



# American Bridge

## Trump Policy Brief: Federal Hiring Freeze

1.25.16

## TRUMP'S FEDERAL HIRING FREEZE

Donald Trump signed an executive action freezing all federal government hiring except for jobs in the military along with public safety and health jobs. The action does more harm than good, exempting about half of the federal workforce while incentivizing an increase in contractors, who already outnumber federal workers despite costing billions more than the federal workers they replace. In the name of cutting a federal workforce which has been consistent in size, the action creates a more expensive but less effective government hampered by arbitrary cuts.

### Trump's Federal Hiring Freeze Executive Action

#### TRUMP SIGNED AN ACTION FREEZING FEDERAL GOVERNMENT HIRING

**Trump Signed An Executive Action Freezing All Federal Government Hiring Except For The Military, Public Safety And Public Health Jobs.** According to The Hill, "President Donald Trump has signed an executive order freezing all federal government hiring except for the military, making good on a promise from his campaign. [...] Priebus presented him with the document, Trump interrupted to make clear that the freeze exempted the military. He made no further comment about the new directive. Trump's call for a hiring freeze dates back to an October speech in Gettysburg, Penn. as part of his 'Contract with the American Voter.' During that speech, he promised a 'hiring freeze on all federal employees to reduce the federal work force through attrition,' but noted that there would be an exemption for military, public safety and public health jobs. It's not clear if the other two sectors are exempted along with the military, as the White House has not yet released the text of the document." [The Hill, [1/23/17](#)]

#### FEDERAL EMPLOYMENT WAS ALREADY FLAT WHEN TRUMP TOOK OFFICE

##### Exemptions Of The Military, Public Safety And Public Health Workers Represented Half Of The Federal Workforce

**Federal Employment Was Essentially Flat During President Obama's Two Terms Because Of Slow Growth In Government Spending, With Federal Employees Representing A Smaller Percentage Of The Workforce Than The End Of Reagan's Presidency Or The Beginning Of Obama's.** According to Market Watch, "Federal agencies stepped up hiring in the waning days of the Obama administration in anticipation of a freeze, but employment was essentially flat during President Obama's two terms because of slow growth in government spending. Budget controls were tightened after Republicans claimed control of the House of Representatives in 2010. The federal government employed 2.77 million civilians at the end of fiscal 2009, six months into Obama's first term in office, according to the Office of Personnel and Management. The government employed 2.66 million workers at the end of fiscal 2014, the last year for which data is available. [...] As a result, federal employees represent just 1.9% of all American workers vs. 2.1% when Obama entered the White House and 2.9% when Ronald Reagan left office in January 1989." [Market Watch, [1/23/17](#)]

**Trump's Freeze Was Unlikely To Make A Noticeable Difference In The Size Of The Government's Workforce Because The Indicated Exemptions Made Up More Than Half The Workforce.** According to Market Watch, "The freeze by Trump could lead to a small reduction in federal employment if open positions are left unfilled, but it probably won't save much money or make a noticeable dent in the size of the government's workforce. Exempting civilian personnel for the military, for example, could cover one-quarter

or more of the entire federal workforce. As a candidate Trump also indicated he might exempt public-safety and health officials. Added to Pentagon civilians, these groups represent more than half of all federal workers.” [Market Watch, [1/23/17](#)]

**Cato Institute Director Of Tax Policy Studies Chris Edwards Pointed To The Pentagon As The “Single Biggest Bureaucracy In Washington,” Suggesting Republicans Would Be “Willing To Go After The Pentagon Bureaucracy” If They Were Serious About Downsizing Bureaucracy.** According to CNN, “Chris Edwards, the director of tax policy studies at Cato Institute and editor of [www.DownsizingGovernment.org](#), has started referring to the contract worker boom as the rise of the ‘beltway bandits.’ [...] The expectation on Wall Street is that defense contractors will swell under Trump. Stocks of Raytheon (RTN) and Lockheed Martin (LMT) jumped after the election. ‘The single biggest bureaucracy in Washington is the Pentagon, both non uniform and civilian,’ says Edwards. ‘Trump and Republicans like to talk about downsizing bureaucracy, but are they willing to go after the Pentagon bureaucracy?’” [CNN, [1/12/17](#)]

