

## 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 and on overseas staffing presence. New this year is a discussion on the full cost of military personnel.

### 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 85). Put simply, one full-time employee counts as one FTE, and two half-time employees also count as one FTE.

### Significant Changes in Civilian Employment

Table 24-1 shows Executive Branch civilian FTE (excluding the U.S. Postal Service) growing by three percent between 2004 and 2008. The primary reason for this growth continues to be mission increases for homeland security and the global war on terrorism. Significant changes by agency are discussed below.

Within the *Department of Commerce*, the Bureau of the Census is preparing for the 2010 Census. Census will conduct a “dress rehearsal” in 2008. They will begin opening regional field offices to prepare for nationwide activities in 2009. Also, they will increase FTE for the data collection phase of the Economic Census. The U.S. Patent and Trademark Office requests additional FTE in an effort to decrease processing times for patent and trademark applications, both of which are increasing.

The *Department of Energy* is increasing its FTE as it continues to oversee the Nation’s effort to improve energy supply and conservation. Increases are also due to a change in the technical skills mix required for the National Nuclear Security Administration (NNSA). The NNSA aggressively shed staff several years ago and is now adding back personnel who are better suited to the current and future program of work.

The *Department of Health and Human Services* is requesting additional FTE due to increased activities in a number of program areas. The majority of the increase is due to the following: 1) Additional staff for the Food and Drug Administration’s generic drug review and post-market drug safety activities; 2) Expanded staff at Indian Health Service health care facilities; 3) Increases in activities related to improved bioterrorism and pandemic influenza preparedness; and 4) Increases in the Public Health Service Commissioned Corps to form two new Health and Medical Response (HAMR) Teams.

Within the *Department of Homeland Security*, Immigration and Customs Enforcement (ICE) has seen a

significant growth in its workforce as a part of the Administration’s efforts to increase border security and to improve interior enforcement of our Nation’s immigration laws. ICE has hired new detention and removal personnel to manage the significant growth in the number of detention beds and additional criminal investigators to increase worksite enforcement, to investigate visa overstays and to combat cross-border smuggling of aliens and goods. In addition, the United States Citizenship and Immigration Services is increasing adjudication and supporting staff as part of its effort to more effectively meet the increasing applications for immigration benefits and services. Lastly, there are increases for aviation and transportation security.

*Department of Justice* FTE increases are due to enhancements in critical law enforcement and counterterrorism related programs. The growth largely occurs within the Federal Prison System as a result of the growing federal prisoner population and in the Federal Bureau of Investigation as it continues its transformation to meet both its law enforcement and counterterrorism responsibilities.

*Department of Transportation’s* workforce growth largely comes from the Federal Aviation Administration (FAA). The FAA plans to increase its FTE for the “Air Traffic Organization” and “Safety and Operations” accounts in 2008 in order to annualize hiring made during 2006, increase personnel for the air traffic control and safety workforces, and implement new directives regarding contract oversight and homeland security.

The *Office of Personnel Management* has gained FTE as it completes the transfer of security investigative personnel from the Department of Defense to OPM.

### Personnel Compensation and Benefits

Table 24-4 displays personnel compensation and benefits (in millions of dollars) for Federal civilian and military personnel of all branches of Government.

Direct compensation of the Federal civilian work force includes base pay and premium pay, such as overtime. In addition, it includes other cash components, such as geographic and other pay differentials (e.g., 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. Military personnel compensation also includes special and incentive pays (e.g., enlistment and reenlistment bonuses), and allowances for clothing, housing, and subsistence.

Personnel benefits for current employees consists of the cost to Government agencies for health insurance, life insurance, Social Security (old age, survivors, disability, and health insurance) contributions to the retirement funds to finance future retirement benefits,

