

**FY 2023**

**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,  
\$147,051,000.*

*Note.— A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2022 (Division A of P.L. 117-43, as amended). The amounts included for 2022 reflect the annualized level provided by the continuing resolution.*

## OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

<b>AMOUNTS AVAILABLE FOR OBLIGATION</b>						
(Dollars in Thousands)						
	<b>FY 2021 Revised Enacted</b>		<b>FY 2022 Full Year C.R.</b>		<b>FY 2023 Request</b>	
	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>
<b>A. Appropriation</b>	<b>451</b>	<b>\$105,976</b>	<b>420</b>	<b>\$105,976</b>	<b>628</b>	<b>\$147,051</b>
<i>Subtotal Appropriation</i>	<i>451</i>	<i>\$105,976</i>	<i>420</i>	<i>\$105,976</i>	<i>628</i>	<i>\$147,051</i>
<b>B. Gross Budget Authority Before Committee</b>	<b>451</b>	<b>\$105,976</b>	<b>420</b>	<b>\$105,976</b>	<b>628</b>	<b>\$147,051</b>
<b>C. Budget Authority Before Committee</b>	<b>451</b>	<b>\$105,976</b>	<b>420</b>	<b>\$105,976</b>	<b>628</b>	<b>\$147,051</b>
<b>D. Total Budgetary Resources</b>	<b>451</b>	<b>\$105,976</b>	<b>420</b>	<b>\$105,976</b>	<b>628</b>	<b>\$147,051</b>
FTE and Unobligated Balance Expiring	-29	-\$282	0	\$0	0	\$0
<b>E. Total, Estimated Obligations</b>	<b>422</b>	<b>\$105,694</b>	<b>420</b>	<b>\$105,976</b>	<b>628</b>	<b>\$147,051</b>

# OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

## SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2022 Full Year C.R.	FY 2023 Request	Net Change
<b>Budget Authority</b>			
General Funds	\$105,976	\$147,051	+\$41,075
Total	\$105,976	\$147,051	+\$41,075
<b>Full Time Equivalents</b>			
General Funds	420	628	208
Total	420	628	208

Explanation of Change	FY 2023 Change							
	FY 2022 Base		Trust Funds		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	420	\$50,569	0	\$0	0	\$4,652	0	\$4,652
Personnel benefits	0	\$0	0	\$0	0	\$0	0	\$0
Employee health benefits	0	\$18,464	0	\$0	0	\$0	0	\$0
Moving allowance	0	\$0	0	\$0	0	\$0	0	\$0
Federal Employees' Compensation Act (FECA)	0	\$239	0	\$0	0	\$61	0	\$61
Benefits for former personnel	0	\$41	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$344	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$0	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$6,243	0	\$0	0	\$0	0	\$0
Rental payments to others	0	\$0	0	\$0	0	\$0	0	\$0
Communications, utilities, and miscellaneous charges	0	\$97	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$5	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$0	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$1,551	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$15,682	0	\$0	0	\$596	0	\$596
Other Federal sources (DHS Charges)	0	\$2,640	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	\$300	0	\$0	0	\$0	0	\$0
Operation and maintenance of equipment	0	\$8,290	0	\$0	0	\$0	0	\$0
Supplies and materials	0	\$335	0	\$0	0	\$0	0	\$0
Equipment	0	\$1,101	0	\$0	0	\$0	0	\$0

# OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

FY 2023 Change

Explanation of Change	FY 2022 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Grants, subsidies, and contributions	0	\$0	0	\$0	0	\$0	0	\$0
Insurance claims and indemnities	0	\$75	0	\$0	0	\$0	0	\$0
<b>Built-Ins Subtotal</b>	<b>420</b>	<b>+\$105,976</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>+\$5,309</b>	<b>0</b>	<b>+\$5,309</b>
<b>B. Programs:</b>								
Rebuilding OFCCP's Workforce	0	\$0	0	\$0	188	\$32,566	188	\$32,566
Increasing Capacity to Develop and Resolve Systemic Discrimination	0	\$0	0	\$0	20	\$3,200	20	\$3,200
<b>Programs Subtotal</b>			<b>0</b>	<b>\$0</b>	<b>208</b>	<b>+\$35,766</b>	<b>208</b>	<b>+\$35,766</b>
<b>Total Increase</b>	<b>420</b>	<b>+\$105,976</b>	<b>0</b>	<b>\$0</b>	<b>208</b>	<b>+\$41,075</b>	<b>208</b>	<b>+\$41,075</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>Total Decrease</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>Total Change</b>	<b>420</b>	<b>+\$105,976</b>	<b>0</b>	<b>\$0</b>	<b>208</b>	<b>+\$41,075</b>	<b>208</b>	<b>+\$41,075</b>



## OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

<b>SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY</b> (Dollars in Thousands)								
	FY 2021 Revised Enacted		FY 2022 Full Year C.R.		FY 2023 Request		Diff. FY23 Request / FY22 Full Year C.R.	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>Office of Federal Contract Compliance Programs</b>	<b>422</b>	<b>105,976</b>	<b>420</b>	<b>105,976</b>	<b>628</b>	<b>147,051</b>	<b>208</b>	<b>41,075</b>
General Funds	422	105,976	420	105,976	628	147,051	208	41,075
<b>Total</b>	<b>422</b>	<b>105,976</b>	<b>420</b>	<b>105,976</b>	<b>628</b>	<b>147,051</b>	<b>208</b>	<b>41,075</b>
<b>General Funds</b>	<b>422</b>	<b>105,976</b>	<b>420</b>	<b>105,976</b>	<b>628</b>	<b>147,051</b>	<b>208</b>	<b>41,075</b>

NOTE: FY 2021 reflects actual FTE. FY 2022 reflects estimated FTE usage at the annualized level of the CR.

## OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

<b>BUDGET AUTHORITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		FY 2021 Revised Enacted	FY 2022 Full Year C.R.	FY 2023 Request	Diff. FY23 Request / FY22 Full Year C.R.
	Full-Time Equivalent				
	Full-time Permanent	451	420	628	208
	<b>Total</b>	<b>451</b>	<b>420</b>	<b>628</b>	<b>208</b>
	Average ES Salary	\$186,767	\$188,438	\$194,762	\$6,324
	Average GM/GS Grade	12	12	12	0
	Average GM/GS Salary	\$114,763	\$115,787	\$116,037	\$250
11.1	Full-time permanent	49,108	49,655	80,403	30,748
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	1,324	914	914	0
11.8	Special personal services payments	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>50,432</b>	<b>50,569</b>	<b>81,317</b>	<b>30,748</b>
12.1	Civilian personnel benefits	18,452	18,703	28,434	9,731
13.0	Benefits for former personnel	4	41	41	0
21.0	Travel and transportation of persons	286	344	344	0
22.0	Transportation of things	1	0	0	0
23.1	Rental payments to GSA	5,386	6,243	6,243	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	174	97	97	0
24.0	Printing and reproduction	21	5	5	0
25.1	Advisory and assistance services	29	0	0	0
25.2	Other services from non-Federal sources	5,475	1,551	1,551	0
25.3	Other goods and services from Federal sources 1/	17,057	18,322	18,918	596
25.4	Operation and maintenance of facilities	300	300	300	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	7,001	8,290	8,290	0
26.0	Supplies and materials	485	335	335	0
31.0	Equipment	843	1,101	1,101	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	30	75	75	0
	<b>Total</b>	<b>105,976</b>	<b>105,976</b>	<b>147,051</b>	<b>41,075</b>
	1/Other goods and services from Federal sources				
	Working Capital Fund	15,315	15,682	16,278	596
	DHS Services	1,742	2,640	2,640	0

# OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

## AUTHORIZING STATUTES

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

## OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

<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>
2013					
Base Appropriation...1/	\$106,415			\$99,685	729
2014					
Base Appropriation	\$108,467			\$104,976	683
2015					
Base Appropriation	\$107,903			\$106,476	621
2016					
Base Appropriation	\$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...2/	\$91,100		\$103,476	\$103,476	500
2020					
Base Appropriation...3/ 4/	\$103,576	\$120,000		\$105,976	472
2021					
Base Appropriation...4/	\$106,412			\$105,976	451
2022					
Base Appropriation...5/ 6/	\$140,732	\$140,732			0
2023					
Base Appropriation	\$147,051				628

1/ 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.

2/ 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.

3/ This bill was passed by the House. It was not taken up by the Senate Appropriations Subcommittee or full Appropriations Committee.

4/ FTE for FY 2020 and FY 2021 reflect the Shared Services Realignment.

5/ This bill was passed by the House. It was not taken up by the Senate Appropriations Subcommittee or the full Senate Appropriations Committee.

6/ The full-year FY 2022 appropriation was not enacted at the time the budget was prepared.

# OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

## OVERVIEW

The Department of Labor’s (DOL) Office of Federal Contract Compliance Programs (OFCCP) protects workers, promotes diversity and enforces the law. OFCCP enforces the affirmative action and equal employment opportunity obligations required of employers that do business with the federal government. The agency focuses on identifying patterns of systemic discrimination in employer personnel practices, including hiring, promotion and compensation, when it conducts compliance evaluations of contractors’ affirmative action programs. Workplace equity is at the core of OFCCP’s mission, and that mission aligns with DOL’s Strategic Goal 2 to “Promote Safe Jobs and Fair Workplaces for All Americans.” More specifically, OFCCP’s work in FY 2023 contributes to Strategic Objective 2.5 to “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).<sup>1</sup> Collectively, these laws, as amended, make it unlawful 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, and may not retaliate against applicants or employees for engaging in protected activities. These laws also require that federal contractors provide equal employment opportunity through affirmative action.

