

Forget the hiring freeze, OMB plan could alter the workforce

By: Carten Cordell, FederalTimes, January 30, 2017

While questions remain over the limits of President Donald Trump's recent federal hiring freeze, a larger reshaping of the executive branch is underway.

The Jan. 23 executive order institutes the freeze for 90 days, pending a plan from the directors of the Office of Management and Budget and the Office of Personnel Management "to reduce the size of the federal government's workforce through attrition."

While the hiring freeze has garnered headlines for its loosely-interpreted exemptions of national security and public safety needs, all eyes will be on the OMB plan and what it prioritizes for the federal workforce.

"The impact that this executive order will have in actually doing that is very much up in the air. The more important thing is the Phase 2, which is the creation of the downsizing plan," said Don Kettl, a professor at the University of Maryland's School of Public Policy and a nonresident senior fellow at the Brookings Institution.

"What kind of plan will it be in trying to reduce the size of the federal government through attrition? That really raises two questions: First, does the size of the federal workforce need to be reduced. And the second is, if you are going to reduce it, does it make sense to do it through attrition?"

By using attrition as a tool to whittle down the workforce, the Trump administration would be trying to leverage the increasing number of federal employees eligible for retirement to achieve its goals.

Some estimates have pegged the eligible number of retirees at 40 percent of the total workforce by 2020, which would accomplish the Trump administration's goal, but runs the risk leaving a very large skills gap.

"The one thing we know about doing it through attrition is that you are never going to end up with the kind of workforce that you need because the people that are leaving aren't necessarily the jobs you need to replace," Kettl said. "And the jobs you need to replace aren't necessarily matched by the people who are leaving."

Another feature of the hiring freeze is that it gives the OPM director authority to make exemptions to hiring authority and doesn't prohibit "making reallocations to meet the highest priority needs and to ensure that essential services are not interrupted and national security is not affected."

If the anticipated OMB plan also includes such concessions, agencies will likely to have to make targeted cases for exemptions to hire in needed positions, such as cyber or information technology roles.

"What you typically find at programs such as [Continuous Diagnostics and Mitigation] or Einstein at the Department of Homeland Security, you are going to have attrition rates of somewhere between 25-33 percent just generally," said Chris Cumiskey, a former acting undersecretary for management at the Department of Homeland Security under President Barack Obama.

"So I think that IT and cyber [managers] will be very sensitive to making sure they are filling those positions in the short run, because you really don't know what this is going to end up looking like after the 90 days."

While the Trump hiring freeze may actually lead to run of agency officials seeking hiring exemptions, OMB nominee Mick Mulvaney will have the difficult task of trying to manage workforce expectations while weighing the roles the workforce of the future will need fulfilling.

“If you look at what would be required to be tougher on cybersecurity, if you look at what would be required to build a new wall — that’s really an acquisitions problem,” Kettl said.

“If you look at what a replacement of the Affordable Care Act will mean — it won’t mean zero federal role. It’s going to mean a different federal role, depending on what the Republicans have in mind, and that in turn is going to require a collection of highly-skilled workers who are out there who know how to manage these very complex relationships with private insurance companies. Trying to manage your way to that through attrition-based strategies could prove very difficult.”