

11. FEDERAL EMPLOYMENT AND COMPENSATION

This section provides information on 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 which is published as a separate volume of the President's Budget.

Measuring Federal Employment

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. However, data shown for military are average strengths, not FTEs. Federal employment can also be measured by actual positions filled.

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. Two of this year's tables also provide a breakout of Commissioned Corps officers employed by the Public Health Service (PHS) in the Department of Health and Human Services and the National Oceanic and Atmospheric Administration (NOAA) within the Department of Commerce. Table 11-1 provides Executive Branch FTE totals from 2000 through 2004. Table 11-2 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 11-3 shows total Federal employment as measured on an FTE basis.

Department of Homeland Security

On November 25, 2002, the President signed the Homeland Security Act of 2002 (Public Law 107-296). The Act initiates the most substantial reorganization of the Federal Government since the 1940's transferring FTE from ten major Federal agencies to the newly-established Department of Homeland Security (DHS). The President's Budget displays FTE estimates for DHS on a three-year comparable basis. The DHS FTE totals reflect estimates of 142 thousand civilians and 37 thousand military (US Coast Guard) in fiscal year 2004 for a total estimated strength of 179 thousand FTEs. The net increase of 23 thousand Executive Branch civilian FTE from 2002 actuals to the 2004 estimate is largely due to the creation of the Transportation Security Administration, which will be incorporated into the Department of Homeland Security.

Personnel Compensation and Benefits

Table 11-4 displays personnel compensation and benefits (in millions of dollars) 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 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.

The Budget proposes a new approach to federal pay. Consistent with the Administration's emphasis on program performance, the 2004 pay proposal combines a two percent across-the-board increase with a performance component. \$500 million will be set aside governmentwide to allow managers to increase pay beyond annual raises to reward top-performing employees with a permanent increase in their base pay. The Administration also proposes to reform the pay structure of its senior managers by increasing the limit on pay and replacing the current six-tier system with a pay band so that agencies can tie these managers' compensation more closely to their performance.

The Administration proposes legislation to require agencies to pay the full Government share of the accruing cost of retirement for current CSRS, CIA and Foreign Service employees, and the Coast Guard, Public Health Service and NOAA Commissioned Corps. The legislation also requires agencies to pay the full accruing cost of post-retirement health benefits for current civilian employees who are enrolled in the Federal Employees Health Benefits Program and the post-retirement health costs of Medicare eligible retirees (and their dependents/survivors) of the Uniformed Services (DoD, Coast Guard, Public Health Service, and NOAA Commissioned Corps). Pending approved legislation, the 2004 Budget includes the realignment of these incremental costs to the agencies as memorandum entries.

