



U.S. Office of
Management and Budget

U.S. Office of
Personnel Management



MEMORANDUM

TO: Heads of Executive Departments and Agencies

FROM: Russell T. Vought, Director, Office of Management and Budget
Scott Kupor, Director, Office of Personnel Management

DATE: December 10, 2025

RE: **Creating “Federal HR 2.0” by Consolidating Core Human Capital Management Across the Federal Government**

For too long, the Federal Government has lacked what is taken for granted at any other organization—a single system of record for personnel management. Instead, the Federal Government spends an inordinate amount each year on numerous costly, duplicative, and outdated core human capital management (“Core HCM”) systems. The Federal Government currently has more than 100 unique Core HCM software systems across numerous agencies. Outdated and duplicative Core HCM systems waste taxpayer money, hurt the Federal Government’s operational efficiency, make it costly to gather and report on critical human resources (HR) data, and burden Federal agencies and employees with delays and unnecessary work.

President Trump has made it a key priority to “eliminat[e] bureaucratic duplication and inefficiency”¹ and save taxpayer money. As part of their “efforts to maximally consolidate and coordinate Federal HR services and Federal HR IT platforms governmentwide to create efficiencies, enhance quality, and reduce redundancies,”² the Office of Management and Budget (OMB) and Office of Personnel Management (OPM) are leading efforts to procure a modern, best-in-class commercial Core HCM system for the entire Federal Government with the goal of government-wide adoption by FY 2028.³ Implementing a government-wide Core HCM system will serve as a cornerstone for the broader “Federal HR 2.0” initiative, creating efficiencies in Federal human capital management and facilitating more effective management of the Federal workforce as a unified entity. When fully implemented through the consolidation both of Core HCM systems and of HR services, the Federal HR 2.0 initiative will lead to billions in taxpayer savings.⁴

I. Consolidating Core HCM Across the Federal Government

Over the next two years, led by OMB and OPM, the Federal Government will transition to

¹ President Trump, Executive Order 14243, *Stopping Waste, Fraud, and Abuse by Eliminating Information Silos* (Mar. 20, 2025).

² White House Domestic Policy Council & OPM, *Merit Hiring Plan*, at p. 8 (May 29, 2025).

³ This effort will not initially include military personnel and Intelligence Community agencies. OMB and OPM will evaluate eventually expanding the project to include these populations.

⁴ OPM will address HR services consolidation in a subsequent memorandum.

a single Core HCM platform, which will encompass the following functions: personnel action processing, employee system of record, position management, employee and manager self-service, analytics and dashboards, time and attendance, and learning. OPM is leading a procurement effort to identify a vendor to implement the new Core HCM system consistent with Federal requirements. The Core HCM system will integrate with other Federal HR IT systems (such as payroll, benefits, talent acquisition, performance management, and retirement) to ensure a seamless flow of information across various HR functions. The system will include comprehensive security controls to protect employee information.

The transition onto a single Core HCM platform will be divided into two waves of implementation, as detailed in Appendix A. Wave 1 agencies are planned to begin transition in fiscal year (FY) 2026, with Wave 2 agencies following in FY 2027. This approach will allow for significant interagency feedback and collaboration to help ensure successful implementation. Appendix B provides a sample timeline for an agency onboarding onto a single Core HCM system.

OMB and OPM will continue to transition agencies to using the electronic Official Personnel Folder (eOPF) and Enterprise Human Resources Integration (EHRI) systems. Eventually, the single Core HCM system will make these systems redundant, and allow for their decommissioning and elimination. The new Core HCM system will also integrate with OPM's online retirement system.

As part of HR 2.0, OMB and OPM will evaluate HR IT systems covering the remaining parts of the Federal employee lifecycle to “improve service performance and quality, enhance customer satisfaction, and reduce costs.”⁵ Through the HR Quality Services Management Office, OMB and OPM will explore market-based solutions to deliver standardized HR IT capabilities that “provide high quality service offerings that are responsive and adaptable to agency business needs.”⁶

II. Immediate Agency Actions

As part of the Federal HR 2.0 effort, agencies are expected to pause their own Core HCM procurement, development, and related modernization projects. Agencies may seek an exception from the OMB Director and the OPM Director if there is a critical, time-sensitive update or need to modernize or procure a new Core HCM system prior to the adoption of the centralized Core HCM suite.

There are actions that agencies can take now to prepare for the transition, prior to onboarding onto the single Core HCM system. These actions include identifying appropriate personnel to support HR 2.0, reviewing agency data and systems, developing change management strategies, and working internally to prepare staff for migration. These action items are further detailed in Appendix C. Responses to these action items should be sent to workforce@omb.eop.gov and CoreHCM@opm.gov.

⁵ OMB Memorandum M-19-16, *Centralized Mission Support Capabilities for the Federal Government*, at p. 2 (April 26, 2019).

⁶ *Id.* at p. 3.

