



Pay Freeze, Insourcing Reforms and Agency Budgets Hang in Limbo

By Matthew Weigelt Dec 17, 2010

Senate leaders have decided not to vote on its omnibus appropriations bill for fiscal 2011, but a number of the important programs will probably come up again in other legislative packages, according to one expert.

The Senate leadership's decision Dec. 16 on the spending legislation means that many programs have been delayed for multiple budget years under the continuing resolution. Some program may even be locked into a set of priorities that have not kept up with the pace of constantly changing technology world, said Trey Hodgkins, senior vice president for national security and procurement policy at TechAmerica, an industry advocacy organization.

The bill included funding for programs, including \$22 million for the electronic government fund, a \$14 million increase from fiscal 2010, and \$36.8 million for the Federal Citizens Services Fund, which would have been a slight increase from \$36.5 million

It also included a two-year freeze on federal civilian salaries that the Obama administration had requested and that the House had already passed.

The bill also included a section on insourcing, expanding the range of government work that would have to be brought back into the federal agencies

Officials would have had to report to the Office of Management and Budget on what they've done to convert jobs that were outsourced to contractors, according to the bill. The work considered for insourcing would not have to be inherently governmental functions, jobs that only federal employees can do. The proposal would have giving agency officials the authority to take back jobs that contractors are able to do or that "should not otherwise be reserved for performance by federal employees."

Despite halting the bill, insourcing provisions like these aren't going away, Hodgkins said.

"We expect to see the insourcing language again. That one has become perennial," Hodgkins said.

He was disappointed in the language because it circumvented the Obama administration's policy letter on insourcing, which should be released early next year. He said the bill would have upended the administration's policy and removed discretion about creating an appropriately balanced multi-sector workforce.

Dan Gordon, administrator of the Office of Federal Procurement Policy, said agencies attempts to balance the ratio of contractor to federal employees doesn't require massive insourcing of work, but more building the institutional knowledge of government officials to maintain control of the functions.

As agencies rely more heavily on their IT infrastructures for operations, cybersecurity will remain an important issue. Many proponents of cybersecurity are still in place in the Senate, and despite the leadership changes in the House, it will still be a priority, Hodgkins said. Still, the next Congress will have to start all over again on setting comprehensive cybersecurity policy.