

**FY 2011**

**CONGRESSIONAL BUDGET JUSTIFICATION**

**OFFICE OF LABOR-MANAGEMENT STANDARDS**



# OFFICE OF LABOR-MANAGEMENT STANDARDS

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**OFFICE OF LABOR-MANAGEMENT STANDARDS**

*OFFICE OF LABOR MANAGEMENT STANDARDS*

SALARIES AND EXPENSES

*For necessary expenses for the Office of Labor-Management Standards, \$45,181,000.*

# **OFFICE OF LABOR-MANAGEMENT STANDARDS**

## **EXPLANATION OF LANGUAGE CHANGE**

In FY 2010, the Department implemented a plan to realign and streamline the former Employment Standards Administration (ESA). As a result, ESA was abolished and funding that previously was requested for the component agencies and offices under the heading "Employment Standards Administration Salaries and Expenses" is requested separately in FY 2011.

## OFFICE OF LABOR-MANAGEMENT STANDARDS

<b>AMOUNTS AVAILABLE FOR OBLIGATION</b>								
(Dollars in Thousands)								
	<b>FY 2009 Comparable</b>		<b>Recovery Act</b>		<b>FY 2010 Estimate</b>		<b>FY 2011 Request</b>	
	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>
<b>A. Appropriation</b>	<b>297</b>	<b>44,938</b>	<b>0</b>	<b>0</b>	<b>266</b>	<b>40,557</b>	<b>269</b>	<b>45,181</b>
Reduction pursuant to (P.L. 111-8) in FY 2009	0	0	0	0	0	0	0	0
Other Supplementals and Rescissions	0	0	0	0	0	0	0	0
Appropriation, Revised	297	44,938	0	0	266	40,557	269	45,181
<i>Subtotal Appropriation</i>	<i>297</i>	<i>44,938</i>	<i>0</i>	<i>0</i>	<i>266</i>	<i>40,557</i>	<i>269</i>	<i>45,181</i>
(adjusted)	0	0	0	0	0	0	0	0
Former ESA Agency	1	788	0	0	3	810	0	0
Offsetting Collections From:	0	0	0	0	0	0	0	0
Non-Expenditure Transfers from DM	0	0	1	470	0	0	0	0
<i>Subtotal</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>470</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>B. Gross Budget Authority</b>	<b>298</b>	<b>45,726</b>	<b>1</b>	<b>470</b>	<b>269</b>	<b>41,367</b>	<b>269</b>	<b>45,181</b>
Offsetting Collections	0	0	0	0	0	0	0	0
Deduction:	0	0	0	0	0	0	0	0
Non-Expenditure Transfers from DM	0	0	0	0	0	0	0	0
<i>Subtotal</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>C. Budget Authority</b>	<b>298</b>	<b>45,726</b>	<b>1</b>	<b>470</b>	<b>269</b>	<b>41,367</b>	<b>269</b>	<b>45,181</b>
Before Committee	0	0	0	0	0	0	0	0
Offsetting Collections From:	0	0	0	0	0	0	0	0
Non-Expenditure Transfers from DM	0	0	0	0	0	0	0	0
<i>Subtotal</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>D. Total Budgetary Resources</b>	<b>298</b>	<b>45,726</b>	<b>1</b>	<b>470</b>	<b>269</b>	<b>41,367</b>	<b>269</b>	<b>45,181</b>
Other Unobligated Balances	0	0	0	0	0	0	0	0
Unobligated Balance Expiring	-3	-207	0	0	0	0	0	0
Unobligated Balance Permanently Reduced	0	0	0	0	0	0	0	0
<b>E. Total, Estimated Obligations</b>	<b>295</b>	<b>45,519</b>	<b>1</b>	<b>470</b>	<b>269</b>	<b>41,367</b>	<b>269</b>	<b>45,181</b>

# OFFICE OF LABOR-MANAGEMENT STANDARDS

## SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2010 Estimate	FY 2011 Request	Net Change
<b>Budget Authority</b>			
General Funds	41,367	45,181	+3,814
Total	41,367	45,181	+3,814
<b>Full Time Equivalents</b>			
General Funds	269	269	0
Total	269	269	0

Explanation of Change	FY 2010 Base		Trust Funds		FY 2011 Change General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>Increases:</b>								
<b>A. Built-Ins:</b>								
To Provide For:								
Costs of pay adjustments	269	22,670	0	0	0	200	0	200
Personnel benefits	0	5,468	0	0	0	48	0	48
Employee health benefits	0	1,328	0	0	0	10	0	10
Federal Employees Compensation Act (FECA)	0	69	0	0	0	0	0	0
Travel and transportation of persons	0	805	0	0	0	226	0	226
Rental payments to GSA	0	3,039	0	0	0	0	0	0
All Other Rental	0	59	0	0	0	0	0	0
Communications, utilities, and miscellaneous charges	0	307	0	0	0	0	0	0
Printing and reproduction	0	61	0	0	0	0	0	0
Other services	0	435	0	0	0	0	0	0
Other government accounts (Working Capital Fund)	0	3,243	0	0	0	830	0	830
Other government accounts (DHS Charges)	0	183	0	0	0	0	0	0
Other purchases of goods and services from Government accounts	0	253	0	0	0	0	0	0
Operation and maintenance of facilities	0	1	0	0	0	0	0	0
Operation and maintenance of equipment	0	3,266	0	0	0	0	0	0
Supplies and materials	0	90	0	0	0	0	0	0
Equipment	0	90	0	0	0	0	0	0
<b>Built-Ins Subtotal</b>	<b>269</b>	<b>41,367</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,314</b>	<b>0</b>	<b>1,314</b>
<b>B. Programs:</b>								
To provide for OLMS Electronic Labor Organization System (e.LORS) Modernization Effort								
	0	0	0	0	0	2,500	0	2,500
<b>Programs Subtotal</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>+2,500</b>	<b>0</b>	<b>+2,500</b>
<b>C. Financing:</b>								

