

FY 2013

CONGRESSIONAL BUDGET JUSTIFICATION

**OFFICE OF FEDERAL CONTRACT COMPLIANCE
PROGRAMS**

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

TABLE OF CONTENTS

Appropriation Language	1
Amounts Available for Obligation.....	2
Summary of Changes	3
Summary of Budget Authority and FTE by Activity.....	5
Budget Authority by Object Class	6
Agency Outcome Goals Supporting "Good Jobs for Everyone".....	7
Performance Structure	8
Significant Items in Appropriation Committees' Reports	9
Authorizing Statutes.....	11
Appropriation History	12
Overview	13
Organization Chart.....	15
Budget Activities	17
Office of Federal Contract Compliance Programs.....	17

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

APPROPRIATION LANGUAGE

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

SALARIES AND EXPENSES

For necessary expenses for the Office of Federal Contract Compliance Programs,
[\$105,386,000] \$106,415,000.

(Department of Labor Appropriations Act, 2012.)

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2011 Enacted		FY 2012 Enacted		FY 2013 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	775	\$103,271	755	\$105,386	755	\$106,415
Reduction pursuant to P.L. 112-10 for FY 2011	0	-\$206	0	\$0	0	\$0
Reduction pursuant to P.L. 112-74 for FY 2012	0	\$0	0	-\$199	0	\$0
<i>Subtotal Appropriation</i>	<i>775</i>	<i>\$103,065</i>	<i>755</i>	<i>\$105,187</i>	<i>755</i>	<i>\$106,415</i>
Non-Expenditure Transfer from DM to Restore the FY 2011 Rescission Amount	0	\$206	0	\$0	0	\$0
Non-Expenditure Transfer from DM to Restore FY 2011 to FY 2010 Enacted Level	0	\$2,115	0	\$0	0	\$0
B. Gross Budget Authority Before Committee	775	\$105,386	755	\$105,187	755	\$106,415
Non-Expenditure Transfer from DM to Restore the FY 2011 Rescission Amount	0	-\$206	0	\$0	0	\$0
Non-Expenditure Transfer from DM to Restore FY 2011 to FY 2010 Enacted Level	0	-\$2,115	0	\$0	0	\$0
C. Budget Authority Before Committee	775	\$103,065	755	\$105,187	755	\$106,415
Non-Expenditure Transfer from DM to Restore the FY 2011 Rescission Amount	0	\$206	0	\$0	0	\$0
Non-Expenditure Transfer from DM to Restore FY 2011 to FY 2010 Enacted Level	0	\$2,115	0	\$0	0	\$0
D. Total Budgetary Resources	775	\$105,386	755	\$105,187	755	\$106,415
FTE Lapse and Unobligated Balance Expiring	-20	-\$336	0	\$0	0	\$0
E. Total, Estimated Obligations	755	\$105,050	755	\$105,187	755	\$106,415

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2012 Enacted	FY 2013 Request	Net Change
Budget Authority			
General Funds	\$105,187	\$106,415	+\$1,228
Total	\$105,187	\$106,415	+\$1,228
Full Time Equivalents			
General Funds	755	755	0
Total	755	755	0

Explanation of Change	FY 2012 Base		Trust Funds		FY 2013 Change General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Costs of pay adjustments	755	\$58,984	0	\$0	0	\$651	0	\$651
Personnel benefits	0	\$17,000	0	\$0	0	\$64	0	\$64
Employee health benefits	0	\$0	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	\$100	0	\$100
Federal Employees Compensation Act (FECA)	0	\$0	0	\$0	0	\$0	0	\$0
Benefits for former personnel	0	\$30	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$1,800	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$39	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$5,900	0	\$0	0	\$413	0	\$413
All Other Rental	0	\$67	0	\$0	0	\$0	0	\$0
Communications, utilities, and miscellaneous charges	0	\$877	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$30	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$25	0	\$0	0	\$0	0	\$0
Other services	0	\$2,385	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$10,427	0	\$0	0	\$0	0	\$0
Other government accounts (DHS Charges)	0	\$500	0	\$0	0	\$0	0	\$0
Other purchases of goods and services from Government accounts	0	\$50	0	\$0	0	\$0	0	\$0
Research & Development Contracts	0	\$0	0	\$0	0	\$0	0	\$0
Operation and maintenance of facilities	0	\$2	0	\$0	0	\$0	0	\$0
Operation and maintenance of equipment	0	\$6,006	0	\$0	0	\$0	0	\$0
Supplies and materials	0	\$451	0	\$0	0	\$0	0	\$0
Equipment	0	\$600	0	\$0	0	\$0	0	\$0
Grants, subsidies, and contributions	0	\$14	0	\$0	0	\$0	0	\$0

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

Explanation of Change	FY 2012 Base		Trust Funds		FY 2013 Change General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Insurance claims and indemnities	0	\$0	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	755	+\$105,187	0	\$0	0	+\$1,228	0	+\$1,228
B. Programs:								
Total Increase	755	+\$105,187	0	\$0	0	+\$1,228	0	+\$1,228
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	755	+\$105,187	0	\$0	0	+\$1,228	0	+\$1,228

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY (Dollars in Thousands)								
	FY 2011 Enacted		FY 2012 Enacted		FY 2013 Request		Diff. FY13 Req. / FY12 Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Office of Federal Contract Compliance Programs	755	105,386	755	105,187	755	106,415	0	1,228
General Funds	755	105,386	755	105,187	755	106,415	0	1,228
Total	755	105,386	755	105,187	755	106,415	0	1,228
General Funds	755	105,386	755	105,187	755	106,415	0	1,228

NOTE: FY 2011 reflects actual FTE.

