

FY 2010

CONGRESSIONAL BUDGET JUSTIFICATION

EMPLOYMENT STANDARDS ADMINISTRATION

EMPLOYMENT STANDARDS ADMINISTRATION

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**EMPLOYMENT STANDARDS ADMINISTRATION
SALARIES AND EXPENSES**

APPROPRIATION LANGUAGE

(INCLUDING [RESCISSION]CANCELLATION)

For necessary expenses for the Employment Standards Administration, including reimbursement to State, Federal, and local agencies and their employees for inspection services rendered, [~~\$438,166,000~~]*\$501,332,000*, together with [~~\$2,101,000~~]*\$2,124,000* which may be expended from the Special Fund in accordance with sections 39(c), 44(d), and 44(j) of the Longshore and Harbor Workers' Compensation Act: *Provided*, That the Secretary of Labor is authorized to establish and, in accordance with 31 U.S.C 3302, collect and deposit in the Treasury fees for processing applications and issuing certificates under sections 11(d) and 14 of the Fair Labor Standards Act of 1938 and for processing applications and issuing registrations under title I of the Migrant and Seasonal Agricultural Worker Protection Act.

Of the unobligated funds collected pursuant to section 286(v) of the Immigration and Nationality Act, [~~\$97,000,000~~] [~~are rescinded as of September 30, 2009~~]*\$30,000,000 are hereby permanently cancelled and returned to the General Fund of the Treasury . (Department of Labor Appropriations Act, 2009.)*

**EMPLOYMENT STANDARDS ADMINISTRATION
SALARIES AND EXPENSES**

ANALYSIS OF APPROPRIATION LANGUAGE

“...44(d) and...”

This language provides authority for the transfer of resources from the Longshore and Harbor workers’ compensation Act special fund to defray expenses incurred by the Department of Labor in conducting special fund inspections and/or audits and to defray expenses incurred by the Department in direct administration of the fund

“...*Provided*, That the Secretary of Labor is authorized to establish and, in accordance with 31 U.S.C 3302, collect and deposit in the Treasury fees for processing applications and issuing certain employment practices. certificates registration under sections 11(d) and 14 title I of the Fair Labor Standards Act ... and for processing applications and issuing registrations under Title I of the Migrant and Seasonal Agricultural Worker Protection Act...”

This language provides authority for the assessment of fees to cover the costs of certain services, which are necessitated by law, and, generally, without which the user would not be allowed to conduct certain employment practices. This authority enables the Employment Standards Administration to assess and collect fees to defray the cost for processing applications for homemaker and special Minimum wage certificates as well as applications for registration under MSPA. The funds collected are deposited in the miscellaneous receipts account of the Treasury.

“Of the unobligated funds collected pursuant to section 286(v) of the Immigration and Nationality Act... \$30,000,000 is hereby permanently cancelled.”

One-third of the amounts deposited into the H-1B and L Fraud Prevention and Detection Account remain available to the Secretary of Labor until expended for enforcement programs and activities described in section 212(n). This language rescinds funds that were received in FY2008 but could not be used by the Department because of statutory limitations. If the proposed legislation that was transmitted to Congress in September 2007 to amend section 286(v)(2)(C) of the INA (8 U.S.C. 1356) is enacted in FY2009, the Department intends to utilize any funds remaining in the account to strengthen enforcement in low wage industries to employ significant numbers of immigrant workers.

**EMPLOYMENT STANDARDS ADMINISTRATION
SALARIES AND EXPENSES**

BUDGET YEAR FUNDING

Program	FTE	Resources (\$000)
ESA ADMINISTRATIVE EXPENSES		
Wage & Hour	1,571	227,656
OFCCP	798	109,521
OWCP Total Admin. Expenses	1,810	315,328
Federal Employees' Compensation Act (FECA-General Funds)	791	95,262
FECA Fairshare (Special Benefits)	127	58,120
Longshore Harbor Workers' (LSHW-General Funds)	90	11,116
Longshore Harbor Workers' (LSHW -Trust Funds)	9	2,124
Black Lung Disability Trust Fund (BLDTF-Part C)	178	32,317
Disabled Coal Miners (DCM-Part B)	17	5,180
Energy Employees Occup Illness Comp Act (EEOICPA)	598	111,209
Part B	305	51,197
Part E (Indefinite)	293	60,012
OLMS	266	40,557
PDS Total Admin. Expenses	93	17,623
PDS (General Funds)	90	17,220
Black Lung Disability Trust Fund (BLDTF-Part C)	3	403
TOTAL ADMINISTRATIVE EXPENSES	4,538	710,685
Reimbursables (WH-CMP)		2,800
H1-B User Fees		10,504
TOTAL ADMIN with Reimbursables	4,538	723,989
ESA BENEFITS		
FECA Special Benefits		4,444,360
Appropriation ^{1/}		187,000
Offsetting Collections		2,637,080
FY 08 Carryover Balance		1,620,280
Special Workers' Compensation Funds (SWCF)		148,000
Longshore Harbor Workers' (Longshore Trust)		138,000
District of Columbia Workmen's Comp (DCCA)		10,000
Black Lung Disability Trust Fund (BLDTF-Part C)		267,379
Benefit Payments & Interest on Advances		241,605
Departmental Management (DM) S&E		25,091
Office of the Inspector General (OIG) S&E		327
Treasury Admin. Costs		356
Disabled Coal Miners (DCM-Part B)		209,000
Advanced Appropriation for FY 2011		45,000
Appropriation		164,000
Energy Employees Occupation Illness Comp Act (EEOICPA)		950,505
Part B		428,225
Part E (Indefinite)		522,280
Panama Canal Commission (PCC)		6,000
TOTAL BENEFITS		6,025,244
TOTAL RESOURCES w/o Reimbursables	4,538	6,735,929
Total ESA Resources with Reimbursables	4,538	6,749,233

^{1/}Includes \$3,000 for Longshore

**EMPLOYMENT STANDARDS ADMINISTRATION
SALARIES AND EXPENSES**

AMOUNTS AVAILABLE FOR OBLIGATION								
(Dollars in Thousands)								
	FY 2008 Enacted		FY 2009 Enacted		Recovery Act		FY 2010 Request	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	3,034	426,351	3,113	438,166	0	0	3,606	501,332
Reduction pursuant to (P.L. 111-8) in FY 2009	0	-7,448	0	0	0	0	0	0
Other Supplementals and Rescissions	0	0	0	0	0	0	0	0
Appropriation, Revised	3,034	418,903	3,113	438,166	0	0	3,606	501,332
Subtotal Appropriation (adjusted)	3,034	418,903	3,113	438,166	0	0	3,606	501,332
Offsetting Collections From:	0	0	0	0	0	0	0	0
Reimbursements (CMP's)	0	2,800	0	2,800	0	0	0	2,800
Trust Funds	195	34,783	190	34,409	0	0	190	34,844
H-1B L Fraud Fees	0	5,500	0	10,504	0	0	0	10,504
Non-Expenditure Transfers from DM	0	0	0	0	166	29,768	0	0
Subtotal	195	43,083	190	47,713	166	29,768	190	48,148
B. Gross Budget Authority	3,229	461,986	3,303	485,879	166	29,768	3,796	549,480
Offsetting Collections	0	0	0	0	0	0	0	0
Deduction:	0	0	0	0	0	0	0	0
Reimbursements	0	-2,800	0	-2,800	0	0	0	-2,800
H-1B L Fraud Fees	0	-5,500	0	-10,504	0	0	0	-10,504
Non-Expenditure Transfers from DM	0	0	0	0	0	0	0	0
Subtotal	0	-8,300	0	-13,304	0	0	0	-13,304
C. Budget Authority	3,229	453,686	3,303	472,575	166	29,768	3,796	536,176
Before Committee	0	0	0	0	0	0	0	0
Offsetting Collections From:	0	0	0	0	0	0	0	0
Reimbursements	0	2,800	0	2,800	0	0	0	2,800
H-1B L Fraud Fees	0	5,500	0	10,504	0	0	0	10,504
IT Crosscut	0	0	0	0	0	0	0	0
Legal Services	0	0	0	0	0	0	0	0
Non-Expenditure Transfers from DM	0	0	0	0	0	0	0	0
Subtotal	0	8,300	0	13,304	0	0	0	13,304
D. Total Budgetary Resources	3,229	461,986	3,303	485,879	166	29,768	3,796	549,480
Other Unobligated Balances	0	0	0	0	0	0	0	0
Unobligated Balance Expiring	4	-575	0	0	0	0	0	0
Unobligated Balance Permanently Reduced ^{1/}	0	0	0	0	0	0	0	-30,000
E. Total, Estimated Obligations	3,233	461,411	3,303	485,879	166	29,768	3,796	519,480

^{1/} The 2010 Budget cancels \$30 million in unobligated balances in the Department of Labor's (DOL's) H-1B Fraud Prevention and Detection account.

NOTE: FY 2008 reflects actual FTE.

**EMPLOYMENT STANDARDS ADMINISTRATION
SALARIES AND EXPENSES**

SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2009 Enacted	FY 2010 Request ^{1/}	Net Change
Budget Authority			
General Funds	438,166	501,332	63,166
Trust Funds	34,409	34,844	435
Total	<u>472,575</u>	<u>536,176</u>	<u>63,601</u>

^{1/}The 2010 Budget cancels \$30 million in unobligated balances in the Department of Labor's (DOL's) H-1B Fraud Prevention and Detection account.

Full Time Equivalents

General Funds	3,113	3,606	493
Trust Funds	190	190	0
Total	<u>3,303</u>	<u>3,796</u>	<u>493</u>

Explanation of Change	FY 2009 Base		Trust Funds		FY 2010 Change General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Costs of pay adjustments	3,303	262,101	0	304	0	5,050	0	5,354
Personnel benefits		50,572		50		998		1,048
Employee health benefits		16,241		17		315		332
Moving allowance		2,191		0		36		36
Federal Employees Compensation Act (FECA)		3,259		0		557		557
Benefits Former Personnel		30		0		0		0
Travel		7,950		1		55		56
Transportation of things		548		0		3		3
GSA Space Rental		27,401		15		126		141
All Other Rental		312		0		2		2
Communications, utilities & miscellaneous charges		5,785		4		42		46
Printing and reproduction		763		0		3		3
Advisory and assistance services		1,916		0		10		10
Other services		6,036		11		18		28
Working Capital Fund		41,934		200		3,496		3,696
Homeland Security		2,611		0		15		15
Other government accounts (DHS Charges)		6,348		2		31		33
Research and Development		99		0		0		0
Operation and maintenance of facilities		48		0		0		0

**EMPLOYMENT STANDARDS ADMINISTRATION
SALARIES AND EXPENSES**

Explanation of Change	FY 2009 Base		Trust Funds		FY 2010 Change General Funds		Total		
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	
Operation and maintenance of equipment		29,468		29		141		170	
Supplies and materials		2,532		1		10		11	
Equipment		3,978		0		20		20	
Insurance claims and indemnities		451		0		2		2	
Built-Ins Subtotal	3,303	472,575	0	634	0	10,929	0	11,563	
B. Program:									
WH Investigator & Admin. Staff Increase						288	30,862	288	30,862
OWCP FTE Restoration						23	3,250	23	3,250
OFCCP Case Management System							2,000		2,000
OFCCP Compliance Officer Increase						213	23,600	213	23,600
Programs Subtotal						524	59,712	524	59,712
C. Financing:									
Total Increase	3,303	472,575	0	634	524	70,641	524	71,275	
Decreases:									
A. Built-Ins:									
To Provide For:									
Costs of pay adjustments	0	0		-190	0	-1,988	0	-2,178	
Personnel benefits						-160	0	-160	
Employee health benefits						-51		-51	
Moving allowance						-50		-50	
Other services				-9		0		-9	
Equipment						-226		-226	
Built-Ins Subtotal	0	0	0	-199	0	-2,475	0	-2,674	
B. Program:									
OLMS Program Decrease				0	0	-31	-5,000	-31	-5,000
Programs Subtotal	0	0	0	0	-31	-5,000	-31	-5,000	
C. Financing:									
Total Decrease			0	-199	-31	-7,475	-31	-7,674	
Total Change	3,303	472,575	0	435	493	63,166	493	63,601	

**EMPLOYMENT STANDARDS ADMINISTRATION
SALARIES AND EXPENSES**

BUDGET AUTHORITY BY APPROPRIATION

(Dollars in Thousands)

	FY 2008	FY 2009	Recovery	FY 2010
	Enacted	Enacted	Act	Request
Black Lung Disability Trust Fund	1,033,239	6,778,692*	0	639,280
Black Lung Disability Trust Fund	1,033,239	6,778,692*	0	639,280
Energy Employees Occupational Illness Compensation Program	161,630	108,178	0	111,209
Energy Employees Occupational Illness Compensation Program Part B	104,745	49,654	0	51,197
Department of Health and Human Services/NIOSH	55,358	0	0	0
Department of Labor	49,387	49,654	0	51,197
Energy Employees Occupational Illness Compensation Program Part E	56,885	58,524	0	60,012
Salaries and Expenses	453,686	472,575	29,768	536,176
Enforcement of Wage and Hour Standards	175,658	193,092	21,987	227,656
Federal Contractor and EEO Standards Enforcement	81,001	82,107	7,200	109,521
Federal Programs for Workers Compensation	134,473	134,825	0	140,819
Division of Coal Miners Compensation	32,365	31,915	0	32,317
Division of Federal Employees' Compensation	89,449	90,095	0	95,262
Division of Longshore Harbor Workers' Compensation	12,659	12,815	0	13,240
General	10,637	10,714	0	11,116
Trust	2,022	2,101	0	2,124
Office of Labor and-Management Standards	44,938	44,938	581	40,557
Program Direction and Support	17,616	17,613	0	17,623
Black Lung IV	396	393	0	403
Program Direction and Support	17,220	17,220	0	17,220
Special Benefits for Disabled Coal Miners	5,221	5,130	0	5,180
Special Benefits for Disabled Coal Miners	5,221	5,130	0	5,180
Special Benefits	255,280	215,720	0	245,120
Compensation Benefits	203,000	163,000	0	187,000
FECA Fair Share	52,280	52,720	0	58,120
Unobligated Balance Permanently Reduced ^{1/}				-30,000
Total	1,909,056	7,580,295*	29,768	1,506,965

*Includes one-time appropriation of \$6,497,989 for repayment of outstanding debt.

^{1/}The 2010 Budget cancels \$30 million in unobligated balances in the Department of Labor's (DOL's) H-1B Fraud Prevention and Detection account.

**EMPLOYMENT STANDARDS ADMINISTRATION
SALARIES AND EXPENSES**

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY								
(Dollars in Thousands)								
	FY 2008 Enacted		FY 2009 Enacted		Recovery Act		FY 2010 Request	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Enforcement of Wage and Hour Standards	1,213	175,658	1,283	193,092	116	21,987	1,571	227,656
General Funds	1,213	175,658	1,283	193,092	116	21,987	1,571	227,656
Federal Contractor and EEO Standards Enforcement	576	81,001	585	82,107	50	7,200	798	109,521
General Funds	576	81,001	585	82,107	50	7,200	798	109,521
Federal Programs for Workers Compensation	1045	134,473	1,045	134,825	0	0	1068	140,819
General Funds	858	100,086	858	100,809	0	0	881	106,378
Longshore Trust Funds	10	2,022	9	2,101	0	0	9	2,124
Black Lung Disability Trust Funds	177	32,365	178	31,915	0	0	178	32,317
Division of Federal Employees' Compensation	771	89,449	768	90,095	0	0	791	95,262
General Funds	771	89,449	768	90,095	0	0	791	95,262
Division of Coal Miners Compensation	177	32,365	178	31,915	0	0	178	32,317
General Funds	0	0	0	0	0	0	0	0
Black Lung Disability Trust Funds	177	32,365	178	31,915	0	0	178	32,317
Division of Longshore Harbor Workers' Compensation	97	12,659	99	12,815	0	0	99	13,240
General Funds	87	10,637	90	10,714	0	0	90	11,116
Longshore Trust Funds	10	2,022	9	2,101	0	0	9	2,124
Program Direction and Support	83	17,616	93	17,613	0	0	93	17,623
General Funds	81	17,220	90	17,220	0	0	90	17,220
Black Lung Disability Trust Funds	2	396	3	393	0	0	3	403
Office of Labor and- Management Standards	316	44,938	297	44,938	0	581	266	40,557
General Funds	316	44,938	297	44,938	0	581	266	40,557

NOTE: FY 2008 reflects actual FTE.

**EMPLOYMENT STANDARDS ADMINISTRATION
SALARIES AND EXPENSES**

BUDGET AUTHORITY BY OBJECT CLASS						
(Dollars in Thousands)						
		FY 2008 Enacted	FY 2009 Enacted	Recovery Act	FY 2010 Request	Change FY 10 Req. / FY 09 Enacted
	Full-Time Equivalent					
	Full-time Permanent	3,233	3,303	166	3,796	493
	Total	3,233	3,303	0	3,796	493
	Average ES Salary	154,306	151,659		155,450	3,791
	Average GM/GS Grade	11.23	11.02		11.30	.28
	Average GM/GS Salary	72,372	72,703		73,550	847
11.1	Full-time permanent	245,720	252,138	13,567	291,443	39,305
11.3	Other than full-time permanent	930	3,433	120	3,385	-48
11.8	Special personal services payments	6,649	6,530	313	6,570	40
11.9	Total personnel compensation	253,299	262,101	14,000	301,398	39,297
12.1	Civilian personnel benefits	67,574	72,263	3,560	76,638	4,375
13.0	Benefits for former personnel	20	31	0	30	0
21.0	Travel and transportation of persons	7,325	7,950	2,923	9,868	1,918
22.0	Transportation of things	220	548	0	545	-3
23.1	Rental payments to GSA	28,382	27,401	0	29,741	2,340
23.2	Rental payments to others	410	312	0	314	2
23.3	Communications, utilities, and miscellaneous charges	5,856	5,785	176	6,265	480
24.0	Printing and reproduction	749	763	126	852	89
25.1	Advisory and assistance services	1,935	1,916	612	3,926	2,010
25.2	Other services	5,814	6,036	2853	6,235	199
25.3	Other purchases of goods and services from Government accounts 1/	43,134	50,893	1659	57,740	6,847
25.4	Operation and maintenance of facilities	35	48	0	48	0
25.5	Research and development contracts	99	99	0	99	0
25.7	Operation and maintenance of equipment	31,713	29,468	2,588	35,155	5,687
26.0	Supplies and materials	2,260	2,532	193	2,764	232
31.0	Equipment	4,765	3,978	1,078	4,113	135
42.0	Insurance claims and indemnities	96	451	0	444	-7
	Total	453,686	472,575	29,768	536,176	63,601
	1/Other Purchases of Goods and Services From Government Accounts					
	Services by Other Government Departments	6,722	6,348	1,659	6,439	91
	Working Capital Fund	33,931	41,934	0	48,474	6,540
	DHS Services	2,481	2,611	0	2,827	216

NOTE: FY 2008 reflects actual FTE.

EMPLOYMENT STANDARDS ADMINISTRATION SALARIES AND EXPENSES

BUDGET AUTHORITY BY STRATEGIC GOAL

(Dollars in Thousands)

	Goal 1: Prepared Workforce	Goal 2: Competitive Workforce	Goal 3: Safe and Secure Workplaces	Goal 4: Strengthened Economic Protections	Total Budget Authority
Budget Activity 1 (Wage and Hour Division)					
Performance Goal 3C			237,658		237,658
Subtotal Budget Activity 1	\$0	\$0	\$237,658	\$0	\$237,658
Budget Activity 2 (Office of Federal Contract Compliance Programs)					
Performance Goal 3D			112,986		112,986
Subtotal Budget Activity 2	\$0	\$0	\$112,986	\$0	\$112,986
Budget Activity 3 (Federal Workers' Compensation Programs)¹					
Performance Goal 2				321,001	321,001 ^{1/}
Other Program Mandates				6,025,244,	6,025,244 ^{2/}
Subtotal Budget Activity 3	\$0	\$0	\$0	\$6,346,245	\$6,346,245
Budget Activity 4 (Office of Labor-Management Standards)					
Performance Goal 4C				41,840	41,840
Subtotal Budget Activity 4	\$0	\$0	\$0	\$41,840	\$41,840
Budget Activity 5 (Program Direction and Support)^{3/}					
	\$0	\$0	\$0	\$0	\$0
Agency Total	\$0	\$0	\$350,644	\$6,388,085	\$6,738,729

^{1/}Includes \$315,328 (OWCP Admin) and \$5,673 (ESA-PDS); ^{2/} \$6,025,244 includes \$4,444,360 (FECA Special Benefits); \$148,000 (Longshore SW Benefits); 267,379 (Black Lung Part C Benefits); \$209,000 (Black Lung Part B Benefits); \$428,225 (EEOIC Part B Benefits); \$522,280 (EEOIC Part E Benefits) and \$6,000 for Panama Canal Commission

^{3/}As an administrative activity, funding for these resources have been allocated to the agencies' performance goals within the Agency program activities.