# OFFICE OF LABOR-MANAGEMENT STANDARDS

Explanation of Change	FY 2010 Base		FY 2011 Change				Total	
	Trust Funds	General Funds	Trust Funds	General Funds	Trust Funds	General Funds	Trust Funds	General Funds
<b>Total Increase</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>+3,814</b>	<b>0</b>	<b>+3,814</b>	<b>0</b>	<b>+3,814</b>
<b>Decreases:</b>								
<b>A. Built-Ins:</b>								
To Provide For:								
<b>Built-Ins Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>B. Programs:</b>								
<b>C. Financing:</b>								
<b>Total Change</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>+3,814</b>	<b>0</b>	<b>+3,814</b>	<b>0</b>	<b>+3,814</b>

## OFFICE OF LABOR-MANAGEMENT STANDARDS

<b>SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY</b> (Dollars in Thousands)								
	<b>FY 2009 Comparable<sup>1</sup></b>		<b>Recovery Act</b>		<b>FY 2010 Estimate</b>		<b>FY 2011 Request</b>	
	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>
<b>Office of Labor-Management Standards</b>	<b>295</b>	<b>45,726</b>	<b>1</b>	<b>470</b>	<b>269</b>	<b>41,367</b>	<b>269</b>	<b>45,181</b>
General Funds	295	45,726	1	470	269	41,367	269	45,181
<b>Total</b>	<b>295</b>	<b>45,726</b>	<b>1</b>	<b>470</b>	<b>269</b>	<b>41,367</b>	<b>269</b>	<b>45,181</b>
<b>General Funds</b>	<b>295</b>	<b>45,726</b>	<b>1</b>	<b>470</b>	<b>269</b>	<b>41,367</b>	<b>269</b>	<b>45,181</b>

NOTE: FY 2009 reflects actual FTE.

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

## OFFICE OF LABOR-MANAGEMENT STANDARDS

<b>BUDGET AUTHORITY BY OBJECT CLASS</b>						
(Dollars in Thousands)						
		<b>FY 2009 <sup>2</sup> Comparable</b>	<b>Recovery Act</b>	<b>FY 2010 Estimate</b>	<b>FY 2011 Request</b>	<b>Change FY 11 Req. / FY 10 Est.</b>
	Full-Time Equivalent					
	Full-time Permanent	293	0	264	264	0
	Other	2	1	5	5	0
	<b>Total</b>	<b>295</b>	<b>1</b>	<b>269</b>	<b>269</b>	<b>0</b>
	Average ES Salary	152,373	0	156,030	158,214	2184
	Average GM/GS Grade	12.06	11.4	11.97	11.97	0
	Average GM/GS Salary	87,633	85,141	88,897	90,142	1245
11.1	Full-time permanent	24,502	171	21,080	21,280	200
11.3	Other than full-time permanent	845	244	862	862	0
11.5	Other personnel compensation	772	0	728	728	0
11.9	<b>Total personnel compensation</b>	<b>26,119</b>	<b>415</b>	<b>22,670</b>	<b>22,870</b>	<b>200</b>
12.1	Civilian personnel benefits	8,134	55	6,865	6,923	58
21.0	Travel and transportation of persons	816	0	805	1,031	226
22.0	Transportation of things	6	0	0	0	0
23.1	Rental payments to GSA	3,022	0	3,039	3,039	0
23.2	Rental payments to others	59	0	59	59	0
23.3	Communications, utilities, and miscellaneous charges	304	0	307	307	0
24.0	Printing and reproduction	61	0	61	61	0
25.2	Other services	433	0	435	435	0
25.3	Other purchases of goods and services from Government accounts 1/	3,337	0	3,679	4,509	830
25.4	Operation and maintenance of facilities	1	0	1	1	0
25.7	Operation and maintenance of equipment	3,254	0	3,266	5,766	2500
26.0	Supplies and materials	90	0	90	90	0
31.0	Equipment	90	0	90	90	0
	<b>Total</b>	<b>45,726</b>	<b>470</b>	<b>41,367</b>	<b>45,181</b>	<b>3,814</b>
	1/Other Purchases of Goods and Services From Government Accounts					
	Services by Other Government Departments	188	0	190	190	0
	Working Capital Fund	2,906	0	3,243	4,073	830
	DHS Services	180	0	183	183	0
	Services by DOL Agencies	63	0	63	63	0

