mission delivery

- Did you have further conversations with OMB about those proposals?

Response: OPM met with OMB to discuss the proposals contained in the OPM Agency Reform Plan, and we continue our dialogue to create a more effective and efficient government on behalf of the American taxpayer.

- Did either of your agencies propose anything along the lines of the OPM-GSA merger that was included in the final administration proposal? Why or Why not?

Response: These ideas were often a result of outgrowth from iterative interagency discussions and were not developed in silos.

- To the best of your knowledge, who came up with the idea to break apart OPM and move it to different agencies?

Response: This vision is not about breaking up any agency. These ideas were often a result of outgrowth from iterative interagency discussions and were not developed in silos.

- Will you provide the plan that your agency submitted to OMB so that Congress can better understand the development of the final proposals?

Response: This proposal is internal and pre-decisional executive branch correspondence.

4)

When the President released his reorganization plan last month, it talked about some of the challenges that OPM has experienced in recent years such as data breaches, background investigations backlogs, and IT problems.

- Do you agree that the best way to improve and overcome those types of challenges is to dismantle OPM and move its functions to other agencies?

Response: The mission of OPM is not being dismantled. The goal is to better align how the mission is delivered in a more efficient and effective way on behalf of the American taxpayer.

- What shows us that moving these functions is going to improve their outcomes? Will DOD automatically be better than OPM at background investigations? Does GSA have better cybersecurity than OPM?

Response: We look forward to continuing the dialogue with Congress to show how we will be able to deliver on our mission in a more effective and efficient way.

5)

A merger of two agencies is not just a merger of people. It is also a merger of systems and data. We all know the federal government's less-than-perfect track record on Information Technology

(IT) issues. A merger such as this can't be successful unless an IT solution is found and developed. I know my staff has been told that there are "a lot of Shared platforms" but "a lot" is not everything.

- What can you share about your work to determine if the IT systems at these agencies can be merged?

Response: A robust and detailed analysis of the proposed merger of OPM and GSA IT leadership and business functionalities is still ongoing to determine where similarities and differences occur.

- For example, what changes need to be made to the GSA systems so we know that data from OPM on retirement and health care accounts can be accessed?

Response: The migration of Retirement Services and the Healthcare and Insurance components of OPM would be in "Phase Two" of the proposed merger and that analysis is still ongoing.

6)

This proposal eliminates the agency that is supposed to protect and nurture the federal workforce and merges its functions with a different agency. I know I have heard from several federal employee groups with great concerns about this proposal, and I imagine you are also aware of those concerns.

- What engagement have you had with your own employees and federal employee groups about this proposal and its impact?

Response: I personally met with every office in OPM to discuss the impacts of this proposal. I also took any questions from employees to address their concerns.

- What is your strategy to engage with those groups if you are able to move forward with these proposals?

Response: I will continue to update the OPM workforce on the proposal's impacts as we move forward with implementation.

- Can this proposal be successful without acceptance and understanding from federal employees?

Response: In my conversations with OPM employees, I have sought to ensure that the employees of OPM have a full understanding of the proposal's impact on OPM and its workforce. I will keep them updated as we move forward with implementation. I have faith that the career Federal civil service will faithfully implement this reorganization, as they do with all other laws and regulations. .

- How are you going to deal with potential morale challenges that result from this merger?

Response: Employee morale is a critical aspect of mission success. That is why I continually emphasize this proposal is not a secret plan to fire employees, but rather an effort to streamline and improve government operations for employees, the entire civil service, and the American taxpayer. I would hope Members of Congress would join me in dispelling the false narrative this reorganization is an attack on the civil service, when it is in reality an effort to deliver a more efficient and effective government on behalf of the American taxpayer.

7)

A significant part of this proposal is presumably going to be moving personnel from OPM to the new GSA. I want to get your thoughts on how that would work for your average OPM employee.

- Is John Smith, an OPM employee, just going to leave OPM on a Friday and show up for work at GSA on Monday, or, when John Smith transfers from OPM to GSA, does his administrative footprint come with him, i.e. the OPM IT processes, OPM administration, OPM rules?

Response: Detailed processes for how the reorganization will be implemented are currently being finalized, but will seek to have the least impact on individuals as possible during a reorganization of this magnitude.

- Based on your initial analysis, what will be the impact of this merger on the total number of employees currently at OPM and GSA? Do you expect it to be less, the same, or more?

Response: We do not expect this merger to have any significant impact on the number of employees at OPM and GSA at this time.

- How did you develop the answer to the previous question?

Response: As we are simply moving an office from one agency to another, there should not be any significant impact on the number of employees.

8)

Your agencies have a great resource in your Senior Executives. These are your frontline career leaders who are critical to a smooth-functioning federal government.

- What feedback have you received from these individuals on this plan?

Response: Discussions with the OPM SES are ongoing regarding this reorganization, and they are supportive of a desire to create a more effective and efficient mission delivery.

- What is the SES involvement in any planning for the merger that is going on at this time?

Response: Leaders from OPM, both political and career, are engaged in interagency discussions to develop the detailed scope and plan around implementation of the reorganization.

9)

A key part of this proposal is moving the policy part of OPM into the Executive Office of the President, presumably OMB.

- Does such a move politicize the federal civil service, why or why not?

Response: The Director and Deputy Director of OPM are already Presidential appointees. As I stated during the hearing, it is beneficial to the Federal workforce and the country when the head of an organization understanding human resources has a seat at the table. It shows the importance being placed on personnel, and I view this as a positive step for the Federal government.

10)

An issue that arose at both recent HSGAC hearings on the agency reorganization proposal were questions about what parts of the reorganization that the Executive Branch presently has the legislative authority to execute.

- What parts of this overall proposal to move OPM into GSA and move other parts of OPM to DOD and OMB does the Administration have the authority to execute on without legislation to Congress?

Response: OPM is currently reviewing legal authorities to make this final determination.

- How did you determine that answer?

Response: Attorneys from the relevant agencies and OMB are engaged in interagency discussions to review current authorities.

11)

Last Congress, I cosponsored the Program Management Improvement and Accountability Act (PMIAA) with Senator Ernst. Among other things, the bill, which is now law, instructs OPM to create a formal job series and career path for program managers in the federal government. Recently, OMB released guidance on implementing the law, and it has asked that OPM provide its implementing recommendations for the job series and career path by Q4 of FY 2018.

- Are you committed to creating a formal job series and career path for program managers?

