UNITED STATES DEPARTMENT OF THE INTERIOR
ADMINISTRATIVE PERFORMANCE REVIEW

by
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A capstone project submitted to Johns Hopkins University in conformity with the requirements for the degree of Master of Arts in Public Management

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Abstract

On July 19, 2018 before the Senate Committee on Energy and Natural Resources, Senior Advisor Susan Combs briefed a cursory plan to address the administration’s pursuit of government reform. The plan articulated by Ms. Combs redistributes the geographic boundaries of more than 61 distinct regional units within the Department of the Interior (DOI) altering relationships between federal and state agencies1.

Senate, state government, and public response to this proposal was met with diverse opinion2; much of which focused on the governance of such an organization and the ability to streamline collaboration amongst partners and provide the taxpayer greater savings. Unifying DOI sub-bureaus within Joint Management Areas (JMA) creates an environment ripe for reform by eliminating administrative waste and highlighting redundant administrative functions.

This capstone details the reorganization efforts currently underway in the Department of the Interior and the ability to leverage this reorganization to create a cost efficient shared services organization. It is recommended that the Secretary of the Interior approve the proposal for a targeted departmental wide performance review to eliminate waste, analyze organizational practices, and produce cost savings required to transition into a shared services environment. The academic advisor for this capstone project is Professor Paul Weinstein, Program Director, Johns Hopkins University.


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MEMORANDUM FOR THE SECRETARY

DATE: December 15, 2018

TO: Honorable Ryan Zinke, Secretary of the Interior
FROM: David P. McDonald

SUBJECT: Department of the Interior Administrative Performance Review

I. Action Forcing Event

On July 19, 2018 before the Senate Committee on Energy and Natural Resources, Senior Advisor Susan Combs briefed a cursory plan to address the administration’s pursuit of government reform. The plan articulated by Ms. Combs redistributes the geographic boundaries of more than 61 distinct regional units within the Department of the Interior (DOI) altering relationships between federal and state agencies.

Senate, state government, and public response to this proposal was met with diverse opinion; much of which focused on the governance of such an organization and the ability to streamline collaboration amongst partners and provide the taxpayer greater savings. Unifying DOI sub-bureaus within Joint Management Areas (JMA) creates an environment ripe to obtain significant cost savings through economies of scale and use of modern automation capabilities.

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II. Statement of the Problem

The need for structural and organizational refinement within the department is evident by duplicative functions that exist in each of the ten sub-bureaus within DOI. Through the creation of jointly managed areas, aligned with watersheds, the restructuring of governance and administrative services creates the presence of multiple lines of business that are duplicative within each adjacent bureau.

*Figure 1: Definitions of Fragmentation, Overlap, and Duplication*[^5]

For example, within the U.S. Fish & Wildlife Service (FWS) there are nine geographic regions. Within each of these nine regions resides a full administrative and business service capability that includes budget, finance, contracting, information technology, and human resources. Each FWS region performs these functions autonomously, using regionally specific processes and documentation as department and agency policy permit. The result of

autonomous regions with limited standardized processes is a duplicative and multi-layered administrative organization. The Office of Personnel Management (OPM) identified the top 20 white-collar federal-occupation series, 12 of which fall underneath administrative or general operations support\(^6\). Furthermore, OPM reports that 37.52\% of the Federal non-seasonal workforce serves in an administrative function\(^7\).

The President’s Management Agenda on Government calls for reorganization, the Joint Management Area initiative within DOI is part of the solution to the Administration’s challenge, however, it currently fails to address “using shared services to improve IT services and reduce procurement costs by leveraging the Government’s economies of scale; and consolidating or realigning regional offices and personnel”\(^8\). The National Aeronautics and Space Administration (NASA) implemented a shared service administrative delivery model and is now realizing $20M in cost savings per fiscal year for an agency that has a current workforce of 18,000 employees.

Since 2006, NASA was able to meet or surpass 92\% of their organizations administrative key performance indicators (KPI)\(^9\).

The Department of Interior currently has a workforce of approximately 70,000 federal employees; along with an annual budget of nearly 18 Billion Dollars. Within the previous three fiscal years, the department’s budget authority has decreased, constraining resources, and the bureaus ability to accomplish their missions.

