

24. FEDERAL EMPLOYMENT AND COMPENSATION

This section provides information on civilian and military employment in the Executive, Legislative, and Judicial branches. It also provides information on personnel compensation and benefits.

Measuring Federal Employment

For budgetary purposes, civilian employment is measured on the basis of full-time equivalents (FTEs). One FTE is equal to one work year (see OMB Circular A-11, Section 32). Put simply, one full-time employee counts as one FTE, and two half-time employees also count as one FTE. Data shown for military personnel are average strengths, not FTEs. Tables 24-1 and 24-3 show FTE data, while Table 24-2 shows end strength or "positions filled" data as of September 30th.

Significant Changes in Civilian Employment

Although immediate security requirements cause near-term increases in Federal employment, the Administration continues its efforts to improve government effectiveness and efficiency in order to better serve the American people with a smaller Federal workforce. While current projections show an increase in the number of employees in the Executive Branch, it is expected that efforts to improve government effectiveness and efficiency will result in a reduction in the number of Federal government employees over the next four years.

The *Department of Commerce* grows 4,400 FTE between FY 2004 and FY 2006 due to increased workload associated with the American Community Survey in the Bureau of the Census. The U.S. Patent and Trademark Office (PTO) is also increasing personnel in an effort to reduce a large backlog of patent and trademark submissions. The increase in PTO FTEs is fee funded.

At the *Department of Health and Human Services*, an increase of over 2,800 FTEs between FY 2004 and FY 2006 is due to the following: 1) Additional staff to provide actuarial, health administration, and contracting expertise to support the implementation of the Medicare Modernization Act (MMA) at the Centers for Medicare and Medicaid Services; 2) Expanded staff at the Indian Health Service health care facilities; 3) Increase in scientific research positions at the National Institutes of Health; 4) Pre-market review of new drugs, medical devices, animal drugs, and other products regulated at the Food and Drug Administration (FDA) and the FDA Office of Drug Safety; and 5) Work related to Medicare appeals and health information technology at the Office of the Secretary.

Total FTEs for the *Department of Homeland Security* increase by six percent between FY 2004 and FY 2006 as this new department's employment settles into a more steady state. The new growth of 8,500 FTE is primarily driven by increases in U.S. Customs and Bor-

der Protection Officers, Border Patrol Agents, and Transportation Security Administration screener personnel.

Department of Justice FTEs increased by 18 percent between FY 2004 and FY 2006 due to increases in security-related programs. Growth of 18,100 FTE is largely driven by increases in the Federal Bureau of Investigation, federal prison system, legal activities, Bureau of Alcohol, Tobacco, Firearms, and Explosives, and the U.S. Marshals.

Department of State FTE increases are principally within their diplomatic and consular programs, the Department's main operating account. Total Department FTEs increase by over 600 between FY 2004 and FY 2006. These new positions are for additional security personnel, consular personnel to facilitate new visa security requirements, staffing for new requirements overseas, such as Iraq, Sudan, and Libya, and to strengthen reconstruction and stabilization capabilities.

The *Office of Personnel Management's* increases in FY 2005 and FY 2006 FTE, as compared to FY 2004, include the transfer of approximately 1,800 DOD's Defense Security Service investigative personnel to OPM.

The roughly 500 FTE increase reflected in the *Smithsonian Institution* (encompassing the Smithsonian Institution, National Gallery of Art, John F. Kennedy Center for the Performing Arts and the Woodrow Wilson Center for International Scholars) between FY 2004 and FY 2006 primarily reflect additional staff for security and facilities operations. Both the National Gallery of Art and the Smithsonian Institution are working to reduce the turnover associated with their respective security forces and hire a force sufficient to accommodate today's homeland security challenges. In FY 2005, the Smithsonian will continue to supplement its security and facility operations staff to support the recent openings of the National Museum of the American Indian on the National Mall and the National Air and Space Museum's Steven F. Udvar-Hazy Center.