Response: Yes, I am. In accordance with the PMIAA, OPM has 180 days from the issuance of the OMB guidance on June 25, 2018 to complete regulations that identify key skills and competencies needed for a program and project manager in an agency; establish a new job series, or update and improve the existing job series, for program and project management within an agency; and establish a new career path for program and project managers. OPM will complete these requirements by Q1 of FY 2019. OPM is also required to identify key skills and competencies for program and project managers, and it will do so.

- Will the reorganization cause any delays in meeting your obligations under PMIAA as outlined in OMB's Guidance?

Response: OPM does not expect there to be any delays.

- What benefits do you think the federal government will achieve once the job series and career path are implemented Will this speed up the hiring process, improve retention, and ensure people get proper training and career development?

Response: OPM anticipates the occupational series and career path, once implemented, will improve agencies' talent acquisition and management activities, including talent development. The consistent use of the series and competencies should improve agencies' ability to speed hiring -however, both the timeframe for hiring and retention are impacted by other factors (e.g., employee engagement).

- Will you commit to following up with my staff to provide an update regarding your implementation efforts and what effect the reorganization effort might have on that implementation?

Response: Yes, I will.

12)

OMB's Guidance also said OPM may create or enhance a job series or a job identifier.

- Please explain the difference between a job series and a job identifier. What is the purpose of a job identifier, and what does OPM currently plan to do in this regard?

Response: A job (occupational) series is a subdivision of an occupational group/family that describes positions in a similar line of work and outlines the qualification requirements for the corresponding series. A job identifier is a code representing the type of work performed in a variety of occupational series/groups. The job identifier allows us to also better track work that is being performed across various occupational series.

- Will OPM establish the job identifier and the job series?

Response: OPM will consult with agencies and review the relevant information to determine the appropriateness of establishing a new job series, or updating and improving an existing job series and/or establishing a job identifier.

13)

OPM recently finalized a rule generally known as the Flexibilities Rule where the stated purpose was to correct asymmetries in the insurance market for Federal employees and annuitants. One of the issues related to the rule are the impact of Service Benefit Plans on FEHB plan costs.

- What is OPM doing to encourage non-SBP plans to stay in the FEHB and/or new carriers to participate?

Response: In the FEHB Program Call Letter, OPM encouraged FEHB carriers to consider a range of strategies to enhance the quality and affordability of their health benefits not only by making changes to existing plans but by proposing new plan options. We also discussed the new agency strategic objective of improving the quality of healthcare received by enrollees, increasing the affordability of plans, and enhancing the portfolio of available FEHB plans. Finally, OPM is exploring opportunities to expand plan choices, such as adding a new carrier for the Indemnity Benefit Plan.

- What other flexibilities, if any, does OPM consider to be important in reducing regulatory burden?

Response: OPM continually assesses ways in which the FEHB Program can innovate to meet the needs of Federal employees, annuitants and their families, while maintaining affordable and quality benefit options. OPM's FY 2018-2022 strategic plan includes Objective 1.4, to improve healthcare quality and affordability in the FEHB Program with 75 percent of the enrollees in quality, affordable plans. One strategy to reach that objective is to improve the portfolio of available FEHB plans to increase the proportion that are quality, affordable plans. OPM has determined that our current legislative authority under 5 USC 8903 is sufficient to promote innovation and competition in the FEHB Program.

- How does this rule ensure that negative impacts such as program destabilization, increased premiums, and fewer consumer choices will not occur?

Response: As detailed in the Expected Impact of Final Changes section of the final FEHB Program Flexibilities rule, we expect that the regulatory change will have a positive effect on market dynamics by potentially increasing competition among health care carriers. This expectation is based on the assumed impact of the introduction of additional options and on OPM's focus, as set forth in the agency's Strategic Plan, on increasing quality and affordability in the FEHB Program.

**Post-Hearing Questions for the Record
Submitted to the Honorable Jeff Pon
From Senator Claire McCaskill**

**“The Challenges and Opportunities of the Proposed Government Reorganization on OPM
and GSA”**

July 26, 2018

1. What analyses has the Office of Personnel Management (OPM) conducted to assess the impact of the reorganization plan, including retraining, on the federal workforce? Please provide those analyses. If OPM has not conducted those analyses, please explain how OPM will analyze workforce impacts.

Response: OPM is actively working with GSA and OMB to assess implementation strategies for the 2018 comprehensive reorganization plan that will maximize efficiencies and enhance service delivery and program execution.

2. How many public comments did OPM receive pursuant to the May 15, 2017, Federal Register notice?

Response: OPM received 2,738 public comments from the White House/OMB-administered website portal.

- a. Is OPM able to identify how many comments were submitted by individuals and how many were submitted on behalf of organizations? If so, please provide a breakdown of those submissions.

Response: It is not clear which comments were submitted by individuals or on behalf of organizations. The information forwarded to us consisted of spreadsheets of comments that included an “organization” column, but it is not clear whether the individuals who entered information in that section were acting on behalf of that organization or merely entering the organization where they work.

- b. Did OPM establish any policies regarding the intake of comments?

Response: The intake of comments on behalf of Federal agencies was managed via the portal at <https://www.whitehouse.gov/reorganizing-the-executive-branch>. OMB provided OPM with the public comments in cases where the commenter selected “OPM” as an agency for reform or elimination. These comments were reviewed and used in the development of the OPM agency reform plan.

- c. What process did OPM use to analyze these comments? What methods, in particular, were employed to identify and support the proposals that were included in the Administration's plan?

Response: In developing the Agency Reform Plan submission to OMB, a wide range of inputs were considered, including public comments collected, as well as inputs and feedback gathered from interviews and focus groups with more than 50 external stakeholders, which included customers of OPM, Federal agencies, executive councils, advisory groups, affinity groups, and industry thought leaders. Inputs were also collected from OPM employees via an all-employee survey questionnaire, as well as from OPM program owners/executives who reviewed the overall functions of OPM and the core mission/functions of each specific program office. Data from all these sources were reviewed by the OPM senior leadership team. These senior leaders worked through a process to reach consensus and select the most promising proposals to pursue.

- d. Did OPM retain the comments that it received pursuant to the Federal Register notice?

Response: Yes.

- e. Please provide copies of the comments that were received by OPM.

Response: The comments are being prepared for public release.

3. How did OPM solicit input and comments from its employees?

Response: The OPM Acting Director sent an online questionnaire via email to the entire OPM workforce to solicit unfiltered feedback and ideas.

