

FY 2017

CONGRESSIONAL BUDGET JUSTIFICATION

DEPARTMENTAL MANAGEMENT

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DEPARTMENTAL MANAGEMENT

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APPROPRIATION LANGUAGE

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for Departmental Management, including the hire of three passenger motor vehicles, [\$334,065,000] \$387,615,000, together with not to exceed [\$308,000] \$310,000, which may be expended from the Employment Security Administration account in the Unemployment Trust Fund: *Provided*, That [\$59,825,000] \$67,825,000 for the Bureau of International Labor Affairs shall be available for obligation through December 31, [2016] 2017: *Provided further*, That funds available to the Bureau of International Labor Affairs may be used to administer or operate international labor activities, bilateral and multilateral technical assistance, and microfinance programs, by or through contracts, grants, subgrants and other arrangements: *Provided further*, That not more than [\$53,825,000] \$58,825,000 shall be for programs to combat exploitative child labor internationally and not less than [\$6,000,000] \$9,000,000 shall be used to implement model programs that address worker rights issues through technical assistance in countries with which the United States has free trade agreements or trade preference programs: *Provided further*, That [\$8,040,000] \$9,500,000 shall be used for program evaluation and shall be available for obligation through September 30, [2017] 2018: *Provided further*, That funds available for program evaluation may be used to administer grants for the purpose of evaluation: *Provided further*, That grants made for the purpose of evaluation shall be awarded through fair and open competition: *Provided further*, That funds available for program evaluation may be transferred to any other appropriate account in the Department for such purpose:

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Provided further, That the Committees on Appropriations of the House of Representatives and the Senate are notified at least 15 days in advance of any transfer:

Provided further, That the funds available to the Women's Bureau may be used for grants to serve and promote the interests of women in the workforce[.]: *Provided further*, That \$2,200,000 shall be used for a Digital Service team to ensure the effectiveness of the agency's digital services for high-priority programs. (Department of Labor Appropriations Act, 2016.)

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EXPLANATION OF LANGUAGE CHANGES

“...Provided further, That \$2,200,000 shall be used for a Digital Service Team to ensure the effectiveness of the agency's digital services for high-priority programs.”

The Digital Service team will be a critical part of ensuring the effectiveness of the Department's digital services for the various high-priority programs. This language will highlight and institutionalize this effort.

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| AMOUNTS AVAILABLE FOR OBLIGATION | | | | | | |
|---|----------------------------|------------------|----------------------------|------------------|----------------------------|------------------|
| (Dollars in Thousands) | | | | | | |
| | FY 2015 Enacted | | FY 2016 Enacted | | FY 2017 Request | |
| | FTE | Amount | FTE | Amount | FTE | Amount |
| A. Appropriation | 1,248 | \$337,621 | 1,240 | \$334,065 | 1,386 | \$387,615 |
| Reimbursements | 132 | \$112,061 | 140 | \$133,303 | 160 | \$133,303 |
| Trust Funds - Black Lung | 127 | \$30,403 | 146 | \$30,279 | 146 | \$30,594 |
| Trust Funds - Unemployment Trust Fund | 2 | \$308 | 2 | \$308 | 2 | \$310 |
| Reduction Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985 | 0 | -\$2,219 | 0 | -\$2,059 | 0 | \$0 |
| Transfers for Program Evaluation and ILAB | 0 | \$31,771 | 0 | \$5,554 | 0 | \$0 |
| Unobligated Balance Carried Forward | 0 | \$54,292 | 0 | \$51,308 | 0 | \$0 |
| <i>Subtotal</i> | <i>1,509</i> | <i>\$564,237</i> | <i>1,528</i> | <i>\$552,758</i> | <i>1,694</i> | <i>\$551,822</i> |
| B. Gross Budget Authority | 1,509 | \$564,237 | 1,528 | \$552,758 | 1,694 | \$551,822 |
| Reimbursements | -132 | -\$112,061 | -140 | -\$133,303 | -160 | -\$133,303 |
| IT Consolidation from Adjudication | 0 | \$0 | -3 | \$0 | 0 | \$0 |
| Transfers for Program Evaluation and ILAB | 0 | -\$31,771 | 0 | -\$5,554 | 0 | \$0 |
| Unobligated Balance Carried Forward | 0 | -\$54,292 | 0 | -\$51,308 | 0 | \$0 |
| <i>Subtotal</i> | <i>1,377</i> | <i>\$366,113</i> | <i>1,385</i> | <i>\$362,593</i> | <i>1,534</i> | <i>\$418,519</i> |
| C. Budget Authority Before Committee | 1,377 | \$366,113 | 1,385 | \$362,593 | 1,534 | \$418,519 |
| Reimbursements | 132 | \$112,061 | 140 | \$133,303 | 160 | \$133,303 |
| IT Consolidation | 8 | \$0 | 20 | \$0 | 0 | \$0 |
| Unobligated Balance Carried Forward | 0 | \$54,292 | 0 | \$51,308 | 0 | \$0 |
| <i>Subtotal</i> | <i>1,517</i> | <i>\$532,466</i> | <i>1,545</i> | <i>\$547,204</i> | <i>1,694</i> | <i>\$551,822</i> |
| D. Total Budgetary Resources | 1,517 | \$532,466 | 1,545 | \$547,204 | 1,694 | \$551,822 |
| Unobligated Balance End of Year | 0 | -\$51,308 | 0 | \$0 | 0 | \$0 |
| Direct FTE Lapse and Unobligated Balance Expiring | -32 | -\$527 | 0 | \$0 | 0 | \$0 |
| Reimbursable FTE Lapse and Unobligated Balance Expiring | -4 | -\$45,116 | 0 | \$0 | 0 | \$0 |
| E. Total, Estimated Obligations | 1,481 | \$435,515 | 1,545 | \$547,204 | 1,694 | \$551,822 |

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SUMMARY OF CHANGES

(Dollars in Thousands)

| | FY 2016 Enacted | FY 2017 Request | Net Change |
|----------------------------------|--------------------|--------------------|------------------|
| Budget Authority | | | |
| General Funds | \$334,065 | \$387,615 | +\$53,550 |
| Trust Funds | \$28,528 | \$30,904 | +\$2,376 |
| Total | \$362,593 | \$418,519 | +\$55,926 |
| Full Time Equivalents | | | |
| General Funds | 1,237 | 1,386 | 149 |
| Trust Funds | 148 | 148 | 0 |
| Total | 1,385 | 1,534 | 149 |

FY 2017 Change

| Explanation of Change | FY 2016 Base | | Trust Funds | | General Funds | | Total | |
|--|--------------|-----------|-------------|--------|---------------|---------|-------|---------|
| | FTE | Amount | FTE | Amount | FTE | Amount | FTE | Amount |
| Increases: | | | | | | | | |
| A. Built-Ins: | | | | | | | | |
| To Provide For: | | | | | | | | |
| Costs of pay adjustments | 1,322 | \$161,266 | 0 | \$285 | 0 | \$2,442 | 0 | \$2,727 |
| Personnel benefits | 0 | \$44,997 | 0 | \$107 | 0 | \$872 | 0 | \$979 |
| Two days less of Pay | 0 | \$0 | 0 | \$0 | 0 | \$0 | 0 | \$0 |
| Federal Employees' Compensation Act (FECA) | 0 | \$0 | 0 | \$0 | 0 | \$0 | 0 | \$0 |
| Benefits for former personnel | 0 | \$15 | 0 | \$0 | 0 | \$0 | 0 | \$0 |
| Travel and transportation of persons | 0 | \$3,583 | 0 | \$0 | 0 | \$0 | 0 | \$0 |
| Transportation of things | 0 | \$39 | 0 | \$0 | 0 | \$0 | 0 | \$0 |
| Rental payments to GSA | 0 | \$19,515 | 0 | \$78 | 0 | \$590 | 0 | \$668 |
| Rental payments to others | 0 | \$21 | 0 | \$0 | 0 | \$0 | 0 | \$0 |
| Communications, utilities, and miscellaneous charges | 0 | \$1,721 | 0 | \$0 | 0 | \$0 | 0 | \$0 |
| Printing and reproduction | 0 | \$160 | 0 | \$0 | 0 | \$0 | 0 | \$0 |
| Advisory and assistance services | 0 | \$0 | 0 | \$0 | 0 | \$0 | 0 | \$0 |
| Other services from non-Federal sources | 0 | \$4,953 | 0 | \$0 | 0 | \$0 | 0 | \$0 |
| Working Capital Fund | 0 | \$35,328 | 0 | \$0 | 0 | \$1,926 | 0 | \$1,926 |
| Other Federal sources (Census Bureau) | 0 | \$0 | 0 | \$0 | 0 | \$0 | 0 | \$0 |
| Other Federal sources (DHS Charges) | 0 | \$1,296 | 0 | \$0 | 0 | \$0 | 0 | \$0 |
| Other goods and services from Federal sources | 0 | \$3,771 | 0 | \$0 | 0 | \$0 | 0 | \$0 |
| Research & Development Contracts | 0 | \$4 | 0 | \$0 | 0 | \$0 | 0 | \$0 |
| Operation and maintenance of facilities | 0 | \$2,068 | 0 | \$0 | 0 | \$0 | 0 | \$0 |

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| Explanation of Change | FY 2017 Change | | | | | | | |
|--|----------------|-------------------|-------------|-----------------|---------------|------------------|------------|------------------|
| | FY 2016 Base | | Trust Funds | | General Funds | | Total | |
| | FTE | Amount | FTE | Amount | FTE | Amount | FTE | Amount |
| Operation and maintenance of equipment | 0 | \$7,933 | 0 | \$0 | 0 | \$0 | 0 | \$0 |
| Supplies and materials | 0 | \$1,764 | 0 | \$0 | 0 | \$0 | 0 | \$0 |
| Equipment | 0 | \$1,508 | 0 | \$0 | 0 | \$0 | 0 | \$0 |
| Grants, subsidies, and contributions | 0 | \$60,825 | 0 | \$0 | 0 | \$0 | 0 | \$0 |
| Insurance claims and indemnities | 0 | \$10 | 0 | \$0 | 0 | \$0 | 0 | \$0 |
| Built-Ins Subtotal | 1,322 | +\$350,777 | 0 | +\$470 | 0 | +\$5,830 | 0 | +\$6,300 |
| B. Programs: | | | | | | | | |
| Legal Services Increases to Support SOL Client Agencies' Requests | 649 | \$132,812 | 0 | \$0 | 56 | \$10,903 | 56 | \$10,903 |
| Strengthening Monitoring and Enforcement of FTA Labor Provisions and Workers' Rights Programming in Trading Partners | 111 | \$94,517 | 0 | \$0 | 14 | \$9,150 | 14 | \$9,150 |
| Restoration of Inflationary Built-ins Not Provided in FY 2016 Omnibus | 649 | \$132,812 | 0 | \$0 | 0 | \$6,056 | 0 | \$6,056 |
| ILAB Restoration Grants from Omnibus | 0 | \$0 | 0 | \$0 | 0 | \$5,000 | 0 | \$5,000 |
| PERM Program Increase for OALJ | 0 | \$0 | 0 | \$0 | 21 | \$2,684 | 21 | \$2,684 |
| Implementation of Fair Pay and Safe Workplaces Executive Order | 0 | \$0 | 0 | \$0 | 15 | \$2,620 | 15 | \$2,620 |
| Digital Services Team | 0 | \$0 | 0 | \$0 | 11 | \$2,200 | 11 | \$2,200 |
| Digital Government Integration Platform Support | 0 | \$0 | 0 | \$0 | 11 | \$2,020 | 11 | \$2,020 |
| Departmental Training Initiative | 0 | \$0 | 0 | \$0 | 3 | \$2,000 | 3 | \$2,000 |
| Sequestration Restoration for Adjudication | 0 | \$0 | 0 | \$1,511 | 0 | \$0 | 0 | \$1,511 |
| Departmental Program Evaluation Increase | 0 | \$0 | 0 | \$0 | 0 | \$1,460 | 0 | \$1,460 |
| Idea Lab | 0 | \$0 | 0 | \$0 | 1 | \$1,000 | 1 | \$1,000 |
| Paid Leave Grants Program | 54 | \$11,788 | 0 | \$0 | 0 | \$1,000 | 0 | \$1,000 |
| Civil Rights Center External Enforcement Increase | 0 | \$0 | 0 | \$0 | 4 | \$868 | 4 | \$868 |
| Program Evaluation for Workforce Training | 0 | \$0 | 0 | \$0 | 5 | \$659 | 5 | \$659 |
| Suspension and Debarment Program | 0 | \$0 | 0 | \$0 | 4 | \$640 | 4 | \$640 |
| Sequestration Restoration for Legal Services | 0 | \$7,504 | 0 | \$548 | 0 | \$0 | 0 | \$548 |
| Training Provider Scorecard | 0 | \$0 | 0 | \$0 | 3 | \$500 | 3 | \$500 |
| GSA Contributions | 0 | \$0 | 0 | \$0 | 0 | \$263 | 0 | \$263 |
| WIOA Evaluation Staff | 9 | \$1,100 | 0 | \$0 | 1 | \$160 | 1 | \$160 |
| Programs Subtotal | | | 0 | +\$2,059 | 149 | +\$49,183 | 149 | +\$51,242 |
| Total Increase | 1,322 | +\$350,777 | 0 | +\$2,529 | 149 | +\$55,013 | 149 | +\$57,542 |
| Decreases: | | | | | | | | |
| A. Built-Ins: | | | | | | | | |
| To Provide For: | | | | | | | | |
| Two days less of Pay | 63 | \$1,433 | 0 | -\$153 | 0 | -\$1,295 | 0 | -\$1,448 |

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| Explanation of Change | FY 2017 Change | | | | | | | |
|--|----------------|-------------------|-------------|-----------------|---------------|------------------|------------|------------------|
| | FY 2016 Base | | Trust Funds | | General Funds | | Total | |
| | FTE | Amount | FTE | Amount | FTE | Amount | FTE | Amount |
| Federal Employees' Compensation Act (FECA) | 0 | \$476 | 0 | \$0 | 0 | -\$167 | 0 | -\$167 |
| Advisory and assistance services | 0 | \$9,907 | 0 | \$0 | 0 | -\$1 | 0 | -\$1 |
| Built-Ins Subtotal | 63 | +\$11,816 | 0 | -\$153 | 0 | -\$1,463 | 0 | -\$1,616 |
| B. Programs: | | | | | | | | |
| Total Decrease | 63 | +\$11,816 | 0 | -\$153 | 0 | -\$1,463 | 0 | -\$1,616 |
| Total Change | 1,385 | +\$362,593 | 0 | +\$2,376 | 149 | +\$53,550 | 149 | +\$55,926 |

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| SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY (Dollars in Thousands) | | | | | | | | |
|---|----------------------------|----------------|----------------------------|----------------|----------------------------|----------------|--|---------------|
| | FY 2015 Enacted | | FY 2016 Enacted | | FY 2017 Request | | Diff. FY17 Request / FY16 Enacted | |
| | FTE | Amount | FTE | Amount | FTE | Amount | FTE | Amount |
| Program Direction and Support | 136 | 31,010 | 136 | 31,010 | 161 | 37,406 | 25 | 6,396 |
| General Funds | 136 | 31,010 | 136 | 31,010 | 161 | 37,406 | 25 | 6,396 |
| | | | | | | | | |
| Legal Services | 646 | 133,787 | 649 | 132,812 | 705 | 148,807 | 56 | 15,995 |
| General Funds | 611 | 126,136 | 614 | 125,000 | 670 | 140,374 | 56 | 15,374 |
| Unemployment Trust Funds | 2 | 308 | 2 | 308 | 2 | 310 | 0 | 2 |
| Black Lung Disability Trust Funds | 33 | 7,343 | 33 | 7,504 | 33 | 8,123 | 0 | 619 |
| | | | | | | | | |
| International Labor Services | 109 | 91,125 | 112 | 86,125 | 126 | 101,230 | 14 | 15,105 |
| General Funds | 109 | 91,125 | 112 | 86,125 | 126 | 101,230 | 14 | 15,105 |
| | | | | | | | | |
| Administration and Management | 111 | 28,413 | 111 | 28,413 | 140 | 36,604 | 29 | 8,191 |
| General Funds | 111 | 28,413 | 111 | 28,413 | 140 | 36,604 | 29 | 8,191 |
| | | | | | | | | |
| Adjudication | 240 | 50,261 | 271 | 52,716 | 292 | 58,796 | 21 | 6,080 |
| General Funds | 154 | 29,420 | 158 | 32,000 | 179 | 36,325 | 21 | 4,325 |
| Black Lung Disability Trust Funds | 86 | 20,841 | 113 | 20,716 | 113 | 22,471 | 0 | 1,755 |
| | | | | | | | | |
| Women's Bureau | 49 | 11,536 | 52 | 11,536 | 52 | 12,902 | 0 | 1,366 |
| General Funds | 49 | 11,536 | 52 | 11,536 | 52 | 12,902 | 0 | 1,366 |
| | | | | | | | | |
| Civil Rights | 37 | 6,880 | 37 | 6,880 | 41 | 8,041 | 4 | 1,161 |
| General Funds | 37 | 6,880 | 37 | 6,880 | 41 | 8,041 | 4 | 1,161 |
| | | | | | | | | |

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| SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY | | | | | | | | |
|---|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------------------------|---------------|
| (Dollars in Thousands) | | | | | | | | |
| | FY 2015 Enacted | | FY 2016 Enacted | | FY 2017 Request | | Diff. FY17 Request / FY16 Enacted | |
| | FTE | Amount | FTE | Amount | FTE | Amount | FTE | Amount |
| Chief Financial Officer | 17 | 5,061 | 17 | 5,061 | 17 | 5,233 | 0 | 172 |
| General Funds | 17 | 5,061 | 17 | 5,061 | 17 | 5,233 | 0 | 172 |
| Departmental Program Evaluation | 0 | 8,040 | 0 | 8,040 | 0 | 9,500 | 0 | 1,460 |
| General Funds | 0 | 8,040 | 0 | 8,040 | 0 | 9,500 | 0 | 1,460 |
| Total | 1,345 | 366,113 | 1,385 | 362,593 | 1,534 | 418,519 | 149 | 55,926 |
| General Funds | 1,224 | 337,621 | 1,237 | 334,065 | 1,386 | 387,615 | 149 | 53,550 |
| Unemployment Trust Funds | 2 | 308 | 2 | 308 | 2 | 310 | 0 | 2 |
| Black Lung Disability Trust Funds | 119 | 28,184 | 146 | 28,220 | 146 | 30,594 | 0 | 2,374 |

NOTE: 2015 reflects actual FTE.

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| BUDGET AUTHORITY BY OBJECT CLASS | | | | | |
|---|--|--------------------|--------------------|--------------------|--|
| (Dollars in Thousands) | | | | | |
| | | FY 2015 Enacted | FY 2016 Enacted | FY 2017 Request | Diff. FY17 Request / FY16 Enacted |
| | Full-Time Equivalent | | | | |
| | Full-time Permanent | 1,377 | 1,385 | 1,534 | 149 |
| | Reimbursable | 78 | 160 | 160 | 0 |
| | Total | 1,455 | 1,545 | 1,694 | 148 |
| | Average ES Salary | \$162,357 | \$166,854 | \$168,573 | \$1,719 |
| | Average GM/GS Grade | 12/5 | 13/7 | 13/7 | 0 |
| | Average GM/GS Salary | \$105,179 | \$107,948 | \$109,067 | \$1,119 |
| | Average Salary of Ungraded Positions | 163,223 | 166,013 | 167,723 | 1,710 |
| | | | | | |
| 11.1 | Full-time permanent | 156,720 | 159,115 | 177,292 | 18,177 |
| 11.3 | Other than full-time permanent | 818 | 1,167 | 1,167 | 0 |
| 11.5 | Other personnel compensation | 1,538 | 1,415 | 1,415 | 0 |
| 11.8 | Special personal services payments | 6 | 12 | 12 | 0 |
| 11.9 | Total personnel compensation | 159,082 | 161,709 | 179,886 | 18,177 |
| 12.1 | Civilian personnel benefits | 42,454 | 46,463 | 52,744 | 6,281 |
| 13.0 | Benefits for former personnel | 18 | 15 | 15 | 0 |
| 21.0 | Travel and transportation of persons | 4,010 | 3,583 | 4,566 | 983 |
| 22.0 | Transportation of things | 15 | 39 | 39 | 0 |
| 23.1 | Rental payments to GSA | 19,920 | 19,515 | 21,581 | 2,066 |
| 23.2 | Rental payments to others | 26 | 21 | 53 | 32 |
| 23.3 | Communications, utilities, and miscellaneous charges | 1,870 | 1,721 | 1,868 | 147 |
| 24.0 | Printing and reproduction | 280 | 160 | 192 | 32 |
| 25.1 | Advisory and assistance services | 12,236 | 9,907 | 14,104 | 4,197 |
| 25.2 | Other services from non-Federal sources | 9,290 | 4,953 | 8,615 | 3,662 |
| 25.3 | Other goods and services from Federal sources 1/ | 35,302 | 40,395 | 45,023 | 4,628 |
| 25.4 | Operation and maintenance of facilities | 1,263 | 2,068 | 2,071 | 3 |
| 25.5 | Research and development contracts | 65 | 4 | 4 | 0 |
| 25.7 | Operation and maintenance of equipment | 9,285 | 7,933 | 13,853 | 5,920 |
| 26.0 | Supplies and materials | 2,719 | 1,764 | 2,008 | 244 |
| 31.0 | Equipment | 1,950 | 1,508 | 2,059 | 551 |
| 41.0 | Grants, subsidies, and contributions | 66,325 | 60,825 | 69,825 | 9,000 |
| 42.0 | Insurance claims and indemnities | 3 | 10 | 13 | 3 |
| 51.1 | Benefits | 0 | 0 | 0 | 0 |
| 99.0 | Other Fund Sources | 0 | 0 | 0 | 0 |
| | Total | 366,113 | 362,593 | 418,519 | 55,926 |
| | | | | | |
| | 1/Other goods and services from Federal sources | | | | |
| | Working Capital Fund | 29,564 | 35,328 | 37,254 | 1,926 |
| | DHS Services | 873 | 1,296 | 1,296 | 0 |
| | Services by DOL Agencies | 1,596 | 655 | 655 | 0 |
| | Services by Other Government Departments | 2,160 | 2,926 | 5,365 | 2,439 |
| | GSA Services | 823 | 3 | 266 | 263 |
| | HHS Services | 36 | 36 | 36 | 0 |

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SIGNIFICANT ITEMS IN FY 2016 APPROPRIATIONS' REPORTS

House Report 114-195: ILAB. The Committee is concerned by the findings of GAO in its May 2014 report, “International Labor Grants: Labor Should Improve Management of Key Award Documentation” and in its September 2014 report, “International Labor Grants: DOL’s Use of Financial and Performance Monitoring Tools Needs to be Strengthened.” The Committee is not convinced that ILAB has the capacity to effectively manage a large and complex grant program. The Committee is also concerned that lack of demand results in funding for projects that are at higher risk of not achieving ILAB's program goals. The Committee directs ILAB to implement GAO's recommendations to provide guidance regarding document retention, demonstrate award requirements are met, ensure effective implementation of guidance, and provide guidance regarding the submission and review of financial and performance reports.

Response: ILAB has developed and implemented a strong framework for financial accountability and effective monitoring and evaluation of technical assistance grants prior to and in response to the Government Accountability Office (GAO) reports on international labor grants. The rigorous oversight mechanisms for ILAB’s portfolio of projects include regular reporting and engagements with grantees and key stakeholders, site visits, attestation engagements, audits, and mid-term and final evaluations in addition to other project management activities. The GAO reports included recommendations to help strengthen the management of documentation and financial and performance monitoring of ILAB’s grants, and ILAB concurred with all six of the recommendations contained in the two reports. ILAB then used the recommendations and engagement with GAO to develop additional guidance, practices, processes, and training to address all of the recommendations.

GAO has since closed the four recommendations related to financial and performance monitoring contained in the September 2014 report, and ILAB is in the process of completing its work on the two outstanding recommendations from the May 2014 report. Those recommendations seek to ensure that grant award files contain all of the necessary documentation to reflect that the grantee met all specified requirements and that there is a mechanism in place to institutionalize those filing practices. ILAB’s grants management office developed a checklist and strengthened its processes and procedures to improve its document management in compliance with the recommendations, and ILAB continues to work with its grants management office and GAO to fine-tune the checklist and update procedures to ensure that the concerns are addressed and the recommendations are closed.

House Report 114-195: Chief Evaluation Office. The Committee urges the Department to use its evaluation authority to identify and eliminate areas of duplication and to follow through on evaluation findings with budget proposals to allocate funding to the programs, projects and activities that demonstrate the best results and to improve upon or eliminate those that do not.

Response: The Department is committed to using rigorous evaluation and analysis to make informed decisions about programs and budgets through the Chief Evaluation Office’s (CEO) strategic approach used to develop the annual evaluation plan, incorporating lessons and findings from performance analysis and evaluations to ensure programs meet their statutory missions and priorities.

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The Department's evidence-based strategy includes using findings from evaluations and performance measures to promote high performance department-wide. The Department's evaluation agenda includes building evidence through formal rigorous evaluations using experimental and non-experimental causal designs, conducting statistical analysis of factors associated with performance and outcomes, and identifying potentially promising strategies and models that should be formally tested and evaluated. In addition, the agenda includes improving data quality, access to data needed for evaluations, and expanding data analytics for program evaluation and performance.

Of course, building and expanding the evidence base related to any given program means replicating and "scaling" strategies and models on which there are positive findings from one or more evaluations to ensure that decisions made are appropriate. It is critical to test promising strategies in different organizational and geographic settings, in order to make the most informed decisions about budgets and programs. Some important findings from evaluations have been recently used to expand or replicate strategies, including Registered Apprenticeship programs, sectoral/industry job training models, and comprehensive models for low-income youth such as the National Guard Youth Challenge, Career Academies, and Re-employment Assistance Services for Unemployment Insurance Recipients. These are examples of models on which there is accumulating positive evidence from one or more rigorous evaluations that have been important to decisions to expand the programs. The Department remains committed to continue to use evaluation findings for program decision-making.

Senate Report 114-74: Conferences. The Committee notes a report issued on March 31, 2015, by the Department's Inspector General Office of Audit which outlines significant failures by the Department to comply with Federal requirements for the costs, approvals, and reporting of employee conferences. These requirements stem from appropriations law, Executive order, and the Office of Management and Budget direction to ensure that conference expenses are appropriate, necessary, and managed in a manner that minimizes expense to taxpayers. The Inspector General found that DOL did not obtain required approval for every conference it sponsored costing greater than \$100,000, it failed to disclose five of these conferences, and two were not reported to the Inspector General as required. The audit also noted that other conferences were not reported and that, due to omissions of some categories of costs, the Department's claim that it met total conference cost reduction targets could not be verified. The Department is strongly urged to improve its adherence to conference cost reduction requirements and to cooperate with the OIG to strengthen internal controls, compliance, and reporting procedures.

Response: All conferences cited in the Office of the Inspector General (OIG) report were approved through the Department's established, formal approval process that reviewed conference expenses and locations to ensure they were appropriate, necessary, managed in a manner that minimized expense to taxpayers, and complied with Federal Travel and Acquisition Regulations. The conferences that were not posted were all conferences held to provide federal staff training. At that time, the Office of the Chief Financial Officer (OCFO) did not believe such conferences were required to be posted since they were training. When clarification regarding the definition of training for conference approval and reporting purposes was received from the

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OIG, the OCFO agreed to follow all conference approval and reporting requirements for training sponsored by DOL in conference settings. The OCFO has issued updated guidance to define a conference as a meeting, training, retreat, seminar, or similar event that is sponsored or co-sponsored by DOL and involves the use of DOL resources or funds for expenses related to the event. Additionally, the OCFO provided information to the OIG to demonstrate that travel costs were reduced by nearly 40 percent below the required FY 2010 levels, which exceeded the OMB M-12-12 requirement. The OIG considers all conference related recommendations closed. The Department is strongly committed to ensuring all requirements imposed by appropriations law, Executive Order, the Office of Management and Budget (OMB), and Congress are met.

House Report Section 526: Not later than 30 days after the end of each calendar quarter, beginning with the first quarter of fiscal year 2013, the Department of Labor, Health and Human Services and Education and the Social Security Administration shall provide the Committees on Appropriations of the House of Representatives and Senate a quarterly report on the status of balances of appropriations: Provided, that for balances that are unobligated and uncommitted, committed, and obligated but unexpended, the quarterly reports shall separately identify the amounts attributable to each source year of appropriation (beginning with fiscal year 2012, or, to the extent feasible, earlier fiscal years) from which balances were derived.

Response: The Department will provide a report on the status of balances of appropriations in the timeframe requested.