Table 11-1. FEDERAL EMPLOYMENT IN THE EXECUTIVE BRANCH

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

Agency	Actual			Estimate		Change: 2000 to 2004	
	2000	2001	2002	2003	2004	FTE's	Percent
Cabinet agencies:							
Agriculture	95.1	96.9	97.0	99.2	98.0	2.9	3.0%
Commerce ¹	112.7	36.4	34.9	38.9	38.5	n/a	n/a
Defense-military functions	660.3	649.9	649.9	642.8	635.8	-24.5	-3.7%
Education	4.6	4.6	4.5	4.6	4.6	0.0	0.0%
Energy	15.6	15.6	15.8	16.3	16.1	0.5	3.2%
Health and Human Services	54.8	56.1	59.0	61.0	60.9	6.1	11.1%
Homeland Security ²	0.0	0.0	81.3	144.9	142.2	n/a	n/a
Housing and Urban Development	10.1	10.1	10.0	10.5	10.5	0.4	4.0%
Interior	67.3	68.7	70.3	70.0	70.3	3.0	4.5%
Justice ³	122.8	124.2	97.3	106.0	112.0	n/a	n/a
Labor	16.3	16.5	17.0	17.3	17.5	1.2	7.4%
State	27.3	27.7	28.6	29.5	30.1	2.8	10.3%
Transportation ³	63.0	63.4	61.2	59.2	60.0	n/a	n/a
Treasury ³	143.7	145.0	115.9	116.7	117.5	n/a	n/a
Veterans Affairs	202.6	206.9	208.9	209.0	214.0	11.4	5.6%
Other agencies—excluding Postal Service:							
Agency for International Development	2.4	2.3	2.3	2.4	2.5	0.1	4.2%
Broadcasting Board of Governors	2.4	2.4	2.4	2.5	2.5	0.1	4.2%
Corps of Engineers—Civil Works	24.8	24.7	25.0	24.8	24.8	0.0	0.0%
Environmental Protection Agency	17.7	17.5	17.5	17.6	17.9	0.2	1.1%
EEOC	2.9	2.7	2.8	2.7	2.8	-0.1	-3.4%
FEMA ⁴	4.6	4.9	0.0	0.0	0.0	n/a	n/a
FDIC/RTC	7.1	6.4	6.0	5.7	5.6	-1.5	-21.1%
General Services Administration	14.0	14.0	12.4	12.4	12.4	-1.6	-11.4%
NASA	18.4	18.7	18.7	19.1	18.9	0.5	2.7%
National Archives and Records Administration	2.5	2.6	2.8	2.8	2.9	0.4	16.0%
National Labor Relations Board	1.9	2.0	1.9	2.0	2.0	0.1	5.3%
National Science Foundation	1.2	1.2	1.2	1.3	1.3	0.1	8.3%
Nuclear Regulatory Commission	2.8	2.8	2.8	2.9	3.0	0.2	7.1%
Office of Personnel Management	2.8	2.8	2.8	2.9	3.0	0.2	7.1%
Peace Corps	1.0	1.0	1.0	1.2	1.3	0.3	30.0%
Railroad Retirement Board	1.2	1.2	1.2	1.1	1.1	-0.1	-8.3%
Securities and Exchange Commission	2.8	2.9	3.0	3.2	3.7	0.9	32.1%
Small Business Administration	4.3	4.1	4.0	3.9	3.9	-0.4	-9.3%
Smithsonian Institution	5.0	4.9	5.0	5.6	5.8	0.8	16.0%
Social Security Administration	62.4	62.7	63.1	63.6	64.6	2.2	3.5%
Tennessee Valley Authority	13.2	13.2	13.5	13.6	13.4	0.2	1.5%
All other small agencies	16.4	14.7	15.1	15.8	15.9	-0.5	-3.0%
Total, Executive Branch civilian employment ⁵	1,808.2	1,731.7	1,749.9	1,826.7	1,831.0	22.8	1.3%
Subtotal, Defense	660.3	649.9	649.9	642.8	635.8	-24.5	-3.7%
Subtotal, Non-Defense	1,147.9	1,081.8	1,100.0	1,183.9	1,195.2	47.3	4.1%

¹ Department of Commerce FY 2000 data in as outlier due to 2000 Census workload.² Department of Homeland Security FTEs shown on a three-year comparable basis. See the introduction to this chapter for an explanation of the growth in DHS FTEs.³ Transfers to the Department of Homeland Security prevent meaningful 2000 to 2004 comparisons.⁴ FEMA realigned under the Department of Homeland Security.⁵ Totals may not add due to rounding.

Table 11-2. TOTAL FEDERAL EMPLOYMENT

(As measured by total positions filled)

Description	Actual as of September 30			Change: 2000 to 2002	
	2000	2001	2002	Positions	Percent
Executive branch civilian employment:					
All agencies except Postal Service and Postal Rate Commission:					
Full-time permanent	1,578,495	1,595,801	1,632,663	54,168	3.4%
Other than full-time permanent	199,643	196,009	185,597	-14,046	-7.0%
Subtotal	1,778,138	1,791,810	1,818,260	40,122	2.3%
Postal Service: ¹					
Full-time permanent	666,528	661,452	645,758	-20,770	-3.1%
Other than full-time permanent	194,249	186,418	165,933	-28,316	-14.6%
Subtotal	860,777	847,870	811,691	-49,086	-5.7%
Subtotal, Executive branch civilian employment	2,638,915	2,639,680	2,629,951	-8,964	-0.3%
Uniformed Services: ²					
Department of Defense	1,384,338	1,385,116	1,411,634	27,296	2.0%
Department of Transportation (Coast Guard)	36,157	36,580	38,238	2,081	5.8%
Commissioned Corps (PHS, NOAA)	5,843	6,027	6,221	378	6.5%
Subtotal, military personnel	1,426,338	1,427,723	1,456,093	29,755	2.1%
Subtotal, Executive Branch	4,065,253	4,067,403	4,086,044	20,791	0.5%
Legislative branch:					
Full-time permanent	11,970	11,856	12,097	127	1.1%
Other than full-time permanent	19,187	18,583	18,789	-398	-2.1%
Subtotal, Legislative Branch	31,157	30,439	30,886	-271	-0.9%
Judicial Branch:					
Full-time permanent	28,938	30,478	31,286	2,348	8.1%
Other than full-time permanent	3,248	3,332	3,413	165	5.1%
Subtotal, Judicial Branch	32,186	33,810	34,699	2,513	7.8%
Grand total ³	4,128,596	4,131,652	4,151,629	23,033	0.6%
ADDENDUM					
Executive branch civilian personnel (excluding Postal Service):					
DOD civilians—Military functions	651,247	647,048	644,817	-6,430	-1.0%
All other executive branch	1,126,891	1,144,762	1,173,443	46,552	4.1%
Total	1,778,138	1,791,810	1,818,260	40,122	2.3%

