

United States Senate

WASHINGTON, DC 20510

April 4, 2017

The Honorable Gene L. Dodaro
Comptroller General
U.S. Government Accountability Office
441 G St. NW
Washington, DC 20548

Dear Mr. Dodaro:

We write to request that the Government Accountability Office (GAO) conduct a review of the implementation of President Trump's January 23, 2017, Presidential Memorandum (PM), which ordered a hiring freeze for all federal civilian employees.¹

While we applaud efforts to streamline government, ensure efficient operations and encourage good stewardship of taxpayer dollars, we are extremely concerned about the potential for increased government spending and waste under this freeze. In GAO's review of President Carter and Reagan's hiring freezes, it found that agencies used contractors to compensate for in-house resource shortages despite the prohibition against doing so.² GAO found that "the contractor's work satisfied a program need which was expected to continue for at least one year, and could be performed by in-house personnel (i.e., no special expertise was required)."³ Contracting out for tasks that are inherently governmental in nature goes against long-standing federal contracting law and can waste federal resources.⁴ GAO has identified several cases in which contracting was substantially more expensive, in some cases 60% more, than the cost of using respective agency employees to conduct the same work.⁵

While the PM states that contracting should not be used to circumvent the intent of the freeze, this language is almost identical to the language in the Carter and Reagan freezes, which was disregarded by certain agencies that encountered staffing challenges. Additionally, research has shown that staffing shortages provide incentives for agencies to increase its contracting.⁶

We are also concerned that this freeze will do little to save money or reduce the size of the federal workforce. During the previous freezes, GAO found that the Office of Management and

¹ The White House, *Presidential Memorandum Regarding the Hiring Freeze* (Jan. 23, 2017) (www.whitehouse.gov/the-press-office/2017/01/23/presidential-memorandum-regarding-hiring-freeze).

² General Accounting Office, *Recent Government-Wide Hiring Freezes Prove Ineffective In Managing Federal Employment* (GAO-18-21) (Mar. 1982).

³ *Id.*

⁴ Congressional Research Service, *The Relationship Between Federal Personnel Ceilings and Contracting Out: Policy Background and Current Issues* (R80-138) (Aug. 1980).

⁵ *Id.*

⁶ *Id.*

Budget (OMB) failed to identify “either gross savings in salaries and benefits or offsetting costs.”⁷ On the contrary, GAO found that the freezes actually increased certain operational costs and reduced efficiency. GAO also found that “government-wide hiring freezes have not been an effective means of controlling federal employment.”⁸

Finally, we are concerned about the important programs and customer service needs that could be disrupted under this freeze. Across the board cuts and a shrinking of the total federal workforce are not the answer to making the federal government more efficient or effective. GAO found that past government-wide hiring freezes hindered agency missions, caused inefficient staff utilization and clerical shortages, and resulted in lost revenue and uncollected debts.⁹ This freeze could also negatively affect the talent and morale of our workforce. We simply cannot afford these potential shortfalls in our current government operations and our trusted public servants and constituents who rely on these services deserve much better.

As the Ranking Members charged with oversight of federal spending and the federal workforce, we ask that GAO examine:

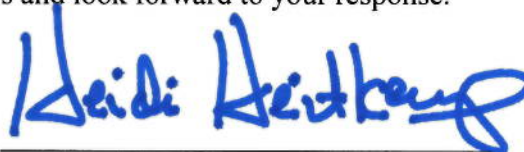
1. The extent to which work formerly done by federal employees is or is likely to be done by contractors and the costs associated with those services;
2. The historical and projected size of the federal workforce and any savings or losses incurred as a result of the freeze;
3. The impact of the freeze on agencies’ budget, mission programs, customer service, workload, morale, retirement, and other employment trends;
4. The guidance and communication from OMB and OPM to agencies throughout the freeze and after a plan to reduce the size of the federal workforce is implemented; and
5. Any lessons learned from the current hiring freeze as well as prior freezes and downsizing efforts that can be applied to similar efforts in the future.

We appreciate your attention to these important matters and look forward to your response.



Gary C. Peters
Ranking Member
Subcommittee on Federal Spending Oversight
and Emergency Management
Senate Homeland Security
and Governmental Affairs Committee

Sincerely,



Heidi Heitkamp
Ranking Member
Subcommittee on Regulatory Affairs
and Federal Management
Senate Homeland Security
and Governmental Affairs Committee

⁷ General Accounting Office, *Recent Government-Wide Hiring Freezes Prove Ineffective In Managing Federal Employment* (GAO-18-21) (Mar.1982).

⁸ *Id.*

⁹ *Id.*