DEPARTMENTAL MANAGEMENT

AUTHORIZING STATUTES

| Public Law / Act | Legislation | Statute No. / US Code | Volume No. | Page No. | Expiration Date |
|---------------------|---|--|---------------|-------------|--------------------|
| | Bureau of International Labor Affairs (ILAB) | | | | |
| Pub. L. 101-179 | Support for East European Democracy (SEED) Act of 1989 | 22 U.S.C. 5401 et seq. | | | |
| Pub. L. 102-511 | (ILAB) FREEDOM Support Act | 22 U.S.C.A. 5801 et seq. | | | |
| Pub. L. 103-82 | (ILAB) Canada-Mexico-United States: North America Agreement on Labor Cooperation (NAALC) | | | | |
| Pub. L. 106-200 | (ILAB) Trade and Development Act of 2000 | 19 U.S.C. 2464 | | | |
| Pub. L. 106-554 | (ILAB) DOL appropriation provided for funding to be used for ...Departmental bilateral and multilateral foreign technical assistance... | Stat. 2763 | | | |
| Pub. L. 66-259 | Women's Bureau Act to establish the Women's Bureau | 29 U.S.C. 11-14 | | | |
| Pub. L. 103-353 | Veterans' Employment and Training Services (VETS) | 38 U.S.C. 4100- 4110A and 4321- 4327 | | | |
| Pub. L. 105-339 | VETS Opportunity Act of 1998 Protects veterans' preference in government hiring | 5 U.S.C. 3330a. | | | |
| Pub. L. 103-353 | Uniformed Services Employment and Reemployment Rights Acts of 1994. Protects members of the uniformed services from discrimination in hiring and re- employment after service in the military. | 38 U.S.C. 4301- 4333 | | | |
| | Office of the 21 st Century Workforce | E.O. 13218 | | | |
| | OALJ – Black Lung Appeals Program Title IV, Federal Mine Safety & Health Act of 1977, as amended. | 33 U.S.C. Section 901 et seq. | | | |
| | OALJ – Longshore Appeals Program Longshore & Harbor Workers Act | 33 U.S.C. Section 901 et seq. | | | |
| | OALJ – Traditional Program & Board of Alien Labor Certification Appeals | Over 80 labor- related statutes & regulations. See OALJ website www.oalj.dol.gov | | | |
| | Benefits Review Board – Black Lung Appeals Program & Longshore Appeals Program | 30 U.S.C. Section 901 et seq. | | | |

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| Public Law / Act | Legislation | Statute No. / US Code | Volume No. | Page No. | Expiration Date |
|-----------------------------|--|--|-----------------------|---------------------|----------------------------|
| Pub. L. 99-570 | Benefits Review Board – Black Lung Appeals Program & Longshore Appeals Program Employees' Compensation Appeals Board. Review appeals of claims under Federal Employees' Compensation Act Anti-Drug Act of 1986 | 33 U.S.C. Section 901 et seq. 5 U.S.C. Section 8101 et seq. | | | |

DEPARTMENTAL MANAGEMENT

| APPROPRIATION HISTORY | | | | | |
|------------------------------|---|----------------------------|-----------------------------|-----------------------|------------|
| (Dollars in Thousands) | | | | | |
| | Budget Estimates to Congress | House Allowance | Senate Allowance | Appropriations | FTE |
| 2007 | | | | | |
| Base Appropriation | \$242,091 | \$262,039 | \$267,346 | \$298,920 | 1,380 |
| 2008 | | | | | |
| Base Appropriation...1/ | \$254,236 | \$318,046 | \$338,503 | \$291,874 | 1,237 |
| 2009 | | | | | |
| Base Appropriation...2/ | \$263,483 | | | \$314,198 | 1,315 |
| 2010 | | | | | |
| Base Appropriation | \$355,154 | \$375,245 | \$382,245 | \$356,006 | 1,392 |
| 2011 | | | | | |
| Base Appropriation...3/ | \$428,624 | \$387,927 | \$411,982 | \$354,627 | 1,420 |
| 2012 | | | | | |
| Base Appropriation...4/ | \$371,554 | \$268,733 | \$347,009 | \$346,353 | 1,410 |
| 2013 | | | | | |
| Base Appropriation...5/ | \$348,927 | | | \$344,349 | 1,383 |
| 2014 | | | | | |
| Base Appropriation...6/ | \$347,856 | | | \$336,929 | 1,369 |
| 2015 | | | | | |
| Base Appropriation | \$346,189 | | | \$337,929 | 1,377 |
| 2016 | | | | | |
| Base Appropriation | \$375,985 | \$284,229 | \$258,727 | \$334,373 | 1,385 |
| 2017 | | | | | |
| Base Appropriation | \$387,925 | | | | 1,534 |

1/ Reflects a \$5,184,000 reduction pursuant to P.L. 110-161.

2/ This bill was only reported out of Subcommittee.

3/ Reflects a \$29,172,000 reduction pursuant to P.L. 112-10.

4/ Reflects a .189% across the board reduction pursuant to P.L. 112-74

5/ Reflects a 0.2% across the board rescission pursuant to P.L. 113-6 and the sequestration reduction pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985.

6/ Reflects the full appropriation pursuant to P.L. 113-76 without enacted rescissions.

DEPARTMENTAL MANAGEMENT

OVERVIEW

Introduction

The primary goal of the U.S. Department of Labor (DOL) is to protect and promote the interests of America's workers—a goal that is captured in the Secretary's vision. The Departmental Management (DM) Salaries and Expenses (S&E) appropriation contributes to the Secretary's vision by providing critical policy, regulatory, legal, and administrative services to every agency within the Department.

The FY 2017 request for DM includes program changes totaling \$51,242,000 in both general funds and the Black Lung Disability Trust Fund. These increases are discussed in relevant sections of this chapter. The total program increases include a request of \$6,056,000 to cover the inflationary costs which were not included in the FY 2016 appropriations. Due to inflationary cost increases related to compensation, benefits, and rent, the FY 2016 request included resources for built-ins in these areas. Funding for these costs was not provided in the Department's FY 2016 appropriations. The FY 2017 request includes resources to cover these personnel and rent costs as a program increase.

The DM S&E appropriation is composed of the following nine budget activities: Program Direction and Support; Legal Services; International Labor Affairs; Administration and Management; Adjudication; Women's Bureau; Civil Rights; Chief Financial Officer; and Departmental Program Evaluation. Three of the nine activities (Program Direction and Support; Administration and Management; and Adjudication) include a consolidation of several smaller operating programs.

Program Direction and Support

The Program Direction and Support (PDS) activity provides leadership and direction for the various DOL agencies. As part of its responsibilities, PDS oversees a program of analysis and general research on issues affecting America's workforce and evaluates the effectiveness of Departmental programs. PDS includes funding for the following organizations: Office of the Secretary; Office of the Deputy Secretary; Office of the Assistant Secretary for Policy; Office of Congressional and Intergovernmental Affairs; Office of Public Affairs; Office of Public Engagement; and the Center for Faith-based and Neighborhood Partnerships.

Office of the Solicitor

The Office of the Solicitor (SOL) provides legal services to the Secretary and to the client agencies within DOL. Its central purposes are law enforcement, legal advice, and compliance assistance. Unlike many of the general counsels' offices in the federal government, SOL has independent litigating authority under a number of Federal statutes. Approximately half of the attorneys in SOL are in regional offices outside Washington, D.C., and their responsibilities deal primarily with litigation in Federal district courts and before administrative law judges. SOL also provides legal

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advice to the Secretary and other agency heads on a wide variety of matters arising under the nearly 200 laws the Department enforces.

Bureau of International Labor Affairs

The Bureau of International Labor Affairs (ILAB) supports the President's international agenda on labor matters, carries out international responsibilities for the Secretary of Labor, and oversees and coordinates the Department's international activities. ILAB focuses on three primary areas: 1) international trade and labor, including mandates related to free trade agreements; 2) international child labor, forced labor, and human trafficking, including reporting and program mandates; and 3) international organizations, including mandated representation before the International Labor Organization.

Administration and Management

The Administration and Management activity develops Departmental policy, administrative programs, systems, and procedures in the areas of information resources; budget formulation and resource analysis; performance management; procurement; human resources; equal opportunity; safety and health; homeland security and emergency management; and administrative services.

The Office of the Assistant Secretary for Administration and Management (OASAM) will continue to direct resources to support the following three key Departmental initiatives: (1) IT Modernization; (2) Improved Customer Service; and (3) Budget and Performance Integration and Analysis of Performance Results.

Adjudication

The Adjudication activity includes the Office of Administrative Law Judges, the Benefits Review Board, the Employees' Compensation Appeals Board, and the Administrative Review Board. They review and determine several thousand appeals each year, make legal interpretations, and establish legal precedents that set standards for the entire nation.

Women's Bureau

The mission of the Women's Bureau is to develop policies and standards and conduct inquiries to safeguard the interest of working women, advocate for their equality and economic security for themselves and their families, and promote quality work environments. This mission is as critical today as it has been since the agency was established in 1920 as women now comprise almost half of the Nation's workforce, and their contributions are vital to our country's economic prosperity. The Women's Bureau's mission is critical to the Secretary's vision for the Department. An opportunity economy includes workplaces that support and accommodate working families, equal pay for equal work, and fair and equitable working environments. The Women's Bureau initiatives go to the heart of these issues.

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Civil Rights Center

The Civil Rights Center's (CRC) mission is to ensure compliance with Federal civil rights laws and regulations that cover DOL employees, applicants for employment, DOL conducted programs, and programs and activities receiving or benefiting from DOL financial assistance.

Office of the Chief Financial Officer

The Office of the Chief Financial Officer's (OCFO) mission is to deliver timely, accurate, and reliable financial information through efficient and effective financial systems and business processes. OCFO fosters effective stewardship of public funds, safeguards fiscal integrity through effective internal controls, and provides timely, accurate, and useful financial information to decision makers.

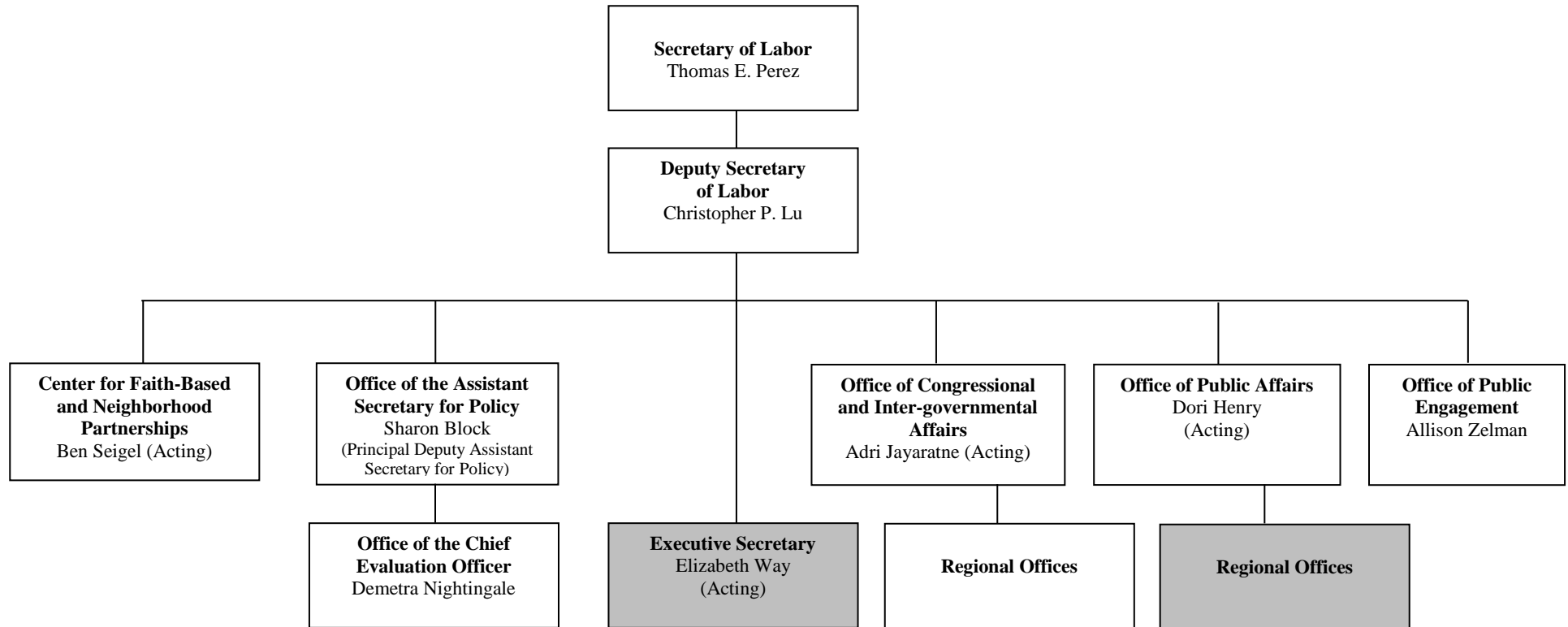
Departmental Program Evaluation

The Departmental Program Evaluation activity designates and centralizes specific program evaluation funds that can be used in collaboration with various Department of Labor agencies for individual program evaluations to identify what is working, what is not working, and improvements that would help ensure resources are spent effectively Department-wide.

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ORGANIZATION CHARTS

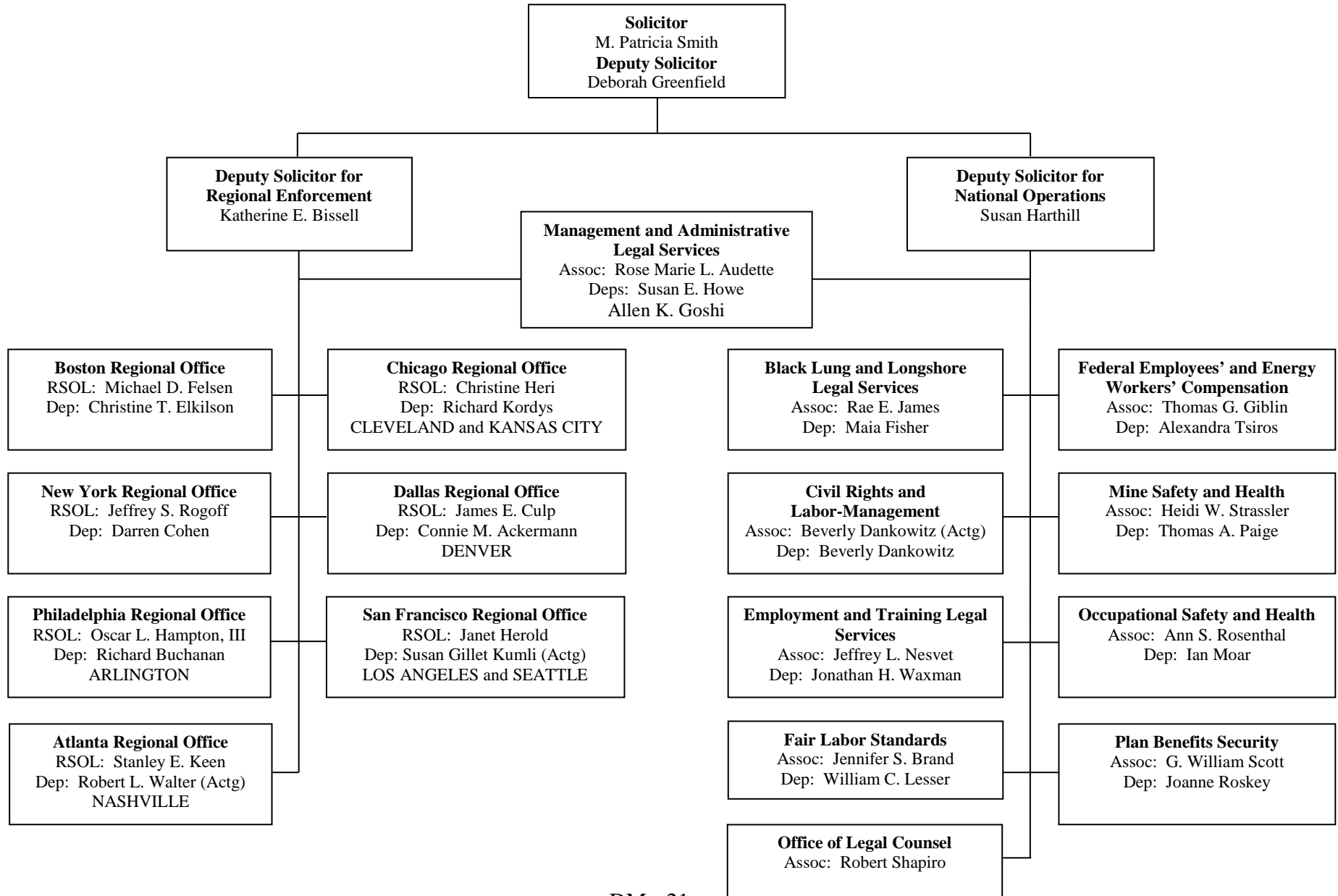
PROGRAM DIRECTION AND SUPPORT



Shaded box indicates funding through the Working Capital Fund

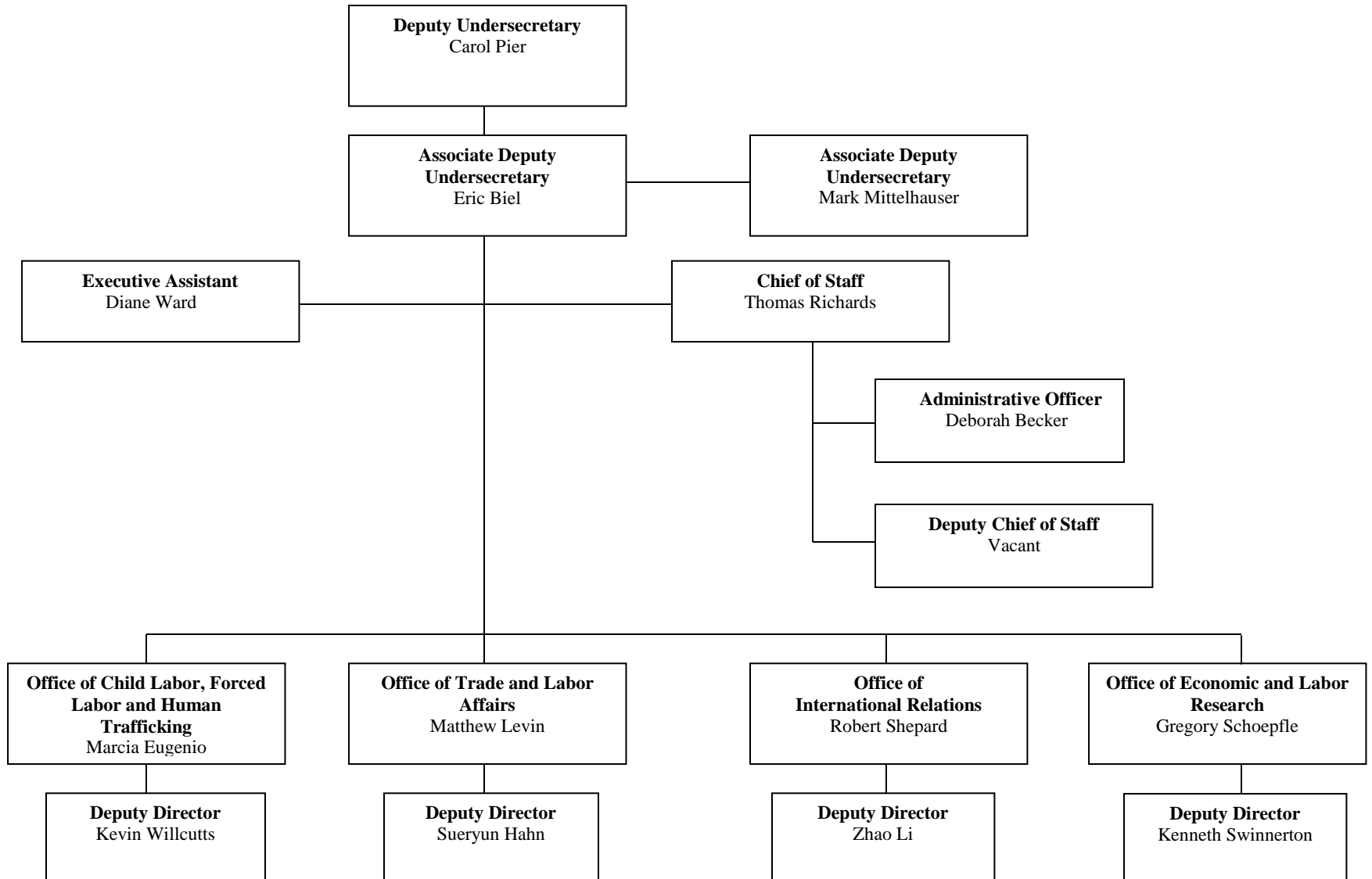
DEPARTMENTAL MANAGEMENT

OFFICE OF THE SOLICITOR



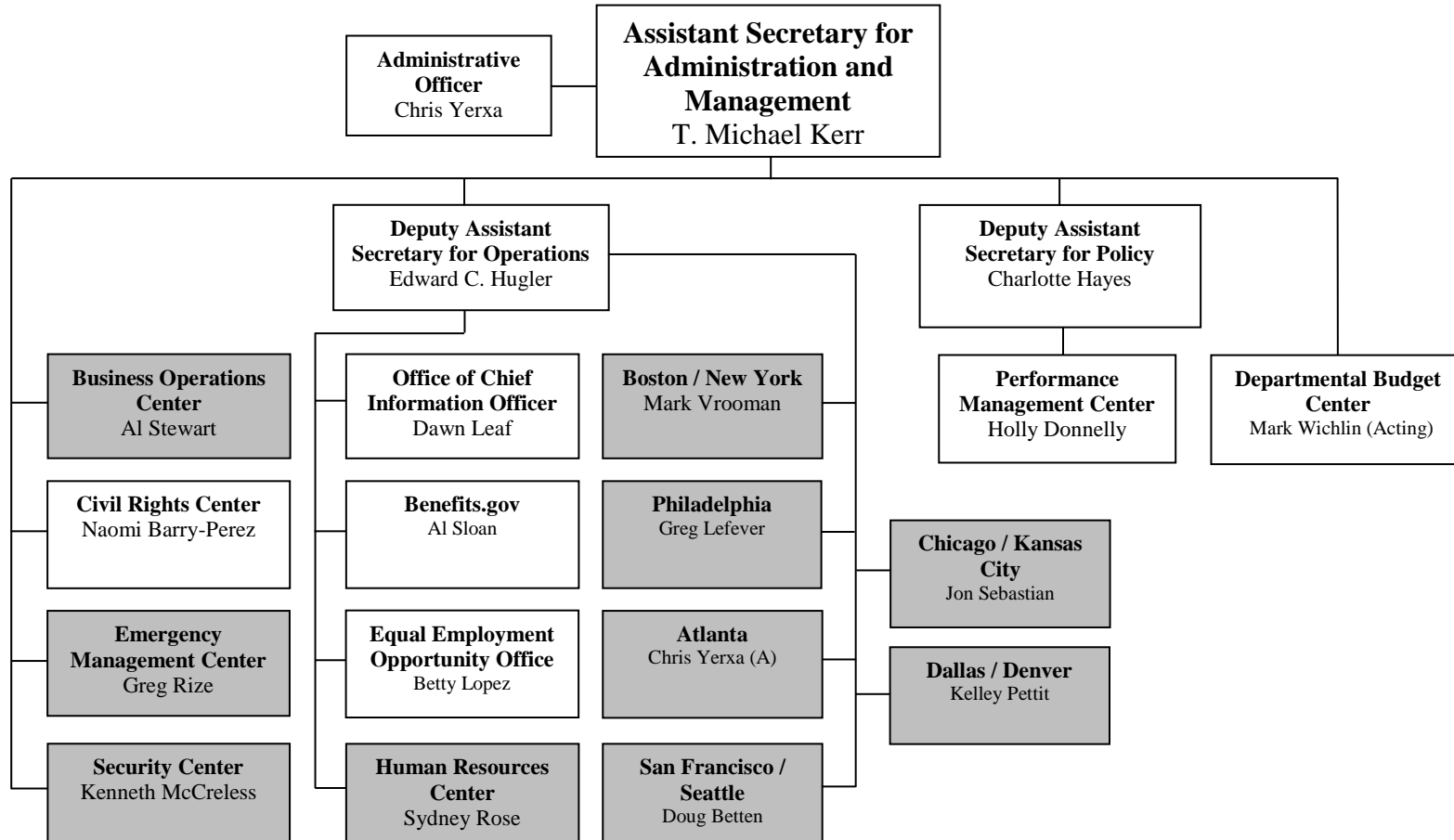
DEPARTMENTAL MANAGEMENT

INTERNATIONAL LABOR AFFAIRS BUREAU



DEPARTMENTAL MANAGEMENT

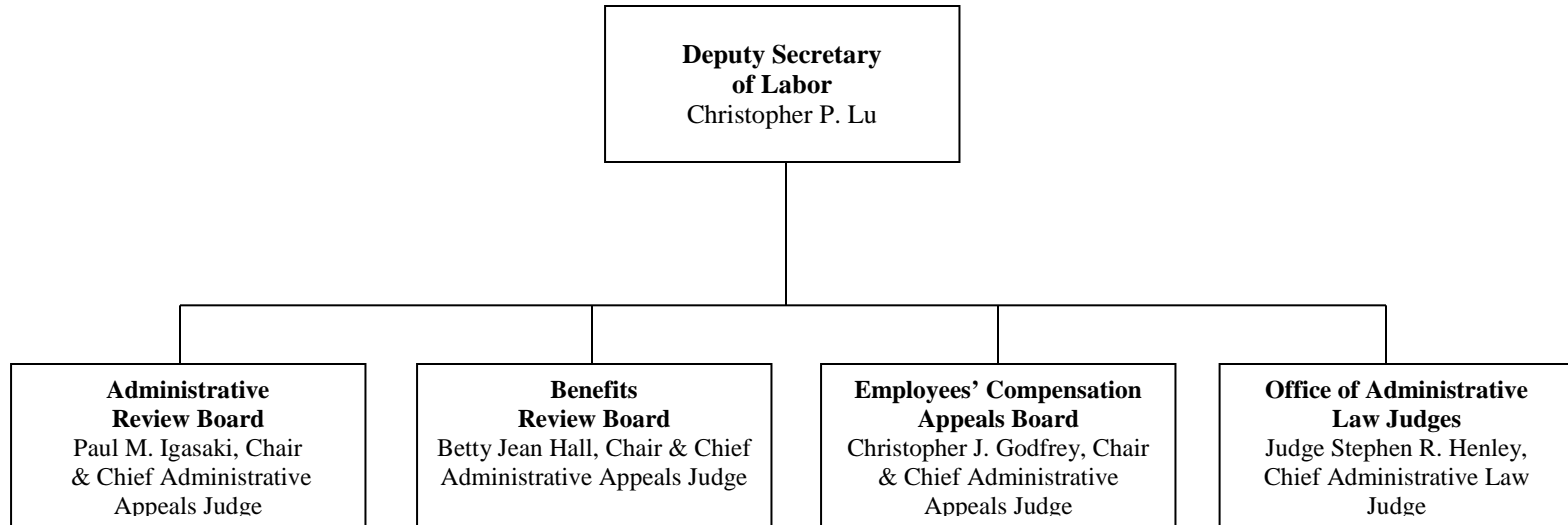
OFFICE OF ASSISTANT SECRETARY FOR ADMINISTRATION AND MANAGEMENT



Shaded box indicates funding through the Working Capital Fund

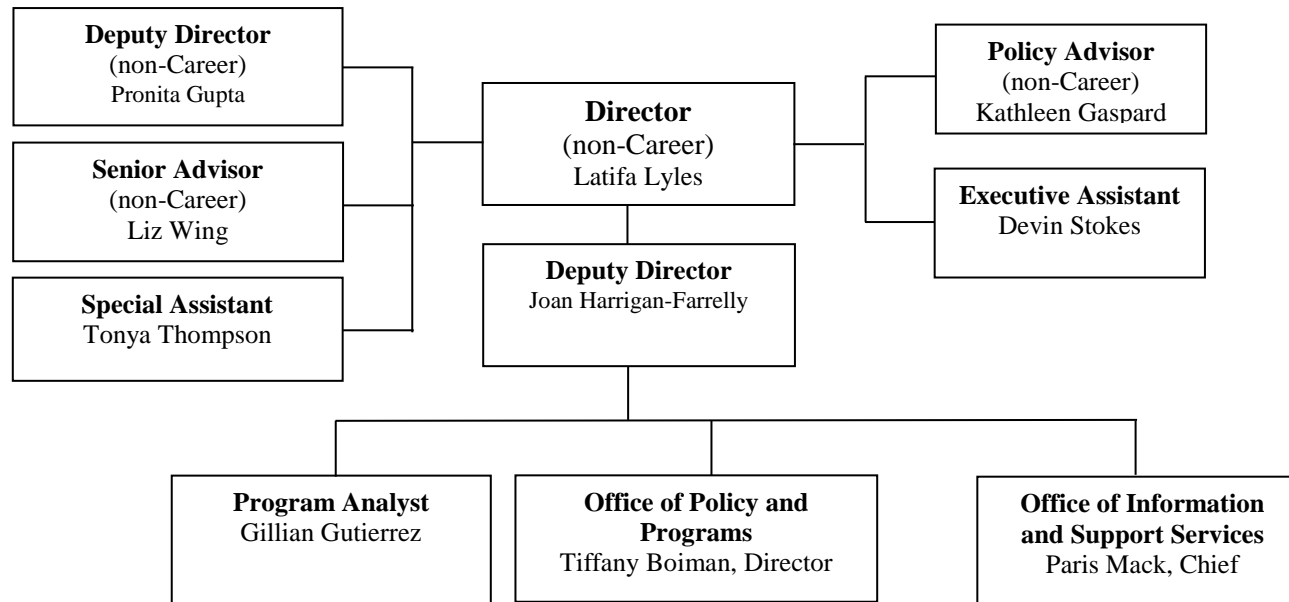
DEPARTMENTAL MANAGEMENT

ADJUDICATION



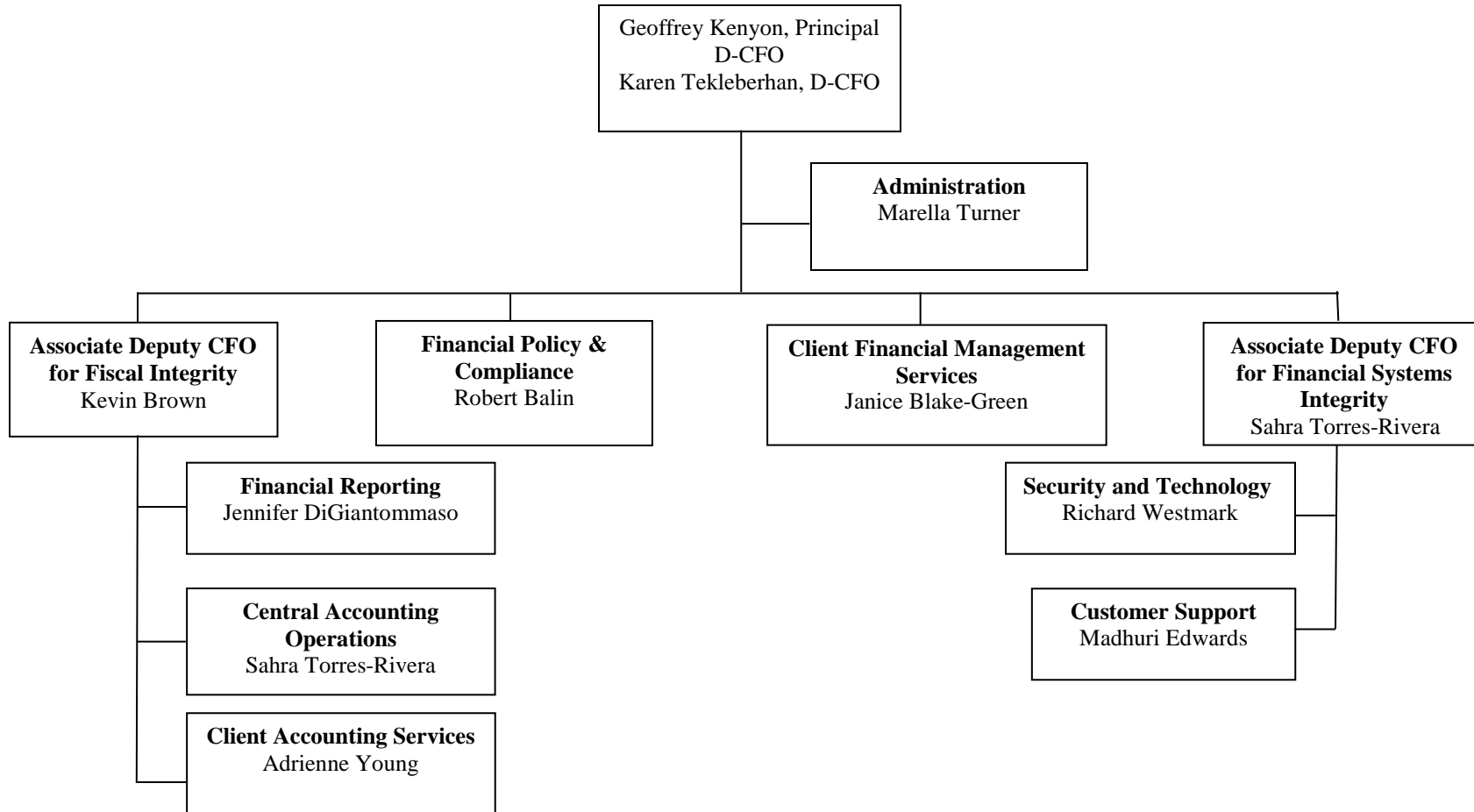
DEPARTMENTAL MANAGEMENT

WOMEN'S BUREAU



DEPARTMENTAL MANAGEMENT

OFFICE OF THE CHIEF FINANCIAL OFFICER



PROGRAM DIRECTION AND SUPPORT

| BUDGET AUTHORITY BEFORE THE COMMITTEE | | | | |
|--|----------------------------|----------------------------|----------------------------|--|
| (Dollars in Thousands) | | | | |
| | FY 2015 Enacted | FY 2016 Enacted | FY 2017 Request | Diff. FY17 Request / FY16 Enacted |
| Activity Appropriation | 31,010 | 31,010 | 37,406 | 6,396 |
| FTE | 136 | 136 | 161 | 25 |

NOTE: FY 2015 reflects actual FTE. Authorized FTE for FY 2015 was 136.