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In addition to reduction in appropriations, the departments’ strategic plan for FY18-2022 calls for the alignment of DOI organizational structure, workforce to improve partnership engagement, and mission delivery. The objectives are also coupled with the departmental requirement to reduce administrative and regulatory burden, while prioritizing DOI infrastructure needs and reduce deferred maintenance backlog. Administrative and

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governance costs are woven into the management costs of each DOI bureau throughout the $11.7 Billion Dollar, 2019 proposed budget\textsuperscript{12}. Over a three-year period, the departmental appropriations for DOI have decreased by $1.6 Billion Dollars, drastically influencing the department’s ability to meet its strategic objectives, in turn hurting a variety of land management, infrastructure improvement, and conservation activities. The Departments financial relationships with states, counties, cities, and other organizations will have a trickle down affect influencing all levels of land management.

Through the creation of joint administrative areas, adjacent bureau will still not operate as one without refined administrative and governance policy implemented. To operate as “one” assumes all bureaus are using standardized administrative practices across, have established a governance structure for shared service delivery, created a sustainable funding model (i.e. working capital fund, fee-for-service, etc.), and established the groundwork for inter-bureau business mechanisms to streamline regulatory processes. Currently adjacent bureau’s each contain their own administrative workforces, systems, and processes, as well as, the Interior Business Center. The Interior Business Center serves as a conduit between bureaus, provides fee for service labor, and other administrative support. The President has been quoted stating, “We are going to do more with less and make the government lean and accountable to the people,”\textsuperscript{13} Trump said. “We can do so much more with the money we spend.”\textsuperscript{14} Developing a departmental wide business delivery model will allow DOI to meet his objective.

The primary budgetary goal of the Department is to focus on cutting general operation, administrative, and governance costs to free appropriations so they can be applied directly towards mission requirements. In order to meet bureau mission requirements proposed in the FY19 Budget and each agency’s respective strategic plan for administrative, governance, and management costs must be reduced leveraging economies of scale. The current geographically dispersed and unstandardized administrative mechanism of each bureau has the potential to save significant resources throughout the duration of the Department’s FY18-2022 Strategic Plan. Although “administrative costs are a relatively small part of the overall budget. In 2015, 87 percent of direct obligations by executive agencies—spending that is not reimbursed by another entity—were in categories that are mainly programmatic. Those categories include benefit payments, grants to state and local governments, and interest on the public debt.” When considering the collective administrative cost of each bureau and their sub-regions, the amount of potential savings and the ability to request re-programming becomes a potential course of action for the agency to manage its non-programmatic costs.

III. History / Background

The organizational structure of the Department of the Interior has changed dramatically since the founding of the Department on March 3, 1849. Since the original founding of the department, nine technical bureaus now fall within the purview of department.

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In addition to the 9 formal bureaus and their collective 67 operating regions, DOI also contains a variety of offices dedicated to supporting priority projects and programs as directed by the administration. Each of DOI’s nine bureaus operates, as well as, their subordinate offices operate within their own relatively autonomous administrative and governance structures. The overlapping disposition of Interior resources has also created challenges in maintaining a unified position with other federal agencies, state agencies, partner groups, oversight bodies, and

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lawmakers. The problem with overlapping administrative and governance roles within our subordinate bureaus continues to compound upon itself and increase administrative costs in what is now a fiscally constrained environment.

For the last 30 years, there have been concerted efforts by the department to streamline both department and bureau level administrative and governance practices. Specifically, in 1998 “at the direction of John Berry, then DOI Assistant Secretary for Policy, Management and Budget. The purpose for the mergers was fourfold: 1) to provide a more unified approach to delivering services, 2) to improve administrative operations, 3) to reduce administrative costs through economies of scale, and 4) to expand the customer base by attracting other federal customers.”

The order for re-structuring / branding of the National Business Center into the Interior Business Center was issued on August 23, 2012 through Secretarial Order No. 3322. The merger of National Business Center functions, along with other Department functions were intended to streamline cross-bureau operations through establishing a centralized set of business services that applied to all bureaus; these services include human resources, acquisition, finance, and other indirect programmatic costs.