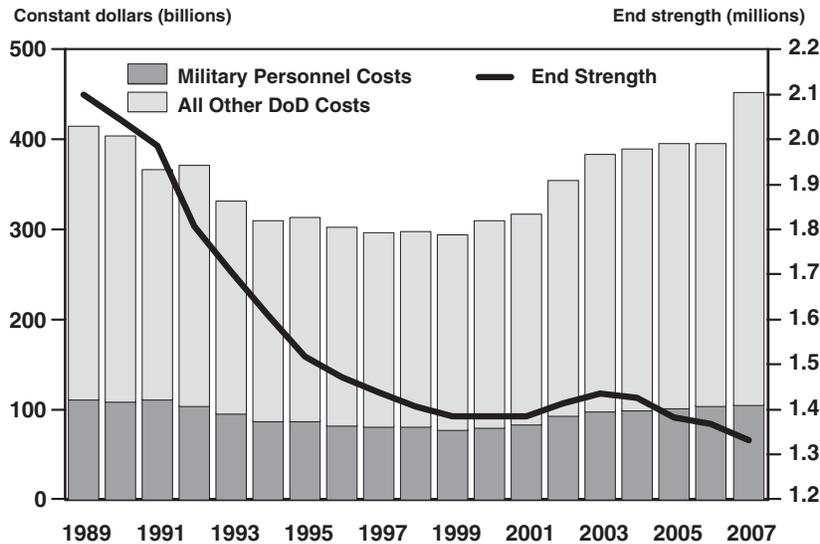
and other items. Compensation for former personnel includes outlays for retirement pay benefits and the Government's share of the cost of health and life insurance.

**Military Compensation**

Since 1989, military end strength has been decreasing, but the cost per person has steadily risen keeping

the percentage of defense spending devoted to military personnel at a near-constant level. In 1989, when there were 800,000 more active duty military personnel on duty, military personnel costs constituted 27 percent of the base budget. The percentage remains about 25 percent now.

**Chart 24-1. Post Cold War End Strength and Spending**



What has driven personnel costs higher?

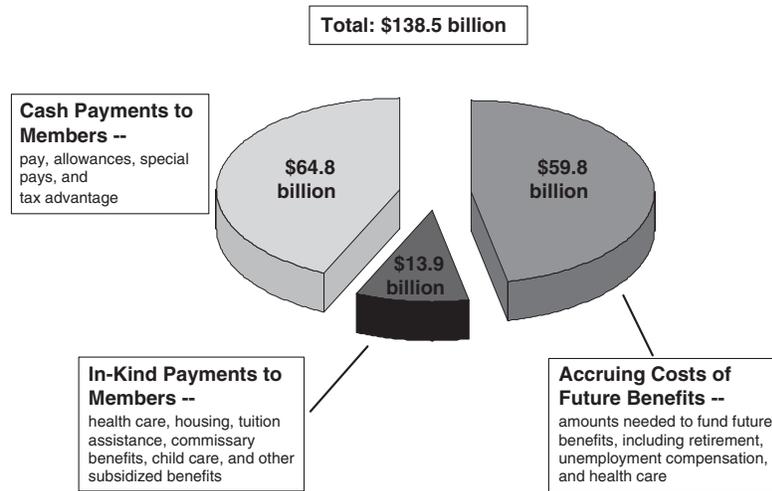
- Increased basic pay by more than 28 percent during this administration alone;
- Increased housing allowances to eliminate the average out-of-pocket housing costs (from approximately 18 percent in the mid-1990s to zero today) as well as the shift from set-percentage increases to the use of surveys to set housing rates;
- Increased health care benefits for both active and reserve forces (increased 95 percent between 2001 and 2005);
- Increased education benefits for both active and reserve forces;

- Increased moving allowances and full replacement value for damaged property;
- Increased post-service benefits, which are financed by investing current funds to ensure money is available in the future;
- Increased special pays and bonuses, and the expansion of eligible populations;
- Increased tax law exemptions to allow service members to claim the Earned Income Tax Credit.

The following chart depicts the average Fiscal Year 2005 peacetime cost to the government of employing service members:

### Chart 24-2. DoD Direct Compensation Costs

Fiscal Year 2005



Basic Data: Department of Defense Program Analysis and Evaluation.

In addition to these costs, the Department of Defense spends more than \$12 billion on non-compensation costs for service members and families for facilities, training, child education, and travel and more than \$42 billion for payments to retirees and survivors. The Department of Veterans Affairs spends nearly \$40 billion on medical care, vocational rehabilitation, compensation, pensions, education, home loans, burial and other services for as many as 70 million veterans and their families.

#### The U.S. Overseas Staffing Presence

There are over 65,000 permanent American and locally hired staff overseas under the authority of Chiefs of Mission (e.g., Ambassadors or Charge d' Affairs at U.S. embassies worldwide). The average cost to support an American position overseas in 2008 is projected to

be about \$505,000, as reported by agencies with personnel overseas. This total includes direct costs, such as salary, benefits, and overseas allowances, and also support costs, such as housing, educational costs for dependents, travel, administrative support, and Capital Security Cost Sharing charges.