Introduction

The Program Direction and Support activity includes the following seven organizations: (1) the Office of the Secretary of Labor; (2) the Office of the Deputy Secretary of Labor; (3) the Office of the Assistant Secretary for Policy; (4) the Office of Congressional and Intergovernmental Affairs; (5) the Office of Public Affairs; (6) the Center for Faith-based and Neighborhood Partnerships; and (7) the Office of Public Engagement.

This activity provides centralized leadership and direction for the entire Department. Other core responsibilities include: (1) serving as the primary economic advisor to the Secretary of Labor and providing economic analysis of special topical initiatives as well as general issues; (2) overseeing a program of analysis and general research on issues affecting the American workforce; (3) evaluating the effectiveness of Departmental programs; (4) serving as the principal representative on the Department’s legislative program; (5) coordinating legislative proposals with staff of other Federal agencies; and (6) maintaining a program of public information and communications to inform the public of the services and protection afforded by Departmental agencies.

For FY 2017, the PDS budget activity includes five requested program increases:

- **Workforce Innovation and Opportunity Act (WIOA) Evaluation Staff:** The increase of \$160,000 and 1 FTE will create needed additional capacity to conduct both implementation and impact evaluations of the new Workforce Innovation and Opportunity Act (WIOA). It is critical that we continue to be on the cutting edge of evaluation. An additional staff member in the Chief Evaluation Office will coordinate with ETA to evaluate these changes.
- **Program Evaluation for Workforce Training:** The increase of \$659,000 and 5 FTE will fund the technical assistance activities of the proposed joint DOL and Department of Education data team, which will serve as the central point of contact to resolve and provide technical assistance on issues related to education and wage data standardization, access, collection and data quality, and data use for evaluations and programs.
- **Training Provider Scorecard:** The increase of \$500,000 and 3 FTE will create additional capacity in the Chief Evaluation Office to support ETA and States in implementing WIOA Eligible Training Provider Scorecards in a way that integrates

PROGRAM DIRECTION AND SUPPORT

public and private sector labor market data to support better individual decision-making about training.

- **Implementation of the Fair Pay and Safe Workplaces Executive Order:** The increase of \$2,620,000 and 15 FTE will facilitate cross-agency sharing of enforcement data and information to improve the targeting of enforcement and compliance assistance efforts.
- **Idea Lab:** The increase of \$1,000,000 and 1 FTE will provide resources for the creation of an Idea Lab, modeled after innovation labs across the Federal government and the private sector. This investment will provide the resources for employees to develop new ideas, test them, and implement them at scale.

Five-Year Budget Activity History

| <u>Fiscal Year</u> | <u>Funding</u> (Dollars in Thousands) | <u>FTE</u> |
|--------------------|--|------------|
| 2012 | \$33,220 | 118 |
| 2013 | \$31,482 | 121 |
| 2014 | \$31,010 | 127 |
| 2015 | \$31,010 | 136 |
| 2016 | \$31,010 | 136 |

FY 2017

The FY 2017 budget request for the Program Direction and Support (PDS) activity is \$37,406,000 and 161 FTE. Funding at this level will provide for continued support of leadership on key DOL initiatives and mandates.

The FY 2017 request includes three program increases for the Chief Evaluation Office (CEO) within the Office of the Assistant Secretary for Policy (OASP). The primary benefit of these increases will be a better understanding of what makes workforce training programs effective. A team in the Chief Evaluation Office that will work in tandem with the Department of Education to serve as the central point of contact to resolve and provide technical assistance for States, Federal programs, and researchers on issues related to accessing, collecting, and using workforce and education data. The increase of \$500,000 and three FTE with data science expertise will augment the 5 FTE proposed in the FY 2016 budget to allow ETA and States to implement Training Provider Scorecards in a way that integrates public and private sector labor market data to support better individual decision-making about training. The increase of \$160,000 and one FTE for Workforce Innovation and Opportunity Act (WIOA) evaluation will create needed additional capacity to conduct both implementation and impact evaluations of the new law as it is rolled out in the state and local areas.

The increase to implement the Fair Pay and Safe Workplaces executive will facilitate cross-agency sharing of enforcement data and information to improve the targeting of enforcement and

PROGRAM DIRECTION AND SUPPORT

compliance assistance efforts. The EO's implementation is a key part of the Administration's compliance-oriented approach and addresses a gap in the way the Federal agencies work with contractors.

Additionally, the development of an agency Idea Lab dedicated to incubating and investing in innovative approaches will help the Department to more efficiently and effectively meet agency mission goals. The lab will be modeled after successful efforts at the Office of Personnel Management and the Department of Health and Human Services.

FY 2016

The FY 2016 enacted level for the Program Direction and Support (PDS) activity is \$31,010,000 and 136 FTE. Funding at this level will provide for continued support of leadership on key DOL initiatives and mandates. The Department will continue to be a leader in evaluation of its programs and the integration of the results of those evaluations into its resource allocation, performance management, and other management decisions.

FY 2015

The FY 2015 enacted level for the Program Direction and Support (PDS) activity was \$31,010,000. Funding at this level provided for continued support of leadership on key DOL initiatives and mandates. During FY 2015, ASP managed the Department's ambitious regulatory agenda helping to publish 18 final rules, 2 interim final rules, and 21 proposed rules, in addition to one request for information. Through the formation of cross-cutting intra-agency policy working groups – Lesbian, Gay, Bisexual and Transgender (LGBT); Worker Voice; Trafficking; Work Family; and Structure of Work -- and its first policy & research agenda, the agency was able to move the needle on policy priorities that “look around the corner.” Some key accomplishments in the policy innovation include—hosting a “thought leaders” roundtable on worker voice, three policy forums focused on the future of work, a DOL LGBT accomplishments report and a report released by President Obama on Labor Day on the cost of doing nothing on paid leave.

PROGRAM DIRECTION AND SUPPORT

| DETAILED WORKLOAD AND PERFORMANCE | | | | |
|---|---|---------------|----------------------------|----------------------------|
| | FY 2015 Enacted | | FY 2016 Enacted | FY 2017 Request |
| | Target | Result | Target | Target |
| Program Direction and Support | | | | |
| Strategic Goal ALL - All Strategic Goals | | | | |
| Strategic Objective ALL.1 - All Strategic Objectives | | | | |
| OPA-DM-A | DOL Newsletter | 51 | 51 | 51 |
| OPA-DM-B | DOL Twitter (Tweets) | [base] | 2,437 | 2,000 |
| OPA-DM-C | DOL Facebook (Posts) | [base] | 309 | 150 |
| OPA-DM-D | DOL Instagram (Posts) | [base] | 105 | 50 |
| OPA-DM-E | DOL Blogs | [base] | 406 | 350 |
| Program Direction and Support | | | | |
| Strategic Goal ALL - All Strategic Goals | | | | |
| Strategic Objective ALL.1 - All Strategic Objectives | | | | |
| OASP- POL-3(a) | Number of Policy Forums Hosted Annually | -- | -- | 6 |
| | | | | TBD |

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

PROGRAM DIRECTION AND SUPPORT

Detailed Workload Performance Narrative for Selected PDS Components

Office of the Assistant Secretary for Policy (OASP)

OASP provides advice to the Secretary, Deputy Secretary and Department on matters of policy development, evaluation, regulations, budget and legislation that will improve the lives of workers, retirees, and their families. Integral to this role, OASP leads special initiatives and manages cross- and inter-Department activities to advance the mission of the Department of Labor.

OASP contributes to the accomplishment of all Departmental strategic and outcome goals, using a variety of strategies to leverage efforts and ensure optimal performance of the program and enforcement.

To support the Secretary, Deputy Secretary and Department, OASP's principal outcomes are:

1. Providing the Secretary with **timely, full and accurate information, analysis, and evaluation** reflecting a Department-wide perspective (for both policymaking purposes and public statements)
2. Facilitating the **timely promulgation and roll-out of high quality regulations** that are consistent with Executive Orders, the Secretary's vision, statutes and OMB Bulletins
3. Enhancing the quality of DOL's policy, regulatory and legislative initiatives and innovations by **facilitating cross-agency collaboration and interagency cooperation.**
4. **Facilitating efforts to explore emerging policy trends and issues enabling DOL to drive innovation in labor policy** by convening cross-cutting, intra-agency policy groups and making relevant findings of those groups public on the OASP website.
5. Conducting noteworthy research and producing policy products on priority issues to inform DOL leadership.
6. Coordinating the Government Accountability Office (GAO) review process.
7. Perform evaluation of various Departmental programs.

To achieve OASP principal outcomes, the Agency identifies and tracks its progress against a variety of regulatory and policy milestones outlined in its Operating Plan. The milestones demonstrate the important work and key accomplishments of OASP in its role as the Department's Regulatory Policy Officer.

Office of Public Affairs (OPA)

The Office of Public Affairs directs and coordinates all public and employee communications activities at the U.S. Department of Labor. It provides services to the public through a national call center, a website and digital platforms.

OPA is the chief adviser on public affairs to the Secretary, Deputy Secretary, agency heads, and departmental staff in developing and implementing innovative strategies that inform, engage and connect the public about the mission and work of the Department. OPA is the clearance and dissemination point for all DOL public-facing materials, and the development and maintenance

PROGRAM DIRECTION AND SUPPORT

of the Department's web-based, audiovisual and contact (telephone and email) center communications.

For activities featuring the Secretary, OPA drafts speeches, provides audiovisual resources, and organizes social media/Web-based information and educational materials to the public, stakeholders and the news media.

In FY 2017, OPA will undertake the following as a part of its communication strategies and in support of Departmental outcome goals:

- Expand and enhance the ability of low-wage workers to more easily access information on their smartphones and mobile devices through investments in web technology.
- Complete the transition of the dol.gov website to a new content management system, known as Drupal, in order to provide improved searches and content presentation to the public.
- Expand the amount of data made available to application developers and other members of the public through the department's centralized data gateway and application development kits.
- Expand the use of a content management tool known as HootSuite to better meet the needs of the public and to track progress on digital performance metrics.
- Increase public engagement through Facebook, Twitter, YouTube, Instagram, Flickr and other digital media platforms.
- Write and edit news releases, blogs and advisories to inform the public of the Department's mission.
- Respond to inquiries from the news media regarding the Secretary's and Department's activities in a timely and accurate manner.
- Support public engagement activities by Departmental components, such as events and outreach programs.

PROGRAM DIRECTION AND SUPPORT

| BUDGET ACTIVITY BY OBJECT CLASS | | | | | |
|--|--|----------------------------|----------------------------|----------------------------|--|
| (Dollars in Thousands) | | | | | |
| | | FY 2015 Enacted | FY 2016 Enacted | FY 2017 Request | Diff. FY17 Request / FY16 Enacted |
| 11.1 | Full-time permanent | 14,908 | 15,688 | 18,287 | 2,599 |
| 11.3 | Other than full-time permanent | 391 | 375 | 375 | 0 |
| 11.5 | Other personnel compensation | 105 | 63 | 63 | 0 |
| 11.9 | Total personnel compensation | 15,404 | 16,126 | 18,725 | 2,599 |
| 12.1 | Civilian personnel benefits | 3,838 | 4,220 | 5,059 | 839 |
| 13.0 | Benefits for former personnel | 10 | 0 | 0 | 0 |
| 21.0 | Travel and transportation of persons | 470 | 465 | 484 | 19 |
| 22.0 | Transportation of things | 1 | 1 | 1 | 0 |
| 23.1 | Rental payments to GSA | 2,610 | 2,643 | 2,724 | 81 |
| 23.3 | Communications, utilities, and miscellaneous charges | 264 | 508 | 508 | 0 |
| 24.0 | Printing and reproduction | 91 | 26 | 26 | 0 |
| 25.1 | Advisory and assistance services | 1,552 | 665 | 682 | 17 |
| 25.2 | Other services from non-Federal sources | 565 | 315 | 1,667 | 1,352 |
| 25.3 | Other goods and services from Federal sources 1/ | 5,276 | 5,881 | 6,164 | 283 |
| 25.4 | Operation and maintenance of facilities | 2 | 12 | 12 | 0 |
| 25.5 | Research and development contracts | 0 | 4 | 4 | 0 |
| 25.7 | Operation and maintenance of equipment | 350 | 24 | 1,039 | 1,015 |
| 26.0 | Supplies and materials | 260 | 92 | 92 | 0 |
| 31.0 | Equipment | 317 | 28 | 219 | 191 |
| 42.0 | Insurance claims and indemnities | 0 | 0 | 0 | 0 |
| | Total | 31,010 | 31,010 | 37,406 | 6,396 |
| | | | | | |
| | 1/Other goods and services from Federal sources | | | | |
| | Working Capital Fund | 4,077 | 4,855 | 5,138 | 283 |
| | DHS Services | 81 | 83 | 83 | 0 |
| | Services by DOL Agencies | 572 | 294 | 294 | 0 |
| | Services by Other Government Departments | 521 | 604 | 604 | 0 |

PROGRAM DIRECTION AND SUPPORT

CHANGES IN FY 2017

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

| | |
|--|-------|
| Costs of pay adjustments | \$282 |
| Personnel benefits | 82 |
| Two days less of Pay | -142 |
| Federal Employees' Compensation Act (FECA) | -38 |
| Benefits for former personnel | 0 |
| Travel and transportation of persons | 0 |
| Transportation of things | 0 |
| Rental payments to GSA | 65 |
| Communications, utilities, and miscellaneous charges | 0 |
| Printing and reproduction | 0 |
| Advisory and assistance services | 0 |
| Other services from non-Federal sources | 0 |
| Working Capital Fund | 283 |
| Other Federal sources (DHS Charges) | 0 |
| Other goods and services from Federal sources | 0 |
| Research & Development Contracts | 0 |
| Operation and maintenance of facilities | 0 |
| Operation and maintenance of equipment | 0 |
| Supplies and materials | 0 |
| Equipment | 0 |
| Insurance claims and indemnities | 0 |

Built-Ins Subtotal **\$532**

Net Program **\$5,864**

Direct FTE **25**

| | Estimate | FTE |
|-------------------------|-----------------|------------|
| Base | \$31,542 | 136 |
| Program Increase | \$5,864 | 25 |
| Program Decrease | \$0 | 0 |

LEGAL SERVICES

| BUDGET AUTHORITY BEFORE THE COMMITTEE | | | | |
|--|----------------------------|----------------------------|----------------------------|--|
| (Dollars in Thousands) | | | | |
| | FY 2015 Enacted | FY 2016 Enacted | FY 2017 Request | Diff. FY17 Request / FY16 Enacted |
| Activity Appropriation | 133,787 | 132,812 | 148,807 | 15,995 |
| FTE | 646 | 649 | 705 | 56 |

NOTE: FY 2015 reflects actual FTE. Authorized FTE for FY 2015 was 661.

Introduction

The Office of the Solicitor of Labor (SOL) is the legal enforcement and support arm of the Department of Labor. Its mission is to meet the legal service demands of the entire Department, including providing the legal support necessary to enable the Secretary of Labor to further goals that support the President's strategic vision to improve opportunities and quality of life for the American people. SOL provides its legal services through National Office Divisions that are generally devoted to the major laws under the Department's jurisdiction and Regional Offices that undertake front-line enforcement initiatives, including trial-level litigation to protect and improve the working conditions and security of America's working women and men.

SOL plays a critical role in advancing the Department's mission through enforcement of worker safety and protection laws and implementation of the Secretary's regulatory and program agendas. SOL works closely with other DOL agencies to develop and implement specific policies and mission critical programs. Additionally, SOL helps improve the effectiveness of training programs for American workers and advises the Secretary and Departmental leadership on a full range of legal issues. As a result, SOL shares the outcome goals of each of its clients. SOL's services to its client agencies fall into four primary categories: pre-litigation, litigation, opinion and advice, and assistance in development of regulations. SOL contributes to the accomplishment of all of the Department's Strategic and Outcome goals by:

- undertaking **litigation** to carry out the Secretary's priority enforcement initiatives, and to defend the Secretary's vision and the program agencies of the Department;
- assisting in the development, drafting and legal review of **legislation, regulations, Executive Orders**, and other matters affecting Departmental programs; and
- providing **legal opinions/advice** to the Secretary and Departmental and agency officials.

SOL ensures that all DOL actions are based on sound legal advice that is:

- Timely;
- Understandable;
- Able to identify and mitigate legal risk;
- Effective; and
- In line with clients' goals and priorities.

LEGAL SERVICES

The priorities in SOL's Congressional Budget (CBJ) submission for FY 2017 mirror the Department's budget and program priorities and seek additional funding and FTE necessary to enable SOL to provide enhanced legal services in support of the Department's Strategic and Outcome Goals. This budget submission seeks to create more effective labor law enforcement by expanding legal advice and litigation services in the same subject areas where the Department is expanding worker safety compliance, and increasing investigative and enforcement efforts.

Expanding SOL's ability to support client agencies' work (and coordinate with other federal and state agencies) will improve the agency's capacity to provide timely and effective advice and litigation services, in support of worker wages, benefits, safety, and rights, and thus contribute to a sound economy and economic growth.

Five-Year Budget Activity History

| <u>Fiscal Year</u> | <u>Funding</u> (Dollars in Thousands) | <u>FTE</u> |
|--------------------|--|------------|
| 2012 | \$129,202 | 711 |
| 2013 | \$122,045 | 693 |
| 2014 | \$125,444 | 674 |
| 2015 | \$126,444 | 661 |
| 2016 | \$125,308 | 649 |

FY 2017

In FY 2017, SOL is requesting \$148,807,000 and 705 FTE. This funding and FTE cover General, Unemployment Trust Fund (UTF), and Black Lung Disability Trust Fund (BLDTF) funding. Reimbursement funding and FTE are not included.

The request includes a program increase of \$10,903,000 and 56 FTE to provide legal support for client agencies across the Department, based on their projected increases in enforcement and compliance actions, and consistent with the workload needs associated with program changes requested by those agencies. The SOL request includes funding and FTE to provide enhanced legal services to support the following client agencies' requests: the Wage and Hour Division (WHD) compliance actions consistent with the substantial increase in WHD's investigative and enforcement funding and FTE across its portfolio included in the FY 2017 budget request; the Employee Benefits Security Administration (EBSA) Enforcement Program Modernization, and the Enforcement Targeting initiatives, and Statistical Support Regulatory Program initiatives; the Mine Safety and Health Administration (MSHA) for the Implementation of the Mine Safety and Health Act in the U.S. Territories initiative; the Bureau of International Labor Affairs (ILAB) Effective Technical Assistance to Transpacific Partnership (TPP) Countries initiative; the Office of Workers' Compensation Programs (OWCP) Coal Miner Health, and Black Lung Field Operations Support initiatives; the Occupational Safety and Health Administration (OSHA) enforcement efforts directed at chemical facilities pursuant to the Executive Order (E.O. 13650, "Improving Chemical Facility Safety and Security"); and for projected increases in SOL

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workload as a result of funding and staffing level increases in the Employment and Training Administration (ETA); as well as representation of OWCP in all cases arising under the Black Lung Benefits Act adjudicated by the Office of Administrative Law Judges (OALJ).

The bulk of SOL's requested increase funding and staff (30 FTE) is to enable SOL to keep up with the increase in workload in FY 2017 that will be generated by the expanded investigative capacity of 300 FTE in WHD's FY 2017 budget request. WHD is responsible for enforcing and administering a wide range of labor laws and regulations and its enforcement actions will increase significantly under its FY 2017 requested funding levels. SOL will support the need for increased legal services expected to be generated by the addition of these WHD investigators across these statutory programs. SOL's additional FTE will not only litigate the expected increase in WHD enforcement matters referred to SOL, but also provide legal advice to assist with and improve strategic enforcement efforts, help to train WHD field personnel, provide early consultation on investigations that might be referred to SOL to ensure that the case is litigation-worthy, and assist with pre-litigation resolutions of cases.

Absent these additional SOL resources to correspond with the requested increases by its client agencies, SOL would not be able to provide additional support for the new initiatives or keep pace with the demands for legal services to support existing priorities, which support the full breadth of DOL programs and enforcement activities. Without additional funding SOL would have to ration legal services, resulting in increases in the number of matters pending, as the provision of legal services would be slowed or delayed as limited resources are stretched to meet client demands for legal support.

The request also includes an increase of \$568,000 in BLDTF to restore funding to pre-sequestration levels. Sequestration impedes the ability of SOL to provide legal services necessary for the Department's efforts to ensure the Black Lung benefits program is properly administered.

In FY 2017, SOL is again continuing the Mine Safety and Health Litigation Backlog Project (MLBP).

FY 2016

In FY 2016, SOL received \$132,812,000 and 649 FTE. SOL is using its funding and FTE to provide comprehensive legal services to the Department to advance the Department's mission and the programs and priorities of the Secretary and SOL's client agencies.

Most of SOL client agencies' funding for FY 2016 is at or below FY 2015 Enacted levels, resulting in SOL's projected workload being consistent with its FY 2015 performance. SOL continues to work closely with its client agencies in support of priority initiatives, such as WHD's enforcement of the Fair Labor Standards Act; EBSA's enforcement and regulatory efforts, particularly in the areas of pension and health care benefits; and OSHA's Whistleblower Protection program enforcement of the twenty-two whistleblower laws that protect workers who identify hazards at their workplaces or report violations of various trucking, airline, nuclear power, pipeline, environmental, rail, mass transit, maritime safety, consumer product safety, and

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securities laws. In FY 2016, SOL is continuing the Mine Safety and Health Litigation Backlog Project (MLBP).

FY 2015

In FY 2015, SOL received \$134,365,000. SOL used its funding and FTE to provide comprehensive legal services to the Department to advance the Department's mission and the programs and priorities of the Secretary and SOL's client agencies. SOL worked closely with its client agencies in support of priority initiatives, such as WHD's enforcement of the Fair Labor Standards Act; EBSA's enforcement and regulatory efforts, particularly in the areas of pension and health care benefits; and OSHA's Whistleblower Protection program enforcement of the twenty-two whistleblower laws that protect workers who identify hazards at their workplaces or report violations of various trucking, airline, nuclear power, pipeline, environmental, rail, mass transit, maritime safety, consumer product safety, and securities laws. In FY 2015, SOL continued the special MLBP project with 44 FTE, consistent with the FTE level achieved during FY 2013 and maintained in FY 2014.

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| DETAILED WORKLOAD AND PERFORMANCE | | | | | |
|---|-------------------|----------------------------|---------------|----------------------------|----------------------------|
| | | FY 2015 Enacted | | FY 2016 Enacted | FY 2017 Request |
| | | Target | Result | Target | Target |
| Legal Services | | | | | |
| Strategic Goal ALL - All Strategic Goals | | | | | |
| Strategic Objective ALL.1 - All Strategic Objectives | | | | | |
| Pre Litigation: | | | | | |
| PRE-01 | Matters Opened | 3,262[p] | 3,380 | 3,484[p] | 3,934[p] |
| PRE-02 | Matters Concluded | 2,523[p] | 2,914 | 3,300[p] | 3,665[p] |
| PRE-04 | Matters Pending | 2,494[p] | 2,752 | 2,752[p] | 2,752[p] |
| Litigation: | | | | | |
| LIT-01 | Matters Opened | 10,273[p] | 9,908 | 9,000[p] | 9,908[p] |
| LIT-02 | Matters Concluded | 12,577[p] | 12,279 | 12,280[p] | 13,017[p] |
| LIT-04 | Matters Pending | 12,639[p] | 11,905 | 11,905[p] | 11,905[p] |
| Opinion/Advice: | | | | | |
| OA-01 | Matters Opened | 9,161[p] | 8,980 | 9,000[p] | 9,127[p] |
| OA-02 | Matters Concluded | 9,389[p] | 10,954 | 10,900[p] | 11,058[p] |
| OA-04 | Matters Pending | 22,945[p] | 20,332 | 20,332[p] | 20,332[p] |
| Regulations: | | | | | |
| REG-01 | Matters Opened | 59[p] | 49 | 8[p] | 27[p] |

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| DETAILED WORKLOAD AND PERFORMANCE | | | | | |
|--|------------------------|----------------------------|---------------|----------------------------|----------------------------|
| | | FY 2015 Enacted | | FY 2016 Enacted | FY 2017 Request |
| | | Target | Result | Target | Target |
| REG-02 | Matters Concluded | 49[p] | 49 | 61[p] | 69[p] |
| REG-04 | Matters Pending | 136[p] | 122 | 122[p] | 122[p] |
| SOL-OIS: | | | | | |
| MLBP-01 | MLBP Matters Opened | 2,000[p] | 2,621 | 2,000[p] | 2,000[p] |
| MLBP-02 | MLBP Matters Concluded | 2,500[p] | 2,978 | 2,500[p] | 2,500[p] |
| MLBP-03 | MLBP Matters Pending | 2,011[p] | 1,721 | 2,150[p] | 1,721[p] |

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

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Detailed Workload and Performance Narrative

SOL's workload performance measures involve a simple count of the number of Matters that SOL opens and concludes and the number of pending Matters each quarter in each of four categories of Matters (Pre-litigation, Litigation, Opinion/Advice, and Regulation). SOL considers a Matter a collection of related activities that contribute to a specific investigation, litigation, regulation, or opinion/advice. These performance measures help SOL track its production on a quarterly and annual basis, and provide a contextual basis for SOL to compare its production over time, and help SOL track the demand for and provision of legal services to specific DOL client agencies.

SOL's FY 2017 workload performance targets are best estimates based on FY 2015 year-end results and projected results for FY 2016 based on the FY 2016 Enacted Budget. The FY 2017 projections are further informed by analysis of SOL's Matter data as a reflection of SOL's client agencies' requests for legal services, with specific attention to their proposed new initiatives, and the corresponding SOL budget request to support those client agencies' initiatives. It should be noted that simple Matter counts do not capture variations in the level of effort and resource investment SOL may need to make for a given Matter, especially with respect to client initiatives involving highly complex litigation Matters.

In light of SOL's request for increased funding and FTE to provide legal services to support the FY 2017 requests for increased funding and FTE in WHD and ETA, and new initiatives from EBSA, MSHA, OSHA, ILAB, and OWCP, SOL is projecting workload increases in all four categories of Matters (Pre-litigation, Litigation, Opinion/Advice, and Regulation).

