

10. FEDERAL EMPLOYMENT AND COMPENSATION

This section provides information on civilian employment policy, civilian and military employment, and personnel compensation and benefits in the Executive, Legislative, and Judicial branches. A comparison of Federal employment levels, State and local government employment, and the United States population appears in the Historical Tables. Additional tables on civilian employment reductions appear in the Budget volume.

Civilian Employment Policy

The Administration policy is to provide Executive Branch agencies with flexibility to hire the right numbers of staff to meet program requirements. While it is not the norm, agency or sub-agency employment targets may be necessary when it is determined to be the most efficient or effective method of achieving Administration goals.

Federal Civilian Employment in the Executive Branch

Civilian employment in the Executive Branch is measured on the basis of full-time equivalents (FTEs). One FTE is equal to one work year or 2,080 non-over-time hours. Put simply, one full-time employee counts as one FTE, and two half-time employees also count as one FTE.

The Federal Workforce Restructuring Act (FWRA) of 1994 (P.L. 103-226) was enacted March 30, 1994. The Act established FTE limitations ("ceilings") for Executive Branch civilian employees through 1999. The starting point used to calculate FTE reductions required by the FWRA, called the 1993 base, is the estimate of FTEs for 1993 made in January of that year. Between the 1993 base and FY 1999, the Act required a cut of 272,900 FTEs. The actual cut exceeded 375,000 FTEs. The limitations established by the FWRA, as well as the reductions to date, are as follows:

Year	FWRA Ceiling	Civilian FTEs	Cumulative reduction From 1993	Reduction as percent of 272,900 cut
1993 Base	2,155,200			
1994	2,084,600	2,052,700	-102,500	38%
1995	2,043,300	1,970,200	-185,000	68%
1996	2,003,300	1,891,700	-263,500	97%
1997	1,963,300	1,834,700	-320,500	117%
1998	1,922,300	1,790,200	-365,000	134%
1999	1,882,300	1,778,400	-376,800	138%

Table 10-1 provides agency-wide totals from the 1993 base through 2001.

Allocations of FTE resources by agency are made based upon Presidential priorities and other factors.

While most of the agencies in Table 10-1 show FTE reductions between 1993 and 2001, several agencies, such as the Department of Justice, show an increase in FTEs.

Recent Trends in Civilian Employment Estimates in the Executive Branch

Each year the Budget reports actual FTEs in the prior year column, and estimates of FTEs in the current and budget years. In five of the six years since the FWRA was enacted, the current year FTE estimates for nearly all agencies in the Budget have been overstated when compared to the actual published in the following year's Budget. The table below shows this trend:

Year	Estimate	Actual	Over-Statement
1994	2,042.1	2,052.7	-10,700 (-0.5%)
1995	2,017.8	1,970.2	+47,600 (+2.4%)
1996	1,940.8	1,891.7	+49,100 (+2.5%)
1997	1,881.3	1,834.7	+46,600 (+2.5%)
1998	1,837.4	1,790.2	+47,200 (+2.6%)
1999	1,801.6	1,778.4	+23,200 (+1.3%)

Total Federal Employment Levels

The tables that follow show total Federal employment in all branches of Government, as well as the U.S. Postal Service, Postal Rate Commission, and active duty uniformed military personnel. Table 10-2 displays total Federal employment as measured by actual positions filled, i.e., the total number of employees, whether full-time, part-time or intermittent, at the end of the fiscal year. Table 10-3 shows total Federal employment as measured on an FTE basis.

Personnel Compensation and Benefits

Table 10-4 displays personnel compensation and benefits for all branches of Government, as well as for military personnel.

Direct compensation of the Federal work force includes base pay and premium pay, such as overtime. In addition, it includes other cash components, such as geographic pay differentials (i.e., locality pay, and special pay adjustments for law enforcement officers), recruitment and relocation bonuses, retention allowances, performance awards, and cost-of-living and overseas allowances.

