

FY 2016

CONGRESSIONAL BUDGET JUSTIFICATION

OFFICE OF LABOR-MANAGEMENT STANDARDS

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OFFICE OF LABOR-MANAGEMENT STANDARDS

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OFFICE OF LABOR-MANAGEMENT STANDARDS

OFFICE OF LABOR-MANAGEMENT STANDARDS

SALARIES AND EXPENSES

*For necessary expenses for the Office of Labor-Management Standards,
[\$39,129,000] \$46,981,000. (Department of Labor Appropriations Act, 2015)*

OFFICE OF LABOR-MANAGEMENT STANDARDS

AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	2014		2015		2016	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	218	\$39,129	215	\$39,129	215	\$46,981
<i>Subtotal Appropriation</i>	<i>218</i>	<i>\$39,129</i>	<i>215</i>	<i>\$39,129</i>	<i>215</i>	<i>\$46,981</i>
B. Gross Budget Authority	218	\$39,129	215	\$39,129	215	\$46,981
C. Budget Authority Before Committee	218	\$39,129	215	\$39,129	215	\$46,981
D. Total Budgetary Resources	218	\$39,129	215	\$39,129	215	\$46,981
FTE Lapse and Unobligated Balance Expiring	-7	-\$147	0	\$0	0	\$0
E. Total, Estimated Obligations	211	\$38,982	215	\$39,129	215	\$46,981

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SUMMARY OF CHANGES

(Dollars in Thousands)

	2015	2016	Net Change
Budget Authority			
General Funds	\$39,129	\$46,981	+\$7,852
Total	\$39,129	\$46,981	+\$7,852
Full Time Equivalents			
General Funds	215	215	0
Total	215	215	0

Explanation of Change	2016 Change							
	2015 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	215	\$20,675	0	\$0	0	\$43	0	\$43
Personnel benefits	0	\$5,008	0	\$0	0	\$18	0	\$18
Employee health benefits	0	\$1,396	0	\$0	0	\$0	0	\$0
Moving allowance	0	\$0	0	\$0	0	\$0	0	\$0
One day more of pay	0	\$0	0	\$0	0	\$0	0	\$0
Federal Employees' Compensation Act (FECA)	0	\$76	0	\$0	0	\$0	0	\$0
Benefits for former personnel	0	\$4	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$585	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$0	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$2,635	0	\$0	0	\$51	0	\$51
Rental payments to others	0	\$19	0	\$0	0	\$0	0	\$0
Communications, utilities, and miscellaneous charges	0	\$231	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$17	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	\$590	0	\$0	0	\$52	0	\$52
Working Capital Fund	0	\$4,182	0	\$0	0	\$559	0	\$559
Other Federal sources (Census Bureau)	0	\$0	0	\$0	0	\$0	0	\$0
Other Federal sources (DHS Charges)	0	\$251	0	\$0	0	\$0	0	\$0
Other goods and services from Federal sources	0	\$90	0	\$0	0	\$279	0	\$279
Research & Development Contracts	0	\$0	0	\$0	0	\$0	0	\$0
Operation and maintenance of facilities	0	\$45	0	\$0	0	\$0	0	\$0
Operation and maintenance of equipment	0	\$2,950	0	\$0	0	\$0	0	\$0

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Explanation of Change	2016 Change							
	2015 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Supplies and materials	0	\$90	0	\$0	0	\$0	0	\$0
Equipment	0	\$285	0	\$0	0	\$0	0	\$0
Grants, subsidies, and contributions	0	\$0	0	\$0	0	\$0	0	\$0
Insurance claims and indemnities	0	\$0	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	215	+\$39,129	0	\$0	0	+\$1,002	0	+\$1,002
B. Programs:								
eLORS Modernization	0	\$0	0	\$0	0	\$6,388	0	\$6,388
Budget Enhancement - New								
Investigator Training	0	\$0	0	\$0	0	\$462	0	\$462
Programs Subtotal			0	\$0	0	+\$6,850	0	+\$6,850
Total Increase	215	+\$39,129	0	\$0	0	+\$7,852	0	+\$7,852
Decreases:								
A. Built-Ins:								
To Provide For:								
Built-Ins Subtotal	0	\$0	0	\$0	0	\$0	0	\$0
B. Programs:								
Total Decrease	0	\$0	0	\$0	0	\$0	0	\$0
Total Change	215	+\$39,129	0	\$0	0	+\$7,852	0	+\$7,852

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SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY (Dollars in Thousands)								
	2014		2015		2016		Diff. 2016 / 2015	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Office of Labor-Management Standards	211	39,129	215	39,129	215	46,981	0	7,852
General Funds	211	39,129	215	39,129	215	46,981	0	7,852
Total	211	39,129	215	39,129	215	46,981	0	7,852
General Funds	211	39,129	215	39,129	215	46,981	0	7,852

NOTE: 2014 reflects actual FTE.

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BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		2014	2015	2016	Diff. 2016 / 2015
	Full-Time Equivalent				
	Full-time Permanent	216	211	211	0
	Other	2	4	4	0
	Total	218	215	215	0
	Average ES Salary	\$162,410	\$167,282	\$168,651	\$1,369
	Average GM/GS Grade	12/7	12/7	12/7	0
	Average GM/GS Salary	\$90,897	\$93,624	\$92,673	-\$951
11.1	Full-time permanent	20,543	20,184	20,331	147
11.3	Other than full-time permanent	91	105	105	0
11.5	Other personnel compensation	260	386	386	0
11.9	Total personnel compensation	20,894	20,675	20,822	147
12.1	Civilian personnel benefits	6,849	6,480	6,534	54
13.0	Benefits for former personnel	11	4	4	0
21.0	Travel and transportation of persons	622	585	1,047	462
22.0	Transportation of things	0	0	0	0
23.1	Rental payments to GSA	2,760	2,635	2,686	51
23.2	Rental payments to others	21	19	19	0
23.3	Communications, utilities, and miscellaneous charges	243	231	231	0
24.0	Printing and reproduction	2	17	17	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	561	590	642	52
25.3	Other goods and services from Federal sources 1/	4,132	4,523	5,361	838
25.4	Operation and maintenance of facilities	0	45	45	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	2,956	2,950	9,198	6,248
26.0	Supplies and materials	48	90	90	0
31.0	Equipment	30	285	285	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	39,129	39,129	46,981	7,852
	1/Other goods and services from Federal sources				
	Working Capital Fund	3,657	4,182	4,741	559
	DHS Services	267	251	251	0
	Services by DOL Agencies	0	35	314	279
	Services by Other Government Departments	208	55	55	0