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| BUDGET ACTIVITY BY OBJECT CLASS | | | | | |
|--|--|----------------------------|----------------------------|----------------------------|--|
| (Dollars in Thousands) | | | | | |
| | | FY 2015 Enacted | FY 2016 Enacted | FY 2017 Request | Diff. FY17 Request / FY16 Enacted |
| 11.1 | Full-time permanent | 78,596 | 78,703 | 85,660 | 6,957 |
| 11.3 | Other than full-time permanent | 0 | 0 | 0 | 0 |
| 11.5 | Other personnel compensation | 865 | 905 | 905 | 0 |
| 11.8 | Special personal services payments | 6 | 12 | 12 | 0 |
| 11.9 | Total personnel compensation | 79,467 | 79,620 | 86,577 | 6,957 |
| 12.1 | Civilian personnel benefits | 21,280 | 23,314 | 25,509 | 2,195 |
| 13.0 | Benefits for former personnel | 0 | 15 | 15 | 0 |
| 21.0 | Travel and transportation of persons | 1,135 | 1,166 | 1,455 | 289 |
| 22.0 | Transportation of things | 2 | 1 | 1 | 0 |
| 23.1 | Rental payments to GSA | 8,412 | 8,596 | 10,289 | 1,693 |
| 23.2 | Rental payments to others | 7 | 6 | 38 | 32 |
| 23.3 | Communications, utilities, and miscellaneous charges | 705 | 636 | 783 | 147 |
| 24.0 | Printing and reproduction | 84 | 28 | 60 | 32 |
| 25.1 | Advisory and assistance services | 0 | 0 | 0 | 0 |
| 25.2 | Other services from non-Federal sources | 7,029 | 3,552 | 4,270 | 718 |
| 25.3 | Other goods and services from Federal sources 1/ | 10,565 | 11,473 | 14,590 | 3,117 |
| 25.4 | Operation and maintenance of facilities | 9 | 3 | 6 | 3 |
| 25.5 | Research and development contracts | 0 | 0 | 0 | 0 |
| 25.7 | Operation and maintenance of equipment | 2,560 | 2,457 | 2,778 | 321 |
| 26.0 | Supplies and materials | 1,368 | 1,002 | 1,246 | 244 |
| 31.0 | Equipment | 1,161 | 933 | 1,177 | 244 |
| 42.0 | Insurance claims and indemnities | 3 | 10 | 13 | 3 |
| | Total | 133,787 | 132,812 | 148,807 | 15,995 |
| | | | | | |
| | 1/Other goods and services from Federal sources | | | | |
| | Working Capital Fund | 9,158 | 11,473 | 12,151 | 678 |
| | DHS Services | 324 | 0 | 0 | 0 |
| | GSA Services | 820 | 0 | 0 | 0 |
| | Services by Other Government Departments | 145 | 0 | 2,439 | 2,439 |

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CHANGES IN FY 2017

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

| | |
|--|---------|
| Costs of pay adjustments | \$1,268 |
| Personnel benefits | 470 |
| Two days less of Pay | -681 |
| Federal Employees' Compensation Act (FECA) | -57 |
| Benefits for former personnel | 0 |
| Travel and transportation of persons | 0 |
| Transportation of things | 0 |
| Rental payments to GSA | 311 |
| Rental payments to others | 0 |
| Communications, utilities, and miscellaneous charges | 0 |
| Printing and reproduction | 0 |
| Advisory and assistance services | 0 |
| Other services from non-Federal sources | 0 |
| Working Capital Fund | 678 |
| Other Federal sources (DHS Charges) | 0 |
| Other goods and services from Federal sources | 0 |
| Research & Development Contracts | 0 |
| Operation and maintenance of facilities | 0 |
| Operation and maintenance of equipment | 0 |
| Supplies and materials | 0 |
| Equipment | 0 |
| Insurance claims and indemnities | 0 |

Built-Ins Subtotal **\$1,989**

Net Program **\$14,006**

Direct FTE **56**

| | Estimate | FTE |
|-------------------------|------------------|------------|
| Base | \$134,801 | 649 |
| Program Increase | \$14,006 | 56 |
| Program Decrease | \$0 | 0 |

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| BUDGET AUTHORITY BEFORE THE COMMITTEE | | | | |
|--|----------------------------|----------------------------|----------------------------|--|
| (Dollars in Thousands) | | | | |
| | FY 2015 Enacted | FY 2016 Enacted | FY 2017 Request | Diff. FY17 Request / FY16 Enacted |
| Activity Appropriation | 91,125 | 86,125 | 101,230 | 15,105 |
| FTE | 109 | 112 | 126 | 14 |

NOTE: FY 2015 reflects actual FTE. Authorized FTE for FY 2015 was 106.

Introduction

The Bureau of International Labor Affairs' (ILAB) global mission is to advance workers' rights and livelihoods, particularly for the world's most vulnerable populations. ILAB promotes broad-based and inclusive economic growth, reduced inequality, greater respect for workers' rights, and improved working conditions. ILAB's efforts help ensure that workers around the world are treated fairly and are able to share in the benefits of the global economy. Although focused internationally, ILAB's mission also advances DOL's domestic priorities by supporting the creation and retention of good jobs at home through efforts to help ensure a level global playing field for American workers and create stronger export markets for goods made in the United States.

ILAB works through the interagency process to develop and promote U.S. international economic, trade, and development policy that reflects the concerns and interests of workers, both in the United States and globally. ILAB leads the U.S. government's representation on labor and employment issues in regional and multilateral institutions, such as the International Labor Organization (ILO), the G20, the Organization for Economic Co-operation and Development (OECD), the Asia-Pacific Economic Cooperation (APEC) forum, and the Inter-American Conference of the Ministries of Labor (IACML) of the Organization of American States. In addition, ILAB makes grants for technical assistance to promote workers' rights and acceptable conditions of work, including helping to eliminate the worst forms of child labor. ILAB also conducts research and reporting on international labor, economic, and trade issues.

ILAB's work contributes to DOL's Strategic Goal 1 – to prepare workers for good jobs and to ensure fair compensation, and to Strategic Objective 1.3 – Improve worker rights and livelihoods, particularly for vulnerable populations.

In support of the Administration's trade agenda, a top Presidential priority, the additional funding requested by ILAB for FY 2017 will increase its capacity to provide technical assistance grants to trading partners and strengthen the monitoring and enforcement of the labor provisions of new and existing free trade agreements (FTAs), including the Trans-Pacific Partnership (TPP). These funds will help ensure that countries party to U.S. FTAs are able to build capacity to uphold their labor commitments in law and practice, which is critical to achieving the goal of making trade work for workers in the United States and abroad.

With the requested funding increase for FY 2017, ILAB will continue to improve its monitoring and enforcement of labor provisions of FTAs and trade preference programs, in particular by

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deepening and expanding its use of integrated, systemic, and strategic engagement with U.S. trading partners that includes proactive and in-depth labor monitoring, such as through relevant fact-finding; direct, expert engagement and consultation; and robust enforcement and application of the trade-related labor requirements.

This approach also includes technical assistance grant funding to bring countries' labor laws into compliance with international standards and strengthen labor law enforcement; help civil society organizations engage more effectively on workers' rights issues; improve industrial relations; and raise awareness about workers' rights. Such assistance is designed and implemented with a deep understanding of trading partners' practical and political realities. For example, ILAB may uncover a particularly critical labor law weakness or enforcement challenge in a trading partner and, in response, develop a technical cooperation project to help that country build its capacity to address the specifically identified shortcomings. The result would be technical cooperation with practical and concrete results that contribute to systemic, sustainable, long-term change.

In recent years, for example, ILAB has made grants of approximately \$58,000,000 to address root causes of the worst forms of child labor, and at least \$6,000,000 to address other workers' rights concerns. Such programs not only contribute to a more level playing field for U.S. workers, but they also contribute to broad-based economic development and social stability that are major goals of U.S. trade and foreign policy. With the resources requested for grants in FY 2017, ILAB will expand its workers' rights technical assistance program, specifically focusing on helping U.S. trade partners ensure that their labor laws are in compliance with international standards; improve enforcement of those labor laws, including by improving the quality of labor inspections and strengthening labor administration; and strengthen tripartite cooperation between employers, governments, and workers.

The additional resources requested would also allow ILAB to improve its capacity to investigate submissions alleging violation of FTA labor obligations, including any potential increase in submissions under new or existing FTAs; to act as the principal liaison with other governments for the administration of FTA labor subcommittees and labor cooperation mechanisms; to assist in the negotiation of new labor commitments under prospective FTAs; and to provide the research and analysis necessary to address labor rights concerns in beneficiaries of U.S. trade preference programs.

ILAB will also continue its recent approach of funding holistic programs to eliminate the worst forms of child labor and forced labor that are incorporated into comprehensive frameworks to promote livelihoods for vulnerable families and youth employment opportunities, extend targeted social protections, improve workplace health and safety and protect other workers' rights, and broadly support collective efforts to help workers claim basic rights and advance their interests. These integrated efforts will be undertaken in countries where child labor and/or forced labor is prevalent and where the political and institutional context offers particular opportunities for the effective application of such an integrated approach to achieving the goals of eliminating the worst forms of child labor and forced labor.

ILAB will continue and expand its use of strategic dialogues with priority countries such as China, India, and Vietnam, which provide the opportunity both to consolidate and deepen labor

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cooperation and promote broader U.S. policy interests. Through these dialogues, ILAB is able to connect the Department's domestic expertise in areas such as workplace safety and health, mine safety and health, and labor law administration and enforcement with foreign governments' ministries' interests and needs on the same issues.

In addition, the requested funding will enable ILAB to maintain and build upon its already extensive work on labor matters in countries of geopolitical importance. Such work includes efforts in countries like Burma, Pakistan, and Bangladesh, where engagement on labor rights provides a significant and strategic opportunity to help address issues of economic instability, and in regions of high importance to the Administration like the Middle East and North Africa, where there is a convergence of U.S. national security and economic development interests. Moreover, ILAB will continue to play an important role in the whole of government effort to expand U.S. engagement in Central America.

Five-Year Budget Activity History

| <u>Fiscal Year</u> | <u>Funding</u> (Dollars in Thousands) | <u>FTE</u> |
|--------------------|--|------------|
| 2012 | \$92,309 | 98 |
| 2013 | \$87,480 | 106 |
| 2014 | \$91,125 | 105 |
| 2015 | \$91,125 | 106 |
| 2016 | \$86,125 | 112 |

FY 2017

The FY 2017 ILAB request of \$101,230,000 and 126 FTE includes increases for the monitoring and enforcement of labor provisions of free trade agreements and trade preference programs and funding technical assistance grants to address capacity building in U.S. trade partners as well as the root causes of child labor and promote workers' rights abroad. The request includes an additional \$9,150,000 and 14 FTE to strengthen monitoring and enforcement through additional staff, including labor attachés in high-priority countries, and worker rights technical assistance grants. Also included in the FY 2017 request level is a program increase for an additional \$5,000,000 in technical assistance grants.

Broadly, ILAB will use these resources to:

- Promote the broad-based economic development and social stability that are major goals of U.S. trade and foreign policy;
- Enhance its ability to effectively monitor and enforce labor provisions of free trade agreements and trade preference programs;
- Support the global competitiveness of U.S. workers through its work to promote fair working conditions and inclusive economic growth for workers around the world;
- Fund projects that combat the worst forms of child labor and forced labor internationally, promote fair working conditions, and bolster workers' rights;

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- Effectively lead the U.S. government's efforts on labor and employment issues through bilateral diplomacy and multilateral organizations;
- Sustain enhanced efforts undertaken in the past three years to promote inclusive economic growth in America's global trading partners through bilateral engagement, technical assistance, and monitoring and enforcement of trade agreements and trade preference programs;
- Conduct systematic research and analysis on economic, labor, and trade related issues to better inform our policies and technical assistance;
- Continue its global leadership in reducing and eliminating the worst forms of child labor through policy promotion, research, and substantial grant funding for projects overseas; and,
- Ensure that the U.S. maintains a leading role in multilateral fora, including the G20 and the International Labor Organization (ILO), for the discussion of international labor standards and international efforts to sustainably create jobs and improve livelihoods.

Monitoring and enforcing compliance with the Trans-Pacific Partnership (TPP) labor chapter will represent a significant new responsibility for ILAB, at a time when ILAB is already stretching to effectively monitor and enforce the labor obligations of 13 existing FTAs with 19 trading partners, 15 of which are developing countries facing varying levels of labor challenges. ILAB will be responsible for strategic engagement with new trading partners related to capacity building grants, direct technical assistance, and other monitoring and enforcement efforts to ensure compliance with the strongest labor provisions of any FTA ever negotiated in the largest negotiated FTA in U.S. history. The Administration is committed to ensuring that the 11 TPP partners, five of which are new U.S. free trade partners (Brunei Darussalam, Japan, Malaysia, New Zealand, and Vietnam) uphold their new labor obligations and that TPP effectively establishes, on paper and in practice, a new standard for protecting workers' rights in the context of trade, and ILAB requests additional funding in order to meet this priority.

ILAB's budget request includes resources to double the total number of ILAB staff dedicated full time to helping to ensure that U.S. trading partners comply with their FTA labor commitments and increase the number of positions for the labor attaché program. Resources are included for an additional 9 monitoring and enforcement staff and 5 labor attachés. These additional resources will build on and intensify existing efforts to more effectively enforce FTA labor provisions, addressing the concerns raised by the Government Accountability Office and key stakeholders, as well as members of Congress.

The additional resources requested will help ILAB implement a new strategy to improve monitoring and enforcement of labor provisions of FTAs and trade preference programs and for a new streamlined public submission review process that ILAB is presently developing, in coordination with the Office of the U.S. Trade Representative and Department of State and in consultation with U.S. stakeholders. Using the new strategy, ILAB will work with interagency partners to proactively identify the most critical and high-priority labor concerns in FTA countries, prioritize and affirmatively target those concerns, develop the means to address them, and more effectively focus and intensify engagement with those countries to resolve those identified concerns. ILAB will also more expeditiously investigate and provide for a more timely and effective response to labor submissions under FTA labor chapters.

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With the additional funding, ILAB will be better positioned to ensure FTA partners' compliance with labor obligations by more effectively employing the wide range of tools available for these purposes, including trade and diplomatic leverage, direct and indirect technical assistance and cooperation, and capacity building, among others. The increased resources will also enhance ILAB's capacity to act as the principal liaison with U.S. trading partners for the administration of FTA labor subcommittees and labor cooperation mechanisms. ILAB will be able to respond more effectively and expeditiously to public submissions alleging violation of FTA labor chapters, helping to ensure that it is a useful tool for addressing the labor concerns raised.

ILAB currently provides no less than \$6,000,000 annually to address workers' rights issues in countries with which the United States has FTAs or to which the United States extends trade preferences, following the provisions of ILAB's current appropriations. The funding supports projects to help build more effective labor inspectorates, facilitate social dialogue, improve industrial relations, strengthen worker organizations, increase workers' awareness of their rights and responsibilities, and support innovative supply-chain approaches to improve working conditions. For example, ILAB is presently funding such workers' rights projects in Peru, Colombia, Mexico, Morocco, Jordan, and Honduras.

The recently enacted Bipartisan Congressional Trade Priorities and Accountability Act of 2015 (TPA), however, *requires* the President to "direct the heads of relevant Federal agencies . . . (A) to work to strengthen the capacity of United States trading partners to carry out obligations under trade agreements," including related to labor, and "to provide technical assistance to that country if needed." ILAB will use the additional funding to provide capacity building technical assistance grants on labor issues to TPP partners to facilitate compliance with their labor chapter obligations and maintain its technical assistance programming on workers' rights. In addition to funding new projects in TPP countries, ILAB must also continue to provide and expand workers' rights technical assistance to: (1) existing trading partners for which challenges in fulfilling FTA labor obligations remain, such as Colombia; (2) current trade preference program beneficiaries, such as Haiti; and (3) countries seeking trade preferences, such as Burma.

The request includes resources to restore grant funding to the FY 2015 level to provide not more than \$58,825,000 for programs to combat exploitative child labor internationally, and increase funding above the FY 2015 level to assist in the technical assistance and compliance efforts for trading partners required under the Trade Promotion Authority Act (P.L. 114-26). \$5,000,000 will be used to restore grant funding to the FY 2015 level, while \$3,000,000 will be used for worker rights purposes. The additional grant funding will ensure support of projects around the globe that address the root causes of the worst forms of child labor and promote workers' rights, including projects to promote skills training, apprenticeship and safe work opportunities for youth; empower vulnerable women and children; address child labor and forced labor in the supply chains of specific sectors; and support global research and evaluation efforts.

ILAB's FY 2017 request also will support the U.S. Strategy for Engagement in Central America, which launched in October 2014 and complements the work undertaken by national governments and multilateral banks to support the priority objectives identified in the Plan of the Alliance for Prosperity in the Northern Triangle. The Strategy focuses on three overarching lines of action:

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1) promoting prosperity and regional economic integration; 2) enhancing security through continued and expanded Central America Regional Security Initiative (CARSI) activities; and 3) promoting improved governance.

ILAB will support the Strategy by funding ILAB's bilateral and multilateral engagement with Central American countries to promote inclusive economic growth and address labor concerns, in particular ILAB's direct technical assistance programming and ILAB's monitoring and enforcement of labor obligations of the U.S.-Dominican Republic-Central America Free Trade Agreement (CAFTA-DR). ILAB will continue to oversee seven technical assistance grants operating in the region, including to help eliminate child labor by addressing its root causes, promote youth skills development and workforce training, increase respect for workers' rights and improve working conditions, and build government capacity to enforce labor laws. ILAB will continue to facilitate compliance with CAFTA-DR labor provisions, including through direct cooperation with Honduras on implementation of the Monitoring and Action Plan. Taken together, these efforts help increase economic opportunity, in particular for disaffected and marginalized youth; address certain underlying causes of growing violence and security concerns; and strengthen state law enforcement institutions. CARSI programs will improve regional security and reduce gang violence to complement and enhance U.S. bilateral assistance.

FY 2016

The FY 2016 ILAB enacted level of \$86,125,000 and 112 FTE is \$5,000,000 less than the FY 2015 enacted level. The enacted funding level reduced grant funds that help address the root causes of the worst forms of child labor, assist U.S. trade partners with capacity building to ensure compliance with their labor commitments under free trade agreements and trade preference programs, and promote workers' rights abroad. In addition, the level funding for salaries and expenses will limit ILAB's ability to strengthen the monitoring and enforcement of labor provisions of free trade agreements.

The Department believes that global markets must be governed by fair market rules that protect the most vulnerable populations, including women and children, and provide workers a fair share of economic prosperity and voice in their work lives. ILAB will continue to work on these objectives to achieving the Department's goals for U.S. workers, build the foundation for inclusive economic growth, and contribute to a more balanced pattern of global trade. ILAB's global mission is to advance workers' rights and livelihoods, particularly for the world's most vulnerable populations. ILAB promotes broad-based and inclusive economic growth, reduced inequality, greater respect for workers' rights, and improved working conditions. Although focused internationally, ILAB's mission also advances the Department's domestic priorities by supporting the creation and retention of good jobs at home through our efforts to help ensure a level global playing field for American workers and create stronger export markets for goods made in the United States.

ILAB will continue to meet its mission through an integrated approach that combines efforts to amend laws and strengthen enforcement in other countries with activities to assist worker organizations, improve industrial relations, effectively engage companies, and raise awareness about worker rights. As part of this approach, ILAB engages in in-depth monitoring,

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relationship building, and fact-finding in a country and then designs an intervention – which may include engagement ranging from a technical assistance grant, on-going expert consultations by USG advisors, and/or training - that reflects this deep understanding of the country's practical and political reality.

In support of the Administration's trade agenda, a top Presidential priority, ILAB will use existing resources to ensure that countries party to free trade agreements with the United States uphold their labor commitments in law and practice. Specifically, ILAB will continue to receive and investigate submissions alleging violation of FTA labor obligations including any potential increase in submissions under new or existing FTAs, to act as the principal liaison with other governments for the administration of FTA labor subcommittees and labor cooperation mechanisms, to assist in the negotiation of new labor commitments under prospective FTAs, and to provide the research and analysis necessary to address labor rights concerns in beneficiaries of U.S. trade preference programs.

In addition, ILAB will continue to lead the U.S. Government's representation on labor and employment issues in regional and multilateral institutions as well as bilateral engagements and work closely with other agencies to develop and implement international economic, trade, and labor policies. For example, ILAB will continue to promote issues of occupational safety and health as well as increased female labor force participation through these dialogues and international fora, and promote the Department of Labor's domestic priorities and expertise through such engagements.

ILAB will continue to work closely with other federal agencies to develop and implement international economic, trade, and labor policies, including labor provisions of trade agreements; engagement on diplomatic and security issues related to labor and employment in bilateral and multilateral as well as through international organizations; grants for technical assistance to promote workers' rights and acceptable conditions of work, including helping to eliminate the worst forms of child labor; and research and reporting on international labor issues.

In FY 2016, ILAB will continue to focus on combatting the worst forms of child labor. ILAB will support actions by countries that are beneficiaries of U.S. trade preference programs to address recommendations in the annual Department of Labor's Findings on the Worst Forms of Child Labor. ILAB will support direct action in countries to address root causes of child labor, including lack of access to quality education and training opportunities and household poverty. ILAB will also continue its efforts to engage governments and civil society to enhance local and national capacity in countries to reduce child labor.

FY 2015

The FY 2015 ILAB enacted budget of \$91,125,000 continued ILAB's funding at FY 2014 levels. ILAB enhanced its effectiveness and results without an increase in program resources by deepening and expanding its use of an integrated, systemic approach to country engagement as well as focusing its efforts on strategic areas of importance where political will and regional or country-specific prioritization allowed for greater progress.

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Monitoring and Enforcement of Labor Provisions of Free Trade Agreements and Trade Preferences

ILAB continued its monitoring, enforcement, and remediation activities with trade partners, and countries which are of high priority because of their importance to U.S. national security or foreign policy interests or because their compliance with labor standards is particularly problematic.

ILAB monitors and enforces labor obligations under FTAs through analysis of each country's labor practices and engages with the country to remedy the problems identified. In some cases, ILAB staff or consultants work directly to assist ministries of labor to improve their capacity to enforce international labor standards and other agreements. ILAB has observed an increasing number of submissions made under various free trade agreements (Guatemala, Honduras, Peru, Dominican Republic, and Mexico), alleging non-compliance with their terms. The workload presented by this high volume of evidence gathering and legal analysis has strained ILAB's capacity to maintain proper oversight of the entire range of trade relationships with significant labor dimensions. In particular, monitoring, enforcement, and remediation under the Colombia Labor Action Plan accompanying the U.S.-Colombia free trade agreement has required substantial additional FTE allocations from current ILAB resources, given its complexity and scope.

To assist in these efforts, in FY 2015, ILAB selected its second and third labor attaché positions for U.S. Embassy in Bogota, Colombia, and Hanoi, Vietnam, to help address the Colombia Labor Action Plan and the plan for legal and institutional reforms in Vietnam under TPP.

Systematic research and analysis on the status of labor rights in trade partner countries allows ILAB to coherently target policy engagement – including trade enforcement actions and technical cooperation activities – to specific countries and issues where the maximum impact may be achieved. Enforcement includes consideration and adjudication of formal submissions lodged under labor provisions of trade agreements, or under the preference petition process. These have increased substantially and are expected to continue to increase, requiring substantial resources for research, investigation and legal analysis. Enforcement also includes the application of remediation measures to assist trade partners in arriving at compliance with labor obligations. When monitoring identifies issues of concern that can be ameliorated, ILAB can provide experts in labor law, labor policy, labor administration, and other technical areas of enforcement.

ILAB continued to improve the impact of its monitoring and reporting by developing systems to provide key information to the public through open government initiatives, including direct links on ILAB's website, thereby improving transparency and public disclosure. In addition, ILAB has developed a USG-wide system for sharing sensitive information that is improving interagency engagement with key trading partners.

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Workers' Rights Technical Assistance

ILAB makes grants for technical assistance to promote fair working conditions in FTA and trade preference partner countries. Priority countries for FTA-related technical cooperation included Colombia, Malaysia, Peru, and Vietnam. In addition, ILAB continued to deepen and expand its focus on other countries that receive trade preferences in Haiti and Bangladesh.

ILAB programs are helping to build effective labor inspectorates, improve industrial relations, strengthen worker organizations, and support innovative supply-chain approaches to improve working conditions. For example, ILAB is a lead funder of the Better Work (BW) program, a joint initiative run by the ILO and the International Finance Corporation to improve working conditions in the apparel sector of strategic countries. Current and future funding of BW will help ILAB to better comply with its statutory mandates in Haiti under the Haitian Hemispheric Opportunity through the Partnership Encouragement Act of 2008 (HOPE II), including monitoring compliance with core labor standards by Haitian apparel producers and facilitating remediation of identified violations.

In addition, ILAB continues to look for opportunities to provide innovative technical assistance grants to our trade partners on key international labor standards such as non-discrimination. For example, ILAB launched a project in 2015 in Mexico to help implement labor law reforms from 2012 that extended non-discrimination protections to pregnant women and LGBT workers. The project works closely with the labor inspectorate to update its training and enforcement systems, with workers and employers to understand the changes to the labor laws, and with other civil society organizations to help with education and enforcement.

Child Labor and Forced Labor

ILAB continued to undertake a strategic and global approach to optimize efforts to address the root causes of child and forced labor. ILAB's efforts sought to improve the quality of life and increase household incomes of such laborers so that they do not fall victim to exploitation. ILAB made grants for new international technical assistance programs that address harmful child labor, forced labor, and human trafficking by withdrawing or preventing children from involvement in exploitive labor, promoting formal and transitional education opportunities for children, fostering family livelihoods and empowering adult workers, strengthening policies on child labor and education, and building and mainstreaming the capacity of national institutions to address these issues.

In order to meet Congressional reporting mandates and to improve the effectiveness of its grant-funded programs, ILAB continued to support efforts to collect reliable data on the worst forms of child labor, raise awareness of child and forced labor, and mobilize a wide array of actors to address the problem. ILAB continued to improve its reporting on the worst forms of child labor, as called for under the Trade and Development Acts of 2000 and 2002 on governments who are recipients of trade preferences under the Generalized System of Preferences. In line with its mandate under the Trafficking Victims Protection Reauthorization Acts (TVPRA) of 2005 and 2008, ILAB monitored efforts by governments and other actors to combat harmful child labor,

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forced labor, and human trafficking practices in foreign countries, and created and maintained a country-specific list of goods produced with forced labor or exploitative child labor.

ILAB took steps to apply the knowledge gained from its various evaluations to inform our decisions about the replication and scaling up of interventions. Previous implementation evaluations have assessed ILAB's holistic approach to addressing child labor through a combination of institutional capacity-building, awareness-raising, and pilot education and livelihood interventions. In turn, ILAB has used learning from these implementation evaluations to inform new project design and investment of ILAB resources. For example, based on results from an implementation evaluation of a technical assistance project in the Philippines, ILAB has provided follow-up funding which will be used to provide a package of education and livelihood services for families and children engaged in child labor in the sugar cane sector. Based in part on strong results of an implementation evaluation of a technical assistance project in Peru, ILAB is planning to provide additional funds in FY16 which will support multiple innovative rural education models, several of which the Government of Peru plans to adopt more widely based on the project's success, and a livelihoods intervention for agricultural households. In addition, ILAB has several impact evaluations currently underway that are evaluating the effectiveness of various child labor-related interventions. Several of these impact evaluations focus on interventions that have been deemed promising candidates for replication, including multi-grade rural school programs in Latin America and farmer field schools in Africa. ILAB will use the lessons learned from these impact evaluations to strengthen future projects when results are available.

International Diplomacy and Policy

ILAB engaged extensively and substantively with other countries' labor ministries and with international and regional organizations to defend, uphold, and promote international labor standards, promote inclusive economic growth, address the challenges of unemployment, and promote social protection. ILAB continued to lead U.S. Government participation in the ILO and the G20 Labor and Employment Ministerial process. It also continued to represent the U.S. government in the Employment, Labor and Social Affairs Committee of the Organization for Economic Co-operation and Development (OECD) and the labor bodies of other international and regional organizations, including the Asia Pacific Economic Cooperation Forum (APEC), the Inter-American Conference of the Ministries of Labor (IACML) of the Organization of American States and the ongoing dialogue with the European Union. ILAB also provided expert input on labor, employment and social protection issues for U.S. Government participation in the United Nations and its affiliated bodies.

ILAB worked with the Department of State to advance U.S. foreign policy and human rights interests, promote labor diplomacy and ensure effective and timely reporting on labor issues, monitor developments in countries of particular importance to the United States, and represent and advance U.S. policy interests on international labor issues. ILAB worked to ensure effective interaction with foreign governments and stakeholders on labor standards and employment issues and to facilitate exchanges at both the technical and policy levels.

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| DETAILED WORKLOAD AND PERFORMANCE | | | | | |
|--|---|----------------------------|---------------|----------------------------|----------------------------|
| | | FY 2015 Enacted | | FY 2016 Enacted | FY 2017 Request |
| | | Target | Result | Target | Target |
| International Labor Services | | | | | |
| Strategic Goal 1 - Prepare workers for better jobs | | | | | |
| Strategic Objective 1.3 - Advance workers' rights, acceptable work conditions, and livelihoods, particularly for the world's vulnerable populations | | | | | |
| ILAB-B | Number of policy positions adopted by international fora and countries that reflect ILAB and DOL priorities | 34 | 27 | 38 | 41 |
| ILAB-20 | Percent of ILAB priorities achieved | [base] | 71% | 75%[e] | 90%[e] |
| Strategic Goal ALL - All Strategic Goals | | | | | |
| Strategic Objective ALL.1 - All Strategic Objectives | | | | | |
| ILAB-C | Number of households receiving livelihood services | 16,079 | 30,477 | 13,500 | 13,500 ¹ |
| ILAB-E | Number of countries with increased capacity to address child labor or forced labor | 32 | 29 | 20 | 20 ² |
| ILAB-F | Number of countries in which worker rights and/or working conditions are improved | 15 | 21 | 17 | 24 |
| ILAB-G | Number of countries with improved capacity of the government and/or other social partners to protect worker rights and/or improve working conditions as a result of DOL interventions | 20 | 19 | 22 | 30 |
| ILAB-14 | Number of targeted Labor Ministries implementing strategy and/or action plan to enforce labor legislation (and/or to inspect worksites), resulting from USDOL-funded project. | [base] | 14 | 12[e] | 20[e] |

¹ The reduction is due to shifts in the project portfolio and fewer results being generated by direct service projects at this time.

² The reduction is due to shifts in the project portfolio and fewer results being generated by direct service projects at this time.

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| DETAILED WORKLOAD AND PERFORMANCE | | | | | |
|--|--|----------------------------|---------------|----------------------------|----------------------------|
| | | FY 2015 Enacted | | FY 2016 Enacted | FY 2017 Request |
| | | Target | Result | Target | Target |
| ILAB-16 | Number of targeted government partners that implement inspections or deliver other important government services using improved tools or resources from a DOL-funded project and/or direct technical assistance. | [base] | 11 | 17[e] | 23[e] |
| ILAB-17 | Number of targeted worker and/or civil society organizations with improved strategic and/or management functions. | [base] | 42 | 24[e] | 28[e] |
| ILAB-19 | Number of targeted worker and/or civil society members with improved understanding of workers' rights and related issues. | [base] | 37,327 | 10,025[e] | 11,100[e] |

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

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Detailed Workload Performance Narrative

In FY 2015, ILAB met or exceeded the targets of three of its five annual outcome measures from previous years. ILAB did not meet two of its annual targets due to shifts in project portfolio and resources to support the President's trade negotiations. ILAB added performance measures to report on the achievement of policy priority initiatives and the impact of its technical assistance and cooperation programs on targeted government partners and stakeholders (measures ILAB 14, 16, 17, 19, and 20 in the Detailed Workload and Performance Chart).