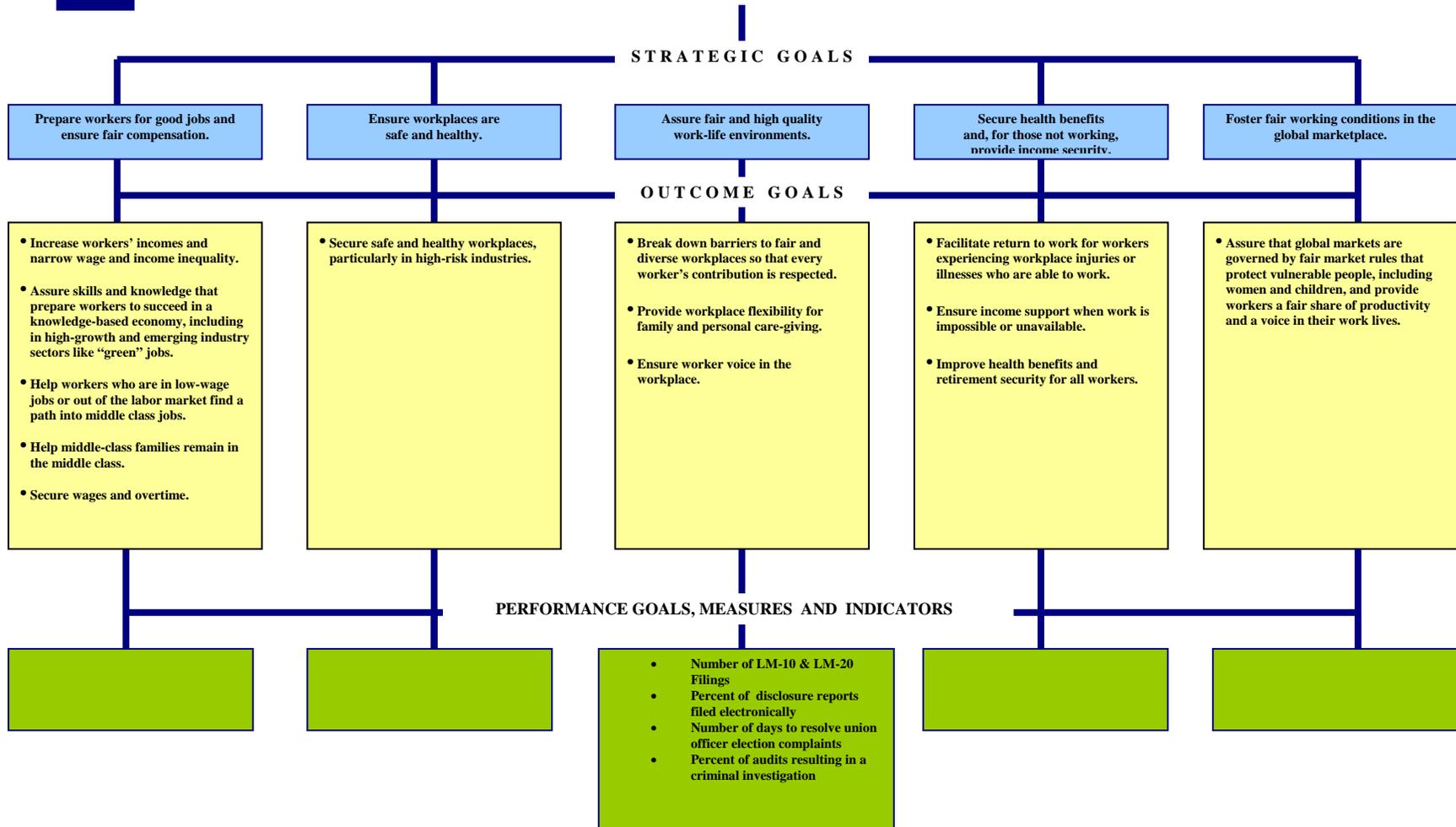
NOTE: FY 2009 reflects actual FTE.

<sup>2</sup> FY 2009 and FY 2010 amounts reflect reallocated funds from the dissolution of ESA's Program Direction and Support office.

# OFFICE OF LABOR-MANAGEMENT STANDARDS



## Secretary's Vision: "Good Jobs for Everyone"



## OFFICE OF LABOR-MANAGEMENT STANDARDS

<b>TOTAL BUDGETARY RESOURCES</b>													
FY 2009 - 2011													
(Dollars in Thousands)													
	<b>FY 2009 Comparable <sup>3</sup></b>				<b>Recovery Act</b>	<b>FY 2010 Estimate</b>				<b>FY 2011 Request</b>			
	Activity Approp.	Other Approp.	Other Resrcs.	Total		Activity Approp.	Other Approp.	Other Resrcs.	Total	Activity Approp.	Other Approp.	Other Resrcs.	Total
<b>Office of Labor- Management Standards</b>	<b>45,726</b>	<b>0</b>	<b>0</b>	<b>45,726</b>	<b>470</b>	<b>41,367</b>	<b>0</b>	<b>0</b>	<b>41,367</b>	<b>45,181</b>	<b>0</b>	<b>0</b>	<b>45,181</b>
Office of Labor and- Management Standards	45,726	0	0	45,726	470	41,367	0	0	41,367	45,181	0	0	45,181
<b>Total</b>	<b>45,726</b>	<b>0</b>	<b>0</b>	<b>45,726</b>	<b>470</b>	<b>41,367</b>	<b>0</b>	<b>0</b>	<b>41,367</b>	<b>45,181</b>	<b>0</b>	<b>0</b>	<b>45,181</b>

<sup>3</sup> FY 2009 and FY 2010 amounts reflect reallocated funds from the dissolution of ESA's Program Direction and Support office.

# OFFICE OF LABOR-MANAGEMENT STANDARDS

## SIGNIFICANT ITEMS IN APPROPRIATION COMMITTEES' REPORTS

### OFFICE OF LABOR-MANAGEMENT STANDARDS

**House:** The Committee is also concerned about apparent fabrications and misreporting of data by OLMS. According to a 2007 report from the Center for American Progress, OLMS frequently double or triple counted criminal enforcement cases in its database—thereby exaggerating the level of criminal activity in this area and misrepresenting the effectiveness of OLMS. Considering the circumstances, the Committee believes that sufficient resources are provided in this bill for OLMS to accomplish its core mission and that available resources should be used to replenish enforcement agencies whose budgets have been cut since 2001.

**Response:**

In *Beyond Justice: Bush Administration's Labor Department Abuses Labor Union Regulatory Authorities*, Scott Lilly, Center for American Progress (December 2007), the author reviewed OLMS' report of indictments and convictions for the five year period of 2001 to 2005. The author attempted to corroborate these statistical totals by comparing them to OLMS' web site listing of "recent criminal actions." The "recent criminal actions" web page consists of one paragraph summaries of enforcement actions, such as indictments, guilty pleas, and convictions, for individual OLMS cases, but it does not list every single case, which accounts for the perceived discrepancy. OLMS has added definitions of each criminal action—indictments, pleas convictions—to its web site for further clarification. OLMS has continuously utilized its considerably more detailed criminal case database to compile year end statistics. This statistical data is, and has been, accurately compiled and reported.

**House:** The Committee requests an updated report on ESA's human capital strategy to be submitted to the Committees on Appropriations of the House of Representatives and the Senate within 90 days of the enactment of this Act. The report should include the number of staff hired with funds from the Recovery Act and the Omnibus Appropriations Act, 2009, respectively; and a detailed hiring plan for the additional full-time equivalents the agency plans to hire in fiscal year 2010.

