



## Policy Alert: Order to Reduce Federal Workforce

*Updated 14 February 2025*

**Action:** Executive Orders: [Implementing the President’s “Department of Government Efficiency” Workforce Optimization Initiative](#)

**What it does:** The Order directs the Director of the Office of Management and Budget (OMB) to submit a plan to reduce the size of the Federal workforce. In general, each agency may hire no more than one employee for every four employees who depart. However, this does not apply to the Internal Revenue Service or to functions related to public safety, immigration enforcement, or law enforcement. The Order also directs agencies to prepare for large-scale reductions in force (RIFs) and to submit a report to OMB within 30 days that considers whether the agency or any parts of the agency should be eliminated or consolidated. The Order also assigns significant authority to the DOGE Team Lead assigned to each agency, including which vacancies should be filled, unless overruled by the agency head, and consultative roles in hiring decisions.

### Key Insights

- This Order contemplates the steps agencies will take after the expiration of the current 90-day hiring freeze with the intention that significantly limiting hiring will help reduce the size of the workforce. It also reflects the end of the “Fork in the Road” buyout offer effective Wednesday evening; the Administration [says](#) that about 75,000 employees accepted the [buyout](#).
- The Administration plans to use RIFs to help achieve their workforce reduction

efforts; however, RIFs are [governed](#) by strict regulations and processes that could limit their utility. For example, RIFs must prioritize retaining individuals with the longest service rather than those with the highest performance. In addition, RIFs must be implemented on an agency-by-agency basis.

- The Order reflects the growing influence DOGE has in the Administration. On February 11, [reports](#) indicated that DOGE recommendations led to the cancellation of \$900 million in Department of Education research contracts that fund the collection of data about the performance of students in approximately 130,000 US schools.
- The President also released a separate [Executive Order](#) stating that Foreign Service officers would face professional discipline, including separation, for “failure to faithfully implement the President’s [foreign] policy.” According to a [press report](#), the American Foreign Service Association stated that it is still assessing the impact of the order, but noted that Foreign Service officers “carry out the foreign policy initiatives of the president, regardless of party.”

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