

10. FEDERAL EMPLOYMENT AND COMPENSATION

This section provides information on civilian employment policy as well as 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-overtime 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 is called the 1993 base—the estimate of FTEs for 1993 made in January of that year. Between base 1993 and FY 1999, the Act requires a cut of 272,900 FTEs. The 1999 budget continues the implementation of the reductions pursuant to the Act. The limitations established by the Act, as well as the reductions to date, are as follows:

Year	FWRA ceiling	Civilian FTEs	Cumulative reduction from 1993 base	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	1,835,400	-320,500	117%
1998 est.	1,922,300	1,837,400	-317,800	116%
1999 est.	1,882,300	1,824,200	-331,100	121%

Table 10-1 provides agency-wide totals from the 1993 base through 1999.

Allocations of FTE resources by agency are made based upon Presidential priorities and other factors. Thus, while most of the agencies in Table 10-1 show FTE reductions between 1993 and 1999, several agencies, such as the Department of Commerce and the Department of Justice, show an increase in FTEs.

Total Federal Employment Levels

The tables that follow show total Federal employment in all branches of Government, including 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 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 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 1999	
		1993	1994	1995	1996	1997	1998	1999	FTE's	Percent
Cabinet agencies:										
Agriculture ¹	115.6	114.4	109.8	103.8	100.7	98.5	99.0	97.1	-18.6	-16.1%
Commerce	36.7	36.1	36.0	35.3	33.8	32.6	38.3	44.2	7.4	20.2%
Defense-military functions	931.3	931.8	868.3	821.7	778.9	745.8	731.0	708.5	-222.8	-23.9%
Education	5.0	4.9	4.8	4.8	4.7	4.5	4.6	4.6	-0.4	-8.0%
Energy	20.6	20.3	19.8	19.7	19.1	17.3	17.1	16.6	-4.0	-19.3%
Health and Human Services ¹	65.0	66.1	62.9	59.3	57.2	57.6	58.5	59.8	-5.1	-7.9%
Social Security Administration	65.4	64.8	64.5	64.6	64.0	65.2	65.7	63.9	-1.5	-2.3%
Housing and Urban Development	13.6	13.3	13.1	12.1	11.4	11.0	10.4	10.0	-3.6	-26.7%
Interior	79.3	78.1	76.3	72.0	66.7	65.7	67.6	69.1	-10.2	-12.9%
Justice	99.4	95.4	95.3	97.9	103.8	111.0	119.8	125.4	26.0	26.1%
Labor	18.3	18.0	17.5	16.8	16.0	15.9	16.7	17.0	-1.3	-7.2%
State	26.0	25.6	25.2	23.9	22.9	22.4	22.9	23.2	-2.8	-10.9%
Transportation	70.3	69.1	66.4	63.2	62.4	62.5	64.9	65.9	-4.5	-6.3%
Treasury	166.1	161.1	157.3	157.5	151.1	145.5	146.0	147.9	-18.2	-10.9%
Veterans Affairs ¹	232.4	234.2	233.1	228.5	221.9	211.5	206.0	203.9	-28.5	-12.3%
Other agencies—excluding Postal Service:										
Agency for International Development ¹	4.4	4.1	3.9	3.6	3.4	2.8	2.9	2.8	-1.5	-35.1%
Corps of Engineers	29.2	28.4	27.9	27.7	27.1	26.0	26.1	25.6	-3.6	-12.3%
Environmental Protection Agency	18.6	17.9	17.6	17.5	17.2	17.0	18.0	18.4	-0.2	-1.1%
Equal Employment Opportunity Commission	2.9	2.8	2.8	2.8	2.7	2.6	2.6	2.7	-0.1	-3.8%
Federal Emergency Management Agency	2.7	4.0	4.9	4.6	4.7	5.1	4.7	4.7	1.9	70.2%
FDIC/RTC	21.6	21.9	20.0	15.7	11.8	8.7	8.5	7.7	-13.9	-64.3%
General Services Administration	20.6	20.2	19.5	17.0	15.7	14.5	14.1	14.0	-6.6	-32.2%
National Aeronautics and Space Administration	25.7	24.9	23.9	22.4	21.1	20.1	19.6	18.7	-7.0	-27.3%
National Archives and Records Administration	2.8	2.6	2.6	2.4	2.5	2.5	2.5	2.6	-0.2	-6.5%
National Labor Relations Board	2.1	2.1	2.1	2.0	1.9	1.9	1.9	1.9	-0.2	-10.7%
National Science Foundation	1.3	1.2	1.2	1.2	1.3	1.2	1.2	1.2	-0.1	-10.7%
Nuclear Regulatory Commission	3.4	3.4	3.3	3.2	3.1	3.0	3.0	3.0	-0.4	-13.0%
Office of Personnel Management	6.2	5.9	5.3	4.2	3.4	2.8	3.0	3.0	-3.2	-51.6%
Panama Canal Commission	8.7	8.5	8.5	8.8	9.0	9.5	10.0	10.0	1.3	14.8%
Peace Corps	1.3	1.2	1.2	1.2	1.1	1.1	1.1	1.3	0.0	1.7%
Railroad Retirement Board	2.0	1.8	1.7	1.6	1.5	1.4	1.3	1.2	-0.6	-34.8%
Securities and Exchange Commission	2.7	2.7	2.7	2.7	2.8	2.8	2.8	2.8	0.1	3.2%
Small Business Administration	4.0	5.6	6.3	5.7	4.7	4.5	4.7	4.9	0.9	22.8%
Smithsonian Institution	5.9	5.5	5.4	5.3	5.1	5.0	5.2	5.3	-0.6	-9.6%
Tennessee Valley Authority	19.1	17.3	18.6	16.6	16.0	14.9	14.4	13.8	-5.4	-28.1%
United States Information Agency	8.7	8.3	8.1	7.7	7.0	6.6	6.7	6.7	-1.9	-22.4%
All other small agencies	16.1	15.4	15.0	15.1	14.1	13.9	14.6	14.7	-1.4	-9.0%
Total, Executive Branch civilian employment	2,155.2	2,138.8	2,052.7	1,970.2	1,891.7	1,834.7	1,837.4	1,824.2	-331.1	-15.4%
Reduction from 1993 Base		-16.4	-102.5	-185.0	-263.5	-320.5	-317.8	-331.1		
Subtotal, Defense	931.3	931.8	868.3	821.7	778.9	745.8	731.0	708.5	-222.8	-23.9%
Subtotal, Non-Defense	1,223.9	1,207.1	1,184.4	1,148.4	1,112.8	1,088.9	1,106.4	1,115.6	-108.3	-8.8%
Status of Federal Civilian Employment Relative to the Federal Workforce Restructuring Act²										
Total, Executive Branch Employment			2,052.7	1,970.2	1,891.7	1,834.7	1,837.4	1,824.2		
Less: FTEs exempt from FWRA			5.7	5.7	7.6	7.4	5.4	5.5		
Total, Executive Branch subject to FWRA Ceiling			2,047.0	1,964.4	1,884.1	1,827.3	1,832.0	1,818.7		
FWRA Ceiling			2,084.6	2,043.3	2,003.3	1,963.3	1,922.3	1,882.3		
Executive Branch Employment Relative to FWRA Ceiling			-37.6	-78.9	-119.2	-136.1	-90.3	-63.6		