**Response:**

OLMS will prepare the requested report within the 90 days of the enactment of the Act.

## OFFICE OF LABOR-MANAGEMENT STANDARDS

Public Law / Act	Legislation	Statute No. / US Code	Volume No.	Page No.	Expiration Date
PUB. L. 86-257	Labor-Management Reporting and Disclosure Act of 1959, as amended.	29 U.S.C. 401			N/A
PUB. L. 95-454	Civil Service Reform Act of 1978	5 U.S.C. 7101			N/A
PUB. L. 88-365	Urban Mass Transportation act of 1964, as amended.	49 U.S.C. 533 (b)			N/A
PUB. L. 102-240	Rail Passenger Service Act of 1970 as amended.	45 U.S.C. 501 et seq.			N/A
PUB. L. 91-518	Postal Reorganization Act of 1970.	39 U.S.C. 101			N/A
PUB. L. 96-465	Foreign Service Act of 1980.	22 U.S.C. 3901			N/A
PUB. L. 104-1	Congressional Accountability Act of 1995.	2 U.S.C. 1301			N/A

## OFFICE OF LABOR-MANAGEMENT STANDARDS

<b>APPROPRIATION HISTORY</b>					
(Dollars in Thousands)					
	<b>Budget Estimates to Congress</b>	<b>House Allowance</b>	<b>Senate Allowance</b>	<b>Appropriations</b>	<b>FTE</b>
2001	0	0	0	0	0
2002	0	0	0	0	0
2003	0	0	0	34,279	297
2004	0	0	0	38,580	347
2005	0	0	0	41,681	336
2006	0	0	0	45,737	384
2007	0	0	0	47,753	313
2008	0	0	0	44,938	317
2009	0	0	0	45,726 <sup>4</sup>	298
2010	40,557	40,557	40,557	41,367	269
2011	45,181	0	0	0	269

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<sup>4</sup> FY 2009 and FY 2010 amounts reflect reallocated funds from the dissolution of ESA's Program Direction and Support office.

# OFFICE OF LABOR-MANAGEMENT STANDARDS

## OVERVIEW

### Introduction

The Office of Labor-Management Standards (OLMS) administers the Labor-Management Reporting and Disclosure Act of 1959, as amended (LMRDA) and related laws. These laws primarily establish safeguards for union democracy and union financial integrity and require public disclosure reporting by unions, union officers, union employees, employers, labor consultants and surety companies.

OLMS also administers employee protections under various Federally-sponsored transportation programs that require fair, 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 comprises a nationwide staff of investigators, supervisors, analysts, accountants and administrative employees who share responsibilities for enforcing the LMRDA. Under the LMRDA, OLMS investigates complaints of undemocratic labor union officer elections and of embezzlement of labor union funds. OLMS conducts compliance audits of labor unions to ensure overall compliance with the LMRDA and detect possible union funds embezzlement. It administers a reporting and disclosure program, ensuring reporting by unions, union officers, union employees, employers, labor consultants and surety companies. OLMS' compliance assistance activities include seminars, mailings, personal visits, distribution of publications, and liaison with international union officials.

OLMS' enforcement responsibilities directly support the Secretary's vision of "good jobs for everyone" and contribute to the Departmental outcome of assuring workers a "voice in the workplace." OLMS has begun implementing the following strategies:

- Increase effectiveness of focusing audit resources on labor unions most likely to be in violation of the law.
- Increase timeliness in resolving union member election complaints.
- Improve public disclosure access by increasing the percentage of reports filed electronically.
- Increase the number of disclosure forms (Form LM-10s and LM-20s) filed that report activity made with the purpose of persuading employees with regard to their rights to organize and bargain collectively.
- Expand the Internet public disclosure service to improve public access to information reported by unions, union officers, union employees, employers, labor consultants and surety companies under the Act.
- Increase compliance assistance in an outreach effort and initiative in creating "systems changes" in labor unions.

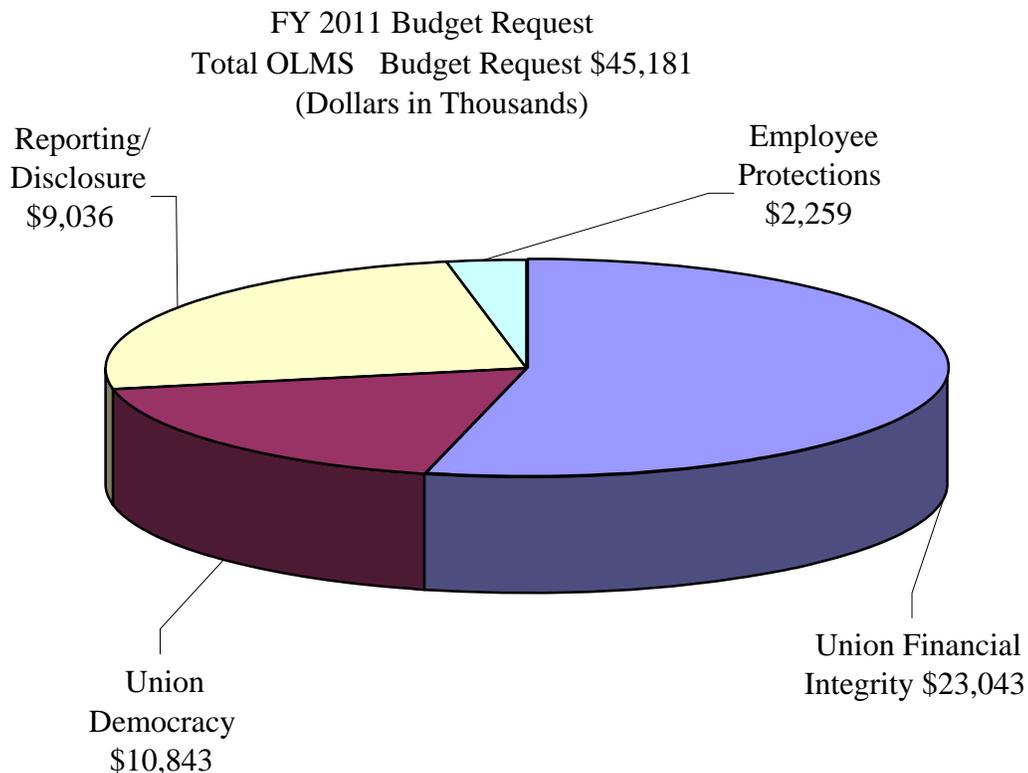
Through these initiatives, OLMS will strive to ensure that workers can be better informed, more effective participants in the governance of their unions; make more informed decisions about