The requested program increases of \$9,150,000 and 14 FTE in FY 2017 will primarily improve performance in the monitoring and enforcement of trade agreements. The additional funding and FTE requested will support the hire of new labor attachés and staff engaged in monitoring and enforcement of trade agreements. Current labor attachés in Bangladesh and Colombia are working to further priority policies in-country and regionally by contributing valuable expertise and technical assistance. Future labor attachés in Vietnam and Honduras to be placed in FY 2016 are also expected to further legal and institutional reforms.

To better report on these priority policy achievements, ILAB developed a new, qualitatively-based, annual performance indicator (ILAB-20) in FY 2015. This innovative indicator demonstrates ILAB's ability to further priority policy objectives through a series of annually targeted, pre-determined steps (or milestones). The first step (milestone) captures the initial communication of a policy priority and a final step (milestone) describes the actual promulgation and/or enforcement of that policy by the targeted partner country or organization. In its pilot year, ILAB selected seven key priority policies to monitor and report on to demonstrate progress through the year, including policy priorities that support U.S. trade agreements. End of year reporting showed that ILAB succeeded in its priority policy objectives in its work with the Government of Honduras and the G20 Task Force on Employment. ILAB reported full results in its agency quarterly performance reporting cycle.

With the additional resources requested for FY 2017, ILAB anticipates an increase in the percent of policy priorities achieved (ILAB-20) from 71% in FY 2015 to 90% in FY 2017. ILAB expects the requested resources for monitoring and enforcement will lead to a 14% increase in the number of countries in which worker rights are improved and a 58% increase in the number of countries with improved capacity of the government and/or other social partners to protect worker rights and/or improve working conditions as a result of DOL interventions from the FY 2015 results. In FY 2017, ILAB expects to increase the number of policy positions adopted by international fora and countries that reflect ILAB and DOL priorities from a result of 27 in FY 2015 to an estimated target of 41 (52% increase) as a result of increased engagement with ILO, OECD, and G20.

In FY 2017, ILAB expects to oversee more than 40 technical assistance projects totaling approximately \$240,000,000. These projects will address an array of labor-related issues, including:

- Worst forms of child labor, forced labor, and human trafficking through direct assistance and the building of local capacity;

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- Promoting formal and transitional education opportunities for children removed from the worst forms of child labor;
- Supporting research and data collection efforts around the world to better understand the current status of child labor and forced labor;
- Developing model programs to enable workers to exercise their rights; and
- Strengthening the capacity of governments to adopt, promote and enforce labor standards and acceptable work conditions.

In FY 2017, ILAB will continue to integrate its approaches to child labor, forced labor, and workers' rights technical assistance projects. The agency will undertake interventions in countries where child labor is prevalent, where the political and institutional context offers particular opportunities for the effective application of an integrated approach that includes child labor eradication and worker rights goals. In FY 2015, ILAB exceeded its target of households receiving livelihood services by 89%, increasing the number to 30,477. Due to shifts in its project portfolio, ILAB increased the capacity of 9% fewer countries to address child or forced labor than targeted. ILAB expects to meet these targets for FY 2016.

In FY 2015, ILAB improved its reporting on the performance results of its technical assistance programs with the introduction of aggregate measures that reflect results from its portfolio. ILAB expects to expand the number of projects contributing to these measures in FY 2016 and FY 2017. Through these measures, ILAB will demonstrate the results of its technical assistance work with its partners to:

- Increase the number of targeted Labor Ministries implementing strategy and/or action plans to enforce labor legislation (and/or to inspect worksites), resulting from a DOL-funded project;
- Increase the number of targeted government partners that implement inspections or deliver other important government services using improved tools or resources from a DOL-funded project and/or direct technical assistance;
- Increase the number of targeted worker and/or civil society organizations with improved strategic and/or management functions; and
- Increase the number of targeted worker and/or civil society members with improved understanding of workers' rights and related issues through technical assistance and cooperation programs.

The requested increase in funding for FY 2017 will result in more trade-related technical assistance programs that improve strategic and management functions of worker and civil society organizations and ensure that the membership of those organizations, including workers, will have a better understanding of workers' rights issues in their country. Specifically, ILAB expects to increase the number of organizations that receive strategic and management assistance by 75% over fiscal year 2015 targets and to increase the number of individuals who will have a better understanding of workers' rights issues by 200% over fiscal year 2015 targets.

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| BUDGET ACTIVITY BY OBJECT CLASS | | | | | |
|--|--|----------------------------|----------------------------|----------------------------|--|
| (Dollars in Thousands) | | | | | |
| | | FY 2015 Enacted | FY 2016 Enacted | FY 2017 Request | Diff. FY17 Request / FY16 Enacted |
| 11.1 | Full-time permanent | 12,115 | 12,552 | 15,846 | 3,294 |
| 11.3 | Other than full-time permanent | 48 | 0 | 0 | 0 |
| 11.5 | Other personnel compensation | 145 | 0 | 0 | 0 |
| 11.9 | Total personnel compensation | 12,308 | 12,552 | 15,846 | 3,294 |
| 12.1 | Civilian personnel benefits | 3,600 | 4,044 | 5,581 | 1,537 |
| 21.0 | Travel and transportation of persons | 1,383 | 1,300 | 1,800 | 500 |
| 22.0 | Transportation of things | 12 | 37 | 37 | 0 |
| 23.1 | Rental payments to GSA | 1,058 | 1,060 | 1,113 | 53 |
| 23.3 | Communications, utilities, and miscellaneous charges | 150 | 108 | 108 | 0 |
| 24.0 | Printing and reproduction | 35 | 49 | 49 | 0 |
| 25.1 | Advisory and assistance services | 1,158 | 25 | 1,025 | 1,000 |
| 25.2 | Other services from non-Federal sources | 525 | 192 | 192 | 0 |
| 25.3 | Other goods and services from Federal sources 1/ | 4,471 | 4,662 | 4,849 | 187 |
| 25.4 | Operation and maintenance of facilities | 800 | 2,000 | 2,000 | 0 |
| 25.5 | Research and development contracts | 0 | 0 | 0 | 0 |
| 25.7 | Operation and maintenance of equipment | 75 | 135 | 669 | 534 |
| 26.0 | Supplies and materials | 150 | 67 | 67 | 0 |
| 31.0 | Equipment | 75 | 69 | 69 | 0 |
| 41.0 | Grants, subsidies, and contributions | 65,325 | 59,825 | 67,825 | 8,000 |
| | Total | 91,125 | 86,125 | 101,230 | 15,105 |
| | | | | | |
| | 1/Other goods and services from Federal sources | | | | |
| | Working Capital Fund | 3,914 | 4,497 | 4,684 | 187 |
| | DHS Services | 23 | 23 | 23 | 0 |
| | Services by Other Government Departments | 429 | 37 | 37 | 0 |

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CHANGES IN FY 2017

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

| | |
|--|-------|
| Costs of pay adjustments | \$222 |
| Personnel benefits | 78 |
| Two days less of Pay | -117 |
| Federal Employees' Compensation Act (FECA) | -2 |
| Travel and transportation of persons | 0 |
| Transportation of things | 0 |
| Rental payments to GSA | 53 |
| Communications, utilities, and miscellaneous charges | 0 |
| Printing and reproduction | 0 |
| Advisory and assistance services | 0 |
| Other services from non-Federal sources | 0 |
| Working Capital Fund | 187 |
| Other Federal sources (DHS Charges) | 0 |
| Other goods and services from Federal sources | 0 |
| Research & Development Contracts | 0 |
| Operation and maintenance of facilities | 0 |
| Operation and maintenance of equipment | 0 |
| Supplies and materials | 0 |
| Equipment | 0 |
| Grants, subsidies, and contributions | 0 |

Built-Ins Subtotal **\$421**

Net Program **\$14,684**

Direct FTE **14**

| | Estimate | FTE |
|-------------------------|-----------------|------------|
| Base | \$86,546 | 112 |
| Program Increase | \$14,684 | 14 |
| Program Decrease | \$0 | 0 |

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| BUDGET AUTHORITY BEFORE THE COMMITTEE | | | | |
|--|----------------------------|----------------------------|----------------------------|--|
| (Dollars in Thousands) | | | | |
| | FY 2015 Enacted | FY 2016 Enacted | FY 2017 Request | Diff. FY17 Request / FY16 Enacted |
| Activity Appropriation | 28,413 | 28,413 | 36,604 | 8,191 |
| FTE | 111 | 111 | 140 | 29 |

NOTE: FY 2015 reflects actual FTE. Authorized FTE for FY 2015 was 112.

Introduction

The Office of the Assistant Secretary for Administration and Management (OASAM) provides the infrastructure and support that enables the Department to carry out the Secretary’s vision of “Promoting and Protecting Opportunity.” OASAM contributes to the achievement of the Department’s mission by supporting each of the diverse strategic goals and objectives in the DOL Strategic Plan and enabling agencies to focus on their core missions.

OASAM provides leadership and support for business operations and procurement, budget and finance, information technology, human resource management, civil rights, emergency management, security, and strategic planning and performance. OASAM also develops policies, standards, procedures, systems, and materials for the administrative management of the Department.

OASAM civil rights activities are detailed in the Civil Rights budget activity narrative later in the Departmental Management justification.

Five Administration and Management business units receive funding from this appropriation and are designed as centers of excellence with unique mission responsibilities. OASAM emphasizes integrated performance along with seamless and transparent information sharing across business units. The five business units include:

- Departmental Budget Center (DBC)
- Performance Management Center (PMC)
- Human Resources Center (HRC)
- Office of the Chief Information Officer (OCIO)
- Business Operations Center (BOC)

Each of the centers listed above also receive funding for certain activities funded through the Working Capital Fund (WCF). In addition, OASAM Field Services, Emergency Management Center and the Security Center receive full funding of their activities through the WCF. These activities are detailed in the WCF justification.

OASAM’s work in support of the Department and its agencies falls into the four categories below:

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- *Set Policy* – OASAM centers either set policy for Departmental activities and operations or interpret government-wide policies for their application throughout the Department.
- *Provide Information on Policy and Procedures* – In addition to developing and interpreting policy, OASAM centers and regional offices ensure that agencies (and DOL employees) know the policies and procedures relevant to their work.
- *Assess Agency Competence and Compliance* – OASAM centers and regional offices ensure that agencies follow Departmental and government-wide policies; they also evaluate implementation of these policies.
- *Provide Training, Technical Assistance, and Direct Support to Agencies* – For nearly every function OASAM centers and regional offices carry out, there are offices within each program agency that have similar responsibilities. OASAM provides training, technical assistance, and, when needed, direct staff support to build capacity throughout the Department.

Five-Year Budget Activity History

| <u>Fiscal Year</u> | <u>Funding</u> (Dollars in Thousands) | <u>FTE</u> |
|--------------------|--|------------|
| 2012 | \$30,282 | 126 |
| 2013 | \$28,698 | 111 |
| 2014 | \$28,413 | 112 |
| 2015 | \$28,413 | 112 |
| 2016 | \$28,413 | 111 |

FY 2017

In the FY 2017 request, the Department has identified resource requirements within OASAM to support the functioning of the Department and, ultimately, all of the Department’s missions. The total budget authority requested is \$36,604,000 and will support 140 FTE.

The FY 2017 resource request includes the following program increases:

- **Digital Government Integrated Platform Initiative Support:** The request includes \$2,020,000 and 11 FTE to provide leadership and oversight for the Department’s continuing IT modernization efforts. The increase works in conjunction with base resources in IT Modernization and in the Working Capital Fund to continue the integration efforts and support the standing up of a unified, 21st Century Departmental IT infrastructure.
- **Suspension and Debarment Program:** An increase of \$640,000 and 4 FTE will support the Department’s efforts in the area of oversight of contractors and grantees. Suspension and debarment are critical tools in that oversight process. Under this program, the Department can either provisionally or for a set period of time exclude an entity from the procurement process. The Department’s current resources are not adequate to address serious violations by contractors. The Department has identified and implemented

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management changes to increase the effectiveness of this program, but without additional capacity, will not be able to sustainably address serious violations.

- **Departmental Training Initiative:** The request for a program increase of \$2,000,000 and 3 FTE will allow the Department to improve the efficiency and effectiveness of the current and future Federal workers in a systematic way. Currently, training is approached in an ad hoc way across the Department. These resources will support Department-wide training efforts.
- **Digital Services Team:** This request of \$2,200,000 and 11 FTE will ensure the effectiveness of the Department's digital services for the various high-priority programs, ongoing and requested in FY 2017.
- **GSA Contributions:** An increase of \$263,000 will address increasing General Services Administration (GSA) expenses.

With these additional resources, the Department will be able to successfully stand up important initiatives, increase the productivity and efficiency of our current personnel, and cover unavoidable cost increases.

FY 2016

The FY 2016 enacted funding level for OASAM was \$28,413,000, which will finance 111 FTE. OCIO will continue to create a modernized, secure and standardized IT infrastructure that enhances the efficiency and effectiveness of the Department's current technology. OCIO will also continue to implement the Digital Government Integrated Platform (DGIP) to position DOL for enhanced data sharing and mobile computing capabilities. Further information on these efforts can be found in the IT modernization budget. In FY 2016, OCIO will also be implementing the Federal Information Technology Acquisition Reform Act (FITARA) which requires that the Chief Information Officer have increased oversight responsibilities in information technology (IT) decisions, including budget formulation and planning, acquisition and execution, and organization and workforce.

In FY 2016, HRC will pursue greater efforts to improve the effectiveness of human resources (HR) through strategic human capital planning. HRC will pursue initiatives to support client agencies with improvements to recruitment, hiring and retention, diversity, workforce engagement, performance management and training and development. This funding level will also allow the OASAM to continue its integrated budget and performance approach, providing a more complete picture of agency operations and assist agencies with aligning performance activities and budget resources with goals and objectives.

FY 2015

The FY 2015 enacted level for OASAM was \$28,413,000. In FY 2015, OASAM continued to provide support to program agencies in fulfilling their missions. OCIO continued the complex and important work of consolidating information technology (IT) infrastructures and modernizing the Department's overall IT portfolio. The Information Technology Modernization appropriation chapter provides detail on progress in this area. As the Office of Personnel Management's Employee Viewpoint Survey demonstrated, OASAM's efforts to engage

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employees, led by HRC, have reaped significant rewards. The Department again rose in the rankings, and on the three major indices that OPM publishes – Employee Engagement, Global Satisfaction, and an inclusion measure – the Department was among the top 5 agencies with the largest year to year improvement in each and beat the government wide average by significant margins.

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| DETAILED WORKLOAD AND PERFORMANCE | | | | |
|---|--|---------------|----------------------------|----------------------------|
| | FY 2015 Enacted | | FY 2016 Enacted | FY 2017 Request |
| | Target | Result | Target | Target |
| Administration and Management | | | | |
| Administration and Management | | | | |
| Strategic Goal ALL - All Strategic Goals | | | | |
| Strategic Objective ALL.1 - All Strategic Objectives | | | | |
| OASAM- DM-DBC- 3 | Percent of apportionments processed within 3 days of receipt from agencies | 70.00% | 80.25% | 70.00% |
| OASAM- DM-DBC- 4 | Percent of allotments processed within 3 days of receipt from agencies | 70.00% | 88.50% | 70.00% |

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

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Detailed Workload Performance Narrative

The OASAM workload measures demonstrate a commitment to provide mission critical support to the Department. The measures are aligned with the Department's mission, goals, and organizational objectives, and are fully integrated into the Department's strategic plan. The small number of measures reflects the difficulty of measuring the policy support provided by HR, budget, and performance. OASAM supports all the Department's agencies in their achievement of the Secretary's vision of "Promoting and Protecting Opportunity."

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| BUDGET ACTIVITY BY OBJECT CLASS | | | | | |
|--|--|----------------------------|----------------------------|----------------------------|--|
| (Dollars in Thousands) | | | | | |
| | | FY 2015 Enacted | FY 2016 Enacted | FY 2017 Request | Diff. FY17 Request / FY16 Enacted |
| 11.1 | Full-time permanent | 13,341 | 13,934 | 16,696 | 2,762 |
| 11.3 | Other than full-time permanent | 0 | 0 | 0 | 0 |
| 11.5 | Other personnel compensation | 147 | 143 | 143 | 0 |
| 11.8 | Special personal services payments | 0 | 0 | 0 | 0 |
| 11.9 | Total personnel compensation | 13,488 | 14,077 | 16,839 | 2,762 |
| 12.1 | Civilian personnel benefits | 3,682 | 4,242 | 5,180 | 938 |
| 13.0 | Benefits for former personnel | 0 | 0 | 0 | 0 |
| 21.0 | Travel and transportation of persons | 137 | 143 | 143 | 0 |
| 22.0 | Transportation of things | 0 | 0 | 0 | 0 |
| 23.1 | Rental payments to GSA | 2,099 | 1,665 | 1,718 | 53 |
| 23.3 | Communications, utilities, and miscellaneous charges | 215 | 215 | 215 | 0 |
| 24.0 | Printing and reproduction | 21 | 16 | 16 | 0 |
| 25.1 | Advisory and assistance services | 128 | 126 | 1,847 | 1,721 |
| 25.2 | Other services from non-Federal sources | 586 | 401 | 1,863 | 1,462 |
| 25.3 | Other goods and services from Federal sources 1/ | 3,778 | 5,487 | 5,981 | 494 |
| 25.4 | Operation and maintenance of facilities | 52 | 53 | 53 | 0 |
| 25.5 | Research and development contracts | 0 | 0 | 0 | 0 |
| 25.7 | Operation and maintenance of equipment | 3,633 | 1,617 | 2,378 | 761 |
| 26.0 | Supplies and materials | 490 | 271 | 271 | 0 |
| 31.0 | Equipment | 104 | 100 | 100 | 0 |
| | Total | 28,413 | 28,413 | 36,604 | 8,191 |
| | | | | | |
| | 1/Other goods and services from Federal sources | | | | |
| | Services by Other Government Departments | 157 | 152 | 152 | 0 |
| | Working Capital Fund | 3,617 | 4,449 | 4,680 | 231 |
| | DHS Services | 4 | 886 | 886 | 0 |
| | GSA Services | 0 | 0 | 263 | 263 |

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CHANGES IN FY 2017

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

| | |
|--|-------|
| Costs of pay adjustments | \$222 |
| Personnel benefits | 75 |
| Two days less of Pay | -116 |
| Federal Employees' Compensation Act (FECA) | 22 |
| Benefits for former personnel | 0 |
| Travel and transportation of persons | 0 |
| Transportation of things | 0 |
| Rental payments to GSA | 53 |
| Communications, utilities, and miscellaneous charges | 0 |
| Printing and reproduction | 0 |
| Advisory and assistance services | 0 |
| Other services from non-Federal sources | 0 |
| Working Capital Fund | 231 |
| Other Federal sources (Census Bureau) | 0 |
| Other Federal sources (DHS Charges) | 0 |
| Other goods and services from Federal sources | 0 |
| Research & Development Contracts | 0 |
| Operation and maintenance of facilities | 0 |
| Operation and maintenance of equipment | 0 |
| Supplies and materials | 0 |
| Equipment | 0 |

Built-Ins Subtotal **\$487**

Net Program **\$7,704**

Direct FTE **29**

| | Estimate | FTE |
|-------------------------|-----------------|------------|
| Base | \$28,900 | 111 |
| Program Increase | \$7,704 | 29 |
| Program Decrease | \$0 | 0 |

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| BUDGET AUTHORITY BEFORE THE COMMITTEE | | | | |
|--|----------------------------|----------------------------|----------------------------|--|
| (Dollars in Thousands) | | | | |
| | FY 2015 Enacted | FY 2016 Enacted | FY 2017 Request | Diff. FY17 Request / FY16 Enacted |
| Activity Appropriation | 50,261 | 52,716 | 58,796 | 6,080 |
| FTE | 240 | 271 | 292 | 21 |

NOTE: FY 2015 reflects actual FTE. Authorized FTE for FY 2015 was 254.

Introduction

The Adjudication activity is part of the Department’s overarching Worker Protection effort. Adjudication funds two major components: (1) the Office of the Administrative Law Judges (OALJ) and (2) the Adjudicatory Boards, consisting of the Administrative Review Board (ARB), the Benefits Review Board (BRB), and the Employees’ Compensation Appeals Board (ECAB).

The Office of Administrative Law Judges (OALJ) presides over formal hearings concerning many labor-related matters. The office's mission is to render fair and equitable decisions under the governing law, the facts of each case, and the procedures mandated by the Administrative Procedure Act under which OALJ has established its own rules of practice and procedures.

The Adjudicatory Boards (referred to collectively as the Boards) are quasi-judicial bodies that review and make decisions on several thousand appeals every year under a variety of workers’ compensation benefit and protection laws and programs that are part of the Department’s worker protection mission and that set nationwide standards and legal precedent.

Office of Administrative Law Judges (OALJ)

Hearings concerning Black Lung benefits and Longshore Workers' compensation constitute the largest part of the office's work in addition to the significantly increased Permanent Labor Certification (PERM) Immigration case backlog. In an effort to reduce the cases referred to OALJ during FY 2015, ETA’s Office of Foreign Labor Certification (OFLC) changed its process and no longer automatically forward to Board of Alien Labor Certification Court of Appeals (BALCA) all PERM case Requests for Reconsideration where the original case decision was upheld. Rather, a Notice of Decision is issued when the case is upheld, and the employer must affirmatively request review before BALCA no later than 30 calendar days after the date the Notice of Decision is issued. This change in methodology has resulted in a significant reduction in the number of PERM cases referred to OALJ during FY 2015; however, ETA has received funding for FY 2016 to increase its productivity in this case area. The Department's administrative law judges, however, also hear and decide cases arising from over 80 labor-related statutes and regulations, including, for example, such diverse subjects as:

- Whistleblower complaints involving corporate fraud, nuclear, environmental, pipeline safety, aviation, commercial trucking, railways, and other statutes.
- Minimum wage disputes.

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- Enforcement actions involving the working conditions of migrant farm laborers.
- Disputes involving child labor violations.
- Civil fraud in federal programs.

Designated judges also serve as members of the Board of Alien Labor Certification Appeals (BALCA) which adjudicates the PERM Immigration cases. In addition to formal adjudication, OALJ implements alternative dispute resolution through its settlement judge process.

Over the past decade, OALJ has experienced increased workloads as Congress passed new whistleblower protection laws, such as the Aviation Investment and Reform Act, the Sarbanes-Oxley Act, Federal Rail Safety Act, the National Transit Systems Security Act, and the Pipeline Safety Improvement Act of 2002. Since FY 2008, regulatory changes and reallocation of enforcement priorities at the Employment and Training Administration have resulted in significant increases of administrative law judges hearings relating to H-2A and H-2B temporary labor certification applications. Moreover, appeals relating to Permanent Labor Certification (PERM) applications have not decreased due to the large backlog of cases referred to OALJ since FY 2010 totaling 14,419 new cases being appealed through FY 2015 as compared to less than 500 cases per year prior to FY 2010. The projections of referrals to OALJ for FY 2017 are based on the anticipated increase in receipt of new PERM cases appealed to OALJ in of 3,940 based on ETA reducing its backlog during FY 2016.

The FY 2017 OALJ request directly supports the Secretary's vision of "Promoting and Protecting Opportunity" by rendering case decisions that affect important strategic and outcome goals to provide economic benefits to employers, workers and their families through adjudicating workers' compensation cases in the Black Lung and Longshore programs. By promoting safe and fair workplace environments for America's workers in the traditional program areas such as Whistleblower protection, Wage and Hour cases, Compliance cases and over 70 other worker protection areas, we provide workers from other countries immigrating into the U.S. an equitable opportunity to join the America's workforce by adjudicating Immigration cases.

The Adjudicatory Boards

The Administrative Review Board (ARB). The ARB issues final agency decisions in appeals of cases arising under more than 60 worker-protection statutes and executive orders as outlined in Secretary's Order No. 2-2012 dated November 16, 2012. Most of the ARB's cases arise from whistleblower complaints under corporate fraud, environmental, nuclear, aviation, trucking and rail safety statutes filed with the OSHA Whistleblower Protection Program. The ARB also reviews certain civil rights enforcement actions arising under OFCCP's executive orders and statutes, and worker protection statutes such as the Child Labor and Migrant and Seasonal Worker Protection Acts. A growing number of appeals are also considered under the Davis-Bacon and Service Contract Acts and the H-1B non-immigrant visa provisions of the Immigration and Naturalization Act. In the past 10 years, the federal courts have upheld the ARB decisions in more than 96 percent of cases appealed.

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The Benefits Review Board (BRB). The BRB was created by Congress in 1972 and decides appeals from the OALJ under the Black Lung Benefits Act, the Longshore and Harbor Workers' Compensation Act, and the Defense Base Act.

The BRB has authority to resolve appeals under these statutes, filed by any party-in-interest, which raise a substantial question of law or fact, and it reviews the decisions of administrative law judges in order to determine whether the findings are supported by substantial evidence and are in accordance with law. The BRB's decisions may be appealed to the U.S. Courts of Appeals in the circuit where the injury arose, and from there to the U.S. Supreme Court. Historically, less than 15 percent of the BRB decisions are appealed to the federal circuit courts, and 85 percent of these are affirmed.

The BRB, by statute, consists of five Members appointed by the Secretary of Labor, one of whom is designated as Chair and Chief Administrative Appeals Judge. Consistent with its statutory mandate, the BRB's mission is to issue decisions on the appeals pending before it with expediency, consistency and impartiality.

The Employees' Compensation Appeals Board (ECAB). The ECAB was established by statute in 1946 to hear and make final decisions on appeals from determinations of the Office of Workers' Compensation Programs (OWCP) in claims of federal employees arising under the Federal Employees' Compensation Act (FECA). Any ill or injured federal employee adversely affected by an OWCP decision may request a review of that decision by the ECAB, either before or after a full evidentiary hearing before OWCP's Branch of Hearings and Review. The ECAB's exclusive jurisdiction extends to deciding questions of fact and law, as well as the exercise of discretion. Decisions are based on a de novo review of the supporting case record. The ECAB, through its written decisions, has the responsibility for definitively interpreting the FECA in the resolution of controversies raised on appeal and in such a manner as will fully protect the rights of all interested parties. The ECAB decisions are final, binding on OWCP, and not subject to judicial review.

Five-Year Budget Activity History

| <u>Fiscal Year</u> | <u>Funding</u> (Dollars in Thousands) | <u>FTE</u> |
|---------------------------|---|-------------------|
| 2012 | \$29,172 | 248 |
| 2013 | \$44,159 | 243 |
| 2014 | \$29,420 | 241 |
| 2015 | \$29,420 | 254 |
| 2016 | \$32,000 | 271 |

FY 2017

A total of \$59,020,000 and 292 FTE are requested for Adjudication. The request includes a program increase in general funds of \$2,684,000 and 21 FTE for OALJ to reduce the projected Immigration backlogs in the Permanent Alien Labor Certification (PERM) program workload.

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The request also includes an increase of \$1,511,000 in BLDTF to restore funding to pre-sequestration levels. Sequestration impedes the ability of OALJ and BRB to efficiently process cases related to the Black Lung benefits program, where the benefits themselves are not subject to sequestration, but the administrative funds are. While the Department has made significant progress in addressing the backlog in black lung cases, as performance data included in the request demonstrates, the continued sequestration of administrative funds will undo that progress. These funding reductions only increase the wait times for those who do not have time to wait.

Administrative Law Judges: At the requested level, OALJ will be able to significantly increase Immigration case productivity by an additional 1,000 PERM cases disposed above the 1,600 cases already in the base budget. This is a 63% increase in productivity. As part of a broader effort and 2017 Budget request by ETA to resolve the PERM backlog, OALJ anticipates an increase in the number of cases it will receive from ETA. This reduction will significantly impact the cases projected to be received at OALJ from ETA from 2,500 projected in FY 2015 to 3,940 in FY 2017.

OALJ hears and decides cases that arise from a DOL agency such as the Office of Worker's Compensation for Black Lung and Longshore or cases directly, such as some whistleblower complaints. The life cycle of a case starts within a DOL agency which can be appealed to the OALJ for a hearing and may be appealed depending on the regulation to the Benefits Review Board, to the Administrative Review Board, or to other venues. OALJ holds hearings within 75 miles of the claimant's home. To manage this workload, OALJ has seven District Offices across the country in areas where they can easily serve the parties in the cases. Each office houses a courtroom to hold hearings in that location when feasible to the parties. All hearings are open to the public and are transcribed by court reporters. The case file is paper based, but the tracking of all the events which occur in each case and all the documents issued by the judges are electronic. Judges issue approximately 25,000 documents a year and all final decisions are published on OALJ's website as required under eFOIA.

Adjudicatory Boards: At the request level, the Boards will continue their commitment to the careful review and consideration of appeals and the issuance of high quality decisions.

Administrative Review Board (ARB): The number and range of cases appealed to the ARB in FY 2017 are expected to remain steady with respect to the FY 2016 levels at the fully funded level. Most of the appeals to the ARB arise from decisions of the OALJ, and more than 80 percent of these originate under whistleblower statutes. The stability assumes no additional change in law, environmental factors, and enforcement patterns in FY 2016. The ARB projects the average age of pending cases to remain at 13 months in FY 2017. These projections are affected, however, by the mix, volume and complexity of the cases received during the year and the ARB resource levels.

At the FY 2017 request, production is expected to be relatively similar to FY 2016 projections. Decided and new cases are projected to be 105, resulting in 105 pending appeals at the end of the FY 2017 with an average case time of 13 months.

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Benefits Review Board (BRB): Projected increases in FY 2017 OALJ production is expected to drive the increase in workload at the BRB. Traditionally, as the OALJ renders its decisions, the BRB Black Lung receives 30 to 40 percent of those cases in appeals while BRB Longshore/LDA receives 5 to 15 percent. With full funding in FY 2017, the BRB will continue to produce timely, high quality decisions and minimize or avoid a backlog. Longshore/LDA will receive 173 new cases and decide 187 cases resulting in pending cases of 130. Black Lung will receive 552 new cases and decide 552 cases resulting in 414 Black Lung pending appeals.

