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Office of Management and Budget

Regulatory Misalignment Executive Summary

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Inefficient Federal Technology Systems:

- Outdated IT systems and lack of interoperability hinder productivity and data security. A modernization initiative by the Department of Government Efficiency (DOGE) will enhance efficiency, data integrity, and system security.

Overreach from DEI and Gender Ideology Policies:

- Mandates promoting Diversity, Equity, Inclusion (DEI) and gender ideology divert resources and erode constitutional principles. Eliminating these programs and reinforcing biologically based definitions of sex will restore clarity, equality, and safety.

Misaligned Federal Spending:

- Federal financial disbursements fail to align with executive priorities. Enhanced oversight through detailed program reports, political appointee supervision, and spending reviews will ensure funds meet administration goals.

Regulatory Overreach from Chevron Deference:

- Ambiguous statutory interpretations enabled by Chevron deference result in overregulation. Reviewing such regulations and mandating strict adherence to statutory language will limit expansive rulemaking and improve accountability.



Tabulated Overview Of RM Actions

Problem	Action
<p>Federal technology, software, and IT systems are outdated, inefficient, and lack interoperability across agencies, leading to reduced productivity and wasted resources. Current systems fail to meet modern standards for data collection, synchronization, and protection, hindering the government's ability to operate effectively and provide high-quality services to the public.</p>	<p>Establish the Department of Government Efficiency (DOGE) and rename the United States Digital Service (USDS) as the United States DOGE Service. Create a temporary U.S. DOGE Service organization, led by a USDS Administrator, to implement the President's 18-month DOGE Agenda. Require each agency to form DOGE Teams within 30 days to coordinate modernization efforts with the USDS Administrator. Launch a Software Modernization Initiative to upgrade federal IT systems, promote interoperability, and ensure rigorous data protection. Grant USDS prompt access to unclassified agency systems and override conflicting executive orders. This will enable the immediate removal of officials who block the ability of OMB to communicate directly with Federal employees.</p>
<p>Federal policies and guidance influenced by gender ideology undermine the biological reality of sex, eroding women's rights, dignity, and safety in areas like single-sex spaces and federal programs.</p>	<p>Rescind Executive Orders promoting gender ideology, including EOs 13988, 14004, 14020, 14021, and 14075, and dissolve the White House Gender Policy Council. Implement a clear definition of sex as biologically immutable in all federal policies and documents. Ensure agency compliance by revising internal and external guidance, removing references to gender identity, and requiring federal IDs and personnel records to reflect biological sex. Enforce sex-based protections for women in intimate spaces such as shelters and prisons and prohibit federal funding for gender ideology-related programs or medical procedures. Agencies must provide updates on compliance and eliminate all conflicting documents within 120 days.</p>
<p>The Biden Administration implemented DEI and DEIA mandates across nearly all aspects of the federal government, including employment, training, and agency programs. These initiatives diverted resources, promoted discriminatory practices, and undermined principles of equal dignity and respect.</p>	<p>Terminate all DEI, DEIA, and "environmental justice" offices, programs, and positions, including Chief Diversity Officers, equity action plans, and DEI-related performance requirements within 60 days. Mandate agencies to provide detailed reports on existing DEI-related activities, budgets, and expenditures as of November 4, 2024, and ensure all misleadingly rebranded functions are identified. Require assessments of operational impacts and costs from prior DEI policies and align all agency operations with principles of equal dignity. Convene monthly meetings with agency deputies to monitor compliance, assess progress, and propose additional Presidential or legislative actions if needed.</p>