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Public Law / Act	Legislation	Statute No. / US Code	Volume No.	Page No.	Expiration Date
PUB. L. 86-257	Labor-Management Reporting and Disclosure Act of 1959, as amended.	29 U.S.C. 401			N/A
PUB. L. 95-454	Civil Service Reform Act of 1978	5 U.S.C. 7101			N/A
PUB. L. 88-365	Urban Mass Transportation Act of 1964, as amended.	49 U.S.C. 533 (b)			N/A
PUB. L. 102-240	Rail Passenger Service Act of 1970 as amended.	45 U.S.C. 501 et seq.			N/A
PUB. L. 91-518	Postal Reorganization Act of 1970.	39 U.S.C. 101			N/A
PUB. L. 91-375	Foreign Service Act of 1980.	22 U.S.C. 3901			N/A
PUB. L. 96-465	Congressional Accountability Act of 1995.	2 U.S.C. 1301			N/A

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APPROPRIATION HISTORY					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2006					
Base Appropriation	\$48,799	\$0	\$0	\$45,737	384
2007					
Base Appropriation	\$52,406	\$0	\$0	\$47,753	313
2008					
Base Appropriation	\$56,888	\$0	\$0	\$44,938	317
2009					
Base Appropriation...1/	\$58,256	\$0	\$0	\$44,938	297
2010					
Base Appropriation...1/	\$40,557	\$40,557	\$40,557	\$41,319	269
2011					
Base Appropriation	\$45,181	\$0	\$41,367	\$41,362	247
2012					
Base Appropriation	\$41,367	\$0	\$0	\$41,289	230
2013					
Base Appropriation...2/	\$41,771	\$0	\$0	\$39,129	228
2014					
Base Appropriation...3/	\$46,891	\$0	\$0	\$39,129	218
2015					
Base Appropriation	\$41,236	\$0	\$0	\$39,129	215
2016					
Base Appropriation	\$46,981	\$0	\$0	\$0	215

1/ FY 2009 and FY 2010 reflect amounts reallocated from the dissolution of ESA's Program Direction Support.

2/ FY 2013 reflect 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.

3/ FY 2014 reflect the Appropriations amount passed as part of P.L. 113-76, which did not include any rescissions.

OFFICE OF LABOR-MANAGEMENT STANDARDS

OVERVIEW

Introduction

The Office of Labor-Management Standards (OLMS) administers the Labor-Management Reporting and Disclosure Act (LMRDA) and related laws. These laws primarily establish safeguards for labor union democracy and union financial integrity and require public disclosure reporting by unions, union officers, union employees, employers, labor consultants, and surety companies.

OLMS also administers employee protections under various federally sponsored transportation programs that require fair and equitable protective arrangements for transit employees when federal funds are used to acquire, improve, or operate a transit system. These arrangements must be approved by OLMS before federal funds may be released to grantees.

OLMS' mission directly supports the Secretary's vision of *Promoting and Protecting Opportunity* and contributes to the strategic goal to *Promote Fair and High-Quality Work Environments*.

OLMS also supports three main themes of the President's Management Agenda (PMA): delivering better, faster, smarter services to citizens and businesses; increasing quality and value in the Government's core administrative functions and continuing efforts underway to enhance productivity to achieve cost savings across the Government; and unlocking the full potential of today's Federal workforce and build the workforce we need for tomorrow. OLMS ensures that union members have a voice in their union and that union assets are used solely for the benefit of union members by ensuring that unions and their affiliates are operated in a democratic and financially responsible manner. This translates into a greater voice at the collective bargaining table and greater protection for union members, their benefits, and their safety and health. OLMS uses data analysis to review the financial reports required by the LMRDA to identify union assets that may be at risk through fraud or embezzlement. The ability of OLMS to use these data analysis techniques helps OLMS further protect union assets. OLMS remains committed to reviewing and improving services the agency provides to citizens and businesses through the use of performance metrics and program reviews. The FY 2016 budget request seeks to support these goals through funding OLMS programs, advancing the effective use of technology to improve administrative functions and enhance productivity, and by providing training and professional development to agency employees to further support the OLMS mission.

In supporting these PMA themes, OLMS also continues to focus on improving program effectiveness and efficiency and transforming into a 21st Century Workplace, in support of the agency's three priority performance goals:

- 1) Reducing the number of elapsed days for investigating union election complaints:

The LMRDA requires that labor unions holding elections of their officers: use a secret ballot, provide their members a reasonable opportunity to nominate candidates and vote, mail notice

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of elections to members, and establish other safeguards to ensure a fair election. The LMRDA also gives union members who believe these election standards have been violated the right to file a complaint with the Secretary of Labor. OLMS is responsible for investigating these complaints and taking appropriate enforcement action, including bringing a lawsuit in U.S. district court, if warranted. Election case lawsuits brought under the LMRDA must be filed within 60 days of receipt of a complaint, unless the labor union agrees to a waiver of the filing deadline. To meet this statutory goal of speedy resolution of election complaints, OLMS is analyzing internal data sources to better identify where the agency can attain efficiencies in the case processing system and better predict and reduce the incidence of waivers. OLMS believes that efficient use of data and a continuous cycle of evaluation enhance the integrity of the case processing system. These efforts serve to protect unions and their members from violations of the LMRDA, while strengthening union democracy.