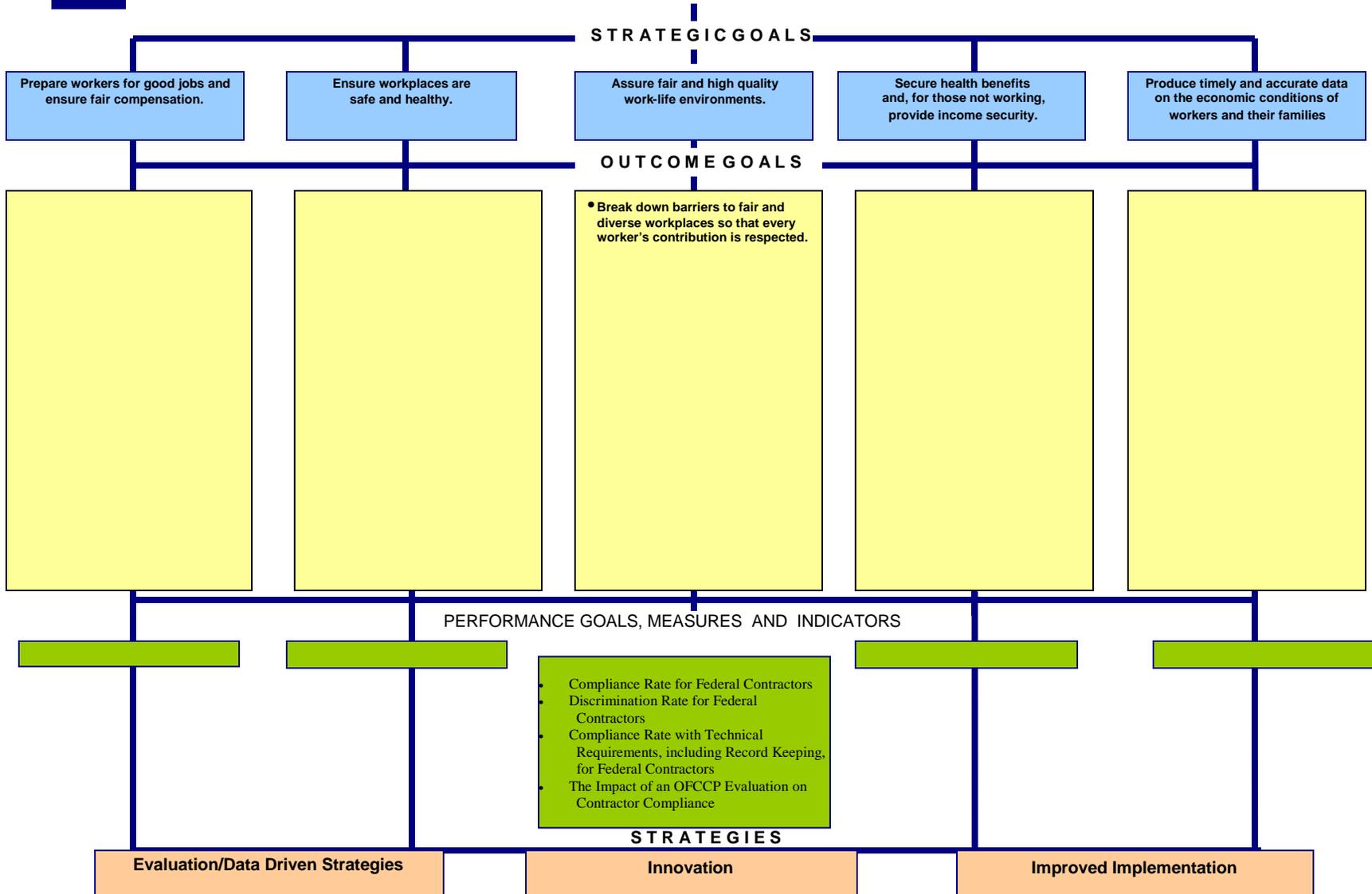
OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2011 Enacted	FY 2012 Enacted	FY 2013 Request	Diff. FY13 Req./ FY12 Enacted
	Full-Time Equivalent				
	Full-time Permanent	775	755	755	0
	Total	775	755	755	0
	Average ES Salary	\$224,000	\$224,000	\$224,000	\$0
	Average GM/GS Grade	12	12	12	0
	Average GM/GS Salary	\$78,000	\$78,000	\$80,000	\$2,000
	Average Salary of Ungraded Positions	0	0	0	0
11.1	Full-time permanent	55,650	58,129	58,700	571
11.3	Other than full-time permanent	510	165	166	1
11.5	Other personnel compensation	1,000	690	769	79
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	57,160	58,984	59,635	651
12.1	Civilian personnel benefits	16,617	17,000	17,164	164
13.0	Benefits for former personnel	30	30	30	0
21.0	Travel and transportation of persons	1,999	1,800	1,800	0
22.0	Transportation of things	16	39	39	0
23.1	Rental payments to GSA	6,122	5,900	6,313	413
23.2	Rental payments to others	147	67	67	0
23.3	Communications, utilities, and miscellaneous charges	1,055	877	877	0
24.0	Printing and reproduction	80	30	30	0
25.1	Advisory and assistance services	100	25	25	0
25.2	Other services from non-Federal sources	1,610	2,385	2,385	0
25.3	Other goods and services from Federal sources 1/	11,058	10,977	10,977	0
25.4	Operation and maintenance of facilities	0	2	2	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	7,976	6,006	6,006	0
26.0	Supplies and materials	287	451	451	0
31.0	Equipment	1,104	600	600	0
41.0	Grants, subsidies, and contributions	0	14	14	0
42.0	Insurance claims and indemnities	25	0	0	0
	Total	105,386	105,187	106,415	1,228
	1/Other goods and services from Federal sources				
	Working Capital Fund	10,630	10,427	10,427	0
	DHS Services	378	500	500	0
	Services by DOL Agencies	32	32	32	0
	Services by Other Government Departments	18	18	18	0

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS



Secretary's Vision: "Good Jobs for Everyone"



OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

PERFORMANCE STRUCTURE

Strategic and Outcome Goals Supporting Secretary Solis' Vision of <i>Good Jobs for Everyone</i>	Supporting Budget Activities
Strategic Goal 1 – Prepare Workers for Good Jobs and Ensure Fair Compensation	
1.1 Increase workers' incomes and narrow wage and income inequality.	
1.2 Assure skills and knowledge that prepare workers to succeed in a knowledge-based economy, including in high-growth and emerging industry sectors like "green" jobs.	
1.3 Help workers who are in low-wage jobs or out of the labor market find a path into middle class jobs.	
1.4 Help middle-class families remain in the middle class.	
1.5 Secure wages and overtime.	
1.6 Foster acceptable work conditions and respect for workers' rights in the global economy to provide workers with a fair share of productivity and protect vulnerable people.	
Strategic Goal 2 – Ensure Workplaces Are Safe and Healthy	
2.1 Secure safe and healthy workplaces, particularly in high-risk industries.	
Strategic Goal 3 – Assure Fair and High Quality Work-Life Environments	
3.1 Break down barriers to fair and diverse work places so that every worker's contribution is respected.	Federal Contractor EEO Standards
3.2 Provide workplace flexibility for family and personal care-giving.	
3.3 Ensure worker voice in the workplace.	
Strategic Goal 4 – Secure Health Benefits and, for Those Not Working, Provide Income Security	
4.1 Facilitate return to work for workers experiencing workplace injuries or illnesses who are able to work.	
4.2 Ensure income support when work is impossible or unavailable.	
4.3 Improve health benefits and retirement security for all workers.	
Strategic Goal 5 – Assure the Production of Timely and Accurate Data on Social and Economic Conditions of Workers and their Families	
5.1 Provide sound and impartial information on labor market activity, working conditions, and price changes in the economy for decision making, including support for the formulation of economic and social policy affecting virtually all Americans.	

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

SIGNIFICANT ITEMS IN APPROPRIATION COMMITTEES' REPORTS

S. Report 112-84 Page 25: The Committee expects the Department to issue a final rule in fiscal year 2012, and encourages the Department to make technical assistance available to Federal contractors regarding the rule, and to increase Federal contractor employment opportunities for workers with disabilities.

The agency is making significant investments in its regulatory activity, primarily in the promulgation of new rules. In FY 2012, OFCCP plans to propose new regulations for federal contractors and subcontractors in the construction industry that strengthen the employment opportunities and protections of women and underrepresented minorities, regulations protecting the employment rights of workers with disabilities, and regulations revising Section 4212 on the employment of covered veterans. Following publication of these final rules, OFCCP will engage in an innovative, extensive campaign to inform and educate internal staff, the contractor community, and worker protection and community-based organizations using national and regional webinars and online learning or e-learn technology. OFCCP will also hold regional town hall meetings for stakeholders, regional educational workshops, and publish new training materials that will be available on the agency's website.