As our country recovers from the pandemic and makes major investments in our economy and infrastructure, OFCCP has a once in a generation opportunity to assist employers in building a more equitable and inclusive economy where all communities have the opportunity to contribute their talents. Currently, approximately 25,000 covered federal contractors with 120,000 establishments employ approximately 20% of the American workforce. Given the government’s historic infrastructure investments, many more businesses will become federal contractors and subcontractors on federal direct and federally assisted construction contracts, as well as supply and service contracts. OFCCP will have substantially increased enforcement responsibility over this growing number of contractors to ensure an equitable and inclusive recovery. With the FY 2023 funding request, OFCCP will be able to strengthen its enforcement of civil rights protections and affirmative action requirements and empower workers from all communities to access opportunities created by the federal investments in our nation’s recovery.

OFCCP has identified the following priorities for FY 2023 in alignment with the President’s Management Agenda and the Secretary’s vision to empower workers and advance equity by

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<sup>1</sup> 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.

## OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

promoting the development of modern, inclusive workforces providing access to good jobs and opportunities for advancement, both in the private sector and within OFCCP:

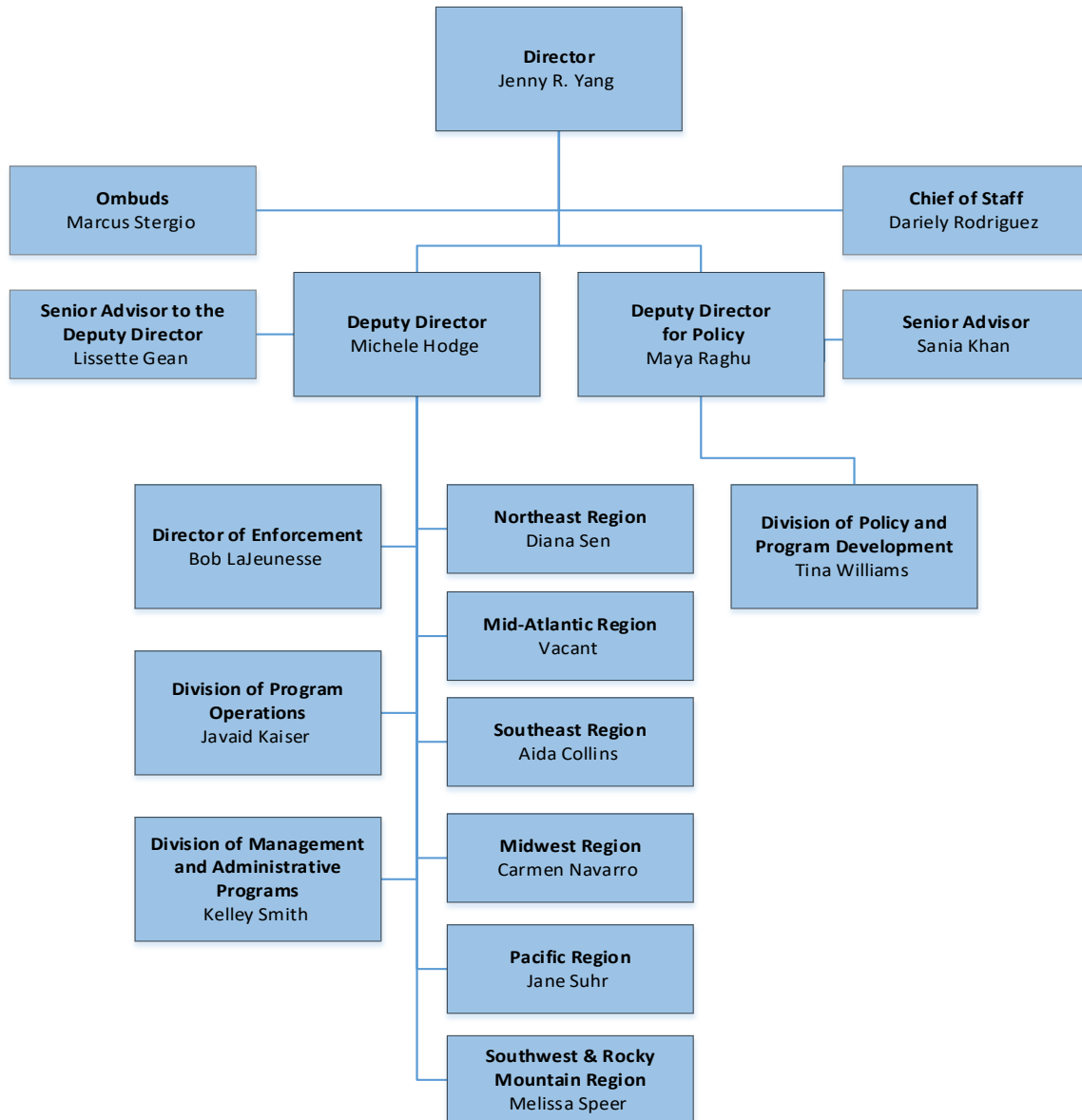
- Build a more effective contractor compliance evaluation process for greater strategic impact to redress systemic employment discrimination and promote equal employment opportunity.
- Empower workers by developing strong partnerships with workers' rights organizations to better identify potential systemic issues in contractor workplaces.
- Promote proactive action by employers to monitor and address barriers to equal opportunity, changing employer and industry practices that can prevent discrimination and promote access to good jobs for all workers.

