

NATIONAL FEDERATION OF FEDERAL EMPLOYEES

Affiliated with the International Association of Machinists and Aerospace Workers, AFL-CIO
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November 2, 2011

Committee on Oversight and Government Reform
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative:

On behalf of the National Federation of Federal Employees and the 110,000 federal employees we represent across 40 different agencies and departments throughout government, I urge you to oppose H.R. 3029, a bill that would make drastic cuts to personnel in the federal workforce. This bill would fail to save tax-payers money and would undermine the critical services that federal workers provide the American people every day. This bill is likely to be considered by the full Committee on Oversight and Government Reform on November 3rd. I urge you to vote "No" on reporting this ill-conceived legislation out of committee.

I testified before the House Subcommittee on the Federal Workforce, U.S. Postal Service, and Labor Policy on May 26, 2011 regarding arbitrary cuts to the federal workforce such as those prescribed in H.R. 3029, which would force a 10 percent reduction in the number of federal employees at all executive branch agencies by 2015. As I testified then, we oppose these arbitrary reductions in the federal workforce because you do not measure the size of government by the number of civilian federal employees (FTEs); you measure the size of government in dollars and cents.

While it may seem logical that if you reduce the federal workforce you have also reduced the size of the federal government, arbitrary reductions in federal agency staff do not truly reduce the size of government at all. Reducing an agency's workforce without a corresponding reduction in the agency's mandate actually tends to increase the size of government, because it forces agencies to rely on contractor employees to meet their workforce needs. In the end, arbitrary staffing limitations tend to cost federal agencies more than they save.

Contracting work to private firms, though economical in some cases, has characteristics that make it expensive for agencies. Contracting out requires the government to conduct contractor oversight, which adds cost if done properly, but is sure to be expensive if not done properly. Private firms have to pay executive salaries, which make private firms more expensive than in-house staff. In addition, contractors have to make a profit.

All these factors make it difficult to deliver contractor services at the same value to the American taxpayers that the civilian federal workforce can. In fact, a September of 2011 study from the Project on Government Oversight found that contractor billing



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rates, i.e. the amount taxpayers actually pay for services, average 83 percent more than what it would cost for federal agencies to do the work in-house.

Forcing additional contracting out by arbitrarily capping the workforce will not save taxpayers money; it will cost them more. While H.R. 3029 language claims to limit shifting work to private sector contractors, a loophole would fail to prevent such a shift. Agencies could move work to contractors when there is a claim of “financial advantage.” This is a gaping loophole that will allow agency heads to continue contracting out to expensive firms.

H.R. 3029 would also be a crushing blow to the critical services on which the American people rely. Federal workers care for our veterans, guard our borders, maintain our military readiness, care for our national forests and parks, and ensure our national security. Cutting the number of employees available to do this critical work will unquestionably hamper federal agencies’ ability to deliver these critical services to the American people.

NFFE strongly opposes this bill. We urge a “No” vote on reporting H.R. 3029 out of committee.

Sincerely,

A handwritten signature in black ink that reads "William R. Dougan". The signature is written in a cursive style with a large, prominent initial "W".

William Dougan
National President