In the case of military personnel, compensation includes basic pay, special and incentive pays (including enlistment and reenlistment bonuses), and allowances for clothing, housing, and subsistence.

Related compensation in the form of personnel benefits for current employees consists of the cost to Govern-

ment agencies (as an employer) primarily for health insurance, life insurance, Social Security (old age, survivors, disability, and health insurance) and contributions to the retirement funds to finance future retire-

ment benefits. Compensation for former personnel includes outlays for retirement pay benefits, and the Government's share of the cost of health and life insurance.

Table 10-1. FEDERAL EMPLOYMENT IN THE EXECUTIVE BRANCH

(Civilian employment as measured by Full-Time Equivalents, in thousands)

Agency	1993 Base	Actual							Estimate		Change: 1993 base to 2001	
		1993	1994	1995	1996	1997	1998	1999	2000	2001	FTE's	Percent
Cabinet agencies:												
Agriculture ¹	115.6	114.4	109.8	103.8	100.7	98.5	96.4	95.5	98.2	100.5	-15.1	-13.1%
Commerce	36.7	36.1	36.0	35.3	33.8	32.6	35.7	47.3	133.8	42.6	5.9	16.0%
Defense-military functions	931.3	931.8	868.3	821.7	778.9	745.8	707.2	681.0	661.5	645.5	-285.9	-30.7%
Education	5.0	4.9	4.8	4.8	4.7	4.5	4.5	4.5	4.7	4.7	-0.3	-5.7%
Energy	20.6	20.3	19.8	19.7	19.1	17.3	16.3	15.9	16.2	16.1	-4.5	-21.7%
Health and Human Services ¹	65.0	66.1	62.9	59.3	57.2	57.6	57.9	58.9	61.7	63.2	-1.8	-2.8%
Social Security Administration	65.4	64.8	64.5	64.6	64.0	65.2	64.0	63.0	63.3	63.1	-2.3	-3.5%
Housing and Urban Development	13.6	13.3	13.1	12.1	11.4	11.0	9.8	10.0	10.4	10.6	-3.0	-22.3%
Interior	79.3	78.1	76.3	72.0	66.7	65.7	66.5	67.0	68.1	69.5	-9.8	-12.4%
Justice	99.4	95.4	95.3	97.9	103.8	111.0	117.3	121.3	127.9	131.5	32.1	32.3%
Labor	18.3	18.0	17.5	16.8	16.0	15.9	16.3	16.3	17.1	17.4	-0.9	-4.8%
State ²	35.0	34.2	33.5	31.8	30.2	29.2	28.9	29.4	30.0	30.2	-4.8	-13.8%
Transportation	70.3	69.1	66.4	63.2	62.4	62.5	63.4	63.7	64.1	65.1	-5.2	-7.4%
Treasury	166.1	161.1	157.3	157.5	151.1	145.5	142.1	143.7	145.5	149.6	-16.5	-10.0%
Veterans Affairs ¹	232.4	234.2	233.1	228.5	221.9	211.5	207.1	205.5	204.1	203.4	-29.1	-12.5%
Other agencies—excluding Postal Service:												
Agency for International Development ¹	4.4	4.1	3.9	3.6	3.4	2.8	2.7	2.5	2.5	2.5	-1.9	-43.8%
Corps of Engineers	29.2	28.4	27.9	27.7	27.1	26.0	24.8	24.7	24.7	24.7	-4.5	-15.4%
Environmental Protection Agency	18.6	17.9	17.6	17.5	17.2	17.0	17.7	18.1	18.1	18.0	-0.5	-2.8%
EEOC	2.9	2.8	2.8	2.8	2.7	2.6	2.5	2.6	2.8	3.1	0.2	7.0%
FEMA	2.7	4.0	4.9	4.6	4.7	5.1	4.6	5.2	4.8	4.9	2.2	79.6%