The *Social Security Administration* is projecting growth in hiring of about 1,700 FTE between FY 2004 and FY 2006. The agency requires new hires to meet its responsibilities in implementing the Medicare prescription drug benefit. SSA is in charge of determining eligibility for low-income subsidies for the drug benefit.

Significant Changes in Military Employment

As shown in Table 24-3, the *Department of Defense* estimate reduces over 55,000 FTE by FY 2006. The Services continue to increase their use of technology resulting in less military personnel requirements. In addition, contracted labor is on the rise within the Services. Lastly, personnel retention was previously high among those military members with aircraft-related

skills due to reduced hiring by the commercial airlines. However, the Services anticipate this retention rate will decrease as the economy continues to improve.

Personnel Compensation and Benefits

Table 24–4 displays personnel compensation and benefits (in millions of dollars) for all branches of Government, to include 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 allow-

ances, 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 Government 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 retirement 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 24–1. FEDERAL EMPLOYMENT IN THE EXECUTIVE BRANCH

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

Agency	Actual			Estimate		Change: 2002 to 2006	
	2002	2003	2004	2005	2006	FTE's	Percent
Cabinet agencies:							
Agriculture	97.0	101.4	100.5	103.3	100.5	3.5	3.6%
Commerce	34.9	34.5	34.6	37.9	39.0	4.1	11.7%
Defense—Military functions	649.9	648.9	650.4	659.9	664.6	14.7	2.3%
Education	4.5	4.5	4.4	4.5	4.4	–0.1	–2.2%
Energy	15.8	15.6	15.1	15.9	15.8
Health and Human Services	59.0	60.0	59.3	62.3	62.1	3.1	5.3%
Homeland Security	81.3	144.5	137.3	143.9	145.8	64.5	79.3%
Housing and Urban Development	10.0	10.4	10.2	10.0	9.9	–0.1	–1.0%
Interior	70.3	71.0	70.7	71.0	70.9	0.6	0.9%
Justice	97.3	99.4	101.4	116.5	119.5	22.2	22.8%
Labor	17.0	16.9	16.5	16.8	16.9	–0.1	–0.6%
State	28.6	29.5	30.0	30.3	30.6	2.0	7.0%
Transportation	61.2	59.0	57.3	57.4	57.7	–3.5	–5.7%
Treasury	115.9	115.4	113.6	113.0	113.6	–2.3	–2.0%
Veterans Affairs	208.9	211.8	218.7	221.9	218.1	9.2	4.4%
Other agencies—excluding Postal Service:							
Agency for International Development	2.4	2.3	2.2	2.3	2.6	0.2	8.3%
Broadcasting Board of Governors	2.4	2.4	2.3	2.3	2.4
Corps of Engineers—Civil Works	25.0	24.5	23.5	23.5	23.5	–1.5	–6.0%
Environmental Protection Agency	17.5	17.5	17.3	17.6	17.6	0.1	0.6%
EEOC	2.8	2.6	2.5	2.4	2.4	–0.4	–14.3%
FDIC/RTC	6.0	5.4	5.3	5.2	4.9	–1.1	–18.3%
General Services Administration	12.4	12.9	12.6	12.7	12.2	–0.2	–1.6%
NASA	18.7	18.7	18.8	19.4	19.0	0.3	1.6%
National Archives and Records Administration	2.8	2.8	2.8	2.9	2.9	0.1	3.6%
National Labor Relations Board	1.9	1.9	1.9	1.9	1.8	–0.1	–5.3%
National Science Foundation	1.2	1.2	1.3	1.3	1.3	0.1	8.3%
Nuclear Regulatory Commission	2.8	2.9	3.0	3.1	3.2	0.4	14.3%
Office of Personnel Management	2.8	2.8	2.8	4.1	5.0	2.2	78.6%
Peace Corps	1.0	1.0	1.1	1.2	1.2	0.2	20.0%
Railroad Retirement Board	1.2	1.1	1.1	1.0	1.0	–0.2	–16.7%
Securities and Exchange Commission	3.0	3.1	3.6	3.9	3.9	0.9	30.0%
Small Business Administration	4.0	3.8	3.4	4.2	3.3	–0.7	–17.5%
Smithsonian Institution	5.0	5.2	5.1	5.6	5.6	0.6	12.0%
Social Security Administration	63.1	63.1	63.9	64.2	65.6	2.5	4.0%
Tennessee Valley Authority	13.5	13.1	12.0	12.0	12.1	–1.4	–10.4%
All other small agencies	15.0	15.1	14.9	15.7	15.7	0.7	4.7%
Total, Executive Branch civilian employment *	1,755.9	1,826.2	1,821.1	1,871.2	1,876.8	120.9	6.9%
Subtotal, Defense	649.9	648.9	650.4	659.9	664.6	14.7	2.3%
Subtotal, Non-Defense	1,106.0	1,177.3	1,170.7	1,211.3	1,212.2	106.2	9.6%