## **The Action Would Affect Americans Nationwide And Cost Taxpayers While Reducing Government Efficiency**

### **A FREEZE WOULD INCREASE RELIANCE ON FEDERAL CONTRACTORS, ALREADY GREATLY OUTNUMBERING FEDERAL EMPLOYEES**

**New York University Professor Of Public Service Paul Light: There Were 3.7 Million Contract Workers, Far More Than The 2.1 Million On The Civilian Payrolls Or The 1.3 Million Military Personnel On Active Duty.** According to CNN, “The number of contract workers employed by the U.S. government more than doubled from 1999 to 2010, according to calculations by Paul Light, a professor of public service at New York University and author of ‘The True Size of Government.’ Trump lists cutting the number of federal workers as his No. 2 priority on his 100-day action plan, known as the ‘Contract with the American Voter.’ But if Trump really wants to downsize, he would have to look at contract workers too. ‘We have all these people who work for the federal government under contracts and grants,’ says Light. There are now 3.7 million contract workers, he says. It is far greater than the 2.1 million on the civilian payrolls or the 1.3 million military personnel on active duty.” [CNN, [1/12/17](#)]

**New York University Professor Of Public Service Paul Light: Trump's Hiring Freeze Was “A Big Symbolic Push” And Contractors Were “Excited About Whatever Freeze Trump Has.”** According to CNN, “Trump's hiring freeze is ‘a big symbolic push,’ says [New York University professor of public service Paul] Light. Historically, any time there's a freeze on workers or pay, the U.S. government has quietly added more contractors. Trump is already saying he would exempt military and public safety from his hiring freeze. The Department of Defense, Homeland Security and the Veterans Administration make up over half of the civilian federal workforce. ‘Believe me, contractors are excited about whatever freeze Trump has,’ says Light.” [CNN, [1/12/17](#)]

**A Congressional Research Service Study Concluded Contracting As A Principal Means Of Coping With Hiring Limitations Practice May Have Been Pervasive.** According to the Government Accountability Office, “A Congressional Research Service study 1/ recognized the incentive for agencies to use contracting as a principal means of coping with hiring limitations and concluded that this practice may be pervasive in executive branch agencies. More recently, we reviewed 2/ the Department of Energy's use of support service contractors to perform basic management functions. Many of the support service contracts reviewed appeared to provide staff extensions to program offices. In most cases, the contractor was performing work which the Department did not have the in-house resources to perform. Agency officials

frequently stated that the contractor's work satisfied a program need which was expected to continue for at least one year, and could be performed by in-house personnel (i.e., no special expertise was required) but that personnel ceilings and hiring freezes prevented the hiring of needed staff. We also found that managers used overtime to compensate for some of the hiring freezes.” [Government Accountability Office, [3/10/82](#)]

### *Contractors Cost Taxpayers More Money Than Federal Employees*

#### **Project on Government Oversight: The Government Paid Billions Of Dollars More Annually To Hire Contractors Than It Would Cost To Hire Federal Employees To Perform Comparable Services.**

According to the Project on Government Oversight, “POGO’s study analyzed the total compensation paid to federal and private sector employees and the annual billing rates for contractor employees across 35 occupational classifications covering more than 550 service activities. POGO found that the government pays billions of dollars more annually to hire contractors than it would cost to hire federal employees to perform comparable services. Specifically, the federal government approves service contract billing rates—deemed fair and reasonable—that pay contractors 1.83 times more than the government pays federal employees in total compensation (including benefits), and more than 2 times the total compensation paid in the private sector for comparable services. POGO’s Bad Business report also found: Federal employees were less expensive than contractors in 33 of the 35 occupational classifications POGO reviewed[.]” [Project on Government Oversight, [1/23/17](#)]