The Interior Business Center currently provides support of these activities to “more than 150 government agencies including the Offices and Bureaus within the Department and federal agencies outside the Department, as a Shared Service Center, providing business management systems and services. It is currently the only federal agency designated by both OMB and OPM

as a Center of Excellence in the financial management and human resources services”\textsuperscript{26}. An additional advantage to the merger was the outstanding reputation each service center had for providing high-quality service to its customers. The merger of talent and resources put the organization in an enviable position with the federal government to provide unparalleled service to all customers—both within the DOI and without.

Other Federal Agencies have come to the realization that advances in technology and the methods used in the private sector to manage business operations have created a significant opportunity to leverage economies of scale in the public sector. The National Aeronautics and Space Administration embarked on a journey to consolidate their administrative functions into a shared services center model, which is now in its 10\textsuperscript{th} year of existence and regarded as a center of excellence for federal administrative service delivery. NASA’s efforts have created cost savings of nearly $6M per year. NASA has an administrative budget of approx. $84.9M\textsuperscript{27} per fiscal year to support an agency of approximately 18,000 federal employees. DOI currently employs a workforce of approximately 70,000 federal employees, using NASA’s previously listed figures as a benchmark, would create cost savings of nearly $100M per fiscal year. Leveraging these economies will allow the Department to achieve cost savings targets for the administration’s larger vision of federal government reform. Most importantly implementing a modern administrative and business delivery model will allow the bureaus to focus on mission delivery.


\textsuperscript{27} https://searchpub.nssc.nasa.gov/servlet/sm.web.Fetch/NSSC_Overview_2010_2_10.pdf?rhid=1000&did=455075&type=released
Despite the creation of the Interior Business Center and implementation of the Financial and Business Management System (FBMS) in November of 2013\textsuperscript{28}, bureau and regional directorate autonomy has created uniquely different operating models that simply use FBMS and the IBC as a synapse to communicate or complete financial and business transactions. As seen during the past presidential election, federal government reform, cost-savings, and efficiency are an issue of current national focus. Coupled with the proper performance management of federal employees to ensure taxpayers are receiving the maximum return on their investment. The proposed joint management area or unified region concept outlined by the Department depicts a long-term plan over the next 100 years to modernize the Department and our ability to deliver public services. As part of this long-term change management strategy, administrative and governance re-structuring will provide a short-term win, in the greater strategic vision of Federal Government Reform proposed by the administration\textsuperscript{29}.

Within the Department's current strategic plan for FY18-22, Mission #6, Goal #1 is to “align DOI organizational structure and workforce to improve partnership engagement and mission delivery”.

Currently various sub-bureaus within the department are undergoing business transformation projects to adjust for FY18 – FY19 funding reductions for administration related work activities. Much of the currently realized cost-savings are the result of allowing Voluntary Early Retirement (VERA) and Voluntary Separation Incentive Program (VSIP) incentives to existing federal employees. However, what this initial move creates is an unreasonable workload on a diminished workforce using existing our existing service delivery models, regional and bureau autonomy, and technological infrastructure.


\textsuperscript{29} https://www.performance.gov/GovReform/
Other federal agencies have pursued this effort and experienced a loss in service capability and an inability to achieve cost-savings targets and timelines for return on investments. The U.S. Forest Service started their transition into a shared-service operating model and consolidated their support services in Albuquerque, New Mexico an area of low-locality expense in 2004. The Forest Service’s experience with Shared Service delivery has not produced the customer satisfaction results, cost savings, an organizational improvement that was initially intended. The concept of consolidation, centralization, and shared services can be potentially seen as more robotic and less personal if not designed properly. Using the experiences of both organizations over the last 15 years DOI, other departments and organizations, as well as, private sector business transformation consulting the Department is at a critical juncture about the future of how bureaus receive administrative services and whether action is taken to explore modernizing the financial, personnel, and procurement capabilities of our organization.

