

FY 2020

CONGRESSIONAL BUDGET JUSTIFICATION

**OFFICE OF FEDERAL CONTRACT COMPLIANCE
PROGRAMS**

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OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

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OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

APPROPRIATION LANGUAGE

SALARIES AND EXPENSES

For necessary expenses for the Office of Federal Contract Compliance Programs,
[\$103,476,000] \$103,576,000.

(Department of Labor Appropriations Act, 2019.)

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2018 Enacted		FY 2019 Enacted		FY 2020 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	514	\$103,476	500	\$103,476	500	\$103,576
<i>Subtotal Appropriation</i>	<i>514</i>	<i>\$103,476</i>	<i>500</i>	<i>\$103,476</i>	<i>500</i>	<i>\$103,576</i>
Transfer to ETA FLC (Pursuant to P.L. 115-141)	0	-\$1,000	0	\$0	0	\$0
B. Gross Budget Authority Before Committee	514	\$102,476	500	\$103,476	500	\$103,576
Transfer to ETA FLC (Pursuant to P.L. 115-141)	0	\$1,000	0	\$0	0	\$0
C. Budget Authority Before Committee	514	\$103,476	500	\$103,476	500	\$103,576
Transfer to ETA FLC (Pursuant to P.L. 115-141)	0	-\$1,000	0	\$0	0	\$0
D. Total Budgetary Resources	514	\$102,476	500	\$103,476	500	\$103,576
FTE and Unobligated Balance Expiring	-6	-\$567	0	\$0	0	\$0
E. Total, Estimated Obligations	508	\$101,909	500	\$103,476	500	\$103,576

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SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2019 Enacted	FY 2020 Request	Net Change
Budget Authority			
General Funds	\$103,476	\$103,576	+\$100
Total	\$103,476	\$103,576	+\$100
 Full Time Equivalents			
General Funds	500	500	0
Total	500	500	0

Explanation of Change	FY 2020 Change							
	FY 2019 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Costs of pay adjustments	500	\$51,470	0	\$0	0	\$0	0	\$0
Personnel benefits	0	\$0	0	\$0	0	\$0	0	\$0
Employee health benefits	0	\$16,810	0	\$0	0	\$0	0	\$0
Moving allowance	0	\$0	0	\$0	0	\$0	0	\$0
One day more of pay	0	\$0	0	\$0	0	\$259	0	\$259
Federal Employees' Compensation Act (FECA)	0	\$175	0	\$0	0	\$67	0	\$67
Benefits for former personnel	0	\$125	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$1,000	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$4	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$6,021	0	\$0	0	\$0	0	\$0
Rental payments to others	0	\$2	0	\$0	0	\$0	0	\$0
Communications, utilities, and miscellaneous charges	0	\$300	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$35	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$725	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$2,080	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$0	0	\$0	0	\$0	0	\$0
Other Federal sources (DHS Charges)	0	\$700	0	\$0	0	\$0	0	\$0
Other goods and services from Federal sources	0	\$0	0	\$0	0	\$0	0	\$0
Research & Development Contracts	0	\$0	0	\$0	0	\$0	0	\$0
Operation and maintenance of facilities	0	\$157	0	\$0	0	\$0	0	\$0
Operation and maintenance of equipment	0	\$7,246	0	\$0	0	\$0	0	\$0
Supplies and materials	0	\$0	0	\$0	0	\$0	0	\$0

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FY 2020 Change

Explanation of Change	FY 2019 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Equipment	0	\$0	0	\$0	0	\$0	0	\$0
Grants, subsidies, and contributions	0	\$0	0	\$0	0	\$0	0	\$0
Insurance claims and indemnities	0	\$10	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	500	+\$86,860	0	\$0	0	+\$326	0	+\$326
B. Programs:								
WCF - Worker Protection IT								
Modernization Efforts	0	\$0	0	\$0	0	\$2,500	0	\$2,500
Programs Subtotal			0	\$0	0	+\$2,500	0	+\$2,500
Total Increase	500	+\$86,860	0	\$0	0	+\$2,826	0	+\$2,826
Decreases:								
A. Built-Ins:								
To Provide For:								
Working Capital Fund	0	\$15,706	0	\$0	0	-\$275	0	-\$275
Supplies and materials	0	\$442	0	\$0	0	-\$2	0	-\$2
Equipment	0	\$468	0	\$0	0	-\$49	0	-\$49
Built-Ins Subtotal	0	+\$16,616	0	\$0	0	-\$326	0	-\$326
B. Programs:								
Operational Efficiencies	0	\$0	0	\$0	0	-\$2,400	0	-\$2,400
Programs Subtotal			0	\$0	0	-\$2,400	0	-\$2,400
Total Decrease	0	+\$16,616	0	\$0	0	-\$2,726	0	-\$2,726
Total Change	500	+\$103,476	0	\$0	0	+\$100	0	+\$100

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SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY (Dollars in Thousands)								
	FY 2018 Enacted		FY 2019 Enacted		FY 2020 Request		Diff. FY20 Request / FY19 Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Office of Federal Contract Compliance Programs	508	103,476	500	103,476	500	103,576	0	100
General Funds	508	103,476	500	103,476	500	103,576	0	100
Total	508	103,476	500	103,476	500	103,576	0	100
General Funds	508	103,476	500	103,476	500	103,576	0	100

NOTE: 2018 reflects actual FTE.