## OFFICE OF LABOR-MANAGEMENT STANDARDS

union representation; and, through more fiscally responsible and democratic unions, have an even greater impact through collective bargaining and workplace representation to secure a real voice in their workplace to build better lives for themselves and their families. In the absence of labor union democracy, labor-management transparency, and labor union financial security, workers would be poorly positioned to have a meaningful say in their workplace. With these protections, labor unions are strong, can provide workers *a voice in the workplace*, and can help achieve the vision of “*good jobs for everyone.*”

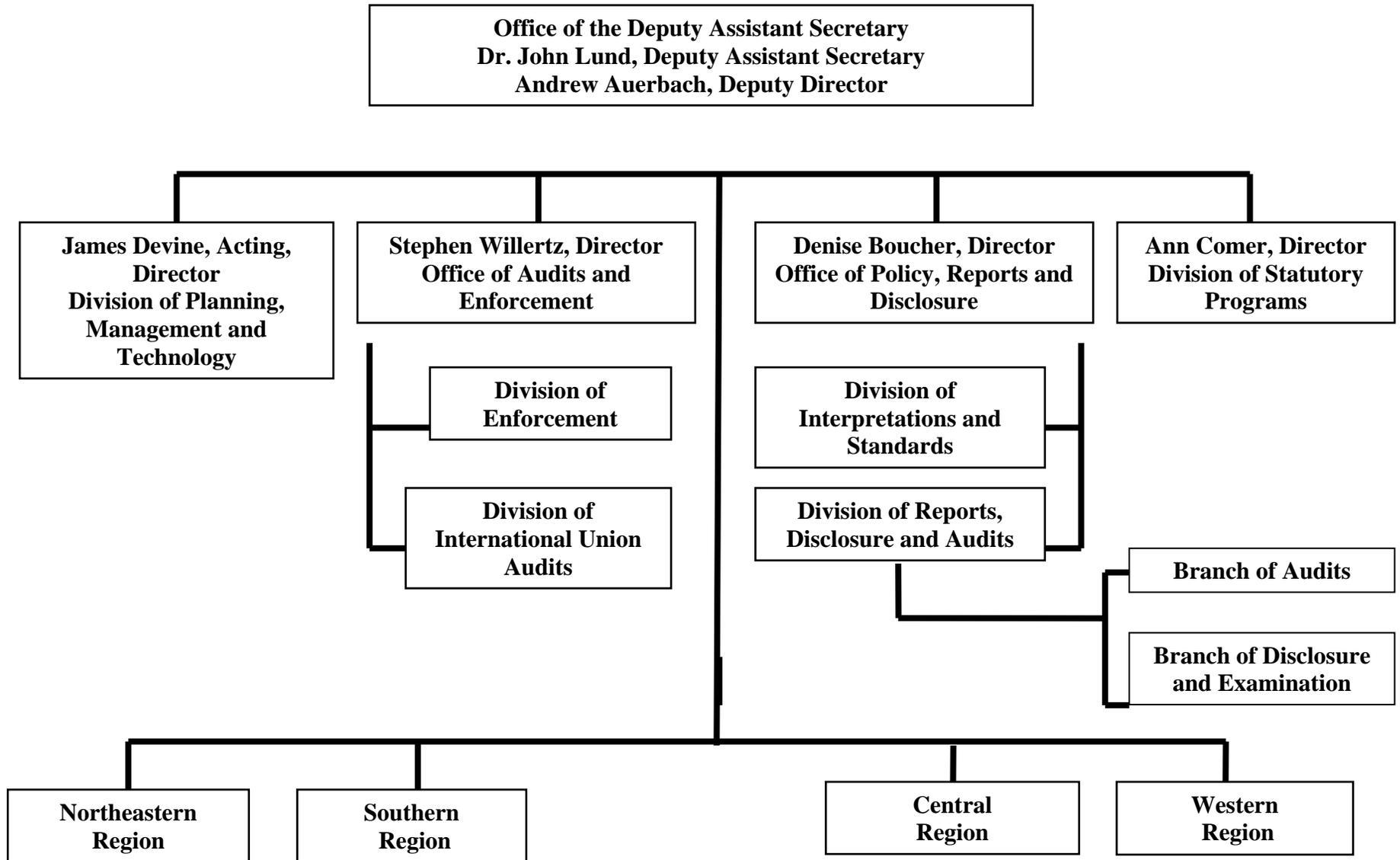
### Cost Model

Office of Labor-Management Standards requests a total of \$45,181,000, an increase of \$3,841,000 over the FY 2010 Enacted level. The FY 2011 request includes increases for built-in costs, eLORS modernization, and program direction and support funds previously appropriated to the now disbanded Employment Standards Administration. The funding request will enable OLMS to modernize the aging Electronic Labor Organization Reporting System (e.LORS) system and to continue its core mission.