S. Report 11-84 Page 25: The Committee notes that OFCCP is taking steps to reduce costs and focus activities on its core mission. The Committee requests that OFCCP include in its fiscal year 2013 congressional budget justification information on additional steps it will take to carry out its responsibilities more cost effectively.

OFCCP is undertaking several steps to reduce costs and focus on carrying out its responsibilities more cost effectively. Specifically, the agency is working on accelerating the deployment of the Federal Contract Compliance System (FCCS), conducting quality assurance audits, and implementing a strategic case selection process to leverage resources.

FCCS - A modern cloud-computing based integrated case and content management information technology solution, FCCS is slated to replace OFCCP's 20 year old case tracking system, the OFCCP Information System (OFIS), in FY 2012. Within the current system, OFCCP case files are maintained in hard copy, impeding OFCCP's capacity to easily and efficiently create, analyze, generate, schedule, or track cases in a cost-effective manner.

Currently, the compliance review process is completely manual. FCCS will significantly increase the agency's productivity by fully automating this process. Concurrently, FCCS will eliminate inconsistencies across OFCCP's regions by imbedding business rules in the automated environment, thereby preventing deviations from standard operating procedures. Standalone functionalities such as word processing, spread sheets, statistical software, and email are integrated into FCCS, eliminating the need to exit one system to invoke the other. This will create additional efficiencies in completing and tracking cases. For example, compliance officers must enter case related status updates manually into OFIS. This leads to delays and input errors, and is extremely inefficient. By eliminating the need to manually enter status updates and providing the capability to capture, store, search, retrieve and

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

reference case file documentation, FCCS will save time spent in reconciling information. This solution will provide operational efficiencies of \$39 million over ten years with initial savings/efficiencies projected in FY 2013 and ramping up in future years.

In FY 2011, OFCCP devoted \$4.2 million towards the procurement and development of FCCS. In FY 2012, the agency plans to allocate \$3.62 million dollars to support the initial implementation (i.e., Deployment 1) of the application with basic case and content management functionality by September 2012. The estimated funding for FY 2013 is \$4.7 million to cover Deployment 2 and Deployment 3. These deployments will provide necessary enhanced functionality such as dashboard reporting; automated business data analysis; capability for electronic submission of Affirmative Action Programs and other HR documents; automated scheduling; and the potential to support a possible new integrated compensation data tool. By funding both deployments in FY 2013, the system will have the potential to be fully operational one year ahead of schedule depending upon final Deployment 3 requirements and associated Integrated Project Team dependencies.

Quality Assurance Audits – Ensuring excellence is central to OFCCP’s mission and enforcement responsibilities. Compliance investigations are the primary method in which OFCCP assesses federal contractors’ compliance with their legal obligations of nondiscrimination and affirmative action. OFCCP is committed to conducting high quality investigations of contractors by implementing regularly monitored operational audits in field offices. The agency will use a number of measures to assure thoroughness of compliance audits, case quality, and consistency in case audit procedures. This process will include random regional quality audits of pre-closure and closed cases, National Offices audits, and regional self-audits. By conducting its internal case audits, OFCCP plans to reduce internal case inefficiencies by identifying and addressing deficiencies.

Strategic Case Selection – OFCCP will improve the effectiveness of the way in which the agency conducts compliance evaluations by implementing a strategic case selection process to address programmatic priorities. Under this process, OFCCP will focus its enforcement efforts on a strategic mix of compensation, hiring, VEVRAA, Section 503, and other investigations. Based on the strength of the evidence of a potential violation, the agency will identify priority cases in each of the aforementioned areas and allocate resources accordingly to resolve them.

This process will also be used to identify similar issues that arise within corporations and industries, and to identify potential cases for enterprise-wide investigations. It will also improve the effectiveness of compliance evaluations by ensuring that the agency identifies patterns of violations and non-compliance within a corporation. Enterprise-wide investigations, based on patterns of violations and identification of egregious violators, will enable the OFCCP to remedy deficiencies across an entire corporate structure, rather than one facility at a time. Coupled with a renewed collaborative enforcement approach with the Office of the Solicitor (SOL) and other Departmental agencies, this enforcement strategy will increase the rate of compliance for contractors who engage in egregious violations.

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

AUTHORIZING STATUTES

Public Law / Act	Legislation	Statute No. / US Code	Volume No.	Page No.	Expiration Date
PUB. L. 93-112	Rehabilitation Act of 1973, as amended.	29 U.S.C. 793			N/A
PUB. L. 93-508	Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended.	38 U.S.C. 4212			N/A
PUB. L. 101-336	Americans with Disabilities Act, as amended.	42 U.S.C. 12101 et seq.			N/A

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

APPROPRIATION HISTORY					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2003	\$0	\$0	\$0	\$78,033	742
2004	0	0	0	79,441	749
2005	0	0	0	80,059	691
2006	0	0	0	81,285	670
2007	0	0	0	82,442	625
2008	0	0	0	81,001	585
2009	0	0	0	84,172	596
2010	109,521	101,521	107,021	105,386	788
2011	113,433	0	0	105,386	775
2012	109,010	0	0	105,187	755
2013	106,415	0	0	0	755

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

FTE amounts shown for FY 2011 and previous years represent ceilings.

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

OVERVIEW

Introduction

Since 2009, the Office of Federal Contract Compliance Programs (OFCCP) has restored, renewed, and revitalized itself as a civil rights agency, and breathed new life into its mission of enforcing equal employment opportunity and promoting affirmative action in the federal contractor workplace. Almost 25 percent of the American workforce is composed of individuals who work for federal contractors and subcontractors, with federal contracts totaling more than \$700 billion dollars annually. OFCCP is dedicated to ensuring that workers are recruited, hired, promoted, trained, terminated, and compensated in a fair and equitable manner by federal contractors and subcontractors.

OFCCP's mission supports Secretary Solis' vision of *Good Jobs for Everyone* through its enforcement of one executive order and two discrimination laws which apply to the federal contracting community. First, Executive Order 11246, as amended, prohibits employment discrimination on the basis of race, religion, color, national origin, and sex. Second, Section 503 of the Rehabilitation Act of 1973, as amended, prohibits employment discrimination against individuals with disabilities. Finally, the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, (VEVRAA) prohibits employment discrimination against certain protected veterans. Together, these laws require federal contractors to use affirmative action in their employment practices.

OFCCP made great strides in the past three years enforcing, for the benefit of job seekers and wage earners, the contractual promise of affirmative action and equal employment opportunity required of those who do business with the Federal Government. Since 2009, OFCCP recovered \$30 million in financial remedies on behalf of nearly 50,000 victims of discrimination and negotiated 4,800 potential job offers for those workers who have been unfairly subjected to discrimination. In addition, the agency audited more than 12,000 businesses which employ almost 5 million workers.

In FY 2011, OFCCP engaged in an aggressive regulatory agenda that is designed to: (1) strengthen the affirmative action program requirements applicable to federal contractors and subcontractors; (2) increase the employment opportunities available to individuals with disabilities, protected veterans, women, and under-represented minority populations; and (3) identify and remedy wage-based compensation discrimination.