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BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2018 Enacted	FY 2019 Enacted	FY 2020 Request	Diff. FY20 Request / FY19 Enacted
	Full-Time Equivalent				
	Full-time Permanent	514	500	500	0
	Total	514	500	500	0
	Average ES Salary	\$182,818	\$182,218	\$190,527	\$8,309
	Average GM/GS Grade	12	12	12	0
	Average GM/GS Salary	\$92,737	\$98,793	\$101,362	\$2,569
11.1	Full-time permanent	51,374	50,842	51,101	259
11.3	Other than full-time permanent	44	0	0	0
11.5	Other personnel compensation	628	628	628	0
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	52,046	51,470	51,729	259
12.1	Civilian personnel benefits	17,092	16,985	17,052	67
13.0	Benefits for former personnel	125	125	130	5
21.0	Travel and transportation of persons	550	1,000	1,010	10
22.0	Transportation of things	4	4	5	1
23.1	Rental payments to GSA	6,057	6,021	6,021	0
23.2	Rental payments to others	2	2	2	0
23.3	Communications, utilities, and miscellaneous charges	300	300	310	10
24.0	Printing and reproduction	35	35	40	5
25.1	Advisory and assistance services	438	725	735	10
25.2	Other services from non-Federal sources	2,339	2,080	2,090	10
25.3	Other goods and services from Federal sources 1/	14,395	16,406	16,141	-265
25.4	Operation and maintenance of facilities	157	157	157	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	9,313	7,246	7,255	9
26.0	Supplies and materials	281	442	448	6
31.0	Equipment	339	468	426	-42
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	3	10	25	15
	Total	103,476	103,476	103,576	100
	1/Other goods and services from Federal sources				
	Working Capital Fund	13,689	15,706	15,431	-275
	DHS Services	706	700	710	10

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AUTHORIZING STATUTES

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

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APPROPRIATION HISTORY					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2010					
Base Appropriation...1/	\$109,521	\$101,521	\$107,021	\$104,976	788
2011					
Base Appropriation	\$113,433			\$105,386	775
2012					
Base Appropriation	\$109,010			\$105,187	755
2013					
Base Appropriation...2/	\$106,415			\$99,685	729
2014					
Base Appropriation...3/	\$108,467			\$104,976	683
2015					
Base Appropriation	\$107,903			\$106,476	621
2016					
Base Appropriation...4/	\$113,687	\$100,500	\$96,000	\$105,476	615
2017					
Base Appropriation	\$114,169			\$104,476	556
2018					
Base Appropriation	\$88,000	\$94,500		\$103,476	514
2019					
Base Appropriation...5/	\$91,100		\$103,476	\$103,476	500
2020					
Base Appropriation	\$103,576				500

1/ Fiscal Year (FY) 2010 amount reflects reallocated funds from the dissolution of the Employment Standards Administration's Program Direction and Support.

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

3/ The appropriation amount should reflect the amounts passed as part of P.L. 113-76, which did not include any rescissions.

4/ Full Time Equivalent (FTE) shown represent a lowered FTE expectation due to the reallocation of resources to non-staff activities beginning in late FY 2014.

5/ This bill was passed by the Senate. It was passed out of the House Subcommittee but was not reported out of the House Committee or by the full House.

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OVERVIEW

Introduction

The Department of Labor's (DOL) Office of Federal Contract Compliance Programs (OFCCP) examines the employment practices of federal contractors and subcontractors to determine whether they comply with the non-discrimination requirement and provide equal employment opportunity through affirmative action under three legal authorities.¹ OFCCP's mission aligns with DOL's Strategic Goal 2 of "Promote Safe Jobs and Fair Workplaces for All Americans." More specifically, OFCCP's work in FY 2019 contributes to Strategic Objective 2.5 of "Promote fair and diverse workplaces for America's federal contractor employees."

OFCCP administers and enforces three equal employment opportunity laws: Executive Order 11246, as amended (Executive Order); Section 503 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 793 (Section 503); and the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, 38 U.S.C. 4212 (VEVRAA). Collectively, these laws make it illegal for contractors and subcontractors doing business with the federal government to discriminate in employment because of race, color, religion, sex, sexual orientation, gender identity, national origin, disability, or status as a protected veteran. In addition, contractors and subcontractors are prohibited from discriminating against applicants or employees because they inquire about, discuss, or disclose their compensation or that of others, subject to certain limitations.

OFCCP is requesting \$103,576,000 and 500 FTE for FY 2020. The request includes a program increase of \$2,500,000 to fund the Worker Protection IT Modernization efforts. These financial resources will provide for the full agency deployment of the modernized Case Management System (CMS) initiated in FY 2018. This CMS modernization initiative will bring operational efficiencies to conducting compliance evaluations, consistency in case processing, and real time monitoring of performance and improvement in data quality across all field offices. The funding request will also enable OFCCP to align with the following goals associated with the President's Management Agenda and IT Modernization Plan:

- **People: Workforce for the 21st Century** - Emphasizing efficiency, productivity and accountability throughout the organization.
- **Improving Customer Experience** - Expanding contractor education and compliance assistance using modern and streamlined processes.
- **Accountability for Performance** - Standing up an accredited training and certification program to develop the agency's compliance staff through skills-based training and continuing education.

¹ Executive Order 11246, Sept. 24, 1965, 30 FR 12319, 12935, 3 CFR, 1964-1965, Comp., p. 339, as amended; Section 503 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 793, (Section 503); and the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, 38 U.S.C. 4212.