The Administration continues to work to improve the safety, efficiency, and accountability in U.S. Government staffing overseas through the Presidential Management Agenda initiative on a Right-sized Overseas Presence. A component of this initiative is developing transparent data on overseas staffing, including the cost of maintaining positions overseas, and incorporating these data in the budget process to better inform decisions makers on overseas staffing levels.

#### Overseas Staffing Under Chief of Mission Authority\*

Total Personnel Overseas Under COM Authority (Including American and Locally Engaged Staff) Projected for 2007	Total American Personnel Overseas Under COM Authority Projected for 2007	Average Cost of a U.S. Direct Hire Overseas Estimated for 2008	New Overseas American Positions Funded in the President's 2008 Budget
65,250	15,400	\$505,000	148

\* As reported by agencies in their 2008 Budget submissions.

**Table 24-1. FEDERAL CIVILIAN EMPLOYMENT IN THE EXECUTIVE BRANCH**

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

Agency	Actual			Estimate		Change: 2004 to 2008	
	2004	2005	2006	2007	2008	FTE's	Percent
<b>Cabinet agencies:</b>							
Agriculture .....	100.5	99.6	97.0	96.9	92.2	-8.3	-8.3%
Commerce .....	34.6	35.1	36.0	37.3	40.7	6.1	17.6%
Defense-military functions .....	650.4	653.0	661.8	667.4	671.9	21.5	3.3%
Education .....	4.4	4.3	4.2	4.2	4.2	-0.2	-4.5%
Energy .....	15.1	14.9	14.7	15.5	16.0	0.9	6.0%
Health and Human Services .....	59.3	59.3	59.1	59.5	61.5	2.2	3.7%
Homeland Security .....	137.3	143.3	144.4	150.3	157.2	19.9	14.5%
Housing and Urban Development .....	10.2	9.9	9.6	9.2	9.5	-0.7	-6.9%
Interior .....	70.7	70.4	68.7	67.7	69.7	-1.0	-1.4%
Justice .....	101.4	103.0	104.2	117.6	112.6	11.2	11.0%
Labor .....	16.5	16.0	15.8	16.2	16.9	0.4	2.4%
State .....	30.0	30.1	30.0	30.6	30.9	0.9	3.0%
Transportation .....	57.3	55.5	53.3	54.4	55.1	-2.2	-3.8%
Treasury .....	113.6	110.0	107.7	108.4	109.0	-4.6	-4.0%
Veterans Affairs .....	218.7	222.0	222.6	225.4	226.5	7.8	3.6%
<b>Other agencies—excluding Postal Service:</b>							
Agency for International Development .....	2.2	2.4	2.4	2.5	2.5	0.3	13.6%
Broadcasting Board of Governors .....	2.3	2.2	2.1	2.2	2.2	-0.1	-4.3%
Corps of Engineers—Civil Works .....	23.5	22.5	22.1	21.7	21.3	-2.2	-9.4%
Environmental Protection Agency .....	17.3	17.5	17.3	17.5	17.3	.....	.....
Equal Employment Opportunity Commission .....	2.5	2.4	2.2	2.4	2.4	-0.1	-4.0%
Federal Deposit Insurance Corporation .....	5.3	4.9	4.5	4.7	4.7	-0.6	-11.3%
General Services Administration .....	12.6	12.5	12.3	12.3	12.3	-0.3	-2.4%
National Aeronautics and Space Administration .....	18.8	18.8	18.3	18.3	18.2	-0.6	-3.2%
National Archives and Records Administration .....	2.8	2.8	2.8	2.8	2.8	.....	.....
National Labor Relations Board .....	1.9	1.8	1.8	1.8	1.7	-0.2	-10.5%
National Science Foundation .....	1.3	1.3	1.3	1.3	1.4	0.1	7.7%
Nuclear Regulatory Commission .....	3.0	3.1	3.2	3.3	3.6	0.6	20.0%
Office of Personnel Management .....	2.8	3.6	4.3	4.9	4.9	2.1	75.0%
Peace Corps .....	1.1	1.0	1.1	1.2	1.1	.....	.....
Railroad Retirement Board .....	1.1	1.0	1.0	1.0	1.0	-0.1	-9.1%
Securities and Exchange Commission .....	3.6	3.9	3.7	3.6	3.6	.....	.....
Small Business Administration .....	3.4	4.1	5.9	3.2	3.2	-0.2	-5.9%
Smithsonian Institution .....	5.1	5.1	5.0	5.0	5.3	0.2	3.9%
Social Security Administration .....	63.9	64.6	63.7	59.9	59.8	-4.1	-6.4%
Tennessee Valley Authority .....	12.0	12.6	13.1	13.3	13.3	1.3	10.8%
All other small agencies .....	14.9	14.8	15.4	16.3	16.4	1.5	10.1%
<b>Total, Executive Branch civilian employment*</b> .....	<b>1,821.1</b>	<b>1,829.6</b>	<b>1,832.8</b>	<b>1,859.7</b>	<b>1,872.8</b>	<b>51.7</b>	<b>2.8%</b>
Subtotal, Defense .....	650.4	653.0	661.8	667.4	671.9	21.5	3.3%
Subtotal, Non-Defense .....	1,170.7	1,176.6	1,171.0	1,192.3	1,200.9	30.2	2.6%