Over the last ten years, democratic leadership has primarily run the Department. Ken Salazar served as Secretary from January 2009 – April 2013 when Sally Jewell succeeded him. Ms. Jewell carried on the Obama Administrations strong environmental protection focus for the remainder of the President’s tenure in office. Budget restrictions for land management agencies under the Obama Administration were minimal, and as part of our current administrations focus on government reform experts predict a decrease in annual appropriations. Under President Trumps FY18 budget proposal the recommended funding level was targeted at $11.7B, however, after house and senate markups the budget provided an additional $2.5B to maintain

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current agency capabilities\textsuperscript{31}. However, despite a relatively stable appropriation for resource programs, the house and senate allowed for a reduction in administrative and management expenses throughout each bureau. Some bureaus have experienced funding reductions for administration and management to nearly 12% of their previous annual budget. Furthermore, some bureaus now rely on inter-agency support to maintain steady state administrative operations within their national and regional footprint due to the FY18 decrease in funding. The manner in which bureaus within the department are administered is unsustainable at current funding levels. A re-organization or reduction of these existing administrative and management resources will be required for the department to meet administration decreases in funding and the challenge of eliminating the cross charging of resource programs for supplemental administrative funding.

IV. Policy Proposal

The Administrations call for Government Reform and the approval of the Departments request for re-organization have initiated the planning for unified regions spanning across subordinate bureaus. These unified regions, containing representatives from each subordinate bureau within the department, will develop a mission focused operating structure that allows for cross-bureau collaboration, resource sharing, as well as, leveraging economies of scale in technical disciplines. Shared-services provides an administrative opportunity to tailor support to mission programs. Shared-service administrative centers have been used by other federal agencies to realize processes that are more efficient and achieve larger cost savings. NASA’s development of a National Shared Service Center (NSSC) allowed the agency to realize savings of $20M a year after migration was completed.

\textsuperscript{31}\text{https://www.hcn.org/issues/50.7/department-of-interior-what-will-zinke-do-with-the-extra-2.5-billion-in-his-budget}
Transitioning the department into a unified command structure and shared service environment will require significant capital investment into the organization. To fund this transformation the Department will need to cut department administrative waste by five percent per fiscal year for three fiscal years to internally finance a transition to administrative service delivery. These cost savings will be realized by mandating a department-wide performance review. Utilizing the framework developed by former Texas Comptroller John Sharp the Departments performance review effort will require all Senior Executives within the Department to adopt savings metrics as part of their executive performance appraisal. To accomplish the latter coordination with the Office of Personnel Management and the Departments Senior Executive Performance Review Board (PRB) will be required.

Mission Area Six of the Departments 2017 – 2022 Strategic Plan sets the goal of reducing administrative and regulatory burdens of the department. DOI is currently reviewing regulations to alleviate administrative burdens. In FY17 these efforts net savings of $1.15B (net present value) from its deregulatory actions. Goals for subsequent years will be established as the DOI completes its review of target regulations. Expanding Mission Area #6 to include agency administrative spending, organizational structure, and process engineering will produce additional savings.

V. Policy Analysis

Administrative reform and reduction of waste are regular policy efforts that take place at local, state, and federal levels. Planning, execution, and strategy are what determines if these efforts are fruitful. The goal to reduce administration expense and waste by 5% per fiscal year for three consecutive fiscal years equates to a cost savings goal of 15%.
Advocacy

In 1991, the state of Texas faced a $4.6B dollar deficit; the state comptroller John Sharp assembled a team to conduct a state government wide performance review. Throughout a decade long period Sharp’s program saved the state of Texas $10B dollar overall\(^{32}\). Using Sharp’s methodology President Clinton and Vice President Gore solicited Sharp for assistance in conducting a National Performance Review (NPR), which in its first year produced $106B in savings\(^{33}\). The goal of President Clinton and Vice President Gore’s NPR was to create a government that “works better and costs less”. President Clinton appointed Vice President Gore to lead the effort that was staffed by primarily civil servants with a contingent of state and local government employees on loan\(^{34}\).