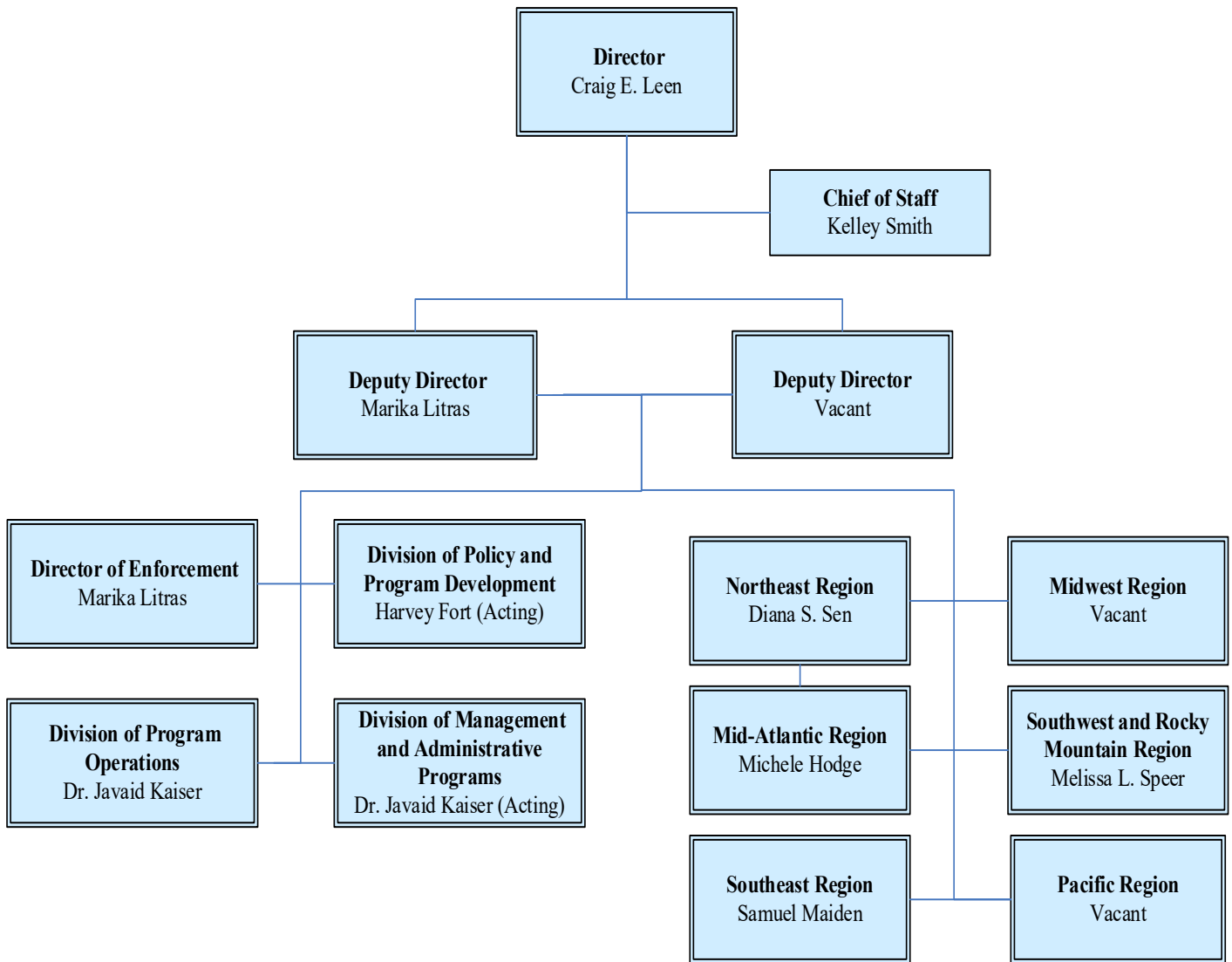
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- **Data, Accountability, and Transparency** – Improving the quantity and quality of the data used for decision-making and performance management.

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Federal Contractor and Equal Employment Opportunity Standards Enforcement Staffing Chart

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



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BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2018 Enacted	FY 2019 Enacted	FY 2020 Request	Diff. FY20 Request / FY19 Enacted
Activity Appropriation	103,476	103,476	103,576	100
FTE	508	500	500	0

NOTE: FY 2018 reflects actual FTE. Authorized FTE for FY 2018 was 514.

Introduction

OFCCP’s FY 2020 priorities support the agency’s efforts to enforce the law, protect workers, and promote diversity in contractor workplaces that fall under OFCCP’s jurisdiction. OFCCP currently has jurisdiction over approximately 120,000 contractor establishments and 20,000 firms or parent companies. Due to the large size of the contractor population, OFCCP only performs compliance evaluations on a portion of establishments annually.

In FY 2020, OFCCP will enforce its applicable laws (Executive Order, Section 503, and VEVRAA) in the following ways:

- Emphasizing systemic and high-impact compliance evaluations that reach the broadest numbers of workers
- Protecting workers by delivering quality compliance assistance that aids contractors in meeting their legal requirements and preventing violations before they occur, and
- Promoting diversity in innovative ways, including recognition and incentive programs that highlight high-performing contractors that model best practices and encourage contractor compliance.