**OFFICE OF LABOR-MANAGEMENT STANDARDS**

**Office of Labor-Management Standards**





## OFFICE OF LABOR-MANAGEMENT STANDARDS

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>							
(Dollars in Thousands)							
	<b>FY 2009 Comparable</b>	<b>Recovery Act</b>	<b>FY 2010 Enacted</b>	<b>FY 2010 Estimate</b>	<b>Diff. FY 09 Comp. / FY 10 Est</b>	<b>FY 2011 Request</b>	<b>Diff. FY 10 Est. / FY 11 Req.</b>
<b>Activity Appropriation</b>	<b>45,726</b>	<b>470</b>	<b>40,557</b>	<b>41,367</b>	<b>-4,359</b>	<b>45,181</b>	<b>3,814</b>
FTE	295	1	266	269	-26	269	0

NOTE: FY 2009 reflects actual FTE. Authorized FTE for FY 2009 was 298

### Introduction

The Office of Labor-Management Standards (OLMS) administers the Labor-Management Reporting and Disclosure Act (LMRDA), and related laws. These laws primarily establish safeguards for union democracy and union financial integrity and require public disclosure reporting by unions, union officers, union employees, employers, labor consultants and surety companies. The LMRDA applies to private sector labor unions, although similar standards apply to unions representing Federal employees. OLMS’ programs also include ensuring the reporting and disclosure of reports filed by labor unions on their financial condition and operations, which increase financial transparency, as well as reports by union officers, union employees, employers, labor consultants and surety companies. OLMS also investigates possible criminal and civil violations of the LMRDA involving embezzlement, bonding, illegal loans to union officers and employees, trusteeships, and other matters. Finally, OLMS offers a compliance assistance program, which provides education for union officers and members in the union-democracy, financial-integrity, and financial-transparency requirements.

OLMS also administers employee protections under various Federally-sponsored transportation programs that require 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 OLMS before Federal funds can be released to grantees.

The work of OLMS supports the Secretary’s vision of “Good Jobs for Everyone” by advancing the outcome goal of ensuring that workers have a “voice in the workplace.” Throughout the 20<sup>th</sup> and into the 21<sup>st</sup> century, American unions have provided American workers with protections in the workplace and contributed to the passage of legislation providing safe and healthy workplaces, access to a secure retirement, and the opportunity for workers to obtain training and skills and to build a better life.

OLMS’ agency request level directly contributes to the accomplishment of the outcome goal “voice in the workplace” and, thereby, the realization of the vision of “good jobs for everyone.” It does so by modernizing an information technology system critical to case processing and financial transparency. OLMS’ performance measures – which concern conducting fewer but more productive audits, hastening resolution of disputes over elections of union officers, and making public information more quickly available to the public – are intended to provide concrete indicia of success in accomplishing the outcome goal of ensuring workers have a “voice in the workplace.”

# OFFICE OF LABOR-MANAGEMENT STANDARDS

## Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2006	45,737	384
2007	47,753	313
2008	44,938	317
2009	45,726	298
2010	41,367	269

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

## FY 2011

For FY 2011, OLMS requests \$45,181,000. In carrying out its LMRDA responsibilities, OLMS is responsible for four functions: 1) reporting/disclosure, 2) union financial integrity, 3) union democracy and 4) employee protections. The reporting and disclosure function entails the receipt, maintenance, and public disclosure of reports required of labor organizations, employers, labor relations consultants, and others. The union financial integrity function entails investigations and audits designed to detect and deter fraud and embezzlement. The union democracy function consists of investigations of labor union officer elections, and the supervised rerun of elections that do not meet democratic standards. The employee protection function involves issuing written certifications to the Federal Transit Administration that fair and equitable arrangements protecting mass transit employees are in place, permitting the release of federal transit grant funds. Compliance assistance is an integral component of each of these program functions. The FY2011 budget request will provide the necessary FTE to conduct these investigations, audits, certifications, and compliance assistant tasks, as shown in the workload summary.

In addition, the FY2011 budget request will support improvements to the IT system OLMS relies on for receiving, maintaining, and publicly disclosing reports. The Electronic Labor Organization Reporting System (e.LORS) is the major OLMS information technology system and comprises various applications essential to administering the reporting and public disclosure program and applications that support agency field office operations and OLMS enforcement programs. Each year, over 25,000 reports are filed with OLMS that must be processed through e.LORS, and be made searchable and publicly available via online access. These reports and the data they contain are used on a daily basis by members of the public and OLMS to support civil and criminal investigations, training, and voluntary compliance assistance.

Currently OLMS has 12 public use forms, of which only three are available for electronic submission. The planned enhancements to the e.LORS system will migrate the remaining forms to a web-based format, thus allowing them to be submitted electronically and available for online use. The modernized system will also include an expanded reporting feature that would allow OLMS staff better access to public data and internal case data. System modifications and improvements are expected to be completed by FY2013, at an estimated cost of \$2.5 million. OLMS estimates that these improvements will save the agency \$4 million over a five-year period. Specifically, savings will be realized by eliminating ½ FTE currently devoted to

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processing paper reports and ½ FTE devoted to investigating delinquent and deficient report. Other substantial savings will include the elimination of expenses for outside contractors to maintain the existing system, scan paper documents, and develop report queries.

These planned enhancements to the e.LORS system will have a direct effect on the ability of filers to submit their reports to OLMS electronically, a key measure of performance. OLMS is expected to increase the percentage of reports filed electronically from 17.4 percent in 2008 to 50 percent in 2016, a level that will contribute to a significant increase in transparency. The project will also support a performance measure introduced in 2009 that tracks the average number of days elapsed for union election cases' resolution. An internal study of election cases indicated that the average election case required 92 days to resolve; about 50 percent longer than the 60-days deadline set forth in the LMRDA. To reduce this timeframe, OLMS targets sources of delay, such as waivers requesting extensions beyond the deadline. Under the current e.LORS system there is no method of tracking the data needed for this performance measure. The system will be modified to permit the tracking and reporting of these data. This will ensure accuracy in measurement and make the information rapidly available to OLMS investigators, enabling them to focus and fine tune their case management activities to advance the goal of rapid election case resolution.

For FY 2011, OLMS will eliminate from its organizational structure and operating plan a unit dedicated to audits of international unions. Overhead, including office rental expenses, associated with this function is being eliminated in FY 2009. OLMS has determined that these expenses, which resulted in seven or eight audits on average per year, will be better used in core mission work. Savings will be applied to maintaining FTE levels in OLMS' core mission, compliance assistance and enforcement of employer/consultant reporting.