¹The Departments of Agriculture, Health and Human Services, Veterans Affairs, and the Agency for International Development have components that are exempt from FTE controls. In 1999, Agriculture has 2,128 exemptions; HHS has 342 exemptions; Veterans Affairs has 3,020 exemptions and AID has 10 exemptions.

²FTE 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: 1995 to 1997	
	1995	1996	1997	Positions	Percent
Executive branch civilian employment:					
All agencies except Postal Service and Postal Rate Commission:					
Full-time permanent	1,768,006	1,707,974	1,651,599	-116,447	-6.6%
Other than full-time permanent ¹	244,463	225,957	220,232	-24,231	-9.9%
Subtotal	2,012,469	1,933,931	1,871,791	-140,678	-7.0%
Postal Service: ²					
Full-time permanent	647,269	652,855	648,684	1,415	0.2%
Other than full-time permanent	198,179	199,478	204,666	6,487	3.3%
Subtotal	845,448	852,333	853,350	7,902	0.9%
Subtotal, Executive branch civilian employment	2,857,917	2,786,264	2,725,141	-132,776	-4.6%
Military personnel on active duty: ³					
Department of Defense	1,518,224	1,471,722	1,438,562	-79,662	-5.2%
Department of Transportation (Coast Guard)	36,731	35,243	35,137	-1,594	-4.3%
Subtotal, military personnel	1,554,955	1,506,965	1,473,699	-81,256	-5.2%
Subtotal, Executive Branch	4,412,872	4,293,229	4,198,840	-214,032	-4.9%
Legislative branch:					
Full-time permanent	14,603	13,288	12,696	-1,907	-13.1%
Other than full-time permanent	18,764	18,259	18,659	-105	-0.6%
Subtotal, Legislative Branch	33,367	31,547	31,355	-2,012	-6.0%
Judicial Branch:					
Full-time permanent	26,555	26,879	27,567	1,012	3.8%
Other than full-time permanent	2,438	2,702	3,074	636	26.1%
Subtotal, Judicial Branch	28,993	29,581	30,641	1,648	5.7%
Grand total	4,475,322	4,354,357	4,260,836	-214,396	-4.8%
ADDENDUM					
Executive branch civilian personnel (excluding Postal Service):					
DOD-Military functions ⁴	802,141	768,098	723,032	-79,109	-9.9%
All other executive branch	1,210,328	1,165,833	1,148,759	-61,569	-5.1%
Total⁵	2,012,469	1,933,931	1,871,791	-140,678	-7.0%