The President's 2023 budget of \$147,051,000 and 628 FTE will enable OFCCP to increase its capacity to: 1) support OFCCP's additional enforcement responsibility over the growing number of contractors receiving investments from the Bipartisan Infrastructure Law (BIL); 2) strengthen its investigation and resolution of systemic discrimination cases, and 3) engage in effective cross-regional nationwide collaboration.

# OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

## ORGANIZATION CHART

The OFCCP is comprised of a national office headquartered in Washington, D.C. with three divisions and an Office of Enforcement. In addition, OFCCP has 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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<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2021 Revised Enacted</b>	<b>FY 2022 Full Year C.R.</b>	<b>FY 2023 Request</b>	<b>Diff. FY23 Request / FY22 Full Year C.R.</b>
<b>Activity Appropriation</b>	<b>105,976</b>	<b>105,976</b>	<b>147,051</b>	<b>41,075</b>
FTE	422	420	628	208

NOTE: FY 2021 reflects actual FTE. Authorized FTE for FY 2021 was 451. FY 2022 reflects estimated FTE usage at the annualized level of the CR.

### **Introduction**

On November 15, 2021, President Biden signed the \$1 trillion Bipartisan Infrastructure Law (BIL). As the agency responsible for overseeing federal contractors’ compliance with equal employment opportunity (EEO) and affirmative action obligations, OFCCP has a critical role to play to ensure this Administration delivers on its promise that the jobs created under its infrastructure package be open and accessible to all workers.

Given the government’s significant investments in the economy and infrastructure, many more businesses will become federal contractors and subcontractors. The President’s FY 2023 funding request will provide OFCCP with additional resources to support the substantially increased enforcement responsibility over this growing number of contractors and to provide assistance to federal agencies to promote equal opportunity in their procurement and grantmaking processes. As the BIL funding rolls out, in FY 2023 OFCCP will increase its capacity to provide compliance assistance related to large infrastructure projects. In order to support equitable contractor recruitment and hiring practices in the construction trades, OFCCP will provide enhanced compliance assistance through the agency’s Mega Construction Projects Program to a selected group of BIL-funded infrastructure projects. OFCCP’s past efforts demonstrate that a proactive, intensive strategy focused on increasing equal employment opportunity can be highly effective. From the earliest stage of each mega construction project, OFCCP offers contractors and subcontractors extensive compliance assistance, conducts compliance evaluations, and helps to build partnerships between the public and private sectors; relevant federal, state and local government agencies; the project funding agency; prime contractor; subcontractors; unions; apprenticeship and pre-apprenticeship programs; and community stakeholders. OFCCP identifies potential mega construction projects as direct federal and federally assisted construction projects estimated at a certain threshold that are expected to last a year or more in duration. OFCCP will also strengthen its work to link workers who have been historically underrepresented to good jobs in construction and other growth industries. In addition, OFCCP will develop the technology data to better enable OFCCP to measure our contractors’ progress in ensuring an equitable recovery. This funding support will increase OFCCP’s impact in expanding equal opportunity for workers across the country.

Additionally, OFCCP will have new enforcement responsibilities if Congress enacts a pending proposal to amend the Fair Chance Act. The Fair Chance Act prohibits contractors from

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inquiring about an applicant’s criminal history early in the application process in certain cases. The General Services Administration and Department of Defense support the amendment’s transfer of their enforcement authority to OFCCP, and OFCCP will need to increase its capacity to enforce the law through its compliance evaluations and develop an amended complaint process, related regulations, and educational resources for federal contractors.

### Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2018	\$103,476	514
2019	\$103,476	500
2020	\$105,976	472
2021	\$105,976	451
2022	\$0	0

NOTE: A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared.

### FY 2023

The FY 2023 OFCCP funding request is \$147,051,000 and 628 FTE. This includes a program increase in the amount of \$35,766,000 and 208 FTE dedicated to increasing the agency’s capacity to support OFCCP’s additional enforcement responsibility over the growing number of contractors receiving investments from the Bipartisan Infrastructure Law (BIL), strengthen its development and resolution of systemic discrimination cases, and engage in effective cross-regional nationwide collaboration.

### *Achieving greater strategic impact by strengthening enforcement and increasing coordination*

In FY 2023, OFCCP will increase its capacity to strengthen its investigation and resolution of systemic discrimination cases by hiring and training highly skilled and specialized employees, including team leads, investigators, data scientists, statisticians, labor economists and industrial psychologists. Contractors’ workforce structures and employment selection and pay systems are rapidly evolving, becoming more sophisticated and complex. In addition, the pandemic accelerated changes to workplace structures, including the increased reliance on remote work.

