



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT  
Washington, DC 20415

The Director

## MEMORANDUM

**TO:** Heads and Acting Heads of Departments and Agencies  
**FROM:** Scott Kupor, Director, U.S. Office of Personnel Management  
**DATE:** March 17, 2026  
**RE:** Modernizing HR Services by Establishing the OPM HR Shared Service Center

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### I. HR Services Vision

President Trump has made it a key priority to “eliminat[e] bureaucratic duplication and inefficiency”<sup>1</sup> and save taxpayer money. As part of its “efforts to maximally consolidate and coordinate Federal human resources (HR) services and IT platforms governmentwide to create efficiencies, enhance quality, and reduce redundancies,”<sup>2</sup> the U.S. Office of Personnel Management (OPM) is leading the effort to improve the quality and efficient delivery of HR services across the government. The “Federal HR 2.0” initiative will create “efficiencies in Federal human capital management and facilitating more effective management of the Federal workforce as a unified entity.”<sup>3</sup>

For decades, a decentralized approach to HR service delivery in the Federal government has led to suboptimal service, costly and duplicative systems, and inconsistent application of policies. At the beginning of the Trump Administration, there were nearly 42,000 HR employees government-wide, often performing duplicative and overlapping functions, at an overall cost of \$5.4 billion. In addition, in 2023, the estimated HR servicing cost per employee serviced ranged from several hundred dollars to over ten thousand dollars across agencies.<sup>4</sup> The Federal government can—and should—do better.

OPM serves as the chief human resources agency for the Federal Government. With its revolving fund authority,<sup>5</sup> OPM is strategically positioned to support Federal agencies’ HR operations by providing customized and shared services and technical expertise that streamline and strengthen HR service delivery through interagency agreements. In doing so, OPM can

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

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

<sup>3</sup> Office of Management and Budget (“OMB”) & OPM, *Creating “Federal HR 2.0” by Consolidating Core Human Capital Management Across the Federal Government* (Dec. 10, 2025).

<sup>4</sup> GSA Data 2 Decisions, Human Capital. <https://d2d.gsa.gov/>.

<sup>5</sup> See 5 U.S.C. 1304(e).

leverage its policy expertise, modern HRIT tools, data-driven workforce capabilities, and highly skilled and specialized HR personnel to provide high-quality HR services.

## II. OPM's HR Shared Service Center

To strengthen agencies' mission delivery and improve operational efficiency, OPM is launching a comprehensive shared HR services suite through its new Shared Service Center. Shared service centers are designed to deliver administrative functions that create efficiencies, standardize processes, and offer scalable, enterprise-wide solutions for agencies that choose to use them.<sup>6</sup> By leveraging shared services, agencies can reduce fragmentation, enhance compliance, and shift administrative workload away from program staff—allowing greater focus on mission execution while achieving consistency, cost-effectiveness, and improved HR outcomes across the Federal enterprise.

At the nexus of Federal HR policy, technology, and innovation, OPM's Shared Service Center will provide state-of-the-art full-scale HR operations—offering a fully integrated, strategic approach that drives both innovation and efficiency in HR processes. A full list of the services that will be provided by the OPM Shared Service Center is provided in Appendix A. With the Federal Government transitioning to a single Core HCM platform (to include personnel action processing, employee system of record, position management, employee and manager self-service, analytics and dashboards, time and attendance, and learning)<sup>7</sup> and with OPM's current suite of HR systems (USAJOBS, USA Staffing, USA Hire, and USA Performance), OPM is positioned to complement Core HCM implementation by providing high-quality, cost-effective operational HR services via interagency agreements.

OPM is working with select agencies now to transition to the Shared Service Center. Appendix B outlines agencies currently transitioning to OPM, and Appendix C provides a sample timeline for agency implementation.

## III. Next Steps for Agencies

OPM's Shared Service Center is available to agencies on a voluntary, fee-for-service basis to enhance efficiency, improve service delivery, and provide continuity of operations. For immediate requirements and to learn more about the OPM Shared Service Center, agencies should contact [sharedservice@opm.gov](mailto:sharedservice@opm.gov).

For additional information, agencies can also visit [opm.gov/sharedservice](https://opm.gov/sharedservice).

cc: Chief Human Capital Officers (CHCOs), Deputy CHCOs, Human Resources Directors, Chiefs of Staff

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<sup>6</sup> See OMB Memorandum M-19-16, *Centralized Mission Support Capabilities for the Federal Government* (April 26, 2019).