EMPLOYMENT STANDARDS ADMINISTRATION SALARIES AND EXPENSES

TOTAL BUDGETARY RESOURCES

FY 2008 – 2010
(Dollars in Thousands)

	FY 2008 Enacted				FY 2009 Enacted				FY 2010 Request			
	Activity	Other	Other	Total	Activity	Other	Other	Total	Activity	Other	Other	Total
	<u>Approp.</u>	<u>Approp</u>	<u>Resources</u>		<u>Approp.</u>	<u>Approp</u>	<u>Resources</u>		<u>Approp.</u>	<u>Approp</u>	<u>Resources</u>	
Salaries and Expenses	453,686	0	2,800	456,486	472,575	0	2,800	475,375	536,176	0	2,800	538,976
Enforcement of Wage and Hour Standards	175,658	6,634	2,800	185,092	193,092	6,989	2,800	202,881	227,656	7,202	2,800	237,658
Federal Contractor EEO Standards Enforcement	81,001	3,059	0	84,060	82,107	2,972	0	85,079	109,521	3,465	0	112,986
Federal Programs for Workers' Compensation	134,473	6,226	0	140,699	134,825	6,026	0	140,851	140,819	5,673	0	146,492
Program Direction and Support ^{1/}	17,616	(17,616)	0	0	17,613	(17,613)	0	0	17,623	(17,623)	0	0
Labor Management Standards	44,938	1,697	0	46,635	44,938	1,626	0	46,564	40,557	1,283	0	41,840
Special Benefits-Total Estimated Obligations^{2/}	203,000	0	2,510,120	2,713,120	163,000	0	2,570,900	2,733,900	187,000	0	2,631,480	2,818,480
Federal Employees' Compensation Act Benefits-New BA	200,000		2,645,901	2,845,901	160,000		2,568,000	2,728,000	184,000		2,695,200	2,879,200
Carryover of Offsetting Collections <i>(FECA Fair Share, Non-Add)</i>			1,487,399	1,487,399			1,623,180	1,623,180			1,620,280	1,620,280
			(52,280)	(52,280)			(52,720)	(52,720)			(58,120)	(58,120)
Longshore and Harbor Workers' Compensation Benefits	3,000			3,000	3,000			3,000	3,000			3,000
Carryout of Offsetting Collections			(1,623,180)	(1,623,180)			(1,620,280)	(1,620,280)			(1,684,000)	(1,684,000)
Black Lung Disability Trust Fund ^{3/}	1,066,000	0	0	1,066,000	6,810,989	0	0	6,810,989	300,099	0	0	300,099
Black Lung Part B Total ^{4/}	276,221	0	0	276,221	250,130	0	0	250,130	225,180	0	0	225,180

**EMPLOYMENT STANDARDS ADMINISTRATION
SALARIES AND EXPENSES**

TOTAL BUDGETARY RESOURCES

FY 2008 – 2010
(Dollars in Thousands)

	FY 2008 Enacted				FY 2009 Enacted				FY 2010 Request			
	Activity	Other	Other	Total	Activity	Other	Other	Total	Activity	Other	Other	Total
	Approp.	Approp	Resources		Approp.	Approp	Resources		Approp.	Approp	Resources	
Black Lung Part B Benefits	203,000			203,000	183,000			183,000	164,000			164,000
Appropriation (non-add)	271,000			271,000	245,000			245,000	220,000			220,000
Advanced Appropriation	68,000			68,000	62,000			62,000	56,000			56,000
Black Lung Part B Administration	5,221			5,221	5,130			5,130	5,180			5,180
Energy Employees' Occupational Illness Compensation Program												
Administration ^{5/}	161,630			161,630	108,178			108,178	111,209			111,209
Part B - ESA	49,387			49,387	49,654			49,654	51,197			51,197
Part B - HHS	55,358			55,358	0			0	0			0
Part E	56,885			56,885	58,524			58,524	60,012			60,012
Total Budget Authority Before Committee	2,160,537	0	2,512,920	4,673,457	7,804,872	0	2,573,700	10,378,572	1,359,664	0	2,634,280	3,993,944
H1-B		5,500		5,500		10,504		10,504		10,504		10,504
Panama Canal Commission Compensation Fund	6,200			6,200	6,000			6,000	6,000			6,000
Energy Employees' Occupational Illness Compensation Program												
Benefits	0	0	1,072,796	1,072,796	0	0	1,101,192	1,101,192	0		950,505	950,505

EMPLOYMENT STANDARDS ADMINISTRATION SALARIES AND EXPENSES

TOTAL BUDGETARY RESOURCES

FY 2008 – 2010
(Dollars in Thousands)

	FY 2008 Enacted				FY 2009 Enacted				FY 2010 Request			
	Activity	Other	Other	Total	Activity	Other	Other	Total	Activity	Other	Other	Total
	<u>Approp.</u>	<u>Approp</u>	<u>Resources</u>		<u>Approp.</u>	<u>Approp</u>	<u>Resources</u>		<u>Approp.</u>	<u>Approp</u>	<u>Resources</u>	
Part B - Benefits			561,138	561,138	-		519,036	519,036	-		428,225	428,225
Part E - Benefits			511,658	511,658			582,156	582,156			522,280	522,280
Longshore and Harbor Workers' Special												
Workers' Fund	150,080	0	0	150,080	150,833			150,833	150,833	0	0	150,833
Unobligated Balance Permanently Reduced ^{6/}										-30,000		-30,000
Total Budgetary Resources	2,316,817	5,500	3,585,716	5,908,033	7,961,705	10,504	3,674,892	11,647,101	1,516,497	-19,496	3,584,785	5,081,786

1/ As an administrative support activity, these resources have been allocated to ESA activities within the Salaries and Expenses appropriation for all three fiscal years.

2/ Other resources for FECA Special Benefits include offsetting collections.

3/ Benefit and interest amounts only, excludes administrative costs for Treasury, includes ESA administrative costs, DM, OIG, administrative costs and one-time appropriation of \$6,498,000 for repayment of outstanding Debt.

4/ Part B program transferred from Social Security Administration to ESA effective February 1, 2003.

5/ New BA for FY 2008 only for DOL and HHS activities. FY 2009, reflects new BA for DOL activities only, funding for HHS was appropriated directly.

6/ The 2010 Budget cancels \$30 million in unobligated balances in the Department of Labor's (DOL's) H-1B Fraud Prevention and Detection account.

**EMPLOYMENT STANDARDS ADMINISTRATION
SALARIES AND EXPENSES
SUMMARY OF PERFORMANCE**

Performance Goal — Wage and Hour Division
Performance Goal 3C: Ensure workers receive the wages due them

	FY 2005		FY 2006		FY 2007		FY 2008		FY 2009	FY 2010 *
	Goal Achieved		Goal Achieved		Goal Achieved		Goal Not Achieved			
Performance Indicator	Target	Result	Target	Result	Target	Result	Target	Result	Target	Target
Number of workers for whom there is an agreement to pay or an agreement to remedy per 1,000 enforcement hours in complaint cases			Baseline	293	296	274	274	272	275	278
Percent of prior violators who achieved and maintained FLSA compliance following a full FLSA investigation	72%	72%	73%	76%	77%	66%	67%	56%	63%	65%
Low wage workers assisted per 1,000 per case	Baseline	280	---	301	304	418	422	302	305	303
Average age (in months) of Davis-Bacon wage rates	---	---	---	---	---	---	---	103	93	83
Number of wage determination data submission forms processed per 1,000 hours	1,506	1,667	1,684	1,834	1,852	2,636	2,662	2,246	2,268	2,291

* The Wage and Hour Division will evaluate FY 2010 performance measures and targets based on increased resource levels and enforcement strategies at the annual spring planning meeting.

SUMMARY OF PERFORMANCE

Performance Goal – Federal Contractor and EEO Standard Enforcement
Performance Goal 3D: Federal contractors achieve equal opportunity workplaces

	FY 2005		FY 2006		FY 2007		FY 2008		FY 2009	FY 2010
	Goal Achieved		Goal Achieved		Goal Achieved		Target		Target	Target
Performance Indicator	Target	Result	Target	Result	Target	Result	Target	Result	Target	Target
Reducing the rate of discrimination among audited Federal Contractors	7%	2%	6%	2%	2%	1%	1%	2%	1%	1%
Increasing the rate of compliance for all other EEO requirements	62%	86%	64%	87%	86%	88%	89%	86%	90%	90%

**EMPLOYMENT STANDARDS ADMINISTRATION
SALARIES AND EXPENSES**

SUMMARY OF PERFORMANCE										
Performance Goal – Office of Workers’ Compensation										
Performance Goal 4B: Reduce the consequences of work-related injuries										
	FY 2005		FY 2006		FY 2007		FY 2008		FY 2009	FY 2010
	Goal Achieved		Goal Achieved		Goal Achieved		Goal Achieved			
	Target	Result	Target	Result	Target	Result	Target	Result		
Performance Indicator										
Lost Production days per 100 employees for all other government agencies	61	60	49	46.3	60	52.2	48.5	41.3	42	41.5
Lost Production days per 100 employees for United States Postal Services	148	146	129.8	135.2	146	142.5	142	133.6	139	137
Periodic Roll Management savings	\$17 million	\$13 million	\$8 million	\$17.1 million	\$13 million	\$16.1 million	\$14 million	\$16.9 million	\$15 million	\$15 million
Change in Average FECA Medical Treatment Costs	+8.8%	+8.7%	+8.3%	+8.1%	+8.7%	+6.3%	+7.6%	+3.2%	Remain Below Milliman USA Health Cost Index	
Meet Communications Goals	3 of 5	3 of 5	4 of 5	4 of 5	4 of 6	4 of 6	5 of 6	5 of 6	5 of 6	5 of 6
Average Days to resolve Longshore disputed cases	245	254	250	235	248	230	Baseline	239	242	240
Average number of days to process Black Lung claims	--	--	--	--	247	224	220	205	218	216
Change in Average Black Lung Medical Treatment Costs	--	--	--	--	Set Baseline	\$3,281	+6.1%	+10%	+5.9%	+5.8%
Average days to process Energy Program Part B initial claims	--	--	--	--	Set Baseline	238	226	164	160	150
Average days to process Energy Program Part E initial claims	--	--	--	--	Set Baseline	293	290	284	195	190
Percent of Part B and Part E final decisions processed within 180 days where there is a hearing and within 75 days where there is no hearing.	80%	95%	85%	89%	85%	87.5%	87%	93%	88%	--

EMPLOYMENT STANDARDS ADMINISTRATION SALARIES AND EXPENSES

Percent of Part B and Part E final decisions processed within 175 days where there is a hearing and within 70 days where the right to a hearing or review of record has been waived.	--	--	--	--	--	--	--	--	--	89%
--	----	----	----	----	----	----	----	----	----	-----

SUMMARY OF PERFORMANCE

Performance Goal 4C – Office of Labor-Management Standards

OLMS contributes to the Department of Labor’s strategic goals by ensuring transparent union financial and democratic operations. Specifically, OLMS works to achieve compliance with and enforce standards for union financial integrity, democracy and transparency under the Labor-Management Reporting and Disclosure Act (LMRDA) and related laws. The LMRDA requires public disclosure reporting by unions and others, establishes standards for union officer elections, and imposes criminal sanctions for the embezzlement of union assets and funds.

Through 2008, OLMS reported on three Performance Indicators: 1) percent of unions with indicators of fraud; 2) percent of unions in compliance with LMRDA standards for democratic union elections; and, 3) percent of union reports meeting standards of acceptability. Given the high level of accomplishment in meeting these goals, beginning in 2009, OLMS replaced these indicators with three new indicators: 1) percent of audits resulting in the opening of a criminal case; 2) average elapsed days from receipt of a democracy complaint to case closure/processing; and, 3) percent of unions filing annual financial reports electronically.

The three new goals are designed to more closely tie the OLMS performance indicators with its day-to-day operations and to allow OLMS managers to better plan work loads and staffing levels to make optimal use of available resources. The goals also tie in with the President’s Management Agenda by promoting greater use of e-Gov capabilities. During 2008, OLMS established baseline measures for these three new goals and these baseline measures were put in place prior to the beginning of FY 2009, allowing OLMS to establish ambitious programmatic performance goals for 2009 and beyond.

Performance Indicator	FY 2005 Goal Achieved		FY 2006 Goal Achieved		FY 2007 Goal Achieved		FY 2008		FY 2009	FY 2010
	Target	Result	Target	Result	Target	Result	Target	Result	Target	Target
Percent of Unions with fraud	N/A	N/A	8%	8%	7.5%	7%	7%	N/A	Discontinued	Discontinued
Percent of Unions in Compliance with LMRDA standards for democratic union elections	N/A	N/A	Baseline	92%	92.5%	92.3%	92%	N/A	Discontinued	Discontinued
Percent of union reports meeting standards of acceptability	95%	94%	96%	93%	97%	95%	97%	N/A	Discontinued	Discontinued
Percent of audits resulting in a criminal investigation	N/A	N/A	N/A	N/A	N/A	N/A	Baseline 11.5%	N/A	12%	12.5%

**EMPLOYMENT STANDARDS ADMINISTRATION
SALARIES AND EXPENSES**

Number of days to resolve union officer election complaints	N/A	N/A	N/A	N/A	N/A	N/A	Baseline 92 days	N/A	88 days	84 days
Percent of unions filing electronically	N/A	N/A	N/A	N/A	N/A	N/A	Baseline 20%	N/A	20.5%	20.75%

**EMPLOYMENT STANDARDS ADMINISTRATION
SALARIES AND EXPENSES**

SIGNIFICANT ITEMS IN APPROPRIATION COMMITTEES' REPORTS

Salaries and Expenses

House: With the amount provided for the enforcement of wage and hour standards, \$1,000,000 is provided for accelerating start-up of a system to resolve claims of injury caused by asbestos exposure. Funds not needed for this purpose, if authorizing legislation is enacted, should be used for additional investigations as outlined in the budget request.

Response: The ESA will monitor asbestos program legislation and adjust funding accordingly.

**EMPLOYMENT STANDARDS ADMINISTRATION
SALARIES AND EXPENSES**

AUTHORIZING STATUTES

Public Law / Act	Legislation	Statute No. / US Code	Volume No.	Page No.	Expiration Date
PUB. L. 75-718	Fair Labor Standards Act of 1938, as amended.	29 U.S.C. 201-219			N/A
PUB. L. 74-846	Walsh-Healy Public Contracts Act, as amended.	41 U.S.C. 35-45			N/A
PUB. L. 90-321	Consumer Credit Protection Act (Title III – Restriction on Garnishment).	15 U.S.C. 1671-1677			N/A
PUB. L. 87-581	Contract Work Hours and Safety Standards Act, as amended.	40 U.S.C. 327-330			N/A
PUB. L. 89-286	McNamara-O’Hara Service Contract Act, as amended.	41 U.S.C. 351-357			N/A
PUB. L. 74-403	Davis-Bacon Act, as amended and related acts.	40 U.S.C. 276(a)-276(a-7), 276(c), 327-332; 5 U.S.C. Appendix; 5 U.S.C. 301			N/A
PUB. L. 97-470	Migrant and Seasonal Agricultural Worker Protection Act.	29 U.S.C. 1801-1872			N/A
PUB. L. 99-603	Immigration and Nationality Act, as amended by the Immigration Reform and Control Act of 1986.	8 U.S.C. 1324, 8 U.S.C. 1101(a), 1184(c), 1824, 29 U.S.C. 1802, 1813(a)			N/A
PUB. L. 100-347	Employee Polygraph Protection Act of 1988.	29 U.S.C. 2001 et seq			N/A
PUB. L. 101-238	Immigration Nursing Relief Act of 1989.	8 U.S.C. 1101, et seq.			N/A
PUB. L. 101-649	Immigration Act of 1990.	8 U.S.C. 1101, et seq.			N/A
PUB. L. 103-3	Family and Medical Leave Act of 1993.	29 U.S.C. 2601, et. Seq.			N/A
PUB. L. 105-277	American Competitiveness and	414(b) and (c)			N/A

**EMPLOYMENT STANDARDS ADMINISTRATION
SALARIES AND EXPENSES**

	Workforce Improvement Act (ACWIA), Title IV of the Omnibus Consolidated and Emergency Supplemental Appropriation Act.		
	L-1 Visa and H-1B Visa Reform Act, Title IV of the Consolidated Appropriations Act, 2005.	401-430	N/A
PUB. L. 108-447			
	National Foundation for the Arts and Humanities Act, Sections 5(i) and 7(g).	20 U.S.C. 954 (i) and 956 (g)	N/A
PUB. L. 89-209			
	Rehabilitation Act of 1973, as amended.	29 U.S.C. 793	N/A
PUB. L. 93-112			
	Vietnam Era Veteran's Readjustment Assistance Act of 1974, as amended.	38 U.S.C. 4212	N/A
PUB. L. 93-508			
	Americans with Disabilities Act.	42 U.S.C. 12101, et seq.	N/A
PUB. L. 101-336			N/A
	Federal Employees Compensation Act, as amended.	5 U.S.C. 8101 et seq.	N/A
PUB. L. 267, 39 Stat. 742			
	Longshore and Harbor Workers' Compensation Act, as amended.	33 U.S.C. 901, et seq.	N/A
PUB. L. 69-803			
	Federal Coal Mine Health and Safety Act of 1969, (now called Federal Mine Safety and Health Act of 1977), as amended.	30 U.S.C. 901, et seq.	N/A
PUB. L. 91-173			
	Black Lung Consolidation of Administrative Responsibility Act, as amended.		N/A
PUB. L. 107-275			
	Energy Employees Occupational Illness Compensation Act	42 U.S.C. 7385s et. seq.	N/A
PUB. L. 106-398			

**EMPLOYMENT STANDARDS ADMINISTRATION
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	(EEOICPA) of 2000, as amended.		
	Labor-Management Reporting and Disclosure Act of 1959, as amended.	29 U.S.C. 401	N/A
PUB. L. 86-257	Civil Service Reform Act of 1978	5 U.S.C. 7101	N/A
PUB. L. 95-454	Urban Mass Transportation act of 1964, as amended.	49 U.S.C. 533 (b)	N/A
PUB. L. 88-365 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
PUB. L. 104-1			

EMPLOYMENT STANDARDS ADMINISTRATION SALARIES AND EXPENSES

APPROPRIATION HISTORY SALARIES AND EXPENSES (Dollars in Thousands)

	Budget Estimates to <u>Congress</u>	House <u>Allowance</u>	Senate <u>Allowance</u>	<u>Appropriation</u>	Direct <u>FTE</u>	Reimburse- ment <u>FTE</u>	Total <u>FTE</u>
2000*	342,787	314,000	342,787	338,770 ^{1/}	3,707	17	3,724 ^{2/}
2001*	363,476	338,770	352,764	362,716 ^{3/}	3,745	17	3,762 ^{4/}
2002*	364,715 ^{5/}	369,631	377,145	370,048 ^{6/}	3,756	16	3,772 ^{4/}
2003*	380,757 ^{7/}	381,578	384,096	381,114	3,698	17	3,715 ^{4/}
2004*	397,753 ^{8/}	397,753	392,061	392,872 ^{9/}	3,805	17	3,822 ^{4/}
2005*	409,294	402,818	405,870	400,848 ^{10/}	3,595	17	3,612 ^{4/}
2006*	415,216	416,332	412,616	411,064 ^{11/}	3,557	17	3,574 ^{4/}
2007*	409,099	418,495	435,371	420,872	3,281	17	3,298 ^{4/}
2008*	447,659	436,508	438,508	420,925	3,229	17	3,246 ^{4/}
2009*	468,660	0	438,359	440,267	3,303	17	3,320 ^{4/}
2010*	503,456				3797	17	3,814 ^{4/}

*Includes the below reimbursement from the Special Fund established by the Longshore and Harbor Workers' Compensation Act: \$1,732,000 in FY 2000, \$1,981,000 in FY 2001, \$1,970,000 in FY 2002, \$2,029,000 in FY 2003, \$2,056,000 in FY 2004, \$2,058,000 in FY 2005, \$2,121,000 in FY 2006, \$2,042,000 in FY 2007, \$2,022,000 in FY 2008, \$2,101,000 in FY 2009 and \$2,124,000 in FY 2010.