OFCCP will work to align its traditional review of single “establishments” with the evolving reality of the workplace, including taking a more enterprise-wide approach where appropriate to evaluate contractors’ employment practices, including compensation. By hiring employees with relevant statistical, analytical, enforcement, and technical expertise, OFCCP will be better equipped to lead and support a more coordinated and cross-regional nationwide approach to identifying and investigating systemic discrimination in contractor workplaces. OFCCP will also enhance its database production, software expertise and research capabilities to support stronger coordinated enforcement.

In FY 2023, OFCCP intends to make major enhancements to its Compliance Management System (CMS) to enhance and streamline enforcement, and assist workers. These include creating a procedure so that multiple establishments of the same company under compliance

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reviews may be grouped together in a single conciliation agreement. OFCCP also will create an interface among three critical OFCCP systems: CMS; the Contractor Portal, for certifying contractors' compliance with Affirmative Action Program (AAP) requirements; and the Notification of Construction Award Portal (NCAP), allowing federal procurement officers, States, and construction contractors and subcontractors to electronically notify OFCCP of construction awards valued at \$10,000 or more. As indicated in its regulatory agenda, OFCCP will also undertake efforts to modernize its compliance program for federal supply and service contractors and subcontractors through proposed regulatory actions that are aligned with today's workplace realities.

### ***Increase Internal Training Programs***

In FY 2023, OFCCP will increase investments in internal training programs to ensure its employees are well equipped to investigate complex systemic discrimination cases and complaints. Training will focus on strengthening compliance officers' skills in developing anecdotal evidence and identifying potential discrimination, including on the basis of disability, LGBTQ status or veteran's status. OFCCP will continue in FY 2023 to develop new courses that support its curriculum for new compliance officer training, in addition to developing topical training courses that implement new policy and regulatory initiatives and that provide opportunities for compliance officers to develop specialized investigative skills.

### ***Promoting Workplace Equity***

The FY 2023 funding request will support OFCCP in growing agency capacity to expand stakeholder outreach activities and materials that serve underrepresented workers, including workers of color, LGBTQ+ workers, women, and workers with disabilities. By doing so, OFCCP will strengthen its ability to identify key issues for investigation as well as areas where greater employer education and assistance is needed.

Through its joint initiative with the U.S. Equal Employment Opportunity Commission (EEOC), the Hiring Initiative to Reimagine Equity (HIRE), OFCCP will continue to convene key stakeholders working to remove barriers to opportunity and develop promising practice resources to examine and promote organizational policy and practices that expand opportunity in recruitment and hiring. HIRE will continue to engage a broad array of stakeholders to expand access to good jobs for workers from underrepresented communities and help address key hiring and recruiting challenges.

Advancing pay equity will continue to be an OFCCP enforcement and compliance assistance priority.

### ***Construction Enforcement***

OFCCP's compliance program for federal construction contractors and subcontractors and federally assisted construction contractors and subcontractors will continue to be critical to ensure equal employment opportunities and pay equity for good jobs in the construction industry. The Bipartisan Infrastructure Law (BIL) represents a further critical opportunity for OFCCP to

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make a significant impact, as these investments increase the number of companies with new or larger direct or federally assisted construction contracts and the number of new jobs in construction.

OFCCP will continue to work with agencies granting BIL funds to develop a pool of construction projects that OFCCP may designate as Mega Construction Projects (MCP). The MCP Program fosters diversity in the construction trades workforce of federal contractors and subcontractors working on large federal construction projects. Through the program, OFCCP concentrates its limited resources on construction projects that have the most potential for making a positive economic difference in a community. OFCCP can have immediate impacts on contractor and subcontractor recruitment and hiring practices and can help build robust pipelines of applicants for workers from historically underrepresented backgrounds in the construction trades. OFCCP offers contractors and subcontractors extensive compliance assistance, conducts compliance evaluations, and helps to build partnerships between the public and private sectors; relevant federal, state and local government agencies; the project funding agency; prime contractor; subcontractors; unions; apprenticeship and pre-apprenticeship programs; and community stakeholders.

### **FY 2022**

OFCCP's FY 2022 annualized CR funding level is \$105,976,000 and 420 FTE.

#### ***Promoting Workplace Equal Opportunity***

In FY 2022, OFCCP took additional steps to advance equal employment opportunity. OFCCP administers the provisions under Executive Order 11246 governing the exemption from nondiscrimination requirements available to federal contractors and subcontractors that identify as religious entities. In November 2021, the agency published a regulatory proposal to return to OFCCP's previous practice of analyzing religious exemption claims on a case-by-case basis, consistent with Title VII precedent and other applicable law. The proposal would protect workers from discrimination while safeguarding religious freedom for the companies that employ them.

