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Budget cuts slow federal hiring in Md.

Attrition outpaced new hires in 2012

By: John Fritze – May 2, 2013

Hiring for federal jobs in Maryland has fallen 30 percent since 2008, and for the first time in years is being outpaced by the number of employees retiring or resigning — a trend that has raised concerns among some about the government's ability to deliver services in the future.

The rapid reduction in hiring at Maryland-based federal agencies, a consequence of tighter budgets, mirrors a national trend that analysts say is all but guaranteed to become more pronounced this year as agencies trim spending further under the across-the-board government cuts known as sequestration.

Federal agencies hired 9,837 employees in Maryland last year, down from more than 15,000 in 2010 and 14,050 in 2008, according to the most recent data from the Office of Personnel Management. The number of Maryland-based federal workers who were fired, retired or quit their jobs, meanwhile, rose from 9,384 in 2010 to 10,257 last year.

The combination of slower hiring and more frequent departures could have an impact on the economy in Maryland, where civilian federal jobs account for \$13.4 billion in wages. It could also create gaps in the workforce that some analysts say will affect the ability of federal agencies here to fulfill their missions, whether processing benefits claims or inspecting food.

"What we know is that in most federal agencies the workload is going up," said John Palguta, vice president of the Partnership for Public Service, a nonprofit that encourages careers in government. "Yet their workforce is static or decreasing. The problem is that at some point, something's got to give."

The hiring slowdown is not a surprise, given the focus in Washington on reducing annual \$1 trillion-plus deficits that Republican and Democratic lawmakers alike say are unsustainable. And job cuts through attrition have been common in the private sector during the economic downturn.

Nor does everyone view the trend as negative. Chris Edwards edits a website called downsizinggovernment.org.

"I don't believe the idea that the bureaucracy is cut to the bone at all," said Edwards, an economist at the libertarian Cato Institute. "The private sector somehow manages to produce a little more output every year with fewer and fewer workers. We should demand the same from government."

Officials at federal agencies based in Maryland say that is already happening here.

The Social Security Administration, which has its headquarters in Woodlawn, hired 315 people in Maryland in the last fiscal year, down 79 percent from 1,507 in 2009, according to OPM data. The agency lost more than 3,299 employees in the state over that period, mostly due to retirements.

Nationwide, the agency experienced a net loss of 7,500 employees during the past two years. Spokesman Mark Hinkle said sequestration has also severely reduced overtime, complicating efforts to deal with an ever-shrinking staff.

"With fewer employees and the reduced hours that field offices are open to the public, visitors will wait longer for service — 30 minutes on average and in some locations the wait could exceed two hours," Hinkle said.

Reductions are similar at other federal agencies in Maryland, and among the civilian defense workforce.

The Bethesda-based National Institutes of Health, for example, hired 1,586 people in Maryland in 2012, down 32 percent from 2009. The Food and Drug Administration in Silver Spring hired 1,157 in 2012, compared with 1,558 two years before.

The NIH has lost about 20 percent of its purchasing power since 2003 through flat budgets that have not kept up with medical inflation, the agency said in a statement. The cuts require "that we continue to be extra vigilant in assessing our recruitment and hiring strategies to meet the NIH mission," the statement read.

The Food and Drug Administration did not respond to a request for comment.

Federal agencies employed fewer people in 2011 nationwide than in the past, OPM data show. Civilian executive branch employees numbered fewer than 2.8 million in 2011, less than during the 1970s and most of the 1980s. Civilian employment at federal agencies peaked in 1990 at 3.1 million people — a number that included temporary employees hired to conduct the census.

Since 2008, Gallup has asked government and private-sector employees whether their employer was growing or shrinking. In March, four in 10 federal workers reported that their agency was shrinking. By comparison, just 15 percent of nongovernment workers felt their workplace was getting smaller.

The slowdown might have helped some agencies avoid furloughs expected under sequestration. Most agencies based in Maryland, including Social Security, have avoided forced leave.

Labor unions that represent the workforce say the reductions have caused agencies to rely more heavily on contractors — and there is debate about whether outsourcing represents a savings or added cost. The government spent \$516 billion to buy goods and services in 2012, down from the year before but up 62 percent from a decade ago.

"They keep pushing to have fewer federal employees, which actually costs the taxpayers much more money," said Peter Winch, deputy director of the American Federation of Government Employees. "We've been warning about this for years."