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 11-3. TOTAL FEDERAL EMPLOYMENT

(As measured by Full-Time Equivalents)

Description	2002 actual	Estimate		Change: 2002 to 2004	
		2003	2004	FTE's	Percent
Executive branch civilian personnel:					
All agencies except Postal Service and Defense	1,100,022	1,183,979	1,195,189	95,167	8.7%
Defense-Military functions (civilians)	649,875	642,759	635,781	-14,094	-2.2%
Subtotal, excluding Postal Service	1,749,897	1,826,738	1,830,970	81,073	4.6%
Postal Service ¹	809,946	799,537	786,825	-23,121	-2.9%
Subtotal, Executive Branch civilian personnel	2,559,843	2,626,275	2,617,795	57,952	2.3%
Executive Branch Uniformed Services:²					
Department of Defense	1,414,355	1,392,379	1,390,776	-23,579	-1.7%
Homeland Security (Coast Guard)	37,112	37,249	37,255	143	0.4%
Commissioned Corps (PHS, NOAA)	5,984	6,207	6,259	275	4.6%
Subtotal, uniformed military personnel	1,457,451	1,435,835	1,434,290	-23,161	-1.6%
Subtotal, Executive Branch	4,017,294	4,062,110	4,052,085	34,791	0.9%
Legislative Branch: ³ Total FTE	31,390	32,167	33,082	1,692	5.4%
Judicial branch: Total FTE	33,205	35,125	34,966	1,761	5.3%
Grand total	4,081,889	4,129,402	4,120,133	38,244	0.9%

¹ Includes Postal Rate Commission.² Military personnel on active duty. Excludes reserve components. Data shown are average strengths, not FTEs.

TABLE 11-4. PERSONNEL COMPENSATION AND BENEFITS
(In millions of dollars)

Description	2002 actual	Estimate		Change: 2002 to 2004	
		2003	2004	Dollars	Percent
Civilian personnel costs:					
Executive Branch (excluding Postal Service):					
Direct compensation:					
DOD—military functions	35,478	35,787	37,014	1,536	4.3%
All other executive branch	69,019	74,561	79,812	10,793	15.6%
Subtotal, direct compensation	104,497	110,348	116,826	12,329	11.8%
Personnel benefits:					
DOD—military functions	8,096	8,414	9,302	1,206	14.9%
All other executive branch	28,038	29,979	30,742	2,704	9.6%
Subtotal, personnel benefits	36,134	38,393	40,044	3,910	10.8%
Subtotal, executive branch	140,631	148,741	156,870	16,239	11.5%
Postal Service:					
Direct compensation	36,877	37,496	38,165	1,288	3.5%
Personnel benefits	12,670	13,814	14,326	1,656	13.1%
Subtotal	49,547	51,310	52,491	2,944	5.9%
Legislative Branch: ¹					
Direct compensation	1,521	1,712	1,812	291	19.1%
Personnel benefits	366	443	455	89	24.3%
Subtotal	1,887	2,155	2,267	380	20.1%
Judicial Branch:					
Direct compensation	2,214	2,557	2,613	399	18.0%
Personnel benefits	591	658	708	117	19.8%
Subtotal	2,805	3,215	3,321	516	18.4%
Total, civilian personnel costs	194,870	205,421	214,949	20,079	10.3%
Military personnel costs:					
DOD—Military Functions:					
Direct compensation	60,813	61,737	65,640	4,827	7.9%
Personnel benefits ²	23,065	29,420	30,248	7,183	31.1%
Subtotal	83,878	91,157	95,888	12,010	14.3%
All other executive branch, uniformed personnel:					
Direct compensation	1,933	2,016	2,148	215	11.1%
Personnel benefits	298	504	584	286	96.0%
Subtotal	2,231	2,520	2,732	501	22.5%
Total, military personnel costs	86,109	93,677	98,620	12,511	14.5%
Grand total, personnel costs	280,979	299,098	313,569	32,590	11.6%
ADDENDUM					
Former Civilian Personnel:					
Retired pay for former personnel	49,945	52,076	53,768	3,823	7.7%
Government payment for Annuitants:					
Employee health benefits	6,071	6,759	7,456	1,385	22.8%
Employee life insurance	33	34	35	2	6.1%
Total Former Civilian Personnel	56,049	58,869	61,259	5,210	9.3%
Former Military personnel:					
Retired pay for former personnel	35,188	36,056	36,870	1,682	4.8%
Military annuitants health benefits	0	4,445	4,765	4,765	n/a

¹ Excludes members and officers of the Senate.

² Increases in 2003 and 2004 are largely due to legislation requiring payments to the Uniformed Services retiree health care fund.