### **FY 2010**

After the reprogramming of funds formerly provided for program direction in support in the eliminated Employment Standards Administration, the OLMS FY 2010 funding level was \$41,367,000, and 269 FTE. At this level, OLMS expects to accomplish core program work and continue to advance the employee protections programs and the mission of the LMRDA.

In FY 2010, OLMS will reduce its compliance audit program. In 2008, OLMS completed 791 compliance audits of local unions and seven compliance audits of national and international unions. In FY 2009, OLMS completed 754 compliance audits of local unions and eight compliance audits of national and international unions. For FY 2010, OLMS projects 200 compliance audits of local unions and four audits of national and international unions. Despite fewer audits, OLMS enforcement program will remain viable and effective. Although fewer audits will be conducted, more effective targeting techniques will be developed and applied in selecting the organizations to be audited. OLMS expects costs will decrease while enforcement numbers remain high.

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## FY 2009

For FY 2009, OLMS was appropriated \$45,726,000 and 298 FTE to continue core program work in support of the LMRDA and employee protections programs. At this level, OLMS accomplished its core program work and advanced the employee protections programs and the mission of the LMRDA. In FY 2009, OLMS processed 29,053 reports for public disclosure and conducted 746 local union compliance audits, 8 international union compliance audits, 129 union officer election investigations, 32 union officer rerun elections, 404 criminal investigations, and 598 compliance assistance sessions.

In FY 2009, in preparation for reduced funding in FY 2010, OLMS transferred 20 employees to other organizations within the Department of Labor (DOL), extended priority consideration in hiring to each employee, extended early retirement authority, and offered voluntary severance incentive program payments to the majority of its employees.

As demonstrated by prior results, OLMS had achieved consistently high performance in its three now discontinued measurement areas. Data from OLMS' Compliance Audit Program (CAP) indicated that 93% of unions randomly audited had no indicators of fraud. This is comparison to reports indicating that 10% of corporations were victims of fraud in any one year. Similarly, efforts to ensure that union elections were held in a democratic manner as per LMRDA guidelines and that union financial reports were submitted in agreement with acceptable reporting standards also indicate that future efforts in these areas would yield little further improvement due to achievement of conformance rates over 90%. As a result of these high achievement levels, in 2008, OLMS began developing strategies to achieve success under three new performance goals, beginning with the establishment of baselines for the measures. Starting in 2009, OLMS established three new performance goals that more narrowly focus on key program processes.

## Recovery Act Update

The Recovery Act appropriated \$8.4 billion to the Federal Transit Administration (FTA) for assistance to states and municipalities for capital and operating expenditures on public transit systems. These funds have a "use-it-or-lose-it" condition placed on them to ensure that they are obligated promptly. Grantees were required to obligate at least 50 percent of the funds by September 1, 2009. If a grantee failed to do so, the Act provided for forfeiture and redistribution of 50 percent of the uncommitted funds. OLMS must certify for these funds that fair and equitable labor protective provisions are in place to protect the interests of employees affected by the Recovery Act grants. The FTA cannot award funds without prior OLMS certification.

To meet this workload, the Department transferred to OLMS \$280,000 in FY 2009 and \$190,000 in FY 2010 from funds appropriated to the Departmental Management account in the Recovery Act. OLMS received 764 Recovery Act grants and certified 100 percent of those covered by the use-it-or-lose-it provisions by the September 1, 2009 deadline. By timely certifying these 755 grants, OLMS ensured that no transit project lost Recovery Act funding. Although OLMS ordinarily adheres to the 60-day processing period contained in its guidelines, it set a 45-day goal for processing Recovery Act grants. However, OLMS far exceeded its goal, achieving an

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average processing time of approximately 14 days. The second phase of Recovery Act funding requires that 100% of the funds be obligated by March 5, 2010. OLMS will continue to ensure that grants for the rest of the FTA program are processed in a timely manner and provide requisite protections to employees against adverse impacts as a result of Federal assistance.

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<b>WORKLOAD SUMMARY</b>				
	<b>FY 2009</b>		<b>FY 2010</b>	<b>FY 2011</b>
	<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>
<b>Office of Labor-Management Standards</b>				
Criminal Investigations	390	404	354	354
International Compliance Audits	7	8	4	
Compliance Audits	650	746	200	200
Reports Processed	35,000	29,053	35,000	35,000
Delinquent Report Investigations	2,000	2,596	2,000	2,000
Deficient Report Investigations	700	749	700	650
Union Officer-Employee/Employer/Consultant Report Investigations	100	60	100	100
Election Investigations	130	128	130	130
Supervised Elections	35	32	35	35
Trusteeship Investigations	12	14	12	15
Basic Investigations	80	103	80	80
LMRDA Compliance Assistance	725	598	700	700
Employee Protections Certifications	2,400	2,750	2,400	2,400
Claims Arbitrated	5		5	5

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

Investigation of union officer 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. Other reports must be filed by union officers, union employees, employers, labor consultants and surety companies. OLMS operates an electronic reporting system for LMRDA reports and an Internet-based public disclosure system that provides public access to information from filed reports.

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 website, [www.dol.gov/olms](http://www.dol.gov/olms).

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## PERFORMANCE INDICATORS

### Office of Labor-Management Standards Performance Outcome Goal – Voice in the Workplace

OLMS contributes to the Department of Labor’s strategic vision 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, union officers, union employees, employers, labor consultants and surety companies and others, establishes standards for union officer elections, and imposes criminal sanctions for embezzlement, false reporting, and other criminal activities.