\* 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: 2004 to 2006	
	2004	2005	2006	Positions	Percent
<b>Executive branch civilian employment:</b>					
All agencies except Postal Service and Postal Rate Commission:					
Full-time permanent .....	1,662,990	1,663,043	1,668,529	5,539	0.3%
Other than full-time permanent .....	218,953	209,157	211,474	-7,479	-3.4%
Subtotal .....	1,881,943	1,872,200	1,880,003	-1,940	-0.1%
<b>Postal Service: <sup>1</sup></b>					
Full-time permanent .....	609,579	605,120	602,409	-7,170	-1.2%
Other than full-time permanent .....	158,083	159,090	155,058	-3,025	-1.9%
Subtotal .....	767,662	764,210	757,467	-10,195	-1.3%
Subtotal, Executive branch civilian employment .....	2,649,605	2,636,410	2,637,470	-12,135	-0.5%
<b>Military personnel on active duty: <sup>2</sup></b>					
Department of Defense .....	1,426,836	1,389,394	1,384,968	-41,868	-2.9%
Department of Homeland Security (USCG) .....	40,230	40,710	41,145	915	2.3%
Commissioned Corps (EPA, HHS, NOAA) .....	6,357	6,363	6,240	-117	-1.8%
Subtotal, military personnel .....	1,473,423	1,436,467	1,432,353	-41,070	-2.8%
Subtotal, Executive Branch .....	4,123,028	4,072,877	4,069,823	-53,205	-1.3%
<b>Legislative branch:</b>					
Full-time permanent .....	11,614	11,389	11,165	-449	-3.9%
Other than full-time permanent .....	18,435	19,427	18,321	-114	-0.6%
Subtotal, Legislative Branch .....	30,049	30,816	29,486	-563	-1.9%
<b>Judicial Branch:</b>					
Full-time permanent .....	30,537	30,765	30,577	40	0.1%
Other than full-time permanent .....	3,324	3,299	3,183	-141	-4.2%
Subtotal, Judicial Branch .....	33,861	34,064	33,760	-101	-0.3%
<b>Grand total <sup>3</sup> .....</b>	<b>4,186,938</b>	<b>4,137,757</b>	<b>4,133,069</b>	<b>-53,869</b>	<b>-1.3%</b>
<b>ADDENDUM</b>					
<b>Executive branch civilian personnel (excluding Postal Service):</b>					
DOD civilians—Military functions .....	644,251	648,590	652,716	8,465	1.3%
All other executive branch .....	1,237,692	1,223,610	1,227,287	-10,405	-0.8%
<b>Total .....</b>	<b>1,881,943</b>	<b>1,872,200</b>	<b>1,880,003</b>	<b>-1,940</b>	<b>-0.1%</b>