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Problem	Action
<p>Programs and disbursements relating to divisive DEI and gender policies will continue unless OMB orders their termination following the signing of related EOs.</p>	<p>Agencies must submit reports to OMB by Feb. 10, 2025, detailing all financial assistance obligations and disbursements, identifying programs implicated by EOs 14159, 14154, 14151, EO relating to Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government, EO relating to Enforcing the Hyde Amendment, EO relating to Putting America First in International Environmental Agreements and EO relating to Reevaluating and Realigning United States Foreign Aid. Designate senior political appointees to ensure compliance with administration priorities. Establish a waiver process for legally mandated actions or deadlines and seek OMB guidance on exceptions. Enhance program oversight and initiate investigations into underperforming recipients to justify cancellations when necessary.</p>
<p>Career officials often misalign spending priorities with the President's policy agenda, prioritizing institutional or personal preferences over executive direction.</p>	<p>Program Associate Directors (PADs) should personally approve apportionments under the Anti-Deficiency Act. This ensures that appropriations are distributed in alignment with the President's policy priorities. Reintroducing this Trump-era policy places fiscal oversight under political appointees, preventing career officials from allocating funds contrary to executive objectives.</p>
<p>Federal agencies routinely engage in discretionary spending, adding financial burdens without corresponding offsets or efficiency improvements.</p> <p>The Impoundment Control Act (ICA) of 1974 restricts the President's constitutional authority to decline expenditures, undermining the executive's ability to ensure fiscal responsibility.</p>	<p>Introduce a procedural requirement that mandates budget neutrality for all discretionary spending. Agencies must offset any new spending with corresponding cuts or savings. OMB should issue formal guidance to enforce PAYGO requirements and establish penalties for agencies that fail to comply.</p> <p>Attempt to restore impoundment authority by challenging the ICA's constitutionality in court, focusing on its violation of the separation of powers. Use executive orders to impound funds exceeding legislative intent or conflicting with constitutional duties, citing national security, fiscal waste, or statutory ambiguities. Seek legal precedent to affirm the President's Article II powers under the Take Care Clause and Executive Vesting Clause. Advocate for structural reforms to the GAO, transferring quasi-executive functions to the executive branch.</p>



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<p>Resource Management Offices (RMOs) manage broad and diverse policy areas, making it difficult to achieve effective oversight or specialized focus on key areas.</p>	<p>Split the existing six RMOs into smaller, subject-specific offices. Assign additional Program Associate Directors (PADs) and Deputy PADs to lead these offices. This change will allow more detailed and focused management of policy implementation across the federal government, ensuring closer alignment with the President's agenda.</p>
<p>Federal agencies lack clear, measurable performance benchmarks.</p>	<p>Direct the Office of Performance and Personnel Management (OPPM) to establish annual performance goals for each agency that directly align with the President's agenda. Require agencies to submit progress reports regularly, enabling OMB to monitor, enforce, and evaluate compliance. Use these goals to reward high performance and identify areas requiring corrective action.</p>
<p>Agencies often rely on informal guidance documents to implement policy.</p>	<p>Reinstate Executive Order 13891, requiring that all guidance documents be reviewed and approved by OIRA. Classify guidance documents as regulatory actions, subjecting them to the same rigorous cost-benefit analysis and public transparency requirements as formal regulations.</p>
<p>Independent agencies operate outside the regulatory review framework.</p>	<p>Extend OIRA's regulatory review authority to historically independent agencies, as determined legally permissible by the Office of Legal Counsel. Mandate that these agencies submit all significant regulations to OIRA for review, ensuring consistency with cost-benefit analysis requirements and broader executive priorities.</p>
<p>Many regulatory decisions are made without comprehensive cost-benefit analysis.</p>	<p>Require agencies to involve OIRA advance teams during the earliest stages of rulemaking. These teams should help agencies incorporate robust cost-benefit analysis from the outset, improving regulatory quality and reducing unnecessary burdens. Ensure that OIRA staff conducting early consultations are separate from those handling final reviews to preserve impartiality.</p>



Tabulated Overview Of RM Actions

Problem	Action
<p>Regulatory processes under the Biden administration became less transparent.</p>	<p>Reinstate Executive Orders 13771 (two-out, one-in rule), 13777 (regulatory reform task forces), and other similar directives to reduce regulatory burdens and enhance transparency. Establish centralized mechanisms for tracking regulatory reductions and ensuring compliance across all agencies.</p>
<p>The reliance on Chevron deference has enabled federal agencies to expand regulatory authority through ambiguous statutory interpretations, leading to overreach, inefficiency, and outdated regulations.</p>	<p>Initiate a comprehensive review of regulations upheld due to Chevron deference (likely between 5-10k in total), targeting those with ambiguous statutory authority for repeal or scaling back if they impede economic growth. The reclassification of regulatory and policy-making civil service roles into Schedule F will facilitate the dismissal of unsupportive officials involved in regulatory interpretation and enforcement. Mandate agencies to adhere strictly to statutory language, limiting scope for expansive regulatory actions.</p>
<p>Congressional review mechanisms for regulations are underutilized, allowing excessive rulemaking by agencies to proceed unchecked.</p>	<p>Work with Congress to use the CRA more aggressively to undo recent regulations. Pursue the Midnight Rules Relief Act to simplify the process of overturning multiple regulations simultaneously. Focus CRA efforts on high-impact regulations, freeing up agency resources for new reforms.</p>
<p>Federal contracting policies lack transparency and alignment with executive priorities, allowing contractors to operate without proper accountability. This contributes to inefficiencies and policy misalignment.</p>	<p>Direct the Office of Federal Procurement Policy (OFPP) to create centralized procurement guidelines that align contracts with the administration's policy objectives. Implement transparency requirements for contractors to ensure compliance with federal priorities, including discouraging policies contrary to the President's agenda, such as "woke" corporate initiatives.</p>
<p>Regulatory processes under the Biden administration became less transparent.</p>	<p>Reinstate Executive Orders 13771 (two-out, one-in rule), 13777 (regulatory reform task forces), and other similar directives to reduce regulatory burdens and enhance transparency. Establish centralized mechanisms for tracking regulatory reductions and ensuring compliance across all agencies.</p>