In January 2022, OFCCP and the EEOC joined together to launch an initiative focused on reimagining hiring and recruitment practices in ways that advance equal employment opportunity and help provide access to good jobs for workers. HIRE is a multi-year collaborative effort that will engage a broad array of stakeholders to expand access to good jobs for workers from underrepresented communities and help address key hiring and recruiting challenges. In FY 2022, HIRE hosted various convenings to examine and promote organizational policy and practices that expand opportunity in hiring.

#### ***Rebuilding and Retaining OFCCP's Workforce***

In FY 2022, OFCCP began rebuilding its staffing levels to support the agency in advancing its mission through enforcement, outreach and education, stakeholder engagement, and compliance assistance while emphasizing efficiency, productivity, and accountability throughout the organization. Specifically, OFCCP filled mission critical positions, including compliance officer,

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assistant district director, district director, regulatory analyst, policy specialist, and program analyst. In addition, OFCCP developed an Onboarding Employee Engagement Plan for new employees to introduce them to DOL, OFCCP and its mission. OFCCP also launched an annual OFCCP Service Excellence Awards Program to recognize and celebrate the accomplishments of OFCCP employees.

### ***Investing in OFCCP's Workforce Through Training***

In FY 2022, OFCCP developed an in-depth training program for new compliance officers. The interactive training program will be updated on an annual basis and offered more regularly, utilizing a blend of self-paced and live instruction. OFCCP also made trainings with other agencies available to its staff.

### ***Technology Modernization***

In FY 2022, OFCCP continued to prioritize and expedite the modernization of its technology to automate agency processes and promote greater employer compliance while maximizing the efficiency of agency staff. This included completing new modules and enhancements in OFCCP's Compliance Management System (CMS). These updates enabled field staff to collaborate across the country, facilitated remote supervision, and allowed the agency to more strategically deploy resources by tracking data and identifying patterns at a national level. OFCCP completed and deployed two large extensive modules for the processing of construction compliance evaluations and investigation of worker complaints.

In FY 2022 OFCCP also completed the development of and launched the NCAP, allowing federal procurement officers, States, and construction contractors and subcontractors to electronically notify OFCCP of constructions awards valued at \$10,000 or more. This effort centralizes the notification process in the national office and increases field efficiencies by relieving staff from having to manage contract award notifications. NCAP helps ensure that OFCCP has a comprehensive list of covered contractors and subcontractors for its enforcement efforts.

### ***Strengthening Strategic Enforcement***

OFCCP announced in its regulatory agenda and published a proposal to modify a 2020 rule, "Nondiscrimination Obligations of Federal Contractors and Subcontractors: Procedures to Resolve Potential Employment Discrimination." This proposal would modify certain provisions set forth in the 2020 final rule (85 FR 71553) and make other related changes to the pre-enforcement notice and conciliation process. The proposal will promote effective enforcement through OFCCP's regulatory procedures.

As announced in its regulatory agenda, OFCCP began developing a rulemaking proposal to update and modernize its supply and service regulations to streamline its process and strengthen the agency's enforcement. The agency also published a Federal Register Notice regarding the reauthorization of its information collection related to the Functional Affirmative Action Program (FAAP). Supply and service contractors subject to affirmative action program (AAP)

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requirements may request an FAAP agreement, which permits the development and use of AAPs based on functional or business units.

A 2016 GAO audit recommended that OFCCP strengthen its supply and service scheduling list methodology to focus compliance efforts on contractors with the greatest risk of violations. In FY 2022, OFCCP developed the methodology for a new supply and service contractor scheduling list, reflecting contractors with greater risk factors for noncompliance with equal opportunity and affirmative action requirements, to be responsive to this recommendation.

### *Reinvigorating Construction Enforcement*

In FY 2022, OFCCP further reinvigorated its compliance program for federal construction contractors and subcontractors and federally assisted construction contractors and subcontractors. This effort has been instrumental for the Department to ensure equal employment opportunities for good jobs in the construction industry. OFCCP developed comprehensive guidance and training for OFCCP staff and stakeholders and scheduled several hundred construction compliance reviews based on a list released in September 2021. OFCCP's new construction review process allows the agency to first examine data and project information to determine whether potential compliance issues exist, and then use its resources strategically during on-site reviews, focusing on indicators of potential systemic discrimination and other potential problem areas. OFCCP also launched an outreach and education campaign to advance equity in construction contractor workplaces and to educate workers of their rights under the mandates enforced by OFCCP, including a series of listening sessions with key stakeholder groups representing different interests in the construction industry to inform future agency decision-making.

OFCCP also launched a stronger Mega Construction Project (MCP) Program to foster diversity in the construction trades workforce for federal contractors and subcontractors working on large federal construction projects. In the past, the MCP Program focused on projects valued at \$25 million or more and lasting more than one year. Through the program, OFCCP focuses on construction projects that have the most potential for making a positive economic difference in a community. OFCCP can have immediate impacts on contractor and subcontractor recruitment and hiring practices and can help build robust pipelines of applicants for workers from historically underrepresented backgrounds in the construction trades. OFCCP offers contractors and subcontractors extensive compliance assistance, conducts compliance evaluations, and helps to build partnerships between the public and private sectors; relevant federal, state and local government agencies; the project funding agency; prime contractor; subcontractors; unions; apprenticeship and pre-apprenticeship programs; and community stakeholders.