2) Increasing the percentage of compliance audits that lead to criminal investigations:

The OLMS Compliance Audit Program (CAP) is designed to detect embezzlements and other criminal and civil violations of the LMRDA in labor organizations, and uses specialized auditing, investigating, and report writing techniques. In FY 2009, OLMS established a goal to increase the rate at which audits of labor unions result in the opening of a criminal investigation (the “fallout” rate). This increase is accomplished by identifying and prioritizing for audits unions in which there are indications that fraud or embezzlement might have occurred. The OLMS enforcement program has two complementary goals: 1) to protect union members’ financial assets through criminal investigations for fraud and embezzlement; and 2) to improve compliance assistance services to unions. OLMS activities support both of these goals through CAP. The program also educates union officials on LMRDA requirements regarding financial bookkeeping and reporting. Furthermore, OLMS seeks to more efficiently use its resources so that enforcement and audit activities are not an undue burden on unions that are in compliance with the LMRDA. OLMS seeks to identify at-risk unions by making better use of information reported to OLMS on union financial reports and of other historical data. OLMS intends to continue to evaluate data gathered through the financial reporting system as well as internally generated data and to increase the fallout rate over time.

3) Increasing the percentage of required reports filed electronically:

Unions must file annual financial reports (Forms LM-2, LM-3, LM-4, or simplified filings) with OLMS. Unions must also file trusteeship reports (Forms LM-15, LM-16) when supervision is established over a subordinate body. Other entities – employers (Form LM-10), labor relations consultants (Forms LM-20, LM-21), union officers and employees (Form LM-30), and surety companies (Form S-1) – are also required to file reports under certain circumstances. In many cases, the regulations allow filers to submit the reports electronically or on paper, as they choose. In addition to the direct benefits of electronic filing, which include ease of filing, increased transparency, and cost savings, OLMS believes that electronic filing will result in further program efficiencies. In FY 2011, OLMS implemented an electronic filing system (EFS) for form LM-2, LM-3, and LM-4 filers. In January 2013, electronic filing capability was extended to Form LM-30 filers. The result is that the

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majority of filers now have access to electronic filing. OLMS will continue to promote the use of the electronic filing system through compliance assistance and other activities.

OLMS has proposed modernization of its Electronic Labor Organizations Reporting System (e.LORS). Specifically, a modernized e.LORS system would replace an aging, 15-year old legacy system and will accomplish the following:

- Support electronic submission of all 12 OLMS reporting forms using current technology which will make it easier for filers to submit reports. OLMS expects that this will increase the number of electronically submitted reports. By expanding electronic filing capabilities to those currently unable to file electronically, the modernized system would reduce the paperwork burden and administrative costs for these reporting entities.
- Improve union financial transparency by providing the capability for nearly immediate electronic disclosure of all financial reports. All LMRDA reports would be made available for search and disclosure on the OLMS website.
- Enable OLMS clients and customers, through upgraded website technology, to quickly and easily locate agency information and compliance assistance resources thus improving service delivery.
- Expand the case management system that will increase efficiency of the OLMS investigators, better track cases, and increase the potential for case data sharing with other DOL investigative agencies.

These benefits contribute not only to transparency among labor unions, employers, and labor relations consultants, but also to union democracy and union financial integrity. The effective use of this technology also contributes to a more effective and efficient government.

The proposed modernization would also support DOL's Digital Government Integrated Platform (DGIP) which is designed to modernize legacy systems within DOL and support enterprise data analytics, mobile data applications, and enhance staff productivity and efficiency – further supporting OLMS's three priority goals. As with much of DOL, the majority of OLMS staff are employed in the field, and by upgrading the underlying IT system within OLMS in conjunction with the implementation of the DOL DGIP, OLMS expects to achieve greater effectiveness and efficiency.

OLMS would also continue to further improve federal worker effectiveness and efficiency through an initiative to provide training for criminal investigations and supervised elections. Numerous studies in private industry have concluded that training helps improve productivity, efficiency, and effectiveness of employees, an outcome also expected in the federal work sector. Included in this training will be modules on customer service which should lead to higher customer satisfaction among OLMS clients.

OLMS will continue to pursue program improvements while delivering more effective and efficient customer service as follows:

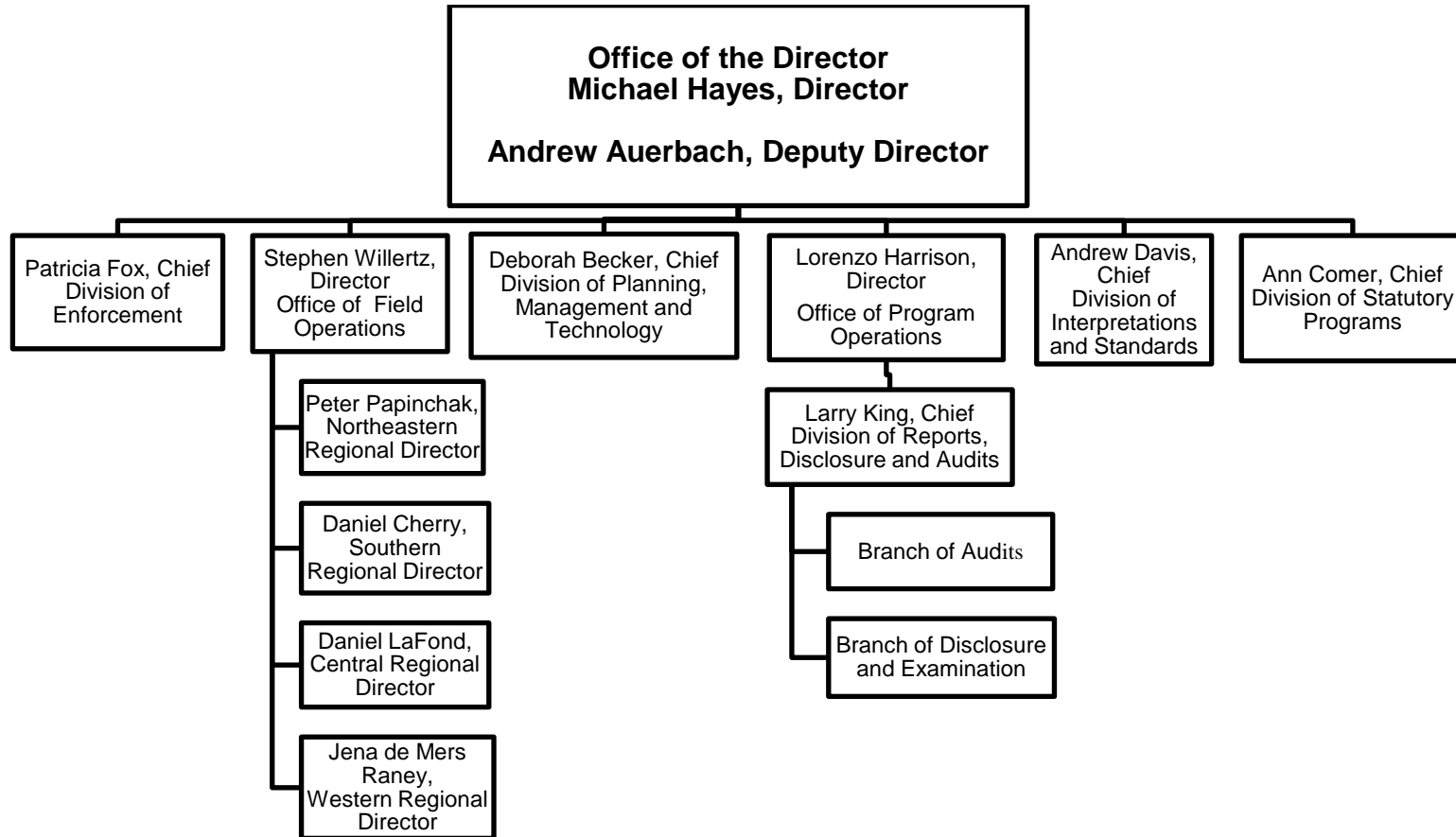
- Analyze customer feedback of its website to identify ways in which the agency can improve services for stakeholders and the public. This effort supports the PMA theme of

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improving service delivery through information technology. OLMS has also begun to make more extensive use of information technology to deliver on-line compliance assistance seminars. These webinars enable OLMS to deliver compliance assistance regardless of location, to reduce costs, and to increase productivity.

- Apply in-house data and technology to drive improvements within a number of OLMS programs. Notably, a data- and risk-driven approach to identifying fraud and embezzlement has led to more effective use of compliance audits. OLMS' fallout rate has continuously increased since the implementation of this data-driven approach.
- Continue an analysis to improve detection of chronic delinquency among unions in their LMRDA filings, and use the results of this analysis to improve the rate of timely filings.
- Monitor usage of e-filing to increase the percentage of electronic reports. Reach out to unions that file manually, advising the union officers of the existence of the e-filing system and encouraging its adoption.
- Continue the Voluntary Compliance Partnership (VCP) program that partners with a number of International/National unions to improve compliance with the LMRDA among local affiliates. This voluntary program uses data analytics to measure ongoing success of the program and helps the VCP partner organizations direct their compliance efforts to unions that are more likely to not be in compliance with the LMRDA, thus saving time and resources by more accurately directing these resources to areas where they are more needed. This program also has the corollary effect of increasing federal worker productivity as OLMS representatives can more effectively use their time and resources to increase compliance. These compliance efforts also have the additional effect in that they may increase the percentage of unions electronically filing reports and reduce the amount of time OLMS staff spend attempting to procure delinquent reports (all of which support the OLMS goal of increasing transparency).

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BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	2014	2015	2016	Diff. 2016 / 2015
Activity Appropriation	39,129	39,129	46,981	7,852
FTE	211	215	215	0

NOTE: FY 2014 reflects actual FTE. Authorized FTE for FY 2014 was 218.

Introduction

OLMS supports the Secretary’s vision of *Promoting and Protecting Opportunity* through the strategic goal to *Promote Fair and High-Quality Work Life Environments* and the objective to *Protect Workers’ Rights*. In addition, OLMS also supports four main themes of the President’s Management Agenda: 1) protect the safety, health, and benefits of America’s workers; 2) expand what works through data analytics, evaluation, and policy development; 3) improve service delivery through information technology, and 4) improve the productivity of federal government workers.

Reporting and public disclosure are core requirements of the LMRDA. OLMS provides workers with ready access to essential information about their labor union, their employers, their collective bargaining agreements, and efforts to influence their decisions on whether to organize and bargain collectively. Labor unions covered by the LMRDA, and related laws, are required to file annual financial reports with OLMS. Other reports must be filed by union officers, union employees, employers, labor consultants, and surety companies. OLMS operates an electronic reporting system for LMRDA reports and an Internet-based public disclosure system that provides public access to information from filed reports. Unions are instrumental in helping to protect workers’ safety, health, and benefits. By allowing workers to organize and collectively bargain and by providing an avenue for employees to ensure that laws and regulations are enforced in the workplace through their duly elected representatives, workers gain voice in their unions and workplaces. In the absence of labor union democracy, labor-management transparency, and labor union financial security, workers would be less able to have a meaningful say. With these protections in place, labor unions will be stronger and better able to *Promote Fair and High-Quality Work Life Environments* and help achieve the Secretary’s vision of *Promoting and Protecting Opportunity* and simultaneously ensure the protection of safety, health, and benefits for workers and their families.