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<p>Improper payments and fraud in federal programs drain taxpayer resources, undermining trust in government spending.</p> <p>Federal procurement policies fail to consistently prioritize domestic manufacturing, weakening the impact of Buy American initiatives.</p>	<p>Strengthen oversight through the Office of Federal Financial Management (OFFM). Use advanced data analytics to prevent improper payments and identify instances of fraud. Expand the program's scope to include more federal programs and increase accountability measures for agencies that fail to comply.</p> <p>Build on the Made In America Office's initiatives to centralize federal procurement policies. Mandate stricter compliance with Buy American rules and encourage agencies to prioritize U.S.-based suppliers in procurement decisions. Use OFPP to monitor and enforce these requirements across all agencies.</p>
<p>Executive Order 12866 weakened regulatory review standards, reducing transparency and increasing the burden of poorly evaluated regulations.</p> <p>Expansive rulemaking authority delegated to agencies by Congress enables regulatory overreach, undermining accountability and checks on bureaucratic growth.</p>	<p>Undo modifications made to EO 12866 under the Biden administration. Restore rigorous regulatory review standards and enforce transparency in the rulemaking process. Use OIRA to reintroduce cost-benefit analysis requirements for all significant regulations and ensure compliance with these standards across agencies.</p> <p>Collaborate with Congress to pass laws like the REINS Act, SMART Act, and Regulatory Accountability Act, which permanently restrict excessive agency rulemaking. Strengthen requirements for congressional approval of major regulations to reassert legislative oversight and limit bureaucratic autonomy.</p>
<p>Improper payments and fraud in federal programs drain taxpayer resources, undermining trust in government spending.</p> <p>Existing legal interpretations protect entrenched bureaucratic practices, hindering efforts to deregulate and introduce reforms.</p>	<p>Strengthen oversight through the Office of Federal Financial Management (OFFM). Use advanced data analytics to prevent improper payments and identify instances of fraud. Expand the program's scope to include more federal programs and increase accountability measures for agencies that fail to comply.</p> <p>Appoint a bold General Counsel at OMB with a mandate to challenge outdated legal precedents that protect the status quo. Encourage the exploration of untested statutory pathways for deregulation and policy innovation.</p>



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Problem	Action
OIRA lacks sufficient staff and resources, limiting its ability to conduct timely and thorough reviews of proposed regulations.	Allocate additional funding to hire and train OIRA staff capable of conducting advance regulatory reviews. Establish dedicated teams to assist agencies with cost-benefit analysis during early rulemaking stages, ensuring higher-quality and less burdensome regulations.
Agency communications and legislative proposals are often inconsistent, leading to fragmented policy implementation and messaging.	Use OMB's legislative clearance authority to ensure consistency in agency communications, testimonies, and proposed legislation. Establish a centralized review process within OMB to align all communications with the President's agenda.
Agency budgets are often developed without sufficient oversight, enabling misaligned spending and wasteful resource allocation.	OMB oversight by requiring agencies to submit detailed spending plans for approval. Establish mechanisms to withhold funds from programs that fail to align with the President's priorities. Use quarterly reviews to monitor spending patterns and identify opportunities for cost savings.
Fragmented international regulatory cooperation agreements fail to serve U.S. market priorities effectively, leading to uncoordinated policy outcomes.	Use OIRA to oversee and standardize international regulatory agreements, ensuring they align with U.S. market priorities. Require agencies to consult OIRA before finalizing agreements to minimize regulatory burdens and enhance consistency.
Federal mandates often overreach into state governance, imposing unnecessary costs and undermining federalism principles.	Strengthen Executive Order 13132 to limit federal overreach into state regulatory and fiscal domains. Establish stricter guidelines for cooperative federalism programs to ensure state autonomy is respected.
Inefficiencies in federal grant programs lead to waste and poor allocation of resources.	Update OMB's uniform grant guidance to enforce stricter compliance with federal standards. Require agencies to conduct regular audits of grant-funded programs to ensure efficiency and alignment with federal priorities.