- a. How was that input used?

Response: The majority of the responses from employees were related to process improvements relevant to the respondent's current local work or operational area. The ideas about the operational-level improvements were provided to the relevant program office heads for further consideration and pursuit outside the agency-wide reform plan process. The ideas that were relevant to the broader agency reform plan were considered by the OPM senior leadership where the OPM employee proposals were considered alongside proposals collected from various other sources.

- b. How many comments were received?

Response: Approximately 300 responses were received from OPM employees.

4. In your testimony, you stated that the President's reorganization proposal is "an opportunity to elevate the Federal workforce management functions" and that in order "to drive real reform, the government needs to elevate Federal workforce policy" by "moving OPM's policy function into EOP [Executive Office of the President]." Under current law, (5 USC § 1103(a)(7)) the Director of OPM is responsible for aiding and advising the President on federal personnel policy, and during the Clinton Administration, the Director was elevated to a cabinet-level status.

- a. Where in the organizational structure of the EOP will the Director and OPM policy functions be moved?

Response: This is part of the ongoing conversations with the Office of Management and Budget (OMB)."

- b. Who will the Director report to on a day-to-day basis?

Response: This is part of the ongoing conversations with the Office of Management and Budget (OMB)."

- c. Will the move of the policy functions into the EOP come with a cabinet-level status designation for the Director?

Response: This is part of the ongoing conversations with the Office of Management and Budget (OMB).

- d. How will the policy functions align or differ from the OMB Office of Performance and Personnel Management, which directs personnel policies and practices across the Federal government and reports to the Deputy Director for Management?

Response:

The Reorganization Plan would move the policy function of OPM to the EOP, along with its existing policy and statutory authorities, of which OPM is solely responsible for many including, for example, the Suitability Executive Agent and oversight of hiring authorities. Where OPM and PPM share statutory responsibilities, we will continue to work closely together to meet those shared responsibilities.

- e. Has OPM prepared any directives, or has OPM received any directives, to ensure that the OPM Director will retain its independence during the reforms?

Response: OPM has not prepared or received any directives, but the OPM Director will remain an independent voice for the civil service and merit systems principles during these reforms and will fulfill the oath he took upon confirmation.

5. Has OPM conducted a business case analysis for the transfer of Human Resources Solutions (HRS) to the General Services Administration (GSA)? If so please provide that analysis. If not, how does OPM support its contention that it is more effective and efficient to transfer HRS?

Response: OPM and GSA are collaborating on a qualitative business analysis and will share documentation as appropriate during our ongoing engagements with the Committee.

- a. How many federal workers will be affected by this transfer?

Response: HRS currently employs about 425 FTEs; however the final scope of which HRS components will be transferred has not been finalized.

- b. What is the cost of implementation associated with this proposal and what impact will the transfer of HRS have on OPM's budget and operations, including working capital fund contributions and support office functions?

Response: OPM will be utilizing the budget process, in coordination with OMB and GSA, to identify any potential costs.

- c. What is the estimated long-term cost savings achieved by this transfer?

Response: OPM will be finalizing this information as part of the annual budget process.

- d. Will OPM share the information its task force develops on this proposal prior to any implementation?

Response: We look forward to keeping the committee updated on our progress with this merger as appropriate.

- e. How will moving HRS to the General Services Administration (GSA) improve customer service and its ability to meet the mission of the office?

Response: As part of its discussions, GSA and OPM are strategizing how each organization's internal people management and customer service assets can enhance customer service. Meetings with HRS customers will be a key activity for the Interagency Task Force, including obtaining insights about customer expectations (e.g., customer service, product delivery/enhancement, cost savings, speed, etc.) concerning the transition of HRS into GSA. OPM and GSA also anticipate signing a Memorandum of Agreement so HRS maintains a close working relationship with OPM's HR policy organization. In many cases, HRS supports the operationalization of policies and major HR initiatives. OPM and

GSA see HRS maintaining this role within GSA after the transfer, as policy and operations, are, in many respects, closely intertwined.

- f. What are the outstanding recommendations from the Office of the Inspector General for HRS and how will this transfer address them?

Response: HRS has two outstanding open recommendations from the Office of the Inspector General. The first is OIG Audit 4A-HR-00-13-055 “Pricing Methodology” Recommendation 5, and the second is OIG Audit 4A-HR-00-15-015 “Audit of the Information Technology Security Controls of the U.S. Office of Personnel Management’s GP Plateau Baseline 6 Learning Management System (LMS),” Recommendation 6. Through discussion with GSA’s finance team, we have learned that GSA’s financial systems do not have the OPM-Enhanced Projects Suite (EPS) capability to perform detailed project costing; therefore, the transfer of HRS into an environment without a system equivalent to OPM’s EPS Suite would maintain the vulnerability. OIG Recommendation 6 will be completed and the updated POAM document submitted for closure on next week.

- g. Where did the idea to transfer HRS from OPM to the GSA originate from?

Response: The government reorganization is a collaborative and iterative interagency effort being coordinated through OMB. Ideas are often an outgrowth of conversations among the agencies, not ideas put forth from silos.

- 6. During your testimony, you stated that there is enough separation between your office and the Merit Systems Accountability Group to prevent political decisions from influencing the merit based principles at OPM.

- a. What direction have you provided to the task force to ensure that merit based principles will be upheld during the HRS transfer?

Response: I have consistently put forth direction to my agency that merit system principles must be adhered to while any personnel actions are being taken. Actions taken in regard to the government reorganization are no different.

- b. Please provide any documents or communications sent to those responsible for developing and executing the plans that provides guidance on ensuring that merit based principles will be upheld.

Response: The direction to uphold merit system principles is not derived from, or based on, any sole communication or document, it is an ongoing conversation that I have made clear is a priority to the employees of OPM as the Director of the agency.

- 7. During your testimony, you stated that the large part of this transfer can be done administratively, but that OPM is examining other authorities.

- a. Specifically, what statutory language or other executive authority is OPM looking to for executing the transfer of HRS to GSA?

Response: OPM is analyzing legal options in coordination with OMB and GSA. Also, we are still exploring what legal authorities may be needed in the future.

- b. What GSA authorities is OPM relying on to execute the transfer?

Response: Under existing law GSA controls three revolving funds that will allow it to replicate the reimbursable services model at HRS, and attorneys from both agencies continue to assess potential implementation plans against statutory authority in collaborative manner.