FDIC/RTC	21.6	21.9	20.0	15.7	11.8	8.7	7.9	7.4	7.5	6.8	-14.8	-68.5%
General Services Administration	20.6	20.2	19.5	17.0	15.7	14.5	14.1	14.1	14.2	14.2	-6.4	-31.1%
NASA	25.7	24.9	23.9	22.4	21.1	20.1	19.1	18.5	18.6	19.0	-6.8	-26.4%
National Archives and Records Admin.	2.8	2.6	2.6	2.4	2.5	2.5	2.4	2.4	2.6	2.7	-1.1	-1.3%
National Labor Relations Board	2.1	2.1	2.1	2.0	1.9	1.9	1.9	1.8	1.9	2.0	-0.1	-6.7%
National Science Foundation	1.3	1.2	1.2	1.2	1.3	1.2	1.2	1.2	1.2	1.2	-0.1	-10.3%
Nuclear Regulatory Commission	3.4	3.4	3.3	3.2	3.1	3.0	3.0	2.8	2.8	2.8	-0.6	-17.2%
Office of Personnel Management	6.2	5.9	5.3	4.2	3.4	2.8	2.8	2.8	3.0	3.0	-3.2	-51.9%
Panama Canal Commission	8.7	8.5	8.5	8.8	9.0	9.5	9.6	9.2	2.4	-0.1	-8.7	-99.8%
Peace Corps	1.3	1.2	1.2	1.2	1.1	1.1	1.1	1.1	1.2	1.2	-0.1	-7.1%
Railroad Retirement Board	1.8	1.8	1.7	1.6	1.5	1.4	1.3	1.3	1.2	1.2	-0.7	-36.8%
Securities and Exchange Commission	2.7	2.7	2.7	2.7	2.8	2.8	2.8	2.8	3.0	3.0	0.3	10.7%
Small Business Administration	4.0	5.6	6.3	5.7	4.7	4.5	4.4	4.7	4.6	4.6	0.6	14.9%
Smithsonian Institution	5.9	5.5	5.4	5.3	5.1	5.0	5.0	5.1	5.2	5.3	-0.6	-10.2%
Tennessee Valley Authority	19.1	17.3	18.6	16.6	16.0	14.9	14.4	13.5	13.3	13.2	-5.9	-31.0%
All other small agencies	15.9	15.2	14.7	14.9	13.9	13.6	13.6	13.9	14.5	16.1	0.2	1.2%
Total, Executive Branch civilian employment	2,155.2	2,138.8	2,052.7	1,970.2	1,891.7	1,834.7	1,790.2	1,778.4	1,856.9	1,762.4	-392.8	-18.2%
Reduction from 1993 Base		-16.4	-102.5	-185.0	-263.5	-320.5	-365.0	-376.8	-298.3	-392.8		
Subtotal, Defense	931.3	931.8	868.3	821.7	778.9	745.8	707.2	681.0	661.5	645.5	-285.9	-30.7%
Subtotal, Non-Defense	1,223.9	1,207.1	1,184.4	1,148.4	1,112.8	1,088.9	1,083.0	1,097.4	1,195.4	1,116.9	-107.0	-8.7%
Status of Federal Civilian Employment Relative to the Federal Workforce Restructuring Act³												
Total, Executive Branch Employment ..	NA	NA	2,052.7	1,970.2	1,891.7	1,834.7	1,790.2	1,778.4	NA	NA		
Less: FTEs exempt from FWRA	NA	NA	5.7	5.7	7.6	7.4	5.2	5.2	NA	NA		
Total, Executive Branch subject to FWRA Ceiling	NA	NA	2,047.0	1,964.4	1,884.1	1,827.3	1,785.0	1,773.2	NA	NA		
FWRA Ceiling	NA	NA	2,084.6	2,043.3	2,003.3	1,963.3	1,922.3	1,882.3	NA	NA		
Executive Branch Employment Relative to FWRA Ceiling	NA	NA	-37.6	-78.9	-119.2	-136.1	-137.3	-109.1	NA	NA		

¹ The Departments of Agriculture, Health and Human Services, Veterans Affairs, and the Agency for International Development have components that were exempt from FTE controls. In 1999, Agriculture had 2,025 exemptions; HHS had 187 exemptions; Veterans Affairs had 3,010 exemptions and AID had 10 exemptions.

