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Government Plan May Make Private Up to 850,000 Jobs

By RICHARD W. STEVENSON

WASHINGTON, Nov. 14 — The Bush administration said today that it would place as many as 850,000 government jobs — nearly half the federal civilian work force — up for competition from private contractors in coming years.

Officials said the intent was to save money by ensuring the lowest cost for many routine duties like mowing lawns, picking up trash, making eyeglasses and printing paychecks. But the sweeping policy change, which could potentially lead to the shift of many thousands of jobs to the private sector, infuriated union leaders, who are already fighting the White House over labor management rules in the new Homeland Security Department.

They attacked the move as part of a broader effort by the White House to wipe out government jobs, take back Civil Service protections and advance an ideological agenda of cutting the bureaucracy.

The Senate is expected to give final approval soon to legislation establishing the security department largely on Mr. Bush's terms, which include wide latitude to transfer or fire employees. Some experts said exposing much of the government work force to competition for their jobs at the same time Washington is assembling the biggest new government agency in half a century could undermine morale throughout the bureaucracy.

Bobby L. Harnage Sr., the president of the American Federation of Government Employees, a union representing 600,000 federal workers, said Mr. Bush had "declared all-out war on federal employees."

The new policy, which can be enacted without Congressional approval, is a major expansion of a trend that has been taking place in government at all levels for the last two decades. State and local governments as well as Washington have been hiring private companies to pick up trash, run prisons, collect traffic tickets and do much of the other mundane business of government.

In many if not most cases, the changes have gone smoothly, and have been seen as living up to their goals of saving money and improving services, although there have been problems as well.

Until now, the Bush administration had been pressing government agencies to put 15 percent of jobs that are not "inherently governmental" into private competition. Those jobs are defined as "commercial activities," like running cafeterias, making travel arrangements and other tasks that are routinely done in the private sector. The change would not apply to any policy-making or political job, or most managerial ones.

The new policy sets a target of putting half of those jobs out for competition in the next two years or so, and extending this to all 850,000 over the long run.

The federal government's experience so far is that about half the jobs put out for competition end up going to private contractors. Of the jobs that are privatized, according to the White House's Office of Management and Budget, 60 percent go to small businesses and companies owned by women and members of minorities.

"This is intended to get the best deal for taxpayers and to ensure the highest level of government services for the citizens of the United States," said Trent Duffy, the spokesman for the Office of Management and Budget. Mr. Duffy said the change had been in the works since last year, when Mr. Bush laid out a plan for improving the efficiency of the federal government.

Mr. Harnage, of the employees' union, said federal employees almost always had more expertise and experience than outside contractors did in the jobs that are put up for bid. He said there had been many cases in which private contractors either drove up the costs to the government or failed to do the job well.

"This administration is selling the federal government at bargain basement prices to their corporate friends, who then make campaign contributions back," Mr. Harnage said. "This is not about saving money, it's about moving money to the private sector."

Paul C. Light, an expert on the federal bureaucracy at New York University and the Brookings Institution, the liberal-leaning research group, called the administration's policy "an aggressive and a dramatic extension" of the effort by both parties at all levels of government to save money and

improve the quality of public services.

Mr. Light said the Clinton administration had shifted many federal government jobs to private contractors in an effort to show it was reducing the size of government.

"Clinton and Gore were able to say that this was the end of the era of big government by using head count as their measure, but government was still pretty big if you counted people under contracts," he said.

The Bush administration, Mr. Light said, is accelerating its efforts along the same lines at a time when national security needs are leading to an expansion of government despite conservative efforts to push in the opposite direction. After a partisan fight earlier this year, Mr. Bush reluctantly agreed to have airport security workers, once hired by private employers, become federalized.

"They've been talking about this for 18 months, so it's not really a new initiative," Mr. Light said. "But the timing, if it was deliberate, certainly sends a signal to labor that this administration is girding for a long battle over the future of federal jobs. It couldn't be more badly timed to calm the tensions between labor and management that were created by the homeland security bill."

Administration officials have long sought to draw attention to what they say are the excesses and inefficiencies of government. In his budget proposal this year, Mr. Bush noted, under a headline saying "Work Available in the Yellow Pages?" that the veterans department employs more than 18,000 medical technicians and pharmacists, 11,000 lawn maintenance workers, dry-wall hangers, janitors and contractors, and 10,000 cafeteria workers.

The budget said the president's goal was to "create a market-based government unafraid of competition, innovation and choice."

The administration was vague about how much money its initiative might save. The president's budget said savings were on the order of 20 percent, and other officials said 30 percent, enough to save many billions of dollars a year in a \$2 trillion federal budget.

But Mr. Light said firm evidence of savings in the long run was sketchy, in part because private contractors sometimes won the business with low bids and then pushed their prices up after the government work force has been disbanded.

Union officials also cited what they called horror stories of contractors who performed poorly or got into legal or financial trouble after taking over government jobs. Last spring, for example, the Education Department's inspector general concluded that a contractor had improperly kept for itself \$6.6 million in student loan interest payments it had collected.

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