To achieve these goals, OFCCP follows four principles that support a broad compliance strategy and promote compliance across the entire contractor community: (1) *certainty* through clear guidance and ensuring that contractors know how to comply; (2) *efficiency* in compliance evaluations and improvements in information technology and other systems; (3) *recognition* of contractors with innovative and successful equal employment opportunity programs who can serve as mentors to their peers; and, (4) *transparency* in mission, policies, and practices.

Many of the strategies and initiatives implementing these priorities also address recommendations contained in the 2016 GAO report, *Strengthening Oversight Could Improve Federal Contractor Nondiscrimination Compliance*.² Others contribute to the agency addressing GAO recommendations in the November 2017 report titled *Diversity in the Technology Sector: Federal Agencies Could Improve Oversight of Equal Employment Opportunity Requirements*.³

² Government Accountability Office, *Strengthening Oversight Could Improve Federal Contractor Nondiscrimination Compliance*, GAO-16-750, Sept. 22, 2016 at <https://www.gao.gov/products/GAO-16-750> (last accessed Feb. 1, 2017).

³ Government Accountability Office, *Diversity in the Technology Sector: Federal Agencies Could Improve Oversight of Equal Employment Opportunity Requirements*, GAO-18-69, Nov 16, 2017 at <https://www.gao.gov/products/GAO-18-69> (last accessed Feb. 1, 2018).

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Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2015	\$106,476	621
2016	\$105,476	615
2017	\$104,476	556
2018	\$103,476	514
2019	\$103,476	500

FY 2020

The FY 2020 OFCCP funding request is \$103,576,000 and 500 FTE. This funding level will provide OFCCP with the resources necessary to build upon work initiated in FY 2019 and FY 2018 to ensure comprehensive contractor compliance with OFCCP requirements; provide innovative compliance assistance to contractors; invest in staff development and performance accountability; and improve agency data quality, efficiency and effectiveness through the deployment of various information technology modernization initiatives.

In FY 2020, OFCCP is requesting \$2,500,000 to support the Department's Worker Protection Agencies' IT Modernization efforts. In total, the Department is requesting \$20,000,000 for this initiative with resources requested in the following appropriations: Employee Benefits Security Administration, Office of Workers' Compensation Programs, Office of Federal Contract Compliance Programs, Office of Labor-Management Standards, Wage and Hour Division, Occupational Safety and Health Administration, Mine Safety and Health Administration, and the Office of the Solicitor in the Departmental Management appropriation. These resources will be managed by OCIO on behalf of the worker protection agencies and OCIO will work in collaboration with the worker protection agencies to determine the specific funding requirements and where funding can best support the Department's IT modernization efforts.

The requested funds will enable the agency to complete full agency deployment of the CMS, which will satisfy the President's Management Agenda IT Modernization Cross Agency Priority goal and the Modernizing Government Technology Act. In FY 2020, OFCCP will develop and implement the last phase of enhancements. They include electronic signature capability to streamline approval processes, optical character recognition functionality to convert scanned non-computer-readable documents into computer readable documents, mobile enhancement enabling remote staff the ability to conduct their work using mobile devices, development of a public portal which allows contractors to securely upload electronic documents to OFCCP, and capabilities for records and documents within the system to follow an automated, schedule-driven disposition management plan in accordance with National Archives and Records Administration requirements. These system enhancements will provide operational savings in regards to staff working more effectively, efficiently, securely, consistently and in a way that promotes real time staff collaboration and team work nationwide.

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External stakeholders will benefit from a transformative customer experience as a result of the system's modern and streamlined re-engineered business processes as it relates to contractor education and focused compliance assistance activities.

Comprehensive Contractor Compliance

In FY 2020, OFCCP will continue to maximize the use of its resources by focusing on quality, high-impact, systemic compliance evaluations⁴ that help the most workers, contain the potential to transform industry employment practices, and address the labor market's most egregious systemic discrimination problems. In FY 2018, OFCCP completed 812, or 29 percent fewer compliance evaluations than in FY 2017. These evaluations resulted in \$16.4 million in monetary remedies for applicants and employees subject to systemic employment discrimination in hiring, compensation, and other employment practices. This was the third highest year on record. Building on efforts initiated in FY 2018 and FY 2019 to maximize resource utilization in compliance evaluations, OFCCP also is making changes to its contractor scheduling list development process so the agency can focus on those contractors with the greatest risk of not following equal employment opportunity and affirmative action requirements.

Systemic Pay Discrimination

In FY 2020, OFCCP anticipates to continue its multi-year effort to identify and resolve systemic compensation discrimination in violation of Executive Order 11246. OFCCP has engaged in extensive training of compliance officers, equipped them with the tools to better investigate systemic pay discrimination and has built a robust program of technical assistance to educate staff in developing these cases. In FY 2018, OFCCP recovered over \$8 million in back pay and salary adjustments for pay discrimination cases. Thirty-one percent of the discrimination settlements in FY 2018 resolved systemic pay discrimination. In FY 2019, OFCCP anticipates improving the percentage and quality of systemic pay discrimination investigations by continuing to prioritize pay discrimination investigations as well as continue to develop staff capacity to identify and investigate systemic pay discrimination in a variety of industries and employment settings.