- c. Is there a timeline for when OPM will alert Congress to the legal analysis of the transfer and if legislation is needed?

Response: OPM looks forward to updating the committee on our progress with this merger as appropriate in an ongoing dialogue.

- 8. OPM and OMB have told congressional staff that phase II proposals will include the transfer of retirement and insurance benefits to GSA

- a. What is the strategy for this transfer?

Response: We are currently finalizing details for “stage1” of the overall vision and will be developing detailed strategies for the later stages at the appropriate time.

- b. Has OPM conducted a business case or other analyses regarding this transfer? If so please provide that analysis. If not, how does OPM support its contention that it is more effective and efficient to transfer these functions?

Response: We are currently finalizing details for “stage1” of the overall vision and will be developing detailed strategies for the later stages at the appropriate time. However, we believe great efficiencies can be gained by consolidating operational functions of OPM in an agency whose priority is servicing agencies. Part of the challenge in Phase II will be identifying what aspects of the work performed by Retirement Services and Healthcare & Insurance can be characterized as oriented to policy formulation, regulation, and oversight, and what aspects can be characterized as operational. Similarly, we will need to make decisions about how to treat activities that, in essence, constitute administrative adjudication functions.

- c. What stakeholders have been contacted or will be contacted?

Response: We have engaged a wide array of stakeholders for input on the government reorganization, including by receiving public comments, and look forward to opportunities to further engage stakeholders in stages that may directly affect them to develop a full view of any perceived or possible obstacles.

- d. When will OMB begin to share data on the cost of this transfer?

Response: Since this question is to OMB, OPM defers to OMB for this question.

- e. What authorities will be utilized when authorizing this transfer?

Response: OPM is still exploring what current legal authorities can be utilized for this transfer.

- f. What will happen to the regulatory and policy functions for retirement, healthcare, and other insurance programs?

Response: This is part of the ongoing conversations; however OPM does not expect significant interruption of services to our customers during the transfer.

9. How will you guarantee that your plan to move the Federal Employee Health Benefits Program (FEHBP) to GSA will not disrupt health coverage for the more than eight million federal government employees, retirees, and their dependents?

Response: The transition of the FEHB Program from OPM to GSA will be discussed in a later stage of the reorganization; however preventing significant disruption in service will remain a top priority.

- a. What steps are you proactively taking to account for the difference in expertise required to operate the FEHBP that GSA currently does not possess?

Response: As previously mentioned, the transition of the FEHB Program from OPM to GSA will be discussed in a later stage of the reorganization, and we will take steps to ensure components maintain the subject matter expertise necessary as part of the final, detailed plans.

- b. Earlier this year, OPM issued a final rule (8 FR 18399) affecting Service Benefit Plan carriers in an effort to “enhance the quality and affordability of FEHB insurance offerings” in response to concerns about competition. What analysis led OPM to believe that this regulatory change was necessary given that the only Service Benefit Plan participating in the FEHB covers approximately 65% of the market?

Response: OPM implemented the FEHB Program Flexibilities regulation to correct an asymmetry in rules of the market so that employees and retirees can have plan choices available to them that offer the same number of options wherever they reside. Under regulations issued in 2010, all FEHB health plans except the Service Benefit Plan (SBP) and the Indemnity Benefit Plan (IBP) were allowed to offer 3 options of any type, while the SBP and IBP were allowed to offer only 2 options and an HDHP. OPM has determined that there is no legal or practical reason to maintain this restriction. The FEHB Program Flexibilities regulation allows all FEHB Program health plans to operate under the same set of rules, to enable a fair competitive marketplace.

- c. Similarly, OPM noted in the final rule that it expects that this regulatory change will potentially increase competition between health plans and allow plans to “offer a greater variety of lower cost, higher quality options.” Please provide the analysis that demonstrates why OPM believes that the final rule will have this effect on competition, cost, and quality contrary to the public comments raising concerns about the rule decreasing competition and further consolidating market share.

Response: As detailed in the Expected Impact of Final Changes section of the final Federal Employees Health Benefits Program Flexibilities rule, OPM expects the regulatory change will have a positive effect on market dynamics by potentially increasing competition among health plans. This expectation is based on the assumed impact of the introduction of additional options and on OPM’s focus, as set forth in the agency’s Strategic Plan, on increasing quality and affordability in the FEHB Program. It is not based on predictive data analysis.

10. What are the strategy and timeline for transfer of OPM legacy IT systems? What analyses has OPM conducted to assess feasibility, cost, and modernization for these systems if they are transferred?

Response: OPM is currently working on a timeline to accomplish the migration of IT systems from OPM to GSA and the analysis is ongoing. Centralizing human resources operational functions, including IT, in a single agency would integrate the transactional and employee-centric, service-based functions currently performed by OPM with existing GSA operations, including Federal employee payroll and travel.

- a. In particular, please describe in detail how will GSA provide better IT support for vital programs such as retirement services and the FEHBP when compared to the current operations supported by OPM.

Response: Since this question relates to services GSA provides, OPM defers to GSA for this question.

- b. What is the greater value offered by the reorganization that will ensure no disruption and improve legacy systems beyond existing plans and strategies?

Response: With end-to-end services around the Federal employee lifecycle maintained in one place, considerable operational efficiencies should be attained. Currently, these services are stove-piped, forcing burdensome processes on managers and employees. It is worth noting that HR services are rated last among all mission support services by Federal managers.

- 11. After E.O. 13843, what policy, program, and oversight role will OPM continue to play in the hiring of administrative law judges at federal agencies?

Response: The EO places the position of administrative law judge (ALJ) in the excepted service and directs OPM to pursue any necessary revisions to its regulations swiftly. By the terms of the order, agencies may begin making Schedule E appointments to the position of ALJ immediately, without prior OPM approval. OPM will promulgate proposed regulations to address any provisions in the regulations that are inconsistent with the Executive Order or use language that is generally inapplicable to the excepted service (e.g., references to the concepts of “probation” or “suitability”). Whether ALJs are in the competitive service or the excepted service, OPM’s regulations continue to govern some aspects of ALJ employment, including those related to reassignments, intra-agency details, interagency loans, senior ALJs, and reductions in force. Like other excepted service appointments, ALJ appointments are generally subject to investigation, a determination of fitness, a determination of eligibility for logical and physical access to agency systems and facilities, and, where applicable, a determination of national security eligibility.