Employees' Compensation Appeals Board (ECAB): Appeals to the ECAB come directly from the Office of Worker's Compensation Program (OWCP). The ECAB is expected to continue to have closed cases surpass new cases in FY 2017. At the Request Level, 2,300 new appeals and 2,100 cases will be decided in FY 2017. The result will be pending appeals of 1,100. The ECAB will continue to seek and make adjustments in case processing, and this will maintain the projected average case processing time of 6.25 months.

FY 2016

A total of \$52,716,000 and 271 FTE was enacted for Adjudication in FY 2016.

Administrative Law Judges: OALJ will be able to continue to significantly decrease the Black Lung Backlog by disposing of 1,328 cases which will reduce the backlog of pending cases from 3,137 at the end of FY 2015 to a projected 2,681 at the end of FY 2017. This drops the pending month's backlog from 35 to 24, which is a 46% reduction. OALJ will increase Immigration case productivity with a reduction of pending months from 34 at the end of FY 2015 to 23 at the end of FY 2017 based on an increase of cases from ETA during this year.

Adjudicatory Boards: Funding at the FY 2016 level will allow the Boards to continue their commitment to the careful review and consideration of appeals and the issuance of high quality decisions.

Administrative Review Board: The number and range of cases appealed to the ARB in FY 2016 are expected to remain steady with respect to the FY 2015 levels at the fully funded level. Most of the appeals to the ARB arise from decisions of the OALJ, and more than 80 percent of these originate under whistleblower statutes. The stability assumes no additional change in law, environmental factors, and enforcement patterns in FY 2015.

At the FY 2016 request, production is expected to remain relatively similar to FY 2015 projections. Decided cases will be 105 while new cases are projected to be 105, resulting in 107 pending appeals at the end of the FY 2016.

Benefits Review Board: Projected increases in FY 2016 OALJ production is expected to drive the increase in workload at the BRB. Traditionally, as the OALJ renders its decisions, the BRB Black Lung receives 30 to 40 percent of those cases in appeals while BRB Longshore/LDA receives 5 to 15 percent. With full funding in FY 2016, the BRB will continue to produce timely, high quality decisions and minimize or avoid a backlog. Longshore/LDA will receive

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192 new cases and decide 170 cases resulting in pending cases of 166. Black Lung will receive 552 new cases and decide 406 cases resulting in 414 Black Lung pending appeals.

Employees' Compensation Appeals Board: Appeals to the ECAB come directly from OWCP. ECAB is expected to have a reduction of 20% in staff in FY 2016. At the Request Level, 2,200 new appeals and 1,780 cases will be decided in FY 2016. The result will be pending appeals of 1,300. The ECAB will continue to seek and make adjustments in case processing; however, with the reduction of key staff, ECAB is expecting an average case processing time of 8.5 months

FY 2015

Office of Administrative Law Judges:

OALJ was successful in reducing the Black Lung backlog from 46 months in FY 2014 to 35 months at the end of FY 2015 by disposing of 1,088 cases an increase of 34% above FY 2014 disposition levels of 813. Longshore, Defense Base Act and Traditional cases all remained steady with declines of 1 to 2 months backlog in FY 2015 with dispositions of 2,150 Longshore cases, 931 Defense Base Act cases and 464 Traditional cases. Immigration continues to have large backlogs and these increased in FY 2015 to 34 months as compared to 29 months in FY 2014 with Traditional Immigration cases remaining steady at a 2 month backlog due to the required adjudicatory timeframes based on statute.

Adjudicatory Boards:

ARB: ARB closed 97 appeals in FY 2015, received 108 new appeals and ended the year with 104 appeals pending. The ARB's decisions on appeal were sustained in 5 out of 7 of decisions issued by Federal Courts of Appeals in FY 2015 (71.4% affirmance rate).

BRB: The BRB closed 266 appeals, disposed of 93 motions for reconsideration and 236 attorney fee petitions. The United States Courts of Appeals affirmed BRB decisions in more than 96% of the cases appealed.

Black Lung Program (BRB-BL): Closed 266 appeals, received 426 new appeals and ended the year with 368 appeals pending. Decisions received from the U.S. Courts of Appeals affirmed 40 of 41 (97.5% affirmance rate).

Longshore & Related Programs (BRB-LS): Closed 180 appeals, received 159 new appeals and ended the year with 95 appeals pending. Decisions received from the U.S. Courts of Appeals affirmed 16 of 17 appeals (94% affirmance rate).

Office of the Clerk of the Board (OCAB): During FY 2015, OCAB docketed 2,644 new appeals, handled the close-out of 2,518 appeals, prepared and transmitted 58 BRB and 15 ARB case records to the U.S. Courts of Appeals, and processed several thousand interim motions and requests.

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ECAB: ECAB closed 1,987 appeals in FY 2015. There were 1,963 new appeals docketed and 1,083 appeals pending at the end of the fiscal year.

ADJUDICATION

| DETAILED WORKLOAD AND PERFORMANCE | | | | | |
|--|--|---------------|----------------------------|----------------------------|----------|
| | FY 2015 Enacted | | FY 2016 Enacted | FY 2017 Request | |
| | Target | Result | Target | Target | |
| Adjudication | | | | | |
| Adjudication | | | | | |
| Strategic Goal 1 - Prepare workers for better jobs | | | | | |
| Strategic Objective 3.3 - Secure wages and overtime | | | | | |
| ALJ-IM-01 | OALJ IMMIGRATION New Cases: | 2,500[p] | 757 | 750[p] | 3,940[p] |
| ALJ-IM-02 | OALJ IMMIGRATION Dispositions: | 2,075 | 1,491 | 1,300 | 2,600 |
| ALJ-IM-03 | OALJ IMMIGRATION Pending Cases: | 5,355[p] | 4,196 | 3,646[p] | 4,986[p] |
| ALJ-IM-04 | OALJ IMMIGRATION Pending Months: | 31 | 34 | 34 | 23 |
| ALJ-TI-01 | OALJ TRADITIONAL IMMIGRATION New Cases: | 175[p] | 182 | 175[p] | 175[p] |
| ALJ-TI-02 | OALJ TRADITIONAL IMMIGRATION Dispositions: | 190 | 198 | 175 | 175 |
| ALJ-TI-03 | OALJ TRADITIONAL IMMIGRATION Pending Cases: | 36[p] | 35 | 35[p] | 35[p] |
| ALJ-TI-04 | OALJ TRADITIONAL IMMIGRATION Pending Months: | 2 | 2 | 2 | 2 |
| ALJ-T-01 | OALJ TRADITIONAL New Cases: | 500[p] | 408 | 425[p] | 450[p] |
| ALJ-T-02 | OALJ TRADITIONAL Dispositions: | 450 | 464 | 465 | 465 |
| ALJ-T-03 | OALJ TRADITIONAL Pending Cases: | 764[p] | 658 | 618[p] | 603[p] |
| ALJ-T-04 | OALJ TRADITIONAL Pending Months: | 20 | 17 | 16 | 16 |
| Strategic Goal 4 - Secure retirement, health, and other employee benefits and, for those not working, provide income security | | | | | |

ADJUDICATION

| DETAILED WORKLOAD AND PERFORMANCE | | | | | |
|--|---------------------------------------|---------------|----------------------------|----------------------------|----------|
| | FY 2015 Enacted | | FY 2016 Enacted | FY 2017 Request | |
| | Target | Result | Target | Target | |
| Strategic Objective 4.1 - Provide income support when work is impossible or unavailable and facilitate return to work | | | | | |
| ALJ-BL-01 | OALJ BLACK LUNG New Cases: | 1,300[p] | 1,075 | 1,100[p] | 1,100[p] |
| ALJ-LDA-02 | OALJ DEFENSE BASE ACT Dispositions: | 760 | 931 | 830 | 800 |
| ALJ-LDA-03 | OALJ DEFENSE BASE ACT Pending Cases: | 763[p] | 834 | 904[p] | 1,004[p] |
| ALJ-LDA-04 | OALJ DEFENSE BASE ACT Pending Months: | 12 | 11 | 13 | 15 |
| ALJ-BL-02 | OALJ BLACK LUNG Dispositions: | 1,022 | 1,088 | 1,328 | 1,328 |
| ALJ-BL-03 | OALJ BLACK LUNG Pending Cases: | 3,428[p] | 3,137 | 2,909[p] | 2,681[p] |
| ALJ-BL-04 | OALJ BLACK LUNG Pending Months: | 40 | 35 | 26 | 24 |
| ALJ-LS-01 | OALJ LONGSHORE New Cases: | 2,200[p] | 2,038 | 2,050[p] | 2,000[p] |
| ALJ-LS-02 | OALJ LONGSHORE Dispositions: | 1,950 | 2,150 | 2,045 | 2,000 |
| ALJ-LS-03 | OALJ LONGSHORE Pending Cases: | 2,252[p] | 1,890 | 1,895[p] | 1,895[p] |
| ALJ-LS-04 | OALJ LONGSHORE Pending Months: | 14 | 11 | 11 | 11 |
| ALJ-LDA-01 | OALJ DEFENSE BASE ACT New Cases: | 720[p] | 962 | 900[p] | 900[p] |
| Adjudication | | | | | |
| Strategic Goal 4 - Secure retirement, health, and other employee benefits and, for those not working, provide income security | | | | | |

ADJUDICATION

| DETAILED WORKLOAD AND PERFORMANCE | | | | | |
|--|------------------------------|----------------------------|---------------|----------------------------|----------------------------|
| | | FY 2015 Enacted | | FY 2016 Enacted | FY 2017 Request |
| | | Target | Result | Target | Target |
| Strategic Objective 4.1 - Provide income support when work is impossible or unavailable and facilitate return to work | | | | | |
| ECAB-01 | New Appeals | 2,200[p] | 1,963 | 2,200[p] | 2,300[p] |
| ECAB-02 | Closed Appeals | 2,225 | 1,987 | 1,780 | 2,100 |
| ECAB-03 | Pending Appeals | 1,111 | 1,083 | 1,300 | 1,100 |
| ECAB-05 | Average Case Processing Time | 6.25 | 7.11 | 8.50 | 6.25 |
| Adjudication | | | | | |
| Strategic Goal 4 - Secure retirement, health, and other employee benefits and, for those not working, provide income security | | | | | |
| Strategic Objective 4.1 - Provide income support when work is impossible or unavailable and facilitate return to work | | | | | |
| BRB-LS/LDA-01 | New Appeals | 192[p] | 159 | 192[p] | 173[p] |
| BRB-LS/LDA-02 | Closed Appeals | 159 | 180 | 170 | 187 |
| BRB-LS/LDA-03 | Pending Appeals | 144 | 95 | 166 | 130 |
| BRB-LS/LDA-05 | Average Case Processing Time | 11.00 | 10.38 | 11.00 | 11.00 |

ADJUDICATION

| DETAILED WORKLOAD AND PERFORMANCE | | | | | |
|--|------------------------------------|----------------------------|---------------|----------------------------|----------------------------|
| | | FY 2015 Enacted | | FY 2016 Enacted | FY 2017 Request |
| | | Target | Result | Target | Target |
| BRB- LS/LDA- 06 | Attorney Fee Petitions Filed | 50[p] | 25 | 50[p] | 50[p] |
| BRB- LS/LDA- 07 | Attorney Fee Orders Issued | 40[p] | 25 | 40[p] | 40[p] |
| BRB- LS/LDA- 08 | Motions for Reconsiderations Filed | 16[p] | 14 | 17[p] | 17[p] |
| BRB- LS/LDA- 09 | Orders on Reconsiderations Issued | 16[p] | 12 | 17[p] | 17[p] |
| BRB- LS/LDA- 12 | Affirmance Rate | 85.00% | 94.00% | 85.00% | 85.00% |
| Adjudication | | | | | |
| Strategic Goal 4 - Secure retirement, health, and other employee benefits and, for those not working, provide income security | | | | | |
| Strategic Objective 4.1 - Provide income support when work is impossible or unavailable and facilitate return to work | | | | | |
| ARB-01 | New Appeals | 105[p] | 108 | 105[p] | 105[p] |
| ARB-02 | Closed Appeals | 105 | 97 | 105 | 105 |
| ARB-03 | Pending Appeals | 107 | 104 | 107 | 105 |

ADJUDICATION

| DETAILED WORKLOAD AND PERFORMANCE | | | | | |
|--|------------------------------------|----------------------------|---------------|----------------------------|----------------------------|
| | | FY 2015 Enacted | | FY 2016 Enacted | FY 2017 Request |
| | | Target | Result | Target | Target |
| ARB-05 | Average Case Processing Time | 12.75 | 13.83 | 12.75 | 13.00 |
| Adjudication | | | | | |
| Strategic Goal 4 - Secure retirement, health, and other employee benefits and, for those not working, provide income security | | | | | |
| Strategic Objective 4.1 - Provide income support when work is impossible or unavailable and facilitate return to work | | | | | |
| BRB-BL-01 | New Appeals | 358[p] | 426 | 552[p] | 552[p] |
| BRB-BL-02 | Closed Appeals | 288 | 266 | 406 | 552 |
| BRB-BL-03 | Pending Appeals | 268 | 368 | 414 | 414 |
| BRB-BL-05 | Average Case Processing Time | 11.00 | 12.08 | 11.00 | 11.00 |
| BRB-BL-06 | Attorney Fee Petitions Filed | 250[p] | 211 | 250[p] | 250[p] |
| BRB-BL-07 | Attorney Fee Orders Issued | 250[p] | 240 | 250[p] | 250[p] |
| BRB-BL-08 | Motions for Reconsiderations Filed | 40[p] | 28 | 45[p] | 45[p] |
| BRB-BL-09 | Orders on Reconsiderations Issued | 40[p] | 32 | 45[p] | 45[p] |

ADJUDICATION

| DETAILED WORKLOAD AND PERFORMANCE | | | | |
|--|----------------------------|---------------|----------------------------|----------------------------|
| | FY 2015 Enacted | | FY 2016 Enacted | FY 2017 Request |
| | Target | Result | Target | Target |
| BRB-BL- Affirmance Rate 12 | 85.00% | 97.50% | 85.00% | 85.00% |

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

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Detailed Workload Performance Narrative

Administrative Law Judges:

The FY 2017 request level will enable OALJ to continue reducing Black Lung pending case backlogs. In FY 2017, OALJ will dispose of 1,328 cases. This is in comparison to dispositions in FY 2014 of 813 cases, FY 2015 of 1,088 cases with projections in FY 2016 of 1,328 case dispositions. The backlog of cases awaiting decision continues to decrease from 3,137 cases at the end of FY 2015 to projected 2,909 Black Lung cases pending at the end of FY 2016 and continuing to decline with 2,681 projected to be pending at the end of FY 2017.

ETA will be working towards an Immigration case backlog reduction based on funding received for FY 2016 and continuing into FY 2017. This reduction will significantly impact the cases projected to be received from ETA from 757 actuals in FY 2015 due to the change in ETA's policy to not automatically send the cases to OALJ and instead wait for an appeal to be filed within 30 days of decision, to 3,940 projected cases being referred to OALJ for FY 2017 based on the additional funding received by ETA in FY 2016. OALJ will be continuing to utilize its increased funding in FY 2016 into FY 2017 to reduce the projected Immigration backlogs in the Permanent Alien Labor Certification (PERM) program; however, based on a significant increase of ETA productivity in FY 2017, OALJ will need additional resources to handle this increase in cases. OALJ's projection of FY 2016 disposition of 1,300 cases will increase to 2,600 in FY 2017 with the additional resources.

Thus, in FY 2017, OALJ will continue to address a changing mix of adjudicatory responsibilities, with a rising number of enforcement actions, immigration-related appeals, new types of whistleblower cases, and Defense Base Act hearings, plus Longshore, Immigration and Black Lung cases. OALJ will adjust to these changes by assigning cases throughout the country based on geographic location without regard to case type.

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Adjudicatory Boards:

Workload estimates for all three Adjudicatory Boards are based on Worker Protection claims. Actual incoming workload remains outside the control of the Boards and is affected by such factors as changes to workers' compensation laws, attorney/representative involvement in the appeals process, increases and decreases in the workforce.

More than 90 percent of the Administrative Review Boards (ARB) appeals come from the Office of Administrative Law Judges (OALJ) as do virtually all of new appeals to the Benefits Review Board (BRB). All appeals to the Employees' Compensation Appeals Board (ECAB) originate in the Federal Employees Compensation Division of the Office of Workers' Compensation Programs (OWCP). By the time the Boards receive an appeal, the original claim may be several years old. Any delay at the appellate level is likely to be viewed as a hardship by the parties.

The ARB expects 105 new appeals to be filed in FY 2017. The ARB's goal is to close 105 cases at the request level. Pending appeals are projected to remain similar to the FY 2016 level at 105 appeals. Average case processing time is not expected to change from FY 2016 as a projected 13 months.

The BRB Black Lung (BL) new appeals are expected to remain at 552 appeals in FY 2017 as a result of the projected production by the OALJ. BRB BL production is directly related to OALJ BL production. Historically, 35% of OALJ BL decisions are appealed to BRB. There are 552 appeals expected to be closed in FY 2017 which is an increase of 146 appeals from FY 2016. Pending appeals will remain at 414, and the BRB BL is expecting average case processing times to remain at 11 months which is consistent with the FY 2016 case processing times.

The BRB Longshore (LS/LDA) projects new appeals filed in FY 2017 to be 173 which is based on production estimates by the OALJ. The BRB LS/LDA volume is directly related to OALJ LS/LDA production. Historically, approximately 6.2% of OALJ LS/LDA decisions are appealed to the BRB. The BRB LS/LDA expects to close 187 appeals in FY 2017. Based on OALJ LS/LDA projections, pending appeals will decrease, resulting in 130 pending appeals at the end of FY 2017. Average case processing time is expected to remain at 11 months.

New appeals to the ECAB are expected to increase to 2,300 in FY 2017. At the request level, closed appeals are expected to decrease to 2,100 by year-end. This continues to be a lower level than recent fiscal years as the ECAB is focused on issuing more final decisions rather than procedural orders and providing improved customer service by focusing on the quality of each decision issued by the Board. Since high quality final decisions require significantly longer average case processing times than orders, it is reasonable to predict fewer closed appeals with staffing levels the same, along with increases in pending appeals levels. Funding at this level will allow the ECAB to maintain the average case processing time at 6.25 months. Full funding will ensure that the ECAB continues to produce high-quality decisions on a timely basis.

ADJUDICATION

| BUDGET ACTIVITY BY OBJECT CLASS | | | | | |
|--|--|----------------------------|----------------------------|----------------------------|--|
| (Dollars in Thousands) | | | | | |
| | | FY 2015 Enacted | FY 2016 Enacted | FY 2017 Request | Diff. FY17 Request / FY16 Enacted |
| 11.1 | Full-time permanent | 26,973 | 27,382 | 29,400 | 2,018 |
| 11.3 | Other than full-time permanent | 303 | 658 | 658 | 0 |
| 11.5 | Other personnel compensation | 154 | 218 | 218 | 0 |
| 11.9 | Total personnel compensation | 27,430 | 28,258 | 30,276 | 2,018 |
| 12.1 | Civilian personnel benefits | 7,052 | 7,381 | 8,049 | 668 |
| 13.0 | Benefits for former personnel | 8 | 0 | 0 | 0 |
| 21.0 | Travel and transportation of persons | 526 | 325 | 325 | 0 |
| 22.0 | Transportation of things | 0 | 0 | 0 | 0 |
| 23.1 | Rental payments to GSA | 4,120 | 4,170 | 4,305 | 135 |
| 23.2 | Rental payments to others | 19 | 15 | 15 | 0 |
| 23.3 | Communications, utilities, and miscellaneous charges | 429 | 183 | 183 | 0 |
| 24.0 | Printing and reproduction | 7 | 6 | 6 | 0 |
| 25.1 | Advisory and assistance services | 300 | 61 | 60 | -1 |
| 25.2 | Other services from non-Federal sources | 370 | 257 | 257 | 0 |
| 25.3 | Other goods and services from Federal sources 1/ | 7,448 | 7,977 | 8,304 | 327 |
| 25.4 | Operation and maintenance of facilities | 385 | 0 | 0 | 0 |
| 25.5 | Research and development contracts | 0 | 0 | 0 | 0 |
| 25.7 | Operation and maintenance of equipment | 1,653 | 3,508 | 6,325 | 2,817 |
| 26.0 | Supplies and materials | 301 | 212 | 212 | 0 |
| 31.0 | Equipment | 213 | 363 | 479 | 116 |
| 42.0 | Insurance claims and indemnities | 0 | 0 | 0 | 0 |
| | Total | 50,261 | 52,716 | 58,796 | 6,080 |
| | | | | | |
| | 1/Other goods and services from Federal sources | | | | |
| | Working Capital Fund | 6,015 | 6,429 | 6,756 | 327 |
| | DHS Services | 359 | 222 | 222 | 0 |
| | Services by DOL Agencies | 1,024 | 0 | 0 | 0 |
| | Services by Other Government Departments | 50 | 1,326 | 1,326 | 0 |

ADJUDICATION

CHANGES IN FY 2017

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

| | |
|--|-------|
| Costs of pay adjustments | \$527 |
| Personnel benefits | 196 |
| Two days less of Pay | -281 |
| Federal Employees' Compensation Act (FECA) | -7 |
| Benefits for former personnel | 0 |
| Travel and transportation of persons | 0 |
| Transportation of things | 0 |
| Rental payments to GSA | 135 |
| Rental payments to others | 0 |
| Communications, utilities, and miscellaneous charges | 0 |
| Printing and reproduction | 0 |
| Advisory and assistance services | -1 |
| Other services from non-Federal sources | 0 |
| Working Capital Fund | 327 |
| Other Federal sources (DHS Charges) | 0 |
| Other goods and services from Federal sources | 0 |
| Research & Development Contracts | 0 |
| Operation and maintenance of facilities | 0 |
| Operation and maintenance of equipment | 0 |
| Supplies and materials | 0 |
| Equipment | 0 |
| Insurance claims and indemnities | 0 |

Built-Ins Subtotal **\$896**

Net Program **\$5,184**

Direct FTE **21**

| | Estimate | FTE |
|-------------------------|-----------------|------------|
| Base | \$53,612 | 271 |
| Program Increase | \$5,184 | 21 |
| Program Decrease | \$0 | 0 |

WOMEN'S BUREAU

| BUDGET AUTHORITY BEFORE THE COMMITTEE | | | | |
|--|----------------------------|----------------------------|----------------------------|--|
| (Dollars in Thousands) | | | | |
| | FY 2015 Enacted | FY 2016 Enacted | FY 2017 Request | Diff. FY17 Request / FY16 Enacted |
| Activity Appropriation | 11,536 | 11,536 | 12,902 | 1,366 |
| FTE | 49 | 52 | 52 | 0 |

NOTE: FY 2015 reflects actual FTE. Authorized FTE for FY 2015 was 54.

Introduction

Public Law 66-259 authorized the Women’s Bureau (the Bureau or WB) to “formulate standards and policies which shall promote the welfare of wage-earning women, improve their working conditions, increase their efficiency, and advance their opportunities for profitable employment.”

The mission of the Bureau is to develop policies and standards and conduct inquiries to safeguard the interests of working women, advocate for equality and economic security for themselves and their families, and promote quality work environments. This mission is as critical today as it has been since the agency was established in 1920, as women now comprise almost half of the Nation’s workforce, and their contributions are vital to our country’s economic prosperity.

While many women have made great advances in educational attainment, professional attainment, and personal financial well-being over the past several decades, many continue to face gender-specific barriers that inhibit them from attaining occupational integration, equal compensation with men, and fair treatment. The persistence of barriers to women’s full and equal labor force participation supports the case for the Bureau’s continued focus on research and advocacy for women preparing to enter and those currently in the workplace.

The Bureau serves as an advocate for women in the labor force and as a source of information about issues affecting working women. The Bureau informs and educates individuals and organizations at the local, state, and national levels about the issues facing women in the labor force, while also promoting policy and programmatic changes aimed at increasing equal economic and employment opportunity for working women and their families. The Bureau believes in the power of community engagement to bring about the policy and programmatic changes necessary to improve the well-being of working women.

The Bureau supports the Department’s mission and the Secretary’s vision of Promoting and Protecting Opportunity by contributing to the strategic objective of “breaking down barriers to fair and diverse workplaces and narrowing wage and income inequality.” An opportunity economy includes workplaces free of discrimination, including wage discrimination, and quality work environments.

The Bureau is committed to sponsoring or advancing targeted outreach, research and policy initiatives related to the following strategies for FY 2017:

WOMEN'S BUREAU

1. Advancing Policies that Support Women and Working Families in the 21st Century Economy;
2. Promoting New Opportunities for Women's Advancement and Earning Power.

Five-Year Budget Activity History

| <u>Fiscal Year</u> | <u>Funding</u> (Dollars in Thousands) | <u>FTE</u> |
|---------------------------|---|-------------------|
| 2012 | \$11,559 | 56 |
| 2013 | \$10,955 | 56 |
| 2014 | \$11,536 | 56 |
| 2015 | \$11,536 | 54 |
| 2016 | \$11,536 | 52 |

FY2017

The FY 2017 request of \$12,902,000 and 52 FTE will allow the Bureau to build on the work it began in FY 2016: research, program, outreach, and education work on paid family medical leave; decreasing the gender wage gap by increasing access to nontraditional occupations; and to support critical data collection efforts to fill knowledge gaps.

The request includes a program increase of \$1,000,000 for the Paid Leave Grant Program. This program increase would double the amount of grant funding the Bureau will be able to provide, expanding the number of grantees to up to 16 in FY 2017. These grants provide states, municipalities, tribes and territories the resources they need to conduct feasibility studies so they can determine if and how to implement their own paid leave programs. The expansion is necessary to meet demand from these entities, as shown by the number of high-quality applications the Bureau is not able to fund with base resources. In FY 2015, the Bureau was able to fund fewer than half of these high-quality applications.

A. Continuing to Close the Pay Gap by Increasing Access and Preparation to Nontraditional and In-Demand Occupations

While the data show young women outpacing men in obtaining college degrees, women continue to be under-represented in critical areas of the economy, particularly in math, science and information technology-related jobs. A number of the occupations within these fields are projected to grow at faster rates than the economy as a whole, creating advancement and earnings opportunities for workers who are positioned to meet employer skill demands.

Recognizing that apprenticeship is a key strategy in narrowing the wage gap and ensuring women's economic self-sufficiency, the Bureau is actively engaged in initiatives that aim to increase women's entrance into a diverse set of industry apprenticeship programs, including, but not limited to, the construction trades, healthcare, energy, manufacturing, transportation and information technology (IT). As part of this focus, the Bureau will continue to work closely with ETA's Office of Apprenticeship to ensure new and existing programming, particularly the

WOMEN'S BUREAU

American Apprenticeship Grant (AAG) program, is sufficiently inclusive of women trainees and job seekers who have traditionally been underrepresented among apprentices as it moves to implement an expanded scope and set of objectives, including execution of the new American Apprenticeship Grant program.

In addition, the Bureau will also continue to work closely with the CEO as it develops the next phase of work for its five-year study of women non-traditional occupations, which will involve close collaboration with some subset of AAG recipients to test an intervention related to outreach and recruitment of women into apprenticeship programs. The Bureau will continue to work with ETA on the Strengthening Working Families Initiative grant program, which seeks to mitigate conflicts placed on trainees and job seekers with child care obligations.

The Bureau will also develop proactive efforts related to the expansion of apprenticeship, namely to (1) promote promising approaches related to women's entrance into and retention within apprenticeable occupations; and (2) to fill gaps in the body of research related to women's participation in apprenticeships and pre-apprenticeships, specifically, and non-traditional occupations, more generally. In terms of new areas for research, the Bureau will first develop and debut a series of case studies that highlight promising approaches for facilitating women's entry into and retention within both apprenticeship and pre-apprenticeship programs.

Additionally, the Bureau will capitalize on its demographic and occupational analysis portfolio—growth trends and employment outlook; women's current participation, including by age, race/ethnicity, geographic location; and other characteristics and factors that contribute to women's entry, retention and turnover rates—to provide critical data related to apprenticeable occupations and industries.

B. Supporting Working Women and their Families: Expanding Workplace Flexibility and Paid Leave

In September 2014, the Bureau announced a new Paid Leave Analysis Grant Program and awarded \$500,000 in competitive grants to three states and the District of Columbia to fund paid leave analysis research and feasibility studies. The studies informed the development or implementation plans for paid family and medical leave programs. In June 2015, in response to the President's State of the Union announcement, the Bureau announced another round of grants, in the amount of \$1,550,000, to eight grantees. This grant program funded research and analysis needed to explore, develop, implement or improve paid family and medical leave programs at the state and municipal levels.

The Bureau's Paid Leave Analysis Grant Program is small but has helped further this Administration priority issue. The Bureau's Paid Leave Analysis Grants help states and municipalities conduct feasibility studies and have already yielded favorable returns. Most notably, Massachusetts has developed a state-level Paid Family and Medical Leave simulation model that can be used by other states and municipalities to estimate the costs of different policy scenarios. Based on the volume of applications for the second round of these grants, the additional one million dollar investment will help more states, municipalities, Tribes and Territories conduct, research, analysis, and feasibility studies that could ultimately lead to implementation of paid leave policies.

WOMEN'S BUREAU

The Bureau will build off the success of these two years and will dedicate \$1,000,000 in 2016 and \$2,000,000 in 2017 to continue to expand the Paid Leave Analysis Grant Program. In addition to the \$1,000,000 currently designated in the FY 2016 budget, we believe that the additional \$1,000,000 requested by the Bureau would allow the agency to increase the number of grantees to as many as 16 in FY 2017. In each of the past two years, the number of applicants has significantly exceeded the number of grantees we were able to fund. 9 high-quality applications were turned down in FY 2015 due to lack of funding. With growing state and local interest in paid family leave programs, additional funding is critical to meet the needs and readiness exhibited by many states and localities. The grants will be designed to carry out research and analyses activities in the categories listed below, which focus on advancing a wide array of work to develop, implement or expand a paid leave program:

1. Statistical analysis such as cost benefit or actuarial studies;
2. Feasibility analysis;
3. Economic impact analysis;
4. Financing, eligibility and benefit modeling; and
5. Education, outreach and marketing analysis for implementation purposes.