In FY 2020, OFCCP will continue to focus on systemic compensation cases where agency evaluations can have the greatest impact. Systemic cases provide remedies and allow for corrective policies and practices that benefit larger numbers of workers. Since systemic investigations place increased demands on compliance officers, OFCCP will continue building capacity through staff training and case consultation by specialized staff with expertise in conducting the complex data analyses necessary for evaluating pay practices. OFCCP anticipates about 40 percent of its discrimination conciliation agreements to address systemic pay discrimination by prioritizing review of pay-related employment practices including job

⁴ OFCCP's definition of systemic discrimination satisfies one of two criteria: (a) the case addresses a measurable pattern of discrimination (either based on findings from a regression analysis or based on any other aggregate statistical measure such as mean differences) or (b) the case addresses an identified practice applicable to multiple employees that results in pay discrimination (such as a practice of steering employees who are members of a protected class toward lower paying jobs at hire). There is no specific numeric threshold used to define a systemic case.

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steering due to sex and/or race stereotyping and systemic discrimination in job promotions. For the remaining cases, OFCCP will continue to identify and remedy employment discrimination in hiring, termination, and other employment practices.

Construction Compliance Assistance and Evaluations

In the area of construction, OFCCP will continue to focus compliance assistance and compliance evaluations on mega construction projects where OFCCP has the greatest potential to increase diversity and ensure that all construction trade workers are provided equal employment opportunity and are free from employment discrimination. OFCCP refers to construction projects as mega projects when they are valued at \$25 million or more, last more than one year and have the potential to make a positive economic difference in a community. At the requested FY 2020 funding level, OFCCP expects about 85 percent of construction compliance evaluations to be associated with mega construction projects.

To promote and facilitate compliance in the construction trades among smaller construction contractors, in FY 2020 OFCCP will implement the use of compliance checks to confirm compliance with their record keeping and other requirements. Through construction compliance checks, OFCCP can promote contractor self-audits and provide customized compliance assistance on these requirements.

Expanded Compliance Evaluation and Monitoring Options

Building on OFCCP's comprehensive compliance initiative launched in FY 2018 and implemented in FY 2019, OFCCP will seek to ensure compliance with equal employment opportunity and anti-discrimination regulations in all of its protected groups without increasing contractor burden. In addition to its neutrally scheduled full compliance reviews, in FY 2020, OFCCP will continue to conduct more narrowly tailored focused reviews of each of OFCCP legal authorities (Executive Order, Section 503 and VEVRAA) as well as compliance checks to ensure contractors are complying with the written Affirmative Action Program (AAP) and record keeping requirements. Focused reviews and compliance checks take less time than a full compliance review, which allows OFCCP to reach more contractors without an increase in burden.

Also, as a part of its comprehensive compliance initiative and in response to a GAO recommendation (GAO-16-750), OFCCP will implement a verification process, developed in FY 2019, to ensure that all covered federal contractors are meeting the most basic equal employment opportunity regulatory requirement. Specifically, the requirement regarding the preparation of written AAPs and annual updates to those programs. This helps American workers by ensuring that all covered federal contractors have AAPs, which results in enhanced equal employment opportunity, more contractor outreach to available workers, and a more diverse workforce.

Compliance Office Training and Education Deployment

In FY 2020, OFCCP will build upon the progress made in FY 2018 and FY 2019, and finalize the reforms to its training and education program. The reforms address the quality concerns raised in the 2016 GAO report (GAO-16-750) calling for several improvements in how the

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agency provides compliance assistance, including compliance officer and contractor training and education.

In FY 2019, OFCCP obtained third-party accreditation for its contractor and compliance officer training programs from the International Association for Continuing Education and Training (IACET). This organization is a non-profit association dedicated to ensuring quality continuing education and training programs. IACET is the only standard-setting organization approved by the American National Standards Institute (ANSI) for continuing education and training. The ANSI/IACET Standard is the core of thousands of educational programs worldwide. Obtaining certification should generally improve the quality of training provided to staff as it ensures that the training is developed following a structured process and consistently implemented and evaluated for continuous improvement.

Quality Contractor Compliance Assistance and Stakeholder Engagement

Taking steps to ensure that contractors know and understand their compliance obligations is essential. OFCCP's current approach and existing resources allow it to conduct compliance evaluations on a fraction of the contractor establishments that it currently oversees. To leverage its resources, and encourage compliance by the vast number of contractors that are not likely to be the subject of a compliance evaluation in any given year, OFCCP is placing greater emphasis on supporting contractors' compliance efforts through education programs and quality compliance assistance materials.

Expanded Stakeholder Engagement

In FY 2020, OFCCP plans to expand its stakeholder engagement efforts. Specifically, OFCCP will provide more Town Hall activities that are open to the general public. In FY 2019, OFCCP was able to engage with the legal community, the Native American and Indian community, the women's community, the communities of faith, the academic communities, and the technology communities. Town Halls held in the Pacific Northwest for the technology industry during FY 2019 gave OFCCP valuable insight into the issues and successes particular to the technological sector. These sessions provided important feedback from both contractor and employee advocate organizations. To stretch OFCCP's reach in FY 2020, Town Halls will focus on additional areas of industry and the community.

Added Components to Contractor Recognition Programs

In FY 2019, OFCCP implemented two contractor recognition programs:

- The Excellence in Disability Inclusion (EDI) Award, created in conjunction with DOL's Office of Disability Employment Policy (ODEP), recognized exemplary federal contractor establishments for their commitment to disability inclusion.

In FY 2020, OFCCP will implement a new mentoring program between the EDI Award winners and other federal contractors who wish to proactively improve programs and opportunities for individuals with disabilities at their organizations.