Investigation of labor union officer elections and embezzlement of union funds are OLMS’ major enforcement activities. OLMS opens an investigation of union officer elections on receipt of a complaint from a member that an election was flawed or undemocratic. OLMS conducts union audits under the Compliance Audit Program (CAP) to detect possible union fund embezzlements, determine overall compliance with the LMRDA, and provide compliance assistance to union officials. Embezzlement investigations are opened when OLMS obtains credible information indicating fraud or misappropriation of union funds.

Additionally, OLMS has the responsibility under the Federal Transit Act to certify that labor protections are in place prior to the approval of Federal transit grants. An employer receiving

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Federal mass transit funds must protect all covered mass transit employees affected by the use of the Federal money. The law specifies that “fair and equitable” arrangements must be in place that provide for the preservation of rights and benefits of employees under existing collective bargaining agreements, continuation of collective bargaining rights, protection of individual employees against a worsening of their positions in relation to their employment, assurances of employment to employees of acquired transit systems, priority of reemployment, and paid training or retraining programs. OLMS must approve the arrangements made to protect these employees.

Key program initiatives include:

- Increasing the percentage of disclosure reports filed electronically;
- Increasing the effectiveness of audits (by focusing resources on labor unions most likely to have been subject to a violation of the law);
- Improving the timeliness in resolving complaints filed by labor union members that their union violated democratic standards for conducting union officer elections;
- Increasing the number of reports filed by employers and consultants who make agreements to persuade employees with regard to their rights to organize and bargain collectively;
- Reducing the number of chronically delinquent filers of Labor Organization Annual Financial Reports;
- Improving the Internet public disclosure service and public access to information reported by unions, union officers, union employees, employers, labor consultants, and surety companies under the Act; and,
- Improving and increasing the provision of LMRDA compliance assistance to national and international labor organizations by developing and implementing voluntary compliance agreements with concrete goals, baselines, and measures for improving recordkeeping, reporting, and internal controls.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2011	\$41,362	247
2012	\$41,289	230
2013	\$39,129	228
2014	\$39,129	218
2015	\$39,129	215

FY 2016

For FY 2016, OLMS is requesting \$46,981,000, an increase of \$7,852,000 over the FY 2015 enacted level. This request includes a program increase of \$6,388,000 for the modernization of the OLMS e.LORS system. The modernization effort is necessary to support DOL’s regulatory efforts and will migrate all remaining paper reporting forms to a web-based format, and establish a cloud-based case management system in-line with DOL’s enterprise architecture. OLMS also

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plans to make needed improvements to the Online Public Disclosure Room (OPDR) by improving search capabilities and increasing ease of navigation. Public disclosure is a key OLMS function, as it is required by statute and is essential to the OLMS overarching goal of increased transparency of labor and management finances and activities.

Modernizing the OLMS e.LORS system will produce measurable improvement to citizen services, increase transparency, and create administrative efficiencies that result in cost savings. Maintenance costs continue to increase each year for the existing system. Cost savings for e.LORS modernization are estimated to be around \$3,000,000 over a five year period beginning in FY 2019.

OLMS completed a Cost-Benefit Analysis to identify technologies that would be appropriate for this modernization. This analysis included a cost-benefit study centered on factors such as whether to build or buy system components, technologies to be employed, application hosting, database solutions, security, and risk factors. The recommended solution employs a cloud-based solution for part of the investment modernization, thus supporting the “cloud first” policy as iterated in OMB’s policy paper, 25 Point Implementation Plan to Reform Federal IT Management.

The request also includes a program increase of \$462,000 for additional new investigator training. OLMS has a formal training program for new investigators consisting of five, two-week sessions and an additional one-week advanced course in Supervised Elections. The format for each course includes lectures, discussions, and practical exercises. The program increase will enable OLMS to deliver all five training modules to all investigators.

While a direct cost benefit cannot be determined for training, job-specific training such as Criminal Investigations training and Supervised Election training has many advantages. Numerous studies have shown that training improves morale, improves productivity, enhances the value of the employees to the organization, and increases employee independence (allowing for less oversight by managers, freeing them to perform other duties). Training enables employees to work more efficiently with greater confidence, creating a higher quality work product in less time, and providing better service to customers and the regulated communities.

Specifically for OLMS, the training planned under this request will directly affect two outcomes – greater union democracy and more effective criminal investigations (which will result in greater protection of member assets). First, the only remedy specified by the LMRDA for a violative union officer election is a new election conducted under OLMS supervision. This limitation means that the only way for OLMS to correct election violations, restore democracy, and ensure a fair union officer election is for OLMS to supervise a rerun election. Supervised/rerun elections tend to be complex and time intensive, requiring specialized skills to ensure that the new election is carried out in a fair and equitable manner. These skills are provided to OLMS investigators through the advanced course in Supervised Elections. In order to assure that all rerun elections are properly overseen, OLMS needs to ensure that the agency has an adequate base and geographical distribution of properly trained and qualified investigators. To date, only 20 OLMS investigators have undertaken this advanced training. In the event of multiple, geographically dispersed supervised elections, having only 20 trained

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supervisors may require that these investigators use valuable time and travel funds. Further, a large multi-district supervised election (for example, a rerun election on a national scale) may require more than 20 properly trained investigators. By providing the training to all investigators, managers can better make use of all resources while being assured of high quality work product and properly run supervised elections. In turn, better supervised elections will result in greater union democracy.

Secondly, criminal investigations are complex and of high importance – often resulting in the return of union member assets. The importance of criminal investigations in the protection of union member assets requires that OLMS investigators have a high level of competence and expertise and produce high quality investigations. The funding requested would provide the training necessary to all investigators who have not yet taken the class due to funding restrictions and result in the necessary higher quality output, increased experience and greater competence.

OLMS will also continue all core program work in support of the LMRDA and employee protection programs.

