

## **U.S. Environmental Protection Agency**

### **Reform Plan**

EPA's reform plan represents a series of projects that EPA will complete to implement the goals of Executive Order 13781: *Comprehensive Plan for Reorganizing the Executive Branch*. The deployment of a Lean Management System will serve as the foundation for EPA's reforms, allowing us to manage all of our programs more effectively. The Administrator's focus on cooperative federalism is core to our reform agenda. We will focus on our relationship with states and tribes, empowering them to deliver environmental protection more efficiently, by tailoring our oversight activities, providing additional flexibility in how they spend funds, and reviewing permits and State Implementation Plans more quickly. We also will focus on providing better service to our external customers (by streamlining permitting processes, reducing mandatory reporting burden, aligning our infrastructure investments, and responding to Freedom of Information Act requests in timely manner), as well as our internal customers (by speeding up procurement). Our plan also examines the Agency's physical footprint and proposes ways to realize cost savings. While we did not project savings (or upfront costs) from these reforms in our FY 2019 President's Budget, we do expect to include these impacts in future submissions, once our plans are finalized.

#### **Deploying a Lean Management System**

EPA will deploy a Lean Management System (LMS) that is designed to routinely monitor, evaluate, and assess our general operations and ensure progress in meeting our reform agenda objectives. Successful implementation of the LMS will improve the paradigm for how EPA responds to performance issues that commonly impact our ability to meet strategic goals, objectives, and expectations. EPA will revamp our performance measures to ensure they reflect value to the American People, stakeholders, and customers. The key elements of the LMS include developing cascading performance measures, instituting monthly and quarterly performance reviews, and establishing a culture of continuous improvement. This concept naturally creates transparency and accountability at all levels of the Agency.

#### **Speeding up Environmental Permitting**

For many stakeholders, EPA and States take longer than is actually necessary to issue environmental permits, even when EPA is meeting statutory or regulatory deadlines. EPA will improve the efficiency and effectiveness of federal permitting programs through several mechanisms, which include conducting targeted Lean business process improvement events on EPA-issued permit processes and implementing the results of those events. As part of this process, EPA will collect system-wide data on permit status, backlog and throughput. Following the Lean events, EPA will target and track improvements in permitting processes by gathering, analyzing and using agencywide data to track results and collect best practices. In addition, EPA will systematically review and amend any internal policies and procedures related to permitting that could be streamlined, as appropriate, to further improve the efficiency and effectiveness of federal permitting programs.

## **Reducing Unnecessary Industry Reporting Burdens**

The intent of a reform effort on reporting and record keeping burden is to provide greater awareness of the paperwork burden we place on regulated entities, develop a process for managing that burden for continuous improvement, and reducing burden where possible. A positive trend would be reduction in EPA's overall Information Collection Request (ICR) burden. This effort will review and analyze our current process for developing and renewing ICRs as well as conducting Lean events around specific ICRs to determine burden reduction opportunities and how to accomplish them.

## **Maximizing Infrastructure Investments**

EPA lacks a process for identifying opportunities to link its various infrastructure and community assistance program resources to spur similar, non-Agency investments with the goal of enhancing the collective impact those resources have in communities where current infrastructure funding levels are insufficient to address deficiencies adversely impacting human health, environmental protection, and economic development. EPA needs to reimagine EPA infrastructure and community assistance programs (e.g., the Clean Water State Revolving Fund, Drinking Water State Revolving Fund, Water Infrastructure Finance and Innovation Act, Environmental Justice, Community Revitalization, and Brownfields Area-Wide Planning grant programs) to better align EPA investments with each other and with other investments in pursuit of economic revitalization and improved environmental outcomes. In doing so, EPA must determine how best to serve disadvantaged communities, maximize leveraging of private investment to improve the economy, and protect public health and the environment.

## **Examining EPA Field Presence**

The Agency has many different organizational and locational field presence models that are currently in place. For example, some regions have smaller field offices in close proximity to its stakeholders and customers along with the main regional offices, while others work mainly out of a single regional office. Some are organized by environmental media (.e.g, land, air, and water), while others are organized by lines of business. Some functions currently performed in regional offices benefit from close proximity to customers or a particular geographic location, while others could be performed as successfully or more efficiently centrally. Our mission support programs also have satellite sites in several locations across the country. Understanding why offices are where they are, what functions they perform, and how they are organized, will help the Agency make informed decisions about the most effective models to deliver and support its mission and better support our stakeholders and customers.

## **Tailoring State Oversight**

The EPA recognizes the need to improve the EPA/state relationship to make the best use of limited EPA/state resources. This involves being more strategic about when and how state oversight activities are conducted. Together with its stakeholders, the EPA is undertaking an effort to develop a comprehensive system designed to evaluate state and local implementation of federal environmental programs. The intent is to help states maintain strong performance and ensure a level playing field, by using a systematic method to evaluate state environmental programs which will include, allocating resources effectively and targeting assistance where needed while adding value to the States as the customer of the oversight function. The effort involves understanding

current practices, and engaging stakeholders, followed by defining and launching a revised oversight approach.

