

# GOVERNMENT MANAGERS COALITION

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December 2, 2011

Dear Senator:

As you debate extending the payroll tax holiday beyond its current expiration date of December 31, the undersigned organizations urge you to avoid financing this proposal through further financial hardship to federal employees and decreases to the federal workforce. One such proposal, S. 1931, introduced by Senator Dean Heller (R-Nev.), would pay for an extension of the payroll tax holiday by freezing federal employee pay for an additional three years and arbitrarily reducing the size of the federal workforce. Proposals to freeze federal salaries or cut the federal workforce - which are, on their face, easy decisions given the anti-federal employee climate - fail to take into account the larger picture of the impact on government operations and typically increase costs in the long run.

As you are aware, federal employees are about to enter the second year of a two-year pay freeze approved by Congress and the Administration nearly a year ago. At the time, a call for “shared sacrifice” was made and federal employees were the first to contribute, ultimately forgoing \$60 billion in lost wages. Proposals to pay for the payroll tax holiday have called for these same federal employees to accept another three years’ worth of frozen wages, for a total of five years.

Requiring federal employees to disproportionately sacrifice in the name of deficit reduction is a convenient option, but is simply not equitable. Our country’s unprecedented deficit was not born from rising and exorbitant federal employee salaries, and federal employees should not face an unfair burden simply because they carry out the important work of this country. Eighty-five percent of federal employees live outside of the Washington, D.C. metro area, and many are experiencing the same economic challenges as other Americans. Federal employees are confronting rising health care costs, spouses who have lost jobs, and grown children who have returned home after being unable to find a job in today’s tough economy. Despite claims to the contrary, federal employees are not immune from the economic fluctuations of this country.

Applying another multi-year blanket freeze on federal pay constitutes a reduction in take home pay, which intensifies the financial strain already shouldered by these public servants and does nothing to stimulate our economy. Federal employees should not have to play a disproportionate role in deficit reduction simply because Congress has failed to rein in spending over the last decade. We strongly urge lawmakers to avoid this shortsighted approach to economic stimulus.

Congress should also seriously consider whether arbitrary cuts to the federal workforce will decrease spending in the long run. In the 1990s, the Clinton administration embarked on widespread federal workforce cuts. Over the course of several years, nearly 400,000 federal jobs were eliminated. Although the stated goal was to shrink the government and increase efficiency, the measures ultimately had the opposite effect. Just because a position is eliminated, does not mean the workload leaves with it. Work still needed to be done and agencies had congressionally-mandated missions to meet. In order to meet the needs of their agencies and the American people, federal employees had to do jobs for which they were unqualified or lacked

adequate training, and subsequently more contractors were hired without a strong cost-benefit analysis. Furthermore, agencies accrued growing backlogs, especially at customer-service focused agencies like the Internal Revenue Service and the Social Security Administration.

Additionally, it is worth noting that federal employees and the agencies they serve carry out programs and missions mandated to them by Congress. Eliminating personnel does not give agencies the authority to redirect workloads or change their mission. However, if agencies are granted flexibility to cut specific programs, budgets and personnel can be reduced accordingly. Congress must provide agencies the flexibility to reallocate resources, including personnel, to effectively carry out the programs which are funded. Neglecting to do so could result in waste and inefficiency, exacerbating the very problems attrition proposals claim to address.

Many studies on the effects of the proposals in the 1990s to reduce personnel have concluded that arbitrary measures to cut or force out employees did not make government more efficient and, in fact, cost more in the long-term as agencies eventually had to increase hiring to reduce backlogs. Some of the proposals you are now considering to pay for the payroll tax holiday are similar to those employed during the 1990s, and we encourage you to take a closer look at the effects such proposals have before moving forward with across-the-board workforce cuts.

Thank you for your time and attention to our views. Should you require additional information, please contact Jessica Klement of the Federal Managers Association at [jklement@fedmanagers.org](mailto:jklement@fedmanagers.org).

Sincerely,



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