- a. What policies, such as qualification standards and veterans preference considerations, is OPM developing regarding the creation of “Schedule E” positions?

Response: Section 3(a) of the EO places the position of ALJ in the excepted service beginning July 10, 2018. It further states that appointments to the position of ALJ are not subject to any examination or rating requirement, including the procedures of 5 Code of Federal Regulation (CFR) 302, Employment in the Excepted Service, except that an agency must follow the principle of veterans’ preference as far as administratively feasible. Consistent with the requirement in Section 3(a)(ii) of the EO, the minimum qualification and licensure requirement for the position of ALJ is the possession of a professional license to practice law and being authorized to practice law under the laws of a State, the District of Columbia, the Commonwealth of Puerto Rico, or any territorial court established under the United States Constitution at the time of selection and any new appointment (other than of an incumbent ALJ to another ALJ position). For

purposes of this requirement, judicial status is acceptable in lieu of “active” status in States that prohibit sitting judges from maintaining “active” status to practice law, and being in “good standing” is also acceptable in lieu of “active” status in States where the licensing authority considers “good standing” as having a current license to practice law. An agency may prescribe additional qualification requirements as necessary. Any agency specific requirements must be provided to potential applicants.

12. What plans does OPM have for the CFC program under the reorganization and how will those plans improve the CFC program?

Response: Currently, OPM does not have any plans to change the CFC program as part of the reorganization proposal.

- a. What has the impact of the revamped Combined Federal Campaign (CFC) had on donations and number of charities participating?

Response: In 2016, Federal civilian, military and postal employees pledged \$167.1 million to the CFC. In 2017, Federal civilian, military, postal employees, and annuitants pledged \$101.4 million and 125,000 volunteer hours to the CFC. In 2017, there were about 8,200 charities that participated. In 2016, there were 19,000 charities that participated.

- b. Please provide figures on participation, contributions, fees, and administrative costs since the CFC Commission recommendations were released.

Response:

Year	Charities Participating	Contributions	Fees	Administrative Costs
2012		\$258,300,000		\$28,223,712
2013		\$209,700,000		\$26,875,069
2014		\$193,200,000		\$26,078,418
2015		\$177,800,000		\$24,507,577
2016	19,000	\$167,100,000		\$25,037,599
2017	8,232	\$101,400,000	\$9,265,130	\$26,037,363

Note: CFC-50 Commission Report released in June 2012. CFC regulations in effect January 2017.

House Oversight and Reform
Subcommittee on Government Operations
Hearing: “Document Production Status Update: OPM, FBI, and GSA”
June 27, 2019
Questions for the Record (Majority Members)

Stephen Billy
Deputy Chief of Staff
Office of Personnel Management

Question 1. Provide the basis for redacting the following sections from the June 26, 2019, document production:

- Page 16 titled “Legal Authority (outstanding from 10/25 meeting),” and page 14, which appears to be the outstanding content from the 10/25 meeting that page 16 cites to;
- Page 18 redaction of one name and inclusion of “Margaret Pearson”; and
- Page 22 titled “Legal Concern with Information Sharing Without Agreement: Pending Cybersecurity Incidents-Related Litigation.”

OPM Response:

- The Executive Branch has a strong interest in preserving the confidentiality of its internal deliberations. Frank and open discussion is critical to the decision making process. The passages on page 16 were redacted to protect such discussions and to prevent future deliberations from being chilled. Such protection is particularly important where, as here, it relates to legal advice given to the Agency by its attorneys. The practice of protecting such communications has consistently been followed by Administrations of both parties, and we adhere to it in order to protect future Administrations.
- Margaret Pearson is an OPM employee. We redacted the name of a non-OPM employee to protect any privacy interests that the person’s employing agency might have.
- The information on Page 22 was redacted to preserve sensitive attorney-client information related to ongoing litigation.

Question 2. What is the “Outstanding Issue” with the legal authority as identified in the November 28, 2018, toll gate meeting minutes provided in the June 26, 2019, document production?

OPM Response: The same concerns about the importance of preserving the confidentiality of internal deliberations, particularly those related to legal questions and advice provided to the Agency by its attorneys, apply to this question.

Question 3. In the documents you provided to congressional staff at a briefing on June 19, 2019, Office of Personnel Management (OPM) and Office of Management and Budget (OMB) claim that there will be a nearly \$69 million estimated budget gap at OPM in fiscal year 2020.

However, according to the information provided in that same document, the budget gap appears closer to \$65 million. Can you please clearly provide information on the estimated budget gap at OPM for fiscal year 2020, including the base cost of OPM, component “buybacks,” and other efforts that could reduce this budget gap?

OPM Response: NBIB currently contributes \$69 million to OPM common services funding that supports numerous activities for OPM. This \$69 million is the loss of funding OPM referenced in the briefing as needing to be addressed in order to avoid a negative impact on OPM’s mission and personnel. As described in the briefing, this impact is not an acceptable outcome for the Administration. OPM is already taking numerous steps to minimize the impact from this loss of funding to OPM personnel, and we will continue to coordinate with Congress in doing so.

Question 4. Has OPM or OMB explored the possibility of using transfers from the Earned Benefits Trust Fund for the purpose of covering unreimbursed trust fund administration costs to further reduce the existing budget gap? What are the costs and benefits of increasing such transfers?

OPM Response: OPM is analyzing all flexibilities we might be able to utilize to avoid a negative impact to our mission and our people while operating within the Anti-deficiency Act.

The budget gap created by the departure of the NBIB function results from relatively fixed administrative and other overhead costs needing to be covered within a smaller pool of resources.

The amount of resources that OPM can transfer from the Employees Health Benefits Fund, Employees’ Life Insurance Fund, and the Civil Service Retirement and Disability Fund for administrative expenses is generally limited by Congress, with a few exceptions. These limitations, set in annual appropriation Acts, are considered discretionary spending. Increases in the amount of the limitation(s) count against discretionary caps.

The limitation on trust fund transfers has impeded both (i) OPM’s ability to react to changes in workloads associated with administering benefit programs and (ii) its ability to finance process improvements. As such, OPM is exploring whether it is feasible to seek legislative changes to remove these limitations. A key concern is how such a change scores under PAYGO rules, and the level of Congressional interest in enacting these changes.

Question 5. How much has OPM spent on the transition thus far?

OPM Response: OPM has obligated \$5.125m to resources reserved for transition activities as of July 18th.