### **Improving Management of EPA Laboratories**

There are several drivers for managing and operating EPA's laboratory enterprise in a more strategic, corporate, and efficient manner, including recent reports by the Government Accountability Office and the National Academy of Sciences. While EPA has recognized these drivers, our efforts to date have not been transformational. The current EPA laboratory enterprise is operated as distinct Regional, Program, and Research laboratories, which, in FY 2016, included 30 laboratory facilities that occupied 3.4 million total square feet and employed over 4,000 federal and non-federal staff at an annual cost of \$658 million. This project starts with the identification and implementation of an enterprise-wide framework to manage laboratory capabilities and capacity to meet the scientific demands associated with achieving the Agency's mission. Institution of this framework will increase the efficiency and effectiveness of Agency laboratory operations and break down corporate barriers to provide a more resilient and agile laboratory infrastructure that will position the Agency to be responsive to a wide variety scientific and technical needs, while also responding to the realities of operating at reduced resource levels.

### **Enhancing Human Resources (HR) Shared Services Centers**

EPA delivers HR support to its workforce through a variety of organizations and support models, both centralized, through three HR Shared Service Centers, and decentralized, with HR resources embedded in organizations. In order to provide the most cost-effective service to employees and managers, EPA will examine our HR service model to determine if efficiency can be obtained through realigning organizations, streamlining management layers and examining the facility footprint. The goal would be to improve customer service, provide more consistent HR advice, and foster increased confidence from customers.

### **Speeding Up the EPA Acquisition Process**

Annually, EPA spends nearly \$1.5 billion and processes an average of 15,000 procurement actions on contracts to deliver our mission and program objectives. In FY 2016, EPA identified acquisition management as an Agency enterprise risk because the process to award contracts was negatively impacted and slowed by insufficient planning, backlog of work, and absence of experienced staff. For example, there is no consistent agencywide look at the acquisition planning process and no mechanism to measure how long this process takes from the identification of the customer's need to the development and submission of a finished procurement request package. Additionally, multiple contracts have historically been issued for the same services, creating unnecessary work. To most effectively acquire the supplies and services needed to meet our mission objectives, EPA needs to analyze and improve our systems and processes and the organizational alignment of the acquisition function.

## **Eliminate the State Implementation Plan (SIP) Backlog**

The State Implementation Plan project seeks to identify and implement process improvements that will enable EPA to routinely take action on SIPs for meeting National Ambient Air Quality Standards within the Clean Air Act deadline of 18 months, and to eliminate the current backlog of SIP actions. Over 200 SIPs are submitted to EPA for approval each year. There is currently a backlog of over 350 SIPs, despite robust efforts that have reduced the backlog by 49 percent in recent years. Improving the timeliness of EPA's process for taking actions on SIPs will reduce the risk of deadline suits that impact the Agency's ability to prioritize actions consistent with the needs of state partners and air quality improvement goals. This effort will consider the need to make progress on both new and backlogged SIPs, as well as variability in the number and complexity of SIP actions across the country, among other factors.

## **Speeding Up Freedom of Information Act (FOIA) Responses**

Under EPA's decentralized approach for processing Freedom of Information Act (FOIA) requests, offices implement EPA FOIA procedures in different ways. This adds a layer of complexity to many of the requests EPA currently receives. For instance, in the past several years the number of FOIA requests that involve more than one office or region has increased significantly. Or a requester makes the identical or similar requests to multiple regions or offices. Such requests require coordination among offices to ensure consistency. At the same time, the complexity and volume of documents required to be searched for, collected and reviewed has multiplied dramatically. The Agency's current decentralized approach for processing FOIA requests puts a significant burden on Agency staff. Furthermore, the decentralized approach contributes to a lack of consistency in record searches, final responses, and metrics, which are reported to the Department of Justice. To address these and other challenges, EPA staff are evaluating the Agency's approach for processing FOIA requests and will implement agencywide changes. The goal of these changes will be to improve compliance with statutory requirements, reduce the overall burden to EPA staff for processing FOIA requests, improve the consistency of responses, and increase public satisfaction with the EPA FOIA process; thereby, reducing the Agency's exposure to appeals and lawsuits under FOIA.

## **Increasing Flexibility in State and Tribal Assistance**

EPA, states, and tribes are not getting the full efficiency and effectiveness benefits inherent in Performance Partnership Grants (PPG) as evidenced by the FY2017 utilization rates of 49.8 percent (states) and 55.4 percent (tribes) of eligible categorical grant funds managed through PPGs. The PPG program allows states and tribes who receive multiple grants from EPA to combine funding from 20 eligible categorical grants into one multi-program grant with a single budget, utilize flexibilities, direct resources to the highest needs, and shift work across programs, all with reduced reporting requirements and administrative burdens. Through outreach and coordination with states, tribes, and internal customers, EPA will identify barriers and improvements to PPG utilization and flexibilities. Possible improvements include rigorous evaluation of and changes to program requirements and implementation, policy-level changes, and training on the duality of PPG flexibility and accountability.