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- The Leadership in Equal Access and Diversity (LEAD) Award, which OFCCP partnered with DOL's Women's Bureau to recognize federal contractor establishments that go above and beyond in their non-discrimination and affirmative action practices.

In FY 2020, OFCCP and the Women's Bureau will conduct a study of the LEAD Award winners to highlight best federal contractor practices.

By recognizing best practices among federal contractors, OFCCP will not only be an evaluator, but a partner of the contractor community with the mutual goals of preventing discrimination and promoting diversity. These programs will provide an incentive for contractors to improve practices while encouraging goodwill between OFCCP and the Federal contractor community.

Contractor Proactive Compliance Incentive

In FY 2020, OFCCP plans to deploy its Voluntary Compliance Assistance Program (VCAP). In FY 2019, OFCCP developed VCAP to allow contractors the option to undergo a voluntary corporate-wide evaluation procedure. Upon successful completion of the evaluation and other program requirements, OFCCP will exempt the corporation from scheduling for compliance evaluations for a fixed term. The VCAP program allows OFCCP to more efficiently use its resources while ensuring compliance with the three OFCCP legal authorities.

Incentivized Contractor Training and Education

In FY 2020, OFCCP will offer rigorous training and education to contractors via training seminars. The seminars will cover developing affirmative action programs, effectively implementing outreach and recruitment activities, and conducting self-audits. Contractors that successfully complete the training and pass the final assessment will be granted a temporary exemption from scheduling for their establishment. This training program incentivizes contractor learning and supports proactive contractor compliance with their OFCCP requirements. Based on existing agency resources, this program could benefit between 1,500 to 3,000 contractors annually.

FY 2019

The FY 2019 enacted funding level is \$103,476,000 and 500 FTE. This funding level provided OFCCP with the resources necessary to focus on high-impact systemic compliance evaluations and continue implementing agency reforms that strengthen the contractor training and education to support voluntary compliance with their equal employment opportunity and nondiscrimination requirements.

In FY 2019, OFCCP continued its priorities of identifying and resolving systemic pay discrimination and providing compliance assistance on mega construction projects to connect qualified women, minorities, veterans, and individuals with disabilities to opportunities in construction, including through apprenticeship and pre-apprenticeship programs. OFCCP also improved its organizational efficiency and effectiveness through implementation of its new

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cloud-based CMS. In FY 2018, OFCCP embarked on a journey to modernize its legacy case management system into a paperless cloud-based system that would capture the entire business process of conducting compliance evaluations and complaint investigations. In FY 2019, OFCCP will deploy functionalities of the system integrating compliance assistance activities, mega construction projects, quality assurance processes, dashboards and reporting, construction notifications, and other activities that support case processing. OFCCP will complete full agency deployment of the system in FY 2020.

Streamlined Systemic Compliance Evaluations

In FY 2019, OFCCP's top compliance evaluation priority was to streamline desk audit procedures and increase focus on quality high-impact systemic compliance evaluations that address the labor market's most egregious systemic discrimination problems, help the largest number of workers, and have the potential to transform industry employment practices. OFCCP accomplished this by continuing to prioritize systemic pay discrimination to contribute to narrowing race and sex-based pay gaps and encouraging contractors to correct problems at a corporate-wide level.

Systemic Pay Discrimination

In FY 2019, OFCCP continued its multi-year effort to identify and resolve systemic compensation discrimination in violation of Executive Order 11246. Systemic cases provide remedies and allow for corrective policies and practices that benefit larger numbers of workers. OFCCP continued to engage in extensive training of compliance officers, equipping them with the tools to better investigate systemic pay discrimination and building a robust program of technical assistance to field staff in developing these cases. In FY 2018, OFCCP recovered over \$8 million in back pay and salary adjustments for pay discrimination cases. Over a third of the discrimination settlements in FY 2018 resolved systemic pay discrimination.

Compliance Assistance and Compliance Evaluations in Construction

In FY 2019, OFCCP conducted construction compliance evaluations and extensive compliance assistance to contractors working on large mega construction projects valued at \$25 million or more and at least one year in duration. For years, the construction sector has been an important source of skilled, middle-class jobs for millions of American workers.

To promote and facilitate compliance in the construction trades among smaller construction contractors, in FY 2019, OFCCP implemented the use of compliance checks to confirm compliance with record keeping requirements. Through construction compliance checks, OFCCP was able to reach more construction contractors, promote self-audits among smaller construction contractors, and provide customized compliance assistance on these requirements as necessary.

In FY 2019, OFCCP also deployed a public facing system for construction contracting officers, applicants, and contractors ("stakeholders") to submit construction award notifications online to OFCCP. Construction stakeholders are required to give written notice to OFCCP within 10

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working days of award of a construction contract or subcontract in excess of \$10,000. Stakeholders had submitted the notifications to OFCCP by regular mail, email, and fax. By implementing this system, stakeholders were given the option to submit notifications to OFCCP electronically. Thus, OFCCP reduced construction contractors' time and costs associated with this routine reporting activity.