FY 2015

At the enacted funding level of \$39,129,000, OLMS will continue to maintain its core functions of administering the LMRDA and ensuring employee protections under the Federal Transit Act. OLMS will continue to focus on its three priority programs to promote union financial integrity, financial transparency, and democracy. In support of these programs, OLMS will seek to reduce the number of elapsed days for investigating union election complaints to 73 days; increase the percentage of compliance audits that lead to criminal investigations to 15 percent; and increase the percentage of required reports filed electronically to 44.5 percent. OLMS will also continue to conduct union audits under the Compliance Audit Program to determine overall compliance with the LMRDA.

OLMS will continue to certify that labor protections are in place prior to approving Federal transit grants under the Federal Transit Act.

FY 2014

At the enacted funding level of \$39,129,000, OLMS maintained its core functions of administering the LMRDA and ensuring employee protections under the Federal Transit Act. OLMS focused on its three priority programs to promote union financial integrity, financial transparency, and democracy. In support of these programs, OLMS sought to reduce the number of elapsed days for investigating union election complaints to 74 days; increase the percentage of compliance audits that lead to criminal investigations to 14.75 percent; and increase the percentage of required reports filed electronically to 38.5 percent. OLMS exceeded each of these goals. OLMS also conducted union audits under the Compliance Audit Program to determine overall compliance with the LMRDA.

OLMS certified that labor protections were in place prior to approving Federal transit grants under the Federal Transit Act.

OFFICE OF LABOR-MANAGEMENT STANDARDS

DETAILED WORKLOAD AND PERFORMANCE					
		2014		2015	2016
		Target	Result	Target	Target
Office of Labor-Management Standards					
Strategic Goal 3 - Promote fair and high quality work-life environments					
Strategic Objective 3.2 - Protect workers' rights					
OLMS-RPD-05	Percent of disclosure reports filed electronically	38.5%	45.0%	44.5%	46.0%
OLMS-FI-03	Percent of targeted audits that result in a criminal case	14.75%	21.70%	15.00%	15.25%
OLMS-DEM-01	Average number of days to resolve union officer election complaints	74.0	72.3	73.0	72.0
OLMS-RPD-03	Number of LM-10 and LM-20 reports filed on employer-consultant persuader agreements	765.00[p]	1,014.00	840.00[p]	915.00[p]
OLMS-RPD-06	Number of chronically delinquent filers of labor organization financial reports	1,670[p]	1,168	1,570	1,470
OLMS-RPD-Workload-01	Reports Processed	31,000[p]	26,680	29,000[p]	28,000[p]
OLMS-RPD-02	Delinquent Report Investigations	2,071[p]	1,750	1,732[p]	1,732[p]
OLMS-RPD-01	Deficient Report Investigations	211[p]	227	153[p]	153[p]
OLMS-RPD-04	Union Officer-Employee/Employer/Consultant Report Investigations	64.00[p]	75.00	77.00[p]	77.00[p]

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DETAILED WORKLOAD AND PERFORMANCE					
		2014		2015	2016
		Target	Result	Target	Target
OLMS-FI-02	Compliance Audits	312	258	260	260
OLMS-FI-01	Criminal Investigations	262	265	228	228
OLMS-FI-04-WL	Bonding Investigations	71[p]	77	60[p]	60[p]
OLMS-MISC-05-WL	Number of Voluntary Compliance Partnership Agreements in effect	40	42	40	40
OLMS-MISC-04	Customer satisfaction score for OLMS web site users	62[p]	63	63[p]	64[p]
OLMS-MISC-02	Basic Investigations	57.0[p]	53.0	52.0[p]	52.0[p]
OLMS-MISC-03	Participant Hours of Compliance Assistance provided	12,000.00	12,368.40	12,000.00	12,000.00
OLMS-MISC-07-WL	Employee Protections Certifications	2,400[p]	2,064	2,100[p]	2,100[p]
OLMS-MISC-08-WL	Claims Arbitrated	2[p]	11	2[p]	2[p]
OLMS-MISC-06-WL	Auxiliary Investigations	300[p]	237	236[p]	236[p]
OLMS-DEM-02	Election Investigations	109.00[p]	135.00	112.00[p]	112.00[p]

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DETAILED WORKLOAD AND PERFORMANCE				
	2014		2015	2016
	Target	Result	Target	Target
OLMS-DEM-03 Supervised Elections	30.00[p]	23.00	29.00[p]	29.00[p]
OLMS-DEM-04 Trusteeship Investigations	7.00[p]	19.00	9.00[p]	9.00[p]

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

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Workload and Performance Summary

OLMS' two major enforcement activities are the investigation of: 1) union officer elections and, 2) embezzlement of union funds. Supporting these two enforcement activities are the reporting and public disclosure requirements of the LMRDA. Labor unions covered by the LMRDA and related laws are required to file annual financial reports with OLMS. Other reports must be filed by union officers, union employees, employers, labor consultants, and surety companies. OLMS operates a manual and electronic reporting system for LMRDA reports and an onsite public disclosure room as well as an Internet-based public disclosure system, both of which provide public access to information from filed reports. To increase overall compliance with the LMRDA and other regulations, OLMS provides compliance assistance information both in-person and online. Additionally, OLMS has the responsibility under the Federal Transit Act to certify that labor protections are in place prior to the approval of Federal transit grants.

OLMS has redirected resources to its highest priorities, providing the agency with the opportunity to transform business practices while strengthening union financial integrity, labor-management transparency, and union democracy. As one of its priority programs to promote union financial integrity, the LMRDA requires that union assets be used for the sole benefit of members. OLMS protects these assets by identifying instances of embezzlement and fraud by conducting union compliance audits. Success in this program is measured through fallout rates – or the percent of audits that reveal evidence of fraud or embezzlement, resulting in the opening of a criminal investigation. These targeting efforts enhance OLMS' ability to more effectively and efficiently use technology resources to improve protection of union member assets. By better evaluating data through the use of data analytics to more precisely target audits, OLMS can use its resources more efficiently, increasing the percentage of audits that result in the opening of a criminal case. Improved targeting has allowed OLMS to redirect vital resources from audits to its election and criminal investigation programs while mitigating the effect of the reduction in the number of audits performed. This data analysis and evaluation effort has been enhanced by the establishment of a task force to increase targeting success. The task force has undertaken an evidence-based approach that carefully analyzes which union characteristics correlate with an increased likelihood of union fraud or embezzlement.