With several Notices of Proposed Rulemaking (NPRMs) planned for publication in FY 2012, and Final Rules likely in FY 2012 and early FY 2013, OFCCP is creating a methodology for assessing the impact of its rulemaking. Working in collaboration with the Office of the Assistant Secretary for Policy and the Chief Evaluation Officer, OFCCP is developing a formal "look back" process in FY 2013. Often, it is only possible to assess a rule's impact after it has been in effect for a significant period of time. OFCCP recognizes that additional time is needed to evaluate the long-term impact of these new regulations. However, some limited, but useful information may be gathered in the short-term as well. OFCCP will also look back at other existing agency regulations to determine whether they should be modified or rescinded. OFCCP

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

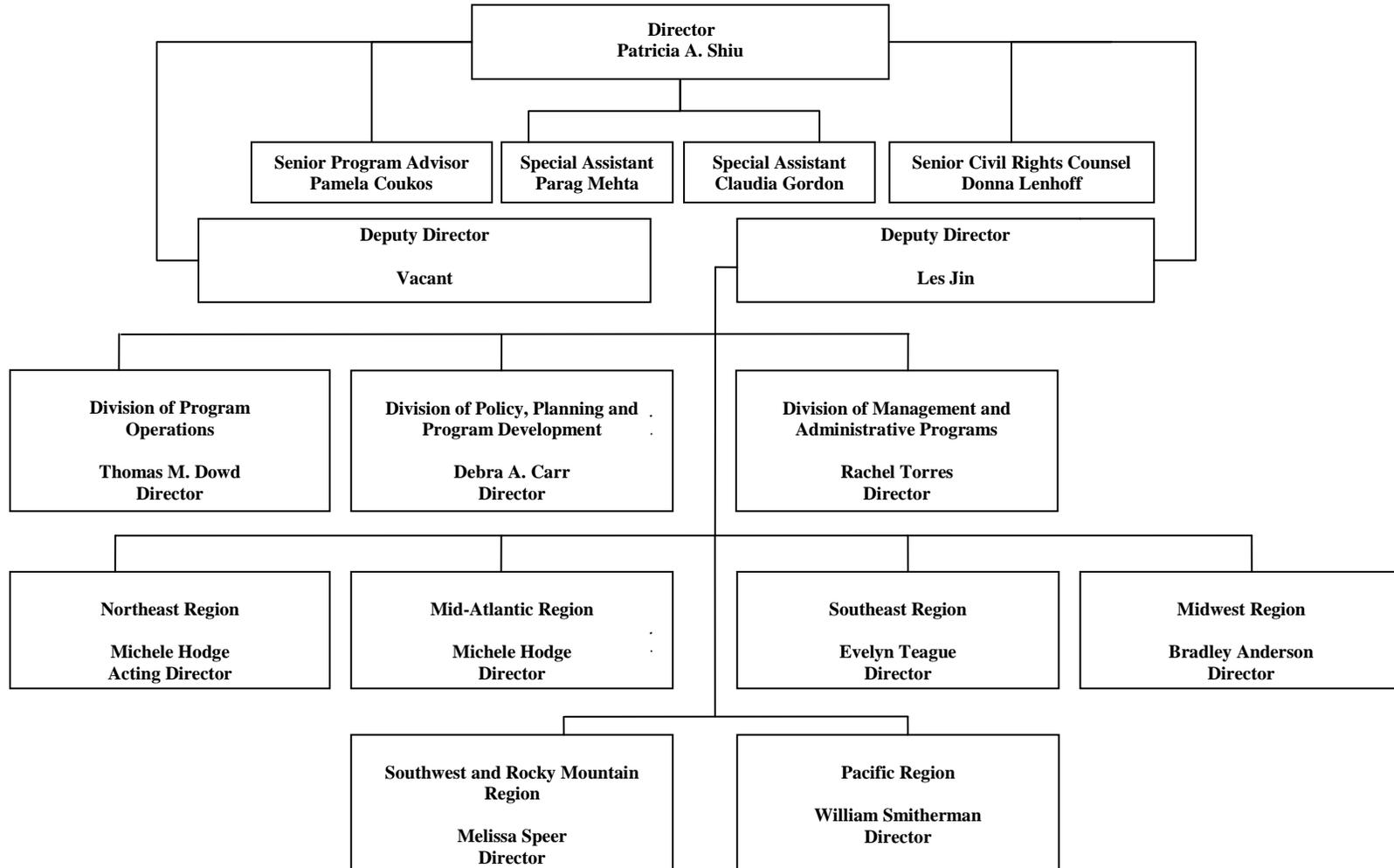
has given preliminary consideration to both the data collection requirements for the look back and the methodology that could be used.

The FY 2013 request for OFCCP is \$106,415,000 and 755 FTE. This level of funding will provide OFCCP with the necessary resources to focus on three priority performance activities: (1) ensuring quality evaluations by compliance officers; (2) increasing the technical proficiency of OFCCP staff; and (3) expanding the knowledge base of workers and federal contractors. As OFCCP strives for excellence in its enforcement, the agency is prioritizing its resources to ensure that its staff is technically proficient in the substantive law and conducts effective and efficient investigations. Coupled with this enhanced focus on high quality, thorough, and complete evaluations (or investigations) is OFCCP's renewed focus on education of workers and federal contractors. It is critical to the agency's mission that all stakeholders are knowledgeable about their rights and responsibilities.

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

Federal Contractor and EEO Standards Enforcement Organization Chart

The OFCCP is comprised of a national office headquartered in Washington, D.C. with three divisions and six regional headquarter offices with area and district offices distributed nationwide. The regional headquarters are located in Atlanta, Georgia (Southeast); Chicago, Illinois (Midwest); Dallas, Texas (Southwest and Rocky Mountain); New York City, New York (Northeast); Philadelphia, Pennsylvania; (Mid-Atlantic); and San Francisco, California (Pacific).



OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2011 Enacted	FY 2012 Enacted	FY 2013 Request	Diff. FY 13 Req. / FY 12 Enacted
Budget Authority	105,386	105,187	106,415	1,228
FTE	755	755	755	0

NOTE: FY 2011 reflects actual FTE. Authorized FTE for FY 2011 was 775.

Introduction

OFCCP is committed to ensuring that good jobs are within everyone's reach. Toward this end, OFCCP modified its performance measures and workload production goals to increase the number of comprehensive and thorough audits. As a result of these efforts, and with improved training, updated procedures, and amended regulations, OFCCP anticipates an overall improvement in the compliance rate for federal contractors and a corollary decrease in discrimination, thereby achieving the Secretary's goal of breaking down barriers to fair and diverse workplaces.

While OFCCP has specific mandates for ensuring equal employment opportunity for employees protected under Section 503 and VEVRAA, for nearly a decade the agency's enforcement activities focused primarily on hiring discrimination. In support of the Secretary's vision of *Good Jobs for Everyone*, OFCCP is placing greater emphasis on meaningful and effective affirmative action evaluations. OFCCP is also stepping up its enforcement of equal employment opportunity for individuals with disabilities and covered veterans with respect to hiring, worker retention, and data collection. Overall, this reflects a commitment to multi-dimensional enforcement based on the broad scope of Executive Order 11246.