OLMS intends to broaden the types of forms represented by its electronic filing performance indicator. This is consistent with FY 2011 plans to expand electronic filing to all LMRDA required reports and to further support the Secretary’s strategic vision “*good jobs for everyone.*”, As a result, the performance indicator target for this measure will be modified to include the additional reports, resulting in a small decrease in the initial targets. These performance measures – which concern conducting fewer but more targeted audits, hastening resolution of disputes over elections of union officers, and making public information more quickly available to the public – provide concrete indicia of success in accomplishing the outcome goal of ensuring workers have a *voice in the workplace.*

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. 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. OLMS plans to identify efficiencies in its work flows that will enable the Agency to mitigate the effects of budget restrictions and allow the Agency to work more effectively. The attention to program management is expected to allow OLMS to meet its stated goals. OLMS will continue to address its core responsibilities as delineated by its performance measures and will shift resources as needs arise. For a fuller explanation, please see the discussion of performance measures under FY 2009 in the Budget section.

Note: To align OLMS’ goals more closely with the Secretary’s vision of “good jobs for everyone,” OLMS has discontinued the “percent of unions filing electronically” indicator and has substituted for it a “percent of reports filed electronically” indicator. In essence, instead of measuring electronic filing of reports filed by labor unions, OLMS will measure electronic filings of all reports, including labor union, employer, consultant, surety company and other reports. To do so, OLMS has calculated a baseline using FY2008 data, showing that 17.4% of all public information reports were filed electronically in that year. For FY2010, OLMS aims to increase the percentage to 18.5%. This substitutes a limited goal with a more ambitious one, resulting in greater transparency of more data, benefiting all users of OLMS’ public disclosure site.

	FY 2006		FY 2007		FY 2008		FY 2009		FY 2010	FY 2011
	Goal Achieved		Goal Achieved		Goal Not Achieved		Goal Achieved			
Performance Indicator	Target	Result	Target	Result	Target	Result	Target	Result	Target	Target
Percent of unions	8%	8%	7.5%	7%	7%	7.6%	Discontinued			

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with fraud										
Percent of unions in compliance with LMRDA standards for democratic union elections	Baseline	92%	92.5%	92.3%	92%	91.3%	Discontinued			
Percent of union reports meeting standards of acceptability	96%	93%	97%	95%	97%	95%	Discontinued			
Number of “persuader” LM-10 and LM-20 reports received									Establish Baseline*	+15%
Percent of audits resulting in a criminal investigation	N/A	N/A	N/A	N/A	Baseline 11.5%	N/A	12%	12.1%	12.5%	13%
Number of days to resolve union officer election complaints	N/A	N/A	N/A	N/A	Baseline 92 days	N/A	88 days	70 days**	84 days	80 days
Percent of unions filing electronically	N/A	N/A	N/A	N/A	Baseline 20%	N/A	20.5%	20.9%	Discontinued	Discontinued
Percent of disclosure reports filed electronically	N/A	N/A	N/A	N/A	Baseline 17.4%	N/A	N/A	N/A	18.5%	19.5%
<p>* OLMS originally proposed to include only LM-20 reports in this count. Further review indicated that LM-10 reports may also be under-filed. As a result, OLMS expanded this goal to include LM-10 reports required of persuaders. Because LM-10 reports may be required of other entities who may not be considered “persuaders” verification of the actual number of persuaders filing LM-10s must be completed by reviewing each individual LM-10, thus extending the time necessary to compile a baseline for this measure.</p> <p>** Historically, OLMS has handled an average of 5 to 6 election cases annually that require considerable investigation, protracted settlement negotiations, and resultant delays that have significantly increased the average completion time across all election cases. While OLMS is endeavoring to reduce the length of time taken to investigate and close these cases, the Agency believes that these types of cases will persist in presenting themselves. In 2009, however, OLMS experienced only one of these extended cases, which case remains open and thus is not included in the average. The avoidance of extended cases artificially reduced the average days per election case and OLMS believes that the Agency will again experience a number of these cases in 2010 and beyond.</p>										

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<b>BUDGET ACTIVITY BY OBJECT CLASS</b>						
(Dollars in Thousands)						
		<b>FY 2009 Comparable</b>	<b>Recovery Act</b>	<b>FY 2010 Estimate</b>	<b>FY 2011 Request</b>	<b>Change FY 11 Req. / FY 10 Est.</b>
11.1	Full-time permanent	24,502	171	21,080	21,280	200
11.3	Other than full-time permanent	845	244	862	862	0
11.5	Other personnel compensation	772	0	728	728	0
11.9	<b>Total personnel compensation</b>	<b>26,119</b>	<b>415</b>	<b>22,670</b>	<b>22,870</b>	<b>200</b>
12.1	Civilian personnel benefits	8,134	55	6,865	6,923	58
21.0	Travel and transportation of persons	816	0	805	1,031	226
22.0	Transportation of things	6	0	0	0	0
23.1	Rental payments to GSA	3,022	0	3,039	3,039	0
23.2	Rental payments to others	59	0	59	59	0
23.3	Communications, utilities, and miscellaneous charges	304	0	307	307	0
24.0	Printing and reproduction	61	0	61	61	0
25.2	Other services	433	0	435	435	0
25.3	Other purchases of goods and services from Government accounts 1/	3,337	0	3,679	4,509	830
25.4	Operation and maintenance of facilities	1	0	1	1	0
25.7	Operation and maintenance of equipment	3,254	0	3,266	5,766	2,500
26.0	Supplies and materials	90	0	90	90	0
31.0	Equipment	90	0	90	90	0
	<b>Total</b>	<b>45,726</b>	<b>470</b>	<b>41,367</b>	<b>45,181</b>	<b>3,814</b>
1/Other Purchases of Goods and Services From Government Accounts						
	Services by Other Government Departments	188	0	190	190	0
	Working Capital Fund	2,906	0	3,243	4,073	830
	DHS Services	180	0	183	183	0
	Services by DOL Agencies	63	0	63	63	0

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## CHANGES IN FY 2011

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments	\$200
Personnel benefits	48
Employee health benefits	10
Travel and transportation of persons	226
Other government accounts (Working Capital Fund)	830

**Built-Ins Subtotal** **1,314**

**Net Program** **2,500**

	<b>Estimate</b>	<b>FTE</b>
<b>Base</b>	<b>42,681</b>	<b>269</b>
<b>Program Increase</b>	<b>2,500</b>	<b>0</b>