The initial strategy for the NPR set Vice President Gore on a tour of agencies, which culminated in a “Reinventing Government Summit” held in June 1993. The approach taken by the NPR team directly engaged with senior agency leaders and required agencies to create internal teams focused on reinvention and cost savings. Direct coordination between agency heads and the executive office created an actionable dialogue to execute reform. These efforts identified 1,250 specific actions intended to save the federal government upwards of $108B, as well as, reduction of overhead positions and a focus on improving government operation’s. The internal teams created within each agency or “reinvention labs”\(^{35}\) were focused units that were breeding grounds for innovation and the testing of prototype processes. The results of these

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units were shared widely throughout the federal government. Furthermore, more than 252,000 positions over a five-year period\textsuperscript{36} were cut from federal service, saving an estimated $40B dollar. Performance targeted reform created flexible performance management and reward systems to improve agency operations, as well as, simplified procurement systems. The NPR has been viewed favorably for addressing several key areas that are applicable to departmental operations: “excessive layers of middle management, a lack of accountability, poorly trained workers, inefficient procurement, and a lack of performance goals or standards”\textsuperscript{37}.

The National Performance Review conducted during the Clinton Presidency was effective because it empowered agency leaders to make changes and pursue savings. Additionally, it did not focus on a singular issue; rather the performance review is referred to as “savings by a thousand cuts”\textsuperscript{38}. During NPR federal agencies also established customer service standards, as well as, standardized and documented processes. Utilizing a department performance review to analyze potential cost-savings within DOI will first provide an opportunity to analyze organization structure, workforce supply, and workload demand; while taking targeted cuts to reduce waste. Second, generated cost savings can be utilized to plan, design, and implement a shared services center similar in nature to what NASA created to provide their programs with customer service focused administrative support at significant savings. Furthermore, data collected during the department performance review can be used as benchmark data for the development of the shared services concept.

Initiating a department-wide performance review will not be without potential risk. The Texas Performance Review and the National Performance Review were not without criticism. The NPR focused on a wide spectrum of reform, specifically “empowering employees, putting customers first, labor management partnerships, cutting red tape, cost reduction, etc.”39 All of which directly apply to the proposed administrative performance review of the Department.

**Opposition**

Critics of NPR and the use of a performance review to generate cost-savings felt that the performance review overpromised and that the approach was destructive of citizen trust in the sense that a presidentially mandated performance review undermined the constitutional rule of law as the basis for the government’s administrative state40.

The structure of the departments’ bureaus being hierarchical in nature and characteristics of agency leaders present within DOI bureaus is not ideal for instituting an administrative performance review. Traditionally agency leaders “are appointed on the basis of their command of policy, technical expertise in the agency’s work, or political connections”41. Business and administrative leaders exist within the department and bureaus, however, the full support of a technically educated agency leadership team may present a challenge in creating support for a department-wide focus on a mission support function. To compound the challenge of receiving continued agency leadership support is the distinction between career and political civil servants. With less than 700 days until the next Presidential election, implementing a large scale department-wide performance review; with a three year activity

40 Pfiffner, James P. *The National Performance Review in Perspective*. Virginia: George Mason University, the Institute of Public Policy, 1995.
period may lose future support if the administration changes. Many political senior executives will leave the department if there is a change in the executive branch, understanding that the tenure of political appointees is on average 18 – 24 months\textsuperscript{42}.

Obtaining stakeholder support for a department-wide reform is necessary to ensure this proposal if approved, will be successful. Many of the administrative customers of the department span outside of the federal landscape. The department currently administers a significant grant program with state and local partners, as well as, enters regularly into cooperative working agreements with these partners to leverage land management and conservation resources, as well as, permitting and compliance. Dramatically changing the administrative mechanism of the service, following a comprehensive review and targeted cut of administrative expenses, there is potential risk for working relationship with state and local partners to be disrupted.

For the last 40 years, since President Carter implemented the “Civil Service Reform Act” each administration has pursued some degree of federal reform\textsuperscript{43}. Throughout these various reform efforts, the federal government’s procurement, personnel, budgeting systems became highly regulated and created organizations inflexible to change without regulatory changes. To enact regulatory changes within the department, interaction with the house national resource committee would be required. With the recent mid-term elections and democratic party, taking control of the house (while republicans control the senate)\textsuperscript{44} there is a new challenge in the

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political landscape to pursue regulatory reform as part of this performance review, since the current demand for federal reform was issued by President Trump.

