The Daily Dish

DOGE

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The Department of Government Efficiency (DOGE) has undergone a rapid transformation. Initially envisioned as a private-sector advisory board, it was transformed into an executive branch body by a January 20 executive order (EO): "The United States Digital Service is hereby publicly renamed as the United States DOGE Service (USDS) and shall be established in the Executive Office of the President."

In the initial incarnation, its mission was quite narrow: "The USDS Administrator shall commence a Software Modernization Initiative to improve the quality and efficiency of government-wide software, network infrastructure, and information technology (IT) systems."

Anyone watching the news knows that DOGE's activities at USAID or CFPB stretch well past the boundary of improving technologies. So, Eakinomics noted with interest the release of a second DOGE-related EO on Tuesday. "Implementing the President's 'Department of Government Efficiency' Workforce Optimization Initiative" puts DOGE at the center of the president's plans to overhaul the bureaucracy.

The eye-catching part of the plan is the hiring ratio: "The Plan shall require that each agency hire no more than one employee for every four employees that depart, consistent with the plan and any applicable exemptions and details provided for in the Plan."

Effectively, the president has a "one in, four out" rule for employees, similar to his "one in, 10 out" rule for regulations. In addition, the plan envisions widespread layoffs known as Reductions in Force (RIFs) to eliminate any agency activity not tied closely to a statutory requirement or not deemed essential:

> *All offices that perform functions not mandated by statute or other law shall be prioritized in the RIFs, including all agency diversity, equity, and inclusion initiatives;*

> *all agency initiatives, components, or operations that my Administration suspends or closes; and all components and employees performing functions not mandated by statute or other law who are not typically designated as essential during a lapse in appropriations as provided in the Agency Contingency Plans on the Office of Management and Budget website.*

There are further requirements for developing a plan in each agency and an overall report for the federal workforce in 240 days. Obviously, the EO raises some questions:

- Is this dramatic? Yes. But it is also limited as the military is entirely exempted and the hiring ratio "shall not apply to functions related to public safety, immigration enforcement, or law enforcement." Roughly 60 percent of the employees are off limits.
- Is it a big deficit reduction? Absolutely not. The federal government spends roughly $300–$350 billion on personnel. If DOGE were to cut this in half – which is unlikely – it would create only a $150–$175 billion dent in a $2-trillion deficit.
- Does it change the trajectory of the federal workforce? Maybe or maybe not. One can imagine agencies turning to a greater use of outside contractors. Or, after another president takes office, hiring may resume at a rapid pace.

At the same time, DOGE may yet morph again. Stay tuned.