Focus on Disability Inclusion in Employment

One of OFCCP's top priorities in FY 2019 was the advancement of employment opportunities for people with disabilities. Through focused reviews, contractor recognition programs, sharing of best practices, and stakeholder engagement, OFCCP strived to improve working conditions for individuals with disabilities. In FY 2019, OFCCP scheduled 500 Section 503-specific focused reviews to verify contractor compliance with affirmative action and nondiscrimination requirements. OFCCP committed to directing that a portion of the future scheduling list include focused reviews for each of the three legal authorities, including Section 503. These focused reviews also would allow for a review of contractor policies and practices related solely to Section 503 compliance to confirm that the contractor is complying with all their Section 503 requirements. In addition to implementing the EDI award, OFCCP also shared a best practice for leaders to demonstrate a company-wide commitment to workplace inclusion by posting an all staff video message and email from the agency's director supporting workplace inclusion at OFCCP on its website. Lastly, OFCCP engaged stakeholders from the disability community on an ongoing basis to gather feedback and identify opportunities for enhancing OFCCP's compliance assistance.

Greater Contractor Reach through Focused Reviews and Compliance Checks

Building on OFCCP's comprehensive compliance initiative launched in FY 2018, in FY 2019 OFCCP implemented focused reviews and compliance checks to the types of compliance evaluations for which a contractor could be neutrally scheduled by OFCCP. OFCCP implemented these two investigative methods to increase the number of compliance evaluations without increasing contractor burden. Through focused reviews, OFCCP promoted greater compliance with equal employment opportunity and anti-discrimination across all three OFCCP legal authorities (Executive Order, Section 503 and VEVRAA). Through compliance checks, OFCCP verified that contractors were complying with their written AAP and record keeping requirements, which are the cornerstone of proactive contractor compliance, and provided customized compliance assistance as necessary.

Improved Compliance Assistance, Contractor Training and Education

In FY 2019, OFCCP continued to build on its commitments made in the Town Hall Action Plan. Understanding that OFCCP's current approach and existing resources limits the agency's reach in terms of the number of contractors evaluated annually, OFCCP committed to support contractor compliance through education programs, meaningful compliance assistance materials and implementation of an Ombud Service.

Regional Contractor Training Pilot

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In FY 2019, OFCCP piloted its regional contractor training program. The training program provides contractors with the tools to fully develop and implement effective affirmative action programs. Contractors that successfully passed the training program received certification and a temporary exemption from OFCCP's neutral scheduling process. This training program was designed to incentivize learning and to support contractors' effort to comply with their obligations.

Improved Contractor Compliance Assistance Materials

Using existing Memoranda of Understanding, obtaining input provided through various stakeholder meetings and focus groups, and through its proposed contractor recognition program, OFCCP refined its existing compliance assistance materials. This included publishing four new technical assistance guides, updating nearly 300 "Frequently Asked Questions" related to compliance, and producing new brochures and pamphlets. The refinements included updating content, as well as identifying and developing new aids to deliver practical and useful information to support contractors and workers in understanding their responsibilities and rights.

Established the OFCCP Ombud Service

In FY 2019, OFCCP implemented the OFCCP Ombud Service to facilitate the fair and equitable resolution of specific types of concerns raised by OFCCP external stakeholders in coordination with regional and district offices. The OFCCP Ombud Service fits squarely within OFCCP's broader initiative to improve transparency in its compliance evaluation and compliance assistance activities. It brings an impartial and independent perspective to facilitate communication with external stakeholders on OFCCP matters, in collaboration with OFCCP regional and district offices, and ultimately improves the efficiency and effectiveness of internal OFCCP operations.

Centralized 1-800 Help Desk Operations

In FY 2019, OFCCP improved the compliance assistance provided to all stakeholders by routing all Help Desk requests to OFCCP's National Office. By routing all inquiries to the National Office, OFCCP improved response times to the public and allowed the agency to gather and document incoming questions and responses. The collection of questions and answers better enabled OFCCP to develop more frequently asked questions for its website. This centralized approach created more uniform and consistent responses for contractors and workers and created a reliable source of data for OFCCP.

Training and Education Program Accreditation

In FY 2019, OFCCP continued to reform its contractor and compliance officer training and education program. OFCCP obtained third-party accreditation for its compliance officer training program from the IACET. The accreditation allows OFCCP to provide training to its staff that is

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of a consistent and industry recognized high quality. All compliance officer training developed in FY 2019 followed OFCCP's standard operating procedure and was documented. Further, with the documentation, delivery of the training materials was consistent across all OFCCP regions.

Contractor Recognition Program Implementation

In FY 2019, OFCCP implemented two contractor recognition programs. The EDI Award, created in conjunction with ODEP, recognized exemplary federal contractor establishments for their commitment to disability inclusion. The LEAD Award, OFCCP partnered with the Women's Bureau, recognized federal contractor establishments that went above and beyond in their non-discrimination and affirmative action practices.

Contractor Online Community of Practice (COP)

In FY 2019, OFCCP implemented its online contractor community of practice. The site is a place where federal contractors come together to learn, share, and collaborate with each other and build solutions to common OFCCP compliance problems and challenges. OFCCP uses the platform to support the spread of successful strategies, create a new contractor knowledge base, and deliver compliance assistance. By participating in this interactive community, OFCCP gathers stakeholder input on challenges contractors face and input on how it can be helpful and responsive to contractors' needs. Contractors can post questions, comment on discussions, access special topic areas, collaborate with other contractors, and share best practices. In support of this initiative, OFCCP continues to review, reorganize, and update the content on its website to make it easily accessible when it is linked to this contractor community platform and directly from the DOL-OFCCP homepage.