Additionally, for states, municipalities, localities, territories and federally recognized tribal governments that have already completed the analyses listed above and are awaiting legislative action to formally adopt or have recently adopted a paid family and medical leave program, some limited funds will be available to support pre-or initial implementation analyses, including but not limited to:

1. Identifying administrative support requirements such as information technology (IT) infrastructure needs and development of an IT plan, and identification of business processes and staffing needs for administration of the program;
2. Development of implementation plans;
3. Conducting survey research to develop potential benchmarks to measure the impact of the policy/law at a later time.

Paid family medical leave programs enhance job retention and help workers stay on career paths, which benefits both workers and businesses. Since the passage of the Family and Medical Leave Act in 1993, a few states have adopted paid leave programs to ensure families have the economic security to care for their newborn or adopted children or seriously ill family members. President Obama has made the expansion of these programs one of his priorities for strengthening working families.

FY 2016

The FY 2016 enacted level of \$11,536,000 will allow the Bureau to maintain its work related to the incubation of state and municipal paid family and medical leave programs; decreasing the gender wage gap by increasing access to nontraditional occupations; and to support critical data collection efforts to fill knowledge gaps particularly related to women's leave-taking and workforce exiting behavior. In addition, the Bureau will continue to play a critical role in bringing together diverse array of issue/policy experts, practitioners, businesses and inter- and intra- agency.

WOMEN'S BUREAU

A. Supporting Working Women and their Families: Expanding Workplace Flexibility and Paid Leave

The Department is at the forefront of the national conversation on paid family leave, and the Bureau continues contribute to building momentum related to this critical priority issue. The Bureau's 2014 and 2015 Paid Leave Analysis Grants have already provided support for 12 states and municipalities to conduct feasibility and other studies to support either the creation of new state and local paid leave programs or improvements to existing state programs. These studies provide critical information to inform concrete implementation proposals, as in the case of Massachusetts, a grant recipient in 2014. Massachusetts has developed a robust state-level Paid Family and Medical Leave model that can be adopted by other states and municipalities to estimate the costs of different policy scenarios.

In FY 2016, the Bureau will continue to collaborate with DOL's Employment and Training Administration to administer the Bureau's Paid Leave Analysis Grant Program. At the end of the FY 2016 grant cycle the Bureau will host a symposium to highlight findings from 2016 grantees as well as other emerging research and data on state and local paid family and medical leave policies. This will include more detailed findings from the FY 2014 and FY 2015 grantees of the Paid Leave Analysis Grants. The Bureau will continue working closely with DOL partner agencies on other original research related to the benefits and costs of publicly-funded paid family and medical leave programs.

In addition, in FY 2016, the Bureau plans to fields a nationally-representative survey developed in FY 2015 of working women and will analyze and publish the results, focused mainly on women's sustained or interrupted labor force attachment and the precipitating factors, to educate stakeholders and ensure a better informed debate about the factors driving women's entrances and exits from the labor force.

B. Continuing to Close the Pay Gap by Increasing Access to Nontraditional Occupations

Occupational segregation is a critical factor in the persistent wage gap between women and men. However, women continue to be underrepresented in higher wage, in-demand occupations in growth sectors such as technology and transportation. However, some training and service providers have been successful in increasing the numbers of women to enter into and be retained within apprenticeship and pre-apprenticeship programs.

FY 2015

At the enacted level of \$11,536,000, the Bureau continued to advance the Administration's goal of improving working conditions and increasing employment opportunities for women. The Bureau expanded its commitment to conducting high-quality research and analysis to inform and support policy change for the benefit of working women and their families; expand opportunities for women in higher-paying, in-demand careers, including apprenticeships and non-traditional occupations; and promote equal pay and fair treatment in the workplace.

WOMEN'S BUREAU

A. Supporting Working Women and their Families: Expanding Workplace Flexibility and Paid Leave

The Bureau continued to advance the national conversation on paid leave. Building on the initial success of its Paid Leave Analysis Grants program in FY 2014, the Bureau increased the amount of funding available under the program and expanded the scope of the grants to include states and municipalities, as well as U.S. Territories and Possessions and federally recognized Indian/Native American Tribes.

In FY 2015, the Bureau awarded \$1.55 million in grants to eight states and municipalities to study the feasibility of developing or improving upon paid family and medical leave programs. The Bureau also hosted a Paid Family and Medical Leave Findings Symposium to share and discuss the results of the Bureau's FY 2014 Paid Leave Analysis Grants, as well as academic research funded by the Department of Labor.

Additionally, the Bureau supported the policy initiatives of agencies within the Department and throughout the Executive Branch that relate to workplace flexibilities and the needs of working women and their families including developing a workplace flexibility toolkit now jointly located on the Small Business Administration's and DOL's websites. The Bureau worked with Gallup to draft a survey of working women to identify women's current employment issues and challenges and how these issues and challenges relate to job and career decisions. Specifically, the survey focuses on women's patterns of exiting and reentering the labor force and the contributing factors to women's decisions that affect their retention in the workforce, including workplace policies, work-life benefits, and family obligations. Once fielded, the survey will provide the Bureau with information on how work/life balance issues impact women's exit from the workforce and how these manifest for different populations, including women who have recently left the workforce, older and younger women, and those with and without children.

B. Continuing to Close the Pay Gap by Increasing Access to Nontraditional Occupations

The Bureau continued work on projects related to increasing women's access to and participation in nontraditional occupations. Many of the jobs in higher-paying, traditionally male-dominated occupations require specialized training and education that can be acquired on the job, in part-time programs, in community colleges, and in apprenticeships. The Bureau worked with the Office of Apprenticeship (OA) to expand access to apprenticeships, including supporting development of their Women and Pre-Apprenticeship Toolkit, a new resource to assist organizations and service providers in developing their own pre-apprenticeship programs for women.

The Bureau launched a new web portal entitled "Women Build, Protect and Move America" that provides resources and information on careers, education and training, and employment in building, transportation, and protective services, fields where women have traditionally been under represented. The website is the first government sponsored online repository of information for women job-seekers, service providers, and others, including occupational data and statistics; relevant organizations, associations and advocacy groups; promising practices and success stories; and support service resource and referral information.

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The Bureau released several publications, including *A Guide to Hiring Women with Disabilities*; *Key Characteristics of Working Women with Disabilities*; and *Older Women Workers and Economic Security*. Additionally, the Bureau conducted research on employers' data collection practices and methodologies for assessing gender-based pay disparities, and performed economic analysis to identify trends, data gaps, and policy and program needs related to targeted populations of women including women of color, working mothers, women with disabilities, women veterans, and immigrant women. Some of these data were released as graphical depictions of key employment indicators for working women, including labor force participation rates, earnings, and gender composition within industries. Some longer term projects, such as research on immigrant working women will be made public in FY 2016.

In FY 2015, the Bureau updated its online resource that details state-level employment protections for workers who are pregnant or nursing. One of its most frequently visited web pages, the resource depicts which U.S. jurisdictions (states and territories) have laws, statutes and/or interpretive case law that go beyond federal law to specifically prohibit pregnancy discrimination, as well as those jurisdictions that specifically provide workplace breastfeeding rights. The Bureau developed a guide on reasonable accommodations for pregnant and breastfeeding workers, which it plans to publish in FY 2016.

WOMEN'S BUREAU

| DETAILED WORKLOAD AND PERFORMANCE | | | | | |
|---|---|----------------------------|---------------|----------------------------|----------------------------|
| | | FY 2015 Enacted | | FY 2016 Enacted | FY 2017 Request |
| | | Target | Result | Target | Target |
| Women's Bureau | | | | | |
| Strategic Goal 3 - Promote fair and high quality work-life environments | | | | | |
| Strategic Objective 3.1 - Break down barriers to fair and diverse workplaces and narrow wage and income inequality | | | | | |
| 1-WB-PRO-01 | Number of Policy & Research Deliverables | 18 | 20 | 20 | 18 |
| 2-WB-CEA-01 | Number of Community Engagement Activities | -- | -- | 144 | 144 |
| 3-WB-POC-01 | Number of Public Outreach Communications | -- | -- | 24 | 8 |
| 4-WB-ETAA-01 | Number of Education & Technical Assistance Activities | -- | -- | [base] | [base] |
| 5-WB-PRE-01 | Number of Policy and Research Events | -- | -- | 6 | 6 |
| 7-WB-CS-01 | Percent of written inquiries from external constituents responded to and sent to inquirer within 1 week of WB's receipt | 90.00% | 95.00% | 90.00% | 90.00% |
| 8-WB-CS-02 | Percent of survey respondents who report that they gained useful and relevant information from the discussion and/or materials distributed at WB's events | -- | -- | [base] | TBD |

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

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Detailed Workload Performance Narrative

The Bureau re-evaluated its performance measures in FY 2015, and made some changes for FY 2016 and FY 2017 to better reflect the work of the agency in conducting policy research and analysis, informing and promoting policy change, and increasing public awareness and education. For example, the Bureau added new measures for its public outreach communications as well as its community engagement activities, which enable the Bureau to increase levels of awareness and education on its issue areas and/or hear from constituent groups, subject matter experts, stakeholders and others about specific topics. The Bureau also added a new measure for policy and research events, which reflects the Bureau's commitment to sharing the results of economic, legislative, and policy analysis, research and data collection conducted by the Bureau – alone or in collaboration with other agencies – on issues related to women in the labor force. Furthermore, the Bureau added a new customer service measure in conjunction with its participation in the government-wide Federal Feedback Button Pilot. The Bureau will collect feedback from those who attend its events to determine the impact of its policy and outreach work and how to further raise awareness of key issues impacting working women and their families. The Bureau will continue providing technical assistance in response to requests from the White House, other DOL agencies, Federal departments, and the public.

In FY 2015, the Bureau successfully met or exceeded all but one of its annual targets, completing 20 policy and research outputs and developing 6 technical assistance (TA) tools. The Bureau released research, policy papers and a variety of web resources on topics such as paid leave, pay secrecy, and older women workers and produced resources to commemorate the 25th anniversary of the Americans with Disabilities Act. The Bureau also produced an infographic on Hispanic Women in the labor force which caught the attention of NBC News' Latino outlet and resulted in their interviewing one of the Bureau's staff economists.

The Bureau also continued its Paid Leave Analysis Grant Program, increasing total funding for the grants to support 8 additional states and municipalities in conducting studies to support the development or implementation of paid family and medical leave programs at the state and local levels. The Bureau also hosted a Paid Family and Medical Leave Findings Symposium, with presentations and a panel discussion about the research and findings of the 2014 Paid Leave Analysis Grants as well as academic research funded by DOL.

In FY 2016, the Women's Bureau will persist with a targeted set of policy priorities, namely continuing to incubate state and municipal paid leave programs through its Paid Leave Analysis Grant Program and increasing women's access to better-paying jobs through apprenticeship and other avenues to non-traditional employment opportunities. FY 2016 will also feature a continued emphasis on promoting equal pay by understanding and eroding the factors that influence the gender wage gap. In 2016, the Bureau will also sponsor a number of large-scale, nationally representative data collection efforts to fill knowledge gaps related to women's leave-taking and workforce exiting behavior, one of which will be a first-of-its kind original data collection effort and

WOMEN'S BUREAU

the other an additional module to the American Time Use Survey fielded by BLS. In addition to maintaining and expanding the data and statistics content on the website, as well as introducing more interactive tools for the first time, the Bureau expects to produce numbers of policy and research outputs on par with past years. These will include complex quantitative analyses, including a study of the lost wages, benefits and other components of financial security women lose when informal caregiving responsibilities displace paid employment, and an analysis to identify occupations with higher earnings and better career ladder mobility for low-wage immigrant women workers, as well as a number of other, more qualitative resources.

In FY 2017, the Women's Bureau will continue to capitalize on both the findings and lessons learned from its first two rounds of grants, as well as the growing momentum among state and municipal-level policy makers, to further expand the Paid Leave Analysis Grant Program. The Bureau will provide \$2,000,000 to state and municipal grant award recipients in 2017, a four-fold increase over the first year of funding in 2014. In addition, FY 2017 research and policy activities will include a continued emphasis on disrupting patterns of gendered occupational segregation, in particular by exploring the pathways to better paying jobs for women that present themselves within high-growth, in-demand occupations, including apprenticeships and other fields where women have traditionally been under-represented. The Bureau will also continue to play an active role in helping to shape new programmatic initiatives underway in other agencies, including the American Apprenticeship and the Strengthening Working Families Initiative grant efforts to ensure these programs are sufficiently inclusive of the women they aim to serve.

WOMEN'S BUREAU

| BUDGET ACTIVITY BY OBJECT CLASS | | | | | |
|--|--|----------------------------|----------------------------|----------------------------|--|
| (Dollars in Thousands) | | | | | |
| | | FY 2015 Enacted | FY 2016 Enacted | FY 2017 Request | Diff. FY17 Request / FY16 Enacted |
| 11.1 | Full-time permanent | 5,000 | 5,037 | 5,083 | 46 |
| 11.3 | Other than full-time permanent | 0 | 73 | 73 | 0 |
| 11.5 | Other personnel compensation | 50 | 50 | 50 | 0 |
| 11.9 | Total personnel compensation | 5,050 | 5,160 | 5,206 | 46 |
| 12.1 | Civilian personnel benefits | 1,373 | 1,598 | 1,552 | -46 |
| 21.0 | Travel and transportation of persons | 340 | 144 | 144 | 0 |
| 22.0 | Transportation of things | 0 | 0 | 0 | 0 |
| 23.1 | Rental payments to GSA | 745 | 748 | 773 | 25 |
| 23.2 | Rental payments to others | 0 | 0 | 0 | 0 |
| 23.3 | Communications, utilities, and miscellaneous charges | 55 | 26 | 26 | 0 |
| 24.0 | Printing and reproduction | 35 | 30 | 30 | 0 |
| 25.1 | Advisory and assistance services | 1,058 | 456 | 456 | 0 |
| 25.2 | Other services from non-Federal sources | 200 | 84 | 84 | 0 |
| 25.3 | Other goods and services from Federal sources 1/ | 1,270 | 2,185 | 2,293 | 108 |
| 25.4 | Operation and maintenance of facilities | 15 | 0 | 0 | 0 |
| 25.5 | Research and development contracts | 65 | 0 | 0 | 0 |
| 25.7 | Operation and maintenance of equipment | 150 | 35 | 268 | 233 |
| 26.0 | Supplies and materials | 100 | 55 | 55 | 0 |
| 31.0 | Equipment | 80 | 15 | 15 | 0 |
| 41.0 | Grants, subsidies, and contributions | 1,000 | 1,000 | 2,000 | 1,000 |
| 99.0 | Other Fund Sources | 0 | 0 | 0 | 0 |
| | Total | 11,536 | 11,536 | 12,902 | 1,366 |
| | | | | | |
| | 1/Other goods and services from Federal sources | | | | |
| | Working Capital Fund | 1,201 | 1,756 | 1,864 | 108 |
| | DHS Services | 58 | 58 | 58 | 0 |
| | Services by DOL Agencies | 0 | 361 | 361 | 0 |
| | GSA Services | 3 | 3 | 3 | 0 |
| | Services by Other Government Departments | 6 | 6 | 6 | 0 |

WOMEN'S BUREAU

CHANGES IN FY 2017

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

| | |
|--|-------|
| Costs of pay adjustments | \$100 |
| Personnel benefits | 39 |
| Two days less of Pay | -54 |
| Federal Employees' Compensation Act (FECA) | -85 |
| Travel and transportation of persons | 0 |
| Transportation of things | 0 |
| Rental payments to GSA | 25 |
| Rental payments to others | 0 |
| Communications, utilities, and miscellaneous charges | 0 |
| Printing and reproduction | 0 |
| Advisory and assistance services | 0 |
| Other services from non-Federal sources | 0 |
| Working Capital Fund | 108 |
| Other Federal sources (DHS Charges) | 0 |
| Other goods and services from Federal sources | 0 |
| Research & Development Contracts | 0 |
| Operation and maintenance of facilities | 0 |
| Operation and maintenance of equipment | 0 |
| Supplies and materials | 0 |
| Equipment | 0 |
| Grants, subsidies, and contributions | 0 |

Built-Ins Subtotal **\$133**

Net Program **\$1,233**

Direct FTE **0**

| | Estimate | FTE |
|-------------------------|-----------------|------------|
| Base | \$11,669 | 52 |
| Program Increase | \$1,233 | 0 |
| Program Decrease | \$0 | 0 |

CIVIL RIGHTS

| BUDGET AUTHORITY BEFORE THE COMMITTEE | | | | |
|--|----------------------------|----------------------------|----------------------------|--|
| (Dollars in Thousands) | | | | |
| | FY 2015 Enacted | FY 2016 Enacted | FY 2017 Request | Diff. FY17 Request / FY16 Enacted |
| Activity Appropriation | 6,880 | 6,880 | 8,041 | 1,161 |
| FTE | 37 | 37 | 41 | 4 |

NOTE: FY 2015 reflects actual FTE. Authorized FTE for FY 2015 was 36.

Introduction

Operating under authority delegated pursuant to Secretary’s Orders, the Civil Rights Center (CRC) is the organizational unit within the Department of Labor (DOL) responsible for ensuring nondiscrimination and equal opportunity for two primary populations: 1) employees of, and applicants for employment with, DOL; and 2) nearly 60 million individuals served and employed by programs and activities across the nation that are related to labor and the workforce. CRC’s responsibility for the latter population is principally concentrated on the public workforce system, which delivers services primarily (although not exclusively) through the nationwide network of American Job Centers/One-Stop Career Centers.

CRC’s Office of Internal Enforcement (OIE) is responsible for processing discrimination complaints filed by DOL employees and applicants for employment with DOL and managing the Department’s Reasonable Accommodation Resource Center and Centralized Accommodations Fund. OIE also coordinates enforcement of DOL compliance with the Architectural Barriers Act of 1968, develops and submits civil rights-related program plans and accomplishment reports, and provides training and technical assistance to DOL managers, supervisors, and employees about internal EEO matters.

CRC’s Office of External Enforcement (OEE) assesses, investigates and/or adjudicates complaints alleging discrimination and/or violations of equal opportunity requirements by recipients of financial assistance under Title I of the Workforce Investment Act (WIA), and, since July 1, 2015, Title I of the Workforce Innovation and Opportunity Act (WIOA); One-Stop partners listed in Section 121 of WIA and/or WIOA that offer programs or activities through the public workforce development system; for disability-related matters only, State and local governments and other public entities operating programs and activities related to labor and the workforce, regardless of whether they receive federal financial assistance; and any recipients of financial assistance from, or programs conducted by, DOL that are not included in the categories above. Public job referral and job training programs, as well as the Unemployment Insurance (UI) and Job Corps programs are examples of the programs over which OEE has jurisdiction.

The Office of Compliance and Policy (OCAP) conducts compliance reviews of the same entities listed under OEE, including reviewing State Governors’ implementation of their equal opportunity and nondiscrimination plans; develops regulations and guidance documents; reviews proposed legislation, drafts regulations, guidance documents, and other materials developed by agencies within and outside of DOL; conducts other policy-related activities; and provides training and technical assistance for internal and external stakeholders.

CIVIL RIGHTS

CRC contributes to the achievement of the Department's mission by supporting each of the diverse strategic goals and objectives in the DOL Strategic Plan and enabling agencies to focus on their core missions.

For FY 2017, CRC requests a total of \$ 7,748,000 and 41 FTE. At this level of funding, CRC will be able to maintain its core functions. These functions include developing, administering, and enforcing Departmental policies, practices, and procedures under various laws, including Title VI and Title VII of the Civil Rights Act of 1964; Section 188 of the Workforce Investment Act of 1998 (WIA); Executive Orders 13160 and 13166; Section 188 of the Workforce Innovation and Opportunity Act (WIOA), which went into effect on July 1, 2015; Sections 501, 504 and 508 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975; the Equal Pay Act; Title IX of the Education Amendments of 1972; Title II of the Americans with Disabilities Act; Secretary's Order 4-2000; and related statutes and Executive Orders. These laws prohibit discrimination on various bases in programs and activities that receive Federal financial assistance, are Federally operated, or are operated by public entities such as State and local governments. They also prohibit discrimination against, and assure equal opportunity for, all DOL employees and applicants for employment.

Five-Year Budget Activity History

| <u>Fiscal Year</u> | <u>Funding</u> (Dollars in Thousands) | <u>FTE</u> |
|--------------------|--|------------|
| 2012 | \$6,785 | 34 |
| 2013 | \$6,430 | 34 |
| 2014 | \$6,880 | 36 |
| 2015 | \$6,880 | 36 |
| 2016 | \$6,880 | 37 |

FY 2017

At the FY 2017 Request Level of \$8,041,000 and 41 FTE, CRC will be positioned to better carry out its core mission. This request includes a program increase of \$868,000 and 4 FTE for external enforcement.

Most critically, funding at this level will help ensure that CRC's external enforcement program can respond to an increasing number of complaints alleging systemic discrimination, in a manner that reflects the high standard of quality and timeliness expected from the federal government. In OEE, these staffers will conduct investigations, prepare Initial and Final Determinations following those investigations, and, where discrimination or other violations of the law are found, ensure that the violations are corrected and that victims of discrimination receive appropriate remedies. Additionally, with more staff, OEE will be able to fully implement changes resulting from re-engineering efforts that focus on improving both the timeliness and quality of external enforcement case processing.

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Additionally, OCAP will focus on training staff on conducting reviews, developing progress reports and compliance assistance material and conducting training, as well as training stakeholders on changes to the regulations for Section 188 of WIOA. Funding at this level will also help ensure that CRC regains its accomplishments in the Office of Internal Enforcement (OIE) in terms of efficient case processing.

FY 2016

At the FY 2016 Enacted Level of \$6,880,000 and 37 FTE, CRC will perform its core functions: administering and enforcing, and developing Departmental policies, practices, and procedures to prohibit discrimination in programs and activities receiving Federal financial assistance; and directing, implementing, and managing the Department's Equal Employment Opportunity (EEO) program to assure equal opportunity for all DOL employees and applicants for employment.

At the enacted level, however, achieving a number of the ambitious productivity targets and completing key milestones may prove challenging, considering the number of complaints received and the recent passage of WIOA, mandating the issuance of regulations implementing WIOA Section 188 and the subsequent impact on staff workload/resources. This impact will include not only the resources needed to develop and publish the regulations, but also those necessary to train CRC and DOL staff and other stakeholders (including multiple entities within the nation's workforce development system) about the requirements of the new regulations, along with any necessary changes in CRC policies, practices, and procedures.

FY 2015

The CRC FY 2015 enacted level was \$6,880,000. At this level, CRC was able to accomplish core program work.

In a continued effort to improve the substance and efficiency of OEE's complaint investigation and adjudication program, CRC developed a four-day Training Academy for OEE staff and followed up with several stand-alone training sessions. The training was taught by experts from the Civil Rights Division at the U.S. Department of Justice, DOL's own Office of the Solicitor, and other Federal agencies at no cost to CRC.

OEE management also took several steps designed to bring cases to resolution more quickly. The most significant step was the development of a new process for major cases in which discrimination or other violations of the law are found. The new process involves issuance of an informal letter advising the Respondent of CRC's findings and inviting it to enter into settlement negotiations in lieu of the issuance of a formal Initial Determination.

Additionally, in an effort to promote equal opportunity within DOL, OIE further expanded the Reasonable Accommodation Resource Center (to aid employees with disabilities to assess tools that can assist them in the performance of their duties); took efforts to reduce the number of formal complaints by striving to make the Alternative Dispute Resolution process more effective; enhanced technical assistance; and continued to participate with the pilot inventory

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program with DOD's Computer Electronics Accessibility Program (CAP) to enable DOL to provide commonly requested assistive technology to DOL employees without delay.

OCAP was also able to complete an unprecedented level of policy work; drafted and issued implementing regulations for Section 188 of WIOA; and drafted more significant updates to the implementing regulations to be issued as a Notice of Proposed Rulemaking. OCAP also launched working groups with recipients to facilitate the provision of technical assistance, entered into compliance agreements with recipients, and reviewed progress reports from negotiated compliance agreements.

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| DETAILED WORKLOAD AND PERFORMANCE | | | | | |
|---|---|---------------|----------------------------|----------------------------|--------|
| | FY 2015 Enacted | | FY 2016 Enacted | FY 2017 Request | |
| | Target | Result | Target | Target | |
| Civil Rights | | | | | |
| Strategic Goal 3 - Promote fair and high quality work-life environments | | | | | |
| Strategic Objective 3.1 - Break down barriers to fair and diverse workplaces and narrow wage and income inequality | | | | | |
| OASAM-DM- CRC-11 | External Enforcement: Number of Investigations Initiated | 40 | 24 | 25 | 31 |
| OASAM-DM- CRC-13 | External Enforcement: Number of External Investigations Completed | 25 | 19 | 20 | 25 |
| OASAM-DM- CRC-32 | External Enforcement: Number of Case Resolutions (Final Determinations and Conciliation Agreements) | 25 | 20 | 22 | 25 |
| OASAM-DM- CRC-P-8 | External Enforcement: Number of External Complaints Received (Demand) | 725[p] | 711 | 750[p] | 775[p] |
| OASAM-DM- CRC-P-10 | External Enforcement: Number of Dismissals | 560[p] | 388 | 560[p] | 585[p] |
| OASAM-DM- CRC-P-13 | External Enforcement: Number of Cases Pending a Resolution (Determination/Settlement/Conciliation) | 27 | 32 | 35 | 27 |
| OASAM-DM- CRC-15 | Compliance and Policy: Percent of Progress Reports Reviewed Annually that Demonstrate Progress Towards Compliance | [base] | -- | TBD | -- |
| OASAM-DM- CRC-22 | Compliance and Policy: Number of External Compliance Reviews Conducted | 16 | 10 | 7 | 7 |
| OASAM-DM- CRC-P-15 | Compliance and Policy: Number of Webinars Conducted Annually | [base] | -- | [base] | [base] |

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| DETAILED WORKLOAD AND PERFORMANCE | | | | | |
|--|---|----------------------------|---------------|----------------------------|----------------------------|
| | | FY 2015 Enacted | | FY 2016 Enacted | FY 2017 Request |
| | | Target | Result | Target | Target |
| OASAM-DM- CRC-P-16 | Compliance and Policy: Number of Guidance Documents Produced Annually | [base] | -- | [base] | [base] |
| Strategic Objective 3.2 - Protect workers' rights | | | | | |
| OASAM-DM- CRC-2 | Internal Enforcement: Percent of EEO Counseling Sessions Completed within Regulatory Timeframes | 92.00% | 99.50% | 95.00% | 95.00% |
| OASAM-DM- CRC-4 | Internal Enforcement: ADR Success Rate | 25.00%[p] | 42.70% | 30.00%[p] | 30.00%[p] |
| OASAM-DM- CRC-6 | Internal Enforcement: Percent of Investigations Issued within Regulatory Timeframes | 93.00% | 72.00% | 80.00% | 85.00% |
| OASAM-DM- CRC-P-2 | Internal Enforcement: Number of Informal Internal Complaints Received | 150[p] | 222 | 200[p] | 200[p] |
| OASAM-DM- CRC-P-3 | Internal Enforcement: Number of Formal Internal Complaints Received | 110[p] | 124 | 120[p] | 120[p] |
| OASAM-DM- CRC-P-17 | Reasonable Accommodation: Percent of Reasonable Accommodations that have been Successfully Deployed | [base] | -- | [base] | TBD |
| OASAM-DM- CRC-P-18 | Reasonable Accommodation: Number of Reasonable Accommodation Requests Initialized | [base] | -- | [base] | TBD |

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

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All of CRC's program efforts and the strategies associated with its efforts are geared toward ensuring that CRC meet its mission in an efficient and effective manner. CRC will continue to assess the usefulness of its performance measures. Performance measures help form the basis of CRC's day-to-day management decision-making. Where current performance measures are no longer adequate or conducive to supporting program priorities, CRC will work to develop new and appropriate measures with the Departmental Budget and the Performance Management Centers.

External Program

The laws enforced by CRC's external program prohibit discrimination on the basis of race, color, religion, sex (including pregnancy and gender identity), national origin (including limited English proficiency), age, disability, political affiliation or belief, and, for beneficiaries only, citizenship or participation in a program or activity financially assisted under WIA/WIOA Title I.

The specific entities over which CRC's external program has jurisdiction, taken together, employ and/or provide services to nearly 60 million people. These entities include, but are by no means limited to, more than 2500 American Job Centers across the nation, serving millions of customers each year; 125 Job Corps Centers, serving more than 60,000 students annually; the unemployment insurance programs of the 50 states, the District of Columbia, the Commonwealth of Puerto Rico, and other outlying areas; and countless eligible training providers. For disability-related matters only, CRC's external jurisdiction also extends to State and local governments and other public entities operating programs and activities related to labor and the work force, regardless of whether the entities receive federal financial assistance.

The two offices that comprise CRC's external program are the Office of External Enforcement (OEE) and the Office of Compliance and Policy (OCAP).

Office of External Enforcement

CRC's Office of External Enforcement processes, investigates, and adjudicates complaints alleging discrimination against customers, applicants, employees, or members of the general public, by any of the wide range of external and DOL-conducted programs and entities described in the Introduction.

In late FY 2014, following concerns about quality, CRC terminated a pilot program with a contractor to conduct investigations. As a result, during FY 2015, OEE's investigative resources were greatly diminished, as all newly-initiated investigations had to be conducted in-house. In addition, it was necessary for OEE to focus on providing intensive training for staff on rigorous methods of conducting effective investigations. See description of Training Academy above. Furthermore, OEE implemented changes to its investigative methods that were suggested by the Department of Justice. All of these factors reduced the number of investigations that OEE was able to initiate and complete during FY 2015.

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In late FY 2014, OEE recognized two significant measurement issues. First, issuance of an Initial Determination (a decision finding discrimination) is not always the course that will most quickly lead to remedying discrimination; in many cases, the Respondent is willing to resolve the matter earlier. Second, the issuance of an Initial Determination is not the final step in resolving a complaint in any event: either the Respondent must agree to remedy the discrimination found, or CRC must initiate legal proceedings to compel the Respondent to do so. Therefore, previously-existing measures of Final Determinations and Conciliation Agreements – both of which are ways of finally resolving a complaint -- were combined into a single measure, Case Resolutions. Initial Determinations are now tracked separately. While baseline numbers are set for Initial Determinations, CRC's view is that setting targets for this measure would be tantamount to prejudging the number of cases in which discrimination will be found, and would therefore be inappropriate.