OMB and OPM will stand up a Federal HR 2.0 Advisory Board comprising key stakeholder agencies to assist with governance and change management. In addition, OMB and OPM will utilize the President's Management Council, Chief Human Capital Officers Council, Chief Information Officers Council, Chief Acquisition Officers Council, Chief Data Officers Council, and Chief Financial Officers Council to provide updates on Federal HR 2.0 implementation. Appendices A-C to this memo provide details and timing of Core HCM consolidation. Please direct questions to workforce@omb.eop.gov and CoreHCM@opm.gov.

cc: Deputy Secretaries, Chief Human Capital Officers, Human Resources Directors, Chiefs of Staff, Chief Information Officers, Chief Acquisition Officers, Chief Data Officers, and Chief Financial Officers.

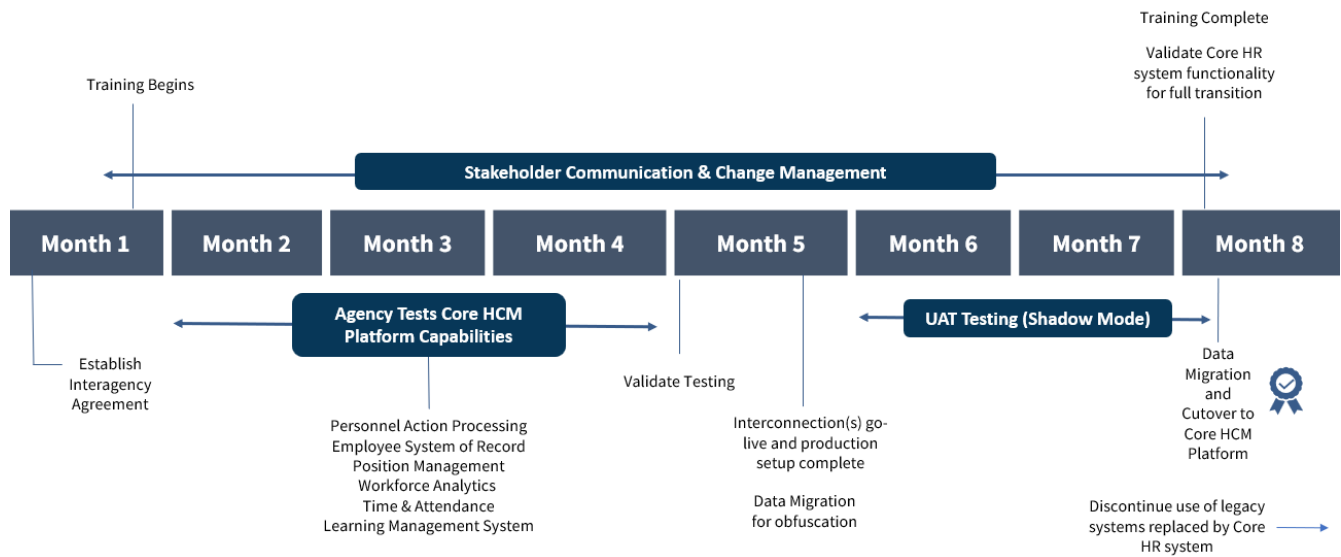
Appendix A: Agency Transitions (Waves 1 and 2)

Several agencies have proactively identified themselves for inclusion in the initial transition wave to the Core HCM platform. This transition will start in FY26 and conclude in FY 2027. All remaining agencies will be part of the second wave, transitioning fully in FY 2027 to the Core HCM platform.

Wave 1	Agency	Wave 2	Agency		
	DHS		DOC	SSA	GSA
	USDA		ED	State	DOJ
	HHS		HUD	DOE	Treasury
	DOI*		DOL	DoW	Other
	OPM		SBA	NASA	
	DOT				
	VA				
	EPA				
	~900K FTE				~1.1M FTE

**May include current DOI customers*

Appendix B: Sample Timeline for Agency Implementation



Appendix C: What Agencies Should Do Now to Prepare for Core HCM Integration

1. Identify points of contact	2. Prepare for data migration	3. Establish internal project management and communications
• Integrated Project Team Point of Contact (POC) ○ For CFO Act agencies, provide OPM and OMB with the name of a full-time project manager. • Working Group POCs ○ Policy, Data, Learning, and Super User focused Interagency Working Groups meet regularly to address agency readiness, migration, and testing coordination. • Email Distribution List POCs ○ Provide OPM and OMB with POCs to be included in an advisory/awareness capacity on email distributions and in information “town hall” sessions.	• Begin reviewing and considering what it will take to transfer HR data. • Identify legacy data that must be retained. • Determine strategy for preserving data not required for migration. • Define integration points, identify interfacing systems, document data flows, and validate integration requirements. • Begin engaging Data Officers/technical staff to ensure they are prepared to participate in meetings with OPM on data migration and plans for retaining legacy data.	• Identify internal resources to support project management, implementation, communications, training, etc. • Start identifying agency-unique requirements that will need to be considered for Federal Core HCM. • Performance Work Statement (PWS): Review the PWS Requirements, Appendix A, to begin identifying any potential gaps or areas needing clarification.