Additionally, the agency is making significant investments in its regulatory activity, primarily in the promulgation of new rules. In FY 2012, OFCCP plans to issue new regulations for federal contractors and subcontractors in the construction industry that strengthen the employment opportunities and protections of women and underrepresented minorities, regulations protecting the employment rights of workers with disabilities, and regulations revising Section 4212 on the employment of covered veterans. Following publication of these final rules, OFCCP will engage in an innovative, extensive campaign to inform and educate internal staff, the contractor community, and worker protection and community-based organizations using national and regional webinars and online learning or e-learn technology. OFCCP will also hold regional town hall meetings for stakeholders, regional educational workshops, and publish new training materials that will be available on the agency's website.

OFCCP is updating its compliance evaluation manual with revised enforcement procedures. Once completed in FY 2012, this manual will support a more robust and thorough compliance evaluation process, as well as create a level of consistency across regions. OFCCP will continue to conduct more full-desk audits, additional onsite investigations, focus reviews, and stakeholder education. This change in approach, implemented in FY 2011, significantly expanded the quality of OFCCP's investigative process.

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

In addition to conducting more investigations, OFCCP is committed to conducting investigations that meet exacting standards for quality, accuracy, and thoroughness. Toward this end, OFCCP made the following changes to the Quality Assurance Manual in FY 2011:

- Updated the processes and forms for conducting accountability reviews, which are used to assess the quality of regional performance;
- Resumed the practice of scheduling each region for an accountability review at least once every three years;
- Required each region to conduct a thorough self assessment when not scheduled for an accountability review; and
- Mandated the regions to conduct quality audits on cases prior to closure, in addition to auditing 10 percent of closed cases.

Quality deficiencies identified by the regional quality audits are now designated as major, (i.e., affecting the ability to identify discrimination) or technical. The overall quality of compliance evaluations will be improved by allowing the agency to focus training on the areas where major deficiencies are found.

To meet this goal, OFCCP will continue to provide basic, intermediate, and advanced training to its compliance officers to ensure that they are knowledgeable in assessing compliance, identifying discrimination, and obtaining effective remedies for violations.

Building on the gains reflected in the FY 2010 and FY 2011 budgets, the continued funding of OFCCP's new IT system will enable the agency to improve its program performance and employ significant measurable outputs that will contribute to the Secretary's strategic and outcome goals. The Federal Contractor Compliance System (FCCS) will modernize OFCCP's ability to perform its mission by employing state of the art cloud technology to track statistical data collected through the compliance evaluation process. In FY 2011, OFCCP awarded a contract for the development of FCCS and anticipates the first deployment of the system will take place during FY 2013. OFCCP estimates that over a ten year period the FCCS will cost approximately \$23 million and result in approximately \$39 million in benefits as compared to the current IT system.

The FCCS will automate the Affirmative Action Program (AAP) process by enabling OFCCP to electronically collect and analyze data submitted directly by the federal contractor community in a much more timely and efficient manner. Such data includes equal employment opportunity, hiring and promotion activities, and compensation information. The agency envisions that AAP data will be collected via a secure web portal that will be accessible to the federal contractor community.

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2008	\$81,001	585
2009	\$84,172	596
2010	\$105,386	788
2011	\$105,386	775
2012	\$105,187	755

FY 2013

The request for OFCCP is \$106,415,000 and 755 FTE to focus on three strategies: (1) ensuring quality evaluations by compliance officers (while increasing the overall number of evaluations), (2) increasing the technical proficiency of OFCCP staff, and (3) expanding the knowledge base of workers and federal contractors through education and outreach.

In addition, funding at this level will allow OFCCP to expand its enforcement efforts in several areas. Narrowing the persistent pay gap between men and women is a key priority for OFCCP and reflects its commitment to the work of the President's National Equal Pay Enforcement Task Force. Reflecting OFCCP's commitment to enforcing the rights of women and under-represented groups in the construction trades, OFCCP will monitor gender, racial and ethnicity-based discrimination in the construction industry. To help address the high level of unemployment among the nation's veterans and individuals with disabilities, OFCCP will devote considerable resources to ensure that contractors recruit, hire, and retain veterans and individuals with disabilities. Lastly, OFCCP will foster compliance through worker education by supplementing its traditional enforcement program with outreach to community based organizations, worker education, and strategic compliance assistance for federal contractors, particularly new businesses.

Enforcement

On the enforcement front, OFCCP will devote significant resources to conducting more comprehensive compliance evaluations in FY 2013. At this funding level, OFCCP will complete 4,530 thorough compliance evaluations, a 12 percent increase over FY 2012 levels.

To increase the thoroughness and breadth of its investigative efforts, OFCCP continues to use its Active Case Enforcement (ACE) system by requiring OFCCP compliance officers to conduct thorough desk audits of all cases, increase onsite activity, and increase compliance evaluations focused specifically on Sections 503 and VEVRAA compliance. This system was implemented to broaden enforcement beyond systemic, low-wage hiring discrimination cases under the Executive Order to include a more comprehensive, thorough, and timely compliance evaluation process that will result in deeper and broader enforcement of all EEO laws and regulations administered by OFCCP including prior under-investigated areas such as wage-based compensation discrimination. These types of investigations are more complex, necessitating more in-depth, detailed and thorough investigations, in the form of additional on-site

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

verifications and in-depth interviews of witnesses. These comprehensive investigations also require increased staff time and attention.

OFCCP equally is committed to protecting the rights of women and minorities in the construction trades. Funding at the Agency Request Level will enable OFCCP to expand its efforts aimed at eradicating discrimination in the construction industry.

In FY 2013, OFCCP will conduct 450 construction reviews, with particular enforcement efforts directed toward Mega Projects, an 11 percent increase over FY 2012 levels. Mega Projects are defined as federal or federally-assisted construction projects that last longer than one year, and are likely to have a major employment or economic impact on a community. Mega projects tend to involve larger contractor and subcontractor workforces, thereby allowing OFCCP to utilize its enforcement resources more efficiently.

In addition to its enforcement efforts, it remains important for OFCCP to facilitate proactive contractor compliance by providing compliance assistance to the federal contractor community. In FY 2013, OFCCP will be more strategic in its delivery of compliance assistance by leveraging existing networks; targeting contractors that employ at-risk populations; reaching out to new and small contractors; and focusing on educating contractors about new regulatory topics. OFCCP anticipates that this focused approach to delivering compliance assistance will yield significant savings in FY 2013 as contractors understand their legal duties and presumably will comply with them.

In FY 2011, OFCCP conducted 967 compliance assistance events (i.e., meetings, conference calls, and presentations) to new and small contractors, various regional Industry Liaison Group (ILG) members, and others. The topics covered varied widely within each region.

In FY 2013, OFCCP proposes to target its compliance assistance to achieve the greatest impact by:

- Emphasizing the importance of providing compliance assistance as an integral part of the compliance officer's enforcement activities;
- Leveraging existing contractor networks such as Industry Liaison Groups (ILGs) and multi-establishment corporations to promote corporate-wide compliance;
- Focusing on contractors that largely employ at-risk populations identified through OFCCP enforcement activities;
- Assisting new and small contractors;
- Creating synergy between our rulemaking and our training and staff development agenda.¹

OFCCP believes that its focus on contractor education and other compliance efforts will promote the participation of women and under-represented minorities in the construction industry. Mega

¹ Our training, for example, will focus on educating staff, contractors and the public on the rights and obligations created by final rules adopted in FY 2012 and early FY 2013 addressing the hiring and retention of veterans, individuals with disabilities, and women and minorities in the construction industry.