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- ^{1/} Reflects a \$230,000 reduction pursuant to P.L. 106-113.
- ^{2/} Does not include FTE in ESA's Special Benefits Account using "Fairshare" funding (129 FTE ceiling, 102 actual).
- ^{3/} Reflects a \$760,000 reduction pursuant to P.L. 106-554.
- ^{4/} Does not include FTE in ESA's Special Benefits Account using "Fairshare" funding or in the Energy Employees' Occupation Illness Compensation Program account.
- ^{5/} Includes \$80,281 and 845 FTE for proposed FECA Surcharge.
- ^{6/} Includes a reduction of \$698,000 pursuant to P.L. 107-116 and a reduction of \$455,000 pursuant to P.L. 107-206.
- ^{7/} Includes \$86,442 and 839 FTE for the proposed FECA Surcharge.
- ^{8/} Includes \$86,260 and 839 FTE for the proposed FECA Surcharge.
- ^{9/} Includes a Labor-HHS Rescission of \$4,052,000 and a Govt-wide Rescission of \$2,333,000 pursuant to P.L. 108-199.
- ^{10/} Includes a Labor-HHS Rescission of \$3,479,088 pursuant to P.L. 108-434.
- ^{11/} Includes a rescission in the amount of \$4,152.

EMPLOYMENT STANDARDS ADMINISTRATION

SALARIES AND EXPENSES

Introduction

The Employment Standards Administration (ESA) is a diverse organization that administers and enforces a variety of laws and an Executive Order. These laws protect wages and working conditions; ensure that workers are recruited, hired, promoted, and compensated in a non-discriminatory manner by Federal contractors; provide benefits to covered workers who suffer a work-related injury, disease, or death; and promote democracy, transparency and financial integrity within labor unions. ESA's more than 4,000 employees and over 2,600 contract staff are distributed nationwide in over 360 offices in one of four component programs: the Wage and Hour Division (WHD), the Office of Workers' Compensation Programs (OWCP), the Office of Labor-Management Standards (OLMS), and the Office of Federal Contract Compliance Programs (OFCCP). ESA Program Direction and Support (PDS) is comprised of the Office of the Assistant Secretary (OAS), an Equal Employment Opportunity (EEO) enforcement unit, a Division of Legislative and Regulatory Analysis (DLRA), and the Office of Management, Administration and Planning (OMAP).

ESA's mission is to enhance the welfare and protect the rights of American workers.

ESA enhances the welfare and protects the rights of nearly every working American through one or more of its component programs. WHD promotes compliance with minimum wage, overtime, child labor, and other employment protections. OWCP provides benefits, treatment, and rehabilitation to certain workers who experience work-related injury or occupational disease. OLMS enforces democracy and fiscal responsibility in labor organizations. OFCCP promotes compliance with equal employment and non-discrimination among Federal contractors. PDS leads, directs, and supports this multifaceted organization.

The four accounts that constitute ESA's appropriation are: 1) Salaries and Expenses, (S&E) which provides funding resources for administering relevant statutes; 2) Special Benefits, which provides funding for payments to Federal civilians and Longshore and Harbor Workers and their dependents for work-related injuries and illnesses; 3) Special Benefits for Disabled Coal Miners, which provides funding for income maintenance to miners suffering from Black Lung disease and eligible survivors for claims filed under Part B of the Black Lung Benefits Act between December 30, 1969, and June 30, 1973; and 4) the Energy Employees Occupational Illness Compensation Program (EEOICP) Part B and Part E, which provide compensation to employees and survivors of employees for illness or death stemming from work in the Department of Energy (DOE) nuclear weapons complex. The S&E account is discretionary while the other accounts are mandatory.

ESA also jointly administers, with the Secretaries of Treasury and Health and Human Services (HHS), the Black Lung Disability Trust Fund (BLDTF). This Fund was established under the Black Lung Benefits Reform Act of 1977, which provides for payment of benefits (income maintenance and medical payments to miners suffering from Black Lung disease and eligible survivors), administrative expenses, and interest on repayable advances. Resources for this Fund

EMPLOYMENT STANDARDS ADMINISTRATION SALARIES AND EXPENSES

are derived from excise taxes on coal, reimbursements from responsible mine operators, interest, as well as fines and penalties assessed against responsible mine operators and, when needed, funds transferred from the advances to the Unemployment Trust Fund (UTF). The Trust Fund also pays all Part C Black Lung benefits, including income maintenance and medical benefits, when no coal mine operator can be held liable for payments.

ESA also administers the Panama Canal Commission (PCC) Compensation Fund and the Longshore and Harbor Workers' Special Workers' Compensation Expenses Fund. The PCC Compensation Fund was established to provide for the accumulation of funds to meet the Commission's future Federal Employees' Compensation Act (FECA) workers' compensation cost obligations. The PCC was dissolved on December 31, 1999, under the Panama Canal Treaty of 1977; however, PCC's liability for workers' compensation payments extended beyond the Commission's termination date. The PCC Compensation fund was set up to continue payments until all beneficiaries are deceased or no longer eligible. This Fund was established in conjunction with the transfer of the administration of the FECA program from the Commission to the Department of Labor (DOL), ESA, effective January 1, 1989.

The Longshore and Harbor Workers' Special Workers' Compensation Fund is comprised of the Longshore and Harbor Workers' Compensation Act and the District of Columbia Compensation Act accounts. These trust funds are derived from amounts received from employers for the death of an employee where no person is entitled to compensation for such death, fines and penalty payments, and pursuant to an annual assessment of the industry, for the general expenses of the fund under the Longshore and Harbor Workers' Compensation Act, as amended. These funds are available for payment of additional compensation for second injuries and to pay one-half of the increased benefits provided under the Longshore and Harbor Workers' Compensation Act for persons on the rolls prior to 1972.

For FY 2010, ESA's request of \$6,749,233,000 and 4,538 FTE is essential to the agency's mission to achieve two of the Department's Strategic Goals:

- **Safe and Secure Workplaces** - Promote workplaces that are safe, healthful, and fair; guarantee workers receive the wages due them; and foster equal opportunity in employment;
- **Strengthened Economic Protections** - Protect and strengthen worker economic security through effective and efficient provision of workers' compensation, ensure union transparency, and secure pension and health benefits.

Under Performance Goal 3c-Ensure Workers Receive the Wages Due Them, Wage and Hour Division (WHD) requests \$227,656,000 and 1,571 FTE, which includes a program increase of \$30,862,000 and 288 FTE. WHD's Fiscal Year 2010 request would enable the agency to conduct more targeted investigations, provide additional compliance assistance, and ensure that cases effectively maximize compliance on behalf of the greatest number of workers. Low-wage industries that employ large numbers of vulnerable workers, including young workers, are characterized by relatively high violation rates of minimum wage, overtime, and child labor requirements. This request will ensure that protecting the most vulnerable workers' wages and

EMPLOYMENT STANDARDS ADMINISTRATION SALARIES AND EXPENSES

hours continues to be a key focus of the Department. To achieve its goals, WHD will implement the following strategies:

- Balance complementing strategies of directed enforcement, compliance assistance, partnerships, and collaborations.
- Provide outreach and education to increase awareness of employment laws among employers, employees, and other stakeholders.
- Improve data collection processes.

Under Performance Goal 3d-Federal Contractors Achieve Equal Opportunity Workplaces, the Office of Federal Contract Compliance Program (OFCCP) requests \$109,521,000 and 798 FTE. The request includes an increase of \$23,600,000 and 213 FTE for additional compliance officers, which will support enforcement outreach efforts related to compensation. The request also includes a \$2,000,000 increase for a new case management system. OFCCP will monitor Federal contractors' compliance with applicable laws and executive orders, and ensure that minorities, women, individuals with disabilities, and eligible veterans are afforded an equal opportunity to compete for employment and advancement. To achieve its goals, OFCCP will implement the following strategies:

- Assist Federal contractors in complying with their obligations and other requirements.
- Monitor and enforce compliance with Federal Equal Employment opportunity laws.
- Evaluate data collection processes and modernize agency data collection systems.
- Review program regulations and requirements to identify areas for improvement or reform.

Under Strategic Goal 4c-Ensure Union Financial Integrity, Democracy, and Transparency, the Office of Labor-Management Standards (OLMS) requests \$40,557,000 and 266 FTE. This request includes a program decrease of \$5,000,000 and 31 FTE. While OLMS will need to reduce its FTE resources and workload capacity, efforts will continue to advance the objectives of the Labor-Management Reporting and Disclosure Act (LMRDA) to ensure union democracy, financial integrity, and transparency through a comprehensive program of enforcement and compliance assistance. To achieve its goals, OLMS will implement the following strategies:

- Increase effectiveness of focusing audit resources on unions most likely to be in violation of the law.
- Increase timeliness in resolving union member election complaints.
- Expand the Internet public disclosure service to improve public access to information reported by unions and others under the Act.

Under Performance Goal 4b-Reduce the Consequences of Work-related Injuries for Workers and Their Families, the Office of Workers' Compensation Program (OWCP) requests \$315,328,000 and 1,810 FTE, which includes an increase of \$3,250,000 and 23 FTE for FTE restoration. OWCP will continue to administer various programs in order to provide wage replacement, medical treatment, and vocational rehabilitation benefits to workers and their survivors so as to compensate for work-related injury, illness, and death. Additionally, OWCP

EMPLOYMENT STANDARDS ADMINISTRATION SALARIES AND EXPENSES

will continue to review its performance measures and actively develop additional measures that better reflect updated program objectives. To achieve its goals, OWCP will implement the following strategies:

- Maintain fair and balanced adjudication.
- Ensure the accuracy and appropriateness of benefits payments, accurate liability forecasts, and reduced risk and improved security for the OWCP benefit funds.
- Assist employers in compliance with the Federal workers' compensation laws and improve employer participation as partners in the administration of those laws and in service to their injured workers.
- Reduce claims costs and delays stemming from unnecessary challenges to claims decisions.
- Improve FECA injury recovery and return-to-work outcomes by strengthening early case intervention and assistance to Federal employers in the continuation-of-pay (COP) period, and continuing to work with Federal agencies to improve performance in returning injured employees to work.
- Strengthen claimant outreach and customer service activities — in particular, to better identify potential EEOICP claimant populations and guide them through the claims process.
- Strengthen communications with customers and expand access to information services.

ESA's challenges include many of the circumstances and trends found in today's workplace and the Nation's economy. These challenges reflect changes in the traditional employment relationships, growth in the contingent work force, and complexities in protecting workers in low-wage industries, especially immigrant and youth workers. Specifically, these changes include:

- The restructuring and modernization of the workplace is changing the types of new workplace injuries and reducing the number of jobs for recovering injured workers as reported to OWCP.
- More elaborate financial markets and greater use of electronic transactions coupled with mergers creating larger unions are increasing the complexities involved with union financial matters.
- The Nation is increasing its reliance on foreign-born workers and the growth in the number of undocumented immigrants continues.
- The increasing use of contingent workers and temporary help services has resulted in the restructuring of traditional industries with increasing reliance on subcontracting arrangements.

ESA is committed to ensuring the protection of American workers and keeping pace with the challenges and changes occurring in the American workforce, such as virtual workplaces, demographic shifts, immigration, organized labor, the growth of small businesses, and the shift from manufacturing to services.

EMPLOYMENT STANDARDS ADMINISTRATION SALARIES AND EXPENSES

Cost Models

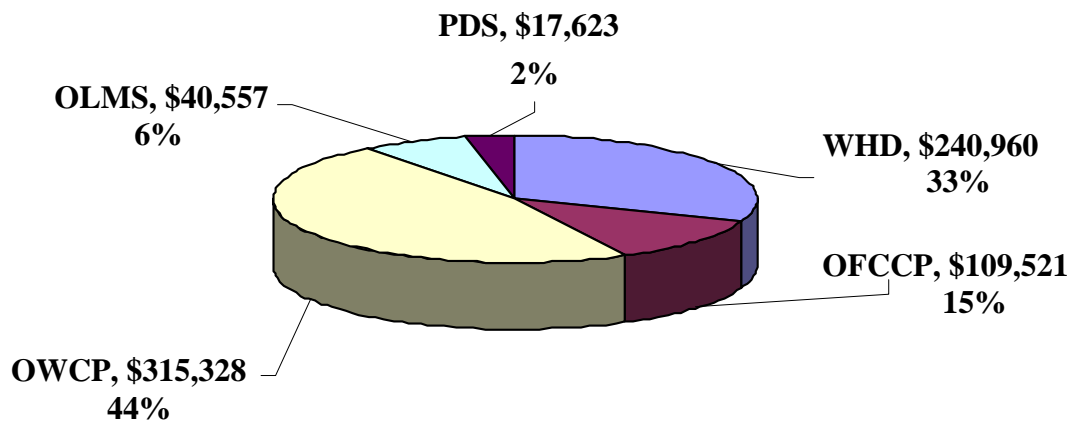
ESA requests \$6,749,233 and 4,538 FTE to support two strategic goals: *Safe and Secure Workplaces and Strengthened Economic Protections*.

ESA's request also includes \$6,000,000 for the PCC Compensation Fund.

ESA's anticipated resources are described below and are detailed by appropriation. Note that special benefits resources consist of FECA benefits, Longshore and Harbor Workers' Compensation (LHWC), EEOICP, Disabled Coal Mine Workers (DCMW) (Part B), and Black Lung Disability Trust Fund (BLDTF).

Cost Allocation per Program Activity: The chart below illustrates ESA resources identified and allocated by program activity¹:

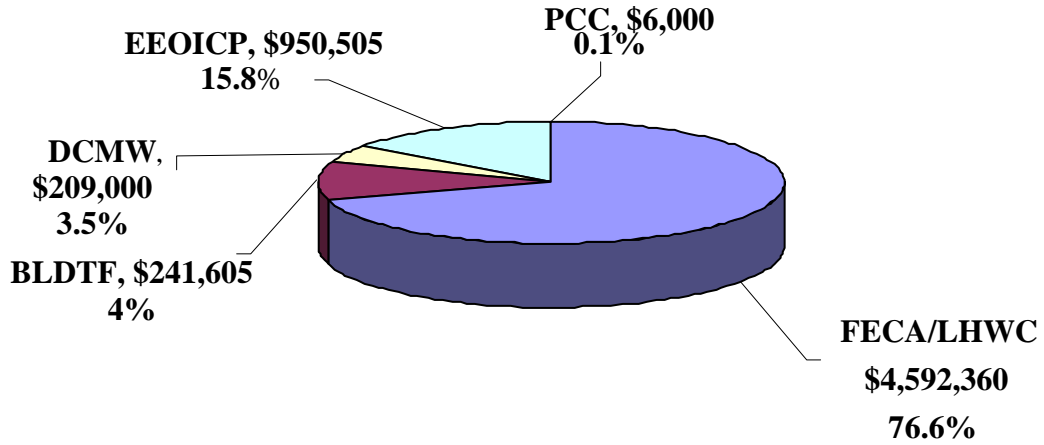
FY 2010 Budget Request by ESA
Total Administrative Budget Request \$723,989
(Dollars in Thousands)



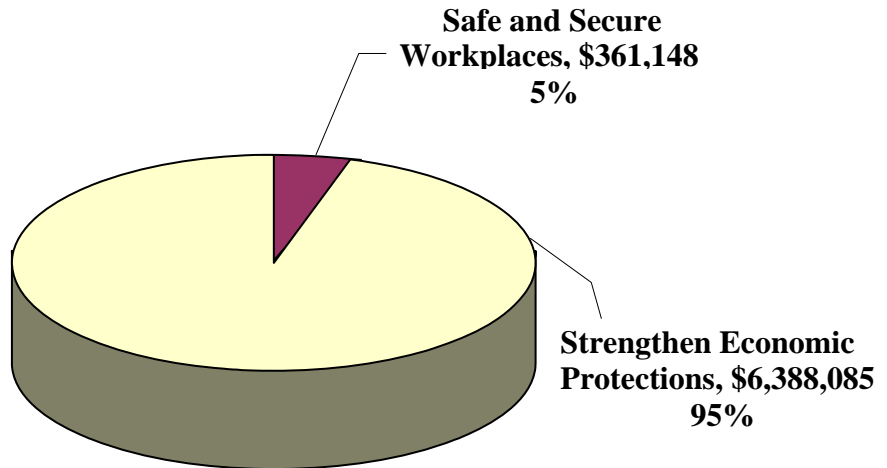
^{1/}Reimbursable Civil Money Penalties of \$2,800,000 and \$10,504,000 for H1B are included in WHD.

**EMPLOYMENT STANDARDS ADMINISTRATION
SALARIES AND EXPENSES**

**FY 2010 Budget Request by ESA
Total Benefits Budget Request \$5,999,470
(Dollars in Thousands)**

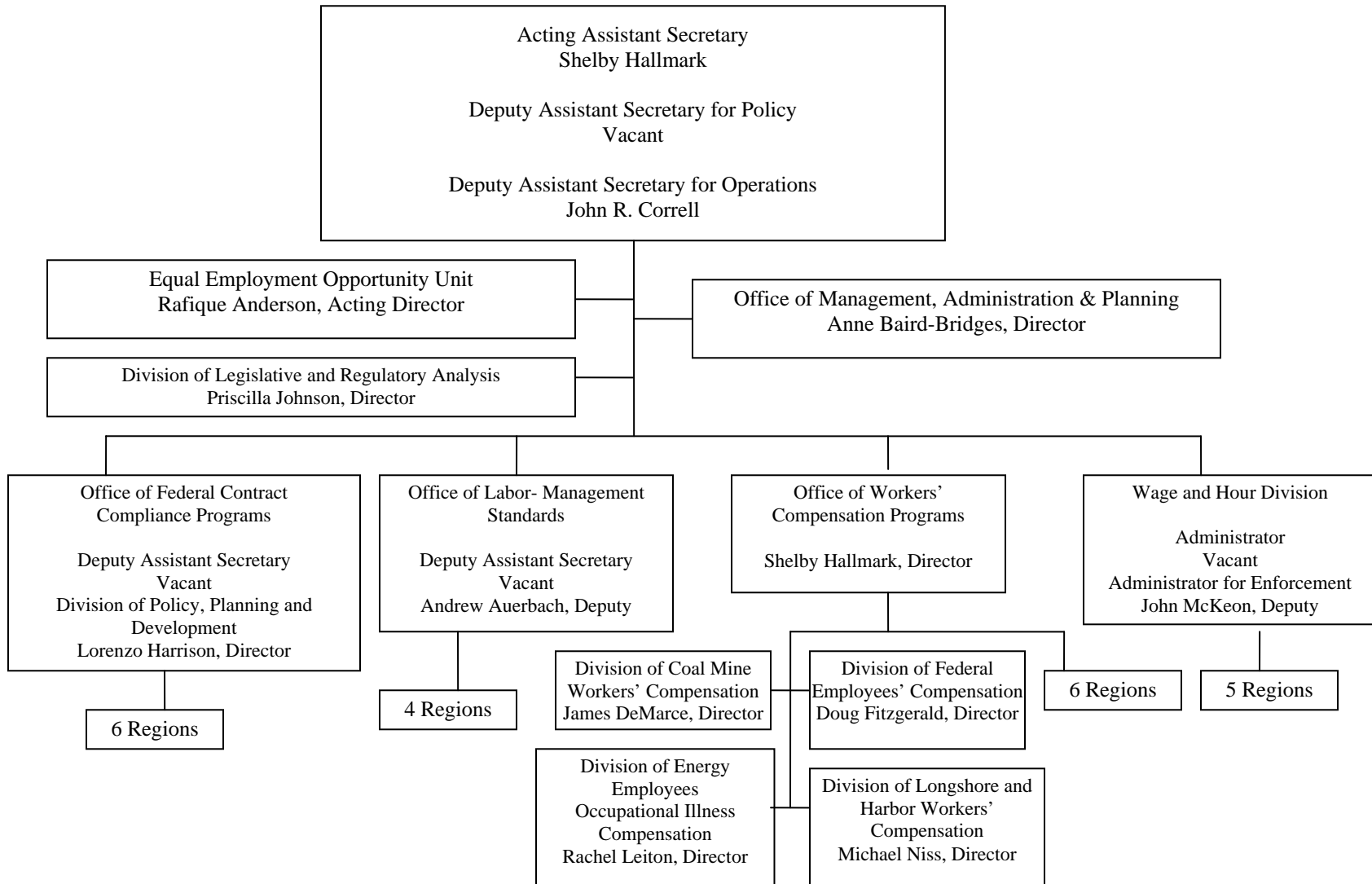


**FY 2010 Budget Request by Strategic Goal \$6,749,233
(Dollars in Thousands)**



EMPLOYMENT STANDARDS ADMINISTRATION SALARIES AND EXPENSES

ORGANIZATION CHART



ENFORCEMENT OF WAGE AND HOUR STANDARDS

BUDGET AUTHORITY BEFORE THE COMMITTEE						
(Dollars in Thousands)						
	FY 2008 Enacted	FY 2009 Enacted	Diff. FY08 Enacted / FY09 Enacted	Recovery Act	FY 2010 Request	Diff. FY09 Enacted / FY10 Req
Activity Appropriation	175,658	193,092	17,434	21,987	227,656	34,564
FTE	1,213	1,283	70	116	1,571	288

NOTE: FY 2008 reflects actual FTE. Authorized FTE for FY 2008 was 1,208.