### *Increasing Contractor Accountability*

A GAO audit in 2016 concluded that close to 85 percent of evaluated contractor establishments did not submit their AAPs within 30 days of OFCCP's request during compliance evaluations, undermining the agency's effectiveness. GAO observed that OFCCP's significant reliance on voluntary compliance by federal contractors cannot ensure that contractors are complying with requirements like developing and maintaining an AAP, which undermines the agency's ability to

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accomplish its mission and objectives. GAO recommended OFCCP develop a mechanism to monitor AAPs from covered federal contractors on a regular basis. OFCCP developed an online portal, the Affirmative Action Program -- Verification Initiative (AAP-VI) or “Contractor Portal” -- for contractors to self-certify electronically that they have completed their Affirmative Action Programs (AAP) for all of their establishments. In FY 2022, OFCCP made the portal available for contractors to register their companies and designate users to modify company information. As of March 31, established users of companies could begin to provide AAP certifications. OFCCP created a landing page that provided written guidance, instructional videos, and frequently asked questions to assist contractors and subcontractors to register and provide certification. OFCCP also established a help desk to assist portal users.

### **FY 2021**

OFCCP’s FY 2021 revised enacted funding level is \$105,976,000 and 451 FTE.

#### ***Recoveries for Workers***

OFCCP recovered nearly \$32 million for over 23,000 workers in FY 2021, including over 900 job opportunities for workers. Additionally, through monitoring, the agency recovered over \$5.4 million in salary adjustments for nearly 1,300 workers.

#### ***Construction Program Revitalization***

As part of a comprehensive effort to reinvigorate OFCCP’s Construction Program, OFCCP developed a scheduling letter to be used for construction compliance reviews authorized by the Office of Management and Budget in July 2021. The authorization enabled OFCCP to collect payroll data and other records for review prior to an onsite evaluation to determine whether there are potential indicators of discrimination or other violations of OFCCP’s laws. Having this information to conduct a desk audit prior to the on-site phase of a construction review has made OFCCP’s construction reviews more efficient.

OFCCP’s regulations require that contracting officers, applicants, contractors and subcontractors provide written notice to OFCCP within 10 working days of the award of a construction contract or subcontract in excess of \$10,000 (41 CFR 60-4.2). OFCCP continued the development of the Notification of Construction Contract Award Portal (NCAP) to provide these entities with a secure, electronic means to submit to OFCCP the required notices of awards.

#### ***Expanding Stakeholder Outreach***

In FY 2021, OFCCP conducted 736 compliance assistance events. In addition, OFCCP prioritized broader stakeholder engagement in FY 2021 to ensure that the agency provides useful, effective and consistent compliance assistance to *all* of its stakeholders, including workers, advocates and the contractor community. Throughout the fiscal year, OFCCP engaged numerous stakeholders including, civil rights groups, organizations that advocate for individuals with disability, diversity training practitioners, employer organizations, and tradeswomen organizations. OFCCP also actively engaged with the White House, Department of Justice, the

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Equal Employment Opportunity Commission (EEOC), Office of Personnel Management, Department of Health and Human Services, and collaborated outreach with the Office of Disability Employment Policy, the Women's Bureau, and the Veterans' Employment and Training Service. In addition, OFCCP hosted multiple meet and greet sessions with advocacy and worker rights groups to broaden its stakeholder engagement and educate workers about their employment rights and OFCCP's laws and services.

### ***Authorization of Contractor AAP Certification and Submission Portal***

In part to implement a GAO recommendation, OFCCP received authorization from the Office of Management and Budget to implement a verification process to ensure that 100% of federal contractors known to OFCCP develop and maintain Affirmative Action Programs (AAPs). Under the authorization, contractors will annually certify that they maintain a current AAP and, if scheduled for a compliance evaluation, will submit their AAP using an online portal. This information collection enabled the agency to launch and implement the online portal. In FY 2021, OFCCP completed the development of the portal and bolstered the interface's security. In collaboration with OCIO, the agency created 508-compliant user guides, how-to videos, and other accessible interface guidance and instructional material for portal users. The portal's launch was held pending approval from the Office of Management and Budget.

### ***OFCCP Employee Learning Portal***

In FY 2021, OFCCP launched an online learning management system for agency employees. The OFCCP Learning Portal is a way for the agency to train its employees in a blended learning environment with live sessions and self-paced online educational opportunities to receive continuing education units. The training portal strengthens the agency's enforcement program and helps bring consistency to the implementation of OFCCP policies and programs.

### ***Pay Data Collection***

OFCCP is continuously exploring methods to advance pay equity. This a vital issue and a priority of OFCCP's enforcement and compliance efforts. In FY 2021, OFCCP published a Federal Register Notice reversing the previous administration's policy decision not to accept compensation information from the EEOC's pay data collection authorized by OMB. OFCCP wished to assess the utility of the data collected by EEOC for OFCCP enforcement efforts.