FY 2018

The FY 2018 enacted funding level is \$103,476,000 and 514 FTE. In FY 2018, OFCCP maintained effective enforcement and planned outreach for workers and their employers to ensure that all workers are recruited, hired, promoted, retained, and compensated fairly and equitably by Federal contractors and subcontractors. Some highlights of FY 2018 outcomes are listed below.

- Recovered \$16.4 million in back pay for 12,016 victims of discrimination and negotiated 766 job opportunities, the third highest year on record in recent times. There were 864,356 workers in the facilities that OFCCP reviewed.
- Ninety percent of completed construction compliance evaluations were associated with large mega construction projects.
- Received 1,418 complaints and completed processing 68 percent more this year than in FY 2017.

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- Published 9 directives – the most in the history of the agency – taking the agency in a new direction of more transparency, efficiency, certainty, and contractor recognition.

OFCCP also conducted significant stakeholder outreach contractor compliance assistance through increased agency transparency. In FY 2018 OFCCP:

- Held 320 stakeholder engagement events across the country for 875 hours of engagement with contractors and other stakeholders.
- Finalized its Memorandum of Understanding (MOU) with the National Industry Liaison Group. Recognizing the value of establishing collaborative relationships with covered federal contractors, OFCCP entered into the MOU to formalize its existing relationship and to create a vehicle to exchange information, obtain feedback and receive advice from contractors.
- Expanded its digital presence increasing its subscriber base by 85 percent from FY 2017. This increase was accomplished through an increased web presence and implementing strategic outreach stakeholder campaigns.
- Designed and developed two contractor recognition programs to recognize high-performing contractors that also can serve as mentors to others; these include the EDI Award and the LEAD Award.
- Published a Town Hall Action Plan as a blue print for OFCCP's compliance assistance as well as a brochure of What Contractors Can Expect, providing all contractors a clear understanding of OFCCP and its activities.
- Directed compliance assistance to Federal contracting officers who are the first point of contact for many Federal contractors to ensuring future compliance. OFCCP updated its web page that is specifically for Federal contracting officers and published a new Pre-Award process guide.

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WORKLOAD AND PERFORMANCE SUMMARY					
		FY 2018 ⁵ Enacted		FY 2019 Enacted	FY 2020 Request
		Target	Result	Target	Target
Office of Federal Contract Compliance Programs					
Strategic Goal 2 - Promote Safe Jobs and Fair Workplaces for All Americans					
Strategic Objective OFCCP 2.5 - Promote fair and diverse workplaces for America’s federal contractor employees.					
OFCCP-03	Percent of construction evaluations completed from high-impact projects	50%	90%	80%	85%
OFCCP-08a	Percent of discrimination conciliation agreements with systemic pay discrimination findings	35%	38%	35%	40%

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

⁵ In FY 2018, OFCCP consolidated its pay priority measures into only one summary measure – “Percent of Discrimination CAs with Systemic Pay Discrimination Findings.” This measure was not in place in FY 2017.

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Workload Summary

In FY 2018, OFCCP continued the strategy of conducting fewer compliance evaluations, maximizing case quality, and prioritizing larger systemic cases with the potential for helping more workers. In FY 2018, 38 percent of discrimination conciliation agreements involved pay issues, and 90 percent of completed construction evaluations were associated with a mega construction project, 180 percent above the FY 2018 target. The target for FY 2020 is set at 85 percent.

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2018 Enacted	FY 2019 Enacted	FY 2020 Request	Diff. FY20 Request / FY19 Enacted
11.1	Full-time permanent	51,374	50,842	51,101	259
11.3	Other than full-time permanent	44	0	0	0
11.5	Other personnel compensation	628	628	628	0
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	52,046	51,470	51,729	259
12.1	Civilian personnel benefits	17,092	16,985	17,052	67
13.0	Benefits for former personnel	125	125	130	5
21.0	Travel and transportation of persons	550	1,000	1,010	10
22.0	Transportation of things	4	4	5	1
23.1	Rental payments to GSA	6,057	6,021	6,021	0
23.2	Rental payments to others	2	2	2	0
23.3	Communications, utilities, and miscellaneous charges	300	300	310	10
24.0	Printing and reproduction	35	35	40	5
25.1	Advisory and assistance services	438	725	735	10
25.2	Other services from non-Federal sources	2,339	2,080	2,090	10
25.3	Other goods and services from Federal sources 1/	14,395	16,406	16,141	-265
25.4	Operation and maintenance of facilities	157	157	157	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	9,313	7,246	7,255	9
26.0	Supplies and materials	281	442	448	6
31.0	Equipment	339	468	426	-42
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	3	10	25	15
	Total	103,476	103,476	103,576	100
	1/Other goods and services from Federal sources				
	Working Capital Fund	13,689	15,706	15,431	-275
	DHS Services	706	700	710	10

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CHANGES IN FY 2020

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$0
Personnel benefits	0
Employee health benefits	0
Moving allowance	0
One day more of pay	259
Federal Employees' Compensation Act (FECA)	67
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	0
Rental payments to others	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services from non-Federal sources	0
Working Capital Fund	-275
Other Federal sources (DHS Charges)	0
Other goods and services from Federal sources	0
Research & Development Contracts	0
Operation and maintenance of facilities	0
Operation and maintenance of equipment	0
Supplies and materials	-2
Equipment	-49
Grants, subsidies, and contributions	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$0**

Net Program **\$100**

Direct FTE **0**

	Estimate	FTE
Base	\$103,476	500
Program Increase	\$2,500	0
Program Decrease	-\$2,400	0