An additional risk of performance reviews as a policy tool is the potential for discrimination and / or the perception of discrimination from employees and organizational units subject to the review. If the review resulted in an unequitable division of cuts targeted at one functional area there could be the perception of a failure of leadership within that function or relationships and on-going support from that function diminishes. Without transparency of how opportunities for savings will be identified, to what degree a function can be cut, and what level of input the workforce and stakeholders have to influence change will be necessary to mitigate this risk.

VI. Political Analysis

Key stakeholders for the department’s administrative performance review and subsequent transition into a shared services environment include:

1. Political Appointee(s) – Department Level (SES): The Trump Administration has 19 political appointees within the department of the interior. These key leaders are key to obtaining Presidential support and advancing the administrations priorities.45 The concern for this key stakeholder group will be the potential for negative press exposure if this performance review is perceived to be targeting land management and conservation based

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programs. It will be important for a communications strategy to be developed that clearly articulates the scope of this performance review.

2. Agency Leadership – Bureau Level (SES): Typically the departments bureaus are led by a political appointee, coupled with a team of career service senior executives that act as a bridge during the transition between administrations, to ensure agency operations continue. These leadership teams must buy-into the need to save their bureau and department funding that can be applied towards re-designing how their workforce is administratively supported. Each bureau has experienced an increase in the turnover rate of employees, which as of FY17 rose to 16.7% across the federal government\(^\text{46}\). Human capital is the most expensive resource the federal government procures\(^\text{47}\). Concerns from agency leaders may express concern over implementing a multi-year reform process more than mid-way through the President’s term. These leaders also have the ability to slow or accelerate their support by leveraging their own agency assets.

3. Employee Union(s): Current relations between the administration and employee unions is not favorable. President Trump issued an executive order limiting the amount of time unions can assist employees with grievances and other actions to 25% of that representative’s time.


Additionally, other departments have voted to significantly change or eliminate official time in their labor contracts. Lastly, additional legislation is being proposed, titled the Official Time Reform Act, which will further restrict the influence and abilities of labor unions within the federal government\textsuperscript{48}. Concerns from the Unions will focus on what role, allowances, and percentage of time can be spent representing the union’s objectives\textsuperscript{49}.

4. The Office of Personnel Management (OPM): Maintaining a transparent dialogue between DOI and OPM for matters affect any human resource matter, classification, staffing, or labor related issue. If leveraged, OPM can help provide expertise on best practices exhibited throughout the federal government that can be utilized within DOI to produce savings. The current agenda of OPM is a pursuit of higher performance management in the federal workforce. Utilizing performance management as a cost-savings effort within the department would align with OPM’s current agenda\textsuperscript{50}. Concerns from OPM will be how do targeted administrative cuts and ultimately a migration to shared-services impact the federal worker. These concerns could relate to the classification of positions, as well as, the processing of hiring or separation incentive requests.


\textsuperscript{49} "Figure 2f from: Irimia R, Gottschling M (2016) Taxonomic Revision of Rochefortia Sw. (Ehretiaceae, Boraginales). Biodiversity Data Journal 4: E7720. https://doi.org/10.3897/BDJ.4.e7720." doi:10.3897/BDJ.4.e7720.figure2f.

5. The Office of Management and Budget – Budget & Spending (OMB)\textsuperscript{51}: Coordination with department level and bureau level OMB examiners is critical for articulating cost savings and the value of the administrative performance review. Additionally, strong relationships with OMB counterparts can garner additional support from the executive branch. Due to the administrations focus on federal reform, there may be concern from OMB as to what and how DOI chooses to prioritize and cut administratively, therefore setting a potential standard and example amongst departments. Providing OMB with access to influence the targeted cuts will allow the administration to keep a pulse on the reform and could potentially result in additional financial support if positive results are realized.

6. House Committee on Natural Resources: The committee on natural resources has jurisdiction over many of the mission functions within DOI\textsuperscript{52}. Presenting a compelling argument to the committee on how cutting administrative expenses, eliminating cross-programmatic charging for administrative overhead, and further reducing administrative costs will leave more of their allocations to be applied directly towards operational activities (i.e. mission execution, maintenance, strategic investments).