- **Federal Contract Billing Rates Paid Contractors Nearly Twice As Much As The Government Paid Federal Employees In Total Compensation, Including Benefits.** According to the Project on Government Oversight, “Specifically, the federal government approves service contract billing rates—deemed fair and reasonable—that pay contractors 1.83 times more than the government pays federal employees in total compensation (including benefits), and more than 2 times the total compensation paid in the private sector for comparable services.” [Project on Government Oversight, [1/23/17](#)]
- **Federal Employees Were Less Expensive Than Contractors In 33 Of The 35 Occupational Classifications Reviewed.** According to the Project on Government Oversight, “POGO’s study analyzed the total compensation paid to federal and private sector employees and the annual billing rates for contractor employees across 35 occupational classifications covering more than 550 service activities. [...] POGO’s Bad Business report also found: Federal employees were less expensive than contractors in 33 of the 35 occupational classifications POGO reviewed[.]” [Project on Government Oversight, [1/23/17](#)]

### **A Hiring Freeze Would Threaten Public Services And Decrease Efficiency**

**The Exemption Of Employees Working On National Security And Defense Issues Meant The Hiring Freeze Would Disproportionately Affect Domestic Agencies And Programs Already Impacted By Budget Cuts.** According to the American Federation of Government Employees, “President Trump's executive order excludes employees working on national security and defense issues, which accounts for roughly two-thirds of the current federal workforce. That means the hiring freeze will disproportionately affect domestic agencies and programs, many of which have already endured severe budget cuts this decade. “This hiring freeze will mean longer lines at Social Security offices, fewer workplace safety inspections, less oversight of environmental polluters, and greater risk to our nation's food supply and clean water systems,” Cox said.” [American Federation of Government Employees, [1/23/17](#)]

**University Of Maryland Public Policy Professor Donald Kettl: Blindly Downsizing With A Hiring Freeze Was “Exactly The Opposite Of What You Need To Do” To Make Government Function Better.** According to National Public Radio, “Donald Kettl, a public policy professor at the University of

Maryland, says he believes the freeze is really about a desire among Americans for better-functioning government, and that a better-functioning government requires better hiring. “The irony here is that if the goal is to make government work better to try to get it more under control, the hiring freeze is exactly the opposite of what you need to do,” Kettl says. Kettl says government agencies don't just need to blindly downsize; they need to do a better job of identifying the skills and talent they need, and being more nimble at attracting them.” [National Public Radio, [11/21/16](#)]

- **Government Accountability Office: Across-The-Board Freezes Resulted In Decreased Oversight, Lost Revenue And Hidden Costs While Impeding Agency Missions And Programs.** According to the Government Accountability Office, “Three of the freezes were imposed by President Carter and the fourth by President Reagan. [...] Hiring freezes are directed primarily toward reducing employment levels. Program and mission requirements are considered only in the exemption process. Because across-the-board freezes applied to agencies regardless of their mission and workload, we found instances where the freezes --caused decreased oversight; --produced lost revenue, uncollected debts, and hidden costs: --impeded agency missions and programs; and --in one instance, violated law.” [Government Accountability Office, [3/10/82](#)]
- **Government Accountability Office: Government-Wide Hiring Freezes Were Not An Effective Means Of Controlling Federal Employment, Providing An Illusion Of Control On Federal Employment And Spending Without Evidence Of Savings.** According to the Government Accountability Office, “Government-wide hiring freezes have not been an effective means of controlling Federal employment. While the Government-wide hiring freezes reviewed by the GAO provided an illusion of control on Federal employment and spending, they had little effect on Federal employment levels, and it is not known whether they saved money. Because they ignored individual agencies' missions, workload, and staffing requirements, these freezes disrupted agency operations, and in some cases, increased costs to the Government.” [Government Accountability Office, [3/10/82](#)]