Question 6. Provide the list of documents that the Committee on Oversight and Reform has asked for in prior document requests, but that do not exist or had not been created as of June 27, 2019.

OPM Response: In order to protect the confidentiality of internal executive branch communications, OPM is unable to provide the Committee with a detailed list of documents. As the Agency has continually expressed to the Committee, it will continue to provide additional responsive documents to accommodate the Committee as decision points are reached and confidentiality concerns are lessened. In addition, senior agency officials are regularly engaged with Congress in formal hearings and briefings to provide information. Following a recent tollgate the Administration briefed Congress and provided informal notice of decisions that were made, with formal communication of those decisions forthcoming. As we have always stated as decisions are made we will quickly engage with Congress to share that information, and we will continue to do so.

Question 7. The Subcommittee can only assess the relevance of any privileges asserted by OPM if OPM provides a record of all documents that are responsive, and the reason for withholding the documents.

- a. Has OPM asserted a privilege over any documents in response to the Subcommittee's request?
- b. Has OPM invoked the deliberative process privilege?
- c. Is it OPM's view that all documents related to the proposed merger plan are deliberative in nature?
- d. Will OPM commit to producing a privilege log to the Subcommittee?

OPM Response: No privileges have been asserted by the Agency. However, OPM has an interest in preserving the confidentiality of internal executive branch deliberations and has withheld documents to protect this interest. The Agency will continue to work to accommodate the Committee's need for information while balancing OPM's own need to protect executive branch confidentiality interests.

Question 8. In the final three months of fiscal year 2019, how is OPM prioritizing its time to ensure proper attention is put toward creating evidence-based options to revitalize OPM since there is no evidence that the OPM and General Services Administration merger is legal?

OPM Response: In the documents previously provided to the Committee pursuant to its request, OPM provided significant data showing the longstanding and structural challenges facing the Agency. The documents also included information providing context for how the Administration's proposal is in line with best practices and long-term trends of national governments, state governments, and private sector "best places to work". We are continuing to engage Members of the House and Senate, and Congressional staff, to provide briefings on OPM information technology and retirement services operations. As we have stated in the past, we

would be pleased to provide additional briefings to Chairman Connolly or any other member of the Committee.

Question 9. How many OPM employees have left the organization in fiscal year 2019? How does this compare to prior years?

OPM Response: Through June 2019, OPM has had 338 separations (including NBIB), which would be somewhat higher than prior years assuming the same number of separations occur over the remainder of the year. In any organization when change is being implemented there will be employee transitions. Not all individuals are comfortable with transition, and we understand the anxiety this kind of change can create. OPM leadership has been incredibly focused on engaging with our workforce and labor representatives to address their concerns and provide them with accurate and timely information.

Question 10. When did OPM, OMB, and GSA first consider the risks of the proposed reorganization of OPM?

OPM Response: The Administration laid out the proposal in 2018 in the “Delivering Government Solutions in the 21st Century: Reform Plan and Reorganization Recommendations.” This proposal was put forward to address the untenable risks of the status quo, which if left unaddressed will result in continued IT malfunctions, operational degradation, and inadequate cybersecurity improvements. The risk of the status quo is the risk we must address.

Question 11. On June 19, 2019, the Washington Post reported that Acting Director Margaret Weichert “told her staff that she is ‘planning to play chicken with Congress’” to secure approval for the proposed merger plan. Have you ever heard Ms. Weichert say something to this effect? If so, please detail all instances.

OPM Response: I have never heard the Acting Director use that analogy in the context suggested by this question. What I have heard is the Acting Director explain that OPM is facing fundamental structural issues which, if left unaddressed, could have significant impacts on the IT systems used to run the employee benefit programs under OPM’s purview that currently provide benefits to millions of current and former Federal employees and their families.

**Questions for Ms. Martorana
Chief Information Officer, Office of Personnel Management
Questions from Chairman Gerald E. Connolly**

August 3, 2020, Hearing: "FITARA 10.0"

1. In its April 2019 report, the Government Accountability Office (GAO) identified four overarching best practices that multiple agencies used to implement FITARA's requirements: (1) obtain support from senior leadership; (2) treat implementation of FITARA as a program; (3) establish FITARA performance measures for component agencies; and, (4) appoint an executive accountable for FITARA implementation in each component agency. Are you implementing these best practices within the Office of Personnel Management (OPM)? Are you getting leadership buy in?

Since joining OPM in February 2019 as the seventh Chief Information Officer (CIO) in approximately 7 years, I have received a steady stream of support from OPM's leadership to meet the operational requirements of FITARA and take necessary steps to establish an enterprise IT strategy for the agency. The Office of the CIO (OCIO), however, faces a number of challenges in being able to meet this mandate. First, the agency needs to understand the touchpoints where IT will be essential to enabling an exceptional customer experience. Then for OPM to fully meet the provisions of FITARA, the agency will need to transition to an enterprise IT budgeting process to align program area IT needs with an enterprise IT strategy and get buy-in across the organization to carry out an agency-wide plan. Finally, OCIO will need the people and skillsets necessary to support and enable the work. We are in the initial stages of this journey.

Once these items are in place, OCIO will be better positioned to treat the implementation of FITARA as a program, establish FITARA performance measures for component programs, and dedicate resources to these efforts.

2. What is an accomplishment that you would like to achieve during your time as OPM Chief Information Officer (CIO), and how do you see the principles of FITARA enabling you to achieve that? What other tools or assistance would be helpful to you?

FITARA mandates that the CFO and CIO in government organizations work together to allocate and plan for enterprise IT investments. If we can ensure this is true at OPM and focus on the needs of our customers versus siloed program area IT requests, we will have the opportunity to fundamentally change the way we do business and improve service delivery for our internal and external customers. The OCIO, working with OPM's mission areas, is developing a current state architecture and technology inventory as well as a three-year target architecture, which will be useful tools in breaking down the siloed program-level IT spending. Between supporting the Defense Counterintelligence and Security Agency's continued use of legacy background

investigation systems and limited staffing and funding, OCIO has not been able to execute these strategic efforts but hopes to have the funding approved in FY21 for this work.