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

Project compliance assistance will ensure that OFCCP is actively involved with federal and federally-assisted construction contractors and subcontractors at the earliest stages of construction. Accordingly, OFCCP will advise them of their obligations with special emphasis placed on construction contractors' recruitment and retention efforts of women, and racial, and ethnic minorities.

Compensation

According to the Bureau of Labor Statistics' (BLS) publication *Women at Work* (2011), women are paid an average of approximately 80 cents for every dollar paid to men. The current BLS Population Survey (2010) reveals that for African-American women, it is 70 cents on the dollar, and Latina women, it is 60 cents on the dollar. This means that each time the average woman starts a new job, she starts from a lower base salary than the average man. Over time, that pay gap becomes wider and wider. On average, that means \$150 less in her weekly paycheck and nearly \$8,000 less at the end of the year. From the start of her career to the end, the average woman stands to lose \$380,000 over her lifetime. When women start at a disadvantage, they remain at a disadvantage, and so do their families.

A March 2011 White House report entitled "Women in America: Indicators of Social and Economic Well-Being" found that while earnings for women and men typically increase with higher levels of education, the male-female pay gap persists at all levels of education for full time workers (35 or more hours per week), according to 2009 BLS wage data. Potentially non-discriminatory factors can explain some of the gender wage differences.² Even so, after controlling for differences in skills and job characteristics, women still earn less than men.³ Ultimately, the research literature still finds that an unexplained gap exists even after accounting for potential explanations, and finds that the narrowing of the pay gap for women has slowed since the 1980s.⁴ In addition to the gender pay gap, scholars have found race and ethnicity-based pay gaps that put workers of color at a disadvantage.⁵

Decades of research show that no matter how you analyze the data, there is still a "gender gap" in pay - even after factoring in criterion such as what kind of work people do, or qualifications such as education and experience. Many studies address the extent to which these factors explain why women earn less than men, concluding that discrimination may be the best explanation for the remaining difference. This research also shows that our progress in closing the pay gap has stalled. In other words, pay discrimination is a real and persistent problem that continues to shortchange American women and their families.

For these reasons, addressing the pay gap is a priority for OFCCP, its sister agencies within the Department of Labor, and the other members of the President's Equal Pay Enforcement Task Force throughout the Federal Government. The Task Force, established in January 2010, ensures

² See, e.g., JE O'Neill "The Gender Gap in Wages, Circa 2000," "American Economic Review" (May 2003)

³ "Explaining Trends in the Gender Wage Gap, A Report by the Council of Economic Advisers" (June 1998)

⁴ Joyce P. Jacobsen, "The Economics of Gender 44" (2007); Francine D. Blau & Lawrence M. Kahn, "The U.S. gender pay gap in the 1990s: slowing convergence," "60 Industrial and Labor Relations Review", 45 (2006)

⁵ Joseph G. Altonji and Rebecca M. Blank, "Race and Gender in the Labor Market," in, Orley Ashenfelter and David Card, eds., "Handbook of Labor Economics 3143" (1999)

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

that federal agencies responsible for addressing pay discrimination increase their effectiveness by collaborating, sharing information, and coordinating enforcement and policy initiatives.

In 2013, OFCCP anticipates continuing the effort to combat pay discrimination through increasing the number and quality of its investigations of contractor pay practices. OFCCP will continue to refine its enforcement practices by implementing the guidance and protocols currently under development that are expected to launch in FY 2012, as well as by continuing the agency's significant training program for compliance officers in compensation enforcement. Quality audits of compensation evaluations (or investigations) will enable OFCCP to identify areas for improvements to training, investigation practices, and additional written guidance. As with other areas of enforcement, OFCCP will continue to provide technical assistance to contractors to promote voluntary compliance.

Outreach

OFCCP's core mission of ensuring contractor compliance and advancing equal employment opportunity is accomplished primarily through enforcement, regulatory reform, and outreach. Outreach is an essential and far-reaching strategy to advance equal employment opportunity and increase contractor compliance, particular among contractors that OFCCP does not investigate or audit. Historically, OFCCP's outreach has focused on contractor compliance; consequently, limited resources have been devoted to other key stakeholders and communities nationally, regionally, and locally. OFCCP plans to significantly increase its community-based engagement efforts by reaching out to leaders and workers in communities to enhance the range and quality of information we receive from them about local labor markets and incidents of discrimination. OFCCP wants to ensure that unlawful conduct that is detected by individuals and community-based, worker and civil rights organizations, outside the normal neutral audit process, is addressed.

Staff Development

OFCCP's FY 2013 activities will include a combination of effective enforcement and capacity building that supports more thorough evaluations, compliance assistance, worker education, outreach, and staff development. This balanced approach will expand OFCCP's ability to execute its mission of eliminating discriminatory employment practices by federal contractors and subcontractors. OFCCP believes that a better trained staff will result in comprehensive, more expeditious, and effective compliance evaluations and investigations.

Although OFCCP does not currently possess empirical evidence showing the causal relationship between our proposed strategies and our outcome goals, the agency has begun tracking the quality of its case audits to indicate whether investigations are timely completed and whether quality audit deficiencies decrease over time. These are among the many legitimate indicators of whether increasing staff capacity and training makes a difference in the quality of our evaluations and investigations.

Three courses or units of training will be dedicated to providing comprehensive instruction to compliance officers: basic, intermediate, and advanced. Thus, compliance officers will receive training appropriate to their experience and skill level. Continuing education courses will be

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

offered that focus on the agency's enforcement priorities and regulatory agenda. Similar courses will be offered to eliminate or minimize any skills deficits. Here, OFCCP will focus on identifying deficiencies found in routine quality audits of closed cases as major or technical. This will allow the agency to better inform and prioritize training needs to improve the quality and consistency of compliance evaluations. OFCCP is proposing six continuing education and skills development training courses during FY 2013.

Eight training courses in support of the agency's regulatory agenda will be offered in FY 2013. This training will focus on the following regulatory changes and their impact on the compliance evaluation process: (1) Section 503; (2) VEVRAA; (3) construction; and (4) sex discrimination. Two courses will be offered in each of the aforementioned areas to ensure that all OFCCP personnel are well grounded in substantive program areas. Lastly, OFCCP will offer one course aimed at managers. Potential topics include performance management, efficient use of resources, and budget-performance integration.

Cost Effective Measures

OFCCP is undertaking several steps to reduce costs and focus on carrying out its responsibilities more cost effectively. Specifically, the agency is working on accelerating the deployment of the Federal Contract Compliance System (FCCS), conducting quality assurance audits, and implementing a strategic case selection process to leverage resources.

FCCS - A modern cloud-computing based integrated case and content management information technology solution, FCCS is slated to replace OFCCP's 20 year old case tracking system, the OFCCP Information System (OFIS), in FY 2012. At present, within the current system, OFCCP case files are maintained in hard copy, impeding OFCCP's capacity to easily and efficiently create, analyze, generate, schedule, or track cases in a cost-effective manner.