## **THE VAST MAJORITY OF IMPACTED WORKERS WERE OUTSIDE OF THE WASHINGTON METRO AREA**

**Roughly 85 Percent Of The More Than 2 Million People Working For Federal Civilian Agencies Worked Outside Of The Washington Metro Area.** According to the Associated Press, “The order may impact federal employees across the country, as roughly 85 percent work outside of the Washington metro area. The size of the federal workforce has slowly and steadily declined over the past the 50 years and more dramatically in the past few, when budget cuts and sequestration forced many agencies to cut back. Just more than 2 million people worked for civilian agencies in 2015, nearly a 10 percent decline since 1967, according to the National Active and Retired Federal Employees Association.” [Associated Press, [1/23/17](#)]

## **TRUMP’S ACTION JEOPORDIZED VETERANS’ HEALTHCARE AND EMPLOYMENT**

### **Thousands Of Open Jobs At The Department Of Veterans Affairs Were Impacted By Trump’s Hiring Freeze**

**Washington Post: To Many Observers’ Surprise, The Department Of Veterans Affairs Appeared To Be Covered By Trump’s Hiring Freeze.** According to the Washington Post, “But to many observers’ surprise, the agency appears to be covered by the freeze, White House press secretary Sean Spicer said at a media briefing Tuesday. ‘Right now, the system’s broken,’ Spicer said of VA, explaining that a halt to hiring is meant as a ‘pause,’ in part until Trump’s nominee to lead the agency, David Shulkin, can settle into the job.

‘And I think the VA in particular, if you look at the problems that have plagued people, hiring more people isn't the answer,’ Spicer said. ‘It's hiring the right people, putting the procedures in place that ensure that our veterans - whether health care or mortgages or the other services that VA provides to those who have served our nation - get the services that they've earned.’” [Washington Post, 1/25/17]

*The VA Was Already Understaffed At The Time Of Trump's Hiring Freeze*

**Trump's Hiring Freeze Affected Thousands Of Open Jobs At The Department Of Veterans Affairs, Despite The Half-Million Veterans Still Waiting Longer Than A Month For VA Appointments.**

According to The Hill, “A federal hiring freeze imposed by President Trump on Monday affects thousands of open jobs at the Department of Veterans Affairs, despite the half-million veterans still waiting longer than a month for VA appointments. White House press secretary Sean Spicer confirmed Tuesday that the VA is covered under the freeze, which exempted the military and other positions deemed necessary for national security and public safety.” [The Hill, [1/24/17](#)]

- **More Than 4,000 Jobs Were Listed As Open At The VA, Including Over 1,000 For Physicians, Over 1,000 For Nurses And Nearly 300 For Positions That Had Direct Contact With Veterans To Help Them Access Benefits.** According to an opinion by former Veterans Benefits Administration services representative Mikki Kendall in the Washington Post, “Yet as recently as 2015, some VA hospitals were facing staffing shortages that left as many as half of the critical positions open. Currently, 4,308 jobs are listed as open at the VA. More than 1,100 of those listings are for physicians; 1,185 are for nurses at various levels — from licensed practical nurses to nurse practitioners. Another 284 are for positions that have direct contact with veterans to help them access benefits. Shrink that number of employees any further, and the two-year backlog that is just now being conquered may return.” [Mikki Kendall – Washington Post, [1/25/17](#)]

**Veterans Benefits Administration Services Representative Mikki Kendall: “You Can't Serve 21.8 Million Veterans With 340,000 Employees And Expect Anything But Long Wait Times And Subpar Access To Care.”**

According to an opinion by former Veterans Benefits Administration services representative Mikki Kendall in the Washington Post, “On Jan. 23, in accordance with his promises to shrink the size of the government through attrition, President Trump announced a federal hiring freeze. This is red meat to his base, which has fervently argued that limited government is better, more effective government. [...] The argument for small government ignores the real need for enough employees to serve the population. You can't serve 21.8 million veterans with 340,000 employees and expect anything but long wait times and subpar access to care; you can't starve an agency of resources for decades and not expect significant problems.” [Mikki Kendall – Washington Post, [1/25/17](#)]

*As The Hiring Freeze Was Announced, The VA Health Care System Faced Extra Strain Because Of Trump's Moves To Mantle The ACA*