Additionally, I will pursue building a stronger partnership between the CIO and CFO, which will allow OPM to more fully implement FITARA's principles across the agency. Taking these steps together will allow us to better manage and fund enterprise technology investments, allowing us the opportunity to drive rationalization, consolidation, eliminate duplication, improve service delivery, and implement and maintain stronger enterprise cybersecurity services. The foundations of FITARA, along with the President's Management Agenda, the Cloud Smart Strategy, the IDEAct, and OMB's Customer Experience Cross-Agency Priority Goal, require OPM to continue this work to modernize and secure its IT environment and improve customer experience. Additionally, while implementing these foundations, the OPM will also be better positioned to leverage additional funding support such as the Technology Modernization Fund and potentially establishing an IT Working Capital Fund as authorized by the MGT Act. I firmly believe in the principles outlined in these frameworks and know it is possible to use strategic planning, design and technology to modernize OPM.

3. When the Subcommittee on Government Operations staff visited your offices last year to see the mainframe at the Teddy Roosevelt building, you spoke about the attrition of the Office of the Chief Information Officer (OCIO) staff over time and how that made your job difficult. Are you still seeing a lot of people leave OCIO? Why?

There are a variety of factors impacting OCIO's staffing, including OPM's transition to a smaller federal agency with the departure of national background investigations (DCSA move to DoD), as well as the pandemic, which has created vacancies and opportunities elsewhere across government. We did, however, bring nine (9) new staffers on board in FY20 and continue to attract people who are eager to help modernize OPM IT. We have received support from leadership to bring 25 new hires on board in the coming months to fill critical vacancies and place OPM on the path to digital modernization.

4. OPM has stressed that it needs more IT staff in the Office of the CIO, but the agency just transferred 22 staff from the Office of Strategy and Innovation and the CIO's office to a newly-established HR line of business office recently renamed the Human Capital Data Management and Modernization Organization. Why move staff when you have a shortage? How is this not a violation of provision 608 in the Financial Services and General Government appropriations law?

OPM has realigned staff to improve the collection, utilization, and accessibility of the critical human capital management data that drives insightful decision-making for Federal agencies across government. These efforts were previously spread over several internal program offices, including OCIO. The move unites the previously disparate programs into a coherent set of activities.

It is OPM's position that because no program functions were created or eliminated, Section 608 of the FY20 Financial Services and General Government (FSGG) appropriations bill does not apply.

5. Recent reports indicate that the 22 full-time employees who were moved to the HCDMMO will be working on New Pay, which is a General Services Administration (GSA) project. Why are OPM staff, including CIO staff, being moved to work on a GSA project?

OPM has not moved staff to work on a GSA project. As OPM develops federal human capital data standards, some of those standards are leveraged by the General Services Administration so that the NewPay product/service is aligned to the data standards issued by OPM. HCDMMO manages and develops the Human Capital Business Reference Model (HCBRM) and the underlying Human Capital Federal Integrated Business Framework (HC-FIBF) which includes a component for data standards. As additional features are developed, some have been done through an enhanced existing partnership between GSA and the HR Line of Business data standards/data science experts to support federal best practices and common federal data standards.

6. What would be helpful to you to attract the next generation of federal IT workers?

OPM has an exciting mission, one that cannot fail for the millions that depend on the agency's services. With enterprise budgeting, strategic decision making, and multi-year funding, OCIO will be able to stand up a modern tech stack and attract the best engineers, product managers, and user-centered designers to join us in delivering an exceptional customer experience for OPM's internal and external customers. The market for top IT talent is extremely competitive, especially within the National Capital Region. It would be helpful to hire the best and brightest regardless of their home duty station and offer flexibilities for 100% remote opportunities. Beyond cybersecurity roles, it would be helpful to have the ability to offer recruitment bonuses for hard-to-fill technical and IT executive roles.

7. How many non-career civil servants have employed within the Office of the Chief Information Officer, from January 1, 2020, through the present?

None

8. OPM is among the agencies still struggling to implement key components of FITARA and is the only agency that does not have an "A" in the software licensing category. At the hearing, you indicated that OPM has recently taken steps that would improve this score. Can you briefly provide an overview of the steps you have taken in this area and how you anticipate these actions will improve your FITARA score in the next six and twelve months.

OCIO procured a software asset discovery and management platform in FY20 and has begun implementation, which will support a complete view of end user software assets and help OCIO identify risky 'shadow IT'. In addition to this tool, the OCIO is planning a new process with a dedicated software asset program owner to oversee the asset management tool, manage relationships with the Office of Procurement Operations (OPO) and the various business units, and maintain a consolidated inventory of software and cloud licensing that exist in the OPM environment. This plan can be implemented if OCIO can obtain the funding and a dedicated program owner to lead the effort.

9. Do resource constraints prevent you from modernizing IT at OPM? How are you engaging Members of Congress to ensure you are receiving that appropriation and other funding levels that you need to meet your mission?

For the past year, we have been engaging our authorizing and appropriations committees via quarterly IT briefings, as well as hosting Members and staff at the Theodore Roosevelt Building to provide the status of operations and elaborate on the needs of the IT organization moving forward. Our challenge has been in aligning our budgeting needs to the annual budget cycle. We now have an estimate for what it will take to update OPM IT, which is \$139M over three years. We are hopeful to receive multi-year funding and the ability to establish an IT Working Capital Fund with transfer authority to protect IT spending and give us the flexibility to allocate our appropriation to the areas across OPM in most need. OPM also submitted a C.R. anomaly request approved by OMB to help address some of the IT resource issues but it was not included in the C.R.

10. OPM's Inspector General listed five specific IT-related top management challenges at your agency, including data security and information security governance. What steps is OPM taking to address these management challenges?

- **Information Security Governance** - In OPM OCIO, the centralized cybersecurity program implemented an improved catalog and cost model of services provided by the Information System Security Officers (ISSOs). The program has maintained transparency of the services it can provide to OPM programs and the funding needed to provide those services. Service level agreements codify service descriptions and manage the service targets between the cybersecurity program and other OPM programs. OPM has prioritized collaborative projects developed and prioritized for audit remediation to include projects for cybersecurity governance, ISSO Service Improvement and Enterprise Risk Management (SIEM). OPM updated, created and published cybersecurity policies, guides, templates and standard operating procedures for team and agency reference.
- **Information Security Continuous Monitoring** - The OPM OCIO, through the cybersecurity continuous monitoring and policy implementation, strives to incorporate

security best practices within the System Development Life Cycle. In the prior fiscal year, OCIO completed a gap analysis to identify additional resources needed to improve this program and we continue to work to close this gap. The closure of the resource gap will support the current strategy that addresses the monitoring of security controls at the organization, business unit, and individual information system level.