OLMS has begun to see concrete results from these targeting efforts and expects results to improve in FY 2015 and beyond. While OLMS cannot anticipate the number of criminal investigations that will arise from audits at the FY 2015 or FY 2016 request level, the increased success of the targeting effort, coupled with leads from other sources, should create the opportunity for OLMS to open and conduct 228 criminal investigations in FY 2015 and again in FY 2016 (a reduction from the 265 criminal investigations completed in FY 2014). The re-allocation of resources from audits to criminal cases (OLMS anticipates reducing the number of audits to 260 in both FY 2015 and FY 2016) will enable OLMS to continue to conduct these investigations while accounting for investigator turnover (newer investigators produce fewer cases due to a learning curve).

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OLMS also supports promoting a fair and equitable workplace through financial transparency. OLMS will continue to encourage electronic filing of required reports. Electronic filing generates results that:

- allow for almost instantaneous access to the filed reports by the public because those filed electronically appear on the OLMS disclosure web site almost immediately;
- increase the accuracy of the reports because the electronic filing system has built-in accuracy checks; and
- ease the filing requirements on union officials since the system is web-based and employs a fill-in form that works with all major browsers.

Each of these results supports the President's Management Agenda by using information technology to increase transparency of data and to reduce the costs of doing business with the government. Electronic filing takes less time, reduces re-work as it checks reports for errors prior to submission (increasing the quality of the submissions), and reduces mailing costs for filers. Electronic filing also enhances customer service by delivering requested services (i.e., copies of filed reports) in a more timely and efficient manner. Over time, OLMS can expect increased savings as electronically filed reports will not take up physical space (reducing storage and personnel costs associated with maintaining physical files) and will speed up retrieval of records (reducing personnel costs involved in manual retrieval). OLMS has also made use of information technology to better serve the public in the disclosure of these records – especially historically important records. In FY 2013 and 2014, OLMS was successful in converting a number of paper-based permanent/historically important LM form files to electronic format. The paper reports were then submitted to the National Archives for preservation, thus saving these documents from further degradation, reducing the amount of space used in the OLMS file room (which may eventually save resources) and allowing easier retrieval for OLMS customers. OLMS will continue to seek out similar savings through the use of information technology.

In FY 2011, OLMS rolled out the second phase of its Electronic Filing System (EFS), allowing smaller unions (those filing Form LM-3 and LM-4 reports) to use the web-based system. In January 2013, OLMS made EFS available to LM-30 filers. Due to the ease of registration and filing on the new system, OLMS expected a significant increase in small-union electronic filings, and believes that completion of the electronic filing system would result in substantial usage among the remaining filers. However, because of budgetary limitations, OLMS postponed complete EFS rollout. As a result, the remaining OLMS reports are not yet available electronically and at present, some 20 percent of filers do not have access to electronic filing. As a result, beginning in FY 2013, OLMS scaled back its targets for this measure, and now anticipates reaching a 46 percent electronic filing rate by FY 2016 – a four percentage point decrease from the original 50 percent target established in FY 2010. For FY 2015, OLMS anticipates a 44.5 percent electronic filing rate. This target measure is an increase from the original FY 2015 target of 42.5 percent.

Due to the greater than anticipated utilization of EFS among filers, electronic filing has exceeded the OLMS year-to-date targets. For FY 2012, OLMS had established a target of 30.5 percent of all reports filed being submitted electronically. By the end of that fiscal year, 38 percent of all reports were filed electronically and almost 45 percent of filers with access to electronic filing

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had taken advantage of that capability. In FY 2013, 48 percent of filers with access to electronic filing had taken advantage of e-filing (accounting for 42 percent of all filers). However, FY 2014 results to date indicate that, as anticipated, electronic filing is no longer increasing dramatically. For FY 2014, 45 percent of filers had filed electronically, compared to about 42 percent of filers in FY 2013. About 52 percent of filers with access to e-filing did so in FY 2014. OLMS remains committed to increasing the number and percentage of electronic filers and has targeted manual filers for outreach and assistance through seminars and its Voluntary Compliance Partnership (VCP) program.

OLMS will continue to promote free and fair democratic union elections. The agency expects to sustain reductions in the number of elapsed days required to resolve election case complaints by increasing the use of investigative teams. OLMS has experimented with the use of two member investigative teams, finding that on average, these teams reduced the number of elapsed days per election case. In addition, OLMS continued and enhanced a process calling for earlier coordination with DOL's Office of the Solicitor on election cases. Congress intended that election complaints be addressed in a timely and efficacious manner, furthering union democracy. By carefully coordinating investigations internally and externally, OLMS has been able to reduce its elapsed time substantially. Because of this success, OLMS reduced its original FY 2012 target from 78 elapsed days to 76 elapsed days and will aim for further reductions in FY 2015 to 73 elapsed days and to 72 days in FY 2016.

In addition to continuing application of these strategies, OLMS will also address the use of waivers during an election investigation. Although waivers may be appropriate due to the complexity of a case or for other reasons outside OLMS' control, automatic requests for a 30-day waiver may have the detrimental effect of extending investigative time. For that reason, OLMS has undertaken a strategy to first ascertain the actual amount of extended time an investigation may require and then to limit its waiver request to this time frame. To bolster this effort to limit extensions, OLMS is also now tracking when waivers are requested in an effort to create a dataset in which the information collected can be linked to case events to determine when and if it is likely a waiver will be needed. The goal of this evaluation is to identify these events early in the investigation and address them before a waiver is necessary, thus shortening processing time.