² To facilitate historical comparison, the State Department includes the Board of Broadcasting Governors (BBG), the United States Information Agency (which was absorbed into State and BBG), and the Arms Control and Disarmament Agency (which was absorbed into State).

³ FTE limitations are set for the Executive Branch in the Federal Workforce Restructuring Act of 1994 (P.L. 103-226) from 1994-99.

Table 10-2. TOTAL FEDERAL EMPLOYMENT

(As measured by total positions filled)

Description	Actual as of September 30			Change: 1997 to 1999	
	1997	1998	1999	Positions	Percent
Executive branch civilian employment:					
All agencies except Postal Service and Postal Rate Commission:					
Full-time permanent	1,651,559	1,624,152	1,603,303	-48,256	-2.9%
Other than full-time permanent ¹	220,232	231,644	216,333	-3,899	-1.8%
Subtotal	1,871,791	1,855,796	1,819,636	-52,155	-2.8%
Postal Service: ²					
Full-time permanent	648,684	660,987	670,272	21,588	3.3%
Other than full-time permanent	204,666	210,533	196,121	-8,545	-4.2%
Subtotal	853,350	871,520	866,393	13,043	1.5%
Subtotal, Executive branch civilian employment	2,725,141	2,727,316	2,686,029	-39,112	-1.4%
Military personnel on active duty: ³					
Department of Defense	1,438,562	1,406,830	1,385,703	-52,859	-3.7%
Department of Transportation (Coast Guard)	35,137	35,459	35,740	603	1.7%
Subtotal, military personnel	1,473,699	1,442,289	1,421,443	-52,256	-3.5%
Subtotal, Executive Branch	4,198,840	4,169,605	4,107,472	-91,368	-2.2%
Legislative branch:					
Full-time permanent	12,696	12,399	12,183	-513	-4.0%
Other than full-time permanent	18,659	18,075	18,170	-489	-2.6%
Subtotal, Legislative Branch	31,355	30,474	30,353	-1,002	-3.2%
Judicial Branch:					
Full-time permanent	27,567	28,487	28,875	1,308	4.7%
Other than full-time permanent	3,074	3,255	3,321	247	8.0%
Subtotal, Judicial Branch	30,641	31,742	32,196	1,555	5.1%
Grand total	4,260,836	4,231,821	4,170,021	-90,815	-2.1%
ADDENDUM					
Executive branch civilian personnel (excluding Postal Service):					
DOD-Military functions ⁴	723,032	692,552	665,679	-57,353	-7.9%
All other executive branch	1,148,759	1,163,244	1,153,957	5,198	0.5%
Total ⁵	1,871,791	1,855,796	1,819,636	-52,155	-2.8%

¹ Includes Summer Aides, Stay-in-school, Junior Fellowship, Worker-Trainee Opportunity Program, formerly exempt from employment controls.

² Includes Postal Rate Commission.

³ Excludes reserve components.

⁴ Excludes Defense Intelligence Agency.

⁵ Includes disadvantaged youth programs.

Table 10-3. TOTAL FEDERAL EMPLOYMENT

(As measured by Full-Time Equivalents)