*Totals may not add due to rounding.

Table 24–2. TOTAL FEDERAL EMPLOYMENT

(As measured by total positions filled)

Description	Actual as of September 30			Change: 2002 to 2004	
	2002	2003	2004	Positions	Percent
Executive branch civilian employment:					
All agencies except Postal Service and Postal Rate Commission:					
Full-time permanent	1,632,663	1,646,688	1,662,990	30,327	1.9%
Other than full-time permanent	185,597	220,288	218,953	33,356	18.0%
Subtotal	1,818,260	1,866,976	1,881,943	63,683	3.5%
Postal Service: ¹					
Full-time permanent	645,758	634,709	609,579	–36,179	–5.6%
Other than full-time permanent	165,933	164,539	158,083	–7,850	–4.7%
Subtotal	811,691	799,248	767,662	–44,029	–5.4%
Subtotal, Executive branch civilian employment	2,629,951	2,666,224	2,649,605	19,654	0.7%
Military personnel on active duty: ²					
Department of Defense	1,411,634	1,434,377	1,426,836	15,202	1.1%
Department of Transportation (Coast Guard)	38,238	37,472	40,230	1,992	5.2%
Commissioned Corps (HHS, NOAA, EPA)	6,221	6,200	6,357	136	2.2%
Subtotal, military personnel	1,456,093	1,478,049	1,473,423	17,330	1.2%
Subtotal, Executive Branch	4,086,044	4,144,273	4,123,028	36,984	0.9%
Legislative branch:					
full-time permanent	12,097	12,044	11,614	–483	–4.0%
Other than full-time permanent	18,789	19,070	18,435	–354	–1.9%
Subtotal, Legislative Branch	30,886	31,114	30,049	–837	–2.7%
Judicial Branch:					
Full-time permanent	31,286	30,955	30,537	–749	–2.4%
Other than full-time permanent	3,413	3,304	3,324	–89	–2.6%
Subtotal, Judicial Branch	34,699	34,259	33,861	–838	–2.4%
Grand total ³	4,151,629	4,209,646	4,186,938	35,309	0.9%
ADDENDUM					
Executive branch civilian personnel (excluding Postal Service):					
DOD civilians—Military functions	644,817	636,454	644,251	–566	–0.1%
All other executive branch	1,173,443	1,230,522	1,237,692	64,249	5.5%
Total	1,818,260	1,866,976	1,881,943	63,683	3.5%

¹ Includes Postal Rate Commission.² Excludes reserve components.³ Includes Summer Aides, Stay-in-school, Junior Fellowship, Worker-Trainee Opportunity, and disadvantage youth programs.

Table 24–3. TOTAL FEDERAL EMPLOYMENT

(As measured by Full-Time Equivalents)