From the pool of stakeholders listed above the most influential group are the current agency leaders of bureaus within the department. Due to the slow pace of political appoints since the Trump Administration took office, acting directors or deputy directors govern many bureaus in the interim. Some of these senior executives are career service and will have a different political optic regarding reform. Focusing this reform on administrative functions, rather than on science or land management law and regulations will ease concern over the output of this effort. Additionally, the prospect of additional capital for program execution is a powerful motivator to bureaus struggling to meet their minimum mission.

Over the 150-year history of DOI, federal reform has created the current organizational practices and formation of the department. Continued refinement of the organization, modernization through analysis, and financially responsible procurements are important to land management bureaus whom have seen declining budgets. Bureau heads within the department have strong relationships with federal, state, and local officials. Additionally, these leaders have relationships that span other departments and can leverage influence via the House Committee, OPM, and OMB. Each bureau has a different organizational culture, pocket of influence (geographically), and ability to leverage political power.

To remain an employer of choice and seen favorably in society, public opinion must be considered. A survey of American’s was conducted by Paul Light\(^53\) to determine what they want from government reform and whether the government needs significant reform or only some level of change. The categories developed were dismantlers, streamliners, rebuilders, and expanders.

Figure 3: Public Support for government reform, 1997-2018

The population groups that had the highest response rate in order of merit were Dismantlers, Rebuilders, Expanders, and Streamliners. Interestingly, between 2010 to 2018 rebuilders have grown from 16 to 31% of collective responses showing a growing opinion that the government requires significant structural change to reform.

Using this survey as a guide, public support will be achieved by presenting the proposal for an administrative performance review and subsequent design of a shared services organization as a solution that meets the needs of the American people to dismantle and reduce the federal workforce size and layers of bureaucracy. Second, in order to appeal to the dismantlers, re-designing administrative service delivery throughout the entire government is a

change that dismantles the organization to the foundation and produces a new way to deliver support.

Currently Congressman Bruce Westerman (R-AR) leads the house sub-committee for natural resources that focuses on oversight and investigations. Within Congress Westerman’s purview is agency reform. This sub-committee currently consists of 11 members, 6 republican and 5 democrats. Within the Senate Committee on Energy and Natural Resources, the current Chairman is Senator Lisa Murkowski (R-AK) a recognized leader in energy and land management policy. Republicans are expected to support this policy proposal due to the savings potential and alignment with the President’s agenda, as well as, provides the opportunity for more capital to be spent on mission execution.

The current ranking democratic member of this sub-committee is Congress Donald McEachin (D-VA) who came into office January of 2017. There is potential for democratic opposition to this policy and its execution if administrative reforms require adjustment to land management or conservation regulations. Congressman McEachin is a self-proclaimed environmentalist and on April 25, 2018 proposed the “Healthy Environment for Children Act”. This proposed policy would safeguard environmental research for priority issues such as water quality, air quality, and the protection of ecosystems. Achieving Congressman McEachin’s support will be accomplished by providing a commitment to table any potential cut or refinement to the department that affects environmental policy, so the sub-committee can provide comment, although no encroachment is expected. At the Senate level, the ranking

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Democratic Member is Senator Maria Cantwell (D-WA). Senator Cantwell was first elected to the Senate in 2000 and “successfully led the fight to stop drilling in the Arctic National Wildlife Refuge and is leading efforts in the Senate to make America more energy independent.”

Politically this policy proposal offers more benefits than costs. The primary benefit of this proposal is reducing the expense to run the department for the American people. Showing improved stewardship of taxpayer funding, rather than a traditional “spend before it expires” mentality. Second, cost savings realized by a department-wide administrative performance review will be used to internally develop a new-shared services organization, and if possible, excess funding can be returned to resource programs for mission execution. If this proposal provides recommendations to further reduce the departments workforce public faith in the department’s ability to accomplish its mission is diminished, financial impacts will be felt in local communities and directly on currently employee lives. To mitigate negative interaction with stakeholders and legislators, a strategic plan for department workforce planning and staffing will need to be created to present to stakeholders with a clear understanding of how any output of the performance review may affect future staffing requirements.