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Problem	Action
Federal contracts sometimes incentivize corporations to adopt policies contrary to executive priorities.	Direct OFPP to develop federal contracting rules that discourage corporations from adopting policies contrary to the administration's objectives, such as "woke" corporate initiatives. Introduce compliance checks to monitor adherence to these contracting rules.
Federal regulatory policies often overreach into private property rights, creating inefficiencies and undermining constitutional protections.	Update EO 12630 to protect private property from unnecessary federal regulatory overreach. Strengthen requirements for regulatory impact assessments to ensure alignment with constitutional protections.



Federal Civil Service Executive Summary

Accountability Deficits in the Civil Service:

- Lack of accountability in policy-influencing roles undermines executive directives. Reinstating Schedule F under a rebranded "Schedule Policy/Career" will streamline dismissal processes and align personnel with presidential priorities.

Harmful Impact of DEI Policies:

- DEI initiatives have introduced inefficiency and discriminatory practices. Revoking related executive orders and refocusing on merit-based hiring and contracting will ensure fairness and compliance with civil rights laws.

Inefficient Federal Hiring Practices:

- Current hiring practices are outdated and slow. A Federal Hiring Plan will modernize recruitment, reduce time-to-hire, and prioritize merit, skills, and constitutional dedication.

Bureaucratic Redundancy:

- Overlapping agency functions create inefficiencies. Interagency reviews and performance metrics will consolidate duplicative functions, reduce waste, and streamline operations.



Tabulated Overview Of FCS Actions

Problem	Action
<p>Federal civil service accountability is insufficient. Policy-influencing career positions lack direct accountability to the President, enabling resistance to executive directives and undermining the effective implementation of administration policies.</p>	<p>Reinstate and amend Executive Order 13957, rebranding Schedule F as "Schedule Policy/Career," to classify policy-influencing positions as excepted service roles with streamlined dismissal processes. Mandate adherence to administration policies while maintaining neutrality in political support. Direct the Office of Personnel Management to revoke conflicting regulations and issue guidance on additional positions for inclusion. Revoke Executive Order 14003 and rescind related protections impeding accountability. Require agencies to recommend roles for Schedule Policy/Career within 30 days and ensure new regulations prioritize professionalism and accountability.</p>
<p>Federal agencies, corporations, educational institutions, and critical sectors such as aviation, healthcare, and law enforcement have adopted discriminatory "diversity, equity, and inclusion" (DEI) policies.</p>	<p>Revoke executive orders promoting DEI, including EOs 12898, 13583, 13672, and 11246. Streamline federal contracting by requiring compliance with civil rights laws, banning workforce balancing, and enforcing anti-discrimination certifications. Direct OMB to remove DEI from all federal directives, replacing it with merit-based criteria. Investigate nine high-profile private-sector DEI violators annually, targeting entities with large assets or endowments. Require the Attorney General and Secretary of Education to issue compliance guidance to federally funded educational institutions within 120 days. Develop litigation and regulatory strategies to combat DEI violations in key sectors such as aviation, healthcare, and law enforcement. Ensure all federal programs uphold individual merit, excellence, and compliance with civil rights laws.</p>
<p>The unchecked implementation of "diversity, equity, and inclusion" (DEI) principles in the federal government and private sector has fostered discriminatory practices.</p>	<p>Terminate DEI requirements in federal operations and contracting. Federal hiring and promotions should prioritize individual merit, skills, and initiative, rather than DEI-related goals. Streamline federal contracting to enhance efficiency, reduce costs, and enforce compliance with civil rights laws. Revoke affirmative action mandates under Executive Order 11246 and prohibit workforce-balancing criteria by race, gender, or other factors. Agencies should launch investigations into private-sector DEI discrimination and provide clear guidance to ensure adherence to Supreme Court rulings.</p>



