



REPUBLICAN CAUCUS

THE COMMITTEE ON THE BUDGET

B-71 Cannon House Office Building
Washington, DC 20515
Representative Paul D. Ryan, *Ranking Republican*

Phone: (202)-226-7270
http://www.house.gov/budget_republicans/
Augustine T. Smythe, *Republican Staff Director*

REPUBLICAN SPENDING REDUCTION PROPOSAL
REDUCE GOVERNMENT EMPLOYMENT TO PRE-‘STIMULUS’ LEVELS
(saves \$3.5 billion in 2011 and \$35 billion over 10 years)

PURPOSE

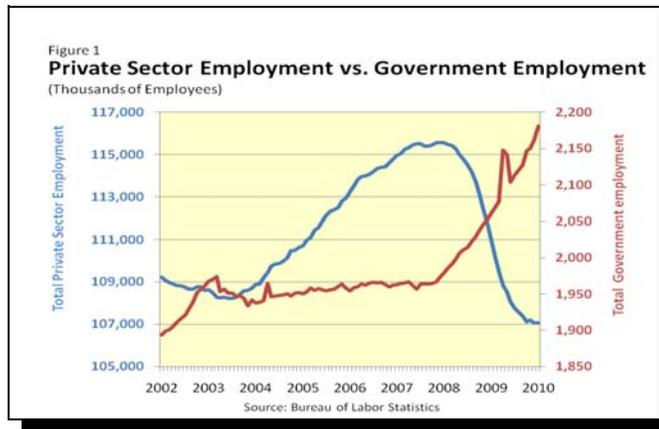
- Since the President took office, the Federal civilian workforce has grown by 188,000, or about 15 percent.
- By gradually returning the Federal civilian workforce to pre-Obama levels, the government would save \$3.5 billion in 2011, and \$35 billion over 10 years.

SUMMARY

- This proposal would permit the government to hire one new worker for every two who leave service. Thus the bill is not a rigid hiring freeze, but a workforce reduction plan that allows the government to continue bringing in new workers.

BACKGROUND

- Representative Lummis has introduced the Federal Workforce Reduction Act (H.R. 5348). Based on her concept, this proposal would allow the government to hire one employee for every two who left service. The Departments of Defense, Homeland Security, and Veterans Affairs are exempted, and the President would have flexibility to distribute newly hired employees by need.



- In the wake of the financial panic of 2008 and the resulting spike in unemployment, President Obama and the Democratic Congress enacted a huge, debt-financed \$862-billion “stimulus” program that promised to stem job losses and revive the economy.

- Nearly 16 months after enactment of the “stimulus” bill, the effects on employment are clear: government employment has exploded while private sector employment has continued to lag (see Figure 1, previous page).
- All told, the Federal government has added approximately 188,000 new employees since 2008 – and this figure does not count the approximately 86,000 temporary workers hired to conduct the 2010 census. Meanwhile, the private sector has lost about 9 million jobs and the unemployment rate has remained stubbornly high, near 10 percent.
- Employment growth rates since 2008 among the major cabinet level agencies are indicative of the stimulus’s success at expanding the size of government – and as a consequence the size of the annual deficit and debt (see Table 1 below). In addition, the administration is seeking to accelerate the hiring of Federal workers, as described in this 11 May 2010 article in *The Washington Post*:
<http://www.washingtonpost.com/wp-dyn/content/article/2010/05/10/AR2010051004898.html?hpid=topnews>
- Congress and the President also have enacted several other major spending and government-expansion increases, including the following:
 - An 84-percent increase in non-defense discretionary spending in the past 2 years.
 - As much as \$115 billion over 10 years in explicit authorized appropriations in the health care bill – an amount not counted in the official cost estimate.
 - A need for as many as 16,500 new Internal Revenue Service employees to implement the new health care law, according to the House Ways and Means Committee Republican staff.

Table 1: Changes in Federal Civilian Employment
(full-time equivalents in thousands)

Cabinet Agency	Actual		Estimated	Percent Change
	2008	2009	2010	2-Year-Growth
Agriculture	93.9	94.2	101.0	7.6%
Commerce	37.5	56.0	141.5	277.3%
Defense	671.2	702.7	720.2	7.3%
Education	4.1	4.0	4.3	4.9%
Energy	14.7	15.5	16.6	12.9%
Health and Human Services	59.8	63.0	65.1	8.9%
Homeland Security	158.2	169.6	177.0	11.9%
Housing and Urban Development	9.4	9.5	9.7	3.2%
Interior	67.4	68.6	70.6	4.7%
Justice	106.0	109.1	119.3	12.5%
Labor	16.0	16.0	17.9	11.9%
State	30.4	30.4	35.0	15.1%
Transportation	54.7	56.4	57.9	5.9%
Treasury	106.7	108.7	113.5	6.4%
Veterans Affairs	249.5	272.0	284.3	13.9%

Source: Office of Management and Budget, *Analytical Perspectives: Budget of the U.S. Government – Fiscal Year 2011*.

This document was prepared by the Republican staff of the Committee on the Budget, U.S. House of Representatives. It has not been approved by the full committee and may not reflect the views of individual committee members.