Description	1999 actual	Estimate		Change: 1999 to 2001	
		2000	2001	FTE's	Percent
Executive branch civilian personnel:					
All agencies except Postal Service and Defense	1,097,363	1,195,437	1,116,888	19,525	1.8%
Defense-Military functions (civilians)	680,996	661,489	645,494	-35,502	-5.2%
Subtotal, excluding Postal Service	1,778,359	1,856,926	1,762,382	-15,977	-0.9%
Postal Service ¹	851,461	848,187	843,425	-8,036	-0.9%
Subtotal, Executive Branch civilian personnel	2,629,820	2,705,113	2,605,807	-24,013	-0.9%
Executive branch uniformed personnel: ²					
Department of Defense	1,387,270	1,379,070	1,379,500	-7,770	-0.6%
Department of Transportation (Coast Guard)	35,286	35,948	36,247	961	2.7%
Subtotal, uniformed military personnel	1,422,556	1,415,018	1,415,747	-6,809	-0.5%
Subtotal, Executive Branch	4,052,376	4,120,131	4,021,554	-30,822	-0.8%
Legislative Branch: ³ Total FTE ³	29,932	30,460	30,610	678	2.3%
Judicial branch: Total FTE	31,173	32,334	34,063	2,890	9.3%
Grand total	4,113,481	4,182,925	4,086,227	-27,254	-0.7%

¹ Includes Postal Rate Commission.² Military personnel on active duty. Excludes reserve components. Data shown for Department of Defense are average strengths, not FTEs.³ Actual 1999 FTE data not available for legislative branch.

TABLE 10-4. PERSONNEL COMPENSATION AND BENEFITS

(In millions of dollars)

Description	1999 actual	Estimate		Change: 1999 to 2001	
		2000	2001	Dollars	Percent
Civilian personnel costs:					
Executive Branch (excluding Postal Service):					
Direct compensation:					
DOD—military functions	32,000	32,303	32,753	753	2.4%
All other executive branch	58,138	63,500	64,589	6,451	11.1%
Subtotal, direct compensation	90,138	95,803	97,342	7,204	8.0%
Personnel benefits:					
DOD—military functions	7,233	7,105	7,212	-21	-0.3%
All other executive branch ¹	23,116	24,422	25,421	2,305	10.0%
Subtotal, personnel benefits	30,349	31,527	32,633	2,284	7.5%
Subtotal, executive branch	120,487	127,330	129,975	9,488	7.9%
Postal Service:					
Direct compensation	35,886	36,671	37,772	1,886	5.3%
Personnel benefits	10,177	10,761	12,011	1,834	18.0%
Subtotal	46,063	47,432	49,783	3,720	8.1%
Legislative Branch: ²					
Direct compensation	1,326	1,414	1,489	163	12.3%
Personnel benefits	301	319	346	45	15.0%
Subtotal	1,627	1,733	1,835	208	12.8%
Judicial Branch:					
Direct compensation	1,800	2,016	2,215	415	23.1%
Personnel benefits	452	514	565	113	25.0%
Subtotal	2,252	2,530	2,780	528	23.4%
Total, civilian personnel costs	170,429	179,025	184,373	13,944	8.2%
Military personnel costs:					
DOD—Military Functions:					
Direct compensation	49,247	51,256	53,063	3,816	7.7%
Personnel benefits	18,051	18,989	19,151	1,100	6.1%
Subtotal	67,298	70,245	72,214	4,916	7.3%
All other executive branch, uniformed personnel:					
Direct compensation	1,203	1,314	1,392	189	15.7%
Personnel benefits	131	143	149	18	13.7%
Subtotal	1,334	1,457	1,541	207	15.5%
Total, military personnel costs ³	68,632	71,702	73,755	5,123	7.5%
Grand total, personnel costs	239,061	250,727	258,128	19,067	8.0%
ADDENDUM					
Former Civilian Personnel:					
Retired pay for former personnel	44,767	46,488	48,636	3,869	8.6%
Government payment for Annuitants:					
Employee health benefits	4,610	4,995	5,354	744	16.1%
Employee life insurance	31	33	35	4	12.9%
Total Former Civilian Personnel	49,408	51,516	54,025	4,617	9.3%
Former Military personnel:					
Retired pay for former personnel	607	653	693	86	14.2%

¹ Includes transfers from general revenues in addition to employing agency's contributions for the cost of employee benefits. The transfers amounted to \$8,759 million in 1999 and are estimated to be \$8,838 in 2000 million and \$8,939 million in 2001.

² Excludes members and officers of the Senate.

³ Excludes reserve components.