Introduction

The Wage and Hour Division (WHD) is responsible for administering and enforcing a variety of laws that establish the minimum standards for wages and working conditions in the United States. Collectively, these labor standards cover most private, state, and local government employment. They protect over 135,000,000 workers in more than 7,300,000 establishments throughout the United States and its territories. These labor laws range from some of the first labor protections passed by Congress to some of the most recent. WHD’s mission is to “promote and achieve compliance with labor standards to protect and enhance the welfare of the Nation’s workforce”.

WHD is comprised of a nationwide staff of investigators, supervisors, analysts, technicians, and administrative employees who share responsibilities for enforcing the minimum wage, overtime, and child labor provisions of the Fair Labor Standards Act (FLSA); the requirements and wage determination provisions of the Davis-Bacon Act (DBA) and the McNamara-O’Hara Service Contract Act (SCA); the Migrant and Seasonal Agricultural Worker Protection Act (MSPA); the Family and Medical Leave Act (FMLA); and the Employee Polygraph Protection Act (EPPA). WHD is also responsible for the enforcement of field sanitation and temporary labor camp standards in agriculture and certain employment standards and worker protections of the Immigration and Nationality Act (INA).

The WHD mission and its performance outcomes directly support the Department of Labor’s (DOL) strategic goal of safe and secure workplaces, and in particular, guarantee that workers receive the wages due them. To this end, WHD has established enforcement priorities in three key areas: greater compliance in low-wage industries that employ vulnerable workers (including young and immigrant workers); fewer employers with repeat violations; and the strategic use of complaint investigations to increase labor protections for the greatest number of workers. A fourth priority encourages program efficiencies in the establishment of wage determinations and seeks to guarantee appropriate worker compensation levels by ensuring timely and accurate prevailing wage determinations.

The Back Wage Financial System (BWFS) is the agency’s IT system for collecting and disbursing back wages to workers. The Wage Determination System (WDS) supports the Davis Bacon Act and McNamara-O’Hara Service Contract Act wage determination programs. Additional information on these systems can be obtained by visiting the corresponding Exhibit

ENFORCEMENT OF WAGE AND HOUR STANDARDS

300 at: <http://www.dol.gov/dol/budget/2010/PDF/E300-2010-012.pdf> and <http://www.dol.gov/dol/budget/2010/PDF/E300-2010-013.pdf>, respectively.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2005	164,495	1,346
2006	165,685	1,300
2007	170,220	1,200
2008	175,658	1,208
2009	193,092	1,283

NOTE: Excludes Recovery Act Funding. See budget activity head table.

FY 2010

For FY 2010, WHD is requesting a total of \$240,960,000 and 1,571 FTE. This funding includes an increase of \$30,862,000 and 288 FTE. This request amount will restore past erosion in WHD's enforcement staff levels, increase its number of complaint based investigations and revitalize the agency's ability to conduct direct investigations of employer worksites. Also included in WHD's total request is \$10,504,000 in H-1B fees that can only be used for enforcement programs and activities described in Section 212(n) of the INA and \$2,800,000 in civil money penalty reimbursements authorized under Section 16(e) of the FLSA.

Several significant developments will have an impact on WHD's operations and its ability to secure compliance on behalf of low-wage workers. The first, related to the Immigration and Nationality Act's H-2A program, will significantly increase the need for enforcement resources to ensure compliance with applicable labor standards statutes in the agricultural industry. The second, a multi-billion dollar Federal investment in infrastructure construction, will result in increased pressure to redirect enforcement resources to enforce applicable labor laws in the construction industry. Agriculture and construction are among the industries identified as having an increased potential for labor law violations.

The American Recovery and Reinvestment Act of 2009 requires the payment of Davis-Bacon Act wage rates to "laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government" pursuant to the proposed legislation. The proposed increased Federal investment in infrastructure—highways, bridges, mass transit, school construction, flood control projects, hazardous waste clean-up, waste water treatment facilities, and Federal facilities—in this economic stimulus bill will place additional demands on WHD to enforce the prevailing wage provisions of the Davis-Bacon and related Acts. WHD must be able to respond to a significant increase in allegations of violations and a demand for more targeted enforcement of covered projects. This long-term demand for enforcement is expected to continue over a number of years.

ENFORCEMENT OF WAGE AND HOUR STANDARDS

The amount of Federal spending on infrastructure projects will quadruple under the Recovery Act. As a result, WHD can expect its enforcement of the Davis-Bacon and related Acts to increase by an equivalent measure over the period of several years. The overwhelming majority of Davis-Bacon and related Act investigations are complaint-based. With an expected increase in complaints and an increase in the demand for targeted investigations in the construction industry, WHD estimates that it will need to expend an additional 60,000 enforcement hours or the equivalent of 1,500 investigations a year by FY 2013. Although the initial investments in construction activity will not peak for several years, WHD must begin increasing staffing in FY 2010 to meet the long-term demand in enforcement. Investigators do not typically reach full productivity until fully trained and functioning for at least three years.

On December 19, 2008, the Department published a final rule that revises the application process and provides for worker protections under the H-2B non-immigrant temporary worker program of the Immigration and Nationality Act. The new regulations provide WHD with new enforcement authority to seek compliance with the H-2B labor protection provisions pursuant to a Department of Homeland Security (DHS) delegation of its statutory authority for enforcing the H-2B program to the Department of Labor. On January 16, 2009, the Deputy Secretary of Homeland Security signed an order delegating that agency's statutory enforcement authority to the Secretary of Labor. The order became effective on January 18, 2009, the date the Department of Labor's final rule describing its H-2B enforcement program became final and effective. H-2B employers are concentrated in certain industries: forestry, landscaping, seafood processing, hospitality and resort, construction, and restaurants. WHD estimates that its enforcement presence in these industries, both complaint and directed investigations, will need to significantly increase.

Coupled with these new responsibilities are overall declining levels of compliance—particularly among prior violators. Recent investigation-based compliance surveys have seen Fair Labor Standards Act (FLSA) minimum wage and overtime recidivism rates increase from 24 percent in FY 2006 to 44 percent in FY 2008—a trend that correlates with the distress in the National economy. Studies have demonstrated a close correlation between high unemployment and labor standards violations. This trend suggests the need for a greater enforcement presence in those low-wage industries, such as food service and accommodation, health care, and janitorial services, where violations are most likely to occur.

WHD currently has 734 investigators, which is the lowest level since 1978, when the agency began maintaining these records. This continuing decline in WHD investigative staff further warrants additional resources to enable the agency to provide a reasonable level of service to the employment community. The requested resources will enable WHD to employ additional front-line staff to ensure it has sufficient resources throughout the country to offer an effective balance between its directed enforcement program and its complaint-driven enforcement program.

In addition to investigators, WHD is also requesting 88 WHD technician, professional, and managerial personnel. WHD technicians alleviate investigators of routine data entry, correspondence, technical assistance, and other administrative tasks and allow them to concentrate on core enforcement activities. WHD technicians in many WHD district offices routinely conciliate worker complaints that affect only one or two individuals and that often

ENFORCEMENT OF WAGE AND HOUR STANDARDS

result from a missed or last paycheck issue. These conciliations cases represent approximately 45 percent of WHD complaint cases. Increasing the technician staff would be a cost effective way to permit lower graded staff to manage incoming complaints that do not require investigation. Additional professional and managerial personnel will be needed to support and manage the significant increase in investigator staff included in this request.

The requested funding will allow WHD to hire and train a total of 200 new investigators and 88 technical, professional and managerial staff in FY 2010 and to increase its FTE ceiling by 288. The funding will also enable WHD to respond to requests for education assistance and to actively host related outreach events.

Once properly trained and with experience, these investigators will produce an additional 6,000 investigations a year by the end of 2013. In addition, new WHD technicians would be able to undertake approximately 4,500 of the conciliations currently handled by investigative staff. This would free up approximately 10,000 investigator hours a year.

FY 2009

Available funding for FY 2009 totals \$206,396,000. For FY 2009, WHD requested and the enacted Omnibus Bill provided a total of \$193,092,000 and 1,283 FTE. This funding includes an increase of \$5,073,000 and 75 FTE which will be used to conduct more targeted investigations. WHD's FY 2009 request allows WHD to restore \$6.707 million in funding and resources for the FY 2008 program increase and other inflationary adjustments included in the President's FY 2008 budget, but not enacted in the Consolidated Appropriations Act, 2008, (P.L 110-161). Also included in WHD's total request is \$10,504,000 in H-1B fees that can only be used for enforcement programs and activities described in Section 212(n) of the INA and \$2,800,000 in civil money penalty reimbursements authorized under Section 16(e) of the FLSA. The funding will be distributed across performance outcomes to directly support the Department of Labor's (DOL) strategic goal of safe and secure workplaces, and in particular, to guarantee that workers receive the wages due them. Based upon current enforcement experience, WHD will make adjustments to funding levels that support its performance outcomes in order to maximize overall compliance assistance and enforcement effectiveness, particularly in low-wage industries and among repeat violators.

The increased FTE level will enable the program to conduct more targeted investigations, particularly in low-wage industries such as agriculture and its directed child labor program to ensure that young workers are safely and legally employed. WHD estimates completion of an additional 255 investigations in FY 2009. This would return WHD to levels achieved in FY 2007. As the experience and productivity of the new investigators increases, WHD expects investigation levels will improve. Overall compliance levels will be maintained or improved as the agency maintains a visible enforcement and compliance assistance presence.

Two interrelated, socio-economic dynamics challenge WHD's ability to ensure continued compliance with this country's most basic labor protections – the increased reliance on foreign-born labor over the past 15 years, and the growth in the number of illegal or undocumented immigrants currently working in the United States. Any viable comprehensive strategy for

ENFORCEMENT OF WAGE AND HOUR STANDARDS

addressing the increasing employment of foreign-born workers, the rise in day-labor employment relationships, and the proliferation of “informal” economic sectors, must include enforcement of the fundamental workplace standards and increased compliance assistance. In the past, WHD has devoted 25 to 30 percent of its enforcement resources to self-directed investigations, *i.e.*, non-complaint investigations in industries that employ vulnerable low-skilled and immigrant workers. The balance (70 to 75 percent) was used to respond to employee complaints.

In support of the efforts to increase compliance in low-wage industries, WHD proposed legislation to amend section 286(v)(2)(C) of the INA (8 U.S.C. 1356), as amended, to permit the more effective use of the fees collected under that statute’s Fraud Prevention and Detection Account. Legislation was transmitted to Congress in September 2007, which, if enacted, would enable the Department to expand its enforcement programs and activities that focus on the low-wage industries likely to employ and recruit recent immigrants and non-immigrants.

Recovery Act

The American Recovery and Reinvestment Act of 2009 (ARRA) increased the DOL’s “Departmental Management” account by \$80,000,000 for the enforcement of worker protection laws and regulations, oversight, and coordination activities related to the infrastructure and unemployment insurance investments in the Act. The Secretary of Labor was provided the authority to transfer these funds to various agencies within the Department in furtherance of the above noted activities. WHD was provided \$21,987,000 and 116 FTE through September 30, 2010.

Section 1606 of the American Recovery and Reinvestment Act of 2009 (ARRA) requires the payment of Davis-Bacon Act prevailing wage rates to “laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government” pursuant to the Act. This new Davis-Bacon related Act labor standards provision expands Davis-Bacon coverage to Federally-assisted construction projects that were not subject to the payment of prevailing wage rates under existing laws. Moreover, the amount of ARRA funding designated for infrastructure work will necessarily increase the number of Davis-Bacon covered construction projects over the course of the next two to five years as the amount of Federal capital infrastructure spending increases. The Federal contracting community, *i.e.*, the building trades unions, the Federal contracting agencies, state and local governments, contractors, and contractor associations will insist that WHD publish up-to-date and accurate Davis-Bacon prevailing wage determinations for use on the newly funded construction projects and that the agency establish an active enforcement program for the ARRA covered projects.

The immediate short-term impact will be felt in the wage determination program. Once the covered construction projects are underway, however, WHD will see an increased demand for enforcement of the prevailing wage wages fueled in part by an increase in complaints and in part by an expectation for more directed, *i.e.*, non-complaint-based, enforcement. This demand for increased enforcement is expected to continue over a number of years given that some of the funded projects may be under construction over the course of several years.

ENFORCEMENT OF WAGE AND HOUR STANDARDS

FY 2008

WHD's enacted budget for FY 2008 was \$183,958,000 and 1,208 FTE. Of that total amount, \$5,500,000 were estimated H-1B fees and \$2,800,000 were estimated civil money penalty reimbursements. WHD's FY 2008 appropriation totaled \$175,658,000. In FY 2008, WHD continued its efforts to ensure that the nation's workers are employed in compliance with wage and hour laws.

WHD did not reach its established performance targets in FY 2008. WHD measures results for each of its four performance objectives: complaint resolution, low-wage industry compliance, reduced recidivism, and timely and accurate wage determinations. The performance indicators for complaint resolution and low-wage industry compliance were efficiency measures that indicate the number of workers assisted for every 1,000 enforcement hours. To measure trends in recidivism rates, WHD conducts an annual investigation-based compliance survey of prior violators. The wage determination performance indicator tracks efficiencies in the review and analysis of survey data, which in turn drives the goal for improved timeliness of DBA wage rates.

In FY 2008 WHD assisted 272 workers per 1,000 enforcement hours in complaint cases. This was slightly less than the 274 workers assisted per 1,000 enforcement hours in FY 2007 which became the target for FY 2008. WHD has noted a slight corresponding decrease in the average number of days to conclude a complaint investigation, which may be attributed to complaint resolution strategies, such as training on efficient investigation techniques, reviewing complaint inventories weekly, and shifting investigators to offices with high backlogs, that were implemented in every district office in FY 2008. WHD also did not reach its target of 422 workers assisted in low-wage industries per 1,000 enforcement hours. The FY 2008 result was 302 assisted per 1,000 hours. The FY 2007 result for this measure, however, was impacted by one significant case. If that case is excluded, WHD's FY 2007 result would have been 293 workers assisted per 1,000 enforcement hours, and WHD would have realized a three percent increase in FY 2008 for this performance indicator.

WHD continues to see a decline in the percent of prior violators that were found in compliance. The overall level of compliance among prior violators decreased by ten percentage points from 66 percent in FY 2007 to 56 percent in FY 2008. The severity of violations, however, also declined as evidenced by the number of employers that owed less back wages to fewer workers. Successful re-investigations and compliance strategies will be analyzed, refined, and disseminated as best practices in FY 2009.

Wage determination efficiency also declined in FY 2008. WHD processed 2,246 forms per 1,000 hour in FY 2008 – a 15 percent decline from FY 2007. WHD regional offices shifted their focus from processing new survey forms to processing a backlog of data submission forms that required staff to perform more complex time-consuming reviews.. As a result, the number of forms processed decreased and the time for processing forms increased in FY 2008.

ENFORCEMENT OF WAGE AND HOUR STANDARDS

WHD recovered more than \$185,000,000 in back wages for over 228,000 employees in FY 2008. The agency also concluded 28,242 compliance actions and assessed over \$9.9 million in civil money penalties.

ENFORCEMENT OF WAGE AND HOUR STANDARDS

WORKLOAD SUMMARY			
	FY 2008 Actual	FY 2009 Target	FY 2010 Target
Enforcement of Wage and Hour Standards			
Compliance Actions	28,242	28,790	30,913
Compliance Assistance	1,790	1,826	1,960
Wage Determinations Issued	21,000	21,000	21,000
Budget Activity Total	\$175,658	\$193,092	\$227,656

Workload Summary

WHD is authorized under 29 U.S.C. 207, *et seq.* and is responsible for administering and enforcing a variety of laws that establish the minimum standards for wages and working conditions in the United States. The WHD mission and its performance outcomes directly support the Department of Labor's (DOL) strategic goal of safe and secure workplaces, and in particular, to guarantee that workers receive the wages due them.

WHD is comprised of a nationwide staff of investigators, supervisors, analysts, technicians, and administrative employees who share responsibilities for enforcing the minimum wage, overtime, and child labor provisions of the Fair Labor Standards Act (FLSA); the requirements and wage determination provisions of the Davis-Bacon Act (DBA) and the McNamara-O'Hara Service Contract Act (SCA); the Migrant and Seasonal Agricultural Worker Protection Act (MSPA); the Family and Medical Leave Act (FMLA); and the Employee Polygraph Protection Act (EPPA). WHD is also responsible for the enforcement of field sanitation and temporary labor camp standards in agriculture and certain employment standards and certain worker protections of the Immigration and Nationality Act (INA).

WHD's Fiscal Year 2010 request would enable the agency to maintain the number of investigators at approximately 1,027 through the end of FY 2010. The number of WHD investigators has averaged approximately 800 over the last six fiscal years. WHD's FY 2009 enacted budget and the FY 2010 Congressional Request will enable WHD to increase investigator staffing to pre-FY 2001 levels. WHD outputs, as measured by the number of compliance actions and compliance assistance activities, will see only a modest increase in FY 2010 as formal and on-the-job training activities impact productivity. However, outputs should begin to show a substantial increase in subsequent fiscal year.

ENFORCEMENT OF WAGE AND HOUR STANDARDS

BUDGET ACTIVITY by OBJECT CLASS						
(Dollars in Thousands)						
		FY 2008 Enacted	FY 2009 Enacted	Recovery Act	FY 2010 Requested	Change FY 10 Req / FY 09 Enacted
11.1	Full-time permanent	93,874	97,591	9,030	112,619	15,028
11.3	Other than full-time permanent	0	0	0	0	0
11.8	Special personal services payments	2,326	2,834	100	2,892	58
11.9	Total personnel compensation	96,200	100,425	9,130	115,511	15,086
12.1	Civilian personnel benefits	25,281	27,999	2,240	32,251	4,252
21.0	Travel and transportation of persons	4,059	5,758	2,723	7,716	1,958
22.0	Transportation of things	129	383	0	385	2
23.1	Rental payments to GSA	8,987	8,988	0	11,233	2,245
23.2	Rental payments to others	148	145	0	146	1
23.3	Communications, utilities, and miscellaneous charges	2,704	2,771	176	3,236	465
24.0	Printing and reproduction	494	503	66	590	87
25.1	Advisory and assistance services	1,533	1,532	612	1,540	8
25.2	Other services	446	1,601	1,843	1,779	178
25.3	Other purchases of goods and services from Government accounts 1/	20,981	25,528	1,634	30,566	5,038
25.4	Operation and maintenance of facilities	0	0	0	0	0
25.7	Operation and maintenance of equipment	13,461	15,382	2,588	20,053	4,671
26.0	Supplies and materials	440	658	73	882	224
31.0	Equipment	754	1,419	902	1,768	349
42.0	Insurance claims and indemnities	41	0	0	0	0
Total		175,658	193,092	21,987	227,656	34,564
1/Other Purchases of Goods and Services From Government Accounts						
	Services by Other Government Departments	4,617	4,330	1,634	4,409	79
	Working Capital Fund	15,329	20,330	0	25,083	4,753
	DHS Services	1,035	868	0	1,074	206

ENFORCEMENT OF WAGE AND HOUR STANDARDS

CHANGES IN FY 2010

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	807	
Personnel benefits	531	
Moving allowance	36	
Federal Employees Compensation Act (FECA)	143	
Travel	44	
Transportation of things	2	
GSA Space Rental	46	
Communications, utilities & miscellaneous charges	31	
Printing and reproduction	3	
Advisory and assistance services	8	
Other services	31	
Working Capital Fund	1,911	
Homeland Security	4	
Operation and maintenance of equipment	94	
Supplies and materials	3	
Equipment	8	

Built-Ins Subtotal	3,702	
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	Estimate	FTE
Base	193,092	1,283
Program Increase	30,862	288

FEDERAL CONTRACTOR AND EEO STANDARDS ENFORCEMENT

BUDGET AUTHORITY BEFORE THE COMMITTEE						
(Dollars in Thousands)						
	FY 2008 Enacted	FY 2009 Enacted	Diff. FY08 Enacted / FY09 Enacted	Recovery Act	FY 2010 Request	Diff. FY09 Enacted / FY10 Req
Activity Appropriation	81,001	82,107	1,106	7,200	109,521	27,414
FTE	576	585	9	50	798	213

NOTE: FY 2008 reflects actual FTE. Authorized FTE for FY 2008 was 585.