Description	2004 Actual	Estimate		Change: 2004 to 2006	
		2005	2006	FTE's	Percent
Executive branch civilian personnel:					
All agencies except Postal Service and Defense	1,170,678	1,211,305	1,212,216	41,538	3.5%
Defense—Military functions (civilians)	650,441	659,889	664,569	14,128	2.2%
Subtotal, excluding Postal Service	1,821,119	1,871,194	1,876,785	55,666	3.1%
Postal Service ¹	755,260	740,974	729,395	–25,865	–3.4%
Subtotal, Executive Branch civilian personnel	2,576,379	2,612,168	2,606,180	29,801	1.6%
Executive branch uniformed personnel: ²					
Department of Defense	1,430,607	1,404,918	1,375,250	–55,357	–3.9%
Department of Homeland Security (Coast Guard)	40,230	40,706	41,332	1,102	2.7%
Commissioned Corps	6,357	6,503	6,515	158	2.5%
Subtotal, uniformed military personnel	1,477,194	1,452,127	1,423,097	–54,097	–3.7%
Subtotal, Executive Branch	4,053,573	4,064,295	4,029,277	–24,296	–0.6%
Legislative Branch: 3 Total FTE ³	31,764	32,240	32,737	973	3.1%
Judicial branch: Total FTE	33,802	33,505	34,728	926	2.7%
Grand total	4,119,139	4,130,040	4,096,742	–22,397	–0.5%

¹ Includes Postal Rate Commission.² Military personnel on active duty. Excludes reserve components. Data shown for military are average strengths, not FTEs.³ Actual 2004 FTE data not available for the Senate (positions filled were used).

TABLE 24-4. PERSONNEL COMPENSATION AND BENEFITS

(In millions of dollars)

Description	2004 Actual	2005 Estimate	2006 Request	Change: 2004 to 2006	
				Dollars	Percent
Civilian personnel costs:					
Executive Branch (excluding Postal Service):					
Direct compensation:					
DOD—Military functions	39,139	40,139	41,758	2,619	6.7%
All other executive branch	79,711	85,770	87,696	7,985	10.0%
Subtotal, direct compensation	118,850	125,909	129,454	10,604	8.9%
Personnel benefits:					
DOD—Military functions	10,008	10,419	10,898	890	8.9%
All other executive branch	32,627	34,332	34,902	2,275	7.0%
Subtotal, personnel benefits	42,635	44,751	45,800	3,165	7.4%
Subtotal, executive branch	161,485	170,660	175,254	13,769	8.5%
Postal Service:					
Direct compensation	37,921	38,447	39,134	1,213	3.2%
Personnel benefits	12,854	13,220	14,488	1,634	12.7%
Subtotal	50,775	51,667	53,622	2,847	5.6%
Legislative Branch: ¹					
Direct compensation	1,761	1,805	1,918	157	8.9%
Personnel benefits	460	481	517	57	12.4%
Subtotal	2,221	2,286	2,435	214	9.6%
Judicial Branch:					
Direct compensation	2,494	2,604	2,799	305	12.2%
Personnel benefits	682	728	807	125	18.3%
Subtotal	3,176	3,332	3,606	430	13.5%
Total, civilian personnel costs	217,657	227,945	234,917	17,260	7.9%
Military personnel costs:					
DOD—Military Functions:					
Direct compensation	75,729	67,137	69,103	-6,626	-8.7%
Personnel benefits	32,517	34,930	37,377	4,860	14.9%
Subtotal	108,246	102,067	106,480	-1,766	-1.6%
All other executive branch, uniformed personnel:					
Direct compensation	2,343	2,487	2,628	285	12.2%
Personnel benefits	571	615	653	82	14.4%
Subtotal	2,914	3,102	3,281	367	12.6%
Total, military personnel costs ²	111,160	105,169	109,761	-1399	-1.3%
Grand total, personnel costs	328,817	333,114	344,678	15,861	4.8%
ADDENDUM					
Former Civilian Personnel:					
Retired pay for former personnel	53,412	56,896	59,883	6,471	12.1%
Government payment for Annuitants:					
Employee health benefits	7,326	7,831	8,401	1,075	14.7%
Employee life insurance	35	36	36	1	2.9%
Total Former Civilian Personnel.					
Former Military personnel:					
Retired pay for former personnel	37,153	39,135	40,915	3,762	10.1%
Military annuitants health benefits	5,197	5,887	6,254	1,057	20.3%

¹ Excludes members and officers of the Senate.² Excludes reserve components not on active duty.