Tabulated Overview Of FCS Actions

Problem	Action
<p>The federal civil service is insulated from accountability, making it nearly impossible to fire underperforming employees.</p>	<p>Reinstate rigorous performance appraisals tied to real consequences, such as pay adjustments and promotions. Require agency managers to identify and address poor performance. Political executives should build explicit policy goals into performance appraisals to align employee objectives with agency missions. Mandate political oversight in appraisal systems, and require political appointees to directly oversee evaluations for critical alignment with the President's agenda. Implement new regulations to enforce accountability for managers who fail to properly assess employee performance. Introduce strict compliance monitoring to enforce appraisal rigor.</p>
<p>Federal hiring practices are outdated, inefficient, and fail to prioritize merit, practical skills, and dedication to constitutional principles.</p>	<p>Develop a Federal Hiring Plan within 120 days to prioritize recruitment of highly skilled individuals committed to American values and constitutional principles. Prevent hiring based on race, sex, or religion, or of individuals unwilling to uphold the Constitution. Implement technical assessments under the Chance to Compete Act of 2024, reduce time-to-hire to under 80 days, improve candidate communication, and leverage modern technology for analytics and engagement. Establish agency-specific plans for better allocation of Senior Executive Service positions and enforce accountability through clear metrics and regular reporting.</p>
<p>Remote work has reduced employee collaboration, efficiency, and accountability, weakening the effectiveness of federal operations. Lack of in-person work undermines team cohesion, delays decision-making, and hinders oversight of employees' performance.</p>	<p>Agencies must develop detailed return-to-office implementation plans by February 7, 2025. Plans should revise telework agreements, establish timelines for full compliance, and align CBAs with the PM. Agencies must identify remote workers, assess relocation needs (including costs), and prioritize consolidating employees in federally owned or shared office spaces to reduce the real property footprint. Barriers to implementation, such as space or budget constraints, must be addressed with clear solutions. Criteria for exemptions (e.g., medical, compelling reasons) must be defined, and phased returns for remote workers over 50 miles away should be prioritized. Plans should ensure efficient collaboration by grouping employees with similar duties and leveraging existing office space effectively.</p>



Problem	Action
<p>Federal employee compensation, including wages, benefits, and pensions, is higher than private-sector equivalents.</p>	<p>Reform federal compensation to align more closely with private-sector benchmarks. Utilize the OPM's Special Pay Rates program to adjust pay based on regional and occupational demand rather than blanket raises. Propose legislation to cap automatic pay raises, such as cost-of-living adjustments, for higher-earning employees. Shift more retirement costs to employees, as was done under the Federal Employees Retirement System (FERS).</p>
<p>The federal employee dismissal rate is extremely low, and the appeals process is overly complex and time-consuming, discouraging managers from addressing poor performance.</p>	<p>Consolidate overlapping appeals jurisdictions by transferring federal employee discrimination cases from the EEOC to the MSPB. Reduce forum shopping by limiting employees to one appeal forum per case. Introduce penalties for frivolous appeals to deter abuse of the system and reduce case backlogs. Streamline the MSPB's operations by increasing staffing and funding to handle pending cases. Reinstate EO 13837 and EO 13839 to limit union interference in dismissal cases, restrict grievance processes on performance appraisals, and strengthen managers' ability to act against underperforming employees.</p>
<p>There are excessive layers of bureaucracy, with overlapping functions across agencies and inefficiencies in their operations.</p>	<p>Identify and eliminate overlapping functions and programs across Cabinet departments using the Government Performance and Results Act (GPRA) framework. Mandate interagency performance reviews under OMB oversight to enforce the consolidation of duplicative functions. Propose legislative reforms to permanently streamline bureaucratic operations. Develop a centralized reporting system under OMB to measure interagency efficiency and prevent redundancies. Decentralize certain functions to state governments to reduce federal involvement in duplicative areas and improve efficiency.</p>
<p>Contractors outnumber federal employees, creating a hidden bureaucracy that is harder to manage and more expensive in the long term.</p>	<p>Establish stronger oversight of federal contracting through the GSA. Require comprehensive audits of contractor roles to determine cost-effectiveness and necessity. Limit the use of contractors for long-term government functions that could be performed more efficiently by civil servants. Develop transparent procurement policies to reduce reliance on contractors. Mandate annual reporting on contractor performance and spending under OMB guidance. Streamline the transition of critical contractor functions back to direct federal oversight, especially in areas where contractors are performing inherently governmental tasks.</p>

