

## Lawmakers Scrutinize Number of Federal Employees, Contractors

By Emily Long

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Reducing the number of federal employees could create cost savings, but any downsizing must be balanced with changes in the contractor workforce and weighed against the demands that would be placed on remaining staff, according to government observers.

At a House Oversight and Government Reform subcommittee hearing Thursday, lawmakers and witnesses agreed government must examine the balance of federal employees and contractors to determine how to "rightsize" the workforce. Numerous proposals to cut federal jobs and freeze hiring have been floating around, but none has gained traction.

"It strains the limits of credibility to point the finger of blame on federal employees," said Rep. Stephen Lynch, D-Mass. "If you force federal employees out, they're going to collect their pensions. If you cut a contractor loose, it's all savings. Why aren't we looking at that?"

According to Andrew Biggs, resident scholar at the American Enterprise Institute, little is known about the contractor workforce and whether the government is getting good value for its money. Outsourcing, however, may increase both savings and flexibility not realized with a large federal workforce, he added.

"If [outsourcing] were done to cover up federal hiring, that's the wrong way," Biggs said. "But if you say a contractor provides better value for money but also the ability to recast the federal workforce according to changing needs, it may make sense."

William Dougan, national president of the National Federation of Federal Employees, told lawmakers that proposals to cut both the government and contracting workforces should be on the table to create cost savings, but noted the consequences of downsizing should be part of any discussion about limiting hiring or cutting federal pay.

"If the goal is to downsize, then attrition is a good tool," Dougan said. "But if you do it without looking at the work that is going to be left for the remaining workforce, I'm not sure it makes sense until we have an agreement on what work is to be done and let the work dictate the downsizing."

Union leaders have long expressed support for bringing work back to federal employees. In testimony submitted to the subcommittee, National Treasury Employees Union President Colleen Kelley called for contracting reform and a move toward insourcing.

"By ensuring federal employees are able to compete for work with contractors on an even playing field, and identifying areas in which the government could perform this work more effectively and efficiently, the federal government will be better able to provide high-quality services, and will save taxpayer dollars," Kelley said.

Two lawmakers have introduced legislation that would restrict federal hiring until the government eliminates the budget deficit. During the hearing, the bills' sponsors cautioned the proposals are about efficiency and cost savings rather than firing federal workers.

Rep. Tom Marino, R-Pa., earlier this month introduced legislation that would prohibit agencies from hiring new employees until the deficit eases. The bill allows "common-sense" exceptions for national security and law enforcement and exempts the U.S. Postal Service; the Postal Regulatory Commission and reassignments within the same agency; short-term, seasonal hiring; and transitional positions involving a new presidential administration.

Rep. Cynthia Lummis, R-Wyo., in February reintroduced the Federal Workforce Reduction Act, which would reduce the size of the federal workforce by attrition through the hiring of only one employee for every two who retire or leave service. It also would require agencies to justify their new hires and the administration to report to Congress all new employees by agency.