**Rand Corp Health Policy Researcher Carrie Farmer: The Number Of Veterans Using VA Health Care Could Be Expected To Increase With Trump's Moves To Dismantle The ACA,” Which Will Only Provide A Further Challenge For VA To Provide Timely And Accessible Care.”**

According to National Public Radio, “As promised, President Trump has moved to dismantle the Affordable Care Act. It's a concern for those who might be left without health insurance — and especially for the Department of Veterans Affairs, which may have to pick up some of the slack. Carrie Farmer, a health policy researcher at the Rand Corp., says 3 million vets who are enrolled in the VA usually get their health care elsewhere — from their employer, or maybe from Obamacare exchanges. If those options go away, she has no idea just how many of those 3 million veterans will move over to the VA. ‘I would expect that the number of veterans using VA health care will increase, which will only provide a further challenge for VA to provide timely and accessible care,’ Farmer says.” [National Public Radio, [1/25/17](#)]



*Trump's White House Claimed It Would Be Fiscally Irresponsible To Hire More Veteran's Affairs Workers*

**Press Secretary Sean Spicer Justified The VA Hiring Freeze By Saying That It Would Be Fiscally Irresponsible To Add Workers To A Dysfunctional System At The VA.** According to Military.com, “Spicer justified the VA hiring freeze by saying that it would be fiscally irresponsible at this time to add workers to a dysfunctional system at the VA. ‘Right now, the system's broken,’ Spicer said. ‘When you have a system that's not working, and then going out and hiring additional people doesn't seem to be the most efficient way of solving the problem.’” [Military.com, [1/24/17](#)]

*Veteran's Affairs Designee David Shulkin Previously Stressed The Need To Fill Every Opening At The VA*

**Trump Nominee To Lead The VA, David Shulkin, Stressed The Need To Hire More Caregivers When He Ran The VA's Health Administration: “I Need To Fill Every One Of Those Openings In Action To Make Sure That We're Doing The Very Best For Our Veterans.”** According to National Public Radio, “David Shulkin, Trump's nominee to lead the VA, in the past has stressed an urgent need to hire more caregivers. Shulkin has run the VA's health administration for the past two years, and he told NPR this past fall that negative attention to VA caused a 78 percent drop in applications there. ‘We have 45,000 job openings. That's too many,’ Shulkin said. ‘I need to fill every one of those openings in order to make sure that we're doing the very best for our veterans.’” [National Public Radio, [1/25/17](#)]

### **Trump's Hiring Freeze Threatened Veteran Employment**

**Military.com: “Veterans Already In The Pipeline For Job Openings In The Federal Workforce Could Have Their Employment Opportunities Scrapped Under The Hiring Freeze Announced Monday By President Donald Trump.”** According to Military.com, “Veterans already in the pipeline for job openings in the federal workforce could have their employment opportunities scrapped under the hiring freeze announced Monday by President Donald Trump. The freeze could also make the preferences for veterans in applying for jobs in federal hiring meaningless.” [Military.com, [1/24/17](#)]

**Veterans Made Up About 30% Of The More Than 2.8 Million Employees In The Federal Workforce, Traditionally Receiving Preferences In Testing And Hiring And Also In Retention During Reductions Of The Workforce.** According to Military.com, “Veterans make up about 30 percent of the more than 2.8 million employees in the federal workforce -- many of them at the Defense Department. Vets have traditionally received preferences in testing and hiring and also in retention during reductions of the workforce, according to the White House Office of Personnel Management.” [Military.com, [1/24/17](#)]

**Lawrence Korb, Assistant Secretary Of Defense For Personnel Under President Ronald Reagan: “There's No Preference If There's No Job.”** According to Military.com, “Veterans already in the pipeline for job openings in the federal workforce could have their employment opportunities scrapped under the hiring freeze announced Monday by President Donald Trump. The freeze could also make the preferences for veterans in applying for jobs in federal hiring meaningless. ‘There's no preference if there's no job,’ said Lawrence Korb, an assistant secretary of defense for personnel in the administration of President Ronald Reagan.” [Military.com, [1/24/17](#)]