

State of the Union 2011: Obama calls for reorganization of federal agencies

By Ed O'Keefe

President Obama called Tuesday for what aides describe as the most aggressive reorganization of the federal government in at least half a century, asking Congress for the authority to merge agencies and departments if necessary.

The White House plans to unveil more details in the coming weeks, according to senior administration officials familiar with the proposals. Administration officials intend to conduct a review of agency operations, but aides said congressional action may be necessary to enact some desired changes.

In his [State of the Union address](#), Obama used stark terms to explain the needs for a reorganization: "There are twelve different agencies that deal with exports. There are at least five different agencies that deal with housing policy."

"Then there's my favorite example," he said. "The Interior Department is in charge of salmon while they're in fresh water, but the Commerce Department handles them in when they're in saltwater. I hear it gets even more complicated once they're smoked."

Kidding aside (and the line earned laughs) there are indeed five agencies and departments responsible for at least some aspects of federal food safety -- the Agriculture Department, the Centers for Disease Control and Prevention, the Food and Drug Administration, the Department of Health and Human Services and the National Institutes of Health.

Reorganizing the federal government is nothing new: The Brownlow Committee recommended establishing the Executive Office of the President in 1937, the Hoover Commission prompted another overhaul after World War II and the Volcker Commission examined ways to [overhaul the federal workforce](#).

Despite those reports, the government hasn't conducted a significant overhaul of operations in decades, White House aides said.

"This is long overdue. And nobody's done anything about it," said one aide familiar with the plans who was unauthorized to speak on the record.

Keeping in line with the president's focus on economic growth, the reorganization will focus on how federal agencies can be restructured to "serve a more competitive America," the aide said.

Obama's pledge to merge and reorganize agencies mirrors proposals published in a Feb. 2010 report by the liberal [Center for American Progress](#) (CAP) called, "[Doing What Works](#)."

The report highlights several government redundancies, noting for example that low-income families are eligible for several federal programs, "each with their own administrative structures and application processes."

"It might make more sense to employ consolidated enrollment with one application to assess eligibility for multiple programs," the report said. "The administrative savings generated from this consolidated system could then be used to better provide for beneficiaries."

CAP is headed by former Clinton chief of staff **John Podesta** and has hatched many of the government management reforms [passed by Congress](#) or enacted by Obama through executive orders, including a [review of federal regulations](#), a two-year effort to eliminate \$40 billion in government contracts, and a broader goal of curtailing [hundreds of billions of dollars in improper payments](#) to fraudulent beneficiaries and contractors.

However the Obama administration proceeds, "consensus will be very important," said **Jitinder Kohli**, a CAP senior fellow, who helped author the report. Special interest groups impacted by potential changes will be especially concerned, he said.

"This is a big task," said **Gary Bass**, founder and executive director of [OMB Watch](#), a group tracking government operations. "You know, everyone fights to get their one sentence into the State of the Union, but this issue got more than one. This is obviously a big agenda item."

But [Cato Institute](#) fellow **Chris Edwards** said the administration should focus less on efficiency and more on cutting overall government spending. "The real meaning of our \$1.4 trillion budget deficit is that the government simply does too much stuff that we can't afford to do anymore," he said.

The potential merger, reorganization or closure of agencies will be tracked closely by federal worker labor unions.

"The success of such efforts will be largely determined by the degree to which frontline employees are engaged in the planning and implementation efforts," said **Colleen M. Kelley**, president of the [National Treasury Employees Union](#). "It is critical that those who perform the work every day be involved from the very beginning of the process."

Sen. **Thomas Carper** (D-Del.), who closely tracks government management issues, called Obama's pledge "music to my ears."

"I've said we need to be thinking about for some time now," Carper said. "Particularly as we struggle with massive federal deficits, we have to ensure that we are getting the biggest bang for the taxpayers' buck when it comes to running the federal government."