



## From Outhouse to In-house

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The Obama administration plan to federalize thousands of jobs now done by private contractors is a major reversal of programs begun, refined and enhanced by the Reagan, Bush, Clinton and Bush administrations.

In some cases this will help current feds opening up the promotion track and making their skills more valuable. But in others it could mean outsiders with years of hands-on experience and expertise could get jobs that current civil servants are (or were) in line for.

If Congress goes along, the number of support service contractors in places like Defense will drop from 39 percent of the workforce to its pre-2001 level of 26 percent. Defense alone plans to hire 13,000 new federal civil servants between now and September of 2010. All in all it will add about 30,000 new people to the federal payroll over the next five years.

The Defense changes mean a much larger defense acquisition cadre starting with the hiring of 4,100 new feds over the next fiscal year. Some of the 11,000-plus contractors currently doing that work (who have the institutional knowledge and the security clearances) will become feds.

Long-time bureaucracy watchers say that the last four presidents - Reagan, Bush, Clinton and Bush - were well aware of the old saying "that federal workers vote, but contractors make political donations" to both parties.

While many people find it hard to believe, the size of the federal payroll increased during the Reagan years. Most of that was on the civilian side of government, but the administration did go after programs dealing with mass railroad transportation and those dealing with alternative forms of industry. And it gave the chop to the federal agency, the Economic Regulatory Administration, that monitored oil prices. But overall, the number of civil servants grew.

President Clinton surprised lots of his backers, including federal unions that supported him, by proposing a first-year federal pay freeze. He then launched the Reinventing Government program (which gave civil servants a black eye with many members of the

public), and promised to eliminate so-called "overhead" jobs within the civil service. They included people in HR, payroll, budget and accounting. Many functions were consolidated and others were farmed out to the private sector. All in all, there were 350,000 fewer federal jobs, by conservative estimate, at the end of the president's second term.

The trend toward contracting out continued under President George W. Bush, but that trend will change dramatically unless Congress, including powerful Democrats, move to save contractor jobs in their home districts and states. And don't discount that possibility.

President Obama got total support from the leadership (and many of the rank-and-file) of all the major federal and postal unions. As a gesture of gratitude he's expected to go along with any January 2010 federal pay raise Congress approves, even the economy gets worse. The ambitious plans to move more private sector jobs into, or in many cases *back* into the federal government will also please the unions.