Introduction

The Office of Federal Contract Compliance Programs (OFCCP) ensures that employers doing business with the federal government comply with the laws and regulations requiring non-discrimination and operate equal employment opportunity workplaces. OFCCP also ensures that federal contractors meet contractual requirements mandated by Federal Acquisition Regulation (FAR) Part 48, subparts 22.8, 22.13 and 22.14. Specifically, OFCCP administers and enforces Executive Order 11246, which prohibits employment discrimination on the basis of race, religion, color, national origin and sex; Section 503 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990, which prohibit employment discrimination against individuals with disabilities; and the Vietnam Era Veterans' Readjustment Assistance Act of 1974, which prohibits employment discrimination against certain protected veterans.

OFCCP's mission of monitoring federal contractors is essential to ensure equal opportunity in the workplace. The program enforces its mandate by detecting and preventing systemic discrimination and by providing relevant and effective compliance assistance programs. Emphasis is placed on a balanced approach of compliance evaluations, complaint investigations, compliance assistance and strong enforcement. OFCCP directly supports the Department of Labor's strategic goal of safe and secure workplaces that foster equal opportunity in employment.

OFCCP continues to build upon its comprehensive compliance assistance program, conducting more than 1,000 compliance assistance events in the last four years. Compliance assistance outreach helps employers prevent unlawful discrimination by providing them with the information necessary to effectively monitor their workplaces.

In FY 2008, OFCCP enforcement efforts resulted in a record \$67,510,982 in back pay, annualized salary and benefits for a record 24,508 American workers who had been subjected to unlawful employment discrimination. Of that record enforcement result, 99% was collected in cases of systemic discrimination – those involving a significant number of workers or applicants subjected to discrimination because of an unlawful employment practice or policy. The nearly \$67.5 million reflects a 133% increase over financial remedies obtained in FY 2001. This marks the fourth consecutive year that the OFCCP has reached record enforcement numbers.

FEDERAL CONTRACTOR AND EEO STANDARDS ENFORCEMENT

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2005	80,059	691
2006	81,285	670
2007	82,442	625
2008	81,001	585
2009	82,107	585

NOTE: Excludes Recovery Act Funding. See budget activity head table.

FY 2010

For FY 2010, OFCCP is requesting \$109,521,000 and 798 FTE. This request includes an additional 213 FTE which will support funding for: a) rebuilding the program's staffing level; b) development of a new case management system, the Federal Contract Compliance System (FCCS); c) enforcement and outreach efforts related to compensation discrimination; and d) litigation to increase enforcement activities. Additional information on the FCCS can be obtained by visiting the corresponding Exhibit 300 at: <http://www.dol.gov/dol/budget/2010/PDF/E300-2010-008.pdf>

Over the past eight years, the authorized number of FTE in OFCCP has declined from 813 in FY 2001 to 585 in FY 2009 – a 28 percent decrease. Even though, OFCCP has improved productivity through the use of automated analytical approaches, the program has not been able to completely counter the negative impact of the decline in staffing. This massive reduction resulted in a significant decrease of activity in some central areas, such as construction, the postponement of upgrades of technical tools and the initiation of a more comprehensive company focused approach to resolving personnel practices that have a discriminatory impact. The requested increases will be used for predominately increasing field office staff to assure that all program areas are more fully addressed through the conduct of compliance evaluations and complaint investigations and for increasing national office support to the field in such critical areas as analysis of validation studies for employment tests and statistical analyses of various personnel practices.

The FCCS will track statistical data collected through the compliance evaluation process. It will maintain compliance evaluation data, track jurisdictional history, and generate statistical reports, all of which are critical for developing effective compliance and enforcement strategies. It will replace the existing OFCCP Information System (OFIS), which was developed more than 20 years ago which was functionally inadequate to meet current program needs. FCCS will achieve:

- Cost Savings –The current case management system, OFIS, was developed in the 1980s and requires significant maintenance supported by a team of contractors. It did not fully meet the needs of the program, resulting in field offices developing scores of spreadsheets and databases to supplement their data needs. FCCS incorporated current

FEDERAL CONTRACTOR AND EEO STANDARDS ENFORCEMENT

commercial best practices and utilized the latest technology to eliminate manual processing and system delays.

- Improved Performance – FCCS will reduce processing delays, system malfunctions, and connectivity issues to better serve OFCCP compliance officers in the field.
- Risk Mitigation – FCCS will reduce risks by replacing out-of-date and unstable technology to ensure the continuity of OFCCP business operations.
- Potential System Features/Functionality – The development of FCCS will enable OFCCP to incorporate “dashboard” reporting functionality, create electronic case files, and provide data-mining capabilities for in-depth analysis.

OFCCP is also seeking funding for enforcement and outreach efforts related to compensation discrimination. An August 2008 study of compensation for women by the Government Accountability Office (GAO), GAO-08-799, recommended that OFCCP enhance its enforcement and outreach efforts related to compensation discrimination. Currently, OFCCP’s analytical approach to investigating compensation discrimination is contained in two Federal Register notices- Interpreting Nondiscrimination Requirements of Executive Order 11246 with Respect to Systemic Compensation Discrimination (Standards) and Voluntary Guidelines for Requirements of Executive Order (Guidelines). The notices set the standards for the comparison of two designated classes and govern OFCCP’s approach to analyses of compensation disparities. They also provide contractors with an option for compliance through submission of compensation self-evaluation methods and findings. Given the complexities of the new procedures for both OFCCP and Federal contractors, OFCCP needs to place additional emphasis on outreach and training, as well as improving the various approaches and investigative techniques used to evaluate compensation practices. The resources and staffing requested will permit OFCCP to address additional training needs identified in the areas of analyzing compensation data for small contractors, preliminary analytical procedures that can be used prior to regression analyses, and the methodologies and approaches to be used for developing and analyzing similarly situated groups.

Lastly, OFCCP is requesting litigation funding for increase enforcement activities. The Program along with the Office of Solicitor has made a conscious decision to litigate the most egregious cases in order to demonstrate the Department’s commitment to equality and justice. In the last few years, OFCCP has demonstrated strong enforcement records as a result of an increased in managerial focus and the addition of expert staff in the areas of statistical analysis and testing validation. While internal experts improve the development of cases, they are deemed biased in the litigation process. Therefore, OFCCP must utilize external experts to verify its allegations. At this request level, the Program will be able to fund external experts to review its assessments which will solidify its commitment to strong enforcement.

FY 2009

For FY 2009, OFCCP was appropriated \$82,107,000 and 585 FTE, \$1,000,000 more than FY 2008. At this funding level, OFCCP will not be able to launch its new case management system as previously planned, which will delay the replacement of its 20 year-old system. In addition, the funding level does not allow OFCCP to fully absorb the 2009 cost of living increase at the

FEDERAL CONTRACTOR AND EEO STANDARDS ENFORCEMENT

585 FTE level, subsequently hindering the Program from filling critical positions, both managerial and front-line employees.

The Program, however, will continue funding of the data integrity team, as part of the Contracts First project. The Contracts First project and data integrity team based in the National Office determines the jurisdictional status of compliance evaluation candidates and generates significant portions of OFCCP's selection lists. Because jurisdictional research is completed in the National Office, compliance officers in the field can focus their time on conducting compliance evaluations. The data integrity team continues to provide improved selection lists in FY 2009, allowing OFCCP to operate more efficiently while supplementing enforcement efforts.

During FY 2009, OFCCP will continue its focus in resolving reviews with indicators of systemic discrimination through appropriate closures and, in limited cases, recommend cases for enforcement litigation to the Office of the Solicitor. The program will begin a focus on developing and investigating cases involving systemic compensation discrimination, ensuring effective coordination with the GAO study and recommendations on gender-pay and utilizing OFCCP compensation standards. Lastly, with the layoffs and termination on the rise, the Program will also focus on the termination activities among Federal contractors to ensure they are done in non-discriminatory manners.

Recovery Act

The OFCCP requested \$7,200,000 and 50 FTE as part of the American Recovery and Reinvestment Act (ARRA) of 2009. The funding will enable OFCCP to evaluate the personnel practices of Federal contractors and subcontractors funded under the ARRA. This funding will allow OFCCP to perform the following:

- Conduct compliance evaluations of construction contractors in receipt of ARRA funding and grants.
- Conduct compliance evaluations of supply and service contractors in receipt of Federal contracts through ARRA funding.
- Conduct a limited number of pre-award reviews of new supply and service contractors with contracts of \$10 million or more.
- Evaluate compensation practices of ARRA contractors.
- Recommend enforcement for contractors where discrimination is identified or access denied and conciliation efforts have failed.
- Schedule outreach events for first time contract recipients, current Federal contractors, and contracting officers to educate on EEO requirements.

FY 2008

The OFCCP utilized fully its FY 2008 enacted budget of \$81,001,000 to enforce laws which prohibit federal contractors and subcontractors from discriminating in employment based on race, gender, color, religion, national origin, disability, or covered veteran status.

FEDERAL CONTRACTOR AND EEO STANDARDS ENFORCEMENT

In FY 2008, the OFCCP made total financial settlements of \$67,510,892 in back pay and annualized salary and benefits for a record 24,508 American workers who had been subjected to unlawful employment discrimination. This marks the fourth consecutive year that the OFCCP has posted record enforcement numbers.

Noteworthy FY 2008 accomplishments for the OFCCP include the following:

- **Continued Implementation of Contracts First:** The OFCCP continued to develop a database of those federal contractors which had not been reviewed by the agency in several years, if ever. The OFCCP also continued to include newly-identified federal contractors in its compliance evaluation scheduling process; this assists the agency in ensuring that all federal contractors are complying with their equal employment opportunity obligations.
- **Continue to Fine-Tune Active Case Management:** In the previous fiscal year, the OFCCP's Division of Program Operations conducted an audit of impediments to timely case closures by the regions. In FY 2008, the OFCCP used the findings to assess and fine tune its performance under the Active Case Management system. Additionally, this fine tuning led to more effectively monitoring contractors' compliance with conciliation agreements that were signed in 2008 and prior years. The number of systemic cases increased from 50 in 2007 to 78 in 2008. This 56% percent increase is the benefit from training, new statistical tools, and overall better management of cases.
- **EEO-1 Guidance:** During FY 2008, the OFCCP published a directive as guidance to address the changes to the EEO-1 Form on which employers collect and report data about the racial, ethnic, and gender composition of their workforces. The most significant issue addressed by the directive is the new "two or more races" category. The OFCCP also assisted contractors in FY 2008 with the transition to the new form.

FEDERAL CONTRACTOR AND EEO STANDARDS ENFORCEMENT

WORKLOAD SUMMARY			
	FY 2008 Actual	FY 2009 Target	FY 2010 Target
Federal Contractor and EEO Standards Enforcement			
Reduce the Rate of Discrimination	1%	1%	1%
Increase the Rate of Compliance	89%	90%	90%
Total Compliance Evaluations Completed	4,333	4,160	5000
Total Complaints Investigated/Resolved	176	114	114
Total Complaint Case Inventory	109	100	100
Total Compliance Assistance Activity Hours	94,808	100,000	150,000
Compliance Assistance Events	943	800	1000
Workers In Establishments Evaluated (in thousands)	2,140	3,000	3,000
Total Compliance Actions	5,452	5,074	6114
Budget Activity Total	\$81,001	\$82,107	\$109,521

Workload Summary

In FY 2008, OFCCP made total financial settlements of \$67,510,892 in back pay and annualized salary and benefits for a record 24,508 American workers who had been subjected to unlawful employment discrimination. This marks the fourth consecutive year that OFCCP has posted record enforcement numbers.

OFCCP's initiatives of the last several years have made it a more effective and efficient civil rights enforcement agency. Compared with years past, OFCCP now more quickly and accurately screens contractor establishments for indicators of potential discrimination with its Active Case Management (ACM) system. Under ACM, which was fully implemented in each of OFCCP's regions in FY 2005, the agency opens more reviews than it did in the past and the agency uses automated statistical tools to rank and prioritize establishments for further review based on the probability that discrimination would be uncovered during a full-scale review. OFCCP is using ACM to identify and resolve cases of systemic discrimination with greater frequency. OFCCP is monitoring a larger portion of the Federal contractor universe than it has in the past, and it is prioritizing its resources to address the worst offenders of the law. ACM is an effective mechanism for targeting systemic discrimination. In FY 2005-2008, OFCCP closed an average

FEDERAL CONTRACTOR AND EEO STANDARDS ENFORCEMENT

of 12.2 percent of evaluations with a conciliation agreement, compared with 6.7 percent of evaluations closed with a conciliation agreement in FY 2004. (The FY 2008 results reflect an increase over the 11.4 percent for the period 2005-2007).

Since its inception, OFCCP has relied on contractor voluntary self-identification to determine companies over which OFCCP has jurisdiction. In FY 2005, OFCCP implemented the Contracts First project to produce a contractor selection list that is based on evidence of actual contracts. This initiative inserts information about contract awards into the database used for selection and scheduling of reviews at facilities. Additionally, the selection system is enhanced by access to an OFCCP database of facilities where no compliance reviews have been conducted in recent years.

**FEDERAL CONTRACTOR AND EEO STANDARDS
ENFORCEMENT**

BUDGET ACTIVITY by OBJECT CLASS						
(Dollars in Thousands)						
		FY 2008 Enacted	FY 2009 Enacted	Recovery Act	FY 2010 Request	Change FY 10 Req / FY 09 Enacted
11.1	Full-time permanent	45,030	42,708	4,230	67,079	24,371
11.3	Other than full-time permanent	0	1,844	120	1,748	-96
11.5	Other personnel compensation	1,000	1,843	200	1,747	-96
11.9	Total personnel compensation	46,030	46,395	4,550	70,574	24,179
12.1	Civilian personnel benefits	11,436	12,161	1,090	12,187	26
13.0	Benefits for former personnel	0	30	0	30	0
21.0	Travel and transportation of persons	923	755	200	759	4
22.0	Transportation of things	53	109	0	110	1
23.1	Rental payments to GSA	5,643	5,348	227	5,374	26
23.2	Rental payments to others	83	107	0	108	1
23.3	Communications, utilities, and miscellaneous charges	850	662	0	665	3
24.0	Printing and reproduction	40	41	60	41	0
25.1	Advisory and assistance services	0	40	0	2,040	2,000
25.2	Other services	875	788	783	792	4
25.3	Other purchases of goods and services from Government accounts 1/	8,929	10,244	0	11,388	1,144
25.4	Operation and maintenance of facilities	6	25	0	25	0
25.7	Operation and maintenance of equipment	4,980	4,241	0	4,262	21
26.0	Supplies and materials	368	369	120	371	2
31.0	Equipment	735	350	170	351	1
42.0	Insurance claims and indemnities	50	442	0	444	2
Total		81,001	82,107	7,200	109,521	27,414
1/Other Purchases of Goods and Services From Government Accounts						
	Services by Other Government Departments	735	735	0	739	4
	Working Capital Fund	7,750	9,065	0	10,203	1,138
	DHS Services	444	444	0	446	2

FEDERAL CONTRACTOR AND EEO STANDARDS ENFORCEMENT

CHANGES IN FY 2010 (Dollars in Thousands)

Activity Changes

Built-In

To Provide For:		
Costs of pay adjustments		582
Personnel benefits		-5
Federal Employees Compensation Act (FECA)		31
GSA Space Rental		27
Working Capital Fund		1,138
Other Services		39
Homeland Security		2
Built-Ins Subtotal		1,814

	Estimate	FTE
Base	82,107	585
Program Increase	25,600	213

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

BUDGET AUTHORITY BEFORE THE COMMITTEE						
(Dollars in Thousands)						
	FY 2008 Enacted	FY 2009 Enacted	Diff. FY08 Enacted / FY09 Enacted	Recovery Act	FY 2010 Request	Diff. FY09 Enacted / FY10 Req
Activity Appropriation^{1/}	134,473	134,825	352	0	140,819	5,994
FTE	872	1,045	173	0	1,068	23

^{1/} Excludes Division of Coal Mine Workers Compensation

NOTE: FY 2008 reflects actual FTE. Authorized FTE for FY 2008 was 1,026.

Introduction

The Office of Workers' Compensation Programs (OWCP) is composed of four disability programs providing wage replacement, medical treatment, and vocational rehabilitation benefits:

- The Federal Employees' Compensation Act (FECA) program provides monetary wage-loss and medical compensation to civilian employees of the Federal Government injured at work, and to certain other designated groups.
- The Longshore and Harbor Workers' Compensation Act program provides similar benefits to injured private sector workers engaged in certain maritime and related employment.
- The Black Lung Benefits program provides monetary and medical benefits to totally disabled miners suffering from coal mine pneumoconiosis stemming from mine employment, and monetary benefits to their dependent survivors.
- OWCP also administers the Energy Employees Occupational Illness Compensation Program Act (EEOICPA) under a separate appropriation.

OWCP's national office includes the OWCP Director and the directors of each of the four program divisions. In addition, strategic planning, performance monitoring, and budget formulation and execution processes are integrated in the Division of Planning, Policy and Standards. Six OWCP Regional Directors manage and direct the operations of district and field offices nationwide.

OWCP supports achievement of Department of Labor (DOL) performance goal 4B, ***“Reduce the impact of work-related injuries”***. Achievement of this goal is measured using several key indicators: Disability management success in FECA is measured as reductions in LPD rates; Communications goals seek to improve customer access to program information and raise service responsiveness and quality levels; Effective mediation of disputes is measured in the Longshore program; Financial integrity of the FECA Compensation Fund is the objective of Periodic Roll Management (PRM) reviews and medical benefit cost control; Claims processing efficiency is the focus of the Black Lung program goal. Energy Compensation's goals focus on processing initial claims, making timely final decisions for benefits, and determining impairment and additional wage loss.

Major workload activities in OWCP include: claims adjudication, benefit payment, disability case management, medical bill processing, information services delivery, benefit fund

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

management, and technical assistance to employers to ensure proper compliance with OWCP procedures and requirements including insurance/self-insurance and payment of benefits.

OWCP and the Occupational Safety and Health Administration (OSHA) continue to spearhead the Safety, Health and Return-to-Employment (SHARE) initiative directing government agencies to reduce Federal injury rates, increase the timeliness of processing FECA injury reports, and reduce average injury time loss.

OWCP has also seen an increase in Defense Base Act (DBA) and War Hazards Compensation Act (WHCA) claims in connection to the war in Iraq and Afghanistan. OWCP is making adjustments to address the growing volumes and unique demands of this claims workload.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2005	131,574	1,119
2006	133,815	1,110
2007	136,102	1,050
2008	134,473	1,026
2009	134,825	1,045

NOTE: Excludes Recovery Act Funding. See budget activity head table.

FY 2010

Total administrative resources for all OWCP programs at the FY 2010 Request Level are \$315,328,000 and 1,810 FTE. Total compensation and medical benefit obligations are projected at \$4,323,638,000.

Funding for OWCP Salaries and Expenses (S&E) is \$140,819,000 and 1,068 FTE for the Federal Employees' Compensation, Longshore and Harbor Workers' Compensation, and Black Lung Part C Benefits program.

Other funding included in the total for OWCP administration in FY 2010 includes: \$58,120,000 and 127 FTE financed from the FECA Special Benefits account using "Fair Share" funds for periodic roll management and capital improvements. The Fair Share request includes \$4,950,000 in increases for systems operations improvements to reduce administrative costs and increase productivity.

Requests also include \$5,180,000 and 17 FTE from the Special Benefits for Disabled Coal Mine Workers account for administration of Part B of the Black Lung Benefits Act. Administrative funding for the Energy Program is \$111,209,000 and 598 FTE including \$51,197,000 for Part B and \$60,012,000 for Part E of the EEOICPA.