Currently, the compliance review process is completely manual. FCCS will significantly increase the agency's productivity by fully automating this process. Concurrently, FCCS will eliminate inconsistencies across OFCCP's regions by imbedding business rules in the automated environment, thereby preventing deviations from standard operating procedures. Stand alone functionalities such as word processing, spread sheets, statistical software, and email are integrated into FCCS, eliminating the need to exit one system to invoke the other. This will create additional efficiencies in completing and tracking cases. For example, compliance officers must enter case related status updates manually into OFIS. This leads to delays and input errors, and is extremely inefficient. By eliminating the need to manually enter status updates and providing the capability to capture, store, search, retrieve and reference case file documentation, FCCS will save time spent in reconciling information. This solution will provide operational efficiencies of \$39 million over ten years with initial savings/efficiencies projected in FY 2013 and ramping up in future years.

In FY 2011, OFCCP devoted \$4.2 million towards the procurement and development of FCCS. In FY 2012, the agency plans to allocate \$3.62 million dollars to support the initial implementation (i.e., Deployment 1) of the application with basic case and content management functionality by September 2012. The estimated funding for FY 2013 is \$4.7 million to cover

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

Deployment 2 and Deployment 3. These deployments will provide necessary enhanced functionality such as dashboard reporting; automated business data analysis; capability for electronic submission of Affirmative Action Programs and other HR documents; automated scheduling; and the potential to support a possible new integrated compensation data tool. By funding both deployments in FY 2013, the system will have the potential to be fully operational one year ahead of schedule depending upon final Deployment 3 requirements and associated Integrated Project Team dependencies.

Quality Assurance Audits – Ensuring excellence is central to OFCCP’s mission and enforcement responsibilities. Compliance investigations are the primary method in which OFCCP assesses federal contractors’ compliance with their legal obligations of nondiscrimination and affirmative action. OFCCP is committed to conducting high quality investigations of contractors by implementing regularly monitored operational audits in field offices. The agency will use a number of measures to assure thoroughness of compliance audits, case quality, and consistency in case audit procedures. This process will include random regional quality audits of pre-closure and closed cases, National Offices audits, and regional self-audits. By conducting its internal case audits, OFCCP plans to reduce internal case inefficiencies by identifying and addressing deficiencies.

Strategic Case Selection – OFCCP will improve the effectiveness of the way in which the agency conducts compliance evaluations by implementing a strategic case selection process to address programmatic priorities. Under this process, OFCCP will focus its enforcement efforts on a strategic mix of compensation, hiring, VEVRAA, Section 503, and other investigations. Based on the strength of the evidence of a potential violation, the agency will identify priority cases in each of the aforementioned areas and allocate resources accordingly to resolve them.

This process will also be used to identify similar issues that arise within corporations and industries, and to identify potential cases for enterprise-wide investigations. It will also improve the effectiveness of compliance evaluations by ensuring that the agency identifies patterns of violations and non-compliance within a corporation. Enterprise-wide investigations, based on patterns of violations and identification of egregious violators, will enable the OFCCP to remedy deficiencies across an entire corporate structure, rather than one facility at a time. Coupled with a renewed collaborative enforcement approach with the Office of the Solicitor (SOL) and other Departmental agencies, this enforcement strategy will increase the rate of compliance for contractors who engage in egregious violations.

FY 2012

Funding at the level of \$105,187,000 and 755 FTE will allow OFCCP to maintain current resources in support of its expanding enforcement approach, which is designed to ensure compliance with all of its laws and regulations. This funding level will allow the program to fully implement the quality enforcement efforts initiated in FY 2010 and FY 2011, employ new transformative strategies designed to increase awareness among federal contract workers of their rights, and efficiently increase awareness in the federal contracting community of their legal responsibility to take affirmative action to ensure that all individuals have an equal employment opportunity. With this funding, improved staff training will ensure more thorough reviews of

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

completed compliance evaluations with greater effectiveness in identifying and resolving discrimination. OFCCP will utilize research results from FY 2010 and FY 2011 to improve investigation impact (along with the agency's scheduling system) and identify additional efficiencies.

OFCCP will continue to implement its three strategies started in FY 2011 that support the ultimate goal of increasing compliance among federal contractors: *effective enforcement, regulatory reform, and outreach/education*. All of the strategies under these three broad focus areas directly contribute to the achievement of OFCCP's primary, outcome-oriented goal: *increasing the compliance rate of federal contractors*.

Effective Enforcement - To increase the thoroughness and breadth of its investigative efforts, in 2011 OFCCP implemented its Active Case Enforcement (ACE) system to replace the Active Case Management (ACM) system.⁶ ACE modified the prior ACM system by requiring OFCCP compliance officers to conduct thorough desk audits of all cases, increase onsite activity, and increase compliance evaluations focused specifically on Sections 503 and VEVRAA compliance. This system was implemented to broaden enforcement beyond systemic, low-wage hiring discrimination cases under the Executive Order to include a more comprehensive, thorough, and timely compliance evaluation process that will result in deeper and broader enforcement of all EEO laws and regulations administered by OFCCP including prior under-investigated areas mentioned above, such as wage-based compensation discrimination, Section 503, and VEVRAA cases. These types of evaluations are more complex, necessitating more in-depth, detailed, and thorough investigations, in the form of additional on-site verifications and in-depth interviews of witnesses. These quality investigations also require increased staff time and attention.

Regulatory reform - The agency is also making significant investments in the promulgation of new rules. Specifically, OFCCP is:

- Issuing a Final Rule in FY 2012 containing provisions that would strengthen its affirmative action requirements and result in increased hiring for protected veterans by federal contractors.⁷
- Issuing a Notice of Proposed Rulemaking (NPRM) for construction containing provisions that would reduce discrimination against women and minorities in the construction industry, and strengthen its affirmative action requirements, and result in increased hiring of women and underutilized minorities by federal contractors.

⁶ACM was introduced to OFCCP in July 2003, as a tiered approach, with the following three goals: (1) Reducing resources expended by the agency in analyzing a contractor's EEO performance; (2) Reducing the compliance burden of contractors; and (3) Improving effectiveness in finding systemic discrimination. The FY 2003 introduction of ACM required that cases be pursued beyond the desk audit, "only when you find systemic discrimination." ACM facilitated quick reviews targeted toward indicators of discrimination with larger victim classes, almost exclusively for low-wage, entry level job applicants. As a result, little, if any attention was focused on the numerous other important components of OFCCP's authority.

⁷ This NPRM was issued in April 2011 and a Final Rule is anticipated in or before July 2012.

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

- Issuing a NPRM for Section 503 with provisions that would strengthen its nondiscrimination and affirmative action requirements and result in increased hiring of individuals with disabilities by federal contractors.⁸
- Reviewing the wealth of comments received in response to its Advance Notice of Proposed Rulemaking (ANPRM) soliciting information on how OFCCP might collect and use appropriate data to identify compensation discrimination. Eliminating compensation discrimination is a priority issue for OFCCP. If the agency determines it would be appropriate to collect pay data from federal contractors, then OFCCP would develop and implement a compensation data collection tool. Prior to a final decision about the compensation data collection tool, OFCCP anticipates there would be a further round of public notice and comment through a NPRM.

Following the issuance of Final Rules during FY 2012 and FY 2013, OFCCP anticipates developing and issuing a series of directives and policy statements clarifying or explaining the new contractor obligations and agency procedures. OFCCP will also develop related training and compliance assistance materials.