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<b>WORKLOAD AND PERFORMANCE SUMMARY</b>					
		<b>FY 2021 Revised Enacted</b>		<b>FY 2022 Full Year C.R.</b>	<b>FY 2023 Request</b>
		<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>
<b>Office of Federal Contract Compliance Programs</b>					
<b>Strategic Goal 2 - Ensure Safe Jobs, Essential Protections, and Fair Workplaces</b>					
<b>Strategic Objective 2.2 - Protect workers' rights.</b>					
OFCCP-01	Median Days to Process S&S Cases Without Discrimination Violations	250	232	250	250
OFCCP-10	Median Days to Process Desk Audits	40	39	40	40
OFCCP-02	Median Days to Process S&S Cases with Discrimination Violations, Prior to Enforcement Referral	730	1,150	950	950
OFCCP-03	Median Days to Process Construction Cases Without Discrimination Violations	--	--	[base]	TBD
OFCCP-04	Median Days to Process Construction Cases with Discrimination Violations, Prior to Enforcement Referral	--	--	[base]	TBD
OFCCP-05	Percent of Complaints Processed Within Standard Timeframe	90%	83%	88%	88%
OFCCP-07	Percent of Cases Without Major Deficiencies	95%	85%	95%	95%
OFCCP-08	Percent of Cases Without Technical Deficiencies	90%	74%	90%	90%
OFCCP-09	Percent of Aged Cases Open	15%	9%	15%	15%

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

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## **Workload and Performance**

In FY 2021, OFCCP continued to respond effectively to the operational challenges of working remotely. OFCCP closed 1,236 compliance evaluations, 39 of which had discrimination findings. OFCCP also investigated 114 complaints, four of which confirmed discrimination. The conciliation agreements recovered \$26,445,764 in financial remedies for 21,971 affected class members and 912 job opportunities for victims of hiring discrimination. In addition, OFCCP recovered \$5,414,199 in additional salary adjustments for 1,296 class members through monitoring prior year conciliation agreements. All of these efforts resulted in total monetary settlement of \$31,859,963 for 23,267 affected class members.

Performance highlights included completing desk audits in under 40 days, an aged case rate below 15 percent, and processing S&S cases without discrimination violations in under 250 days. OFCCP processed S&S cases with discrimination violations, prior to referring for enforcement, in about 1,150 days. OFCCP did not hit their target of 730 days due to the number of complex cases which required more time to close.

Finally, OFCCP responded to 4,765 total inquiries, comprised of 3,477 calls and 1,288 written questions in FY 2021. OFCCP published on its website answers to frequently asked questions and launched landing webpages dedicated to specific issues, such as the employment of Native and Indian American workers.

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<b>BUDGET ACTIVITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2021 Revised Enacted</b>	<b>FY 2022 Full Year C.R.</b>	<b>FY 2023 Request</b>	<b>Diff. FY23 Request / FY22 Full Year C.R.</b>
11.1	Full-time permanent	49,108	49,655	80,403	30,748
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	1,324	914	914	0
11.8	Special personal services payments	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>50,432</b>	<b>50,569</b>	<b>81,317</b>	<b>30,748</b>
12.1	Civilian personnel benefits	18,452	18,703	28,434	9,731
13.0	Benefits for former personnel	4	41	41	0
21.0	Travel and transportation of persons	286	344	344	0
22.0	Transportation of things	1	0	0	0
23.1	Rental payments to GSA	5,386	6,243	6,243	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	174	97	97	0
24.0	Printing and reproduction	21	5	5	0
25.1	Advisory and assistance services	29	0	0	0
25.2	Other services from non-Federal sources	5,475	1,551	1,551	0
25.3	Other goods and services from Federal sources 1/	17,057	18,322	18,918	596
25.4	Operation and maintenance of facilities	300	300	300	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	7,001	8,290	8,290	0
26.0	Supplies and materials	485	335	335	0
31.0	Equipment	843	1,101	1,101	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	30	75	75	0
	<b>Total</b>	<b>105,976</b>	<b>105,976</b>	<b>147,051</b>	<b>41,075</b>
	1/Other goods and services from Federal sources				
	Working Capital Fund	15,315	15,682	16,278	596
	DHS Services	1,742	2,640	2,640	0

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## CHANGES IN FY 2023

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments	\$4,652
Personnel benefits	0
Employee health benefits	0
Moving allowance	0
Federal Employees' Compensation Act (FECA)	61
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	596
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	0
Equipment	0
Grants, subsidies, and contributions	0
Insurance claims and indemnities	0

**Built-Ins Subtotal** **\$5,309**

**Net Program** **\$35,766**

**Direct FTE** **208**

	Estimate	FTE
<b>Base</b>	<b>\$111,285</b>	<b>420</b>
<b>Program Increase</b>	<b>\$35,766</b>	<b>208</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>