<sup>1</sup> Includes Postal Rate Commission.<sup>2</sup> Excludes reserve components.<sup>3</sup> 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	2006 Actual	Estimate		Change: 2006 to 2008	
		2007	2008	FTE's	Percent
<b>Executive branch civilian personnel:</b>					
All agencies except Postal Service and Defense .....	1,171,021	1,192,286	1,200,873	29,852	2.5%
Defense-Military functions (civilians) .....	661,789	667,385	671,923	10,134	1.5%
Subtotal, excluding Postal Service .....	1,832,810	1,859,671	1,872,796	39,986	2.2%
Postal Service <sup>1</sup> .....	736,382	716,451	704,645	-31,737	-4.3%
Subtotal, Executive Branch civilian personnel .....	2,569,192	2,576,122	2,577,441	8,249	0.3%
<b>Executive branch uniformed personnel:<sup>2</sup></b>					
Department of Defense .....	1,384,968	1,378,084	1,369,350	-15,618	-1.1%
Department of Homeland Security (USCG) .....	41,145	41,715	41,997	852	2.1%
Commissioned Corps (HHS, EPA, NOAA) .....	6,240	6,337	6,603	363	5.8%
Subtotal, uniformed military personnel .....	1,432,353	1,426,136	1,417,950	-14,403	-1.0%
Subtotal, Executive Branch .....	4,001,545	4,002,258	3,995,391	-6,154	-0.2%
Legislative Branch: Total FTE <sup>3</sup> .....	31,294	32,408	32,813	1,519	4.9%
Judicial branch: Total FTE .....	33,098	33,648	34,129	1,031	3.1%
<b>Grand total</b> .....	<b>4,065,937</b>	<b>4,068,314</b>	<b>4,062,333</b>	<b>-3,604</b>	<b>-0.1%</b>

<sup>1</sup> Includes Postal Rate Commission.<sup>2</sup> Military personnel on active duty. Excludes reserve components.<sup>3</sup> FTE data not available for the Senate (positions filled were used).

TABLE 24-4. PERSONNEL COMPENSATION AND BENEFITS

(In millions of dollars)

Description	2006 Actual	2007 Estimate	2008 Request	Change: 2006 to 2008	
				Dollars	Percent
Civilian personnel costs:					
Executive Branch (excluding Postal Service):					
Direct compensation:					
DOD-military functions .....	42,793	43,412	45,011	2,218	5.2%
All other executive branch .....	87,130	90,409	96,053	8,923	10.2%
Subtotal, direct compensation .....	129,923	133,821	141,064	11,141	8.6%
Personnel benefits:					
DOD-military functions .....	11,638	11,814	12,353	715	6.1%
All other executive branch .....	35,958	36,981	38,428	2,470	6.9%
Subtotal, personnel benefits .....	47,596	48,795	50,781	3,185	6.7%
Subtotal, Executive Branch .....	177,519	182,616	191,845	14,326	8.1%
Postal Service:					
Direct compensation .....	40,578	41,295	41,476	898	2.2%
Personnel benefits .....	13,989	14,005	14,395	406	2.9%
Subtotal .....	54,567	55,300	55,871	1,304	2.4%
Legislative Branch: <sup>1</sup>					
Direct compensation .....	1,842	1,867	2,009	167	9.1%
Personnel benefits .....	504	525	573	69	13.7%
Subtotal .....	2,346	2,392	2,582	236	10.1%
Judicial Branch:					
Direct compensation .....	2,649	2,860	2,985	336	12.7%
Personnel benefits .....	782	859	926	144	18.4%
Subtotal .....	3,431	3,719	3,911	480	14.0%
Total, civilian personnel costs .....	237,863	244,027	254,209	16,346	6.9%
Military personnel costs:					
DOD—Military Functions:					
Direct compensation .....	78,325	85,222	88,774	10,449	13.3%
Personnel benefits .....	42,615	40,114	41,673	-942	-2.2%
Subtotal .....	120,940	125,336	130,447	9,507	7.9%
All other executive branch, uniformed personnel:					
Direct compensation .....	2,579	2,709	2,957	378	14.7%
Personnel benefits .....	987	1,029	1,063	76	7.7%
Subtotal .....	3,566	3,738	4,020	454	12.7%
Total, military personnel costs <sup>2</sup> .....	124,506	129,074	134,467	9,961	8.0%
<b>Grand total, personnel costs .....</b>	<b>362,369</b>	<b>373,101</b>	<b>388,676</b>	<b>26,307</b>	<b>7.3%</b>
<b>ADDENDUM</b>					
Former Civilian Personnel:					
Retired pay for former personnel .....	59,237	62,895	65,593	6,356	10.7%
Government payment for Annuitants:					
Employee health benefits .....	8,360	8,615	9,138	778	9.3%
Employee life insurance .....	41	41	41	.....	.....
Former Military personnel:					
Retired pay for former personnel .....	41,233	43,831	45,846	4,613	11.2%
Military annuitants health benefits .....	7,076	7,680	8,286	1,210	17.1%

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