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

FY 2009

Total administrative resources for all OWCP programs at the FY 2009 Enacted Level are \$300,853,000 and 1,787 FTE. Total compensation and medical benefit obligations are projected at \$4,433,412,000. Funding for OWCP Salaries and Expenses (S&E) is \$134,825,000 and 1,045 FTE for the Federal Employees' Compensation, Longshore and Harbor Workers' Compensation, and Black Lung Part C Benefits program.

Other funding included in the total for OWCP administration in FY 2009 includes: 127 FTE and \$52,720,000 financed from the FECA Special Benefits account using "Fair Share" funds for periodic roll management and capital improvements and 17 FTE and \$5,130,000 from the Special Benefits for Disabled Coal Mine Workers account for administration of Part B of the Black Lung Benefits Act.

Administrative funding for the Energy Program is \$108,178,000 and 598 FTE, including \$49,654,000 for Part B and \$58,524,000 for Part E of the EEOICPA.

FY 2008

Total administrative funding for all OWCP programs was \$359,830,000 and 1,768 FTE. Total compensation and medical benefit obligations were projected at \$4,407,424,000. Funding for OWCP Salaries and Expenses (S&E) is \$134,473,000 and 1,026 FTE for the Federal Employees' Compensation, Longshore and Harbor Workers' Compensation, and Black Lung Part C Benefits program.

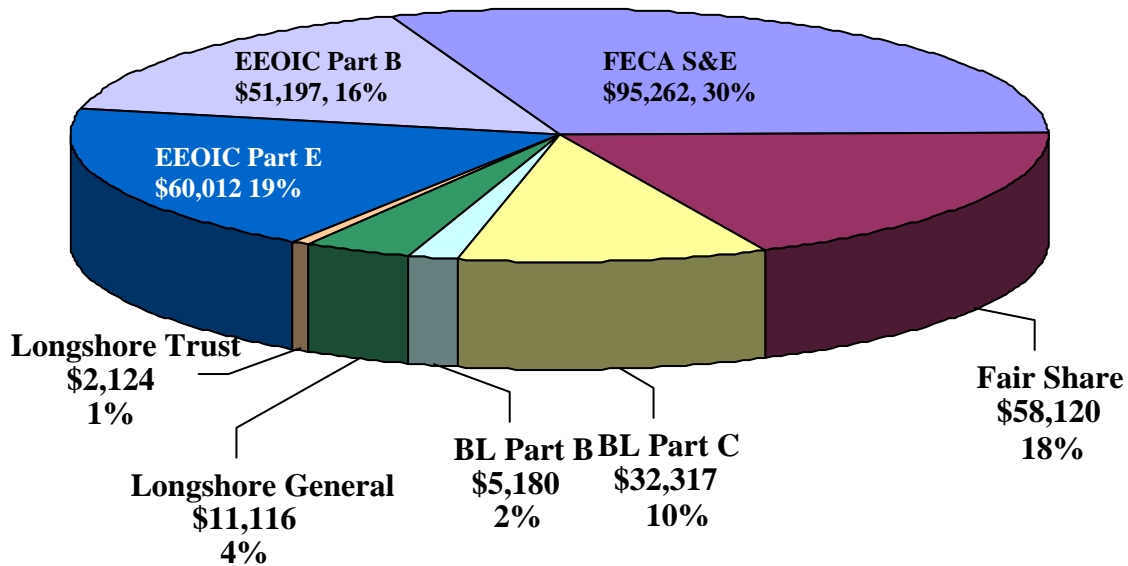
Other funding included in the total for OWCP administration in FY 2008 included: 127 FTE and \$52,280,000 financed from the FECA Special Benefits account using "Fair Share" funds for periodic roll management and capital improvements and 17 FTE and \$5,221,000 from the Special Benefits for Disabled Coal Mine Workers account for administration of Part B of the Black Lung Benefits Act.

Administrative funding for the Energy Program was \$161,630,000 and 598 FTE, including \$49,387,000 for Part B and \$56,885,000 for Part E of the EEOICPA. Another \$55,358,000 in funding was included for HHS/NIOSH to perform dose reconstructions.

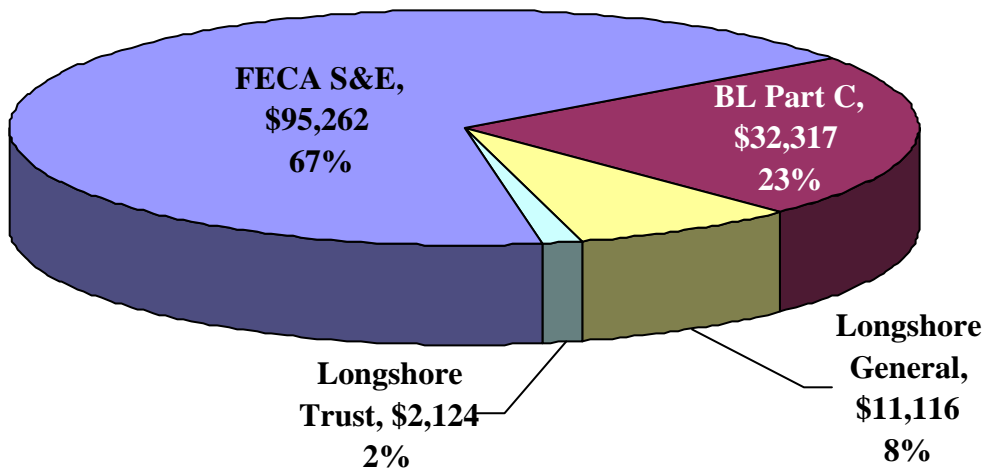
FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

Cost Model

**FY 2010 Budget Resources by
Federal Programs for Workers' Compensation
Total OWCP Administrative Budget Resources \$315,328
(Dollars in Thousands)**



**FY 2010 Budget Request by
Federal Programs for Workers' Compensation
OWCP General Funds Total Request \$140,819
(Dollars in Thousands)**



FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

BUDGET ACTIVITY by OBJECT CLASS						
(Dollars in Thousands)						
		FY 2008 Enacted	FY 2009 Enacted	Recovery Act	FY 2010 Request	Change FY 10 Req / FY 09 Enacted
11.1	Full-time permanent	73,939	79,049	0	81,809	2,760
11.3	Other than full-time permanent	295	369	0	393	24
11.8	Other personnel compensation	1,996	789	0	906	117
11.9	Total personnel compensation	76,230	80,207	0	83,107	2,901
12.1	Civilian personnel benefits	21,438	22,005	0	23,353	1,348
21.0	Travel and transportation of persons	668	583	0	586	3
22.0	Transportation of things	33	46	0	46	0
23.1	Rental payments to GSA	9,163	8,437	0	8,480	43
23.2	Rental payments to others	110	1	0	1	0
23.3	Communications, utilities, and miscellaneous charges	1,883	1,818	0	1,826	8
24.0	Printing and reproduction	136	142	0	142	0
25.2	Other services	3,754	2,851	0	2,864	13
25.3	Other purchases of goods and services from Government accounts 1/	10,065	11,452	0	12,155	703
25.7	Operation and maintenance of equipment	9,242	6,111	0	7,092	981
26.0	Supplies and materials	976	1,130	0	1,135	5
31.0	Equipment	775	32	0	33	1
42.0	Insurance claims and indemnities	0	9	0	0	-9
Total		134,473	134,825	0	140,819	5,993
1/Other Purchases of Goods and Services From Government Accounts						
	Services by Other Government Departments	1,248	1,028	0	1,033	5
	Working Capital Fund	8,024	9,333	0	10,025	692
	DHS Services	793	1,091	0	1,097	6

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

CHANGES IN FY 2010

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	1,073
Personnel benefits	399
Federal Employees Compensation Act (FECA)	483
GSA Space Rental	43
Communications, utilities & miscellaneous charges	8
Other services	10
Working Capital Fund	692
Other government accounts (DHS Charges)	6
Operation and maintenance of equipment	24
Supplies and materials	5

Built-Ins Subtotal	2,744
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	Estimate	FTE
Base	134,825	1,045
Program Increase	3,250	23

DIVISION OF FEDERAL EMPLOYEES' COMPENSATION

BUDGET AUTHORITY BEFORE THE COMMITTEE						
(Dollars in Thousands)						
	FY 2008 Enacted	FY 2009 Enacted	Diff. FY08 Enacted / FY09 Enacted	Recovery Act	FY 2010 Request	Diff. FY09 Enacted / FY10 Req
Activity Appropriation	89,449	90,095	646	0	95,262	5,167
FTE	768	768	0	0	791	23

NOTE: FY 2008 reflects actual FTE. Authorized FTE for FY 2008 was 745.

Introduction

The Division of Federal Employees' Compensation (DFEC) directs Federal Employees' Compensation Act (FECA) claims processing operations in 6 regions and 12 district offices. FECA is the exclusive remedy by which Federal employees may obtain compensation from the United States for work-related injury. The Act covers over 2,700,000 civilian Federal employees in more than 70 different agencies, providing benefits to those who sustain an injury or illness in the performance of duty anywhere in the world. Benefits include wage replacement payments and payments for all reasonable and necessary medical treatment as well as training and job placement assistance to help workers return to gainful employment. Injured workers may also be compensated for permanent impairment of limbs and other parts of the body. Survivors are compensated in the event of work-related death.

Approximately 134,000 new injury claims and 19,000 claims for wage loss compensation were filed with the DFEC in FY 2008. Over 80 percent of the new injury claims were for traumatic injuries such as those caused by slips and falls. The remainder involved more complex situations in which a medical condition arose due to long-term exposure or exertion. Benefit obligations totaled \$2,658,000,000 in FY 2008 including \$1,876,000,000 in wage-loss compensation and death benefits and \$782,000,000 in medical benefits to over 250,000 beneficiaries.

Activities funded out of the Salaries & Expenses (S&E) account include claims adjudication and payment of benefits; disability case management, nurse intervention, and vocational rehabilitation; customer services, communications, and information assistance; technical assistance to Federal agencies; and Compensation Fund management and risk mitigation. Fair Share financing from the Special Benefit Fund account provides for operations and maintenance of the Integrated Federal Employees' Compensation System (iFECS); operation of centralized mail intake and centralized medical bill processing; maintenance of DFEC's telecommunications system; and Periodic Roll Management (PRM) and Medical Bill Review. These investments are aimed at improving services and better managing the expenditure of compensation funds.

DFEC has traditionally carried out its mission through the efficient, timely, and accurate provision of payments to replace lost income and to cover medical and vocational rehabilitation services. DFEC's approach to workers' compensation has evolved in the past two decades beyond maintenance of income and coverage for medical bills to disability management (DM) to improve the likelihood of the individual's recovery and return to duty. Disability management

DIVISION OF FEDERAL EMPLOYEES' COMPENSATION

outcomes are expressed as reductions in lost production days and increases in returns-to-work. The keystone DM strategy is FECA's Quality Case Management (QCM), a proactive program of using nurses to coordinate with providers to obtain appropriate medical treatment for newly injured workers and work with employers to facilitate a safe return to work. DFEC's also uses nurses to contact workers to achieve an early assessment of injury during the initial 45-day, continuation-of-pay (COP) period.

Major outcomes of DFEC initiatives can be measured in financial terms since these outcomes reflect the efficiency and quality of benefit payment activities, the impact of case management and services on benefits, and the investment of administrative resources to produce those outcomes. DFEC's emphasis on better injury outcomes produces savings in benefit costs and advances its fiduciary responsibility to Federal employers (who are billed for the cost of their employees' benefits) and taxpayers. For example, the reduction since FY 1996 of an average 50 days lost from work in QCM cases produced an estimated \$65,000,000 in compensation savings for the cases measured in FY 2008 alone. This reduction also served to improve the quality of life of the injured workers involved and the productivity of the Federal government.

Historically, DFEC has struggled with effectively responding to the hundreds of thousands of telephone calls and information requests generated by claimants, Federal employers, and medical providers each year. DFEC has reorganized its telephone handling and customer service operation and developed a communications performance goal focused on increasing customer access to information sources, improving responsiveness to callers, and raising the level of call handling quality and information accuracy. Since FY 2003, results have included more than doubling of customers obtaining information from, or submitting documentation through, OWCP automated systems. Average caller wait times have been reduced by half, turnaround time to caller inquiries has been reduced to less than one day, and effectiveness resolving caller inquiries at the time of call has improved by 38 percent, and 98 percent of calls meet program standards of quality.

As new claims processing, disability management, customer service, and case maintenance workloads exert continual pressure on resources, DFEC continues to seek new approaches, including centralization of functions and workload shifts to better manage core activities. The program seeks to provide better training for staff, employ alternative staff development techniques, and better match staff skills to workloads to improve program effectiveness and work quality.

Technology systems will be used to optimize claims workload distribution, support results analysis and management of resources, maintain fiscal integrity, and provide better services to customers. As the new iFECS system is fully employed, DFEC will explore business process improvements, such as technologies to expand automation of the receipt of claims and develop a more robust interface and information exchange with employing agency data systems. Additional information on iFECS can be obtained by visiting the corresponding Exhibit 300 at: <http://www.dol.gov/dol/budget/2010/PDF/E300-2010-011.pdf>

By FY 2010, DFEC anticipates additional workloads due to an increase in Defense Base Act (DBA) and War Hazards Compensation Act (WHCA) claims in connection with the wars in Iraq

DIVISION OF FEDERAL EMPLOYEES' COMPENSATION

and Afghanistan. The WHCA supplements the DBA by reimbursing contract employers and insurance carriers for compensation and medical benefits paid by them for injuries or deaths involving a "war risk hazard", or by making direct payments to individuals when detention, injury, or death occurs as a result of a "war risk hazard". Claims from Iraq and Afghanistan are more complex than typical claims for compensation. DFEC, which administers the WHCA claims, anticipates additional workloads for adjudication, data analysis, reporting, customer assistance, and correspondence associated with these claims.

Five-Year Budget Activity Component History

Fiscal Year	Funding (Dollars in Thousands)	FTE
2005	86,819	801
2006	88,446	801
2007	90,137	760
2008	89,449	745
2009	90,095	768

NOTE: Excludes Recovery Act Funding. See budget activity head table.

FY 2010

DFEC requests total administrative funding of \$153,382,000. Of that amount, \$95,262,000 and 791 FTE are for S&E and \$58,120,000 and 127 FTE are for Fair Share funding. FECA benefit resources are \$2,637,080,000.

The Fair Share funding request includes \$4,950,000 in increases for systems operations improvements to increase program cost efficiency and performance effectiveness, including development and modernization of a centralized Interactive Voice Response system and other customer access and communications improvements; development of a Web-based portal to receive claims reports and other documents; and consolidation of case creation operations.

FY 2009

Total funding for DFEC administration are \$142,815,000, consisting of \$90,095,000 and 768 FTE in S&E and \$52,720,000 and 127 FTE in Fair Share funding. Benefits obligations for FECA benefits are projected at \$2,678,280,000.

As new claims processing, disability management, customer service, and case maintenance workloads exert continual pressure on resources, DFEC continues to seek new approaches, including centralization of functions and workload shifts to better manage core activities. The program seeks to provide better training for staff, employ alternative staff development techniques, and better match staff skills to workloads to improve program effectiveness and work quality.

DIVISION OF FEDERAL EMPLOYEES' COMPENSATION

Technology systems will be used to optimize claims workload distribution, support results analysis and management of resources, maintain fiscal integrity, and provide better services to customers. As the new iFECS system is fully employed, DFEC will explore business process improvements, such as technologies to expand automation of the receipt of claims and develop a more robust interface and information exchange with employing agency data systems.

FY 2008

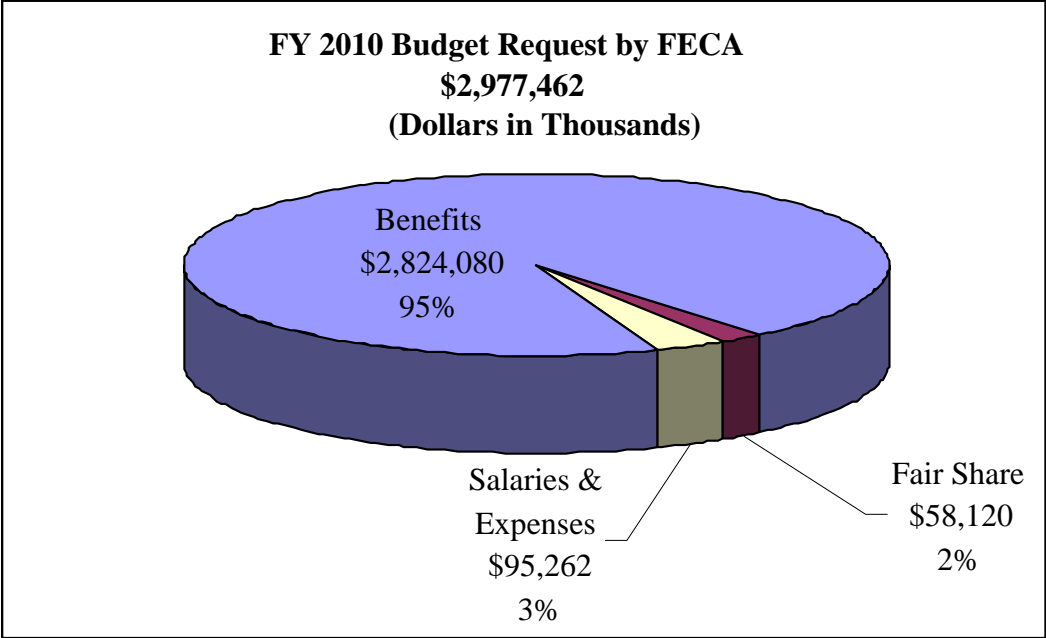
The total obligations for DFEC administrative were \$142,650,377, consisting of \$89,415,901 in S&E and \$53,234,476 in Fair Share funding. Obligations for FECA benefits in FY 2008 were \$2,657,633,000 including \$1,876,039,000 in wage-loss compensation and death benefits and \$781,594,000 in medical benefits to over 250,000 beneficiaries. Approximately 134,000 new injury claims and 19,000 claims for wage loss compensation were filed with the DFEC in FY 2008. Over 80% of the new injury claims were for traumatic injuries such as those caused by slips and falls. The remainder involved more complex situations in which a medical condition arose due to long-term exposure or exertion.

Cost Model

Total new resources requested are \$2,977,462,000. DFEC requests a total \$153,382,000 for program administration, consisting of \$95,262,000 and 791 FTE in Salaries & Expenses and \$58,120,000 and 127 FTE in Fair Share funding. FECA benefit resources are \$2,824,080,000, including a direct appropriation of \$187,000,000 and \$2,637,680,000 in offsetting collections for benefits from Federal agencies.

The Fair Share funding request includes \$4,950,000 in increases for systems operations improvements to increase program cost efficiency and performance effectiveness, including development and modernization of a centralized Interactive Voice Response system and other customer access and communications improvements; development of a Web-based portal to receive claims reports and other documents; and consolidation of case creation operations.

DIVISION OF FEDERAL EMPLOYEES' COMPENSATION



DIVISION OF FEDERAL EMPLOYEES' COMPENSATION

WORKLOAD SUMMARY Division of Federal Workers' Compensation			
	2008 Actual	FY 2009 Enacted	FY 2010 Request
Incoming Workload			
Cases Received	134,013	132,000	132,000
Initial Wage-Loss Claims Received	19,187	19,000	19,000
Hearing Requests	6,103	6,500	6,500
Periodic Roll Cases (includes Fatal cases)	50,263	50,000	49,000
Output and Performance Measures			
Quality Case Management Lost Production Days per QCM Case	145 days	145 days	145 days
New Rehabilitations and Nurse-assisted Returns-to-Work	8,442	8,000	8,000
Periodic Roll Management Final Resolutions	3,109	2,600	2,600
Process Traumatic Cases (% within 45 days)	98	90	90
Process Basic Non-Traumatic Cases 1/ (% within 90 days)	96	85	85
Process Extended Non-Traumatic Cases 2/ (% within 180 days)	88	75	75
(% within 365 days)	99	95	95

1/ Basic Non-traumatic cases include less complicated occupational illnesses such as musculoskeletal and respiratory conditions.

2/ Extended Non-traumatic cases include more complicated occupational diseases such as psychosis, hearing loss and cardiac conditions.

Workload Summary

Approximately 132,000 injured Federal workers or their survivors are expected to file new injury claims and over 50,000 will continue to receive long-term wage replacement benefits.

