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**The National Academy of Public Administration Releases
Assessment of National Finance Center Operations
Panel Report Makes 16 Actionable Recommendations to
Help NFC Stabilize and Modernize Operations**

WASHINGTON, D.C. – A Panel of the National Academy of Public Administration today released *Stabilizing and Modernizing the National Finance Center's Operations in Service to the Federal Workforce and the Nation*, a report for the National Finance Center (NFC), which is part of the U.S. Department of Agriculture (USDA). The report focuses on actions NFC can take to meet urgent priorities and plans for long-term modernization and growth as it delivers critical shared services to hundreds of thousands of employees and retirees across the federal government.

Now 50 years old, NFC provides essential payroll, human resources, and retirement services to 650,000 federal employees spread across 170 customer agencies in all three branches of the federal government. Located in New Orleans, NFC provides services critical to the functioning of large parts of the government, and—through natural disasters (like Hurricane Katrina), the COVID pandemic, and government shutdowns—has never missed a payroll. However, like other government agencies that deliver computer-based services, NFC has found it challenging to keep up with system modernization needs.

“NFC’s systems must operate reliably and securely, or critical functions of the federal government are at risk,” said Terry Gerton, President and CEO of the Academy.

“Implementation of the Panel’s recommendations will help ensure NFC can provide the efficient and effective systems and customer service that government employees depend on and deserve—now and in the future.”

The Panel observed that other federal human resources shared services providers face challenges similar to those experienced by NFC and that government-wide solutions may be needed. As Gerton noted, “Our recommendations can be a starting point for a broader discussion around support for, and investment in, federal shared services.”

The report, the culmination of a nine-month study by a four-member Panel pursuant to NFC’s request for analysis and advice, concludes that for NFC to thrive, it must undertake multiyear IT modernization and organizational transformation initiatives. This will involve, among other things, supplementing NFC’s current leadership structure and

developing and implementing both short- and long-term plans for modernization and growth.

But NFC must run a sprint and a marathon at the same time; immediate action is needed to address urgent customer priorities and build organizational capacity for change. The Panel report also concludes that achieving its short- and long-term goals will require NFC to take immediate and sustained action to improve customer experience, employee experience, and information technology and to secure sufficient funding.

The report offers 16 actionable recommendations under the following four themes:

- **Improving Governance and Developing a Vision** (3 recommendations)
- **Engaging Customers and Employees** (6 recommendations)
- **Implementing a Multi-Phase IT System Modernization Process** (3 recommendations)
- **Obtaining the Funding Needed Now and in the Future** (4 recommendations)

“The new leadership team at NFC, coupled with the agency’s decision to begin implementing some of the Panel’s recommendations before this report was published, represents a positive step in the right direction,” said Gerton. “However, NFC’s success will require sustained attention and support not only from USDA senior leaders but also from other federal entities, including customer agencies, the Office of Management and Budget, and Congress.”

Find the full report, including the specific findings and recommendations, [here](#).

About the National Academy of Public Administration

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