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	1997 actual	Estimate		Change: 1997 to 1999	
		1998	1999	FTE's	Percent
Executive branch civilian personnel:					
All agencies except Postal Service and Defense	1,088,945	1,106,409	1,115,611	26,666	2.4%
Defense-Military functions (civilians)	745,750	731,025	708,542	-37,208	-5.0%
Subtotal, excluding Postal Service	1,834,695	1,837,434	1,824,153	-10,542	-0.6%
Postal Service ¹	826,178	837,754	844,297	18,199	2.2%
Subtotal, Executive Branch civilian personnel	2,660,873	2,675,188	2,668,450	7,577	0.3%
Executive branch uniformed personnel:²					
Department of Defense	1,454,854	1,427,233	1,402,846	-52,008	-3.6%
Department of Transportation (Coast Guard)	34,988	35,455	35,538	550	1.6%
Subtotal, uniformed military personnel	1,489,842	1,462,688	1,438,384	-51,458	-3.5%
Subtotal, Executive Branch	4,150,713	4,137,876	4,106,834	-43,879	-1.1%
Legislative Branch: ³ Total FTE	31,420	31,356	31,492	72	0.2%
Judicial branch: Total FTE	29,001	32,452	33,459	4,458	15.4%
Grand total	4,211,136	4,201,684	4,171,785	-39,351	-0.9%

¹Includes Postal Rate Commission.

²Military personnel on active duty. Excludes reserve

³Actual 1997 FTE data not available for legislative branch.

TABLE 10-4. PERSONNEL COMPENSATION AND BENEFITS

(In millions of dollars)

Description	1997 actual	Estimate		Change: 1997 to 1999	
		1998	1999	Dollars	Percent
Civilian personnel costs:					
Executive Branch (excluding Postal Service):					
Direct compensation:					
DOD—military functions	31,705	32,578	32,256	551	1.7%
All other executive branch	53,307	55,757	57,728	4,421	8.3%
Subtotal, direct compensation	85,012	88,335	89,984	4,972	5.8%
Personnel benefits:					
DOD—military functions	7,017	6,869	6,842	-175	-2.5%
All other executive branch ¹	20,603	21,688	22,545	1,942	9.4%
Subtotal, personnel benefits	27,620	28,557	29,387	1,767	6.4%
Subtotal, executive branch	112,632	116,892	119,371	6,739	6.0%
Postal Service:					
Direct compensation	33,965	34,910	36,359	2,394	7.0%
Personnel benefits	8,978	9,601	9,922	944	10.5%
Subtotal	42,943	44,511	46,281	3,338	7.8%
Legislative Branch: ²					
Direct compensation	1,244	1,273	1,350	106	8.5%
Personnel benefits	295	281	303	8	2.7%
Subtotal	1,539	1,554	1,653	114	7.4%
Judicial Branch:					
Direct compensation	1,507	1,773	1,875	368	24.4%
Personnel benefits	371	424	455	84	22.6%
Subtotal	1,878	2,197	2,330	452	24.1%
Total, civilian personnel costs	158,992	165,154	169,635	10,643	6.7%
Military personnel costs:					
DOD—Military Functions:					
Direct compensation	49,304	50,360	50,951	1,647	3.3%
Personnel benefits	18,151	16,843	16,949	-1,202	-6.6%
Subtotal	67,455	67,203	67,900	445	0.7%
All other executive branch, uniformed personnel:					
Direct compensation	1,146	1,169	1,220	74	6.5%
Personnel benefits	111	117	121	10	9.0%
Subtotal	1,257	1,286	1,341	84	6.7%
Total, military personnel costs ³	68,712	68,489	69,241	529	0.8%
Grand total, personnel costs	227,704	233,643	238,876	11,172	4.9%
ADDENDUM					
Former Civilian Personnel:					
Retired pay for former personnel	42,366	44,126	46,052	3,686	8.7%
Government payment for Annuitants:					
Employee health benefits	3,934	4,147	4,632	698	17.7%
Employee life insurance	28	32	35	7	25.0%
Total Former Civilian Personnel	46,328	48,305	50,719	4,391	9.5%
Former Military personnel:					
Retired pay for former personnel	559	595	625	66	11.8%

¹ In addition to the employing agency's contribution to the costs of life and health insurance, retirement and Medicare Hospital insurance, this amount includes transfers from general revenues to amortize the effects of general pay increases on Federal retirement systems for employees in the Legislative and Judicial Branches as well as employees (non-Postal) in the Executive Branch and to amortize supplemental liabilities under FERS. The transfers amounted to \$8,085 million in 1997 and are estimated to be \$8,367 million in 1998 and \$8,682 million in 1999.

² Excludes members and officers of the Senate.

³ Excludes reserve components.