New injury reports have declined by over 20 percent since FY 2003, due in large part to the incentives Federal agencies have under the Safety, Health and Return to Employment (SHARE)

DIVISION OF FEDERAL EMPLOYEES' COMPENSATION

initiative. DFEC estimates that incoming workloads in FY 2010 will remain roughly even with those of FY 2008 and FY 2009. SHARE has also greatly improved the speed by which DFEC receives notification of new injuries.

Combining with these effects, DFEC's Quality Case Management (QCM) has made significant gains in assisting new injury cases and reducing lost production days (LPD). SHARE has also greatly improved the speed by which DFEC receives notification of new injuries.

Combining with these effects, DFEC's QCM has reduced average LPD in new FECA wage-loss cases to 145 days, or 50 days fewer than in 1996. DFEC also returned 8,000 cases to work with nurse assistance or through vocational rehabilitation. Overall compensation benefits cost increases have been limited to an average of 2.6 percent in the past five fiscal years due to the cumulative effects of SHARE, and Vocational Rehabilitation, and the continuous monitoring and review of long-term cases by Periodic Roll Management.

Directed review of FECA long-term cases under the Periodic Roll Management program saved \$16.9 million in compensation benefits. Cost containment measures also continued to keep average FECA medical treatment costs below national growth rate trends. Since FY 2000, these results have equated to a cost reduction of nearly \$30 million in medical costs annually. Customer services goals were exceeded as OWCP improved responsiveness to FECA telephone callers.

Since 2003, average caller wait times have been reduced by half, turnaround time to caller inquiries has been reduced to less than one day, effectiveness resolving caller inquiries at the time of call has improved by 38 percent, 98 percent of calls meet program standards of quality, and, in 2008, FECA extended access to its Claimant Query System and doubled — to approximately 1.2 million — the number of Federal employees that can obtain information on their claims on line.

DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION

BUDGET AUTHORITY BEFORE THE COMMITTEE						
(Dollars in Thousands)						
	FY 2008 Enacted	FY 2009 Enacted	Diff. FY08 Enacted / FY09 Enacted	Recovery Act	FY 2010 Request	Diff. FY09 Enacted / FY10 Req
Activity Appropriation	12,659	12,815	156	0	13,240	425
FTE	104	99	-5	0	99	0

NOTE: FY 2008 reflects actual FTE. Authorized FTE for FY 2008 was 97.

Introduction

The Division of Longshore and Harbor Workers' Compensation (DLHWC) implements the Longshore and Harbor Workers' Compensation Act, as amended. Longshore administers a program of income replacement and medical and rehabilitation benefits for individuals who are injured during the course of covered maritime employment or who suffer an occupational disease arising from such employment. Longshore's core mission activities are to provide mediation, adjudicate claims, resolve disputes, oversee benefit delivery by employers and insurance carriers, provide technical assistance to all stakeholders, and manage the Special Workers' Compensation Fund (SWCF) for which it has fiduciary responsibility. Longshore also administers injury and occupational disease coverage for non-maritime employees under several extensions of the Act, including the Defense Base Act (DBA), Outer Continental Shelf Lands Act (OCSLA), Non-appropriated Fund Instrumentalities Act (NFIA), and the District of Columbia Workmen's Compensation Act (DCWCA) for injuries sustained prior to July 26, 1982. All program FTE and resources support mission critical functions, which in turn support the Department of Labor's (DOL) Performance Goal 4B: "Reduce the consequences of work-related injuries."

The Division currently receives on average 30,000 new lost-time injury claims per year and collects assessments for the Special Fund, which provides benefits directly to certain classes of individuals (claimants), including bi-weekly recurring benefit payments to over 6,700 beneficiaries. Annually 560 companies are evaluated and authorized to participate in the fund, and over \$2,000,000,000 in securities are maintained to ensure the continuing provision of benefits for covered workers in case of employer/carrier insolvency. Program operations are funded from the General Fund. Management of the SWCF is supported by an appropriation from the Fund that is referred to as "Longshore Trust Funds."

DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION

Five-Year Budget Activity History

Fiscal Year	Longshore General		Longshore Trust	
	Funding (Dollars in Thousands)	FTE	Funding (Dollars in Thousands)	FTE
2005	10,511	93	2,012	11
2006	10,682	93	2,028	11
2007	10,727	90	2,029	9
2008	10,637	89	2,022	8
2009	10,714	90	2,101	9

NOTE: Excludes Recovery Act Funding. See budget activity head table.

FY 2010

A total funding amount of \$13,240,000 and 99 FTE is requested in FY 2010 for the Division of Longshore and Harbor Workers' Compensation (DLHWC). With these resources the Longshore program would be able to process Defense Base Act (DBA) claims in a timely manner and to meet program goals. Basic program activities, including vocational rehabilitation, would continue unaffected and dispute resolution would be achieved in a timely manner. Vocational rehabilitation services would be provided to the current standard.

DBA injury and death cases in connection with the wars in Iraq and Afghanistan have increased from 347 cases in FY 2002 to 11,367 cases in FY 2008, and this elevated level shows no sign of decreasing. Longshore continues to efficiently utilize staff expertise and caseload distribution to manage this complex group of cases.

A major goal for Longshore is reducing the average amount of time it takes for a disputed claim to be reviewed and adjudicated, including the time at the Office of Administrative Law Judges (OALJ). Speedier resolutions reduce the cost of claims processing for the employer and delays to the injured worker. Reaching informal resolutions is a key to achieving this goal. Formal hearing procedures usually add 200 or more days to the dispute resolution process. The program strives to persuade opposing parties to work together by delivering timely and effective dispute resolution services, and influencing the culture of the claims community to take a more proactive approach to dispute resolution. When informal compromise is not reached, Longshore works to refer claims to the OALJ for formal hearing procedures as soon as possible to preserve the parties' rights and keep the overall resolution time to a minimum number of days.

Longshore provides a compliance assistance service for employers and insurers to ensure proper coverage and regulatory compliance. Longshore also regularly provides technical assistance to the maritime industry union members and officials and maritime workers. The Longshore program staff assists covered workers and their dependents with processing claims and required reports and information, screening, and referrals for medical and vocational rehabilitation services.

To support the DOL strategic goal of reducing the consequences of work-related injuries, Longshore is pursuing strategies designed to improve service delivery and customer satisfaction

DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION

with program administration and decision-making. It has elected to measure the success of these strategies in a variety of ways, some focusing on service delivery and others on effective and efficient program administration.

Other strategies include an active outreach effort to educate and inform customers about available services, an evolving internet presence, better oversight and direction of vocational rehabilitation service providers, a progressive human capital resources plan that includes staff training, recruitment strategies, succession planning, and improved use of mediation skills and other communication tools to help resolve contested cases.

FY 2009

Total enacted funding in FY 2009 is \$12,815,000 and 99 FTE. Longshore will continue to improve the average time required to resolve disputed issues in contested cases during FY 2009. The new targets established at the end of FY 2008 will significantly challenge the program with the extensive DBA caseload to manage. The program will continue to work toward increasing the ratio of vocational rehabilitation participants who return to work within 60 days of plan completion.

To address the DBA volumes and reduce the anticipated growth in claims backlog, the Longshore program will continue to redistribute the Middle East DBA workload among all the district offices in FY 2009.

In the face of on-going financial concerns about the insurance industry, Longshore will continue to make improvements in the management of the insurance and financial management components of the program, focusing on effectively controlling the inevitable consequences of industry insolvencies. These include enforcing new rules addressing security deposits from insurance companies and fine-tuning the processes of handling the claims of insolvent insurers and self-insured employers.

FY 2008

Total funding in FY 2008 was \$12,659,000 and 97 FTE. This represented a reduction from the FY 2007 allocation and challenged basic Longshore claims operations, particularly goals of improved timeliness of dispute resolutions, efficient file monitoring, and better claims assistance to injured workers – especially cases under the Defense Base Act, as they are labor intensive.

Longshore rebaselined its performance goal and developed targets for the dispute resolution measure to reflect the complexity and workload volumes of DBA cases. Disputed issues were resolved, on average, in 239 days during FY 2008, and out-year targets will be based off that number. Longshore achieved its vocational rehabilitation measure by returning to work 54.58 percent of program participants, exceeding the FY 2008 target of 51.17 percent.

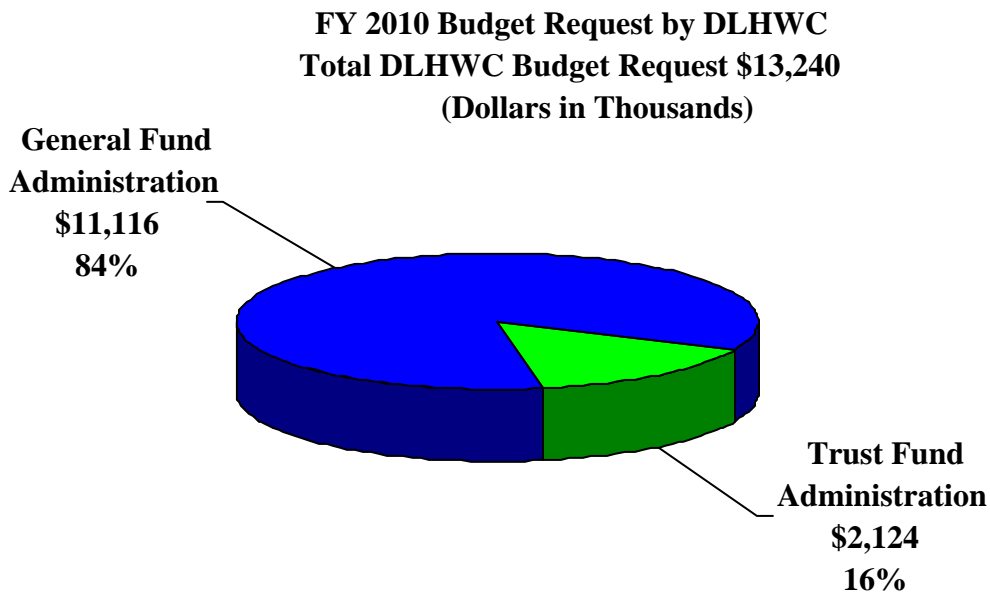
The total number of cases received in FY 2008 was 29,170, down from 33,395 cases in FY 2007. Of the total, 11,367 were cases filed under DBA. To address the DBA case volume and prevent

DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION

a backlog of DBA cases, in FY 2008 the Longshore program redistributed the Middle East DBA workload among its offices nationwide based on the claimant's place of residence.

Cost Model

The programmatic administrative funding request is \$11,116,000 for Longshore General Funds and \$2,124,000 for the Longshore Trust Fund. The spread of requested funds across cost components is displayed in the chart below:



**DIVISION OF LONGSHORE AND HARBOR WORKERS'
COMPENSATION**

WORKLOAD SUMMARY			
	FY 2008 Actuals	FY 2009 Target	FY 2010 Target
Division of Longshore and Harbor Workers' Compensation			
Number of Open Claims	43,611	44,919	46,266
Lost Time Injuries Reported	29,170	30,045	30,946
Cases Being Compensated	14,441	14,874	15,320
Dispute Resolution (Average time required to resolve disputed issues in contested cases)	239 days	242 days	240 days
Budget Activity Total	\$12,659	\$12,815	\$13,240

Workload Summary

The Division of Longshore and Harbor Workers' Compensation (DLHWC) will ensure the efficient delivery of benefits to injured workers, including timely claim adjudication, dispute resolution, file review and monitoring to determine the adequacy of services being provided, and claims assistance to injured workers for either Longshore or DBA claimants. Caseload will be managed to prevent a large backlog of DBA claims stemming from injuries to civilian contractors in Iraq and Afghanistan from accumulating.

In addition, the program will continue to provide ancillary services such as outreach, education, and compliance assistance for its entire workload. Injured workers will be returned to work through the provision of vocational rehabilitation services.

DIVISION OF COAL MINE WORKERS' COMPENSATION

BUDGET AUTHORITY BEFORE THE COMMITTEE						
(Dollars in Thousands)						
	FY 2008 Enacted	FY 2009 Enacted	Diff. FY08 Enacted / FY09 Enacted	Recovery Act	FY 2010 Request	Diff. FY09 Enacted / FY10 Req
Activity Appropriation	32,365	31,915	-450	0	32,317	402
FTE	0	178	178	0	178	0

NOTE: FY 2008 reflects actual FTE. Authorized FTE for FY 2008 was 184.

Introduction

The Division of Coal Mine Workers' Compensation (DCMWC) draws its mandate from the Coal Mine Safety and Health Act of 1969, as amended, and serves coal industry workers who are totally disabled by pneumoconiosis or black lung as a result of their exposure to coal mine dust, and their dependent survivors. The Division's core mission and budget activities are to develop and adjudicate claims and pay benefits. Its claims examiners and supporting staff process benefit applications and decide cases in nine district offices across the country. In addition, staff members monitor benefit payments and medical treatment provided by self-insured coal mine operators or their insurance carriers. The national office supports the Secretary's fiduciary responsibility for the Black Lung Disability Trust Fund (BLDTF) by processing coal mine operator self-insurance requests and making sure that self-insurers post the appropriate amounts to cover potential benefit security liabilities. The Division further supports the Secretary's fiduciary responsibility by working with coal mine operators to encourage voluntary compliance with statutory insurance requirements. Other national office activities include overseeing and managing the program's data and medical bill processing systems and its accounting and debt management functions; coordinating litigation with the Solicitor of Labor (SOL); and providing procedural guidance to field operations.

The Division engages its stakeholders with outreach and educational activities designed to improve the quality of medical evidence submitted with claims for benefits, reinforce the concept of DCMWC as a fair and balanced adjudicator, and foster a better understanding of the claims decisions issued. DCMWC is also aggressively seeking ways to reduce erroneous benefit payments and improve overall program administration.

Historically, the statute divided program administration between the Social Security Administration (Part B) and the Department of Labor (Part C). However, in FY 2002, Congress passed legislation permanently transferring jurisdiction over Part B to the Department of Labor. With the Part B appropriation transferred to the Department on October 1, 2003, all components of program administration were combined resulting in fiscal and operational efficiencies and improved service delivery. Part B funding and activities are discussed in the Special Benefits for Disabled Coal Mine Workers section of the ESA budget.

DIVISION OF COAL MINE WORKERS' COMPENSATION

Five-Year Budget Activity Component History

Fiscal Year	Funding (Dollars in Thousands)	FTE
2005	32,232	214
2006	32,659	205
2007	33,171	191
2008	32,365	184
2009	31,915	178

NOTE: Excludes Recovery Act Funding. See budget activity head table.

FY 2010

ESA requests a total of \$32,317,000. This will fund 178 FTE to meet FY 2010 obligations for DCMWC's Salaries and Expenses, an increase of \$402,000 over the FY 2009 enacted level for DCMWC's S&E. This request is a component of the FY 2010 request for the BLDTF which also includes: \$403,000 and 3 FTE for ESA Program Direction and Support (PDS); \$25,774,000 for the administrative costs of the Departmental Management account, the Inspector General, and the Department of Treasury; \$241,605,000 for benefit payments; and \$372,127,000 to retire zero-coupon bonds for the BLDTF.

This level of funding will enable ESA to: pay monthly compensation and ongoing medical treatment benefits to an estimated 26,700 recipients under Part C; continue to monitor cash and medical treatment benefits disbursed by coal mine operators in the private sector to approximately 4,825 additional recipients under Part C; and, process an estimated 4,600 incoming claims which include 4,200 proposed decisions and orders, and 4,200 schedules for the submission of additional evidence.

Although rigorous Federal regulations and improved dust suppression technology have combined over the years to reduce the incidence of pneumoconiosis, the Division's services remain essential for those who need them. DCMWC strives to serve as a fair and balanced adjudicator that exercises sound case and fiscal management. Its highly trained and experienced professional staff continually seeks to improve the quality of service to their customers. The program has been very successful in meeting management and performance goals through the careful oversight and application of available resources. The program will continue to work toward improving the quality and timeliness of its decisions and service delivery and enhancing its financial management tools and oversight.

The Black Lung program has undertaken an effort to improve stakeholders' views of claim decisions as fair, balanced, based on reliable evidence and in accordance with existing law. The credibility of initial eligibility decisions will be increased by using higher-credentialed physicians for diagnostic examinations. Revisions to the regulations have also strengthened and clarified initial decisions. These strategies will be combined with educational outreach and technical assistance to both customer and provider communities.

DIVISION OF COAL MINE WORKERS' COMPENSATION

Additional FY 2010 strategies include: 1) continuing outreach efforts with the authorized diagnostic provider community to emphasize the need for complete and accurate medical reports; 2) continuing an active compliance assistance program to increase the proportion of smaller, uninsured coal operators who voluntarily comply with legislative insurance requirements; 3) continuing to refine and improve an evolving web presence and e-Government services; 4) supporting automated solutions that improve data access, provide new controls for reducing erroneous payments, and generate administrative efficiencies and economies of scale; 5) continuing to regularly evaluate service delivery timeliness and quality targets and goals and making appropriate adjustments in workload and resource distribution; 6) developing additional ways to utilize program data to enhance management and performance; and 7) continuing to pursue a progressive human capital resources plan that includes staff training, recruitment strategies, key staff relocations and succession planning.

This program is supported by the Black Lung Automated Support Package (ASP). Additional information on this system can be obtained by visiting the corresponding Exhibit 300 at: <http://www.dol.gov/dol/budget/2010/PDF/E300-2010-009.pdf>

FY 2009

The enacted funding level for FY 2009 is \$31,915,000 and 178 FTE for DCMWC Part C administration.

In FY 2009, DCMWC will pay monthly compensation and ongoing medical treatment benefits to an estimated 29,415 recipients under Part C, and will monitor cash and medical treatment benefits disbursed by coal mine operators in the private sector to an estimated 5,120 additional recipients. DCMWC will also process an estimated 4,700 claims.

In FY 2009, DCMWC will: 1) continue to emphasize swift resolution of aged overpayments; 2) continue to strengthen its mandate to ensure proper payment of benefits to representative payees; and, 3) revise the Division's current procedures for beneficiary and representative monitoring so it is coordinated better and further automated.

The Emergency Economic Stabilization Act of 2008 enacted on October 3, 2008, authorized restructuring of the BLDTF debt and in coordination with the Treasury Department the Division is implementing the provisions to retire zero-coupon bonds using the BLDTF's annual operating surpluses until all of its remaining obligations have been paid.

FY 2008

The enacted funding level for FY 2008 was \$32,365,000 and 184 FTE for DCMWC Part C administration.

In FY 2008, DCMWC paid monthly compensation and ongoing medical treatment benefits to 32,380 recipients under Part C, and monitored cash and medical treatment benefits disbursed by coal mine operators in the private sector to 5,435 additional recipients. DCMWC also processed 4,270 claims.

DIVISION OF COAL MINE WORKERS' COMPENSATION

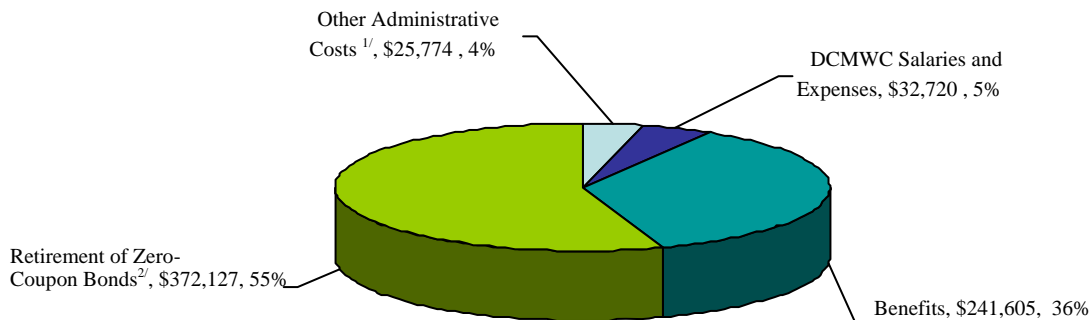
In FY 2008, the Division introduced the practice of supplementing the overall goal of timeliness for disposition of claims by initiating separate goals for each of four subcategories of outcomes. As a result the overall goal was exceeded.

The Division, as part of the Department's compliance assistance initiative, continued to expand and enhance in three areas its compliance assistance activities which began in FY 2006. The program completed a comprehensive evaluation of its efforts to reach uninsured operators and focused on increasing voluntary compliance with the statutory insurance requirements by smaller, uninsured operators. The program expanded its outreach efforts to authorized diagnostic providers to emphasize the need for complete and accurate medical reports that satisfy program requirements and support the understanding and acceptance of initial program adjudication decisions. The program also heightened its attention to the appointment of and monitoring of representative payees for beneficiaries.