VII. Recommendation

The Department of Interior needs to reduce administrative spending and modernize administrative service delivery to meet customer service standards and mission requirements. Due to the reduction of appropriations in FY18-19 for management and administration, immediate cost savings must be generated to afford current staff, identify savings opportunities, and re-structure how administrative services can be delivered sustainably in the future. The

preferred course of action to solve this problem is the approval of a department-wide administrative performance review. Areas within scope of this review will include budget, finance, contracting, engineering, human Resources, and information technology. Each of the aforementioned functional areas presents the opportunity to analyze operational processes, procedures, purchasing, and other financial activities to generate returns.

For this reform to be successful, senior executives will be held accountable for a 5% reduction in administrative costs per fiscal year for three consecutive years as part of their annual performance review. This will be accomplished by coordinating with the Departments Senior Executive Performance Board and the Office of Personnel Management. This action is in support of OPM’s recent push to evaluate federal employees “on the value they bring to their agencies, with continuous feedback between them and their supervisors”61.

For years, resource programs focused on land management or conservation have paid an overhead assessment for administrative support. Engaging resource program leaders (the customer) to support administrative reform will allow more capital to be applied towards mission execution. Utilizing the customer (resource programs) as a stakeholder will motivate administrative senior executives participating in the performance review to produce their required savings target.

This proposal if approved will provide for favorable public opinion. A cabinet level department executing a voluntary performance review to cut administrative waste and redundancy will express responsible stewardship of taxpayer dollars. Although the size of the federal workforce has remained relatively constant, three administrative proxies: State / local

governments, for-profit businesses, and nonprofit organizations have added significantly to the cost of government administrative services\textsuperscript{62}.

To generate support, department and bureau leadership must be actively engaged with the administrative workforce and customer-base while communicating the same unified message. Using Sharp’s performance review methodology previously executed in Texas\textsuperscript{63}, California, and nationally during the Clinton administration the Department of Interior should approve a department-wide administrative performance review. The DOI Administrative Performance Review will closely follow the execution strategy used by Vice President Gore.

There is still potential for cultural and leadership resistance to the departments administrative performance review. During the Clinton-Gore NPR 252,000 federal civil service, positions were eliminated\textsuperscript{64}. Fear of a reduction-in-force (RIF) as a potential cost savings measure could lead to loss of production and failure to effectively support resource programs. To mitigate this risk it is recommended that part of the information campaign for the performance review remove RIF as a potential cost savings tool. A RIF cause’s unnecessary negative public exposure, requires congressional approval, and has financial impacts in the geographic areas around dense federal employee populations. Currently more than 31% of the permanent full-time federal workforce is between the ages of 50-60 years old\textsuperscript{65}, presenting an opportunity to capitalize on natural attrition as a cost savings tool. Furthermore, if the financial


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needs arises to reduce the workforce as the shared-services design and performance review dictate; incentivized attrition tools such as voluntary early retirement (VERA) and voluntary separation incentive programs (VSIP) as a tool for right sizing the federal workforce are more favorable ways to eliminate waste and re-organize the administrative structure.

The timing and necessity for approval of this policy is critical to insure the financial stability of the department. Utilizing the strategy of a “thousand cuts66” will generate the momentum and savings needed to modernize the department’s administrative delivery model and ability to support its land management mission.

Curriculum Vitae

David McDonald is a Special Assistant with the U.S. Fish & Wildlife Service (USFWS), where he serves as a business transformation advisor for agency level reform. Before joining USFWS, McDonald served as a Program Manager for the U.S. Army Corps of Engineers managing design and construction for military installations throughout the central coast of California. McDonald was responsible for managing key strategic relationships with the Presidio of Monterey, Defense Language Institute, U.S. Transportation Command, and the U.S. Army Network Enterprise Technology Command. McDonald is a former Captain in the United States Army having deployed as a Combat Engineer to Afghanistan in support of Operation Enduring Freedom. McDonald, who is a native of Fallbrook, California, received his undergraduate degree from the University of San Diego and his Master of Business Administration from Norwich University.