<sup>7</sup> OMB & OPM, *Creating "Federal HR 2.0" by Consolidating Core Human Capital Management Across the Federal Government* (Dec. 10, 2025).

## Appendix A: Shared Service Offerings

Partnering with OPM for HR services gives agencies access to proven, governmentwide expertise and modern, scalable HR solutions. OPM’s Shared Service Center draws on deep policy knowledge, modern HRIT tools, and a highly skilled HR workforce to reduce administrative burdens, streamline operations, and enhance the consistency and quality of HR service delivery.

The shared service package combines strategic advisory support with operational HR services, providing agencies with a dedicated team committed to delivering end-to-end HR solutions grounded in responsive service, timely resolution, and continuous improvement. Agencies may opt for the full, comprehensive package or select individual service offerings tailored to their operational needs.

### OPM’s Scope of Services

[opm.gov/sharedservice](https://opm.gov/sharedservice)

#### HR Operations

Strengthen strategic focus and elevate human capital outcomes by relying on simplified, efficient HR processes.

<ul style="list-style-type: none"> <li>• <b>Benefits management</b></li> <li>• <b>Classification</b></li> <li>• <b>Compensation management</b></li> <li>• <b>Employee records management</b></li> <li>• Employee relations</li> <li>• Executive resources</li> <li>• Labor relations</li> <li>• <b>Leave administration</b></li> <li>• <b>Onboarding</b></li> <li>• <b>Payroll administration</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Performance management</b></li> <li>• <b>Personnel action processing</b></li> <li>• Personnel vetting<sup>8</sup></li> <li>• <b>Position management</b></li> <li>• Recognition management</li> <li>• <b>Recruitment</b></li> <li>• <b>Retirement counseling</b></li> <li>• <b>Staff acquisition</b></li> <li>• <b>Time &amp; attendance management</b></li> </ul>
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#### HR Strategy

Execute critical workforce planning and organizational strategy processes with expert guidance, tools, training, and project management.

<ul style="list-style-type: none"> <li>• Development assessment services</li> <li>• Executive &amp; aspiring executive training</li> <li>• <b>Human capital strategy</b></li> <li>• Program evaluation</li> <li>• Selection assessment services</li> </ul>	<ul style="list-style-type: none"> <li>• Supervisor training</li> <li>• Workforce assessment services</li> <li>• <b>Workforce planning</b></li> <li>• Workforce reshaping</li> </ul>
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\*Bolded items in shared services package.

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<sup>8</sup> See OPM, *Creating Efficiencies Using OPM’s Personnel Vetting and Security Services*, (March 3, 2026).

## Appendix B: Agency Transitions

Several agencies have proactively identified themselves for inclusion in the initial transition to OPM's Shared Service Center starting FY 2027:

### **Agency**

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Armed Forces Retirement Home (AFRH)

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Consumer Financial Protection Bureau (CFPB)

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Department of Housing and Urban Development (HUD)

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Department of Housing and Urban Development – Office of Inspector General (HUD OIG)

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Department of Veterans Affairs – Office of Inspector General (VA OIG)

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Federal Housing Finance Agency – Office of Inspector General (FHFA OIG)

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Gulf Coast Ecosystem Restoration Council (GCERC)

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Office of Government Ethics (OGE)

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## Appendix C: Implementation Timeline for Migration to OPM Shared Service Center

Estimated Duration: 6 Months



### Phase 1 – Planning (Month 1-2)

- Assess customer needs, priorities, and goals
- Identify success measures and potential risks
- Outline timelines, expectations, and key points of contact
- Establish communication protocols
- Confirm funding requirements to cover transition work
- Formalize the IAA to support the transition



### Phase 2 – Coordination (Months 1-5)

- Share expansion plans and discuss transition support requirements
- Hold regular meetings to track progress, resolve issues, and maintain alignment



### Phase 3 – Onboarding (Months 2-4)

- Coordinate between agency staff and OPM to prepare processes
- Identify tools, resources, and documentation need
- Agency staff and OPM jointly carry out onboarding and offboarding activities



### Phase 4 – Migration and Handoff (Months 4-6)

- Provide resources and guidance to ensure migration activities are completed as planned
- Review and document all outstanding tasks to ensure a smooth operational handoff
- Conduct checks to assess effectiveness and address emerging needs