Outreach – OFCCP will continue with its aggressive outreach program. The agency’s outreach implementation plan is comprised of (newly created and existing opportunities):

- Major community outreach events
- Small meetings/events with local community-based organizations
- Outreach events around the country: These include major civil rights organizations’ annual conferences, human resource association conferences, membership organization national meetings, etc.
- Stakeholder outreach meetings: These include participation in or hosting of stakeholder meetings with civil rights groups or related organizations in the Washington, D.C. area

In addition, OFCCP’s outreach plan will build upon efforts to shift resources and focus to reaching workers most vulnerable to workplace discrimination. This reflects the agency’s commitment to leveling the playing field and making sure that good jobs are really within everyone’s reach. The plan will utilize 21st century technology tools and focus on increasing the agency’s stature, public image, and accessibility by launching a re-designed website, exploring the use of social media, establishing a new logo, and implementing other communication strategies.

Lastly, OFCCP will work to enhance the quality of its outreach and events by identifying vulnerable populations facing the most significant employment inequities (i.e., recent immigrants, women in the trades, youth, individuals with disabilities, etc.) and collecting data on event success.

⁸ This NPRM was issued in December 2011 and a Final Rule is anticipated in or before October 2012.

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

DETAILED WORKLOAD AND PERFORMANCE				
	FY 2011 Enacted		FY 2012 Enacted	FY 2013 Request
	Target	Result	Target	Target
Office of Federal Contract Compliance Programs				
Strategic Goal 3 - Assure Fair and High Quality Work-Life Environments	--		--	--
Outcome Goal 3.1 - Break Down Barriers to Fair and Diverse Work Places So That Every Worker's Contribution Is Respected	--		--	--
Overall Compliance Rate of Federal Contractors	--	--	--	(base)
Discrimination Rate of Federal Contractors	--	--	--	(base)
Technical Violation Rate of Federal Contractors	--	--	--	(base)
Total Number of Compliance Evaluations Completed	3,550	4,014	3,980	4,530
Supply and Service Evaluations Completed	3,225	3,382	3,500	4,000
FAAP Supply and Service Evaluations Completed	50	82	80	80
Number of Construction Evaluations Completed	275	550	400	450
Percent of cases with major deficiencies (Quality Case Audits)	--	--	19.00%	15.00%
Percent of cases with technical deficiencies (Quality Case Audits)	--	--	40.00%	30.00%
Percent of Discrimination Cases Closed within 730 Days of Opening	--	--	55.00%	65.00%
Number of Outreach Events Completed	50	1,848	532	532
Number of Outreach Hours Completed	10,010 ⁹	5,143	560	560
Number of Compliance Assistance Events	--	--	120	150

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

⁹ In FY 2011, Outreach and Compliance Assistance activities (events and hours) were combined. Beginning in FY 2012, compliance assistance events are measured separately.

Workload Narrative

OFCCP continues to work toward improving case closures by defining and measuring timeliness (Percent of Discrimination Cases Closed within 730 Days of Opening). The improved closure times are the result of increased attention on process efficiency and compliance officer training and are expected to result in a significant increase the number of identified victims of discrimination that can be located when it is time for the contractor to provide remedy.

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

In FY 2011, OFCCP's performance results for the number of completed compliance evaluations exceeded its target by approximately 14 percent. This was a direct result of OFCCP completing 550 construction evaluations, 275 more than planned. In FY 2013, OFCCP will increase the number of comprehensive and quality compliance evaluations completed, while strategically targeting its outreach activities. The performance target for the number of completed compliance evaluations increases by nearly 14 percent from FY 2012 to FY 2013 at the Agency Request Level, which reflects the higher priority OFCCP is placing on enforcement.

The agency will continue to expand its investigation strategy to reflect the breadth and depth of OFCCP's mission – in effect a comprehensive enforcement strategy. In general, OFCCP's performance measures are designed to ensure an increase in the number of compliance evaluations, thorough compliance audits, quality case investigations, and consistency in case audit procedures.

The targeted reduction in case deficiencies (major and technical) in FY 2013 will correlate with the quality of the compliance evaluations. OFCCP's improvement of the quality of enforcement audits will ensure that federal contractors are meeting their legal obligations of nondiscrimination and affirmative action. High quality investigations of contractors, implemented through consistent and regularly monitored operational practices in the field, will enable OFCCP to achieve its overall compliance performance goal at the Agency Request Level:

- Total number of compliance evaluations completed
 - Supply and service compliance evaluations completed;
 - FAAP supply and service compliance evaluations completed; and
 - Construction compliance evaluations completed.

Complimentary to the quantity of evaluations are the components of quality that ensure OFCCP will:

- Conduct more comprehensive audits;
- Improve the identification of adverse impact indicators;
- Better identify compensation disparities; and
- Bring more federal contractors into compliance.

OFCCP's quality measures¹⁰ focus on:

Percent of cases with major deficiencies in three enforcement categories – desk audit, onsite and remedy, and resolution; and Percent of cases with technical deficiencies.

¹⁰OFCCP established baseline data from Quality activities started in the Q3 and Q4 of FY 2011.

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2011 Enacted	FY 2012 Enacted	FY 2013 Request	Diff. FY13 Req./ FY12 Enacted
11.1	Full-time permanent	55,650	58,129	58,700	571
11.3	Other than full-time permanent	510	165	166	1
11.5	Other personnel compensation	1,000	690	769	79
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	57,160	58,984	59,635	651
12.1	Civilian personnel benefits	16,617	17,000	17,164	164
13.0	Benefits for former personnel	30	30	30	0
21.0	Travel and transportation of persons	1,999	1,800	1,800	0
22.0	Transportation of things	16	39	39	0
23.1	Rental payments to GSA	6,122	5,900	6,313	413
23.2	Rental payments to others	147	67	67	0
23.3	Communications, utilities, and miscellaneous charges	1,055	877	877	0
24.0	Printing and reproduction	80	30	30	0
25.1	Advisory and assistance services	100	25	25	0
25.2	Other services from non-Federal sources	1,610	2,385	2,385	0
25.3	Other goods and services from Federal sources 1/	11,058	10,977	10,977	0
25.4	Operation and maintenance of facilities	0	2	2	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	7,976	6,006	6,006	0
26.0	Supplies and materials	287	451	451	0
31.0	Equipment	1,104	600	600	0
41.0	Grants, subsidies, and contributions	0	14	14	0
42.0	Insurance claims and indemnities	25	0	0	0
	Total	105,386	105,187	106,415	1,228
	1/Other goods and services from Federal sources				
	Working Capital Fund	10,630	10,427	10,427	0
	DHS Services	378	500	500	0
	Services by DOL Agencies	32	32	32	0
	Services by Other Government Departments	18	18	18	0

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

CHANGES IN FY 2013

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$651
Personnel benefits	64
Employee health benefits	0
Moving allowance	0
One day more of pay	100
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	413
All Other Rental	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services	0
Working Capital Fund	0
Other government accounts (DHS Charges)	0
Other purchases of goods and services from Government accounts	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
Insurance claims and indemnities	0

Built-Ins Subtotal **\$1,228**

Net Program **\$0**

Direct FTE **0**

	Estimate	FTE
Base	\$106,415	755