- **Data Security** - The OPM cybersecurity program utilizes a variety of tools to both prevent and monitor for deviations in security policy across the enterprise. We use cutting edge firewall and Network Access Control (NAC) technology to secure OPM data and safeguard against unauthorized access to our systems. Every device that connects to our network is automatically detected and monitored by a 24X7 SOC. All cyber tools feed into a single SIEM that allows for the correlation of many data points capable of revealing the most subtle of cyber threats. Access to critical systems, including workstations is protected by PIV enforcement. OPM Cyber stays abreast of the latest trends in cyber defense and maintains a robust toolset to safeguard data. In addition to this, red team scenarios, anti-phishing campaigns, use case meetings, and other cyber security exercises ensure the program remains innovative and maintains a rapid response to cyber threats. As OPM pursues its modernization journey, we will continue to add or improve security measures to protect our data. We are following two approaches to protecting our data. The first is we have implemented data encryption for both data at rest and data in transit for all of the agency's High Value Asset systems. The second is a longer term strategy of consolidating our data from many program office silos into an enterprise data warehouse. Reducing the number of data sources also reduces the risk of data exposure, while also improving the use of data defined decision making across the agency. In all cases we consider the sensitivity of the data to determine the appropriate encryption level and protections to appropriately safeguard the data.
- **Information Technology Infrastructure Improvement Project** - OPM worked with a third-party strategic consulting firm to conduct an agency-wide IT assessment in 2019. The outputs of the assessment include a list of critical information technology infrastructure projects on which the OCIO team must focus over the next three years. The assessment found that before OPM can modernize its enterprise IT infrastructure, we must execute foundational improvements which will require a substantial financial investment. Efforts include moving to cloud office services, developing a mainframe modernization plan, deploying an IT Service Catalog, and implementing a cloud-based telephony routing system for the Retirement Services Call Center. In September 2020, OPM submitted an OMB-approved C.R. anomaly request to help address some of these needs, but the request for funds was not included in the C.R.

- **National Background Investigations Bureau Legacy Information Systems** - In mid-July 2020, the OCIO team successfully migrated our mainframe technology from the Theodore Roosevelt Building in Washington, D.C. to a modern commercial data center. We also met the challenge of decoupling OPM's systems from DCSA's 2.5 months before the October 1, 2020 deadline as required under the National Defense Authorization Act (NDAA) for Fiscal Year 2018 and Executive Order (EO) 13869. OPM and DCSA systems are now fully operational in a new modern environment and have a disaster recovery environment in place. Many said this could not be done, so this was a major accomplishment related to this Top Management Challenge.

Despite the OPM's successful detangling of legacy systems, OPM still faces immense challenges with the ongoing transfer of the NBIB systems. **OPM OCIO continues to manage, operate and secure NBIB IT systems and provide end-user support on behalf of DCSA via a buyback agreement.** Continued support of DoDdiverts OCIO resources from focusing full attention on OPM's core mission.

11. What's a good data point to add to the FITARA Scorecard to empower and incentivize CIOs to move to the cloud?

In order to empower and incentivize agency CIOs to move legacy applications and workloads to the cloud, the FITARA scorecard should reflect agencies' implementation of Cloud Smart and Application Rationalization analysis of their information systems as recommended by the Federal CIO Council. This analysis would form the basis for each agency to determine the correct path – on-premise, cloud, etc. - for their applications.

12. At the second panel in our hearing, Ms. LaVerne Council stated that FITARA is a tool CIOs can use to leverage change at their respective agencies. Are there authorities or opportunities that you would like to have incorporated into FITARA that would allow you to approach your leadership and say, we need to do "x" because it's the law?

Continuing to include a metric for the development and use of an IT Working Capital Funds (ITWCF) on the FITARA scorecard will help OPM CIO approach agency leadership, the OPM CFO, and Congress for support in making this a reality. The Modernizing Government Technology (MGT) Act, passed as part of the National Defense Authorization Act for Fiscal Year 2018, enabled Federal agencies to establish ITWCFs for the purposes of modernizing systems and improving cybersecurity. OPM has not yet received the requested transfer authority from Congress allowing us to operationalize an ITWCF. Having that capability included in our appropriations bill would definitely help OPM implement FITARA requirements.

13. If Congress gave you any of these additional authorities or opportunities, what could Congress also include to make sure you're using that new power effectively and wisely? How can we continue to hold CIOs accountable for leveraging FITARA effectively?

OPM needs support from Congress to grant transfer authority for the ITWCF. Without that transfer authority, I am unable to operationalize the ITWCF and have very limited direct control over money that should be used for IT modernization and security. Congress should continue to leverage the FITARA scorecard and conduct oversight hearings. Congress should also recognize the shared responsibility of meeting the metrics outlined in the FITARA scorecard. Congress needs to grant transfer authority for OPM CFO to operationalize an ITWCF.

Questions for the Record – Submitted by Ranking Member Jody Hice (R-GA)
Subcommittee on Government Operations
Hearing: “FITARA 10.0”
Hearing Date: August 3, 2020
Questions for Ms. Clare Martorana, Office of Personnel Management (OPM)

1. Aside from the IDEA Act, how can the committee incorporate customer experience into future FITARA scorecards? To what extent do the utilization of Service Level Agreements help improve customer experience and how could this be incorporated into scorecard reporting requirements?

In 2018, service was established as a core component of the mission, service, stewardship model that frames the President’s Management Agenda (PMA), including a Cross-Agency Priority Goal on Improving Customer Experience with Federal Services.¹

While adoption of Service Level Agreements (SLAs) may be appropriate in some specific circumstances, the private sector has demonstrated direct customer feedback is often the best performance indicator, and this is the approach OMB has taken. OMB Circular A-11 Section 280 currently requires 25 designated High Impact Service Providers² to collect customer feedback on trust and other appropriate drivers outlined in the guidance and to report on these publicly. OMB would welcome a discussion on how government-wide standards could be incorporated on the FITARA scorecard or other public reporting mechanisms.

2. Have you explored utilizing the Technology Modernization Fund (TMF)? If so, was that beneficial, and if not, what factors discouraged your agency from taking advantage of that resource?

OPM has considered using the TMF for projects but has thus far been challenged to identify a viable repayment strategy.

¹ <https://www.performance.gov/CAP/cx/>

² <https://www.performance.gov/cx/2020-HISP-List.pdf>