Despite the factors described above, in FY 2015, OEE was able to:

- Settle a total of nine (9) discrimination complaints in cases involving apparent violations of the law. In all cases, the settlements required the entities involved to take appropriate remedial actions.
- Issue eleven (11) Final Determinations finding no violation of the law. Combined with the nine complaints that were settled, OEE brought a total of 20 complaints to resolution.
- Complete 19 investigations.
- Initiate 24 new investigations.

OEE's focus during FY 2016 will be improving its investigative process to increase efficiency. In addition, CRC anticipates publishing revised regulations during FY 2016 that implement the nondiscrimination provisions of Section 188 of WIOA; all complaints claiming allegedly-discriminatory actions by entities covered by WIOA that take place after the effective date of the new regulations must be processed, investigated, and analyzed pursuant to those new regulations. OEE staff will need to be trained in the requirements of the new regulations in order to adequately perform their duties. Therefore, in FY 2016, OEE plans to initiate 25 investigations, complete 20 investigations, and resolve 22 cases.

For FY 2017, OEE will continue to focus on the implementation and enforcement of the new WIOA nondiscrimination regulations, bringing staff up to speed on both the revised requirements of the regulations, and appropriate standards for investigating and issuing determinations on complaints brought under those revised requirements. To the extent its budget permits, OEE will also conduct on-site investigations in systemic cases, which have the broadest impact in identifying and remedying discrimination. These actions will help ensure that CRC's external complaint program, with increasing responsibilities, reflects the high standard of quality and timeliness expected from the federal government, while fulfilling the program's mission of effectively investigating and resolving allegations of discrimination that arise throughout the Nation's workforce system and beyond.

In FY 2017, in addition to onboarding and training additional FTE, OEE plans to initiate 31 investigations, complete 25 investigations, and resolve 25 cases.

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Furthermore, CRC anticipates publishing revised regulations during FY 2016 that implement the nondiscrimination provisions of Section 188 of WIOA; all complaints claiming allegedly-discriminatory actions by entities covered by WIOA that take place after the effective date of the new regulations must be processed, investigated, and analyzed pursuant to those new regulations. OEE staff will need to be trained in the requirements of the new regulations in order to adequately perform their duties. In FY 2016, OEE also plans to initiate 25 investigations, complete 20 investigations, and resolve 22 cases.

For FY 2017, OEE will continue to focus on the implementation and enforcement of the new WIOA nondiscrimination regulations, bringing staff up to speed (via training as well as hands-on learning) on both the revised requirements of the regulations, and appropriate standards for investigating and issuing determinations on complaints brought under those revised requirements. To the extent its budget permits, OEE will also conduct on-site investigations in systemic cases, which have the broadest impact in identifying and remedying discrimination. These actions will help ensure that CRC's external complaint program, with increasing responsibilities, reflects the high standard of quality and timeliness expected from the federal government, while fulfilling the program's mission of effectively investigating and resolving allegations of discrimination that arise throughout the Nation's workforce system and beyond.

In FY 2017, in addition to onboarding and training additional FTE, OEE plans to initiate 31 investigations, complete 25 investigations, and resolve 25 cases.

Office of Compliance and Policy

The WIA and WIOA nondiscrimination regulations place much of the oversight responsibility for ensuring equal opportunity on State Governors. CRC conducts compliance reviews to ensure that Governors and other responsible stakeholders are carrying out their equal opportunity obligations. Compliance reviews, which encompass investigating compliance, assessing violations, rendering decisions, negotiating conciliation agreements (if appropriate), and reviewing progress reports (if appropriate), are beneficial for two primary purposes: 1) they often target systemic concerns such as those arising from or perpetuated by policies or systems of administration that can impact the many thousands of people seeking services; and 2) they are often proactive. Given these attributes, compliance reviews - while intensive - prevent discrimination in the workforce system before liability ensues and/or respond to problems in efficient, far-reaching ways. Compliance reviews promote prevention and resolution. In addition to reviews, OCAP offers extensive training - through on-site visits, webinars, and tele/video conferencing - to workforce system administrators/equal opportunity officers and other stakeholders so that they may effectively establish, monitor, review, and adjust programs to ensure nondiscrimination and equal opportunity. OCAP also devises and reviews policies and guidance on a range of equal opportunity issues for the Department.

The enactment of the WIOA in FY 2014 required CRC, in FY 2015, to write new implementing regulations for the WIOA nondiscrimination provisions, consuming significant OCAP resources. In FY 2015, OCAP completed and issued the implementing regulations for WIOA in a new 29 CFR part 38. While this new part ensured continued protection against discrimination, the regulations still required updating to reflect changes in civil right laws since the WIA regulations

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were written more than a dozen years ago. Accordingly, OCAP wrote a Notice of Proposed Rulemaking that would modernize and streamline the regulations which will be published in early CY 2016. OCAP will then have to review all of the comments received; draft a final rule taking those comments into consideration; shepherd the draft through both departmental, Department of Justice, and OMB clearances; and publish a final rule in the Federal Register. Coupled with the issuance of the revised final rule is the extensive compliance assistance necessary so that the regulated community can comply with the revised rule.

Therefore, in FY 2016, despite only conducting only 10 compliance reviews in FY 2015, due to the work needed to be completed on the WIOA regulations, OCAP must shift its limited resources even further away from compliance reviews and focus on completing the drafting of the new Section 188 implementing regulations and then the development and delivery of training and compliance assistance for State and local equal opportunity officers. This plan is not only due to limited resources but stems from the fact that CRC cannot assess compliance with regulations that are not yet final. While interim regulations are in place to support enforcement activity as necessary, it seems counterproductive to apply dated regulations when a revised regulation will be shortly forthcoming. In addition to final publication of the revised regulation, the CRC will train stakeholders to enact compliant programs. Stakeholders will appropriately expect this introduction before they are asked to demonstrate compliance and/or be subject to enforcement proceedings. Despite the shift from compliance reviews to completing the drafting of the implementing regulations, OCAP still plans to conduct seven reviews in FY 2016.

In FY 2017, OCAP will focus on training staff on conducting reviews, developing progress reports and compliance assistance material and conducting training as well as training stakeholders on changes to the regulations for Section 188 of WIOA. In FY2017, OCAP plans to conduct seven compliance reviews; OCAP will also continue to baseline four new measures: the number of progress reports reviewed, the number of progress reports reviewed that demonstrate continued compliance, the number of webinars, and the number of guidance documents issued.

Internal Enforcement

Funding at this level will support efforts designed to reduce Equal Employment Opportunity (EEO) complaints within the Department and to adjudicate complaints that are filed in a timely and effective manner. To do this, CRC will focus on robust training (e.g., on-line programs, webinars, desk guides, and videocasts) for employees that targets pertinent trends. CRC will also focus on the continuing professional development of its OIE staff to effectively handle complaints implicating liability for the Department, as OIE has issued several decisions finding discriminatory conduct within the past two fiscal years. Additionally, when employees file complaints, CRC will offer enhanced Alternative Dispute Resolution (ADR) services. In FY 2015, OIE completed 99.5 percent of EEO counseling sessions within regulatory timeframes and completed 72 percent of internal investigations within regulatory timeframes. In FY 2016, OIE plans to complete 95 percent of EEO counseling sessions within regulatory timeframes; have a 30 percent ADR success rate, and compete 80 percent of investigations within regulatory timeframes.

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In FY 2017, OIE will focus its attention on long-range planning efforts to increase efficiency and address staffing challenges. In FY 2015, OIE began working with the Office of the Chief Information Officer (OCIO) to build a SharePoint site to both store and share case files, documents and reports as well as track documents and other information related to OIE case-processing. In FY 2016, OIE's goal will be to implement SharePoint into its informal and formal EEO case-processing and work toward making all case-related information available through SharePoint. In FY 2016 and FY 2017, OIE expects to gain efficiency in the EEO case processing time, as the amount of administrative effort to share, store and locate files will decrease substantially.

In FY 2017, OIE plans to complete at least 95 percent of EEO Counseling Sessions within regulatory timeframes, have a 30 percent ADR Success Rate, and issue 85 percent of investigations within regulatory timeframes.

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| BUDGET ACTIVITY BY OBJECT CLASS | | | | | |
|--|--|----------------------------|----------------------------|----------------------------|--|
| (Dollars in Thousands) | | | | | |
| | | FY 2015 Enacted | FY 2016 Enacted | FY 2017 Request | Diff. FY17 Request / FY16 Enacted |
| 11.1 | Full-time permanent | 3,644 | 3,602 | 4,087 | 485 |
| 11.3 | Other than full-time permanent | 13 | 13 | 13 | 0 |
| 11.5 | Other personnel compensation | 36 | 36 | 36 | 0 |
| 11.9 | Total personnel compensation | 3,693 | 3,651 | 4,136 | 485 |
| 12.1 | Civilian personnel benefits | 1,027 | 1,044 | 1,182 | 138 |
| 13.0 | Benefits for former personnel | 0 | 0 | 0 | 0 |
| 21.0 | Travel and transportation of persons | 17 | 25 | 200 | 175 |
| 23.1 | Rental payments to GSA | 365 | 365 | 383 | 18 |
| 23.3 | Communications, utilities, and miscellaneous charges | 52 | 42 | 42 | 0 |
| 24.0 | Printing and reproduction | 7 | 5 | 5 | 0 |
| 25.2 | Other services from non-Federal sources | 15 | 0 | 130 | 130 |
| 25.3 | Other goods and services from Federal sources 1/ | 1,648 | 1,690 | 1,767 | 77 |
| 25.4 | Operation and maintenance of facilities | 0 | 0 | 0 | 0 |
| 25.7 | Operation and maintenance of equipment | 6 | 7 | 145 | 138 |
| 26.0 | Supplies and materials | 50 | 51 | 51 | 0 |
| 31.0 | Equipment | 0 | 0 | 0 | 0 |
| 42.0 | Insurance claims and indemnities | 0 | 0 | 0 | 0 |
| 51.1 | Benefits | 0 | 0 | 0 | 0 |
| | Total | 6,880 | 6,880 | 8,041 | 1,161 |
| | | | | | |
| | 1/Other goods and services from Federal sources | | | | |
| | Working Capital Fund | 859 | 1,077 | 1,154 | 77 |
| | DHS Services | 9 | 9 | 9 | 0 |
| | HHS Services | 36 | 36 | 36 | 0 |
| | Services by Other Government Departments | 744 | 568 | 568 | 0 |

CIVIL RIGHTS

CHANGES IN FY 2017

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

| | |
|--|------|
| Costs of pay adjustments | \$72 |
| Personnel benefits | 27 |
| Two days less of Pay | -39 |
| Federal Employees' Compensation Act (FECA) | 0 |
| Benefits for former personnel | 0 |
| Travel and transportation of persons | 0 |
| Rental payments to GSA | 18 |
| Communications, utilities, and miscellaneous charges | 0 |
| Printing and reproduction | 0 |
| Other services from non-Federal sources | 0 |
| Working Capital Fund | 77 |
| Other Federal sources (DHS Charges) | 0 |
| Other goods and services from Federal sources | 0 |
| Operation and maintenance of facilities | 0 |
| Operation and maintenance of equipment | 0 |
| Supplies and materials | 0 |
| Equipment | 0 |
| Insurance claims and indemnities | 0 |

Built-Ins Subtotal **\$155**

Net Program **\$1,006**

Direct FTE **4**

| | Estimate | FTE |
|-------------------------|----------------|-----------|
| Base | \$7,035 | 37 |
| Program Increase | \$1,006 | 4 |
| Program Decrease | \$0 | 0 |

CHIEF FINANCIAL OFFICER

| BUDGET AUTHORITY BEFORE THE COMMITTEE | | | | |
|--|----------------------------|----------------------------|----------------------------|--|
| (Dollars in Thousands) | | | | |
| | FY 2015 Enacted | FY 2016 Enacted | FY 2017 Request | Diff. FY17 Request / FY16 Enacted |
| Activity Appropriation | 5,061 | 5,061 | 5,233 | 172 |
| FTE | 17 | 17 | 17 | 0 |

NOTE: FY 2015 reflects actual FTE. Authorized FTE for FY 2015 was 18.

Introduction

The Office of the Chief Financial Officer (OCFO) is responsible for oversight of all financial management activities in the Department. The efficiency and effectiveness of OCFO allows the client agencies within DOL to accomplish their missions and ultimately the Department's goals.

The OCFO provides comprehensive direction to all DOL program agencies on financial matters arising from legislative and regulatory mandates such as:

- The Chief Financial Officers (CFO) Act of 1990
- The Government Management Reform Act (GMRA) of 1994;
- The Federal Financial Management Improvement Act (FFMIA) of 1996;
- The Federal Managers' Financial Integrity Act (FMFIA) of 1982;
- Debt Collection Improvement Act of 1996;
- The Reports Consolidation Act of 2000;
- The Improper Payments Information Act (IPIA) of 2002;
- The Improper Payments Enforcement and Recovery Act (IPERA) of 2010; and
- The Improper Payments Enforcement and Recovery Improvement Act (IPERA) of 2012

To fulfill its financial management duties and responsibilities, OCFO focuses on proactive assistance to agencies with an emphasis on validating corrective actions aimed at enhancing internal controls. OCFO's mission supports overall Departmental management through effective and efficient stewardship of DOL's financial resources.

The OCFO also receives funding from the Working Capital Fund.

Five-Year Budget Activity History

| <u>Fiscal Year</u> | <u>Funding</u> (Dollars in Thousands) | <u>FTE</u> |
|---------------------------|---|-------------------|
| 2012 | \$5,340 | 19 |
| 2013 | \$5,060 | 19 |
| 2014 | \$5,061 | 18 |
| 2015 | \$5,061 | 18 |
| 2016 | \$5,061 | 17 |

CHIEF FINANCIAL OFFICER

FY 2017

The FY 2017 request of \$5,205,000 and 18 FTE will allow the Office of the Chief Financial Officer (OCFO) to continue its core function of providing financial information and services that support the Department and central governmental agencies such as the Office of Management and Budget (OMB) and the Department of Treasury. The OCFO fosters effective stewardship of public funds, safeguards fiscal integrity through effective internal controls, and provides timely, accurate, and useful financial information to decision makers. The funds continue to support preparation of quarterly financial statements, the Annual Financial Report, and implementation of corrective and preemptive action plans to ensure agency internal controls over financial reporting and systems are well documented, sufficiently tested, and properly assessed. In addition to core responsibilities, the OCFO will continue to guide the transition of the Department's financial management system and provide oversight for the continued success of the Department's Digital Accountability and Transparency (DATA) Act implementation actions.

FY 2016

The FY 2016 enacted budget of \$5,061,000 and 17 FTE will allow the OCFO to continue its work to achieve long-term cost-efficiency, accuracy, and utility by improving operations and enabling sustainable accountability by analyzing the processes and tools associated with financial and accounting operations in DOL's cloud computing based environment. In FY 2016, the OCFO will expand its role as a resource and financial management subject matter expert to program agencies. The OCFO will also ensure that the Department maintains an unmodified independent auditors' opinion on the DOL financial statements, as well as meets monthly, quarterly and annual reporting requirements from Treasury and OMB. Oversight of the financial management system transition and the DATA Act implementation will continue.

FY 2015

For FY 2015, the enacted budget of \$5,061,000 allowed the OCFO to continue to demonstrate financial stewardship at the Department of Labor. The OCFO prepared and presented the FY 2015 financial statements accurately, displaying its high standard of financial management by once again receiving an unmodified audit opinion. This marked the nineteenth year that DOL achieved an unmodified or clean opinion, which provides independent confirmation that the Department's financial statements are presented fairly, transparently, and in conformity with U. S. Generally Accepted Accounting Principles (GAAP).

In FY 2015, the OCFO worked with its Federal Shared Service Provider, the Department of Transportation, to establish a cost baseline to implement system changes to execute DATA Act reporting requirements. The DATA Act of 2014 requires agencies to provide more granular information beyond the legal obligations (the legal commitment of funds) to outlays and transactions (actual spending). Additionally, the OCFO successfully launched a pilot initiative designed to increase its commitment to support the financial community Department-wide. Subject matter experts were provided to render support, consultation, and training to agencies on financial matters.

CHIEF FINANCIAL OFFICER

| BUDGET ACTIVITY BY OBJECT CLASS | | | | | |
|--|--|----------------------------|----------------------------|----------------------------|--|
| (Dollars in Thousands) | | | | | |
| | | FY 2015 Enacted | FY 2016 Enacted | FY 2017 Request | Diff. FY17 Request / FY16 Enacted |
| 11.1 | Full-time permanent | 2,143 | 2,217 | 2,233 | 16 |
| 11.3 | Other than full-time permanent | 63 | 48 | 48 | 0 |
| 11.5 | Other personnel compensation | 36 | 0 | 0 | 0 |
| 11.9 | Total personnel compensation | 2,242 | 2,265 | 2,281 | 16 |
| 12.1 | Civilian personnel benefits | 602 | 620 | 632 | 12 |
| 13.0 | Benefits for former personnel | 0 | 0 | 0 | 0 |
| 21.0 | Travel and transportation of persons | 2 | 15 | 15 | 0 |
| 23.1 | Rental payments to GSA | 511 | 268 | 276 | 8 |
| 23.3 | Communications, utilities, and miscellaneous charges | 0 | 3 | 3 | 0 |
| 24.0 | Printing and reproduction | 0 | 0 | 0 | 0 |
| 25.1 | Advisory and assistance services | 0 | 534 | 534 | 0 |
| 25.2 | Other services from non-Federal sources | 0 | 152 | 152 | 0 |
| 25.3 | Other goods and services from Federal sources 1/ | 846 | 1,040 | 1,075 | 35 |
| 25.4 | Operation and maintenance of facilities | 0 | 0 | 0 | 0 |
| 25.7 | Operation and maintenance of equipment | 858 | 150 | 251 | 101 |
| 26.0 | Supplies and materials | 0 | 14 | 14 | 0 |
| 31.0 | Equipment | 0 | 0 | 0 | 0 |
| | Total | 5,061 | 5,061 | 5,233 | 172 |
| | | | | | |
| | 1/Other goods and services from Federal sources | | | | |
| | Working Capital Fund | 723 | 792 | 827 | 35 |
| | DHS Services | 15 | 15 | 15 | 0 |
| | Services by Other Government Departments | 108 | 233 | 233 | 0 |

CHIEF FINANCIAL OFFICER

CHANGES IN FY 2017

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

| | |
|--|------|
| Costs of pay adjustments | \$34 |
| Personnel benefits | 12 |
| Two days less of Pay | -18 |
| Federal Employees' Compensation Act (FECA) | 0 |
| Benefits for former personnel | 0 |
| Travel and transportation of persons | 0 |
| Rental payments to GSA | 8 |
| Communications, utilities, and miscellaneous charges | 0 |
| Printing and reproduction | 0 |
| Advisory and assistance services | 0 |
| Other services from non-Federal sources | 0 |
| Working Capital Fund | 35 |
| Other Federal sources (DHS Charges) | 0 |
| Other goods and services from Federal sources | 0 |
| Operation and maintenance of facilities | 0 |
| Operation and maintenance of equipment | 0 |
| Supplies and materials | 0 |
| Equipment | 0 |

Built-Ins Subtotal **\$71**

Net Program **\$101**

Direct FTE **0**

| | Estimate | FTE |
|-------------------------|----------------|-----------|
| Base | \$5,132 | 17 |
| Program Increase | \$101 | 0 |
| Program Decrease | \$0 | 0 |

DEPARTMENTAL PROGRAM EVALUATION

| BUDGET AUTHORITY BEFORE THE COMMITTEE | | | | |
|--|----------------------------|----------------------------|----------------------------|--|
| (Dollars in Thousands) | | | | |
| | FY 2015 Enacted | FY 2016 Enacted | FY 2017 Request | Diff. FY17 Request / FY16 Enacted |
| Activity Appropriation | 8,040 | 8,040 | 9,500 | 1,460 |
| FTE | 0 | 0 | 0 | 0 |

Introduction

The Departmental Evaluation Program was first funded in FY 2010, after the Administration and the Department recognized the need for a central office to coordinate, oversee and conduct rigorous evaluations. These evaluations include random assignment experimental designs and other rigorous non-experimental studies to determine which programs and interventions work. The findings from evaluations inform policy, management, and resource allocation decisions. Previously, the Department’s evaluation funding and capacity had eroded, and only a few high quality evaluations of programs were conducted. In addition, the Department’s research and evaluation efforts have historically been focused mainly on job training and employment services. The Department-wide evaluation account now allows expansion of evaluation activities to other programs and all operating agencies, with a priority on large, lightly examined, and/or high-priority programs such as those responsible for worker protection and labor standards enforcement. The Department’s research and evaluation agenda is developed from learning agendas prepared by each agency annually, which lay out priority areas on which evaluations are needed and is aligned with the Department’s priorities specified in the Strategic Plan. The Departmental plan is finalized based on feedback from the public, Congress, and stakeholders; and is made public each year.

The Department-wide evaluation activities are overseen by a Chief Evaluation Officer (CEO) with staff skilled in evaluation design and statistical analysis. Staff are funded through the Program Direction and Support budget activity for Departmental Management. Members of the office manage evaluations funded with the Department-wide account and evaluation set-asides.

The underlying goals of the Department’s centralization of key evaluation activities are to: (1) build evaluation capacity and expertise in the Department; (2) ensure high standards in evaluations undertaken by, or funded by the Department of Labor; (4) facilitate the use of evaluation and research findings for performance management priorities; (3) ensure the independence of the evaluation and research functions; and (4) make sure that evaluation and research findings are available and accessible in a timely and user-friendly way, so they inform policymakers, program managers, and the public. To further these goals, the Department of Labor is also building partnerships with the academic community and other outside parties to leverage private-sector research expertise.

DEPARTMENTAL PROGRAM EVALUATION

Five-Year Budget Activity History

| <u>Fiscal Year</u> | <u>Funding</u> (Dollars in Thousands) | <u>FTE</u> |
|--------------------|--|------------|
| 2012 | \$8,484 | 0 |
| 2013 | \$8,040 | 0 |
| 2014 | \$8,040 | 0 |
| 2015 | \$8,040 | 0 |
| 2016 | \$8,040 | 0 |

FY 2017

The FY 2017 request for Departmental Program Evaluation (DPE) is \$9,500,000, which is an increase of \$1,460,000 from the FY 2016 enacted level. All evaluations funded through DPE are related to the department's strategic priorities and agency statutory and operational objectives, using the most rigorous evaluation methods appropriate, and designed and coordinated by the Chief Evaluation Office in collaboration with operating agencies.

For FY 2017, the Department is requesting continued grant-making authority for DPE. Congress recognized this authority for DPE in FY 2016 and continuing this authority will enable DPE to fully utilize this additional tool to strengthen the Department's evaluation support infrastructure.

Evaluation Funding Flexibility Pilot

High-quality evaluations and statistical surveys are essential to building evidence about what works. They are also inherently complicated, dynamic activities; they often span many years, and there is uncertainty about the timing and amount of work required to complete specific activities--such as the time and work needed recruit study participants. In some cases the study design may need to be altered part-way through the project in order to better respond to the facts on the ground. The currently available procurement vehicles lack the flexibility needed to match the dynamic nature of these projects. Additionally, some studies provide high quality information in which many federal agencies are interested, and it is frequently desirable to cosponsor these activities in order to efficiently extend the utility of the data collected. Changes in timing and content can make co-sponsorship difficult, since funds are often time-limited.

In order to streamline these procurement processes, improve efficiency, and make better use of existing evaluation resources the Budget proposes to provide DPE with expanded flexibilities to spend funds over a longer period of time. This request is a part of a larger proposed pilot program which includes the Bureau of Labor Statistics; HHS's Assistant Secretary for Planning and Evaluation and the Office for Planning, Research and Evaluation in the Administration for Children and Families; The Department of Justice's National Institute of Justice and Bureau of Justice Statistics; the Census Bureau; and the Department of Housing and Urban Development's Office of Policy Development & Research. These flexibilities will allow agencies to better

DEPARTMENTAL PROGRAM EVALUATION

target evaluation and statistical funds to reflect changing circumstances on the ground.

The General Provisions of the FY 2017 President's Request also include a proposal to increase the set-aside authority for evaluation purposes from 0.75 to 1 percent. This allows the Secretary to set-aside funds for evaluations and related evidence-building activities for programs in the agencies specified. The increase in the authority will allow the Chief Evaluation Office to better meet the evaluation priorities included in annual learning agendas and the Department's strategic plan to accumulate evidence and rigorous evaluation findings that can be used for informed decision-making.

FY 2016

The FY 2016 enacted level for DPE is \$8,040,000. Three principles guide the Department's evaluation plan coordinated by the CEO: 1) prioritize studies that focus on measuring the effectiveness of key program outputs and outcomes consistent with the overall Departmental Strategic Plan and the agency Operating Plans; 2) encourage the most rigorous evaluation designs possible, particularly experimental designs, but in a manner that is realistic given the programmatic missions/goals, programmatic maturity, data availability, and analytic capability; and 3) expand the knowledge, capacity, value, and understanding of high quality evaluation designs and methods department-wide. All evaluations are related to the Strategic Plan, statutory requirements, or emerging departmental priorities. In addition to formal evaluations, the DPE budget also supports ongoing development of the Clearinghouse for Labor Evaluation and Research (CLEAR), which provides access to evidence-based evaluations of "what works" in programmatic and policy strategies.

FY 2015

The FY 2015 appropriation included \$8,040,000 for the Chief Evaluation Office to support rigorous evaluations across the Department of Labor. These funds have been used to continue the implementation of several important evaluations. Working with multiple cabinet agencies and with OMB, CEO executed an evaluation of the Performance Partnership Pilots to examine the impacts of this innovative new approach to service delivery for disconnected youth. Also in FY 2015, CEO made considerable investments in analysis of Agency administrative data. These studies will focus on increasing the quality and usability of Agency programmatic and administrative data for use in evaluations. CEO also made considerable investments in disability studies funding a customer satisfaction study of Office of Disability Employment Policy Technical Assistance Centers and looking at innovative methods for translation of Federal policy. CEO funded a new project with ETA to look at the customer experience in American Job Centers (AJCs) and continued work on the institutional analysis of AJCs. CEO continued the DOL Scholars program in 2015 with the result of five new scholarly paper from the awardees across a range of topics. Finally, CEO funded additional topics and reviews for the Clearinghouse of Labor and Evaluation Research (CLEAR) focusing on worker protection topic areas.

DEPARTMENTAL PROGRAM EVALUATION

| DETAILED WORKLOAD AND PERFORMANCE | | | | | |
|---|---|----------------------------|---------------|----------------------------|----------------------------|
| | | FY 2015 Enacted | | FY 2016 Enacted | FY 2017 Request |
| | | Target | Result | Target | Target |
| Departmental Program Evaluation | | | | | |
| Strategic Goal ALL - All Strategic Goals | | | | | |
| Strategic Objective ALL.1 - All Strategic Objectives | | | | | |
| OASP – EVAL – 001 | Number of CEO evaluation projects (core and set aside) begun each year | 16 | 17 | 16 | 16 |
| OASP - EVAL - 002 | Percent of PRA reviews completed and sent to PRA office within 10 business days of receipt by CEO | 90.00% | 100.00% | 90.00% | 90.00% |

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

DEPARTMENTAL PROGRAM EVALUATION

Workload Summary Narrative

In FY 2017, the Chief Evaluation Office will continue to coordinate a Department-wide evaluation program that is responsive to the Administration's overarching goal and the Secretary's vision. The CEO plans to initiate 24 new evaluation studies in FY 2017. As in past years, these evaluations will support the Department's priorities of ensuring a safe workplace, promoting economic security, and increasing workers' knowledge of their rights. Evaluation is integrated into competitive and formula-funded grant programs. For example, the tiered evidence criteria in awarding competitive grants under the Trade Adjustment Assistance Community College and Career Training Grant program. Additionally, there are requirements for rigorous independent impact evaluations of competitive grants awarded under the Workforce Innovation Fund. Each of these large evidence-based grant programs has a complementary cross-grantee national evaluation. Other projects are evaluating the extent to which local career centers are accessible to persons with disabilities, and the effectiveness of transitional assistance services for service members separating from active military duty. Other types of evaluations use administrative program data to measure the results and impact of programs and strategies, such as the ongoing evaluation of OSHA's voluntary compliance assistance program for small businesses. The Department's commitment to using evidence in policy and program decisions is also reflected in the expansion of the evidence reviews being included in CLEAR. Future resources are being committed to expand the total number of evaluation topics using the CLEAR evidence-based rating standards.

DEPARTMENTAL PROGRAM EVALUATION

| BUDGET ACTIVITY BY OBJECT CLASS | | | | | |
|--|---|----------------------------|----------------------------|----------------------------|--|
| (Dollars in Thousands) | | | | | |
| | | FY 2015 Enacted | FY 2016 Enacted | FY 2017 Request | Diff. FY17 Request / FY16 Enacted |
| 24.0 | Printing and reproduction | 0 | 0 | 0 | 0 |
| 25.1 | Advisory and assistance services | 8,040 | 8,040 | 9,500 | 1,460 |
| 25.2 | Other services from non-Federal sources | 0 | 0 | 0 | 0 |
| 25.3 | Other goods and services from Federal sources 1/ | 0 | 0 | 0 | 0 |
| 25.4 | Operation and maintenance of facilities | 0 | 0 | 0 | 0 |
| 25.7 | Operation and maintenance of equipment | 0 | 0 | 0 | 0 |
| 31.0 | Equipment | 0 | 0 | 0 | 0 |
| | Total | 8,040 | 8,040 | 9,500 | 1,460 |
| | | | | | |
| | 1/Other goods and services from Federal sources | | | | |

DEPARTMENTAL PROGRAM EVALUATION

CHANGES IN FY 2017

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

| | |
|---|-----|
| Printing and reproduction | \$0 |
| Advisory and assistance services | 0 |
| Other services from non-Federal sources | 0 |
| Other goods and services from Federal sources | 0 |
| Operation and maintenance of facilities | 0 |
| Operation and maintenance of equipment | 0 |
| Equipment | 0 |

Built-Ins Subtotal **\$0**

Net Program **\$1,460**

Direct FTE **0**

| | Estimate | FTE |
|-------------------------|-----------------|------------|
| Base | \$8,040 | 0 |
| Program Increase | \$1,460 | 0 |
| Program Decrease | \$0 | 0 |