Cost Model

ESA requests a total of \$32,317,000 for DCMWC Salaries and Expenses. This level of funding will enable DCMWC to exercise its mission-critical activities and meet its performance indicator targets in FY 2010. The distribution of requested funds for all components of the BLDTF is displayed below.

FY 2010 Budget Request for Black Lung Part C Total Part C Budget Request \$672,226 (Dollars in Thousands)



¹/ Includes amounts transferred to: Departmental Management (\$25,091,000); Office of Inspector General (\$327,000); Treasury (\$356,000); and ESA Program Direction and Support (\$403,000) — Black Lung IV.

²/ Pursuant to the Emergency Economic Stabilization Act of 2008, enacted on October 3, 2008, these amounts are derived from coal excise tax revenue, and provided from the BLDTF's annual operating surpluses.

DIVISION OF COAL MINE WORKERS' COMPENSATION

WORKLOAD SUMMARY			
	FY 2008 Actual	FY 2009 Target	FY 2010 Target
Black Lung III			
Claims Received	4,270	4,700	4,600
Schedules for Submission of Additional Evidence ^{1/}	4,218	4,250	4,200
Proposed Decisions and Orders	4,416	4,250	4,200
<u>Beneficiaries</u>			
Trust Fund Beneficiaries	32,380	29,415	26,700
Beneficiaries Paid by Responsible Operators	5,435	5,120	4,825
Budget Activity Total	\$32,365	\$31,915	\$32,317

^{1/} The Schedule for Submission of Additional Evidence (SSAE) document provides a preliminary analysis of the initial medical evidence considered by the District Office (DO), indicates whether the claimant would be eligible for benefits based on evidence available at the time, and identifies the party potentially liable for the payment of benefits. The SSAE also describes what additional evidence may be submitted by the parties and the timeframes for submission.

Workload Summary

The FY 2010 request level will enable ESA to: pay monthly compensation and ongoing medical treatment benefits to an estimated 26,700 recipients under Part C; continue to monitor cash and medical treatment benefits disbursed by coal mine operators in the private sector to approximately 4,825 additional recipients under Part C; and, process an estimated 4,600 incoming claims which include 4,200 proposed decisions and orders, and 4,200 schedules for the submission of additional evidence.

OFFICE OF LABOR-MANAGEMENT STANDARDS

BUDGET AUTHORITY BEFORE THE COMMITTEE						
(Dollars in Thousands)						
	FY 2008 Enacted	FY 2009 Enacted	Diff. FY08 Enacted / FY09 Enacted	Recovery Act	FY 2010 Request	Diff. FY09 Enacted / FY10 Req
Activity Appropriation	44,938	44,938	0	581	40,557	-4,381
FTE	316	297	-19	0	266	-31

NOTE: FY 2008 reflects actual FTE. Authorized FTE was 317.

Introduction

The Office of Labor-Management Standards (OLMS) administers the Labor-Management Reporting and Disclosure Act of 1959, as amended (LMRDA) and related laws, which primarily establish safeguards for union democracy and union financial integrity and require public disclosure reporting by unions and others. The LMRDA applies to private sector labor unions. Similar standards apply to unions representing Federal employees.

OLMS also administers employee protections under various Federally-sponsored transportation programs that certify fair, 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 the Department of Labor before Federal funds can be released to grantees.

The largest percent of OLMS staff and budgetary resources is dedicated to the LMRDA program. Under the LMRDA, OLMS performs four types of activities: investigations, union audits, reports/public disclosure, and compliance assistance. Investigation of both union officer elections and embezzlement of union funds are the program's two major enforcement activities.

Under its union democracy provisions, the LMRDA establishes basic standards for unions to follow when electing their officers. OLMS investigates an officer election upon receipt of a timely filed complaint from a member and must complete its investigation within 60 days, as required by the LMRDA. If warranted, OLMS may take legal action to set aside the challenged election and order a new election under OLMS supervision. Since these investigations are initiated only on a complaint basis, OLMS can exercise no control over the number or type of election complaints it investigates. Consequently, the staff resources devoted to the election program can vary from year-to-year in response to the complaint workload.

Under the LMRDA, it is a Federal crime for a labor union officer or employee to embezzle funds of the union. OLMS conducts criminal investigations to protect and safeguard union funds and assets. Union officers and employees may be barred from holding union office or employment for up to 13 years if convicted of certain crimes, including union funds embezzlement, and in many cases are ordered by a U.S. District Court to make restitution to the union. OLMS also investigates possible criminal and civil violations of the LMRDA involving bonding, illegal loans to union officers and employees, trusteeships, and other matters.

OFFICE OF LABOR-MANAGEMENT STANDARDS

OLMS conducts union audits to determine overall compliance with the LMRDA, detect possible union funds embezzlements, and provide individualized compliance assistance to union officials.

Reporting and public disclosure are core requirements of the LMRDA. Labor unions covered by the LMRDA and related laws are required to file annual financial reports with OLMS. Despite OLMS voluntary compliance efforts, some unions fail to file annual financial reports and OLMS must take appropriate steps to secure the reports. In order to ensure that the information in the financial reports is complete and accurate, OLMS also reviews reports, identifies reporting errors, and seeks amended reports as necessary. Other entities and individuals (employers, labor relations consultants, union officers and employees, and surety companies) are required to file reports under certain circumstances. OLMS conducts investigations, as necessary, to determine if such special activity reports are required.

OLMS operates an electronic reporting system for LMRDA reports and an Internet public disclosure system that provides public access to information from filed reports. These systems have greatly contributed to the effectiveness of the LMRDA reporting program by improving union reporting compliance and providing more immediate and better public disclosure to union members and other interested members of the public. Compliance is improved because the electronic reporting forms include a series of error checks, ensuring that the reports are complete when submitted. Disclosure is improved because the public has immediate, on-demand access to information from LMRDA reports on file with OLMS.

Compliance assistance is an important complement to OLMS union audit and enforcement programs and is provided to increase awareness of union member rights and officer responsibilities under the LMRDA and to promote voluntary compliance with the Act. OLMS compliance assistance activities include seminars/workshops, mailings, personal visits, distribution of explanatory publications, and liaison with international union officials. Compliance assistance material also is available through the OLMS internet site.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2005	41,681	336
2006	45,737	384
2007	47,753	313
2008	44,938	317
2009	44,938	297

NOTE: Excludes Recovery Act Funding. See budget activity head table.

FY 2010

For FY 2010, OLMS is requesting a continuing services request level total of \$40,557,000. At this level OLMS expects to accomplish core program work and continue to advance the employee protections programs and the mission of the LMRDA.

OFFICE OF LABOR-MANAGEMENT STANDARDS

OLMS administers employee protections under various Federally-sponsored transportation programs that certify fair, 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 the Department of Labor before Federal funds can be released to grantees. OLMS certifies fair and equitable labor protective provisions are in place to protect the interests of employees affected by such Federal assistance.

In carrying out its LMRDA responsibilities, OLMS performs four types of activities: public disclosure of reports; union audits; investigations; and education and compliance assistance. In FY 2008, OLMS conducted 798 union audits, 3,686 civil and criminal investigations, supervised 35 union officer election reruns, and conducted 112 compliance assistance seminars for union officials to administer and enforce the LMRDA.

FY 2009

Resources at the Enacted Level, \$44,938,000 and 297 FTE will continue core program work in support of the LMRDA and employee protections programs. At this level OLMS expects to accomplish core program work and to advance the employee protections programs and the mission of the LMRDA.

In recent years, OLMS has strengthened the LMRDA union financial integrity program, and has been able to significantly increase the number of union audits conducted, from 532 audits in FY 2004 to 798 in FY 2008. This has allowed the agency to extend LMRDA financial integrity protections to a greater number of unions and union members.

OLMS has also increased the number of union funds embezzlement investigations conducted to protect union members' dues and union financial integrity. The legal and proper use of union members' dues and assets is of paramount importance to ensure the economic strength and effectiveness of unions in representing members of the American workforce. Following investigation, OLMS refers findings of criminal violations to the Department of Justice for prosecution. Criminal prosecution of embezzlement frequently results in restitution to the union.

OLMS will maintain core program work to support LMRDA union financial integrity with the resources requested.

Recovery Act

OLMS will receive additional funding of \$391,000 in FY 2009 and \$190,000 in FY 2010 as a result of the American Recovery and Reinvestment Act of 2009 (ARRA) to support new workload related to certification of labor protections for public transit grants. Specifically, the ARRA allocates \$8.4 billion to the Federal Transit Administration (FTA) for assistance to States and municipalities for capital expenditures on public transit investment. These funds have a "use-it-or-lose-it" condition placed on them to ensure that all apportioned funds are used promptly. OLMS must certify, as a condition of ARRA grants, that fair and equitable labor protective provisions are in place to protect the interests of employees affected by the ARRA grants. The FTA cannot award funds without prior DOL certification. OLMS expects an

OFFICE OF LABOR-MANAGEMENT STANDARDS

additional 800 to 1,000 grants and is using the funds to handle this additional workload. OLMS will continue to ensure that grants are processed in a timely manner providing requisite protection to employees against adverse impacts as a result of Federal assistance.

In FY 2008, OLMS issued 2368 certifications to the Department of Transportation and the Federal Transit Authority. As a result of ARRA funding OLMS expects to process certification for an additional 800 to 1,000 grants.

FY 2008

In FY 2008 \$44,938,000 was appropriated to continue core program work, supporting 317 FTE in support of the LMRDA and employee protections programs. The FY 2008 appropriation was \$2,815,000 less than the FY 2007 appropriation. The reduction was accounted for by staff decreases and other costs in FY 2008.

OLMS has significantly increased the number of union audits conducted, from 532 audits in FY 2004 to 798 in FY 2008. In addition, OLMS has also conducted 3,686 civil and criminal investigations, supervised 35 union officer election reruns, and conducted 112 compliance assistance seminars for union officials to administer and enforce LMRDA.

OFFICE OF LABOR-MANAGEMENT STANDARDS

WORKLOAD SUMMARY			
	FY 2008 Estimate	FY 2009 Target	FY 2010 Target
Office of Labor-Management Standards			
Criminal Investigations	393	390	354
International Compliance Audits	7	7	4
Compliance Audits	791	650	200
Reports Processed	35,000	35,000	35,000
Delinquent Report Investigations	2,018	2,000	2,000
Deficient Report Investigations	799	700	700
Union Officer- Employee/Employer/Consultant Report Investigations	89	100	100
Election Investigations	131	130	130
Supervised Elections	35	35	35
Trusteeship Investigations	12	12	12
Basic Investigations	78	80	80
LMRDA Compliance Assistance	750	725	700
Employee Protections Certifications	2,376	2,400	2,400
Claims Arbitrated	5	5	5
Budget Activity Workload Total	\$44,938	\$44,938	\$40,557

Workload Summary

The Office of Labor-Management Standards (OLMS) administers the Labor-Management Reporting and Disclosure Act of 1959, as amended (LMRDA) and related laws, which primarily establish safeguards for union democracy and union financial integrity and require public disclosure reporting by unions and others. The LMRDA applies to private sector labor unions. Similar standards apply to unions representing Federal employees. OLMS also administers employee protections under various Federally-sponsored transportation programs by certifying fair, equitable protective arrangements for transit employees when Federal funds are used to acquire, improve, or operate a transit system.

The largest percent of OLMS staff and budgetary resources is dedicated to the LMRDA program. Under the LMRDA, OLMS performs four types of activities: investigations, union audits, reports/public disclosure, and compliance assistance. Investigation of both union officer

OFFICE OF LABOR-MANAGEMENT STANDARDS

elections and embezzlement of union funds are the program's two major enforcement activities. OLMS conducts union audits to determine overall compliance with the LMRDA, detect possible union funds embezzlements, and provide compliance assistance to union officials.

Reporting and public disclosure are core requirements of the LMRDA. Labor unions covered by the LMRDA and related laws are required to file annual financial reports with OLMS. OLMS operates an electronic reporting system for LMRDA reports and an Internet public disclosure system that provides public access to information from filed reports. These systems have greatly contributed to the effectiveness of the LMRDA reporting program by improving union reporting compliance and providing more immediate and better public disclosure to union members and other interested members of the public.

Compliance assistance is an important complement to OLMS union audit and enforcement programs and is provided to increase awareness of rights and responsibilities under the LMRDA and to promote voluntary compliance with the Act. OLMS compliance assistance activities include seminars, mailings, personal visits, distribution of explanatory publications, and liaison with international union officials. Compliance assistance material also is available through the OLMS Internet site.

At the FY 2010 continuing services request level, OLMS will need to reduce FTE resources and workload capacity at a level less than the FY 2008 level, but will still work to accomplish all core program work to advance employee protections programs and the mission of the LMRDA.

OFFICE OF LABOR-MANAGEMENT STANDARDS

BUDGET ACTIVITY by OBJECT CLASS						
(Dollars in Thousands)						
		FY 2008 Enacted	FY 2009 Enacted	Recovery Act	FY 2010 Request	Change FY 10 Req / FY 09 Enacted
11.1	Full-time permanent	23,701	24,117	320	21,080	-3,037
11.3	Other than full-time permanent	635	845	0	862	17
11.5	Other personnel compensation	0	0	0	-64	-64
11.8	Special personal services payments	1,072	772	0	792	20
11.9	Total personnel compensation	25,408	25,734	320	22,670	-3,064
12.1	Civilian personnel benefits	7,406	8,085	230	6,865	-1,220
13.0	Benefits for former personnel	20	0	0	0	0
21.0	Travel and transportation of persons	1,637	816	0	769	-47
22.0	Transportation of things	1	6	0	0	-6
23.1	Rental payments to GSA	2,983	3,022	0	3,039	17
23.2	Rental payments to others	69	59	0	59	0
23.3	Communications, utilities, and miscellaneous charges	269	304	0	307	3
24.0	Printing and reproduction	61	61	0	61	0
25.2	Other services	574	433	0	436	3
25.3	Other purchases of goods and services from Government accounts 1/	2,277	2,983	25	2,905	-78
25.4	Operation and maintenance of facilities	7	1	0	1	0
25.7	Operation and maintenance of equipment	3,550	3,254	0	3,266	12
26.0	Supplies and materials	257	90	0	90	0
31.0	Equipment	414	90	6	90	0
42.0	Insurance claims and indemnities	5	0	0	0	0
Total		44,938	44,938	581	40,557	-4,381
1/Other Purchases of Goods and Services From Government Accounts						
	Services by Other Government Departments	113	188	25	190	2
	Working Capital Fund	1,981	2,552	0	2,469	-83
	DHS Services	183	180	0	183	3
	Services by DOL Agencies	0	63	0	63	0

OFFICE OF LABOR-MANAGEMENT STANDARDS

CHANGES IN FY 2010

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	523
Personnel benefits	158
Federal Employees Compensation Act (FECA)	-31
GSA Space Rental	17
Other services	35
Working Capital Fund	-83
Built-Ins Subtotal	619

	Estimate	FTE
Base	44,938	297
Program Decrease	-5,000	-31

PROGRAM DIRECTION AND SUPPORT

BUDGET AUTHORITY BEFORE THE COMMITTEE						
(Dollars in Thousands)						
	FY 2008 Enacted	FY 2009 Enacted	Diff. FY08 Enacted / FY09 Enacted	Recovery Act	FY 2010 Request	Diff. FY09 Enacted / FY10 Req
Activity Appropriation	17,616	17,613	-3	0	17,623	10
FTE	93	93	0	0	93	0

NOTE: FY 2008 reflects actual FTE. . Authorized FTE was 93.

Introduction

The Program Direction and Support (PDS) activity includes the Office of the Assistant Secretary and program support offices, including the Office of Management, Administration, and Planning (OMAP), and the Equal Employment Opportunity and Legislative and Regulatory Analysis units. Together they provide financial, technological, administrative, human resources management, regulatory and equal employment support to more than 4,000 employees in over 360 locations across the country.

The mission of the Employment Standards Administration (ESA) is to enhance the welfare and protect the rights of American workers. Supporting a complex enforcement and benefit delivery agency, the PDS activity is responsible for providing leadership, policy, coordination for budget and performance integration; strategic management of human resources; expanded information technology; improved financial management; and competitive sourcing for the four component program offices within ESA.

PDS is also responsible for ESA's security and emergency management planning, strategic planning, performance reporting, legislative and regulatory analysis, employee safety and health, labor relations, equal employment opportunity enforcement, and general support services to all ESA program components. In support of these services, PDS is requesting \$17,623,000 and 93 FTE (includes \$403,000 and 3 FTE for Black Lung IV).

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2005	15,635	103
2006	17,592	93
2007	17,933	93
2008	17,616	93
2009	17,613	93

NOTE: Excludes Recovery Act Funding. See budget activity head table.

PROGRAM DIRECTION AND SUPPORT

FY 2010

PDS requests \$17,623,000 and 93 FTE (includes \$403,000 and 3 FTE for Black Lung IV). These funds are in direct support of ESA program components and their achievement of strategic goals, performance goals, and PMA initiatives. The funds requested would enable PDS to continue to provide ESA with the level of leadership, management, direction and centralized policy, planning and program support required for attainment of ESA performance goals. Since ESA is the largest agency in the Department of Labor (DOL), the achievement of its goals is the key to the overall mission of the Department. Funding at this level would provide ESA with the necessary resources to complete essential tasks and provide a commendable level of customer service.

FY 2009

PDS enacted amount was \$17,613,000 and 93 FTE (includes \$393,000 and 3 FTE for Black Lung IV). These funds are in direct support of ESA program components and their achievement of strategic and performance goals. The funds requested would enable PDS to continue to provide ESA with the level of leadership, management, direction and centralized policy, planning and program support required for attainment of ESA performance goals. Since ESA is the largest agency in the Department of Labor (DOL), the achievement of its goals is the key to the overall mission of the Department. Funding at this level would provide ESA with the necessary resources to complete essential tasks and provide a commendable level of customer service.

FY 2008

PDS enacted amount was \$17,616,000 and 93 FTE (includes \$396,000 and 3 FTE for Black Lung IV). These funds are in direct support of ESA program components and their achievement of strategic and performance goals. The funds requested will enable PDS to continue to provide ESA with the level of leadership, management, direction and centralized policy, planning and program support required for attainment of ESA performance goals. Since it is the largest agency in DOL, ESA's achievement of its goals is key to the overall mission of the Department of Labor. Supporting this request would provide ESA with the necessary funding to complete essential tasks and provide a commendable level of customer service.

PROGRAM DIRECTION AND SUPPORT

BUDGET ACTIVITY by OBJECT CLASS						
(Dollars in Thousands)						
		FY 2008 Enacted	FY 2009 Enacted	Recovery Act	FY 2010 Request	Change FY 10 Req / FY 09 Enacted
11.1	Full-time permanent	9,176	8,673	0	8,856	183
11.3	Other than full-time permanent	0	375	0	383	8
11.8	Special personal services payments	255	292	0	298	6
11.9	Total personnel compensation	9,431	9,340	0	9,537	197
12.1	Civilian personnel benefits	2,013	2,013	0	1,983	-30
21.0	Travel and transportation of persons	38	38	0	38	0
22.0	Transportation of things	4	4	0	4	0
23.1	Rental payments to GSA	1,606	1,606	0	1,614	8
23.3	Communications, utilities, and miscellaneous charges	150	230	0	231	1
24.0	Printing and reproduction	18	16	0	16	0
25.1	Advisory and assistance services	402	344	0	346	2
25.2	Other services	165	363	0	365	2
25.3	Other purchases of goods and services from Government accounts 1/	882	686	0	726	40
25.4	Operation and maintenance of facilities	22	22	0	22	0
25.5	Research and development contracts	99	99	0	99	0
25.7	Operation and maintenance of equipment	480	480	0	482	2
26.0	Supplies and materials	219	285	0	286	1
31.0	Equipment	2,087	2,087	0	1,871	-216
Total		17,616	17,613	0	17,623	10
1/Other Purchases of Goods and Services From Government Accounts						
	Services by Other Government Departments	9	4	0	4	0
	Working Capital Fund	847	654	0	694	40
	DHS Services	26	28	0	28	0

PROGRAM DIRECTION AND SUPPORT

CHANGES IN FY 2010

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	196
Personnel benefits	38
Federal Employees Compensation Act (FECA)	-68
GSA Space Rental	8
Other services	20
Working Capital Fund	40
Equipment	-224
Built-Ins Subtotal	10

	Estimate	FTE
Base	17,613	93