Programmatic Changes

In order to invest in its three priority objectives, OLMS has deemphasized compliance audits, bonding investigations, and deficiency investigations. In the compliance assistance arena, OLMS will continue to balance shifting resources by using remaining resources to target larger audiences, allowing OLMS to provide significant compliance assistance while using significantly fewer resources. Better compliance audit targeting and more extensive use of data analytics supporting this effort will continue to reduce the need for audits, allowing resources normally employed in these audits to be redirected primarily to criminal and election investigations.

To bolster compliance assistance, OLMS has also introduced a redesigned VCP program. Working closely with 42 partner International/National Unions, OLMS seeks to leverage these relationships to deliver targeted outreach and compliance assistance through the unions to

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affiliates. OLMS expects that by targeting this assistance, local and regional unions will receive help and guidance when and where needed – reducing overall efforts by not providing labor intensive assistance where not needed. This redesigned program is being rolled out in FY 2015 and OLMS expects that initial results will be returned in FY 2016.

OLMS will maintain its efforts to strengthen its reporting program, with outcomes measured by: 1) customer satisfaction score for OLMS website users; 2) number of “persuader” reports filed by employers and labor consultants; and 3) number of chronically delinquent union filers.

OLMS has endeavored to effectively use the Internet and other advances in information technology. By updating its technology base and implementing improvements to the agency’s online presence, OLMS has made it easier for unions to file reports, for the public to access these reports, and for OLMS to cost-effectively deliver compliance assistance materials. Results of these efforts are measured by the customer satisfaction score for users of our website. The customer satisfaction survey, the American Customer Satisfaction Index, also allows OLMS to evaluate its progress by enhancing website usefulness to the public. OLMS works with a contractor to identify trends in satisfaction and examine possible changes to the website that will enhance customer interactions with OLMS. More effective use of information technology also allows OLMS to improve the productivity of its federal employees. By providing access to more LM reports on-line, OLMS can reduce the number of labor hours needed to manually retrieve these records for customers. This electronic self-service/on-line retrieval also allows customers to access the reports in a more timely and efficient manner. By continuing to use information technology in this manner, OLMS can further support the PMA themes of enhanced customer service delivery and improved worker productivity.

The FY 2016 budget, as part of the program increase of \$6,388,000 for the modernization of the e.LORS system, includes a request to redesign the OLMS web site. OLMS currently operates a legacy system started in FY 2000. Since that time, advances in technology have rendered both the underlying and public facing technology obsolete. The legacy system cannot support technologies and common functions, such as content search, that customers have come to expect. Coupled with the data analytics currently used, both from its external contractor and internal program specialists, OLMS expects that this planned modernization will more fully support customers, increasing satisfaction with the web site while simultaneously supporting priority program goals such as transparency through more convenient electronic reporting and disclosure. IT modernization also supports DOL’s DGIP, allowing not only OLMS, but the DOL as a whole, to benefit from this effort.

OLMS’ review of delinquent (untimely) filings by unions indicates that there are two groups of late filers. Unions are either occasionally late in filing their annual reports or they have a consistent pattern of tardiness in filings. OLMS expects to use outreach (including its VCP program) and liaison efforts to reduce chronic delinquency. Importantly, OLMS has begun to use first-line data analytics in its VCP to determine where compliance efforts should be directed. By targeting these compliance efforts to areas of need, OLMS can use fewer union and Federal resources to achieve better results. Further, the proposed IT modernization effort may include tools to enhance data analytic capability. This enhanced capability can be used by the VCP and other efforts to better target outreach efforts, enhancing effectiveness and efficiency.

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All of OLMS' program efforts and associated strategies are geared toward ensuring that OLMS continues to operate in an efficient and effective manner. OLMS will continue to assess the rigor and utility of its performance measures, share best practices among the field staff, analyze underlying data to establish targets that are realistic, and evaluate programs and procedures to determine if changes in operating guidelines or staffing are necessary. Where current performance measures are no longer adequate or conducive to support program priorities, OLMS expects to develop new and appropriate measures that will continue to reflect program effectiveness. And OLMS will continue to translate these learning and information sharing efforts into better effectiveness and higher productivity.

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		2014	2015	2016	Diff. 2016 / 2015
11.1	Full-time permanent	20,543	20,184	20,331	147
11.3	Other than full-time permanent	91	105	105	0
11.5	Other personnel compensation	260	386	386	0
11.9	Total personnel compensation	20,894	20,675	20,822	147
12.1	Civilian personnel benefits	6,849	6,480	6,534	54
13.0	Benefits for former personnel	11	4	4	0
21.0	Travel and transportation of persons	622	585	1,047	462
22.0	Transportation of things	0	0	0	0
23.1	Rental payments to GSA	2,760	2,635	2,686	51
23.2	Rental payments to others	21	19	19	0
23.3	Communications, utilities, and miscellaneous charges	243	231	231	0
24.0	Printing and reproduction	2	17	17	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	561	590	642	52
25.3	Other goods and services from Federal sources 1/	4,132	4,523	5,361	838
25.4	Operation and maintenance of facilities	0	45	45	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	2,956	2,950	9,198	6,248
26.0	Supplies and materials	48	90	90	0
31.0	Equipment	30	285	285	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	39,129	39,129	46,981	7,852
1/Other goods and services from Federal sources					
	Working Capital Fund	3,657	4,182	4,741	559
	DHS Services	267	251	251	0
	Services by DOL Agencies	0	35	314	279
	Services by Other Government Departments	208	55	55	0

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CHANGES IN 2016

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$43
Personnel benefits	18
Employee health benefits	0
Moving allowance	0
One day more of pay	0
Federal Employees' Compensation Act (FECA)	0
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	51
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	52
Working Capital Fund	559
Other Federal sources (Census Bureau)	0
Other Federal sources (DHS Charges)	0
Other goods and services from Federal sources	279
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
Insurance claims and indemnities	0

Built-Ins Subtotal **\$1,002**

Net Program **\$6,850**

Direct FTE **0**

	Estimate	FTE
Base	\$40,131	215
Program Increase	\$6,850	0
Program Decrease	\$0	0